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FEDERAL HOME LOAN BANK

REVIEW

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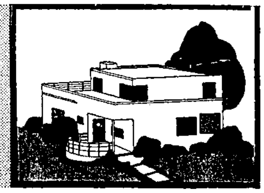
REGULAR FEATURES

TABLES

THE HOME FRONT



Million-dollar banks increasing

Smaller banks are moving rapidly into the higher brackets, the first 1944 edition of the Rand McNally Bankers Directory, the *Blue Book*, shows. New York, Boston, Detroit, Chicago, Los Angeles and San Francisco now have billion-dollar banks.

On June 30, 1939, there were 2,871 banks with total resources under $250,000. On December 30, 1943, there were 440 in this group—one-seventh as many. During this period, the number of banks in a higher classification (resources of $25,000,000 and over) increased from 384 to 607.

In 1939 there were 9,434 banks with less than $1,000,000 in resources, and 5,811 with over $1,000,000. In 1943, the situation was almost exactly the reverse. There were 5,243 banks with less than a million dollars, and 9,511 with more. The total resources of all banks have increased $54,814,309,000 in the last 5 years. Bank deposits are the highest in history—over $118,000,000,000—almost twice what they were 5 years ago.

Increased FHA authorization

On June 30, Public Law 392 of the 78th Congress was approved, increasing the Federal Housing Administration's war housing mortgage insurance authorization from $1,600,000,000 to $1,700,000,000. This additional authorization of $100,000,000 is expected to be sufficient to accommodate the balance of the privately financed war-housing program for essential in-migrant war workers.

The Act also includes special provisions permitting the insurance of refinancing loans under Title VI after July 1, 1945, or the expiration of the emergency, in those cases where the original loan was insured under the war-housing amendments to the National Housing Act. The amount of the refinancing loan under this section is restricted to the face amount of the original mortgage and must not be extended for a period longer than the unexpired term of the loan refinanced. The purpose of this provision is to simplify lending for the post-war improvement of privately financed war housing, and also to facilitate the marketing of these properties.

The Federal Housing Administration reports that in recent months more than 92 percent of war housing has been insured under Title VI.

The life insurance dollar in 1943

Income of life insurance companies during 1943 was derived principally from premiums paid by policyholders, which accounted for 75 percent of the total, while interest earned on investments amounted to 22.3 percent and miscellaneous receipts constituted 2.7 percent, according to data published in the *Savings Bank Journal* for July 1944.

About 42.4 percent of the income dollar of these companies was paid to policyholders and beneficiaries and 37.4 percent was added to policy reserves. Operating expenses accounted for 13 percent of income, taxes took 2 percent and dividends to stockholders amounted to 0.6 percent. The balance of 4.6 percent of income was applied to special reserves and surplus funds.

State aid to replanners

New York State, first to initiate state-aided housing, has now added another "first" to its list. The State Division of Housing, inaugurating its Community Development Service, has announced that it is ready to give any town or city help with its replanning problem.

State Housing Commissioner Ira S. Robbins says that " . . . There are no easy answers or cures to the highly technical problems of housing, urban redevelopment, community planning." He added that the state has a big stake in post-war planning and a responsibility to aid wherever it can. However, local autonomy must be the basis for the planning.

Program for lumber industry

In order to alleviate the critical supply situation in the lumber and timber basic products industry, the War Production Board has established "over-all control of lumber effective August 1, 1944, through an allocation system governing the procedures by which sawmills, distributors, and all consumers may receive and/or deliver lumber." This program will carry out WPB requirements for allotting lumber to claimant agencies and WPB industry divisions for the third quarter of 1944. A total of 9.2 billion board feet, equal to the estimated supply for the third quarter, has been allotted. Under the plan, major industrial consumers will receive 5.2 billion board feet, while 1.6 billion feet have been reserved for direct military and export requirements.

Total output during the first quarter of this year was almost 3 percent higher than in the same period of 1943. However, on the basis of the production rate during the first quarter of this year—34 billion board feet—the output will not reach the 35.5 billion feet estimated by WPB as this year's need. In addition, the present greatly depleted stock on hand includes types of lumber which cannot be used to fill essential demands.

In spite of the fact that last May, logging and lumber activities were added to the Production Urgency List (for labor referrals) the employment situation in the industry is still critical. In the first quarter of this year it averaged about 477,000, approximately 53,000 below the average for the same quarter last year. Further depletions in the labor force will result from the movement of seasonal agricultural workers back to farms and from higher draft quotas. The War Manpower Commission instituted special programs in all major producing states in an effort to bring additional workers into the industry. Laborers from British Honduras, about 3,500 Canadian woods workers and prisoners of war are being used.

REAL ESTATE TAX PROBLEMS AND PROPOSED REFORMS

Savings and loan associations, by the nature of their business, are concerned with problems of real property taxation. This article is intended to provide an impartial analysis of the present tax situation and of the various arguments both for and against the proposed reforms.

■ TAXATION, according to the proverbial statement, is one of the two certainties of life, but the inescapable nature of taxes in itself has deterred people neither from seeking an equitable distribution of public expenses nor from regulating their magnitude. However, because the day-to-day volume of public costs can often be accommodated by the use of public credit, and because revenue potentials have considerable elasticity within the limitations of specific taxing systems, methods of taxation frequently are out of step with changing circumstances. As a result, maladjustments appear and tend to expand until their cumulative effects demand some remedy. Excise taxes, tariffs, income taxes and other levies have been and are continuing to be subjects of intensive study and hot debate, but the general property tax as applied in this country is considered by many as the classic example of an obsolete taxing system, and proposals for its replacement or revision are widespread and vociferous. The importance of this movement lies in certain intrinsic features of the tax itself and in the effect that it can have upon property ownership.

The significance of property taxes to savings and loan associations needs little explanation. That excessive levies can depress property values and thereby endanger the margin of safety behind outoutstanding loans; that they may hamper new home construction, thus cutting off investment outlets; and that they may jeopardize both the economic and civic growth of a community are facts demonstrated by painful experience. Although it is obvious that blame for specific ills cannot often be laid exclusively at the doorstep of taxation, it is equally apparent that in many instances burdensome levies do represent contributing factors of significant weight.

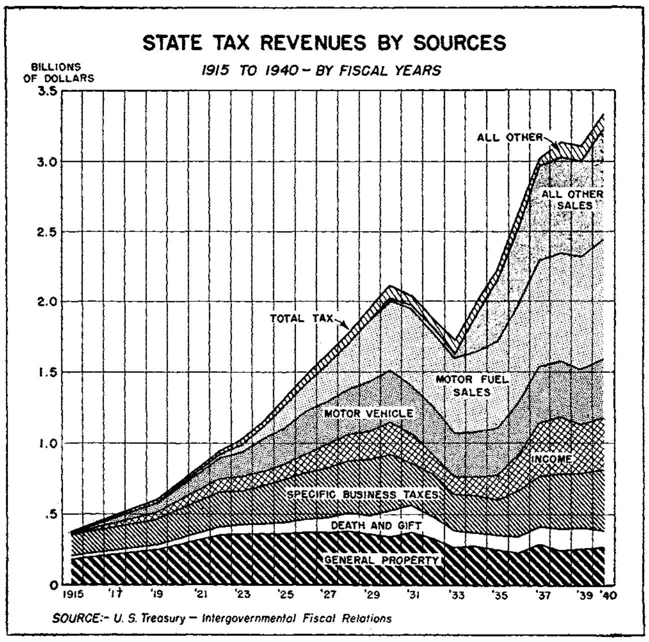
The General Property Tax

The general property tax, which is levied by State and local governments, is actually not one but several taxes ordinarily grouped under that heading, inasmuch as they are levied upon an assessed value of property, real and personal, tangible and intangible. The overwhelming proportion of the tax, however, is levied upon real estate, and for this reason virtually all remedial plans concern themselves with real property taxes.

Just how important is this tax, not only to local governments but to state governments? Since relief may come from a reduction in the total levy, a redistribution of the tax among the populace and/or a broadening of the tax base by the introduction of new levies, the choice of a remedy for complaints is involved in the answer to this question.

Total state revenues (excluding unemployment compensation taxes) rose steadily between 1915 and 1929, declined somewhat during the depression years through the middle of 1933, and resumed their increase at a more rapid rate during the first part of 1937. State collections then leveled off until the beginning of the war in Europe when they again began to ascend.

During this time, however, state revenues from general and selective property taxes remained com-



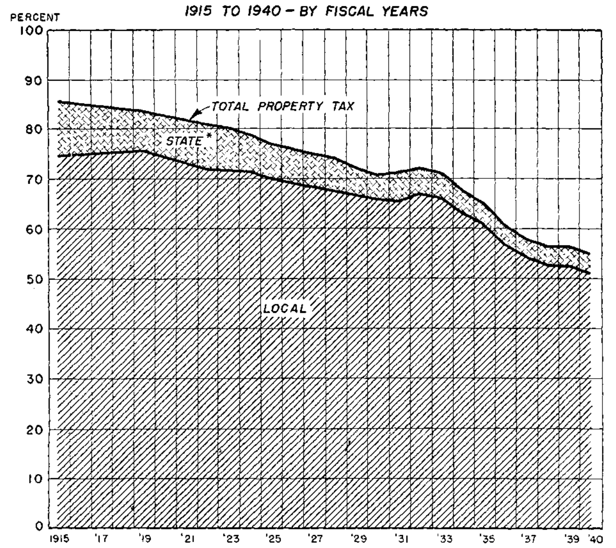
paratively stable, the increase in total collections of all kinds being accounted for principally by the introduction and expansion of the motor vehicle tax and the motor fuel sales and other sales taxes. Thus, property taxes declined in proportionate importance from 50.5 percent of total state revenues in 1915 to 7.9 percent by 1940, while the dollar volume of collections from this source amounted to about $264,700,000 in the latter year as compared with $185,900,000 in the former. Correspondingly, deficiencies in collections on the property tax at the state level could be compensated for to a larger extent in the more recent years by adjustments in other levies.

The local taxing entity, on the other hand, as distinguished from state governments, presents a different picture. The general property tax, which is one of the oldest levies, continues to provide the most important source of revenue for the local government, which because of its small jurisdiction has been unable to take as great an advantage of the more newly developed levies as have the states. The heavy dependence of local governments upon general property taxes is reflected in the almost insignificant proportionate decline of collections from these sources from an estimated 95.2 percent of total local revenues in 1915 to 91.0 percent in 1940.

These observations are further highlighted by the fact that local taxes from 1930 to 1940 have represented from 30 to 56 percent of all tax collections,

STATE AND LOCAL PROPERTY TAXES AS A PERCENTAGE OF TOTAL STATE AND LOCAL TAX COLLECTIONS

1915 TO 1940 – BY FISCAL YEARS



* Exclusive of unemployment compensation taxes and inclusive of local shares

SOURCE:- U. S. Treasury – Intergovernmental Fiscal Relations

Federal, state, and local. Obviously, wartime increases in Federal taxes since 1940 have depressed the proportion represented by local levies. Nevertheless, they still represent an important part of the total.

Thus, from its relation to total non-Federal revenues, particularly its dominance as a source of local funds, it would seem that any relief or readjustment of the property tax would have to come principally by way of a redistribution of the property tax burden over a broader segment of the population, by the curtailment of exemptions, and possibly by the introduction of new local taxes.

Prominence of Real Estate Taxes

Since the general property tax in many instances includes assessments on personal and other property in addition to real estate, what proportion of total assessments was represented by that amount levied on real estate? According to the property taxation studies conducted by the Bureau of the Census, the burden borne by real estate is equivalent to about three-fourths of the combined total assessed by State and local taxing jurisdictions for the general property levy. Drs. Hansen and Perloff in their recent study of State and local finance observe that "about one-third to one-half of all real-property taxes are imposed on residential real estate." [1]

"Real estate, exclusive of that taxed as part of the 'mixed property,' was called upon to pay only one-half of all property taxes levied for State purposes for 1940, although this type of property comprised three-fourths of the total value of property taxed by the States. Property tax levies for the 44 State governments levying such taxes for 1940, the latest year for which data are available, totaled $255.1 million, of which $128.5 million, or 50.4 percent, was levied on real property. For those 44 States, the assessed valuation totaled $94.8 billion, of which $69.6 billion, or 73.4 percent, was that of real property. Those figures indicate the relatively moderate dependence by State governments on real property, as compared with that on personal and mixed property as a source of revenue." [2]

"The analysis of the data for cities over 100,000 population disclosed a result far different from that of the State figures. The analysis of valuations and property tax levies in the 92 cities in that census

[1] Alvin H. Hansen and Harvey S. Perloff, "State and Local Finance in the National Economy," 1944.

[2] "Property Taxation 1941," U. S. Department of Commerce, Bureau of the Census, September, 1942.

group involved more complex data, of course, than that of the State figures because of the fact that upon the valuations assessed within the cities levies are made, in most instances, not only by the city corporation but also by the state and by one or more independent, overlapping local units of government. For city corporations only, real property represented 85.1 percent of the total assessed valuation, while 86.5 percent of all property taxes levied in 1940 were imposed on real estate. Of a total tax levy for city corporation purposes of $1,375.6 million, real property was levied upon for $1,190.6 million; and of a total assessed valuation of $55.6 billion, $47.3 billion represented realty." [1]

Thus, it may be observed that local governments, whose taxes vie with Federal revenues in importance, rely heavily upon real property as an assessment base. The possibilities of their being able to lighten this load would seem remote, particularly in view of the stringent financial condition in which many municipal governments were placed prior to the war. Although municipal finances have shown considerable improvement during the war, this condition is probably due in large part to an accumulation of deferred maintenance charges and not only to improved economic conditions. If this is the case, the present situation is most likely a transitory one.

Furthermore, "narrow jurisdiction of the municipality makes it essential to depend on a relatively immobile tax base for the major part of local revenues, and this points to the continuance of the largest part of the tax burden on real estate. But there are important possibilities of redistributing this burden among individual owners of real estate and their tenants." [2]

Opposition to Ad Valorem Levy

It is generally accepted that oppressive tax burdens may contribute to the destruction of real-estate values and, in this way, to the spread of neighborhood blight. It is also recognized that they may effectively stifle home ownership, endanger home debt and deter new home construction. In fact, a severe real-estate levy may inadvertently discourage the attraction of new business and outside capital to a community, oppress local enterprise and prevent healthy internal expansion. When such conditions exist delinquencies naturally mount.

[1] "Property Taxation 1941," U. S. Department of Commerce, Bureau of the Census, September 1942.

[2] Senate Document No. 69, 78th Congress, 1st Session, "Federal, State and Local Government Fiscal Relations."

Tax collections in the United States for selected years, 1915–1941

[Dollar amounts are shown in millions]

Year	Tax collections [1]						
	Amount				Percentage distribution		
	Total	Federal [2]	State [3]	Local	Federal	State	Local
1915	$2,311	$625	$368	$1,318	27.1	15.9	57.0
1919	7,023	4,034	594	2,395	57.4	8.5	34.1
1922	7,657	3,553	947	3,157	46.4	12.4	41.2
1925	8,082	2,966	1,305	3,811	36.7	16.1	47.2
1928	9,591	3,194	1,756	4,641	33.3	18.3	48.4
1930	10,594	3,468	2,108	5,018	32.7	19.9	47.4
1931	9,564	2,717	2,042	4,805	28.4	21.4	50.2
1932	8,307	1,788	1,862	4,657	21.5	22.4	56.1
1933	7,719	1,785	1,724	4,210	23.1	22.3	54.6
1934	9,029	2,890	1,979	4,160	32.0	21.9	46.1
1935	10,061	3,545	2,217	4,299	35.2	22.1	42.7
1936	10,776	3,845	2,641	4,290	35.7	24.5	39.8
1937	12,834	5,028	3,436	4,370	39.2	26.8	34.0
1938	14,125	5,934	3,847	4,344	42.0	27.2	30.8
1939	13,620	5,412	3,908	4,300	39.7	28.7	31.6
1940	14,118	5,566	4,187	4,365	39.4	29.7	30.9
1941	17,884	7,671	4,961	5,252	42.9	27.7	29.4

Source: Senate Document No. 69, 78th Congress, 1st Session, "Federal, State and Local Government Fiscal Relations."

[1] Including payroll taxes.
[2] Less refunds.
[3] Including local shares.

Therefore it is to the common interest of local governments and individual citizens to assure an equitable distribution of local public costs in such manner as will neither impede local private development nor prove impractical from a tax collection standpoint.

Two general systems for levying real-property taxes have been developed: (1) the occupancy tax which is employed in England, France and many other countries and is based upon the value of property actually in use, and (2) the ad valorem levy, based upon the capitalized value of the property, which is the prevailing system in both Canada and the United States. Under the less complicated economies of the past, both of these systems proved equally practical. However, opponents of the ad valorem method advance the argument that under conditions as they exist today this system of taxation is inadequate to provide the necessary revenue without placing an undue burden on property owners with no regard for their actual ability to pay. "The widely prevailing notion that the general property tax, except for new exemptions and limitations, is a crystallized institution and fixed for all time should be exploded." [1]

Opponents of the ad valorem levy on real estate advance three major objections to the principle of this tax: The first of these is that the base is too

[1] Senate Document No. 69, 78th Congress, 1st Session, "Federal, State and Local Fiscal Relations."

narrow. In other words, the tax rests upon a limited number of parcels, thus making an increase in revenues from this source obtainable only by enlarging the payments of property holders, or by eliminating certain exemptions.

Second, as the burden is on ownership, except as it is passed on to tenants in rents, the ad valorem levy leaves many non-property holders in communities comparatively free from bearing the burden of local expenses. By this measure, it acts as a penalty on home owners and curbs additional home purchase.

Third, the tax is regressive in that it falls the heaviest on those property holders who are the least able to pay. It has often been the practice to freeze assessments in the older areas inhabited by the lower income groups and to encourage new building for higher income brackets by low assessments in outlying districts. Improved assessments rather than exemptions would perhaps be the best solution to remedy regressivity within the limitations of the ad valorem system. The problem of regressivity, however, would seem to present grave difficulties under any tax placed upon real estate, be it ad valorem or occupancy, for among the lower income groups the proportion of income which must be allotted to meet housing costs is larger than is usually found in the higher brackets.

In its recent report, the Treasury Committee on Federal, State and Local Government Fiscal Relations concluded that any reshaping of local revenue systems should provide for the tapping of new sources which would enable localities to tax their own resources without overlapping Federal and state taxes, and thus free themselves from continued dependence upon central governments for aid. Such a general overhauling of the systems, it was said, should take into consideration an extension of the base coverage to include all or a vast majority of the interested citizenry without regressive effects. To accomplish this extremely difficult assignment it was suggested that the property tax be broken down into its component parts. The Committee advanced the idea that the uniform application of present property taxes to all owners on the basis of holdings be abandoned and that the entire structure be recast along one or a combination of lines. For example, a collection from landlords in compensation for local benefits to property could be taken, while another levy on occupants based on the rental value of the property could be employed as either a replacement or a supplement to the real property tax. Thus, while an ad valorem levy might continue, a general broadening of the tax base through a supplementation by the introduction of an occupancy tax might allow readjustments in excessive ad valorem assessments without any embarrassment to the local fiscal authorities.

The Proposed Occupancy Tax

Proponents of the occupancy levy submit four general advantages of this system over the ad valorem method: (1) it is based on current income rather than on a flat projection of future earning value, and would, therefore, spread the burden over real-estate parcels in a different manner than is provided by a tax upon capitalized values; (2) unused properties would be exempt from the occupancy levy, except as it might be modified to avert land speculation; (3) by expanding the tax base, local revenues would be more widely drawn from residents, thus alleviating the heavy reliance upon real estate owners; and (4) through a graduation of the tax scale, allowances could be made for ability to pay, by taking into account family size and other qualifying factors. Thus, it is argued, a progressive rather than a regressive rate could be imposed.

Naturally, there are disadvantages to the occupancy tax just as there are to other types of levies. One of the most important is that greater cyclical fluctuations in revenue would probably result. This matter, offhand, would seem to be an advantage to the taxpayer although an immediate obstacle to the taxing authority involved. However, to a certain extent, this restriction to its value is not entirely convincing for it seems highly improbable that local revenues ever will be in a position to cope with major cyclical fluctuations. This would seem to be more properly a matter of Federal fiscal responsibility. Although real-property tax assessments under the ad valorem system represent a higher proportion of the total for the general property tax in times of economic stringency, the ratio of delinquencies tends to increase in such periods, reflecting a spreading inability of property owners to meet their tax obligations.

Another disadvantage or limitation of the tax on occupancy is that it would not truly represent a shifting of the burden from real estate and that the weight of such a levy would continue to fall on housing, a field in which both national and local efforts are being made to raise standards. Be this the case, this objection might be overcome, if the problem of regressivity could be solved, for this would relieve the burden on low-cost housing. Of course, in those communities with a disproportionate amount of low-cost housing and with few expectations for improvement in the distribution of households by income group, the occupancy tax may offer less in the way of a solution than it would in localities with a broader diversification of rental values and incomes. Plans to eliminate regressivity in taxes generally presuppose these diversities.

The third attack against the occupancy tax applies only to those cases in which a joint utilization of the occupancy and ad valorem levies would be made. Here it is contended that it would be necessary to have two valuations, one for each tax, and that the problem is further complicated by the application of the use tax to owner-occupied units. Also, it is obvious that periodic adjustment would be needed to maintain a reasonable relationship between the actual and assessed rental values.

Almost all of these arguments, both for and against the occupancy tax, bear only hypothetical weight, for the system has yet to be tried under conditions prevailing in this country. However, an examination of its history in Britain may yield some clues as to its advantages and shortcomings. Although the real estate situation in the two nations is not by any means comparable, nor for that matter are the taxation problems, some additional information may lie in these very differences.

British Experience

There are two types of taxes levied on property in England. Taxation by the central government is collected from the owners of lands, tenements and hereditaments on the basis of income from ownership, while that levied by local governments is collected from occupants on the basis of rental or use value. The income upon which the central government tax is based is more or less fictional, being determined by appraisals every five years. The local occupancy taxes, or rates as they are called, bear the closer resemblance to the proposed levies here under consideration.

Local rates in Britain, like the central taxes, are based upon the five-year appraisals of rental value, a figure which in many cases is determined by judgment rather than formula, and which constitutes the taxable value. With certain exceptions each occupant, whether he be owner or tenant, is liable for the payment of the rates based on those values so long as he is legally in possession of the property.

To many, this system may seem to afford an exceedingly wide margin for opinion with respect to values and it might appear that cyclical fluctuations as reflected in appraisals and occupancy would cause a lack of stability in local revenues. Both of these objections are minimized, however, by the far greater stability of real-estate values in Britain than in the United States. This difference has led some authorities to discount the feasibility of such a tax in this country.

By no means is the British tax without flaw. Occupancy in itself, its opponents argue, is no valid measure of ability to pay while it is also claimed that both ratable values per capita and rates paid vary greatly by locality. In addition, it is contended that rates are regressive and bear heavily upon the poorer groups. This is an interesting argument in view of the contention by American tax authorities that the introduction of an occupancy tax would alleviate regressive tax burdens among property owners.

In weighing these complaints against the local English rate on occupancy, it must be recalled that this system has been built up by a gradual process of accretion over many years just as have our ad valorem levies. Quite naturally, some maladjustments are bound to exist as piece-meal remedies are applied. On the other hand, if a state government in this country were to authorize a local occupancy levy, it would be possible to consider the whole problem in its broadest aspects and develop a system adapted to our present needs. The question of whether regressivity could be entirely eliminated would seem to be extremely problematical. A graduation of tax liability, however, should minimize this tendency. Naturally, any taxing system which might be devised now might well deserve a general overhauling in the future to preserve its conformity with the needs of the times.

Conclusions

British experience with occupancy rates demonstrates that, although the system in itself does not constitute a cure-all, it does provide latitude within which many communities may be able to work out the answers to their own individual problems. It would seem that these solutions must vary to conform with the potentialities of the particular taxing jurisdiction and that their successful application is not only contingent upon the proper adaptation of the taxing system selected, but likewise upon the quality of administration provided. The assurance of a progressive tax program, however, must rest in that flexibility of the basic law which will permit modifications as circumstances demand them.

MEMBER ASSOCIATIONS SHOWED FURTHER IMPROVEMENT LAST YEAR

The combined statement of condition of all savings and loan members of the Bank System on December 31, 1943, provides an opportunity to take stock of the results of last year's operations. Continued strengthening of the liquidity position and an accelerated increase in private capital stand out in the record.

■ THE second year of wartime operations of savings and loan members proved to be one of continued improvement in the strong position attained during 1942. The pattern set following our entry into the war—improved liquidity and relatively meager lending opportunities—was again apparent with only minor variations. Both total assets and private capital increased appreciably above the previous year's record peaks. Although the mortgage-loan account showed only a slight gain, this is in itself something of an accomplishment under the conditions prevailing in 1943. General reserves and undivided profits at the close of the year had advanced to almost six times the value of institutionally owned real estate.

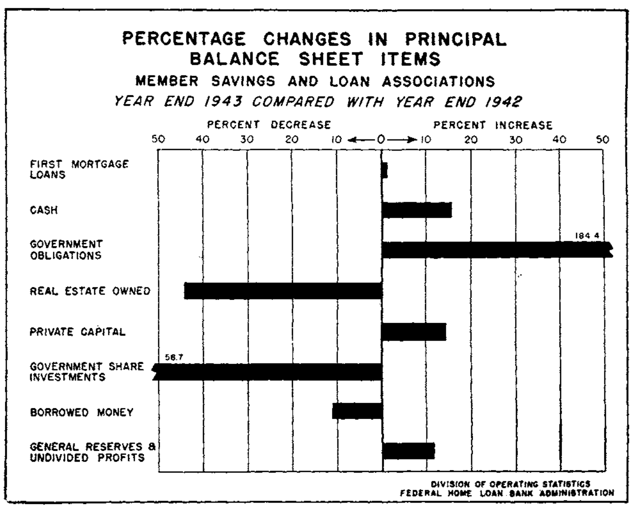
Total assets of all member savings and loan associtions exceeded $5,538,000,000 at the close of 1943 following a gain of over $513,000,000, or 10.2 percent. The dollar volume of this gain was more than twice as great as that shown in 1942 when a 4.7-percent increase raised assets above the $5 billion mark for the first time. The outstanding character of this 1943 increase is evident when it is noted that the last two pre-war gains amounted to only 9 percent of the then-smaller assets. Last year's net decline of 36 in the number of member associations, coupled with the advance in assets, resulted in increased average assets for the remaining 3,701 associations—$1,497,000 in 1943 in comparison with $1,345,000 and $1,272,000 in the two preceding years.

Liquid Assets

During the last several years savings and loan members of the Bank System have increased their liquid assets to an unprecedented peak. During 1943 further substantial gains were made above the already high level. An addition of almost $530,000,000 raised the total of combined cash and Government-bond accounts to approximately $1,126,000,000. This gain of 88.9 percent considerably exceeded the 68-percent advance registered during the first war year. These two asset items now represent 20.3 percent of aggregate resources of the reporting member associations compared with 11.9 percent in 1942 and 7.4 percent the prior year.

The composition of these liquid assets as between cash and Government obligations during last year demonstrates the participation by member associations in the Government's war-financing program. As of December 31, 1943, Government-bond holdings amounted to approximately $739,000,000 in comparison with $260,000,000 in 1942—an increase of $479,000,000. This brought the liquid assets to a volume almost three times as great as in 1942, and over nine times the 1941 amount. Cash on hand and in banks, on the other hand, increased only $51,000,000 (15.2 percent), amounting to $387,000,000 at the year-end. The Government-bond portfolio at the close of 1943 represented 13.34 percent of total assets compared with 5.17 percent in 1942; cash holdings amounted to 6.99 percent in 1943 and 6.69 percent the previous year.

The relationship of cash and Government-bond holdings to the volume of private repurchasable



capital provides another pertinent measure of the liquidity position. The combined total of these accounts in 1943 was equal to 24.0 percent of total private capital compared with only 14.5 percent the previous year and 9.4 percent in 1941.

The high level of liquidity evident among member associations was achieved at the same time that they were reducing their over-all indebtedness. While Federal Home Loan Bank advances were cut by slightly more than $23,000,000, "other borrowed money" increased approximately $7,600,000. This is one of the few instances in which a 1942 trend was reversed. That year showed a $10,000,000 decline in "other borrowed money." Funds in the amount of $99,000,000 were used during 1943 to repurchase HOLC and U. S. Treasury investments in the capital of member associations. At the end of last year, the $69,000,000 outstanding in these investments represented only 1.3 percent of total resources compared with 3.3 percent in 1942.

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

Item	1943	1942	1941	1940
	Pct.	*Pct.*	*Pct.*	*Pct.*
First mortgage loans	73.08	79.39	81.68	79.25
Real-estate owned	1.26	2.48	3.95	6.80
Real-estate contracts	2.55	3.23	3.62	3.79
Cash and U. S. Government obligations	20.33	11.86	7.38	6.53

A greatly improved liquidity position was evident in all Bank Districts during 1943. The most outstanding gain was recorded in the Winston-Salem region which showed an advance of 114.9 percent. The New York and Pittsburgh areas also more than doubled their holdings of cash and Government obligations. In both dollar volume and percentage increase, the Topeka District registered the smallest gains with an advance of slightly less than $14,000,000, or 61.5 percent. Cincinnati recorded the greatest dollar increase—$119,300,000.

Owned Real Estate

It has been customary recently to talk about the "insignificant proportions" to which the real-estate owned account has been reduced. It would seem that the vanishing point is rapidly being approached after a 44.3-percent decline during 1943 following reductions of 34 and 37 percent in the two preceding years. Institutionally owned real estate at the end of December 1943 amounted to less than $70,000,000 and represented only 1.3 percent of assets compared with 2.5 percent and 4.0 percent in 1942 and 1941.

All Bank Districts shared in the reduction of real-estate owned, decreases ranging from 56 percent in Winston-Salem to 38 percent in Chicago and Cincinnati. In Winston-Salem, where this account has long been maintained at a low level, in 1943 it amounted to only 0.2 percent of total assets. Almost half of the institutionally owned real estate is concentrated in two Bank Districts—Cincinnati and New York. The latter region was alone in showing an amount equal to as much as 2 percent of assets.

Percentage distribution of balance-sheet items for all savings and loan members of the Federal Home Loan Bank System, 1943 and 1942

Balance-sheet item	All savings and loan members		Federal		Insured State		Uninsured State	
	1943	1942	1943	1942	1943	1942	1943	1942
Number of member institutions	3,701	3,737	1,466	1,464	974	927	1,261	1,346
ASSETS	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
First mortgage loans (inc. interest and advances)	73.08	79.39	73.42	80.99	71.16	76.92	74.60	79.11
Jr. mortgage liens (inc. interest and advances)	0.03	0.04	0.02	0.02	0.03	0.05	0.05	0.06
Other loans (inc. share loans)	0.23	0.34	0.15	0.18	0.23	0.36	0.38	0.59
Real estate sold on contract	2.55	3.23	2.00	2.52	3.30	4.34	2.76	3.34
Real estate owned	1.26	2.48	0.82	1.61	1.40	2.74	1.93	3.68
Federal Home Loan Bank stock	1.01	0.99	1.08	1.07	0.99	0.96	0.91	0.90
U. S. Government obligations	13.34	5.17	14.34	5.19	13.29	5.61	11.48	4.71
Other investments (inc. accrued interest)	0.45	0.46	0.13	0.17	0.84	0.79	0.63	0.61
Cash on hand and in banks	6.99	6.69	7.02	7.09	7.67	6.95	6.16	5.78
Office building (net)	0.85	0.94	0.82	0.91	0.88	1.02	0.85	0.92
Furniture, fixtures, and equipment (net)	0.09	0.12	0.11	0.15	0.10	0.13	0.06	0.06
Other assests	0.12	0.15	0.09	0.10	0.11	0.13	0.19	0.24
Total assets	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
LIABILITIES AND CAPITAL								
U. S. Government investment (shares and deposits)	1.25	3.34	2.08	5.93	0.96	2.36	------	0.01
Private repurchasable shares	77.83	74.55	86.39	82.07	66.82	64.17	73.95	72.11
Mortgage pledged shares	2.02	2.50	0.17	0.25	1.15	1.53	6.55	7.16
Deposits and investment certificates	6.83	6.98	0.00	0.01	17.42	17.28	7.89	8.57
Advances from Federal Home Loan Banks	1.95	2.61	2.84	3.65	1.66	2.39	0.57	1.10
Other borrowed money	0.34	0.23	0.46	0.20	0.22	0.23	0.26	0.29
Loans in process	0.68	0.59	0.83	0.69	0.86	0.69	0.19	0.32
Other liabilities	0.38	0.43	0.36	0.45	0.48	0.54	0.31	0.30
Advance payments by borrowers	0.47	0.45	0.48	0.47	0.52	0.51	0.40	0.35
Permanent reserve or guaranty stock	0.46	0.51	------	------	1.38	1.64	0.30	0.28
Deferred credits to future operations	0.23	0.30	0.20	0.26	0.23	0.35	0.27	0.31
Specific reserves	0.14	0.17	0.14	0.18	0.14	0.16	0.12	0.15
General reserves	4.94	4.91	3.76	3.65	5.82	5.74	6.20	6.20
Bonus on shares	0.02	0.01	0.02	0.02	0.01	0.01	0.01	0.00
Undivided profits	2.46	2.42	2.27	2.17	2.33	2.40	2.98	2.85
Total liabilities and capital	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

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Combined statement of condition for all savings and loan members

NOTE: Percentage figures show the ratio

Balance sheet item	Combined	Boston	New York	Pittsburgh	Winston-Salem
Number of members	3,701	219	356	470	405
ASSETS					
First mortgage loans (including interest and advances)	$4,047,692,903 73.08%	$488,839,528 77.99%	$418,273,441 72.95%	$261,323,008 79.14%	$516,696,598 80.06%
Junior mortgage liens (including interest and advances)	1,645,491 0.03%	7,286 0.00%	180,207 0.03%	1,043,495 0.32%	43,615 0.01%
Other loans (including share loans)	12,617,102 0.23%	2,584,383 0.41%	1,556,831 0.27%	1,108,284 0.34%	1,522,172 0.24%
Real estate sold on contract	141,422,364 2.55%	435,335 0.07%	11,125,738 1.94%	5,320,529 1.61%	2,368,241 0.37%
Real estate owned	69,511,545 1.26%	7,633,818 1.22%	15,651,671 2.73%	5,306,844 1.61%	949,730 0.15%
Federal Home Loan Bank Stock	56,023,845 1.01%	5,227,965 0.83%	6,059,500 1.06%	3,554,000 1.07%	5,858,000 0.90%
U.S. Government obligations	738,647,972 13.34%	83,557,341 13.33%	65,576,211 11.44%	26,970,260 8.17%	76,453,597 11.85%
Other investments (including accrued interest)	25,069,917 0.45%	3,157,387 0.50%	7,130,167 1.24%	233,245 0.07%	981,922 0.15%
Cash on hand and in banks	387,228,608 6.99%	29,538,269 4.71%	41,526,923 7.24%	22,747,402 6.89%	35,452,877 5.49%
Office building (net)	46,850,532 0.85%	3,472,989 0.56%	4,621,325 0.81%	1,847,975 0.56%	4,232,516 0.65%
Furniture, fixtures, and equipment (net)	5,215,832 0.09%	371,642 0.06%	903,597 0.16%	377,625 0.11%	454,819 0.07%
Other assets	6,673,821 0.12%	1,971,604 0.32%	733,665 0.13%	372,752 0.11%	405,987 0.06%
Total assets	$5,538,599,932 100.00%	$626,797,547 100.00%	$573,339,276 100.00%	$330,205,419 100.00%	$645,420,074 100.00%
LIABILITIES AND CAPITAL					
U. S. Government investment (shares and deposits)	$ 69,325,700 1.25%	$ 2,052,200 0.33%	$ 16,645,300 2.90%	$ 1,354,300 0.41%	$ 4,658,850 0.72%
Private repurchasable shares	4,310,547,548 77.83%	521,287,259 83.17%	473,956,688 82.67%	269,141,442 81.51%	558,286,428 86.50%
Mortgage-pledged shares	112,056,662 2.02%	41,938,661 6.69%	16,001,249 2.79%	16,585,395 5.02%	14,328,787 2.22%
Deposits and investment certificates	378,554,972 6.83%	- -	- -	- -	- -
Advances from Federal Home Loan Banks	107,869,471 1.95%	8,872,710 1.41%	16,770,055 2.92%	11,118,529 3.37%	7,251,601 1.12%
Other borrowed money	19,148,012 0.34%	3,242,921 0.52%	1,849,923 0.32%	756,366 0.23%	5,158,162 0.80%
Loans in process	37,508,478 0.68%	1,867,936 0.30%	1,515,244 0.27%	1,356,378 0.41%	3,028,405 0.47%
Advance payments by borrowers	26,082,132 0.47%	3,307,833 0.53%	2,380,484 0.42%	2,074,403 0.63%	2,036,658 0.32%
Other liabilities	21,200,180 0.38%	1,824,273 0.29%	1,277,670 0.22%	1,477,562 0.45%	2,246,335 0.35%
Permanent reserve or guaranty stock	25,508,970 0.46%	- -	- -	- -	6,996 0.00%
Deferred credits to future operations	12,513,147 0.23%	92,146 0.01%	1,014,875 0.18%	365,042 0.11%	939,045 0.15%
Specific reserves	7,479,609 0.14%	369,663 0.06%	999,719 0.17%	870,412 0.26%	872,506 0.13%
General reserves	273,591,211 4.94%	24,534,456 3.91%	25,078,768 4.38%	20,540,955 6.22%	28,691,759 4.45%
Bonus on shares	877,122 0.02%	98,067 0.02%	347,047 0.06%	22,160 0.01%	24,068 0.00%
Undivided profits	136,336,718 2.46%	17,309,422 2.76%	15,502,254 2.70%	4,542,475 1.37%	17,890,474 2.77%
Total liabilities and capital	$5,538,599,932 100.00%	$626,797,547 100.00%	$573,339,276 100.00%	$330,205,419 100.00%	$645,420,074 100.00%

of the Federal Home Loan Bank System, December 31, 1943

of the items listed to total assets.

Cincinnati	Indianapolis	Chicago	Des Moines	Little Rock	Topeka	Portland	Los Angeles
563	220	454	240	271	210	128	165
$717,706,997	$225,567,906	$375,531,130	$218,599,257	$211,673,067	$146,325,807	$137,699,159	$329,457,005
68.01%	61.07%	71.19%	73.94%	79.79%	72.67%	60.92%	78.00%
121,759	56,624	14,817	10,925	35,338	1,463	16,945	113,017
0.01%	0.02%	0.00%	0.00%	0.02%	0.00%	0.01%	0.03%
742,842	438,679	2,109,031	614,922	722,728	314,525	424,558	478,147
0.07%	0.12%	0.40%	0.21%	0.27%	0.16%	0.19%	0.11%
17,656,363	34,202,602	32,777,711	6,806,559	2,238,138	9,771,278	14,540,871	4,178,999
1.67%	9.26%	6.21%	2.30%	0.84%	4.85%	6.43%	0.99%
15,719,755	2,801,517	9,470,272	3,023,415	1,954,779	3,230,932	830,012	2,938,800
1.49%	0.76%	1.80%	1.02%	0.74%	1.61%	0.37%	0.70%
9,481,700	6,066,400	5,914,400	3,868,500	2,446,500	1,956,000	1,666,780	3,924,100
0.90%	1.64%	1.12%	1.31%	0.92%	0.97%	0.74%	0.93%
183,214,454	64,579,662	53,478,142	39,744,753	25,849,163	24,445,663	47,864,430	46,914.296
17.36%	17.48%	10.14%	13.44%	9.74%	12.14%	21.18%	11.11%
5,329,509	607,172	1,570,658	829,954	2,178,294	589,785	1,840,659	621,165
0.51%	0.16%	0.30%	0.28%	0.82%	0.29%	0.81%	0.15%
89,493,661	29,358,323	42,696,540	20,646,584	16,237,907	11,607,266	18,681,769	29,241,087
8.48%	7.95%	8.09%	6.99%	6.12%	5.77%	8.26%	6.92%
14,434,369	4,817,298	2,514,667	1,126,011	1,477,289	2,746,954	2,088,755	3,470,384
1.37%	1.31%	0.48%	0.38%	0.56%	1.36%	0.92%	0.82%
805,835	385,997	588,162	228,491	225,112	205,513	230,990	438,049
0.08%	0.10%	0.11%	0.08%	0.09%	0.10%	0.10%	0.10%
552,687	482,992	859,756	144,564	239,465	157,373	146,969	606,007
0.05%	0.13%	0.16%	0.05%	0.09%	0.08%	0.07%	0.14%
$1,055,259,931	$369,365,172	$527,525,286	$295,643,935	$265,277,780	$201,352,559	$226,031,897	$422,381,056
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
$ 8,769,550	$ 3,637,900	$ 7,077,700	$ 2,922,600	$ 2,526,100	$ 3,073,900	$ 6,821,200	$ 9,786,100
0.83%	0.98%	1.34%	0.99%	0.95%	1.53%	3.02%	2.32%
662,356,384	317,894,005	439,632,956	261,340,051	223,727,589	170,993,010	197,244,721	214,687,015
62.77%	86.07%	83.34%	88.40%	84.34%	84.92%	87.26%	50.83%
7,201,493	1,148,690	7,331,797	2,640,956	1,478,529	1,996,380	451,994	952,731
0.68%	0.31%	1.39%	0.89%	0.56%	0.99%	0.20%	0.22%
249,022,746	-	-	-	-	-	7,059	129,525,167
23.60%	-	-	-	-	-	0.00%	30.66%
9,430,839	10,302,592	13,088,784	7,757,782	3,858,137	2,333,607	1,710,764	15,374,071
0.89%	2.79%	2.48%	2.62%	1.45%	1.16%	0.76%	3.64%
1,294,461	1,034,000	992,420	1,455,000	420,000	328,312	1,149,570	1,466,877
0.12%	0.28%	0.19%	0.49%	0.16%	0.16%	0.51%	0.35%
4,960,453	1,680,919	5,802,971	1,431,181	2,604,909	1,500,142	2,840,621	8,919,319
0.47%	0.46%	1.10%	0.48%	0.98%	0.74%	1.26%	2.11%
3,529,827	1,191,048	5,593,501	719,101	1,951,902	1,427,291	959,382	910,702
0.34%	0.32%	1.06%	0.24%	0.74%	0.71%	0.42%	0.22%
3,569,791	1,001,538	3,469,072	1,033,304	2,561,632	992,702	450,326	1,295,975
0.34%	0.27%	0.66%	0.35%	0.96%	0.49%	0.20%	0.31%
15,315,253	60,000	-	19,000	503,200	715,728	1,107,291	7,781,402
1.45%	0.02%	-	0.01%	0.19%	0.36%	0.49%	1.84%
3,547,154	2,157,376	1,974,463	447,688	194,944	475,087	502,646	802,681
0.34%	0.58%	0.37%	0.15%	0.07%	0.24%	0.22%	0.19%
682,216	856,507	757,075	259,634	420,943	353,746	263,584	773,604
0.06%	0.23%	0.14%	0.09%	0.16%	0.18%	0.12%	0.18%
54,438,253	17,751,980	33,525,773	11,495,216	18,617,722	12,499,584	8,417,881	17,998,864
5.16%	4.81%	6.36%	3.89%	7.02%	6.21%	3.72%	4.26%
7,785	178,645	65,798	48,923	43,671	21,917	13,938	5,103
0.00%	0.05%	0.01%	0.02%	0.02%	0.01%	0.01%	0.00%
31,133,726	10,469,972	8,212,976	4,073,399	6,368,502	4,641,153	4,090,920	12,101,445
2.95%	2.83%	1.56%	1.38%	2.40%	2.30%	1.81%	2.87%
$1,055,259,931	$369,365,172	$527,525,286	$295,643,935	$265,277,780	$201,352,559	$226,031,897	$422,381,056
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

For the second consecutive year, real-estate contracts declined during 1943. The 12.9-percent reduction last year brought this asset item down to $141,000,000, approximately twice the book value of real-estate owned.

Mortgage-Loan Accounts

The chief casualty of wartime operation has been the mortgage-loan account which again experienced the smallest percentage increase of any principal asset item. During 1943, first mortgage loans outstanding advanced only $58,000,000, or 1.5 percent, to a total of $4,048,000,000. This increase, while only fractionally less than the 1942 gain, compares unfavorably with the pre-war advances of 12 percent each in 1941 and 1940. The 10-percent asset increase together with this small advance in mortgage-loan accounts brought the ratio of mortgages to assets down to 73.1 percent compared with 79.4 and 81.7 percent in the two preceding years.

The largest percentage increase in mortgage-loan accounts (8.2) was recorded in the Los Angeles Bank District, with Pittsburgh (6.3) second. New York and Chicago were the only other regions to show as much as a 3-percent improvement, while three areas—Winston-Salem, Cincinnati and Little Rock—registered small declines.

Net additions to the loan balance in 1943 were slightly less than those recorded in 1942. Last year, although the volume of loans made by all member associations exceeded $1,050,000,000, rapid repayment of the mortgage debt and loan refinancing resulted in a net gain in the loan balance equal to only 7 percent of the dollar amount of the loans made. In 1942 the corresponding figure was 8.5 percent. This is in marked contrast to the pre-war years of 1941 and 1940 when one-third and two-fifths, respectively, of the new mortgages appeared as net additions to outstanding loans.

Share Accounts

The influx of private capital into member associations continued at an unparalleled rate during 1943. A net of over $592,000,000 in private repurchasable shares, deposits, and investment certificates was added to these accounts bringing them to a total of $4,689,000,000. This 14.4-percent increase was well in excess of the gains of 9.3 and 11 percent, respectively, registered in 1942 and 1941. Total private capital of all member associations now represents 84.7 percent of aggregate resources compared with 81.5 and 78.1 percent in the two preceding years.

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

Item	1943	1942	1941	1940
	Pct.	*Pct.*	*Pct.*	*Pct.*
Private repurchasable capital	77.83	74.55	71.20	69.57
Government share investments	1.25	3.34	4.08	5.00
Pledged shares	2.02	2.50	2.73	3.31
FHLB advances and other borrowed money	2.29	2.84	4.99	4.92
General reserves and undivided profits	7.40	7.28	6.84	6.89

Increased investments of private capital were characteristic of all Bank Districts, the gains ranging from 6.0 percent in Little Rock to 24.8 in Portland. Member associations each held an average of approximately $1,267,000, a gain of almost $171,000 over the average of the previous year.

These large investments of private capital coupled with heavy repurchases of Government-owned shares resulted in a substantial change in the ratio of these two types of funds. At the close of 1943, over $67 of private money was held for every $1 of Government capital compared with ratios of 24 to 1 in 1942 and 19 to 1 the prior year.

Mortgage-pledged shares declined 10.8 percent from $125,682,427 to $112,056,662 and now account for 2.02 percent of gross assets.

Borrowed Money

The downward trend in FHL Bank advances that has continued throughout the war more than offset the 1943 increase in "other borrowed money". As a result, the combined total of these two accounts showed a drop of $16,000,000, or 11.0 percent. The total of $127,000,000 represented only 2.3 percent of aggregate resources in 1943.

Other Liability Items

The extremely high rate of advance payments made by borrowers in 1942 was reduced somewhat last year. An increase of over $3,600,000 in this account was registered in 1943—a gain of 16.2 percent in contrast to the 27.4-percent rise in the previous year. The total accumulation of funds for this purpose now amounts to more than $26,000,000.

The 1942 decline in the loans-in-process account was reversed in 1943 when the balance increased by $7,900,000, or 26.9 percent, and stood at $37,500,000 at the year-end. This is in contrast to a 56-percent decline in 1942.

Reserves and Undivided Profits

The reserve position of member associations continued to improve in 1943. The general reserve and undivided profits accounts showed an increase of slightly over $41,500,000 which is a larger dollar gain than that recorded in the previous year but a little less percentagewise—11.3 compared with 12.5 percent in 1942. These two accounts now total just under $410,000,000 and make up 7.4 percent of aggregate resources. This reserve-to-asset ratio is only fractionally better than the 1942 relationship but still represents the greatest proportion held in these accounts of all member associations for a number of years.

These protective accounts now represent an amount almost six times as large as the property on the books of the member associations. Last year reserves and surplus of $5.90 existed for each book-value dollar of real estate owned. In 1942 the ratio was $2.95.

Amendment to Rules and Regulations

FHLBA
Bulletin No. 36

AMENDMENT TO RULES AND REGULATIONS FOR FEDERAL SAVINGS AND LOAN SYSTEM REPEALING THE PROVISION REGARDING CONVERSIONS INTO STATE-CHARTERED INSTITUTIONS. (Approved and effective July 22, 1944.)

On July 22 an amendment was adopted repealing Section 204.3 of the Rules and Regulations for the Federal Savings and Loan System which was originally placed in the Regulations as a means of implementing then-pending legislation to authorize the direct conversion of Federal savings and loan associations to State charter. The legislation to validate it has not been passed and the section is therefore of no force or effect.

The above amendment is deemed to be of an emergency character and became effective on July 22 when it was filed with the *Federal Register*.

To the Members of the Bank System:

The membership of the Federal Home Loan Bank System cannot obtain proper credit for its efforts in the Government bond drive unless you report your sales and purchases regularly each month.

Please forward your monthly report of sales and purchases of Government bonds and war stamps to your District Bank promptly.

War Bond Sales

■ The Treasury Department has announced that the Fifth War Loan yielded an unprecedented total of $20,639,000,000—the corporate quota of $10,000,000,000 being exceeded by $4,309,000,000 and the goal of $6,000,000,000 for individuals being oversubscribed by $330,000,000. In the five war loan drives conducted by the Treasury an aggregate quota of $67,000,000,000 has been established, while sales during these drives have reached a cumulative total of $87,700,000,000, bringing gross oversubscriptions to $20,700,000,000, or more than 29 percent greater than the goal established for the Fifth War Loan. As previously announced, no June *Honor Roll* is published, since savings and loan activities during the entire Drive will be included in the next report which will appear in the September issue.

Those readers who have consistently followed the monthly announcements of purchases and sales of these securities by savings and loan associations may have already observed a certain downward trend in the volume of this business by savings and loans during the intervals between drives. As we begin another "interval," it seems appropriate to call attention to this tendency in order that associations, being forewarned, may also be forearmed.

For illustration of this trend, an examination of the record between the ending of the Fourth War Loan in February 1944, and the beginning of the Fifth War Loan in June shows that during April 1944 sales by savings and loan associations totaled $12,924,000, having fallen off by more than 34 percent from the March level of $19,617,000. April purchases by these institutions amounted to $16,-404,000, or over 35 percent less than the $25,312,000 reported for the first full month following the Fourth Drive. This trend continued through May, although the rate of decline slackened considerably for sales which were about 9.5 percent less than in April. Purchases, however, continued their rapid fall, amounting to about 33 percent less, probably reflecting in part deferred activity in anticipation of the Fifth War Loan.

In behalf of the war effort, savings and loan associations are urged to hold the line during the present interval between drives, and particularly to maintain their high volume of sales of bonds and stamps to individuals.

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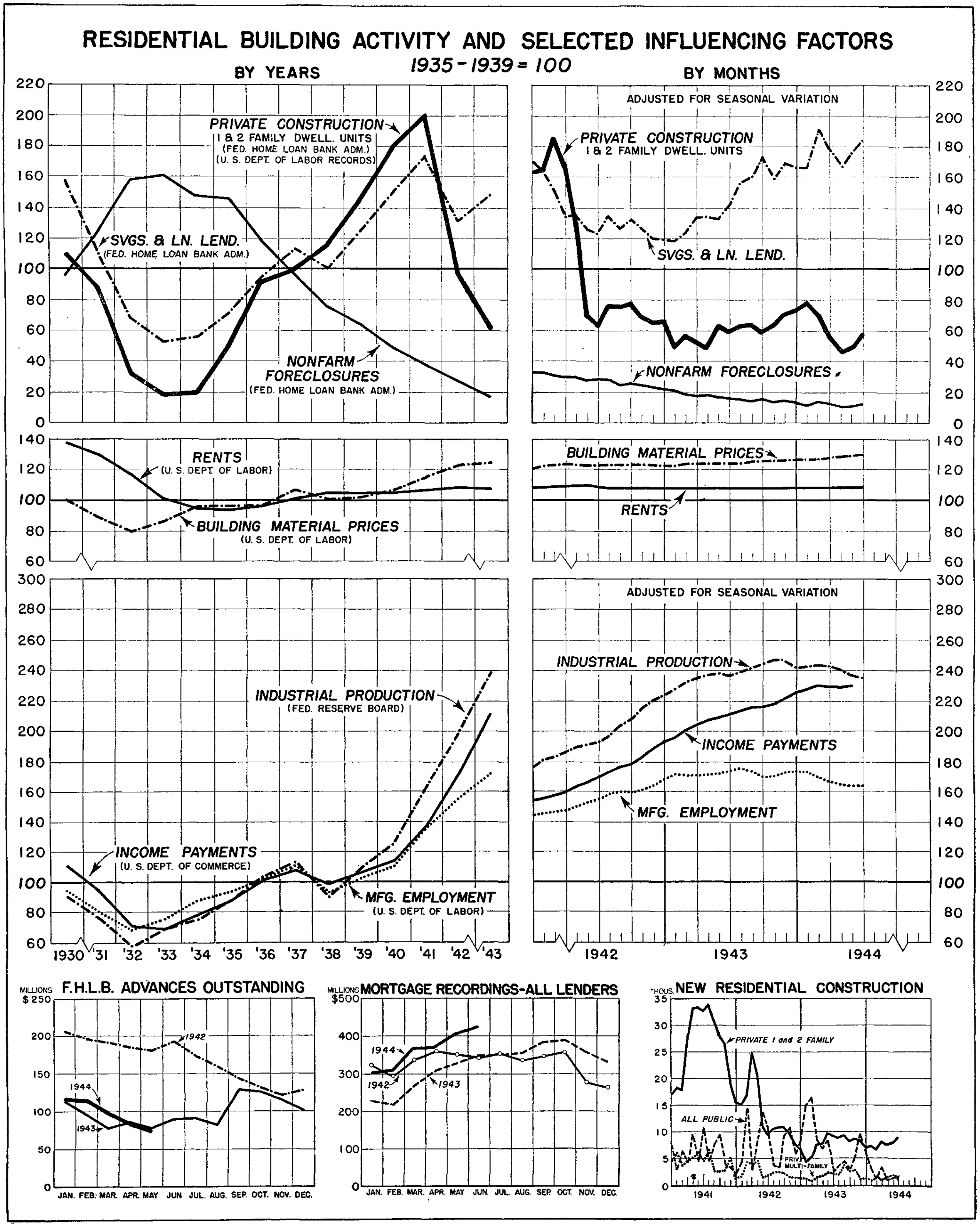


RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS
1935-1939 = 100
BY YEARS
BY MONTHS
ADJUSTED FOR SEASONAL VARIATION
PRIVATE CONSTRUCTION
1 & 2 FAMILY DWELL. UNITS
(FED. HOME LOAN BANK ADM.)
(U. S. DEPT. OF LABOR RECORDS)
SVGS. & LN. LEND.
(FED. HOME LOAN BANK ADM.)
NONFARM FORECLOSURES
(FED. HOME LOAN BANK ADM.)
RENTS
(U. S. DEPT. OF LABOR)
BUILDING MATERIAL PRICES
(U. S. DEPT. OF LABOR)
INDUSTRIAL PRODUCTION
(FED. RESERVE BOARD)
INCOME PAYMENTS
(U. S. DEPT. OF COMMERCE)
MFG. EMPLOYMENT
(U. S. DEPT. OF LABOR)
1930 '31 '32 '33 '34 '35 '36 '37 '38 '39 '40 '41 '42 '43
1942 1943 1944
F.H.L.B. ADVANCES OUTSTANDING
MILLIONS $250
1942
1943
1944
MORTGAGE RECORDINGS-ALL LENDERS
MILLIONS $500
JAN. FEB. MAR. APR. MAY JUN. JUL. AUG. SEP. OCT. NOV. DEC.
NEW RESIDENTIAL CONSTRUCTION
THOUS.
PRIVATE 1 and 2 FAMILY
ALL PUBLIC
PRIV. MULTI-FAMILY
1941 1942 1943 1944

★ ★ ★ SIX-MONTH SURVEY ★ ★ ★

HIGHLIGHTS

I. Industrial production continued through June the gradual decline evident since February 1944.

II. Residential construction in urban areas during the first half of 1944 was about 50 percent less than in the corresponding six months of 1943.

III. Recordings of nonfarm mortgages of $20,000 or less during the January-June period this year were at a level 28 percent above that for the corresponding period of 1943.

- *A. All types of mortgagees except insurance companies participated in this rise. Only slight shifts occurred in the proportionate shares of the various types of lenders.*
- *B. Recordings by savings and loan associations during June showed a monthly gain of 4 percent.*

IV. During the first half of the current year, foreclosures continued to decline, reaching a level 35 percent below that for the comparable period of 1943.

V. Mortgage-lending activity in the January-June period this year exceeded that of any comparable period.

- *A. Home-purchase loans accounted for 89 percent of the 1944 gain while refinancing loans were the only ones to show a decline.*
- *B. The volume of new loans made increased 6 percent from May to June reaching a new peak for the latter month.*

VI. On June 30, 1944, total assets of the 12 Federal Home Loan Banks showed a 9-percent increase over the same time last year.

- *A. Insured associations showed substantial growth in assets and private repurchasable capital. Similar gains were registered by Federally chartered institutions.*
- *B. Despite an increase in repurchases, the share capital in all savings and loan associations increased at a more rapid rate during the first six months of this year than in the similar period of 1943 as the repurchase ratio dropped to 55 percent.*
- *C. Liquid resources of all insured associations reached a new high of $1,195,000,000.*

☆ ☆ ☆

BUSINESS CONDITIONS—Gradual decline in industrial production

Indicating that a considerable part of the country's industrial production for war is over the hump, a gradual decline in output has been noticed since February, 1944. As measured by the Federal Reserve Board's seasonally adjusted index (1935–1939=100), a peak of 247 was reached in October and November 1943. A drop of 6 points occurred in December, which was followed by a gain in the first two months of this year when the index rose to 244 in February. Since then another 9-point decline has been registered so that in June the index stood at 235 in comparison with 237 the preceeding month and in June 1943.

A less pronounced downward trend has been evident during the first half of this year in the number of wage earners employed in manufacturing industries. At the end of 1943, the U. S. Department of Labor index (converted to a basis of 1935–1939=100 and adjusted for normal seasonal variations) stood at 172.9. By June it had dropped to 163.5, a decrease from 163.7 in May and from 174.3 in June 1943. Income payments, on the other hand, (similarly measured and converted) had increased from 222.9 in December to 232.5 in June 1944. This represented a gain of 1.5 points over the previous month and a rise of 20 points during the year.

Department store sales, as reported by the Federal Reserve Board, have increased in volume during the first half of 1944. From 163 percent of the 1935–1939 seasonally adjusted average, they have advanced with only two breaks until June, when they stood at 175. Despite a decline of 8 points from May to June, the index was still 8 points above the June 1943 figure. The value of sales in the first half of 1944 was 7 percent greater than in the same period last year.

War expenditures in the January–June 1944 period amounted to $46,450,000,000—an increase of $3,203 million over the preceding six months; and $4,724 million more than during the first half of 1943. Figures released by the War Production Board and the U. S. Treasury Department show that more was spent on the war in June—$7,957,000,000—than in any prior month.

[1935–1939=100]

Type of index	June 1944	May 1944	Percent change	June 1943	Percent change
Home construction (private)[1]	58.5	49.5	+18.2	59.6	−1.8
Foreclosures (nonfarm)[1]	11.4	10.9	+4.6	16.1	−29.2
Rental index (BLS)	108.1	108.1	0.0	108.0	+0.1
Building material prices	129.4	129.2	+0.2	123.5	+4.8
Savings and loan lending[1]	183.9	175.3	+4.9	142.3	+29.2
Industrial production[1]	[p] 235.0	237.0	−0.8	237.0	−0.8
Manufacturing employment[1]	[p] 163.5	[r] 163.7	−0.1	174.3	−6.2
Income payments[1]	[p] 232.5	[r] 231.0	+0.6	212.1	+9.6

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

BUILDING ACTIVITY—Half-yearly decline noted

Residential construction started in all urban areas of the United States during the first six months of 1944 was only about half that for the same period of 1943. The U. S. Department of Labor estimates that 64,300 dwelling units were placed under construction in the first half of 1944, compared with 113,200 units in the first half of last year. A drop of 81 percent in public housing accounted for most of this year's decrease. In private construction, an increase of 8 percent in 1-family dwellings failed to offset a larger decrease in 2- or more-family dwellings, and an over-all decline of 3 percent resulted.

As the war-housing program nears completion, the amount of public housing accounts for a diminishing proportion of total residential construction. Of all dwelling units started during the first six months of 1944, only 17 percent were publicly financed compared with nearly 52 percent in the same 1943 period.

During June, the volume of residential construction rose about 1 percent over May, as an increase in privately financed building exceeded the reduction in publicly financed units. The June volume, however, was 20 percent less than in the same month last year. Contracts awarded for public housing fell from 1,402 dwelling units in May to 1,293 in June—a decline of 8 percent. Building permits for private construction moved up 2 percent from 9,743 dwelling units in May to 9,973 in June. A comparison of June 1944 activity with that recorded in June 1943 shows a decrease of 20 percent in total residential construction and declines of 52 and 13 percent, respectively, in public and private building. [TABLES 1 and 2.]

BUILDING COSTS—Upward trend continues

The cost of constructing the standard 6-room frame house moved consistently upward during the first half of 1944, with an over-all rise approximating that for the comparable period last year. Total costs rose 1.9 percent from December to June compared with a gain of 1.8 percent during the first half of 1943. The reasons for the increased cost shifted somewhat, however, from last year. In 1944, material prices rose 2.4 percent and labor costs moved up 1.1 percent. In 1943, labor costs rose 2.8 percent and material prices, 1.3 percent.

The Department of Labor's composite index of wholesale prices of building materials followed a similar pattern in increasing 2.2 percent during the first six months of this year, compared with a rise of only 0.6 percent in 1943. All components of the index moved to higher levels, except structural steel which showed no change. Lumber and cement, with gains of 4.4 and 3.0 percent, respectively, accounted for most of the rise.

Construction costs for the standard house

[Average month of 1935–1939=100]

Element of cost	June 1944	May 1944 r	Percent change	June 1943	Percent change
Material	130. 7	130. 2	+0. 4	123. 0	+6. 3
Labor	137. 5	137. 3	+0. 1	134. 3	+2. 4
Total	133. 0	132. 6	+0. 3	126. 8	+4. 9

r Revised.

During June the cost of constructing the standard house increased fractionally over May as a result of gains of 0.4 percent in material costs and 0.1 percent in labor costs. At the end of June, the index stood at 133.0 compared with 132.6 (revised) in May and 126.8 percent in June 1943. Wholesale building prices advanced slightly in June due to rises in the prices of brick and tile, and in paint and paint materials. The over-all increase which was registered during the year amounted to 5 percent. [TABLES 3, 4 and 5.]

MORTGAGE LENDING—Record volume achieved

New loans made by savings and loan associations during the first six months of this year surpassed the volume attained in any comparable period on record. The total of $691,000,000 loaned to borrowers during the January-June period was 34 percent more than the aggregate in the same period last year and 6 percent above the previous high for the corresponding period in 1941.

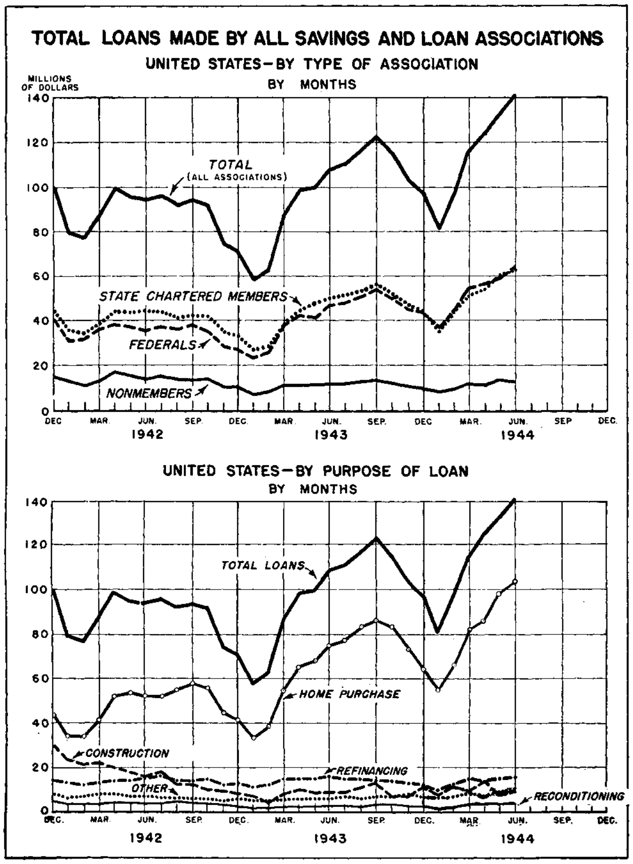
New mortgage loans distributed by purpose

[Dollar amounts are shown in thousands]

Purpose	June 1944	May 1944	Percent change	June 1943	Percent change
Construction	$9, 663	$7, 338	+31. 7	$8, 946	+8. 0
Home purchase	103, 276	98, 872	+4. 5	74, 885	+37. 9
Refinancing	14, 963	14, 415	+3. 8	15, 913	−6. 0
Reconditioning	2, 957	2, 967	−0. 3	2, 707	+9. 2
Other purposes	9, 850	8, 931	+10. 3	6, 425	+53. 3
Total	140, 709	132, 523	+6. 2	108, 876	+29. 2

The increase of $156,000,000 in home-purchase lending accounted for most of the total rise ($176,000,000) over the first half of last year. There were also gains of $13,000,000 in "other purpose" loans, $11,000,000 in construction lending, and less than $1,000,000 in reconditioning loans. Loans for refinancing, the only class to show a decrease, were down over $5,000,000. This gain in home-purchase loans raised the proportion of advances for this purpose to 71 percent of the total for the six-month period.

Increased lending activity during the January-June period of 1944 was evident in all Federal Home Loan Bank Districts. The New York and Chicago regions registered the largest gains over last year, 55 and 53 percent, respectively. The Portland area had the smallest increase—10 percent.



The volume of new loans made during one month reached a new peak in June, with a total of $141,000,000. This was an increase of 6 percent over May and 5 percent above the previous peak in June 1941. The Cincinnati and Topeka Districts reported slight decreases, while all other Bank Districts registered increased activity. [TABLES 6 and 7.]

MORTGAGE RECORDINGS—Unbroken rise shown this year

The unbroken rise in nonfarm mortgage recordings, evident so far this year, carried the total volume for the first six months to $2,176,000,000. This was nearly 28 percent above the amount of mortgages of $20,000 or less recorded during the same period of 1943, and only 2 percent below the record high established for this series in the first half of 1941.

All types of mortgagees, except insurance companies, participated in this year's increased volume. Individual lenders reported the largest percentage rise, 40 percent. Other gains were: savings and loan associations, 35 percent; banks and trust companies, 24 percent; miscellaneous lenders, 23 percent; and mutual savings banks, 14 percent.

The relative participation of the various types of mortgagees in the total volume of business showed only slight shifts as between the January–June periods of 1944 and 1943. This year the proportion of mortgages recorded by savings and loan associations and individual lenders increased 2 points each, to 33 percent and 24 percent, respectively. Recordings of insurance companies declined 2 points to 6 percent, while the proportion accounted for by banks and trust companies, mutual savings banks, and miscellaneous lenders changed by less than 1 point.

Mortgages of $20,000 or less recorded in June totaled $422,000,000, an increase of 4 percent over the previous month and 21 percent above June 1943. All classes of mortgagees recorded a larger volume of loans in June than in May. Insurance companies were alone in showing a lower volume of recordings in June 1944 than during the same month last year. [TABLES 8 and 9.]

Mortgage recordings by type of mortgagee

[Dollar amounts are shown in thousands]

Type of lender	Percent change from May 1944	Percent of June 1944 amount	Cumulative recordings (6 months)	Percent of total recordings
Savings and loan associations	+4. 4	34. 6	$725, 872	33. 4
Insurance companies	+1. 9	5. 3	125, 678	5. 8
Banks, trust companies	+0. 5	18. 8	424, 070	19. 5
Mutual savings banks	+4. 4	3. 7	73, 036	3. 3
Individuals	+3. 6	23. 5	518, 318	23. 8
Others	+10. 3	14. 1	308, 853	14. 2
Total	+4. 1	100. 0	2, 175, 827	100. 0

FEDERAL HOME LOAN BANK SYSTEM

[TABLE 12]

Conditions under which the Federal Home Loan Banks operated during the first six months of 1944 brought some accentuations and some reversals of the previous year's activities. Financing operations were conducted on an expanded scale, although not at pre-war levels, and the aggregate assets of these institutions increased substantially. On June 30, 1944, they amounted to almost $284,000,000—an increase of more than $23,000,000 during the year.

In the January–June period of this year, a contra-seasonal trend was noted in that the total of Bank advances exceeded repayments. This occurred in spite of the fact that in only two months—January and June, but primarily the latter—the amount of money advanced was greater than the repayments received. This excess amounted to $18,210,000. Repayments totaled $39,000,000 more than advances in 1943 and $26,800,000 more than in 1942.

Advances made during the first six months of 1944 aggregated $117,659,000 in contrast to $52,083,000 for the corresponding period of 1943. An expansion of lending activity of member institutions, particularly in the field of home-purchase loans, together with greatly increased participation in the war-financing program, undoubtedly account for the relatively high level of advances in 1944.

The large volume of private investments in member associations permitted substantial retirement of the indebtedness of savings and loan members to the FHL Banks. The six-month total in 1944 was $99,448,000—an increase of $8,344,000 over the same 1943 period and $17,448,000 more than in 1942.

Because of the relationship of advances to repayments, the balance of advances outstanding on June 30, 1944 increased approximately $18,000,000 since the end of 1943, totaling $128,278,000. This was approximately $38,000,000 above the extremely low balance on June 30, 1943.

The increased volume of advances is reflected in a decrease in Government securities held by the Federal Home Loan Banks at the end of June this year. These investments totaled $131,973,000 on June 30, 1944—a decline of almost $23,000,000 from the same time last year.

Among the liability items, several substantial changes were noted from 1943. Total liabilities had increased by about $15,000,000 and on June 30 of this year they amounted to $80,220,000. At the same

Condensed consolidated statement of condition of the Federal Home Loan Banks as of June 30, 1944

ASSETS		
CASH	(7.99%)	$22, 656, 830. 70
Cash on hand and on deposit in the U. S. Treasury and commercial banks		
CASH ON DEPOSIT IN SPECIAL ACCOUNT IN THE U. S. TREASURY	(0.00%)	5, 462. 50
To provide for retirement of matured debenture obligations		
INVESTMENTS	(46.52%)	131, 973, 331. 23
United States Treasury Bills $5,697,978.23		
Other obligations of the U. S. Government and securities fully guaranteed by it $126,275,353.00		
ADVANCES OUTSTANDING	(45.22%)	128, 277, 546. 11
Advances made under provisions of the Federal Home Loan Bank Act to members		
ACCRUED INTEREST RECEIVABLE	(0.26%)	752, 578. 31
Interest accrued but not due on investments and advances outstanding		
DEFERRED CHARGES	(0.01%)	27, 978. 44
Prepaid expense items applicable to future operations		
OTHER ASSETS	(0.00%)	4, 617. 37
Accounts receivable and miscellaneous assets		
TOTAL ASSETS	(100.00%)	$283, 698, 344. 66

As of June 30, 1944, the Reconstruction Finance Corporation held 67.1 percent of the total capital stock in the Federal Home Loan Banks, which represented an investment of $124,741,000. The capital stock of the Banks owned by members totaled $61,235,600, an increase of $3,657,800, or 6.4 percent, over December 31, 1943.

The Surplus-Reserve and Undivided Profits accounts of the several Banks reflect an increase from $16,664,229.43 at the close of 1943 to $17,502,269.01 on June 30, 1944 which is a gain of 5.0 percent.

LIABILITIES AND CAPITAL			
Liabilities			
DEPOSITS			$21, 388, 388. 18
Demand and time deposits of members totaled $21,360,313.18 and the deposits of applicants on stock subscribed in connection with membership applications, $28,075.00			
ACCRUED INTEREST PAYABLE			27, 143. 07
Interest accrued but not due on members' time deposits, $9,129.58 and on consolidated debentures, $18,013.49			
DIVIDENDS PAYABLE			781, 147. 88
Dividends payable in July 1944 on stock as of record June 30, 1944			
ACCOUNTS PAYABLE			23, 046. 52
Matured debenture obligations totaled $5,462.50 while miscellaneous items totaled $17,584.02			
DEBENTURES OUTSTANDING			58, 000, 000. 00
Consolidated debentures outstanding which are the joint and several obligations of the Federal Home Loan Banks:			
Series "B-1944 ⅝% due 8-19-44		$14, 000, 000. 00	
Series "A-1945 0.85% due 1-15-45		44, 000, 000. 00	
TOTAL LIABILITIES			$80, 219, 725. 65
Capital			
CAPITAL STOCK:			
Fully paid issued and outstanding		$185, 975, 600. 00	
Subscribed for and partially paid	$1, 000. 00		
Less Unpaid balance	250. 00	750. 00	
Total paid in		$185, 976, 350. 00	
SURPLUS:			
Legal reserve (20% of net earnings)		8, 046, 193. 63	
Reserve for contingencies		2, 392, 154. 21	
Total Surplus		10, 438, 347. 84	
UNDIVIDED PROFITS		7, 063, 921. 17	
TOTAL CAPITAL			203, 478, 619. 01
TOTAL LIABILITIES AND CAPITAL			$283, 698, 344. 66

time, deposits were $7,900,000 less than a year ago and debentures outstanding had increased by $23,000,000. Surplus and undivided profits each increased by about $1,400,000, while total capital was approximately $8,000,000 greater than in June 1943.

Advances made during June of this year amounted to almost $65,000,000, conforming to the seasonal pattern of a substantial increase over May. In this instance, the increase amounted to $60 million—four times as great as last year's increase of $15 million. The $65 million figure represents an increased amount advanced by each Bank in June over May and an excess of advances over repayments in each District.

Repayments received during June were less than during May in seven Bank Districts with Indianapolis the only Bank reporting a lower balance this June than last. The June 1944 total for all Banks was $8,162,000—down $6,816,000 from May, but up $1,066,000 above the total for June 1943.

Dividends

Ten Banks declared dividends in June totaling $907,600 for the first half-year of 1944. This brings the cumulative total of dividends paid since the Bank System was established in 1932 to $22,407,000. Of this, over $5,450,000 has been received by members.

Of the total dividends declared as of June 30, 1944, the Reconstruction Finance Corporation received $618,000, while $290,000 went to Bank System members. One percent was the most common rate of dividend, being paid by seven of the Banks. Two Banks declared a dividend of 1½ percent, and only one paid 2 percent.

Dividends paid or declared by the Federal Home Loan Banks on June 30, 1944

Federal Home Loan Bank	Rate per annum	Members	Government [1]	Total
	Percent			
Boston	1.0	$29,947.94	$62,337.50	$92,285.44
New York	1.0	31,650.43	94,816.00	126,466.43
Pittsburgh [2]				
Winston-Salem [2]				
Cincinnati	1.0	49,349.97	63,878.50	113,228.47
Indianapolis	1.5	47,185.19	49,330.50	96,515.69
Chicago	1.5	46,251.73	106,304.25	152,555.98
Des Moines	1.0	19,467.72	36,974.50	56,442.22
Little Rock	2.0	25,164.21	87,724.00	112,888.21
Topeka	1.0	12,267.67	36,668.00	48,935.67
Portland	1.0	8,622.23	29,800.00	38,422.23
Los Angeles	1.0	20,034.47	49,839.50	69,873.97
Total		289,941.56	617,672.75	907,614.31

[1] On February 20, 1941 the R. F. C. purchased from the U. S. Treasury, its holdings of Federal Home Loan Banks' stock as provided for by an Act of the Congress, approved June 25, 1940. The Treasury Department waived any claim to dividends arising from earnings subsequent to January 1, 1941.
[2] These Banks declare dividends as of December 31.

Interest rates on advances to members of the Federal Home Loan Bank System [1]

Federal Home Loan Bank	Rate in effect, July 1, 1944	Type of advance
	Percent	
Boston	1½	Short-term advances amortized within 1 year, or secured by Government bonds
	2	On advances for 5 years, for defense housing purposes, not exceeding 10% of member's assets, amortized at not less than 5% quarterly
	2½	All other advances
New York	1½	Short-term advances amortized within 1 year
	2½	Long-term advances
Pittsburgh	1½	Short-term secured advances for purchase of Government securities during War Loan Drives
	2	Advances for 5 years with amortization of 10% per annum, payable quarterly, for purpose of repurchasing HOLC and Treasury share investments
	3	All other advances
Winston-Salem	2	All advances
Cincinnati	1½	On advances not exceeding 6 months, for purchase of U. S. securities or for the repurchase of share investments made by the HOLC or Treasury
	1½	On advances not exceeding 1 year secured by (1) Obligations of or guaranteed by the Government (2) Other acceptable collateral, advances so secured not to exceed current redemption price of Series F and G Savings Bonds held by member
	2	All other advances
Indianapolis	1½	On advances not exceeding 6 months
	2	On advances not exceeding 1 year, but in excess of 6 months
	2	On long-term advances for the first year of the note
	2½	On long-term advances beginning with the second year from the date of the note
Chicago	1½	*Short-term advances amortized in equal monthly instalments
	2	On 1 year unamortized advances for purpose of repurchasing share investments made by HOLC or Treasury, or purchase of Treasury obligations
	2¼	*Short-term advances amortized by not less than 2½% quarterly
	3	All other advances *Advances must not exceed 10% of member's assets
Des Moines	1½	On secured advances not exceeding 6 months without amortization requirement, for purchase of Government bonds. Such advances, together with other type of short term advances to a member shall not exceed 40% of its line of credit
	2	Advances not exceeding 1 year
	2½	Advances exceeding 1 year
Little Rock	2	All advances
Topeka	1	On secured advances not exceeding 6 months, without amortization requirement, for purchase of Government bonds during Fifth War Loan Drive
	2½	All other advances
Portland	1½	On advances not exceeding 4 months to purchase Government securities during Fifth War Loan Drive, such loans to be collateralized by such securities; renewals at 2% if bond secured or 3% if mortgage secured
	2	Advances collateralized by Government obligations
	2	Effective for the month of July 1944, on advances for retiring Treasury or HOLC investments on an unsecured basis, with maturity not to exceed 6 months. Renewals to be on secured basis
	3	All other advances
Los Angeles	1½	On 1 year secured advances for purchase of Government bonds
	2	On secured advances for purchase of obligations of U. S. or in an amount equal to the purchase price or par value, whichever is less, of obligations of the U. S. purchased since 1/1/42 (Foregoing advances limited to $100,000 or 25% of line of credit, whichever is greater)
	2½	All other advances

[1] Rates on advances to nonmembers are ½ percent higher.

Interest Rates

Little change was noted in interest rates on FHLB advances, except for preferential rates established to facilitate war-bond purchases. Three Banks—Des Moines, Topeka and Portland—established new low rates for the purchase of Government securities. A total of eight Banks now follow this practice. Interest rates on long-term advances in all Districts vary from 2 to 3 percent.

All Banks pay one-half of 1 percent on members' time deposits. However, the period during which amounts must remain on deposit in order that interest may be received thereon varies among the Banks as follows: Boston and New York—over 30 days, Des Moines—over 45 days, Indianapolis—over 60 days, and all other Banks—over 90 days.

INSURED ASSOCIATIONS—Substantial growth shown

Insured associations continued to show substantial growth during the first half of 1944. Total assets increased more than $400,000,000 or nearly 10 percent, to reach $4,584,000,000. The amount of mortgages held stood at $3,118,000,000, an increase of 4 percent since the first of the year. There was a marked advance of $349,000,000, or 10 percent, in private repurchasable capital during the six-month period, which brought the total to $3,923,000,000. The amount of real-estate owned underwent a further recession in declining to $33,000,000 compared with the $42,500,000 held in December 1943.

New private investments during the month of June totaled $128,000,000 and repurchases amounted to $47,000,000. This resulted in a repurchase ratio of 36 percent for all insured associations compared with 41 percent last month and 32 percent in June 1943.

Progress in number and assets of Federals

[Dollar amounts are shown in thousands]

Class of association	Number		Approximate assets	
	June 30, 1944	May 31, 1944	June 30, 1944	May 31, 1944
New	635	636	$960, 001	$916, 336
Converted	830	830	1, 921, 275	1, 859, 329
Total	1, 465	1, 466	2, 881, 276	2, 775, 665

Total liquid resources of all insured savings and loan associations reached a new high of $1,195,000,000, or 26 percent of all assets. Of the total, $955,000,000 was invested in Government bonds and $240,000,000 was held in cash on hand and in banks.

Investment in Government bonds has increased 154 percent during the past year and has risen from 10 percent of total resources in June 1943 to 21 percent at the same time in 1944. [Table 13.]

Federal Savings and Loan Associations

Assets of the 1,465 Federal savings and loan associations totaled $2,881,000,000 at the end of June, an increase of $264,000,000, or 10 percent, since January 1. During this period, private repurchasable capital also increased 10 percent to reach $2,489,000,000 and first mortgages outstanding rose 3 percent to an aggregate of $1,973,000,000.

Share investments and repurchases, June 1944

[Dollar amounts are shown in thousands]

Item and period	All associations	All insured associations	Uninsured members	Nonmembers
Share investments:				
1st 6 mos. 1944	$900, 593	$693, 308	$125, 410	$81, 875
1st 6 mos. 1943	732, 582	542, 256	104, 522	85, 804
Percent change	+23	+28	+20	−5
June 1944	167, 661	127, 945	25, 381	14, 335
June 1943	136, 969	103, 939	18, 797	14, 233
Percent change	+22	+23	+35	+1
Repurchases:				
1st 6 mos. 1944	$494, 227	$360, 777	$79, 973	$53, 477
1st 6 mos. 1943	435, 574	290, 210	79, 330	66, 034
Percent change	+13	+24	+1	−19
June 1944	67, 710	46, 560	14, 053	7, 097
June 1943	53, 228	33, 704	11, 344	8, 180
Percent change	+27	+38	+24	−13
Repurchase ratio: (percent)				
1st 6 mos. 1944	54. 9	52. 0	63. 8	65. 3
1st 6 mos. 1943	59. 5	53. 5	75. 9	77. 0
June 1944	40. 4	36. 4	55. 4	49. 5
June 1943	38. 9	32. 4	60. 4	57. 5

Flow of Private Repurchasable Capital

During the first six months of this year, the total investment of private capital in the shares of all savings and loan associations amounted to approximately $900,000,000, a gain of 23 percent over the estimated $733,000,000 so invested during the first half of 1943. Share repurchases also increased to $494,000,000 in the January–June period from $634,000,000 in the like months of 1943, but at only half the rate shown by new investments. The resulting net increase in the private capital of savings and loan associations during the 1944 period was $406,000,000, a rise of 37 percent over the first six months of 1943. The ratio of repurchases to new investments during the first half of the current year was 54.9, a decrease from the ratio of 59.5 in the corresponding interval of 1943.

During June, share investments in all savings and loan associations totaled $167,661,000, a gain of 22 percent over the $136,969,000 invested in the corresponding month last year, while repurchases amounted to $67,710,000 reflecting an advance of 27 percent over the total for June 1943. As a result, the repurchase ratio in June this year was 40.4 percent, having risen above the 38.9 percent registered in the same month last year.

FORECLOSURES—Drop below previous low point

During the first six months of 1944, nonfarm foreclosures continued to decline from the extraordinarily low level reached in 1943. The estimated number of foreclosures completed during the first half of 1944 was 9,190, which represented a reduction of 35 percent from the number of actions in the comparable period of 1943. Each of the Federal Home Loan Bank Districts shared in this improvement, with decreases ranging from more than 50 percent in the Little Rock and Portland regions to 15 percent in the Boston area.

For the three-month period ending in June, foreclosures on nonfarm properties were estimated at 4,424. This was a decline of 7 percent from the previous quarter and a drop of 37 percent from the second quarter of 1943. Of the foreclosures estimated for the second quarter of this year, 1,325 occurred during April; 1,535 in May; and 1,564 in June. The seasonally adjusted indexes for these months were 10.0, 10.9 and 11.4, respectively. [Table 15.]

Liquidity in Private Business

■ AN interesting long-range report has just been published in the *Federal Reserve Bulletin* showing that a large increase in liquid assets of both large and small corporations has been an outstanding characteristic of the wartime experience of business. In spite of high taxes, the financial position of most concerns, according to this study, has been strengthened by increased earnings coupled with the fact that dividends to stockholders have not been appreciably greater than during the pre-war period. A large proportion of these earnings, after tax payments, have been retained by business. In addition, increased allowances for depreciation have recently been well in excess of declining capital expenditures. These factors have enabled many corporations to set up large reserves to meet the contingencies of post-war operation.

Even more important from a long-term standpoint, the *Bulletin* states, has been the increase in underlying strength as represented by the larger equity positions of these concerns. Higher retained earnings have been made possible for many organizations by reason of large debt retirements, an expansion of operating property and greater net working capital.

DIRECTORY CHANGES

June 16–July 15, 1944

Key to Changes

*Admission to Membership in Bank System
**Termination of Membership in Bank System
#Federal Charter Granted
##Cancelation of Federal Charter
øInsurance Certificate Issued
øøInsurance Certificate Canceled

District No. 3

Pennsylvania:
Lancaster:
øFirst Federal Savings and Loan Association of Lancaster, 102 East King Street.
##Home Federal Savings and Loan Association (merged with First Federal Savings and Loan Association of Lancaster).
##Industrial Federal Savings and Loan Association (merged with First Federal Savings and Loan Association of Lancaster).
Philadelphia:
*Crusader Savings and Loan Association, 5011 Baltimore Avenue.
Pittsburgh:
øDuquesne-Prospect Savings and Loan Association, 1202 Grandview Avenue.

District No. 5

Kentucky:
Louisa:
**Big Sandy Building Association.
Ohio:
Wooster:
#øPeoples Federal Savings and Loan Association, 121 North Market Street.

District No. 8

Iowa:
Atlantic:
##øøAtlantic Federal Savings and Loan Association, Atlantic National Bank Building.
Missouri:
Joplin:
**Southwestern Building and Loan Association, 323 Miners' Bank Building.

District No. 9

Texas:
Dallas:
**United Fidelity Life Insurance Company, United Fidelity Life Building.
Orange:
** ##øøOrange Federal Savings and Loan Association, 205-B Fifth Street.

District No. 12

California:
San Rafael:
øMarin County Mutual Building and Loan Association, 1219 Fourth Street.

Table 1.—BUILDING ACTIVITY—Estimated number and valuation of new family dwelling units provided in all urban areas in June 1944, by Federal Home Loan Bank District and by State

[Source: U. S. Department of Labor]

[Dollar amounts are shown in thousands]

Federal Home Loan Bank District and State	All residential structures				All private 1- and 2-family structures			
	Number of family dwelling units		Permit valuation		Number of family dwelling units		Permit valuation	
	June 1944	June 1943	June 1944	June 1943	June 1944	June 1943	June 1944	June 1943
UNITED STATES	11,266	14,132	$35,178	$41,451	8,947	9,126	$28,602	$29,725
No. 1—Boston	90	659	277	2,475	90	523	277	2,086
Connecticut	47	487	206	1,877	47	351	206	1,488
Maine	2	7	1	8	2	7	1	8
Massachusetts	39	162	69	579	39	162	69	579
New Hampshire	2	2	1	9	2	2	1	9
Rhode Island	----------	1	----------	2	----------	1	----------	2
Vermont	----------	----------	----------	----------	----------	----------	----------	----------
No. 2—New York	56	892	181	2,339	56	477	181	1,438
New Jersey	34	251	110	575	34	86	110	252
New York	22	641	71	1,764	22	391	71	1,186
No. 3—Pittsburgh	133	496	298	1,894	133	480	298	1,864
Delaware	2	16	6	48	120	16	6	48
Pennsylvania	109	478	272	1,845	292	462	272	1,815
West Virginia	22	2	20	1		2	20	1
No. 4—Winston-Salem	1,907	2,625	4,952	6,873	1,164	1,308	2,965	3,485
Alabama	162	183	213	358	158	183	203	358
District of Columbia	499	915	1,529	2,621	111	113	460	581
Florida	747	418	2,021	1,044	404	402	1,119	998
Georgia	93	226	126	608	93	226	126	608
Maryland	171	283	447	556	163	179	411	363
North Carolina	49	119	61	407	49	99	61	341
South Carolina	24	12	39	5	24	12	39	5
Virginia	162	469	546	1,274	162	94	546	231
No. 5—Cincinnati	1,457	1,121	5,388	3,909	1,457	711	5,388	2,833
Kentucky	7	23	17	43	7	11	17	25
Ohio	1,181	1,008	4,399	3,671	1,181	610	4,399	2,613
Tennessee	269	90	972	195	269	90	972	195
No. 6—Indianapolis	1,501	2,216	5,657	8,389	689	1,448	3,151	6,378
Indiana	322	80	1,065	131	222	62	859	115
Michigan	1,179	2,136	4,592	8,258	467	1,386	2,292	6,263
No. 7—Chicago	666	475	2,425	1,850	597	408	2,193	1,624
Illinois	597	310	2,308	1,233	528	267	2,076	1,075
Wisconsin	69	165	117	617	69	141	117	549
No. 8—Des Moines	125	29	380	37	125	29	380	37
Iowa	63	7	204	7	63	7	204	7
Minnesota	19	6	29	3	19	6	29	3
Missouri	41	5	146	1	41	5	146	1
North Dakota	----------	----------	----------	----------	----------	----------	----------	----------
South Dakota	2	11	1	26	2	11	1	26
No. 9—Little Rock	1,893	1,344	4,122	2,292	1,527	1,204	3,251	2,076
Arkansas	37	51	15	54	37	51	15	54
Louisiana	481	96	1,193	86	185	60	504	42
Mississippi	51	68	56	51	51	64	56	47
New Mexico	81	110	121	170	81	10	121	2
Texas	1,243	1,019	2,737	1,931	1,173	1,019	2,555	1,931
No. 10—Topeka	296	466	834	1,313	292	350	833	1,077
Colorado	73	116	222	322	73	104	222	297
Kansas	88	91	263	251	88	87	263	242
Nebraska	52	165	267	581	52	125	267	511
Oklahoma	83	94	82	159	79	34	81	27
No. 11—Portland	624	940	2,202	3,226	603	768	2,155	2,794
Idaho	30	1	57	2	26	1	41	2
Montana	13	7	40	25	13	7	40	25
Oregon	91	119	218	474	91	82	218	294
Utah	260	203	1,040	675	252	203	1,024	676
Washington	221	590	820	1,993	212	467	808	1,770
Wyoming	9	20	27	57	9	8	27	27
No. 12—Los Angeles	2,518	2,869	8,432	6,854	2,214	1,420	7,527	4,033
Arizona	26	20	51	6	26	20	51	7
California	2,492	2,754	8,381	6,564	2,188	1,305	7,476	3,742
Nevada	----------	95	----------	284	----------	95	----------	284

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]

[Dollar amounts are shown in thousands]

Type of construction	Number of family dwelling units					Permit valuation				
	Monthly totals			January-June totals		Monthly totals			January-June totals	
	June 1944	May 1944	June 1943	1944	1943	June 1944	May 1944	June 1943	1944	1943
Private construction	9,973	9,743	11,422	53,281	54,920	$31,676	$29,791	$35,639	$168,401	$166,148
1-family dwellings	7,554	6,981	7,440	40,225	37,152	23,692	21,801	25,299	127,355	119,507
2-family dwellings [1]	1,393	956	1,686	5,903	7,253	4,910	3,152	4,426	20,182	19,416
3- and more-family dwellings [2]	1,026	1,806	2,296	7,153	10,515	3,074	4,838	5,914	20,864	27,225
Public construction	1,293	1,402	2,710	11,035	58,313	3,502	4,289	5,812	26,377	123,801
Total urban construction	11,266	11,145	14,132	64,316	113,233	35,178	34,080	41,451	194,768	289,949

[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]

Federal Home Loan Bank District and city	1944			1943		1942	1941	1940	1939	1938
	July	April	Jan.	Oct.	July	July	July	July	July	July
No. 2—New York:										
Atlantic City, N. J	137.5	r 138.4	r 136.9	r 138.0	r 138.0	125.3	120.6	100.7	98.7	99.8
Camden, N. J	143.6	r 140.7	r 138.8	r 135.6	r 136.4	r 138.9	r 126.6	108.8	101.8	104.2
Newark, N. J	159.3	r 157.1	r 154.5	r 149.7	r 149.7	146.3	131.1	106.7	102.6	102.4
Albany, N. Y	143.8	r 140.4	r 140.6	r 140.6	r 137.6	130.9	120.6	102.5	100.4	103.1
Buffalo, N. Y	142.1	140.0	135.8	134.7	130.2	128.2	117.3	101.1	99.2	102.6
White Plains, N. Y	149.1	148.7	r 141.5	136.2	129.7	r 125.2	117.0	r 99.2	97.2	----------
No. 6—Indianapolis:										
Evansville, Ind	125.3	125.3	125.3	126.4	----------	126.4	114.4	107.0	103.3	----------
Indianapolis, Ind*	----------	----------	----------	129.9	125.9	126.4	117.4	96.9	105.1	102.4
South Bend, Ind	143.4	143.4	143.4	132.5	----------	131.2	117.8	104.5	98.5	94.7
Detroit, Mich*	152.6	149.6	148.4	142.1	130.4	122.1	112.3	102.4	107.2	107.6
Grand Rapids, Mich	131.1	131.1	131.1	128.5	----------	127.0	118.5	102.6	105.6	107.3
No. 8—Des Moines:										
Des Moines, Iowa	118.1	116.4	116.4	114.2	114.2	113.0	r 104.9	102.8	101.8	99.0
Duluth, Minn	125.7	123.0	122.9	118.5	118.5	118.4	r 107.8	104.3	101.6	105.0
St. Paul, Minn	124.6	121.9	121.9	119.2	119.2	118.7	109.7	107.1	108.2	108.1
Kansas City, Mo	137.6	r 137.6	r 138.0	----------	----------	r 125.7	r 110.9	r 104.5	r 108.7	r 102.2
St. Louis, Mo*	122.6	122.6	118.5	118.2	117.9	125.4	111.7	100.1	96.5	97.2
Fargo, N. D	120.9	120.2	120.2	118.5	118.5	113.6	r 103.5	100.7	98.1	102.3
Sioux Falls, S. D	120.7	118.9	118.9	117.4	117.4	116.4	104.4	103.3	100.8	106.8
No. 11—Portland:										
Boise, Idaho*	133.0	132.7	132.7	126.7	126.3	125.5	117.4	106.5	104.6	99.5
Great Falls, Mont	118.8	118.8	118.8	----------	114.0	112.8	107.2	101.3	101.9	104.5
Portland, Oreg*	137.7	137.7	135.6	132.8	133.4	121.1	103.7	97.5	96.2	95.4
Salt Lake City, Utah*	123.2	123.3	123.3	121.0	121.6	121.3	113.9	102.7	102.8	101.0
Seattle, Wash*	133.2	132.0	132.0	128.4	126.9	122.7	113.3	103.3	101.9	101.9
Spokane, Wash	122.9	r 122.9	r 122.9	----------	----------	r 121.6	r 111.5	101.5	98.2	106.4
Casper, Wyo	111.7	r 111.7	r 111.7	----------	----------	103.4	100.8	95.0	102.9	101.8

* Indexes of July 1941 through April 1944 have been revised in order to use retail material prices collected by the Bureau of Labor Statistics.
r Revised.
[1] The house on which costs are reported is a detached 6-room home of 24,000 cubic feet volume. Living room, dining room, kitchen, and lavatory on first floor; three bedrooms and bath on second floor. Exterior is wideboard siding with brick and stucco as features of design. Best quality materials and workmanship are used.
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 wallpaper nor other wall nor ceiling finish on interior plastered surface, lighting fixtures, refrigerators, water heaters, ranges, screens, weather stripping, nor window shades.
The index reflects the changes in material and labor costs in the house described above. Allowances for overhead and profit, which were previously included in the total costs, were based upon a flat percentage of the material and labor costs and therefore did not affect the movements of the series; no such allowances are included, now that the index is expressed in relative terms only.
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 3 months from the same dealers, and current wage rates are obtained from the same reputable contractors and operative builders. The Bureau of Labor Statistics furnishes building material prices for some cities. Although shortages of materials and priority restrictions preclude the actual construction of this house under wartime conditions, tests indicate that the indexes measure fairly closely the cost changes for smaller frame structures that now can be built.

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

[Average month of 1935–1939=100]

Element of cost	June 1944	May 1944 r	Apr. 1944 r	Mar. 1944 r	Feb. 1944	Jan. 1944	Dec. 1943	Nov. 1943	Oct. 1943	Sept. 1943	Aug. 1943	July 1943	June 1943
Material	130.7	130.2	129.7	129.1	128.8	127.8	127.6	126.8	126.0	124.4	123.4	123.7	123.0
Labor	137.5	137.3	137.0	137.8	136.5	136.1	136.0	135.6	135.0	133.8	134.2	134.3	134.3
Total cost	123.0	132.6	132.2	132.7	131.4	130.6	130.5	129.8	129.1	127.6	127.1	127.3	126.8

r Revised.

Table 5.—**BUILDING COSTS**—Index of wholesale prices 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
942: June	122.9	108.0	103.4	146.7	123.3	129.4	103.5	112.3
943: June	123.5	109.0	102.7	r 154.6	125.4	118.8	103.5	110.0
July	123.6	109.0	102.7	155.6	125.4	118.8	103.5	109.5
August	125.3	109.0	102.7	161.5	126.4	118.8	103.5	109.7
September	125.6	109.0	102.7	162.7	126.1	118.5	103.5	110.3
October	125.8	109.0	102.7	163.3	126.4	118.5	103.5	110.5
November	126.3	110.1	102.7	164.1	126.9	120.6	103.5	110.5
December	126.6	110.1	102.7	164.3	127.0	120.6	103.5	111.2
1944: January	126.7	110.3	102.7	164.4	127.2	120.6	103.5	111.2
February	126.9	110.2	102.7	165.3	127.7	120.6	103.5	111.2
March	127.5	110.4	102.7	167.8	128.4	120.6	103.5	111.2
April	128.6	110.4	103.1	170.8	128.4	120.6	103.5	111.2
May	129.2	110.6	105.8	171.5	128.7	121.4	103.5	111.4
June	129.4	110.7	105.8	171.5	130.0	121.4	103.5	111.4
Percent change:								
June 1944–May 1944	+0.2	+0.1	0.0	0.0	0.0	+1.0	0.0	0.0
June 1944–June 1943	+4.8	+1.6	+3.0	+10.9	+3.7	+2.2	0.0	+1.3

r Revised

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
1942	$190,438	$573,732	$165,816	$41,695	$78,820	$1,050,501	$412,828	$476,080	$161,593
January-June	119,393	266,229	81,703	21,390	43,092	531,807	210,115	238,488	83,204
June	15,930	52,112	15,184	3,566	7,303	94,095	35,279	44,265	14,551
1943	106,497	802,371	167,254	30,441	77,398	1,183,961	511,757	539,299	132,905
January-June	48,177	334,938	84,588	13,794	34,969	516,466	219,088	236,141	61,237
June	8,946	74,885	15,913	2,707	6,425	108,876	46,730	50,182	11,964
July	9,209	77,555	14,925	2,807	6,859	111,355	48,370	50,648	12,337
August	10,616	82,894	14,600	2,809	6,470	117,389	51,172	53,497	12,720
September	13,211	86,016	13,799	3,229	6,718	122,973	54,100	55,907	12,966
October	7,452	83,259	14,025	2,874	7,540	115,150	50,576	52,026	12,548
November	6,928	73,053	12,767	2,638	7,670	103,056	44,804	47,108	11,144
December	10,904	64,656	12,550	2,290	7,172	97,572	43,647	43,972	9,953
1944:									
January-June	58,679	490,700	79,222	14,350	48,196	691,147	315,851	308,485	66,811
January	7,872	55,000	9,976	1,521	6,609	80,978	37,076	35,456	8,446
February	11,195	66,138	11,955	1,960	6,916	98,164	44,144	44,139	9,881
March	9,127	81,846	14,422	2,266	8,469	116,130	53,883	50,686	11,561
April	13,484	85,568	13,491	2,679	7,421	122,643	57,045	54,212	11,386
May	7,338	98,872	14,415	2,967	8,931	132,523	59,229	60,141	13,153
June	9,663	103,276	14,963	2,957	9,850	140,709	64,474	63,851	12,384

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

[Thousands of dollars]

Federal Home Loan Bank District and class of association	New Loans			Cumulative new loans (6 months)		
	June 1944	May 1944	June 1943	1944	1943	Percent change
UNITED STATES	$140,709	$132,523	$108,876	$691,147	$516,466	+33.8
Federal	64,474	59,229	46,730	315,851	219,088	+44.2
State member	63,851	60,141	50,182	308,485	236,141	+30.6
Nonmember	12,384	13,153	11,964	66,811	61,237	+9.1
Boston	12,085	10,439	10,160	48,965	40,391	+21.2
Federal	4,609	3,757	2,797	17,416	11,666	+49.3
State member	6,010	5,431	5,541	25,060	21,941	+14.2
Nonmember	1,466	1,251	1,822	6,489	6,784	−4.3
New York	13,864	11,964	8,886	57,354	37,126	+54.5
Federal	4,691	3,551	2,277	16,825	8,662	+94.2
State member	6,968	6,115	4,912	30,260	19,237	+57.3
Nonmember	2,205	2,298	1,697	10,269	9,227	+11.3
Pittsburgh	11,129	10,534	9,000	57,419	45,275	+26.8
Federal	5,072	4,915	3,750	26,325	17,484	+50.6
State member	3,969	3,557	2,797	19,065	14,126	+35.0
Nonmember	2,088	2,062	2,453	12,029	13,665	−12.0
Winston-Salem	16,888	14,904	11,856	83,867	62,316	+34.6
Federal	9,115	7,965	6,067	45,463	31,506	+44.3
State member	6,718	6,026	4,587	33,412	24,115	+38.6
Nonmember	1,055	913	1,202	4,992	6,695	−25.4
Cincinnati	23,804	24,806	20,385	117,523	99,321	+18.3
Federal	9,819	9,990	7,715	47,542	37,099	+28.1
State member	12,314	12,520	11,095	59,766	54,080	+10.5
Nonmember	1,671	2,296	1,575	10,215	8,142	+25.5
Indianapolis	7,635	7,387	6,285	37,997	30,468	+24.7
Federal	3,918	3,509	3,208	18,477	15,343	+20.4
State member	3,382	3,496	2,695	17,740	13,293	+33.5
Nonmember	335	382	382	1,780	1,832	−2.8
Chicago	16,052	15,550	11,205	77,700	50,796	+53.0
Federal	6,623	6,315	4,420	32,079	19,800	+62.0
State member	8,296	7,922	5,676	38,891	25,200	+54.3
Nonmember	1,133	1,313	1,109	6,730	5,796	+16.1
Des Moines	8,754	8,553	5,909	41,677	27,822	+49.8
Federal	4,733	4,449	3,297	20,889	13,957	+49.7
State member	3,000	2,960	1,948	15,162	9,802	+54.7
Nonmember	1,021	1,144	664	5,626	4,063	+38.5
Little Rock	7,077	6,476	5,077	39,280	26,884	+46.1
Federal	2,712	3,134	2,161	15,693	11,117	+41.2
State member	4,299	3,275	2,819	23,161	15,330	+51.1
Nonmember	66	67	97	426	437	−2.5
Topeka	6,354	6,364	5,137	33,141	26,138	+26.8
Federal	3,593	3,369	3,035	17,239	15,257	+13.0
State member	1,725	1,796	1,419	9,080	7,490	+21.2
Nonmember	1,036	1,199	683	6,822	3,391	+101.2
Portland	4,739	4,264	4,410	21,942	19,902	+10.3
Federal	2,917	2,805	2,999	14,698	12,660	+16.1
State member	1,572	1,309	1,211	6,312	6,423	−1.7
Nonmember	250	150	200	932	819	+13.8
Los Angeles	12,328	11,282	10,566	74,282	50,027	+48.5
Federal	6,672	5,470	5,004	43,205	24,537	+76.1
State member	5,598	5,734	5,482	30,576	25,104	+21.8
Nonmember	58	78	80	501	386	+29.8

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

JUNE 1944

[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	$145,893	$22,215	$79,453	$15,536	$99,140	$59,394	$421,631
Boston	12,625	461	3,959	8,211	6,437	3,298	34,991
Connecticut	1,505	217	1,594	1,292	1,991	914	7,513
Maine	668	34	245	793	510	78	2,328
Massachusetts	9,012	210	1,492	4,849	2,954	1,775	20,292
New Hampshire	361		155	690	246	96	1,548
Rhode Island	909		389	258	569	416	2,541
Vermont	170		84	329	167	19	769
New York	10,444	2,206	5,700	5,479	13,839	7,115	44,783
New Jersey	3,325	609	2,804	588	3,806	2,404	13,536
New York	7,119	1,597	2,896	4,891	10,033	4,711	31,247
Pittsburgh	10,169	1,942	6,769	578	5,735	3,348	28,541
Delaware	214	114	135	33	207	171	874
Pennsylvania	9,086	1,612	5,376	545	4,904	2,997	24,520
West Virginia	869	216	1,258		624	180	3,147
Winston-Salem	15,146	2,807	5,445	165	12,488	3,550	39,601
Alabama	522	471	371		750	253	2,367
District of Columbia	2,698	256	494		1,428	273	5,149
Florida	1,463	889	851		4,337	763	8,303
Georgia	1,541	280	1,035		948	386	4,190
Maryland	4,149	129	899	165	1,560	379	7,281
North Carolina	2,122	474	390		966	480	4,432
South Carolina	428	202	382		513	232	1,757
Virginia	2,223	106	1,023		1,986	784	6,122
Cincinnati	29,161	2,071	10,034	464	6,544	4,253	52,527
Kentucky	2,898	411	984		285	134	4,712
Ohio	25,604	1,266	8,258	464	5,582	1,971	43,145
Tennessee	659	394	792		677	2,148	4,670
Indianapolis	8,142	3,105	7,054	21	3,349	3,324	24,995
Indiana	5,130	687	2,648	21	981	843	10,310
Michigan	3,012	2,418	4,406		2,368	2,481	14,685
Chicago	17,149	1,530	5,754	4	6,578	8,858	39,873
Illinois	12,927	1,052	3,767		3,739	8,152	29,637
Wisconsin	4,222	478	1,987	4	2,839	706	10,236
Des Moines	9,422	2,131	6,185	168	5,423	4,533	27,862
Iowa	2,310	165	1,395		659	316	4,845
Minnesota	3,557	588	1,176	168	1,569	770	7,828
Missouri	3,097	1,294	3,329		2,904	3,390	14,014
North Dakota	290	50	110		102	34	586
South Dakota	168	34	175		189	23	589
Little Rock	8,781	2,209	2,088		6,543	2,178	21,799
Arkansas	482	50	250		386	22	1,190
Louisiana	3,225	248	90		1,200	373	5,136
Mississippi	337	175	209		381	92	1,194
New Mexico	202	2	188		226	119	737
Texas	4,535	1,734	1,351		4,350	1,572	13,542
Topeka	7,216	901	2,683		4,260	1,811	16,871
Colorado	1,116	138	403		2,287	651	4,595
Kansas	2,190	164	510		459	280	3,603
Nebraska	1,164	305	415		398	120	2,402
Oklahoma	2,746	294	1,355		1,116	760	6,271
Portland	4,487	497	3,467	446	3,315	7,220	19,432
Idaho	328	35	146		354	137	1,000
Montana	342	3	133		281	24	783
Oregon	1,064	267	372	77	1,283	560	3,623
Utah	606	106	617		249	672	2,250
Washington	2,001	86	2,065	369	927	5,822	11,270
Wyoming	146		134		221	5	506
Los Angeles	13,151	2,355	20,315		24,629	9,906	70,356
Arizona	119	11	216		877	53	1,276
California	12,969	2,341	20,046		23,538	9,840	68,734
Nevada	63	3	53		214	13	346

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

[Dollar amounts are shown in thousands]

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	Total	Percent
1943: January-June	$539, 302	31.7	$135, 768	8.0	$340, 828	20.0	$64, 256	3.8	$371, 143	21.8	$251, 382	14.7	$1, 702, 679	100.0
June	113, 431	32.5	26, 613	7.6	65, 656	18.8	14, 718	4.2	75, 183	21.6	53, 445	15.3	349, 046	100.0
July	116, 406	33.1	25, 586	7.3	64, 766	18.4	15, 329	4.4	78, 594	22.3	50, 835	14.5	351, 516	100.0
August	119, 385	33.6	24, 072	6.8	68, 043	19.1	15, 061	4.2	78, 455	22.1	50, 416	14.2	355, 432	100.0
September	126, 586	33.2	23, 996	6.3	72, 140	19.0	15, 332	4.0	83, 320	21.9	59, 435	15.6	380, 809	100.0
October	122, 832	31.8	25, 141	6.5	74, 875	19.4	15, 023	3.9	87, 430	22.6	61, 002	15.8	386, 303	100.0
November	111, 818	31.6	23, 115	6.5	64, 877	18.3	15, 141	4.3	82, 307	23.3	56, 415	16.0	353, 673	100 0
December	101, 176	30.6	22, 188	6.7	66, 699	20.1	12, 227	3.7	76, 432	23.1	52, 267	15.8	330, 989	100.0
1944: January-June	725, 872	33.4	125, 678	5.8	424, 070	19.5	73, 036	3.3	518, 318	23.8	308, 853	14.2	2, 175, 827	100.0
January	89, 887	29.8	20, 585	6.8	62, 180	20.6	9, 731	3.2	72, 600	24.0	46, 966	15.6	301, 949	100.0
February	101, 705	32.8	18, 753	6.1	60, 346	19.5	9, 294	3.0	72, 246	23.3	47, 300	15.3	309, 644	100.0
March	121, 210	32.9	22, 660	6.1	70, 570	19.2	11, 255	3.1	89, 136	24.2	53, 409	14.5	368, 240	100.0
April	127, 429	34.5	19, 671	5.3	72, 438	19.6	12, 338	3.4	89, 466	24.2	47, 926	13.0	369, 268	100.0
May	139, 748	34.5	21, 794	5.4	79, 083	19.5	14, 882	3.7	95, 730	23.6	53, 858	13.3	405, 095	100.0
June	145, 893	34.6	2, 2215	5.3	79, 453	18.8	15, 536	3.7	99, 140	23.5	59 394	14.1	421, 631	100.0

Table 10.—**SAVINGS**—Sales of war bonds[1]

[Thousands of dollars]

Period	Series E	Series F	Series G	Total	Redemptions
1941 [2]	$1, 622, 496	$207, 681	$1, 184, 868	$3, 015, 045	$13, 601
1942	5, 988, 849	652, 044	2, 516, 065	9, 156, 958	245, 547
1943	10, 344, 369	745, 123	2, 639, 908	13, 729, 402	1, 506, 894
June	696, 213	35, 149	144, 128	875, 491	134, 822
July	682, 871	37, 579	169, 241	889, 691	131, 424
August	661, 200	28, 095	112, 434	801, 729	144, 966
September	1, 400, 159	138, 984	387, 412	1, 926, 555	148, 498
October	1, 340, 148	93, 124	274, 877	1, 708, 150	137, 496
November	665, 293	23, 449	109, 404	798, 146	164, 412
December	727, 558	24, 081	101, 378	853, 017	200, 840
1944					
January	1, 084, 637	126, 825	486, 942	1, 698, 404	180, 965
February	2, 102, 345	157, 422	521, 702	2, 781, 469	177, 980
March	575, 714	22, 933	110, 347	709, 054	261, 549
April	605, 709	19, 306	113, 528	738, 543	230, 614
May	624, 253	15, 287	111, 088	750, 628	271, 597
June	1, 349, 794	115, 119	377, 284	1, 842, 197	241, 278

[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 11.—**SAVINGS**—Held by institutions

[Thousands of dollars]

End of period	Insured savings and loans [1]	Mutual savings banks [2]	Insured commercial banks [3]	Postal savings [4]
1942: June	$2, 736, 258	$10, 354, 533	$13, 030, 610	$1, 315, 523
December	2, 983, 310	10, 620, 957	13, 820, 000	1, 417, 406
1943: June	3, 270, 834	11, 104, 706	14, 870, 000	1, 577, 526
July	3, 318, 900			1, 620, 194
August	3, 362, 380			1, 659, 545
September	3, 389, 891			1, 683, 381
October	3, 435, 798			1, 715, 579
November	3, 488, 270			1, 752, 439
December	3, 573, 896	11, 707, 000	16, 157, 993	1, 787, 879
1944: January				1, 833, 145
February				1, 866, 563
March	3, 710, 356			1, 905, 748
April				1, 946, 372
May				1, 993, 697
June	3, 922, 705	12, 428, 026		2, 033, 106

[1] Private repurchasable capital as reported to the FHLB Administration.
[2] *Month's Work.* All deposits.
[3] FDIC. Time deposits evidenced by saving passbooks. Estimated since June 1942.
[4] Balance on deposit to credit of depositors, including unclaimed accounts. Totals since April 1944 are unaudited.

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

[Thousands of dollars]

Federal Home Loan Bank	Lending operations June 1944		Principal assets June 30, 1944			Capital and principal liabilities June 30, 1944			Total assets June 30, 1944 [1]
	Advances	Repayments	Advances outstanding	Cash [1]	Government securities	Capital [2]	Debentures	Member deposits	
Boston	$3, 450	$913	$8, 135	$2, 827	$12, 914	$19, 733	$3, 000	$1, 113	$23, 942
New York	10, 275	659	20, 122	1, 830	19, 347	27, 269	10, 000	4, 146	41, 437
Pittsburgh	3, 622	425	12, 522	2, 816	7, 574	16, 639	6, 000	335	22, 983
Winston-Salem	4, 965	593	8, 936	576	8, 437	17, 705	0	291	17, 996
Cincinnati	4, 860	701	9, 165	3, 036	22, 271	25, 385	5, 000	4, 065	34, 577
Indianapolis	4, 143	1, 586	9, 950	2, 112	11, 118	14, 221	6, 500	2, 429	23, 251
Chicago	10, 248	545	19, 214	1, 851	13, 052	22, 547	7, 000	4, 482	34, 187
Des Moines	6, 783	432	8, 683	693	9, 569	12, 479	5, 000	1, 467	19, 005
Little Rock	1, 020	601	4, 876	2, 501	8, 168	12, 431	3, 000	50	15, 596
Topeka	1, 938	179	5, 044	1, 887	7, 566	10, 860	3, 000	627	14, 538
Portland	1, 935	142	2, 536	2, 142	5, 679	8, 472	1, 000	874	10, 386
Los Angeles	11, 594	1, 386	19, 095	386	6, 278	15, 738	8, 500	1, 481	25, 795
June 1944 (All Banks)	64, 833	8, 162	128, 278	22, 657	131, 973	203, 479	58, 000	21, 360	283, 693
May 1944	3, 939	14, 978	71, 606	31, 997	194, 845	203, 214	64, 300	29, 270	299, 623
June 1943	18, 066	7, 096	90, 192	18, 272	154, 932	195, 605	35, 000	29, 216	264, 112

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

Table 13.—**INSURED ASSOCIATIONS**—Progress of institutions insured by the FSLIC[1]

[Dollar amounts are shown in thousands]

Period and class of association	Number of associations	Total assets	Net first mortgages held	Cash	Government bond holdings	Private repurchasable capital	Government share capital	Federal Home Loan Bank advances	Operations			
									New mortgage loans	New private investments	Private repurchases	Repurchase ratio
ALL INSURED												
1942: June	2, 374	$3, 461, 228	$2, 827, 956	$219, 374	$70, 852	$2, 736, 258	$185, 783	$170, 066	$58, 642	$72, 788	$26, 152	35. 9
December	2, 398	3, 651, 598	2, 871, 641	256, 470	193, 452	2, 938, 310	169, 167	113, 977	46, 705	91, 029	30, 219	33. 2
1943: June	2, 428	3, 880, 999	2, 918, 577	276, 785	376, 177	3, 270, 834	119, 252	78, 155	76, 899	103, 939	33, 704	32. 4
July	2, 435	3, 875, 269	2, 931, 482	----------	----------	3, 318, 900	74, 568	80, 904	77, 994	134, 065	97, 117	72. 4
August	2, 433	3, 920, 852	2, 946, 968	----------	----------	3, 362, 380	69, 941	71, 013	83, 068	94, 229	50, 250	53. 3
September	2, 440	4, 037, 926	2, 971, 411	186, 954	580, 087	3, 389, 891	69, 920	118, 153	87, 878	83, 970	60, 019	71. 5
October	2, 439	4, 081, 472	2, 992, 823	----------	----------	3, 435, 798	69, 720	114, 619	81, 929	87, 692	45, 104	51. 4
November	2, 442	4, 127, 212	3, 004, 071	----------	----------	3, 488, 270	69, 690	104, 565	72, 936	90, 023	43, 137	47. 9
December	2, 447	4, 182, 728	3, 009, 025	302, 556	581, 651	3, 573, 896	69, 693	100, 340	70, 973	118, 496	37, 885	32. 0
1944: March	2, 452	4, 327, 868	3, 035, 201	228, 303	788, 854	3, 710, 356	50, 868	90, 103	87, 163	104, 494	56, 693	54. 3
June	2, 461	4, 583, 568	3, 117, 585	239, 936	954, 934	3, 922, 705	50, 832	118, 743	105, 245	127, 945	46, 560	36. 4
FEDERAL												
1942: June	1, 464	2, 205, 921	1, 849, 400	141, 617	41, 022	1, 735, 932	150, 776	127, 623	35, 279	47, 495	14, 794	31. 1
December	1, 467	2, 299, 895	1, 853, 868	164, 430	117, 339	1, 882, 051	137, 208	84, 135	27, 381	58, 937	16, 530	28. 0
1943: June	1, 468	2, 426, 079	1, 865, 991	170, 730	235, 524	2, 060, 502	96, 109	56, 553	46, 730	68, 235	19, 586	28. 7
July	1, 468	2, 408, 687	1, 871, 478	----------	----------	2, 087, 404	58, 239	59, 416	48, 370	87, 444	64, 073	73. 3
August	1, 466	2, 438, 803	1, 880, 513	----------	----------	2, 117, 053	55, 021	51, 639	51, 172	61, 351	31, 253	50. 9
September	1, 471	2, 523, 737	1, 896, 312	109, 181	369, 954	2, 135, 010	55, 021	87, 648	54, 100	53, 138	37, 274	70. 1
October	1, 468	2, 550, 973	1, 908, 518	----------	----------	2, 164, 155	55, 021	84, 983	50, 576	56, 490	26, 825	47. 5
November	1, 467	2, 580, 481	1, 915, 135	----------	----------	2, 201, 120	55, 021	76, 034	44, 804	57, 915	24, 373	42. 1
December	1, 466	2, 617, 431	1, 915, 771	183, 038	373, 325	2, 257, 002	55, 021	74, 780	43, 647	76, 677	21, 569	28. 1
1944: March	1, 466	2, 709, 897	1, 927, 122	135, 664	509, 170	2, 346, 042	39, 957	63, 892	53, 883	68, 276	36, 182	53. 0
June	1, 465	2, 881, 276	1, 972, 881	148, 913	620, 016	2, 488, 785	39, 948	84, 602	64, 474	83, 856	25, 969	31. 0
STATE												
1942: June	910	1, 255, 307	978, 556	77, 757	29, 830	1, 000, 326	35, 007	42, 443	23, 363	25, 293	11, 358	44. 9
December	931	1, 351, 703	1, 017, 773	92, 040	76, 113	1, 101, 259	31, 959	29, 842	19, 324	32, 092	13, 689	42. 7
1943: June	960	1, 454, 920	1, 052, 586	106, 055	140, 653	1, 210, 332	23, 143	21, 602	30, 169	35, 704	14, 118	39. 5
July	967	1, 466, 582	1, 060, 004	----------	----------	1, 231, 496	16, 329	21, 488	29, 624	46, 621	33, 044	70. 9
August	967	1, 482, 049	1, 066, 455	----------	----------	1, 245, 327	14, 920	19, 374	31, 896	32, 878	18, 997	57. 8
September	969	1, 514, 189	1, 075, 099	77, 773	210, 133	1, 254, 881	14, 899	30, 505	33, 778	30, 832	22, 745	73. 8
October	971	1, 530, 499	1, 084, 305	----------	----------	1, 271, 643	14, 699	29, 636	31, 353	31, 202	18, 279	58. 6
November	975	1, 546, 731	1, 088, 936	----------	----------	1, 287, 150	14, 669	28, 531	28, 132	32, 108	18, 764	58. 4
December	981	1, 565, 297	1, 093, 254	119, 518	208, 326	1, 316, 894	14, 672	25, 560	27, 326	41, 819	16, 316	39. 0
1944: March	986	1, 617, 971	1, 108, 079	92, 639	279, 684	1, 364, 314	10, 911	26, 211	33, 280	36, 218	20, 511	56. 6
June	996	1, 702, 292	1, 144, 704	91, 023	334, 918	1, 433, 920	10, 884	34, 141	40, 771	44, 089	20, 591	46. 7

[1] This table is now published in full only in February, May, August and November.

Table 14.—**FHA**—Home mortgages insured[1]

[Premium paying; thousands of dollars]

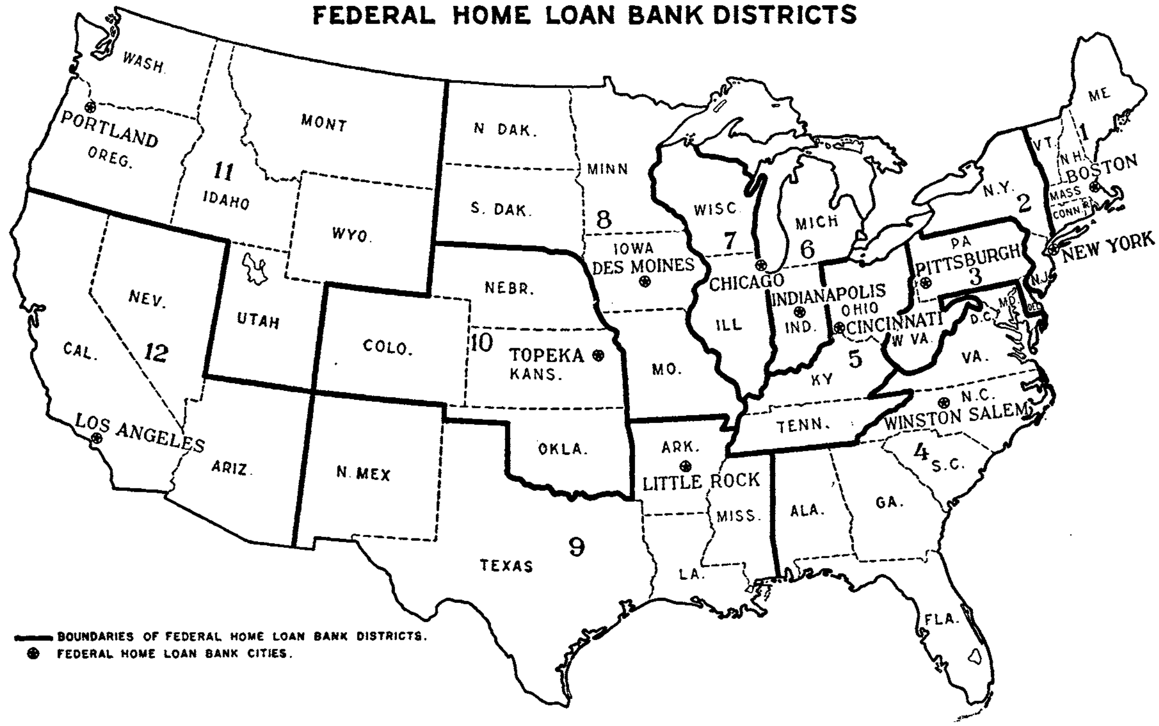
Period	Title II		Title VI	Total insured at end of period[2]
	New	Existing		
1943: June	$2, 606	$16, 759	$41, 629	$5, 026, 396
July	2, 424	18, 502	43, 445	5, 090, 767
August	1, 563	18, 519	49, 518	5, 160, 367
September	1, 479	18, 737	46, 365	5, 226, 948
October	818	18, 856	48, 571	5, 295, 193
November	833	20, 499	48, 421	5, 364, 946
December	747	17, 401	42, 979	5, 426, 073
1944: January	592	18, 397	49, 003	5, 494, 065
February	249	13, 795	40, 616	5, 548, 725
March	250	12, 729	41, 620	5, 603, 324
April	130	13, 200	36, 793	5, 653, 447
May	81	18, 319	37, 739	5, 709, 586
June	81	17, 768	34, 238	5, 761, 673

[1] Figures represent gross insurance written during the period and do not take account of principal repayments on previously insured loans.
[2] Includes Title I, Class 3, amounts that were shown prior to January 1943.

Table 15.—**FORECLOSURES**—Estimated nonfarm real-estate foreclosures, by Federal Home Loan Bank Districts

Federal Home Loan Bank District	Foreclosures				Cumulative (6 months)		
	June 1944	May 1944	April 1944	June 1943	Jan.–June 1944	Jan.–June 1943	Percent change
UNITED STATES	1, 564	1, 535	1, 325	2, 217	9, 190	14, 179	−35. 2
Boston	135	132	179	282	1, 191	1, 405	−15. 2
New York	465	469	388	642	2, 529	3, 801	−33. 5
Pittsburgh	320	269	227	359	1, 593	2, 419	−34. 1
Winston-Salem	195	195	132	270	986	1, 710	−42. 3
Cincinnati	85	100	86	156	729	1, 121	−35. 0
Indianapolis	30	32	26	45	178	292	−39. 0
Chicago	63	95	58	109	476	804	−40. 8
Des Moines	97	96	66	119	515	873	−41. 0
Little Rock	41	27	26	61	214	470	−54. 5
Topeka	64	63	56	71	345	527	−34. 5
Portland	13	8	18	17	67	139	−51. 8
Los Angeles	56	49	63	86	367	618	−40. 6

FEDERAL HOME LOAN BANK DISTRICTS



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