FEDERAL HOME LOAN BANK

REVIEW

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IN THIS ISSUE

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NATIONAL HOUSING AGENCY

Wilson W. Wyatt, Administrator

FEDERAL HOME LOAN BANK ADMINISTRATION

John H. Fahey, Commissioner

Contents

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The REVIEW in Brief

GI home loan program gathers momentum

By the end of July more than 250,000 home loan applications had been acted upon by the Veterans Administration and approved for loan closing. The principal amount of these loans is estimated at more than $1.2 billion. Important is the fact that the program has only recently gotten into high gear. Almost half of the total applications made to date were received during May, June and July. Applications are presently running about 13,000 a week—an estimated $60 million in new loans.

In the first state-by-state breakdown of data on GI home loans, 22 states and the District of Columbia reported in excess of $10,000,000 at the end of June. New York led the group with $92,000,000. Pennsylvania was next with almost $66 million, and Ohio, third, with $57 million.

Through the end of July, the principal amount of all GI home loans closed averaged $4,968. This may be compared with $4,678 at the end of March. During July, the average principal amount of the loans closed was just over the $5,500-mark. There has been considerable geographic variation in the size of loans made as indicated by a map which shows the average size of loans closed in each state. [*Page 357.*]

A review of the construction outlook

While the building picture is not all rosy by any means, a realistic review of reports on current building material production and of recent administrative actions to channel an increasing proportion of the output into home building offers hope for contra-seasonal gains during the balance of the year. A further cut in non-housing authorizations and tighter controls on the distribution of critical items will shift the materials shortage squeeze from housing to non-housing construction.

Single-family houses accounted for almost 90 percent of the 419,000 permits issued for privately financed dwelling units during the first seven months. July permits for privately financed units totaled 62,000, up 6 percent from June, breaking the downward trend which had prevailed since March.

A table shows the number of permits issued for privately financed 1-, 2- and 3-and-more family dwelling units during the first half of 1941 and 1946 in 79 cities throughout the country. These statistics, especially prepared by the Bureau of Labor Statistics, attest to the progress which has been made in many areas in spite of the fact that at the beginning of the year material distribution pipelines were drained and stockpiles nonexistent. [*Page 361.*]

Who holds the backlog of savings?—Part III

The concluding article in the series on the national survey of savings reports on the plans for home ownership, home financing and prospective savings programs of the spending units studied. The fact that "comparatively few" percentagewise were ready to go into the market and buy consumer goods belittles the economic importance of these contemplated purchases.

Prospective buyers of homes were found in each classification. Neither low income nor absence of liquid assets was a complete barrier to plans for home ownership. The majority of potential customers had incomes of less than $3,000 in 1945. Better than one out of every six said they could pay the full price in cash. [*Page 365.*]

July highlights

Another new peak in real estate financing activity was registered as total mortgage recordings of $20,000 or less reached $981 million. Cumulative figures for the first seven months of this year exceeded the 12-month total for last year.

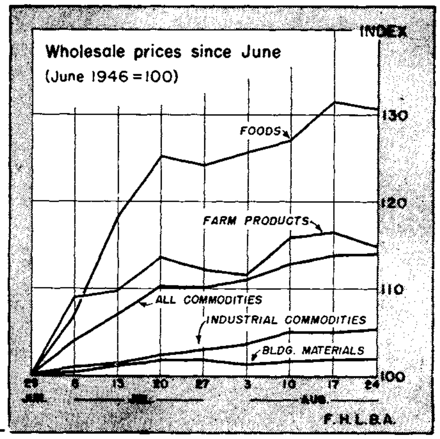
New lending by all savings and loan associations was virtually unchanged from the June total. Increases in loans for new construction and reconditioning were offset by declines in the other categories.

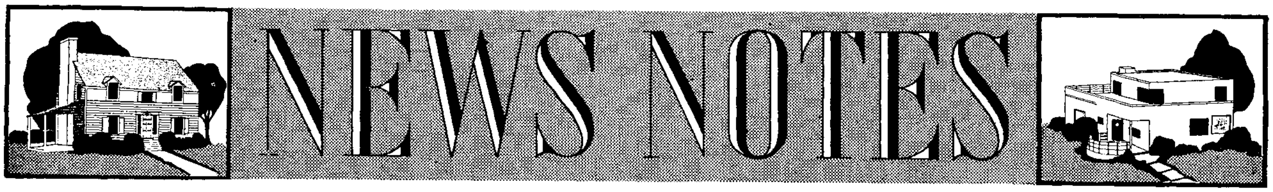
NHA estimates of VEHP progress through the end of July showed 607,100 units started—over half of the 1946 goal. These totals include trailers, prefabs, conversions and re-use war housing, as well as conventional construction. The number of units completed reached 287,100. Building permits for privately financed dwellings were up 6 percent, reversing the trend which has prevailed since the March peak.

Net inflow of private savings into all savings and loan associations amounted to $85 million—a third larger than in the same month last year. The July repurchase ratio was only slightly higher than a year ago.

The FRB index of industrial production advanced 3 more points to set another postwar high. Civilian employment figures stood at 58,100,000—the highest on record.

The "OPA holiday" in July made price trends of prime interest. The chart below, based on the wholesale prices of 900 commodities, shows that building material prices went up less than average.





Tighter controls for lumber

A series of orders issued jointly by the Housing Expediter's Office and CPA late in August were designed to tag large additional amounts of construction lumber, hardwood flooring and millwork for the Veterans Emergency Housing Program.

As a result of these orders, distributors will get on an annual basis at least one-third more housing construction lumber from sawmills, or two carload lots per quarter, whichever is larger. Of these increased shipments, at least 80 percent must be held indefinitely for certified and rated orders.

Military housing in this country has now been reduced to the level of civilian housing in the priority ratings. All military housing, both at home and overseas, will be subject to even tighter screening as to its geographical impact and timing.

Millwork manufacturers or distributors must reserve indefinitely for certified or rated orders 85 percent of the millwork they produce or receive, unless specifically authorized to do otherwise. In the case of hardwood flooring, the set-aside ratio for rated orders was set at 100 percent of all residential hardwood flooring which is produced or received.

British homebuilding declined in June

Despite an increase in the labor construction force, the number of permanent houses started in England and Wales during June fell almost 21 percent below the May total, the British government reported. Of the 14,770 dwellings begun in June, 4,534 were being erected by private builders and 10,236 by local (government) authorities. Completions during the month totaled 2,852 units—2,059 by private builders and 793 by local authorities.

By June 30 the total number of houses provided this year had reached 178,570. Including rebuilt war-destroyed houses, 12,002 permanent and 30,706 temporary dwellings had been completed. The remainder of the housing made available by the mid-year date consisted of temporary huts and requisitioned unoccupied houses.

Deferment for construction workers

Certain skilled workmen, managerial and supervisory personnel working on VEHP construction, are now eligible for deferment from military service under a recent agreement between NHA and the Selective Service System. To qualify for such certification by NHA, such workers must have at least three years' training and experience in key building trades. In addition they must be employed in areas of established labor shortages and their prospective loss must constitute a threat to home construction under the VEHP.

Surplus materials held for housing

To direct surplus building materials and equipment into the Veterans Emergency Housing Program, on August 16 the Housing Expediter issued Housing Expediter Priorities Regulations 1 and 2. Regulation 1 grants the VEHP and the VA construction program preferential consideration in acquiring (from War Assets Administration) over 80 types of surplus building materials. HEPR 2 applies in similar fashion to surplus materials and equipment for utilities (water, gas, power or sewerage).

Listed materials, supplies and equipment under both orders must be made available during a 15-day period to the VA and the FPHA. After such an interval, remaining goods will be offered to holders of HH priorities under the VEHP. Any unclaimed surplus stock will then be disposed of according to general disposal procedures of the War Assets Administration.

PROGRESS OF THE VEHP JULY 31, 1946

607,100 units started account for 51 percent of 1946 goal of 1,200,000

Program component	Units started	Units completed
Total	607, 100	287, 100
New permanent	[1] 401, 200	[2] 194, 200
Conventional	[3] 385, 200	n. a.
Factory-built	[4] 16, 000	
Temporary re-use	[5] 132, 000	[5] 25, 500
Conversions	[6] 55, 300	[6] 48, 800
Trailers	[7] 18, 600	[7] 18, 600

[1] U. S. Bureau of Labor Statistics. Estimate for month of July is preliminary. Includes factory-built homes.
[2] U. S. Bureau of Labor Statistics, preliminary estimates.
[3] Total permanent units as reported by U. S. Bureau of Labor Statistics, less estimated number of factory-built homes started. Includes 3,256 units in New York City Housing Authority projects.
[4] National Housing Agency reports on factory shipments.
[5] Federal Public Housing Authority. Includes family-equivalent units, Federally and non-Federally financed. A family-equivalent unit consists either of a 1-family unit or of 2 dormitory units. Actual living accommodations totaled 152,200 started and 27,900 completed.
[6] Preliminary estimate.
[7] U. S. Bureau of Census. Includes National Housing Agency preliminary estimate of July factory shipments.
n. a. Not available.

GI HOME LOAN PROGRAM GATHERS MOMENTUM

Statistics of the Veterans Administration indicate the increasing importance of the GI loan program in current home financing activity. Recently released data also tell the story of where the loans made during the first 18 months of the program originated.

■ THE GI home loan program has now been in operation for more than a year and a half. For the most part, however, this has been a period of organization, education and modification—all pointing toward one of the biggest Government operations in the field of insuring or guaranteeing the purchase of homes. New records are being set with almost every week's activity. These result primarily from the new regulations which became effective in March, covering the increase in the loan guaranty amount authorized in the December 28, 1945 amendments to the Act, together with the demobilization of the armed forces and the acute shortage of rental housing.

Statistics on the volume of GI home loans have, until recently, been quite meager; but through the cooperation of the Loan Guarantee Service Division of the Veterans Administration, it is now possible to present for the first time a comprehensive statistical summary of home loans made through the end of July. Of special interest, too, is a geographical breakdown of all loans completed through June 28, 1946.

Unfortunately, from the point of view of students and economists in the field of home finance or of institutional managers in the operating end of the business, it is not yet possible to obtain data by type of lender. It is generally agreed, however, that savings and loan associations—as the traditional source of home financing funds—were off to an early lead in this type of financing, and are now accounting for a major share of GI home loans.

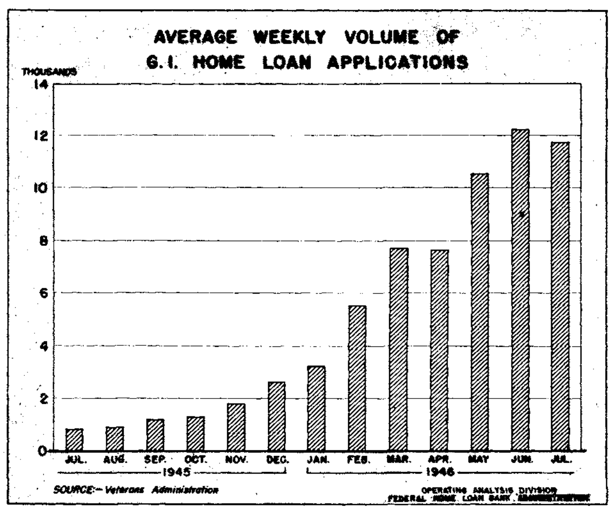
Loan volume passes $1,000,000,000

By the end of July more than a quarter of a million home loan applications had been acted upon by the Veterans Administration and approved for loan closing. The principal amount of these loans is estimated at more than $1.2 billion. Loans actually closed and disbursed totaled 200,231 on July 26, having an aggregate principal amounting to almost a billion dollars. (See Table 10, p. 382.)

Important is the fact that the program has only recently gotten into high gear. Almost half of the total applications made by veterans in the 18 months the program has been in effect were received during May, June and July. Recently, new applications have been pouring in at the rate of better than 12,000 a week, reaching a peak of over 13,600 in the week ending August 30. In terms of dollar volume, this involves potential new loans amounting to more than $60,000,000 per week, or over a quarter of a billion dollars a month.

Loans actually closed and disbursed are keeping pace with the applications and the current rate is running well in excess of $50,000,000 a week, or more than $200,000,000 a month. Relating these figures to a series such as mortgage recordings, which measures the volume of all real estate financing of $20,000 or less, the conclusion may be drawn that GI home loans are accounting for possibly as much as one-fourth to one-third of all home financing being done today.

As an indication of the increasing tempo of current activity, it can be noted that a year ago in July only between 700 and 800 applications for GI home loans were being submitted each



week. The weekly average in December was around 2,500; and in March, when the major changes in regulations took effect, the number of applications was approximately 7,600 a week. Since the middle of May, however, there has only been one week with less than 10,000 new applications.

Average loan and commitment data

Through the end of July, the principal amount of the GI home loans closed since the program started averaged $4,968. This may be compared with an average of $4,678 at the end of March when this type of statistics first became available. It is likely that this figure will continue to rise, for the average of loans currently being closed is well above those already on the books. In the four reporting periods during July, for example, the average principal amount of the loans closed was just over the $5,500-mark.

Guaranty or insurance commitments by the Veterans Administration on all GI home loans made through the end of July aggregated $455,000,000. This was equal to about 46 percent of the cumulative principal amount of these loans, and averaged $2,271 per loan. At the end of March, the average commitment was $2,027. Two factors have combined to bring about this substantial increase: first and most important was the increase in the amount which could be insured or guaranteed; and second was the larger average size of each loan made, as noted above.

Where the loans have been made

A geographical breakdown of activity through the end of June provides the first complete analysis of where the GI home loans have been made. The whole story is contained in the table on this page, which shows the total number of loan applications made, the number and amount of loans closed and disbursed and the average size of loan for each VA regional branch and the states within each branch. In some cases there are several local offices within a given state (New York and Pennsylvania, for example, each have three) and sometimes a local office territory will take in a few counties in a neighboring state (for example the Chicago office accepts applications from a few counties in northwestern Indiana). For these reasons, the data in the table for an individual state can only be considered as the approximate total.

GI home loans as of June 28, 1946

VA branch office and state	Number of loan applications	Loans closed and disbursed		Average size of loan
		Number	Principal amount [1]	
UNITED STATES	257,986	165,737	$804,907	$4,857
Branch Office #1	24,352	16,410	94,078	5,733
Connecticut	3,405	2,299	14,760	6,420
Maine	2,439	2,226	8,941	4,017
Massachusetts	12,693	7,610	49,558	6,512
New Hampshire	2,553	1,824	8,551	4,688
Rhode Island	1,994	1,493	7,840	5,251
Vermont	1,268	958	4,428	4,622
Branch Office #2	21,738	16,352	92,398	5,651
New York	21,738	16,352	92,398	5,651
Branch Office #3	31,872	20,063	92,780	4,624
Delaware	391	260	1,471	5,659
New Jersey	7,418	4,818	25,436	5,279
Pennsylvania	24,063	14,985	65,873	4,396
Branch Office #4	19,267	13,680	67,654	4,945
District of Columbia	2,669	1,763	12,437	7,054
Maryland	4,593	3,321	17,306	5,211
North Carolina	4,889	3,593	16,212	4,512
Virginia	4,790	3,565	16,395	4,599
West Virginia	2,316	1,438	5,305	3,689
Branch Office #5	16,165	9,967	43,409	4,355
Alabama	2,576	1,638	5,909	3,607
Florida	3,424	1,730	7,847	4,536
Georgia	4,653	3,222	15,459	4,798
South Carolina	2,056	1,113	4,720	4,241
Tennessee	3,456	2,264	9,474	4,185
Branch Office #6	33,021	20,726	95,965	4,630
Kentucky	2,705	1,957	7,965	4,070
Michigan	11,819	6,755	30,842	4,566
Ohio	18,497	12,014	57,158	4,758
Branch Office #7	28,028	18,590	87,630	4,714
Illinois	15,088	9,028	45,911	5,085
Indiana	8,852	6,799	27,497	4,044
Wisconsin	4,088	2,763	14,222	5,147
Branch Office #8	14,810	9,294	40,518	4,360
Iowa	6,045	4,111	18,005	4,380
Minnesota	4,602	2,424	11,688	4,821
Nebraska	3,250	2,127	8,405	3,952
North Dakota	412	280	1,147	4,097
South Dakota	501	352	1,273	3,616
Branch Office #9	20,868	14,743	62,005	4,206
Arkansas	1,928	1,328	4,322	3,254
Kansas	4,596	3,642	14,937	4,101
Missouri	9,427	6,287	26,853	4,271
Oklahoma	4,917	3,486	15,893	4,559
Branch Office #10	18,220	9,367	46,021	4,913
Louisiana	2,612	1,130	5,154	4,562
Mississippi	1,441	662	3,213	4,853
Texas	14,167	7,575	37,653	4,971
Branch Office #11	10,234	5,908	23,539	3,984
Idaho	855	356	1,481	4,159
Montana	796	508	2,002	3,941
Oregon	3,177	1,940	8,099	4,175
Washington	5,402	3,102	11,952	3,853
Alaska	4	2	5	2,400
Branch Office #12	13,975	6,959	42,807	6,151
Arizona	999	472	1,618	3,427
California	12,666	6,332	40,370	6,376
Nevada	171	99	338	3,409
Hawaii	139	56	482	8,604
Branch Office #13	5,436	3,678	16,103	4,378
Colorado	2,964	1,866	8,615	4,617
New Mexico	760	549	2,284	4,159
Utah	1,378	992	4,127	4,160
Wyoming	344	271	1,077	3,975

[1] Figures in this column are shown in thousands of dollars.

To recapitulate the status of loans on June 28, the total number of the reports and applications received for home loans was 257,986. The status of 34,592 had not yet been determined, leaving a net figure of 223,394. Of these, 14,387, or about one out of sixteen, had either been withdrawn by the applicant or approval had been denied, leaving a total of 209,007 which had been approved by the Veterans Administration for loan closing. Of the approved loans, 165,737 were reported as having been closed and disbursed, and the remaining 43,270 were in the final processes. In many cases these are for new construction where prior approval by VA has been obtained but the guaranty process cannot be completed until final disbursement has been made. In others, it is merely a question of completing all necessary papers.

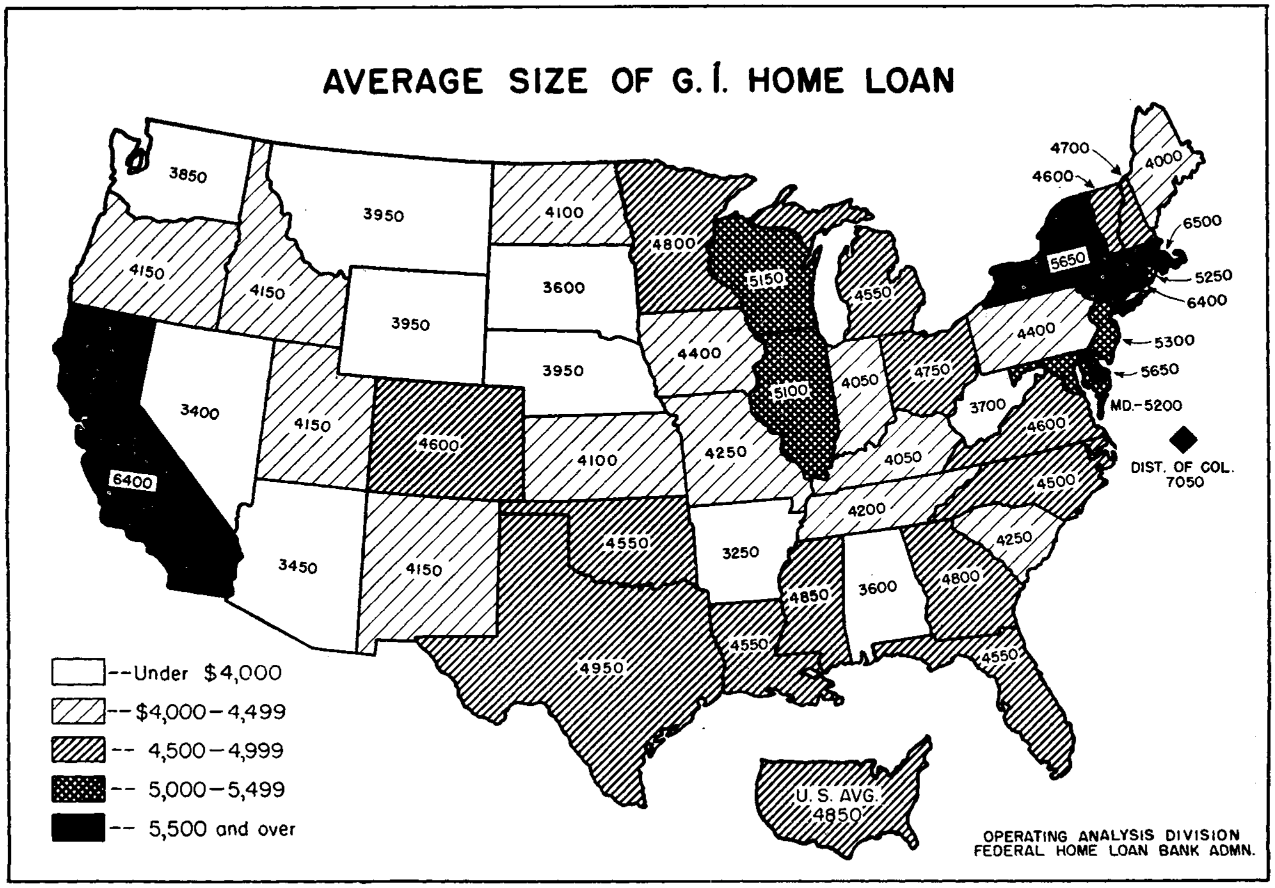
Because of space limitations, discussion of the loans on a state-by-state basis is limited to those loans reported closed and disbursed—the 165,737 mentioned in the preceding paragraph. In terms of the number of loans, it is natural that the volume would be greatest in those areas where there are the greatest number of veterans. Consequently, it is not surprising to find that New York, Pennsylvania and Ohio accounted for slightly more than one out of every four loans closed. Add to these the totals of the states of Massachusetts, Illinois, California, Texas, Michigan, and Indiana and you have more than half of the aggregate number of completed actions.

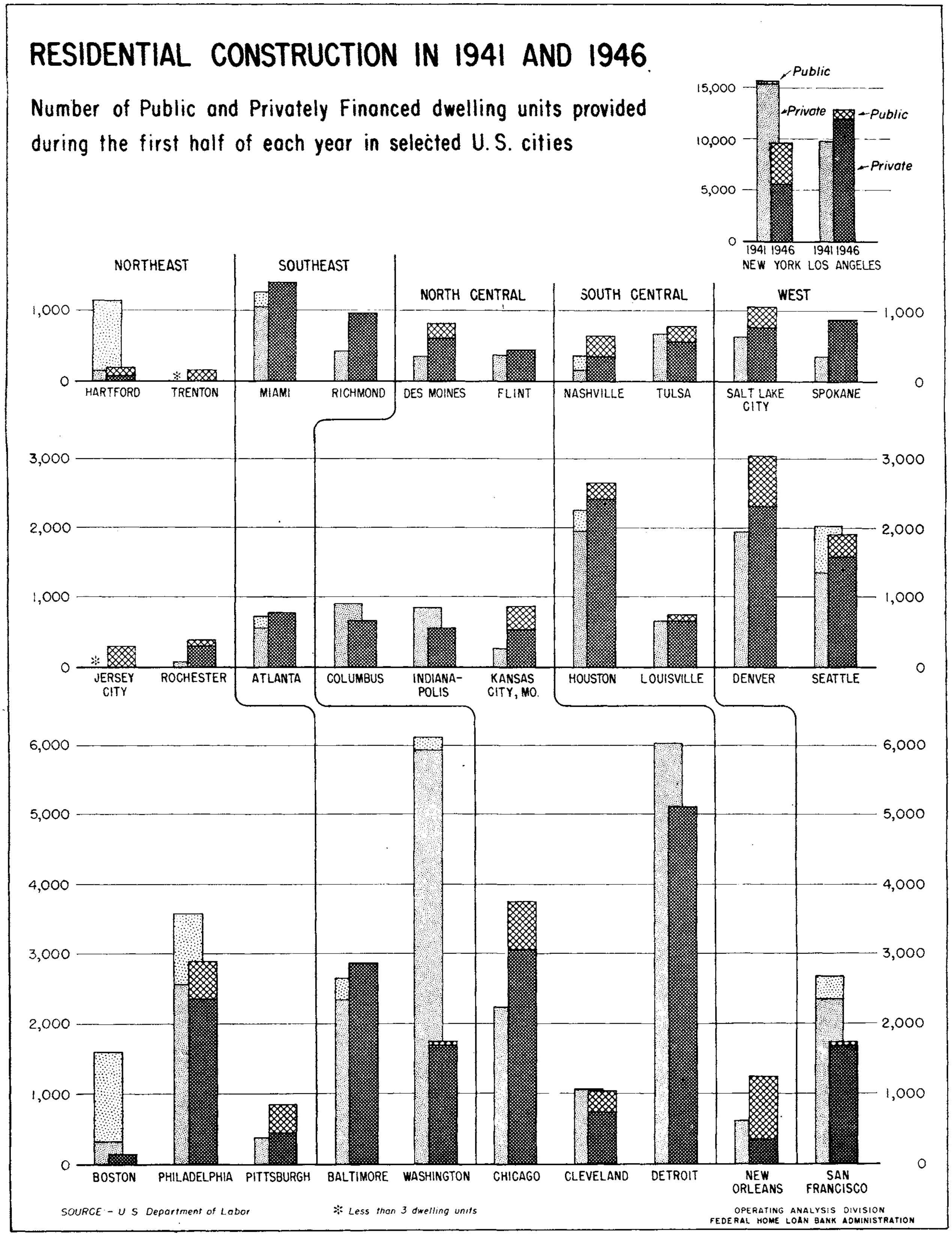
In terms of dollar volume there were 22 states and the District of Columbia which reported loans in excess of $10,000,000. New York led the group with a total of $92,000,000, Pennsylvania was next with almost $66,000,000, and Ohio was third with $57,000,000. Nevada was the only area with less than $1,000,000.

Average size of loan

Of considerable interest to all lenders is the average size of loan made under the GI program. We have already noted that on a nationwide basis this average has been steadily rising, and on June 28, stood at $4,857. Comparing the various reporting areas, there were 10 states and the District of Columbia with averages above this figure

(*Continued on p. 376*)




RESIDENTIAL CONSTRUCTION IN 1941 AND 1946
Number of Public and Privately Financed dwelling units provided during the first half of each year in selected U.S. cities
Public
Private
1941 1946 1941 1946
NEW YORK LOS ANGELES
NORTHEAST
SOUTHEAST
NORTH CENTRAL
SOUTH CENTRAL
WEST
HARTFORD
TRENTON
MIAMI
RICHMOND
DES MOINES
FLINT
NASHVILLE
TULSA
SALT LAKE CITY
SPOKANE
JERSEY CITY
ROCHESTER
ATLANTA
COLUMBUS
INDIANA-POLIS
KANSAS CITY, MO.
HOUSTON
LOUISVILLE
DENVER
SEATTLE
BOSTON
PHILADELPHIA
PITTSBURGH
BALTIMORE
WASHINGTON
CHICAGO
CLEVELAND
DETROIT
NEW ORLEANS
SAN FRANCISCO
SOURCE - U S Department of Labor
* Less than 3 dwelling units
OPERATING ANALYSIS DIVISION
FEDERAL HOME LOAN BANK ADMINISTRATION

A REVIEW OF THE CONSTRUCTION OUTLOOK

Contra-seasonal gains in home construction during the last half of this year are presaged by encouraging production reports for some of the most critical building materials. New actions have been taken to channel this output into veterans' housing. A special study of 79 individual cities during the first six months reveals some spectacular gains over prewar levels.

■ ONLY a confirmed optimist would be foolhardy enough to begin to talk about the troubles being over in the building picture—and yet only the perennial pessimist would be sour enough to discount some of the real progress that has been made during the past few months. A foundation has been laid for continued expansion in homebuilding during the rest of this year and next. It is time to review realistically the gains which have been made and some of the problems which remain to be solved.

The Veterans Emergency Housing Program has been in operation only a little more than six months if you count back to the date of the President's initial report to Congress on February 8. If you start with the passage by Congress of the Veterans Emergency Housing Act on May 22, it has been functioning for only four months. And programs of such magnitude do not get rolling over night.

The picture is not all rosy by any means, and yet as each new problem crops up, positive action is being taken to meet the need. Despite the fact that the Department of Commerce composite production index for 16 selected building materials shows a gain of 70 percent from December through the end of June, the situation boils down to whether there is enough of every single material needed to finish a given house. All of us have seen houses under construction that have stood idle for several weeks or months. Maybe there weren't enough nails, cast iron soil pipe, hardwood flooring, millwork or plumbing fixtures. These seem to be the strategic items which at present are clouding the picture and hiding some of the real progress which has been made. Every one is under constant review and the record of administrative actions during the past few weeks indicates the comprehensive steps being taken to remedy the situation.

In many ways the current status of the housing program is not too different from that point in our development of the war production program when we had tanks all set to roll, but no engines; or planes all ready to fly, but no propellers. These problems were licked with the cooperation of labor, of business and of Government and we went on to win. We can and will achieve the same end in the battle for housing.

Breaking the material bottlenecks

Basically there was no reason why the production of building materials during the first half of this year should have been much different from that for other industrial commodities. Management-labor disputes, transportation difficulties and differences over pricing policies were common throughout the American economy in the early months of 1946. It has been only recently that our industrial giant has been free enough from these arthritic kinks to begin to move forward toward the postwar peaks ahead.

During June, July and August, the combined efforts of business, of labor and of Government were beginning to have some cumulative, beneficial effects. For the first time this year there was comparative peace and quiet on the labor front. Industry had been the recipient of innumerable price increases designed to stimulate production. In the field of building materials, premium payment plans were introduced for the most critical items and the initial effects of this incentive program were beginning to be evident in production totals.

Indicative of the generally brightened picture are the latest figures on brick and lumber production—two basic commodities in the homebuilding industry. Estimates for June indicate a total production of approximately 3.2 billion board feet of lumber. This was the second successive month above the 3-billion-board-feet rate, and the first time in more than two years that an output of this proportion had been registered. The July volume will be below this level because of the vacation period in West Coast producing regions. In spite of this, predictions for the year's total have already been revised upward to

32 billion board feet by the Civilian Production Administration and there are good prospects that even this figure will be surpassed.

The outlook for brick production is equally encouraging. Brick production jumped 11 percent in June and rose an additional 17 percent in July. The Civilian Production Administration's estimate of 457 million bricks made during July was more than twice the amount manufactured in August 1945 when the war ended. In fact, it was the first time since 1941 that more than 400 million bricks had been produced in a single month. The premium payment plan for this material was among the first to be put into effect (June 1). Barring unforeseen developments, the critical shortage of bricks should be greatly alleviated by the end of the year, although the question of distribution of the supply may still be a problem in some areas.

Structural tile and clay sewer products continue in tight supply, but 36 more plants were operating in mid-July than a month before. July production of both structural tile and clay sewer pipe was 5 percent above June totals and at postwar peak levels. The premium payment plan for these items was announced early in June.

For housing only

To make certain that the stepped-up output of building materials would not be sidetracked into non-housing uses, the Housing Expediter and the Civilian Production Administration have announced a number of new orders which will channel much greater percentages of critical materials into veterans' housing. The drastic measures were designed to make possible the completion of a great volume of houses and apartments before winter sets in.

In the first place, 28 more materials in short supply were added to Schedule A of Priorities Regulation 33—making a total of 58—which now contains the principal materials necessary to construct and complete houses. For 44 of the 58 materials, dealers and distributors must accept priority rated orders which are offered to them up to 75 percent of their material receipts. Even larger proportions must be set aside and held for rated orders for the remaining 14 materials.

In the case of millwork (the most critically short material in the whole program at the present time), for example, manufacturers and distributors must reserve indefinitely for rated orders 85 percent of the millwork they produce or receive. Every hardwood flooring manufacturer or distributor must now reserve 100 percent of his residential hardwood flooring for rated orders.

The problem of cast iron soil pipe has been attacked on three fronts: At least 93 percent of a producer's output must be in sizes needed for housing; the use of this material beyond five feet from any building or for any purpose other than sewage disposal systems has been prohibited; and 80 percent of the quantity received by distributors or jobbers must be set aside for rated orders.

Further cuts were agreed upon in the amount of non-housing construction which is to be permitted. A weekly volume of $35 million is now the goal in contrast to $48.8 million during the period from May through August.

All of these actions add up to a concerted effort to shift the materials shortage squeeze from housing to non-housing channels.

Private housing in 1946

The whole story of the progress of the Veterans Emergency Housing Program is shown in the table on page 356, prepared by the National Housing Agency. To bring the discussion closer to the operations of home financing institutions, however, let's look at the record thus far in 1946 for privately financed housing. The statistics used are based on building permits issued, as reported by the Department of Labor, because the data are available by type of structure and also on a comparable basis for the prewar year of 1941.

In the first seven months of this year, permits were taken out in all nonfarm areas for almost 419,000 privately financed dwelling units. This was nearly 10 percent more than in 1941, and more than four times the volume in the same period of last year. One-family units accounted for 89 percent of the total; 2-family units, 4 percent; and multi-family units, 7 percent. Of the 382,000 permits issued in the same 1941 period, 85 percent were for single-family houses; 4 percent for 2-family units; and multi-family units made up 11 percent of the total. Because a higher proportion of current building consists of single-family dwellings, the gain in this type of construction over 1941 was almost 16 percent.

Considering the fact that at the start of this year material distribution pipelines were virtually drained and stockpiles non-existent, the achievements during the first seven months take on even greater significance.

Permits issued for new privately financed dwelling units in 79 selected cities—First six months, 1941 and 1946

City and state	1946			1941		
	1-family	2-family	3- and more-family	1-family	2-family	3- and more-family
Akron, Ohio	567	1	--------	466	4	--------
Albany, N. Y	42	--------	--------	40	4	37
Atlanta, Ga	683	19	72	437	82	45
Baltimore, Md	2,180	706	4	1,759	358	229
Birmingham, Ala	668	16	29	350	129	11
Boston, Mass	99	44	12	255	17	56
Bridgeport, Conn	113	10	--------	179	70	132
Buffalo, N. Y	105	22	--------	57	14	70
Cambridge, Mass	2	--------	42	10	--------	--------
Camden, N. J	103	1	--------	158	95	--------
Chattanooga, Tenn	187	10	4	111	--------	--------
Chicago, Ill	2,584	96	391	2,031	136	79
Cincinnati, Ohio	208	130	292	455	162	615
Cleveland, Ohio	642	47	50	850	25	176
Columbus, Ohio	580	5	92	608	52	254
Dallas, Texas	2,492	128	98	867	123	19
Dayton, Ohio	297	14	72	351	12	67
Denver, Colo	1,801	46	471	1,539	110	83
Des Moines, Iowa	588	18	7	345	3	27
Detroit, Mich	4,881	164	73	5,764	272	--------
Erie, Pa	216	10	--------	106	4	8
Fall River, Mass	32	--------	3	21	6	5
Flint, Mich	434	--------	5	373	8	--------
Fort Wayne, Ind	296	--------	--------	269	--------	--------
Fort Worth, Texas	2,127	52	17	602	46	4
Gary, Ind	323	7	7	364	--------	--------
Grand Rapids, Mich	378	6	--------	240	--------	--------
Hartford, Conn	37	--------	55	123	18	12
Houston, Texas	1,891	398	130	1,608	114	219
Indianapolis, Ind	520	50	--------	656	121	78
Jacksonville, Fla	621	40	40	889	42	152
Jersey City, N. J	1	4	--------	--------	2	--------
Kansas City, Kansas	140	10	23	50	4	4
Kansas City, Mo	433	60	66	232	--------	36
Knoxville, Tenn	420	2	8	123	3	--------
Long Beach, Calif	824	165	741	957	89	312
Los Angeles, Calif	7,427	969	3,625	5,961	506	3,338
Louisville, Ky	671	2	11	661	7	8
Memphis, Tenn	1,107	140	5	824	450	20
Miami, Fla	791	316	301	789	119	152
Milwaukee, Wis	885	187	60	389	230	44
Minneapolis, Minn	755	140	5	606	46	8
Nashville, Tenn	286	29	41	136	23	18
Newark, N. J	13	--------	3	18	--------	--------
New Haven, Conn	128	2	--------	68	--------	--------
New Orleans, La	254	68	37	372	205	40
New York, N. Y	1,810	1,549	2,148	3,785	1,786	9,812
Norfolk, Va	115	8	10	303	22	138
Oakland, Calif	534	97	154	864	93	114
Oklahoma City, Okla	741	127	20	519	53	4
Omaha, Nebr	455	13	8	355	18	4
Paterson, N. J	30	--------	--------	109	10	--------
Philadelphia, Pa	2,263	--------	90	2,556	2	12
Pittsburgh, Pa	241	42	165	337	4	54
Portland, Ore	1,268	44	230	885	39	133
Providence, R. I	25	20	7	76	30	--------
Reading, Pa	43	22	--------	25	--------	--------
Richmond, Va	769	2	206	366	54	4
Rochester, N. Y	207	2	152	89	6	--------
St. Louis, Mo	115	166	265	453	46	223
St. Paul, Minn	680	20	83	394	12	149
Salt Lake City, Utah	575	74	144	551	42	41
San Antonio, Texas	1,765	33	99	713	58	40
San Diego, Calif	782	133	122	1,684	290	234
San Francisco, Calif	1,230	425	39	2,108	223	37
Scranton, Pa	7	--------	3	13	2	--------
Seattle, Wash	1,463	32	94	1,309	14	26
Spokane, Wash	848	8	24	351	--------	5
Springfield, Mass	395	2	--------	122	2	--------
Syracuse, N. Y	70	57	--------	62	--------	--------
Toledo, Ohio	257	36	60	281	6	54
Trenton, N. J	8	1	5	1	--------	--------
Tulsa, Okla	558	17	--------	653	25	--------
Washington, D. C	745	--------	957	1,383	--------	4,555
Wichita, Kansas	658	132	16	743	30	89
Wilmington, Del	132	--------	--------	84	--------	4
Worcester, Mass	215	10	36	249	2	91
Yonkers, N. Y	173	18	45	98	6	187
Youngstown, Ohio	150	8	3	159	3	4

July permits for privately financed construction in nonfarm areas totaled approximately 62,000 units. This was a gain of 6 percent over the June volume and reversed the downward trend which had prevailed since the March peak. While the gain is not unusually large, it may indicate that builders are beginning to see enough improvement in the materials picture to warrant undertaking additional projects.

City data

The Bureau of Labor Statistics has prepared a special summary of building permits issued in 79 individual cities during the first half of this year and the comparable period in 1941. The chart on page 360 shows the breakdown of public and private construction for the two years in selected cities in representative geographic areas. All figures are limited to city boundaries and do not include data for surrounding communities.

Tax Incentive for Rental Housing

■ A recent ruling by the Commissioner of Internal Revenue allows builders and owners of multi-family rental projects to step up the rate of depreciation for tax purposes. This action is expected to provide an important new incentive to build rental housing projects for veterans.

Owners of rental housing will no longer be restricted to the equal annual instalment method of charging off depreciation for tax purposes. Rental housing owners can use a method which will permit a property to be depreciated at a faster rate in the earlier years of its life.

The text of the ruling is as follows:

"The Bureau of Internal Revenue recognizes and approves the use of the declining balance method of accounting for depreciation with the condition that the applicable declining balance rate not exceed 150 percent of the normal straight line rate. For example, where the normal depreciation rate on a building is 2.5 percent the declining balance rate would be 3.75 percent. Under this method the amount of depreciation in the case of new property computed at the applicable rate for the first year is subtracted from the cost or other basis of the property and the declining balance rate would thereafter be applied to the resulting balances from year to year."

Rental housing owners will have the option of choosing whichever method is more suited to their needs. In addition, an owner can apply for the right to use a higher depreciation rate if he believes special conditions prevail.

★ ★ ★ WORTH REPEATING ★ ★ ★

ASSISTANCE: "Brokers, builders, appraisers, and lenders can assist the veteran by helping him to find a home at the most reasonable price available under present conditions, by helping to get new homes in low price ranges constructed, by giving sound advice and counsel to veterans with regard to real estate prices and values, and by making sure that the veteran embarks on a home ownership program within his earning capacity."

Fred T. Greene, President, Federal Home Loan Bank of Indianapolis, in *Savings and Loans News*, August 1946.

JUDGMENT: "It does require knowledge, wisdom and judgment to distinguish the quality and safety of a mortgage investment and some measure of courage to be unyielding in the face of unwise competition for available loans. Remember that today is the yesterday of tomorrow and post mortems are not likely to produce convincing alibis."

William J. Dwyer, President, The Franklin Society for Home Building and Savings, *National Savings and Loan Journal*, August 1946.

TAXES AND BLIGHT: "We must decentralize our tax base, if we are to preserve our cities from blight, if we are to slow down the exodus to the suburbs, and if we are to maintain real estate as a sound medium of investment and sound security for credit. Taxation is inevitable, indispensable, but taxation must be sanely and fairly conceived and imposed."

H. Walter Graves, President, Philadelphia Real Estate Board, *Delaware County Magazine*, July 1946.

CHARACTER: "Without sound character, all the public relations tools and techniques in the book are ineffective and useless.

"This character must be big enough to sacrifice short-range expediency for long-range stability. It will be expressed by the wisdom of fair-dealing and have no part of sharp practice. Companies planning for favorable public opinion will choose to be wise, rather than smart, they will consider people as well as projects, the public interest as well as profits, and sound principles as well as politics. This basic character and enlightened philosophy are the foundations upon which a planned public relations program must rest."

George F. Meredith, President, American Public Relations Association, *The Constructor*, July 1946.

HEADACHES: "We look back upon the Thirties as a period of intense problems. Only within the past few years have our thrift institutions overcome the difficulties of defaulted mortgages and frozen real estate which developed in that period. But the real problems occurred much earlier, at a time when we thought we had no problems. The headaches and heartaches of the Thirties were the product of the mistakes of the boom times before. It was the loans we made when prices were high and everything was booming that caused the sleepless nights years later. Once again prices are high and booming. Once again we are drinking the wine of inflation which will surely give us some more headaches tomorrow."

Elliot V. Bell, New York State Supervisor of Banks, *Guide and Bulletin*, July 1946.

THE BOOKSHELF

HOUSING NEEDS AND THE HOUSING MARKET: By Ramsey Wood. 1946. Postwar Economic Studies, No. 6, Federal Reserve Board, Washington, D. C.

"The operations of the Federal Home Loan Bank System should be continued substantially as they are," says Mr. Wood. "It would be desirable, particularly in view of the probability of a rising real estate market in early postwar years, to require that all members of the System use a uniform technique of appraisal." Such a technique, Mr. Wood suggests, should be consistent with NHA standards and might be handled either by the present FHA valuation staff or by a similar FHLBS or FSLIC staff.

In fact, except for minor changes, Mr. Wood would retain the current organization of all Federal housing activities. He believes a central agency similar to NHA is vital to integrate various individual programs but "serious consideration should be given to the [removal of] contradictions and inconsistencies . . ."

Reduced interest rates and longer mortgages have been recommended by some builders as a means of stimulating home ownership, according to the report. However, the advocates of such a course recognize frankly that it would not actually reduce prices and costs but only reduce current charges per dollar of debt. Since this would make housing available to families more concerned with current charges than with ultimate price, it would immediately increase the size of the market for residential real estate at existing prices.

But this suggestion is not a surefire prescription for a general and permanent improvement of housing conditions in this country, the report quickly points out. It is more likely to add fuel to the flames of inflation and lead to a four- or five-year period of boom building than a sustained large volume of construction necessary to achieve the goal of "an adequate supply of housing that meets recognized standards of health and decency . . . available at charges commensurate with family incomes." Our only hope of reaching the sustained production of housing we must have to provide for our long-term needs is to weld all remedial actions into an integrated housing program which takes due cognizance of "the important role played by capital values in regulating the amount and kind of new housing added to the [existing] supply."

WHO HOLDS THE BACKLOG OF SAVINGS? — PART III —

Plans for home ownership, home financing and prospective savings programs of approximately 3,000 spending units receive detailed attention in Part III of the Federal Reserve Board's study. This concludes the series, previous summaries having appeared in the July and August issues of the REVIEW.

AT the turn of the year, with the war over and reconversion under way, what did people plan to do with their money? Did they expect wartime earnings to continue? Would they be willing and able to save at the recently prevalent rate? Was the "huge backlog of consumer demand," about which economists and laymen alike have talked so glibly, about to be translated into actual purchases or was it a product of wishful thinking?

Part III of the survey, made for the Federal Reserve Board by the Division of Program Surveys, Bureau of Agricultural Economics, Department of Agriculture,[1] provides an analysis of answers to these questions. This study is based on a sample survey made during the first three months of 1946 when the heads of 3,000 "spending units" (members of a family who live together and pool their major items of income and expense) were interviewed.

Income expectations

With regard to the economic outlook as a whole, people were equally divided between optimism and pessimism. However, judging from the results of this inquiry, they were generally more optimistic about their own income prospects than were the economists in calculating trends of production, profits and wages. About a third of the spending units (not including those on farms) estimated that their 1946 incomes would remain substantially the same as last year. A fourth expected less income this year; another fourth anticipated more; and a sixth could or would not make a commitment.

In order to assess the effects of these anticipated changes, it is necessary to know by what *amounts* people expected their incomes to change. This produced a slightly different story. According to personal income expectations, the amount of additional income anticipated was approximately equal to that of the expected decrease, so that the total of incomes in 1946 would be about the same as in 1945. As an indication of soundness, it is to be noted that more estimates were based on changes already experienced than on mere anticipation.

Apparently the size of community bore little or no relation to expected changes in income, but age, current income and occupation did make a difference. As might be expected, the younger the head of a spending unit the more likely he was to look for an increase; also the lowest income brackets in 1945 were more often in the "optimistic" category. Professional and business people and white-collar workers more frequently expected increases than decreases, while skilled workers anticipated the opposite trend.

However, it is real income, not just cash in hand, that lays the groundwork for future savings and substantial purchases. What did people expect prices to do and how would that affect their personal expenses? Slightly more than half of those interviewed thought that prices would go up this year, while only 8 percent of those who expressed any definite opinion looked for a decline. The most frequent, if not very realistic, answer given by the 21 percent who anticipated no rise in prices was, "They can't go any higher."

Indicating that price changes are not the only factor influencing people's expectations about their own expenses, 40 percent thought that they would spend more on day-to-day living this year; 37 percent believed an expenditure equal to last year's would see them through, while only 7 percent anticipated spending less than they had during 1945.

[1] *National Survey of Liquid Asset Holdings, Spending, and Saving, Part Three: Prospective Spending and Saving,* Division of Program Surveys, Bureau of Agricultural Economics, Department of Agriculture, Washington, D. C. This article presents the highlights of Part III of the report prepared by the Division of Program Surveys and summarized in the August issue of the *Federal Reserve Bulletin.*

Plans for spending

One thing is quite evident from this survey, namely, that no great number of people planned to rush into the market right away just because the war was over and the bars were down. How they may feel as ersatz goods are replaced by those of prewar quality and economic conditions are stabilized, is anybody's guess at this point. To the question: "Do you think 1946 will be a good time or a poor time to buy things like cars, refrigerators, radios, furniture and things like that?" over two-thirds of the replies indicated that it would be a poor time, with the reasons about equally divided between high costs and poor quality. Sixteen percent thought that this would be a good buyers' year, while six percent did not answer the question but argued in terms of need—that is—if you must have certain goods and have the money, one time is as good as another to buy.

Bearing out the current state of mind, Table 1, which appears on this page, shows that an overwhelming percentage of people did not intend to buy consumer durable goods or houses in 1946. Comparatively few did plan such purchases, in spite of poor market conditions, emphasizing the intensity of their demand for durable goods.

To speak of the "comparatively few" is quite correct, percentagewise. However, it must be remembered that although they were a minority of the spending units interviewed, they constituted a substantial number of people whose total purchases could represent a sizable "shot-in-the-arm" to our national economy and indicated a demand likely to exceed the supply available this year. Part I of this survey projected consumer expenditures in 1946 as follows: $4–6 billion for cars; $3.2–4.4 billion for other consumer durables; and $13–17.5 billion for houses.

Table 1.—Intentions to purchase consumer durable goods and houses in 1946

Intentions	Percent of spending units		
	Automobiles	Other consumer durable goods	Housing
Plan to buy	8	22	6
Will probably buy, but may not	3	6	1
Undecided, "it depends"	2	5	2
Will not buy	84	63	83
Intentions not ascertained	3	4	8
	100	100	100
Number of cases	2,890	2,890	2,890

Table 2.—Characteristics of potential buyers of nonfarm housing [1]

Characteristic	Potential buyers [2]	Non-buyers
Place of residence	*Percent*	*Percent*
Metropolitan areas	26	32
Other cities over 50,000	25	19
Cities from 2,500 to 50,000	31	28
Small towns (under 2,500)	11	13
Open country nonfarm people	7	8
	100	100
1945 annual income		
$1–999	8	17
1,000–1,999	23	27
2,000–2,999	28	24
3,000–4,999	29	23
5,000 and over	11	8
Not ascertained	1	1
	100	100
Occupation of head of spending unit		
Professional and white-collar	19	21
Businessmen, managers	15	13
Skilled and unskilled workers	52	44
Retired, unemployed, other	14	21
Not ascertained		1
	100	100
Liquid asset holdings		
None	14	21
$1–499	22	31
500–999	16	14
1,000–2,999	23	20
3,000–4,999	13	6
5,000 and over	9	6
Not ascertained	3	2
	100	100
Age of head of spending unit		
20–29 years	27	21
30–44 years	47	33
45–60 years	24	30
Over 60 years	2	16
	100	100
Number of cases	192	2,440

[1] This table excludes farm operators whose purchases of housing are usually incidental to their purchases of farm land.
[2] Those who say they will build or buy and those who say they probably will.

Neither place of residence nor occupation distinguished prospective buyers of durable goods (including cars but excluding housing). On the other hand, age was a different story. Younger people (under 45) were more heavily represented among prospective buyers than in the population at large: Almost two-thirds of the prospective buyers were under 45 and only 8 percent were over 60 years old.

Low income was not a deterrent to prospective purchasing. One-third of the people who expected to buy cars or other durables had incomes of less than $2,000 in 1945. Only 11 percent had incomes as high as $5,000. However, on the average, spending units that expected to make these purchases had higher incomes than those who didn't plan to buy.

Interest in home ownership

Recording a subject of particular interest to savings and loan executives, the statistical data which are presented in Tables 1 and 2 give a picture of people's expectations with respect to home

General Conclusions from the Survey of Savings [1]

1. Current buying will be paid for primarily out of current income. Relatively small amounts of liquid assets are held by most individuals and, according to intentions expressed at the beginning of 1946, these people do not intend to use their Government bonds or bank deposits for consumption expenditures. However, the use of liquid assets by consumers who plan to use them to purchase durable goods or housing, together with the use of liquid assets by consumers to meet other consumption outlays, could amount to a sizable fund relative to the available supplies of such goods.

2. The use of instalment credit, an indirect way of buying from current income, will be substantial during the year. Borrowings to finance the purchase of consumer durable goods and houses will greatly exceed the amounts of liquid assets people plan to use for these purchases.

3. Strong inflationary pressures will continue in the consumer goods markets. The present demand for consumer goods, largely made possible by current income plus the additional purchasing power created by the availability of borrowing and by spending of liquid assets, will continue to exceed production, particularly in those industries not yet able to operate at top capacity.

4. The demand for consumer durable goods, in addition to the increase in prices of cost-of-living articles, will result in savings far below 1945 levels and in a large reduction in the rate of liquid asset accumulation. A greatly increased proportion of consumer income is currently being allocated to consumer expenditures at the expense of saving.

5. Transfers of liquid assets to other forms of investment could exert considerable inflationary pressure in the real estate market and the markets for securities other than Government, and have important secondary effects in other markets.

6. The sum of 10 to 15 billion dollars, the estimated volume of liquid assets that might be used for various purposes in 1946, is of significant inflationary magnitude. Some allowance must be made, however, for the non-inflationary character of consumer savings that will be invested during 1946 in liquid assets. Even when allowance is made for the offsetting effects of such savings, it would appear that the likely use of individual liquid asset holdings during this year constitutes a serious current inflationary pressure. And in assessing its full inflationary force, account must be taken of additions to consumer purchasing power through the mechanism of borrowing.

7. The liquid assets held by the majority of people can not be considered to constitute a reserve fund large enough for carrying on regular expenditures in the event of drastic changes in income. Total asset holdings of three-fourths of the people amounted to less than one-fifth of their annual income.

[1] "A National Survey of Liquid Assets," *Federal Reserve Bulletin*, August 1946, page 854.

ownership, which included buying and building. Part III of the survey elaborates on the conclusions published in Part I—that the average anticipated expenditure for houses (new and old) was just over $5,000. The breakdown shown in Table 2 confirms the fact that the widest home market is in the lower cost brackets. Less than 16 percent of prospective buyers expected to pay as much as $8,000, while one-third anticipated spending less than $4,000. Eliminating those buyers in the under-$2,000 class (many of whom planned to buy materials and do part or all of their own building), the average amount in prospect for home purchases would be about $6,000.

Table 2 shows that some prospective buyers were to be found in each classification. Neither low income nor absence of liquid assets was a complete barrier to plans for home ownership. Although a somewhat greater proportion of the upper than of the lower income brackets were prospective buyers, the majority of potential customers had incomes of less than $3,000 in 1945. The same pattern was true with regard to liquid asset holdings. On the average, those who were planning to buy homes had more cash reserves than those who were not. However, many who said they definitely or probably would build or buy, had small holdings and 14 percent had none.

All occupational groups were in the market for homes, with skilled and unskilled workers showing the greatest proportionate interest. It is not surprising to note that youth was again an important factor in prospective home ownership. In addition to the information shown in the table, it was found that people planning to buy tended to be quite a bit younger, on the average, than the rest of the population.

Financing purchases

Savings and loan managers will also have a more-than-ordinary interest in the expressed intentions regarding the financing of these home purchases. Amazingly enough, better than one out of every six of the prospective purchasers said they would be in a position to pay the full price in cash. Nearly three-fourths planned to borrow at least some of the money, with part of them counting on borrowing the entire amount under the GI Bill or through some other means. When it is considered that rough estimates indicate aggregate borrowing of over one-half the entire amount that prospective home buyers are planning to spend ($13–17.5 billion), the magnitude of potential home financing becomes evident. Additional plans for payment included drawing about one-fourth of the total cost from liquid assets, leaving a relatively small part to be met from income or from the sale of non-liquid assets.

Slightly over half of the spending units who expected to buy a car or other durable goods counted on paying for them fully in cash. As to *sources of funds* to be used, rough estimates indicated that, in the aggregate, a fourth of the total cost was to be financed through borrowing or the use of instalment plans with another fourth of the cost to be met by using present holdings of liquid assets. The remaining half of the cost would come from current income and trade-in values. Although instalment buyers tended to be concentrated in the middle income group, a sizable group was found in the upper income brackets.

Several conclusions may be drawn from these facts. One is the widespread reluctance to use liquid assets. (Half of the prospective borrowers holding such assets expected to finance their purchases in other ways.) It was apparent that the majority of people considered these holdings, particularly bonds, as permanent assets not suitable for use in purchasing consumer durable goods. The fact that many prospective buyers were willing to borrow for substantial purchases may be due in part to their having become debt-free during the war, the report points out.

Table 3.—Relation between income expectations and savings expectations

Savings expectations	Income expectations: Decrease by 5 to 25 percent	Decrease by 25 percent or more	Same: Within 5 percent	Increase by 25 percent or more	Increase by 5 to 25 percent
Increase by 5 percent or more	10	11	14	60	39
No change (within 5 percent)	13	8	33	9	19
No savings in 1945, don't expect to save in 1946	15	18	17	9	8
Decrease by 5 percent or more	39	54	15	9	9
Depends, don't know	16	5	10	10	16
Not ascertained	7	4	11	3	9
	100	100	100	100	100
Number of cases	373	230	905	258	391

In summary, it should be noted that this whole question of prospective buying and financing is a rather "iffy" one. If there are substantial changes in price levels, people's plans about buying may be altered, or if the amount of money available (savings and income) won't go so far, they may have to revise their borrowing programs. Based entirely on first quarter predictions, it appears that current income will be augmented by $2 billion each from liquid assets and borrowing to finance cars and other durable goods, and at least $3 billion out of liquid assets and $7 billion by borrowing for the purchase of housing.

Prospective saving

And what about saving—was the wartime spurt just that or do people think that they now have neither the desire nor the ability to continue? As far as the *desire* is concerned they still have it, but their expectations as to the performance are less substantial. As stated in more detail in Part I of this survey, the American people as a whole *expect* to save less this year than last. This is based on the fact that the spending units with high incomes and large asset holdings expected to reduce their annual savings. This would not be compensated for in the lower income groups. Although a smaller proportion felt it would be necessary to reduce their savings, many had put aside nothing last year and didn't expect to do so in 1946. Table 3 shows clearly what people expected the cost-of-living "squeeze" plus the possibility of making long-deferred, essential purchases to do to savings.

What has happened to the savings *motive* since the end of the war? When asked whether they would rather go on saving at the wartime rate or felt they might as well spend more, only 8 percent of those interviewed favored the spending. Almost 60 percent wanted to save at least as much as they had been, while nearly a fifth said they couldn't save. The cost of living and the economic uncertainty can easily be seen to have taken their toll of wartime savers.

In summing up, the report states that the relation of consumer expenditures and savings is a complex problem, by no means dependent solely on the amount of disposable income in the hands

(*Continued on p. 377*)

"Held For Veterans"

■ A new red, white and blue "Held for Veterans" placard was announced late in August by NHA Administrator Wilson W. Wyatt. The sign must be posted conspicuously on all housing being built under the Veterans Emergency Housing Program. The posters are being distributed by state and district FHA offices.

Used to earmark homes and apartments being constructed for veterans, the tri-colored placard carries the FHA-approved sales or rental price. Sales prices shown are the authorized VEHP ceilings, not necessarily the appraisal values of the properties for loan purposes. Posted sales prices are subject to changes resulting from conditions beyond builders' control, NHA pointed out.

Under the current regulations all houses for sale, whose construction was authorized on or after August 6, must be held for veterans' purchase at least 60 days after completion. Although required to hold their sale housing only 30 days after completion, builders who received their priorities before August 6 are asked to hold such housing voluntarily the full 60-day period. There has been no change in the ruling that all rental housing must be held 30 days for veterans.

Posting the first "Held for Veterans" sign. From left to right: Clark Daniels, representing the builders of these homes at Riverdale, Md.; Wilson W. Wyatt, NHA Administrator; Raymond Foley, FHA Commissioner; and L. R. Legendre, Ass't. National Adjutant, American Legion.

DIRECTORY CHANGES

July 1 - July 31, 1946

Key to changes

* Admission to membership in Bank System.
** Termination of membership in Bank System.
Ø Insurance certificate granted.

BOSTON DISTRICT

MASSACHUSETTS:
Fall River:
*ØFirst Federal Savings and Loan Association of Fall River, 27 North Main Street.

NEW YORK DISTRICT

NEW JERSEY:
Barnegat:
**Bay Shore Building and Loan Association, 11 South Main Street.
NEW YORK:
Rockville Centre:
*ØRockville Centre Savings and Loan Association, 203 Sunrise Highway.

PITTSBURGH DISTRICT

PENNSYLVANIA:
Beaver:
*Dollar Building and Loan Association, 489 Third Street.

WINSTON-SALEM DISTRICT

FLORIDA:
Quincy:
*ØQuincy Federal Savings and Loan Association, 211 Masonic Building.

CINCINNATI DISTRICT

KENTUCKY:
Newport:
*United Building Association, 702 Monmouth Street.
OHIO:
Wellsville:
*Perpetual Savings and Loan Company, Fifth and Main Streets.

INDIANAPOLIS DISTRICT

MICHIGAN:
Sault Ste. Marie:
**Sault Ste. Marie Federal Savings and Loan Association, 511 Central Savings Bank Building.

CHICAGO DISTRICT

ILLINOIS:
Chicago:
**Commonwealth Edison Savings and Loan Association, 72 West Adams Street.

LITTLE ROCK DISTRICT

TEXAS:
Littlefield:
ØLittlefield Federal Savings and Loan Association, 429 Phelps Avenue.

TOPEKA DISTRICT

OKLAHOMA:
Cushing:
*Cushing Savings and Loan Association, 208 East Broadway.

SAN FRANCISCO DISTRICT

CALIFORNIA:
El Monte:
*ØValley Savings and Loan Association of El Monte, 318 West Valley Boulevard.

712368—46——3

Amendments to Rules and Regulations

FHLBA
Bulletin No. 67

AMENDMENT TO RULES AND REGULATIONS FOR THE FEDERAL SAVINGS AND LOAN SYSTEM RELATING TO THE AVAILABILITY OF OPINIONS, ORDERS, RULES AND REGULATIONS FOR PUBLIC INSPECTION. (Adopted August 27, 1946; effective September 5, 1946.)

A new Section 201.4 has been added to the Rules and Regulations for the Federal Savings and Loan System which outlines the provisions for making available for public inspection final opinions or orders in the adjudication of cases, and all Rules and Regulations for the Federal Home Loan Bank System. The only exceptions are those final opinions and orders classed as confidential by the FHLB Commissioner or by persons designated by him for that purpose.

201.4 AVAILABILITY OF OPINIONS, ORDERS, RULES AND REGULATIONS FOR PUBLIC INSPECTION—(a) AVAILABILITY FOR INSPECTION. Notwithstanding any provision of the rules and regulations of the Federal Home Loan Bank Administration, all final opinions or orders in the adjudication of cases, and all rules and regulations for the Federal Home Loan Bank System now or hereafter in force and effect except such final opinions and orders as are required for good cause to be held confidential and not cited as precedents, shall be made available for public inspection at the Office of the Secretary, Federal Home Loan Bank Administration, Federal Home Loan Bank Board Building, 101 Indiana Avenue, N. W., Washington, D. C.

(b) CLASSIFICATION AS CONFIDENTIAL. The classification of final opinions or orders in the adjudication of cases as final opinions and orders which are required to be held confidential and not cited as precedents shall be made only by the Federal Home Loan Bank Commissioner or such person or persons as he may designate for that purpose and shall be in writing. Any change in such classification may be made only by the Federal Home Loan Bank Commissioner or such person or persons as he may designate for that purpose and shall be in writing.

(c) REQUESTS TO INSPECT RECORDS. All requests to inspect official records shall be in writing and delivered to the Office of the Secretary, Federal Home Loan Bank Administration, Federal Home Bank Board Building, 101 Indiana Avenue, N. W., Washington, D. C., with a statement of the name or names of the party or parties making such request and the concern of said party or parties in the matter.

This amendment, deemed to be of a procedural character, became effective on September 5, 1946. It had been filed with *The Federal Register* on August 28, 1946.

FHLBA
Bulletin No. 68

AMENDMENT TO RULES AND REGULATIONS FOR THE FEDERAL SAVINGS AND LOAN SYSTEM RELATING TO THE PROVISIONS FOR THE SALE OF LOANS BY FEDERAL SAVINGS AND LOAN ASSOCIATIONS. (Adopted and effective August 28, 1946.)

The third sentence of paragraph (a) of Section 203.13 of the Rules and Regulations for the Federal Savings and Loan System has been amended to read as shown below. The new text eliminates the provision that in selling mortgages Federal associations make and collect an initial service charge sufficient to reimburse them for the expenses incurred in originating such business. The sentence now reads:

Any mortgages so sold shall be sold without recourse, and if under a contract to service the same, then on a basis to provide sufficient compensation to the Federal association to reimburse it for expenses incurred under its service contract.

This amendment was deemed to be of a minor character and became effective upon filing with *The Federal Register* on August 28, 1946.

FSLIC
Bulletin No. 29

AMENDMENT TO THE RULES AND REGULATIONS FOR INSURANCE OF ACCOUNTS RELATING TO THE AVAILABILITY OF OPINIONS, ORDERS, RULES AND REGULATIONS FOR PUBLIC INSPECTION. (Adopted August 27, 1946; effective September 5, 1946.)

The provisions of the Rules and Regulations for Insurance of Accounts for making available for public inspection the official records and all final opinions or orders in the adjudication of cases, and all Rules and Regulations for Insurance of Accounts have been amended by adding the following new sentence at the beginning of paragraph (c) of Section 301.20:

All requests to inspect official records shall be in writing and delivered to the Office of the Secretary, Federal Savings and Loan Insurance Corporation, Federal Home Loan Bank Board Building, 101 Indiana Avenue, N. W., Washington, D. C., with a statement of the name or names of the party or parties making such request and the concern of said party or parties in the matter.

A new Section 301.25 relating to the same subject has also been added as follows:

301.25 AVAILABILITY OF OPINIONS, ORDERS, RULES AND REGULATIONS FOR PUBLIC INSPECTION—(a) AVAILABILITY FOR INSPECTION. Notwithstanding any provision of Section 301.20 of these rules and regulations, all final opinions or orders in the adjudication of cases, and all rules and regulations for insurance of accounts now or hereafter in force and effect except such final opinions and orders as are required for good cause to be held confidential and not cited as precedents, shall be made available for public inspection at the Office of the Secretary, Federal Savings and Loan Insurance Corporation, Federal Home Loan Bank Board Building, 101 Indiana Avenue, N. W., Washington, D. C.

(b) CLASSIFICATION AS CONFIDENTIAL. The classification of final opinions or orders in the adjudication of cases as final opinions and orders which are required to be held confidential and not cited as precedents shall be made only by the Federal Home Loan Bank Commissioner or such person or persons as he may designate for that purpose and shall be in writing. Any change in such classification may be made only by the Federal Home Loan Bank Commissioner or such person or persons as he may designate for that purpose and shall be in writing.

These amendments were deemed to be of a procedural character and became effective on September 5, 1946. They were filed with *The Federal Register* on August 27, 1946.

FSLIC
Bulletin No. 30

AMENDMENT TO RULES AND REGULATIONS FOR INSURANCE OF ACCOUNTS RELATING TO THE PROVISIONS FOR THE SALE OF LOANS BY INSURED ASSOCIATIONS. (Adopted and effective August 28, 1946.)

The third sentence of Section 301.18 of the Rules and Regulations for the Insurance of Accounts has been amended to read as shown below. The new text eliminates the provision that in selling mortgages insured associations make and collect an initial service charge sufficient to reimburse them for the expenses incurred in originating such business. The sentence now reads:

> Any mortgages so sold shall be sold without recourse, and if under a contract to service the same, then on a basis to provide sufficient compensation to the insured institution to reimburse it for expenses incurred under its service contract.

This amendment was deemed to be of a minor character and became effective upon filing with *The Federal Register* on August 28, 1946.

Secondary Market Established for GI Home Loans

■ EARLY this month, the Reconstruction Finance Corporation announced that it had established a market for veterans' home loans that have been guaranteed or insured by the Veterans Administration. The loans will be purchased by the RFC Mortgage Company, an affiliate of the RFC, only from the original lenders, at par plus accrued interest, and the loans must conform to certain general requirements.

This action was taken, the RFC said, "because many private financial institutions have indicated that in order to continue making loans to veterans for the purchase or construction of homes they must have a dependable market, where, if necessary, they can sell the loans."

The following are some of the principal requirements of the RFC Mortgage Company with respect to the purchase of such loans: (1) The loan shall not exceed $10,000, must bear interest at the rate of 4 percent, must be secured by a first mortgage, and must be guaranteed by the Veterans Administration to the extent of $4,000, or 50 percent of the face amount, whichever is less, or must be insured to the extent of 15 percent of the face amount under the provisions of Section 508 (a) of the Servicemen's Readjustment Act of 1944, as amended. (2) The note and mortgage must be on standardized forms which will be supplied by the Veterans Administration as soon as printing is completed. (3) The loan must not be delinquent. (4) The seller must continue to service the loan, for which it will be paid a service fee of ½ of 1 percent per annum on the unpaid balance. (5) The property securing the loan must be situated within a radius of 200 miles from an office of the seller.

In the case of a secondary loan guaranteed under Section 505 of the Act, both the secondary loan guaranteed by the Veterans Administration and the primary loan insured by FHA must be tendered to the Company for purchase, unless the RFC already owns the primary loan.

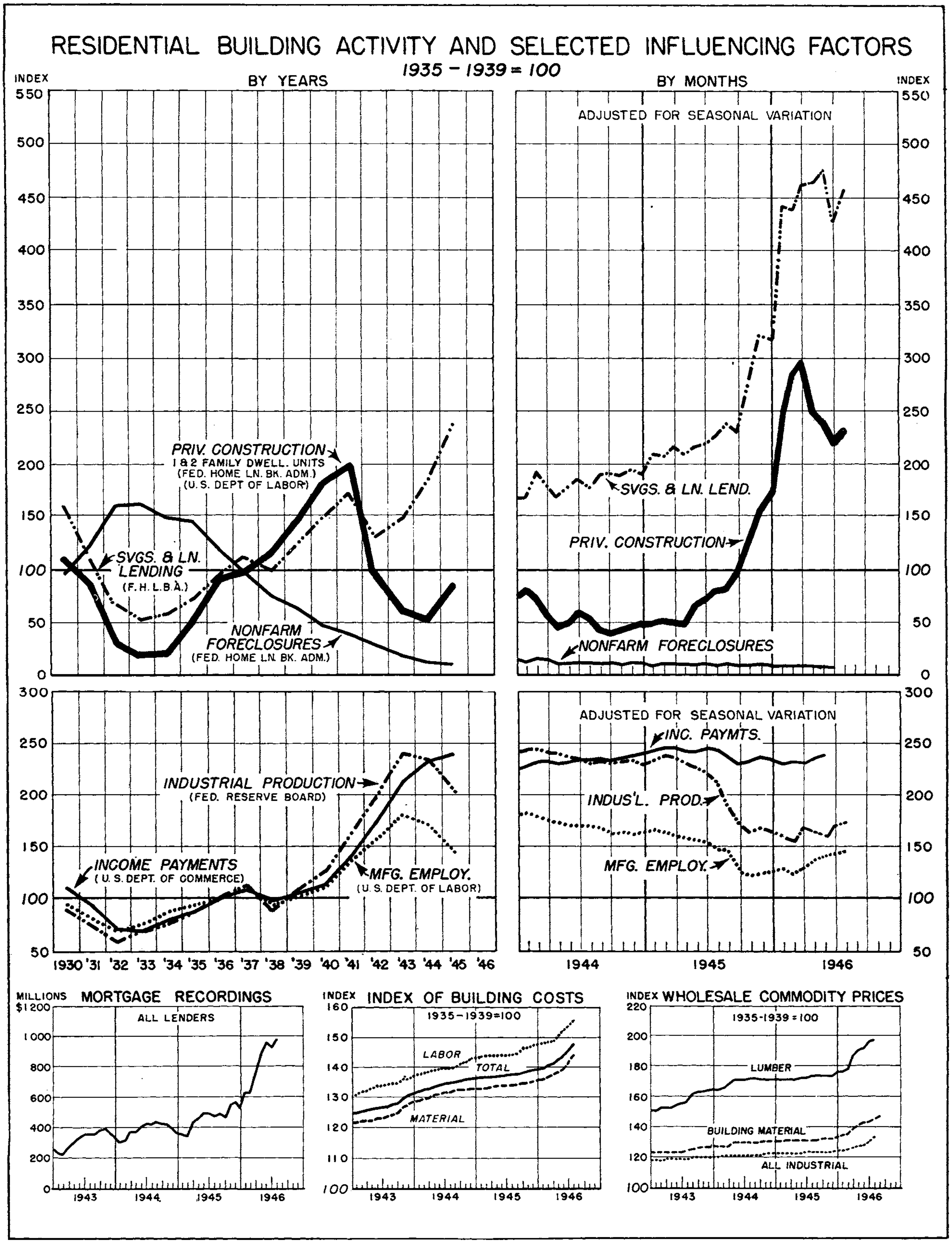
The RFC Mortgage Company is reserving the right to discontinue purchases whenever such action is deemed appropriate.

Circular No. 4 of the RFC Mortgage Company sets forth in detail the requirements under which these loans will be purchased by the RFC Mortgage Company. Copies of this circular are now available and will be mailed to interested lending institutions upon request to the Company at 811 Vermont Avenue, Washington 25, D. C., or to a regional office of the RFC.

Lights, Action, Camera!

■ MAYORS' Emergency Housing Committees are now in action in more than 570 communities—and in the movies. To show a typical example of how some communities have already mobilized to tackle the housing problem, the NHA has produced for these groups, a 25-minute sound film. It shows the story of a returning veteran, his house hunting troubles and what his back-home neighbors are doing to make more homes available.

Copies of this movie are now on hand in many communities—ready for use by local groups, such as civic clubs, trade unions, veterans' organizations, etc. NHA Housing Representatives have the names of distributors with whom the film has been deposited and from whom it can be obtained for a nominal handling fee.



RESIDENTIAL BUILDING ACTIVITY AND SELECTED INFLUENCING FACTORS
1935 – 1939 = 100
BY YEARS
BY MONTHS
INDEX
ADJUSTED FOR SEASONAL VARIATION
PRIV. CONSTRUCTION
1 & 2 FAMILY DWELL. UNITS
(FED. HOME LN. BK. ADM.)
(U. S. DEPT OF LABOR)
SVGS. & LN. LENDING
(F. H. L. B. A.)
NONFARM FORECLOSURES
(FED. HOME LN. BK. ADM.)
SVGS. & LN. LEND.
PRIV. CONSTRUCTION
NONFARM FORECLOSURES
INDUSTRIAL PRODUCTION
(FED. RESERVE BOARD)
INCOME PAYMENTS
(U. S. DEPT. OF COMMERCE)
MFG. EMPLOY.
(U. S. DEPT. OF LABOR)
ADJUSTED FOR SEASONAL VARIATION
INC. PAYMTS.
INDUS'L. PROD.
MFG. EMPLOY.
1930 '31 '32 '33 '34 '35 '36 '37 '38 '39 '40 '41 '42 '43 '44 '45 '46
1944
1945
1946
MILLIONS
MORTGAGE RECORDINGS
ALL LENDERS
INDEX OF BUILDING COSTS
1935–1939=100
LABOR
TOTAL
MATERIAL
WHOLESALE COMMODITY PRICES
1935-1939 = 100
LUMBER
BUILDING MATERIAL
ALL INDUSTRIAL
1943
1944
1945
1946

« « « M O N T H L Y   S U R V E Y » » »

BUSINESS CONDITIONS—Production index up 3 points

The industrial production index of the Federal Reserve Board advanced three more points during July to reach a new postwar high of 174 percent of the 1935–1939 average. This reflected another month of comparatively uninterrupted production in contrast to the erratic performance during the first few months of the year. The Civilian Production Administration, in its report on July production, pointed out that the output of industrial materials neared capacity levels. The time was approaching, it said, when industry would again be able to draw on full pipelines. Third quarter operations may come within 5 percent of the all-time peak reached in the second quarter of last year.

Production of durable goods and of minerals generally increased during July while the output of nondurable manufacturers as a group showed little change. More than 300,000 automobiles were turned out, of which 220,000 were passenger cars—an increase of 56 percent over the June totals. Production at steel mills was the highest so far this year, with the output of ingots reaching about 90 percent of capacity.

Lumber production showed a decline, as was expected owing to the vacation period for lumber workers on the West Coast. However, the total output was believed to have been near the 3-billion-board-feet mark.

A primary problem during the rest of the year will be the serious shortage of freight cars. The Office of Defense Transportation predicts that by October we will face a more difficult transport situation than existed at any time during the war. Record farm crops and peak levels of industrial production are creating a backlog of freight traffic which will not be cleared up until next year.

Index [1935–1939=100]	July 1946	June 1946	Percent change	July 1945	Percent change
Home construction (private)[1]	232.5	[r] 219.0	+6.2	79.1	+193.9
Rental index (BLS)	108.5	108.5	0.0	108.3	+0.2
Building material prices	147.5	145.1	+1.7	131.2	+12.4
Savings and loan lending [1]	456.7	426.0	+7.2	224.7	+103.2
Industrial production [1]	174.0	[r] 171.0	+1 8	210.0	−17.1
Manufacturing employment [1]	145.6	[r] 143.8	+1.3	157.2	−7.4
Income payments [1]	251.1	[r] 240.9	+4.2	243.4	+3.2

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

Restoration of price control on many items has slowed down the rate of rising prices. Commodity prices advanced rapidly during July and at a more moderate pace during August. In the eight-week period following the lapse of over-all price control at the end of June, the composite index of the Bureau of Labor Statistics based on wholesale prices of about 900 commodities rose 10 percent. Of the various components making up the index, food prices jumped 31 percent; farm products, 15 percent; and all commodities other than farm products and foods, 3 percent. Wholesale prices of building materials were reported to have advanced only 2 percent during the period.

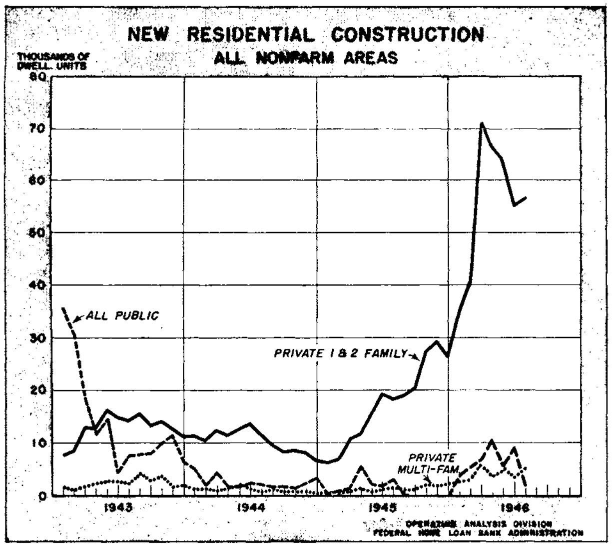
Civilian employment reached an unprecedented 58,100,000 in July. This was 4,000,000 more than the wartime level of a year ago. Unemployment fell to about 2,300,000, the year's low to date.

BUILDING ACTIVITY—July permits for private building up 6 percent

The gradual decline in new permits for *private* residential construction in all nonfarm areas which had been observed since March was reversed during the month of July as construction financed by private funds advanced an estimated 6 percent to 61,900 dwelling units. Preliminary estimates of the *total* volume of building permits issued, including publicly and privately financed projects, however, continued the decline for the fourth consecutive month. The 6-percent decline in total number of permits issued resulted from the sharp reduction in the public construction figure during the month.

Public construction volume for July—1,947 dwellings—was made up largely of housing projects in the city of New York which were financed by municipal funds. Reports on Federal construction activity in the veterans temporary re-use housing program were not received in time for this release, according to the Bureau of Labor Statistics, and were, therefore, not reflected in this preliminary figure.

During the first seven months of this year, building permits were issued in all nonfarm areas



for over 418,900 privately financed dwellings. This comprised 90 percent of the total number of dwelling units for which permits were taken out during January–July, 463,100 dwellings. [TABLES 1 and 2.]

BUILDING COSTS—Upward trend continued during July

The cost of constructing the standard six-room frame house continued its upward surge during July. The combined index of material and labor was up 2 points during the month, to stand at 148 percent of the 1935–1939 average. Of the two components, materials showed the higher gain of 1.5 percent, advancing the index to 144, while labor costs rose 1.2 percent, bringing the index to 156 for July. All cities in this cycle, for which reports were available, participated in this increase. *Editor's Note:* Beginning with the figures for July, the building cost index will be prepared each month by the Statistics and Control Branch of the Office of the Administrator, National Housing Agency. All basic records have been transferred so that the data will be comparable to previous figures in the series. Further improvements and refinements in the index are planned, and its coverage will be broadened as rapidly as conditions permit.]

Construction costs for the standard house

[Average month of 1935–1939=100]

Element of cost	July 1946	June 1946	Percent change	July 1945	Percent change
Material	143.7	141.6	+1.5	133.8	+7.5
Labor	155.6	r153.8	+1.2	r144.1	+8.0
Total	147.7	r145.7	+1.4	r137.2	+7.6

r Revised.

Despite the fact that OPA controls were off during July, wholesale building materials prices as measured by the Department of Labor index, advanced slightly less than 2 percent. This compared with a gain of approximately 3 percent for all industrial commodities, and 10 percent for the composite index based on about 900 items. Paint and paint materials were up almost 6 percent during the month; brick and tile, cement, lumber and the miscellaneous classification all advanced about 1 percent; while the plumbing and heating and structural steel components were unchanged. [TABLES 3, 4 and 5.]

MORTGAGE LENDING—No change from June totals

The volume of new mortgage loans made by all savings and loan associations was virtually unchanged from the June total, amounting to approximately $326,000,000. This was about 10 percent below the all-time monthly high reached in May of this year.

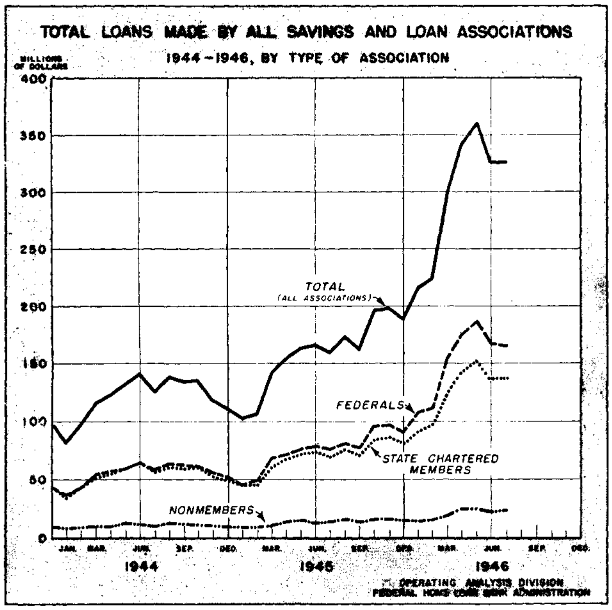
New mortgage loans distributed by purpose

[Dollar amounts are shown in thousands]

Purpose	July 1946	June 1946	Percent change	July 1945	Percent change
Construction	$59,708	$56,297	+6.1	$17,658	+238.1
Home purchase	216,369	218,575	−1.0	112,761	+91.9
Refinancing	21,388	22,402	−4.5	15,622	+36.9
Reconditioning	7,327	6,625	+10.6	3,351	+118.7
Other purposes	21,256	22,098	−3.8	11,007	+93.1
Total	326,048	325,997	0.0	160,399	+103.3

Among the various loan purpose categories, changes from June ranged from an increase of 11 percent in reconditioning loans to a decline of 5 percent in refinancing loans. Loans on new construction reached almost $60,000,000, up 6 percent in contrast to a 1-percent decline in home purchase loans.

Cumulatively, new mortgage lending proceeded at substantially more than twice the level reported during the first seven months of last year. The



most rapid rise occurred in construction lending, the volume of which was more than four and one-half times as great as that reported during the corresponding period last year, and approximately one-third larger than in the same 1941 months.

Financing the purchase of existing homes continues to dominate the lending activity of savings and loan associations. Loans for this purpose comprised 68 percent of all loans made during the first seven months of this year, while home construction loans accounted for an additional 16 percent. During the January-July period of last year, however, home purchase lending accounted for 73 percent of the total and home construction loans, only 7 percent. [TABLES 6 and 7.]

MORTGAGE RECORDINGS—Another new peak—$981 million in July

Following a slight decline in real estate financing during June, the effects of today's housing needs and of the current construction program were reflected in another upswing in mortgage recording activity for July. The 7-percent gain over the previous month resulted in an estimated $981,000,000 of nonfarm mortgages of $20,000 or less recorded in July, topping the previous peak—May—by 2 percent.

The total for the seven months of 1946 consequently advanced to $5,769,000,000, or 91 percent above the activity reported during the same months of a year ago. In fact, the January–July total exceeded the total for the whole of last year by more than $100 million. While all lenders showed considerable increases, mutual savings and commercial banks continued to report the heaviest gains, enhancing their relative positions within the total financing picture. Although individual lenders increased their activity 48 percent over last year, this was the smallest rise registered among the various mortgagees.

The average mortgage recorded during July climbed to $4,332 compared with $3,408 for July 1945. While this increase in average size was due to a great extent to higher real estate prices, it also reflected the tendency toward higher average loan-to-value ratios of today, caused by the influx of GI loans, a proportion of which are financed at or near 100 percent of sales prices. [TABLES 8 and 9.]

Mortgage recordings by type of mortgagee

[Dollar amounts are shown in thousands]

Type of lender	July		Cumulative	
	1946 amount	Percent change from 1945	1946 (7 months)	Percent of total
Savings and loan associations	$314, 779	+85. 4	$1,987,117	34. 4
Insurance companies	48, 101	+138. 4	244,945	4. 3
Banks, trust companies	263, 669	+192. 3	1,425,173	24. 7
Mutual savings banks	58, 020	+221. 2	288,137	5. 0
Individuals	178, 128	+52. 3	1,169,710	20. 3
Others	118, 490	+119. 1	654,076	11. 3
Total	981, 187	+109. 1	5,769,158	100. 0

FHLB SYSTEM—Advances stayed above $200-million mark

The balance of outstanding Federal Home Loan Bank advances declined slightly over $1 million during July, but the total remained above the $200,000,000-mark for the second successive month. The balance of $202,027,000 established a new high for this period of the year. The amount of advances outstanding continued to climb throughout August, and in view of the current high volume of mortgage lending activity, it is likely that the previous peak of Bank advances set in December 1941 will be passed during September.

New advances exceeded repayments in seven of the 11 Bank Districts. However, the reverse conditions in the Indianapolis, Chicago, Des

Moines and San Francisco Districts were more than enough to offset the gains in the other regions. New advances for the month totaled $18,247,000 and repayments amounted to $19,516,000.

The total assets of all Federal Home Loan Bank System members were estimated at $9,443-000,000 on June 30, 1946. This was a gain of more than $800,000,000 in the first half of the year. At the end of June the membership consisted of 3,660 savings and loan associations, 25 mutual savings banks and 14 insurance companies, for a total of 3,699. The last six months saw 18 admissions and 16 terminations, resulting in a net gain of two members. [TABLE 12.]

INSURED ASSOCIATIONS—10-percent increase reported in reserves

Activity of insured savings and loan associations continued at a high level during July, an estimated $255,000,000 of new mortgage loans being closed during the month. Although less than the volume of loans made during any of the three preceding months, mortgage lending in July was more than double that reported for the same month of last year.

As is usual in the months immediately following semi-annual dividend dates, both new share investments and withdrawals increased substantially during the month. The *net* inflow of new savings, however, was well over one-third greater than in July 1945 and boosted the privately owned share capital of these institutions to $5,800,000,000.

Share capital owned by the HOLC and the U. S. Treasury was reduced 13 percent during the month to $16,832,000. By way of comparison, these agencies had invested close to $270,000,000 in shares of these institutions as a recovery measure during the middle 1930's, of which more than $196,000,000 was outstanding at the beginning of World War II.

At the close of July, all insured savings and loan associations had built up $424,700,000 in general reserves and undivided profits, or 6.2 percent of total assets. Although this was a gain of nearly 10 percent over the $386,400,000 in these accounts on January 31, the ratio to assets was the same, 6.2 percent.

A net increase of three in July raised the number of insured savings and loan associations to 2,493 which, at month-end, held aggregate resources of $6,811,000,000. [TABLE 13.]

SHARE CAPITAL—July gain one-third higher than last year

Despite the sharp rise registered this year in expenditures for consumer goods, savings and loan associations have continued to attract an increasing volume of savings funds. During the first seven months of 1946, individuals increased their investments in savings and loan accounts by approximately $679,000,000, or 18 percent more than during the same months of last year.

The greater net inflow of savings funds this year has been accompanied by quite substantial increases in both new investments and withdrawals, the former, of course, showing the larger dollar rise. Compared with the January-July 1945 period, total new share investments during the same months of this year were up 44 percent to approximately $1,920,000,000 and withdrawals up 64 percent to $1,241,000,000. It is to be noted, however, that these repurchases were equal to 65 percent of new investments, whereas during the first seven months of 1945 the repurchase ratio was only 57 percent.

During the month of July, both new investments and repurchases were approximately 50 percent higher than a year ago. The repurchase ratio for the month (76 percent) was up seasonally from June and only 2 points higher than in the same 1945 month. The net inflow of savings funds during the month ($85,000,000) was, however, a third more than in July 1945. [TABLE 14.]

GI Home Loans

(*Continued from p. 359*)

and 38 states below the national mean. This indicates that a larger volume in the states with the higher averages has been "pulling up" the over-all figures. The District of Columbia reported the highest average loan—$7,054—more than $500 above Massachusetts, which was next in line with an average loan of $6,512. At the other end of the scale, Arkansas had the smallest average loan, $3,254.

The map on page 359 shows the geographic distribution of the average size of loan. Although there is not too definite a pattern, the highest average loans were in the Middle Atlantic states, Illinois, Wisconsin, Mississippi, Texas, and California. Sixteen of the twenty-four states with averages below the mid-point were located west of the Mississippi River.

Who Holds the Backlog of Savings?

(*Continued from p. 368*)

of individuals. The need to spend more money for daily expenses, the relative importance of maintaining an established standard of living, reluctance to use liquid asset holdings and the psychological factors involved in feelings of security or insecurity are important in influencing people's decisions. These and many other factors need further study in order to yield a reliable basis for prediction.

Investment of liquid assets

Another matter of prime importance to thrift institutions is the intentions of these spending units regarding the transfer of their liquid assets to non-liquid investments. This is particularly significant, since both the attitudes and plans were determined only for spending units whose liquid assets exceeded $1,000. (These were only one-third of the number of units but they controlled nine-tenths of all asset holdings.)

Roughly two-thirds of these holders were partial to fixed-value assets, chiefly Government bonds, because they considered them safer. They rejected non-Government securities or real estate on the grounds of their being too high in price more frequently than for lack of safety.

On the other hand, those who preferred the latter forms of investment did so because they were more profitable. Most of these people stated a preference for real estate as something tangible—at least a home in case of a depression. The value of real estate as a hedge against inflation was seldom mentioned.

Table 4.—Plans to transfer Government bonds or bank deposits to non-liquid investments during 1946

Plans	Percent of substantial holders [1]			
	Securities	Real estate	Business	Any of the three kinds
Definitely plan to transfer some liquid assets	2	2	3	6
Undecided, "depends"	2	3	4	7
Do not plan to transfer any liquid assets	83	76	73	66
Not ascertained	13	19	20	21
	100	100	100	100

[1] Spending units holding $1,000 or more in liquid assets; number of cases: 1,184.

Type of community, occupation and price expectations were of no particular significance in relation to people's expressed preference for owning this type of investment. The proportion of people who preferred real estate or securities was also similar in the low and medium income groups. However, among those with incomes of $7,500 or more, twice as many preferred non-liquid assets. Although this preference was not a majority in any income group nor any group by size of holdings, it did show up more often in the higher than in the lower income brackets.

People's actual plans about transfer of assets were found to be only slightly different from their expressed preferences. Table 4 shows that a total of 13 percent of the spending units were considering making the change, while 19 percent had said only that they considered it wiser to hold non-liquid assets but for various reasons were at the time in no position to shift to that type of investment.

In naming definite amounts of money involved in these prospective transactions, many people were a little vague or indefinite. Most who mentioned exact amounts quoted sums between $2,000 and $5,000, with as many going under that figure as exceeding it. Therefore, assuming the average to be $3,000, if only those with definite plans are considered, transfers would amount to about $3 billion. This is more than the amount people planned to spend on cars or consumer durable goods ($2–2.7 billion). If the plans of those who were undecided should materialize, the total transferred to real estate and other investments would be in excess of $6 billion.

Interpretation

This information must, of course, be related to data on liquid asset holdings (see July Review, page 296) and to the willingness of over a third of the spending units to use their bonds for housing or investments during the next five years or so. Also, it must be recalled that this survey was conducted during the first quarter of this year. At that time, the report points out, "the fear of large-scale inflation was very rare and the opinion was widespread that real estate and securities had already reached rather high prices. Then the conclusion is warranted that the transfer of liquid assets to non-liquid forms of investment may easily cause disturbances of considerable dimensions in the national economy."

Table 1.—BUILDING ACTIVITY—Estimated number of new family dwelling units provided in all urban areas in July 1946, by Federal Home Loan Bank District and by state

[Source: U. S. Department of Labor]

Federal Home Loan Bank District and state	Total urban residential construction			Private residential construction						Public residential construction		
				1- and 2-family dwellings			3- and more-family dwellings					
	July 1946 p	June 1946 r	July 1945	July 1946 p	June 1946 r	July 1945	July 1946 p	June 1946 r	July 1945	July 1946 p	June 1946 r	July 1945
UNITED STATES	39,391	43,833	15,913	33,059	33,516	11,246	5,022	3,144	1,710	1,310	7,173	2,957
Boston	1,431	1,546	270	1,406	1,358	270	25	59	-	-	129	-
Connecticut	243	322	53	218	223	53	25	-	-	-	99	-
Maine	106	70	20	106	70	20	-	-	-	-	-	-
Massachusetts	912	741	145	912	694	145	-	47	-	-	-	-
New Hampshire	13	177	4	13	177	4	-	-	-	-	-	-
Rhode Island	136	206	48	136	194	48	-	12	-	-	-	-
Vermont	21	30	-	21	-	-	-	-	-	-	30	-
New York	3,892	6,077	749	2,125	2,756	585	457	345	164	1,310	2,976	-
New Jersey	602	1,856	352	595	849	268	7	56	84	-	951	-
New York	3,290	4,221	397	1,530	1,907	317	450	289	80	1,310	2,025	-
Pittsburgh	1,553	2,137	387	1,506	1,781	206	47	60	181	-	296	-
Delaware	60	60	1	60	60	1	-	-	-	-	-	-
Pennsylvania	1,263	1,680	349	1,246	1,539	168	17	51	181	-	90	-
West Virginia	230	397	37	200	182	37	30	9	-	-	206	-
Winston-Salem	4,558	5,513	1,936	4,133	4,585	1,399	425	640	537	-	288	-
Alabama	648	537	208	618	526	208	30	11	-	-	-	-
District of Columbia	331	149	461	186	47	56	145	102	405	-	-	-
Florida	1,139	1,411	562	991	1,114	448	148	181	114	-	116	-
Georgia	591	783	212	560	749	201	31	8	11	-	26	-
Maryland	445	885	21	435	857	21	10	4	-	-	24	-
North Carolina	672	657	233	664	558	233	8	71	-	-	28	-
South Carolina	264	213	75	243	195	68	21	-	7	-	18	-
Virginia	468	878	164	436	539	164	32	263	-	-	76	-
Cincinnati	3,395	3,271	1,137	2,871	2,268	1,000	524	309	137	-	694	-
Kentucky	431	592	35	407	330	35	24	7	-	-	255	-
Ohio	2,359	2,086	837	1,883	1,348	718	476	299	119	-	439	-
Tennessee	605	593	265	581	590	247	24	3	18	-	-	-
Indianapolis	2,592	2,732	925	2,542	2,316	925	50	8	-	-	408	-
Indiana	949	939	304	945	879	304	4	3	-	-	57	-
Michigan	1,643	1,793	621	1,597	1,437	621	46	5	-	-	351	-
Chicago	2,765	3,138	1,184	2,582	2,589	673	183	130	89	-	419	422
Illinois	1,953	2,279	850	1,837	1,832	374	116	117	54	-	330	422
Wisconsin	812	859	334	745	757	299	67	13	35	-	89	-
Des Moines	2,592	2,922	450	2,369	2,376	440	223	279	10	-	267	-
Iowa	632	738	69	632	580	69	-	63	-	-	95	-
Minnesota	882	1,005	232	872	943	232	10	14	-	-	48	-
Missouri	719	1,006	97	569	696	93	150	202	4	-	108	-
North Dakota	167	90	20	167	74	20	-	-	-	-	16	-
South Dakota	192	83	32	129	83	26	63	-	6	-	-	-
Little Rock	5,477	4,474	2,141	4,647	4,339	1,798	830	115	108	-	20	235
Arkansas	291	227	191	291	223	191	-	4	-	-	-	-
Louisiana	601	404	95	562	404	95	39	-	-	-	-	-
Mississippi	366	304	103	349	299	103	17	5	-	-	-	-
New Mexico	272	51	320	272	51	75	-	-	10	-	-	235
Texas	3,947	3,488	1,432	3,173	3,362	1,334	774	106	98	-	20	-
Topeka	1,758	1,860	628	1,643	1,471	428	115	203	20	-	186	180
Colorado	621	724	118	538	532	118	83	192	-	-	-	-
Kansas	390	531	279	358	345	83	32	-	16	-	186	180
Nebraska	190	250	57	190	242	53	-	8	4	-	-	-
Oklahoma	557	355	174	557	352	174	-	3	-	-	-	-
San Francisco	9,378	10,163	6,106	7,235	7,677	3,522	2,143	996	464	-	1,490	2,120
Arizona	115	85	81	111	74	73	4	3	8	-	8	-
California	7,094	7,803	3,604	5,188	5,539	2,753	1,906	926	415	-	1,338	436
Idaho	201	207	22	195	203	22	6	4	-	-	-	-
Montana	105	232	55	100	232	55	5	-	-	-	-	-
Nevada	106	314	66	106	202	66	-	-	-	-	112	-
Oregon	579	478	266	447	459	168	132	19	18	-	-	80
Utah	376	275	88	369	257	72	7	18	16	-	-	-
Washington	737	730	1,912	654	672	301	83	26	7	-	32	1,604
Wyoming	65	39	12	65	39	12	-	-	-	-	-	-

p Preliminary.　　r Revised.

Table 2.—BUILDING ACTIVITY—Estimated number and valuation of new family dwelling units

[Source: U. S. Department of Labor. Dollar amounts are shown in thousands]

Period	Number of family dwelling units provided: Total construction	Private construction: Total	Private construction: 1-family	Private construction: 2-family	Private construction: 3- and more-family	Public construction	Permit valuation: Total construction	Private construction: Total	Private construction: 1-family	Private construction: 2-family	Private construction: 3- and more-family	Public construction
Nonfarm												
1941: January-July	442,797	381,754	323,574	17,492	40,688	61,043	$1,537,370	$1,339,973	$1,184,377	$42,120	$113,466	$197,397
July	74,610	68,122	58,315	2,685	7,122	6,488	267,104	243,474	216,561	6,592	20,321	23,630
1945: January-July	113,000	96,928	84,522	4,909	7,497	16,072	356,609	313,365	276,190	15,076	22,099	43,244
July	23,300	19,948	17,377	823	1,748	3,352	79,991	70,881	62,511	2,811	5,559	9,110
August	20,400	20,154	18,364	668	1,122	246	74,903	74,162	67,887	2,244	4,031	741
September	21,800	21,800	19,665	888	1,247		80,094	80,094	72,280	3,306	4,508	
October	29,800	29,775	26,696	929	2,150	25	124,532	124,294	111,861	3,779	8,654	238
November	31,400	31,400	28,229	1,146	2,025		129,195	129,195	117,642	4,379	7,174	
December	29,100	29,100	25,116	1,426	2,558		127,065	127,065	112,467	4,912	9,686	
1946: January-July	463,100	418,932	373,939	16,494	28,499	44,168	1,951,772	1,815,300	1,648,192	67,028	100,080	136,472
January	43,900	39,093	34,764	1,395	2,934	4,807	182,916	162,304	147,800	5,222	9,282	20,612
February	48,500	43,379	38,726	1,889	2,764	5,121	205,706	185,048	169,036	6,969	9,043	20,658
March	83,600	76,949	68,408	2,783	5,758	6,651	367,766	352,956	316,924	12,098	23,934	14,810
April	81,000	70,461	64,165	2,671	3,625	10,539	335,517	310,847	286,437	10,991	13,419	24,670
May	74,300	68,826	60,617	3,417	4,792	5,474	307,235	296,138	265,321	13,754	17,063	11,097
June r	68,000	58,371	52,781	2,226	3,364	9,629	286,502	255,786	231,938	9,531	14,317	30,716
July p	63,800	61,853	54,478	2,113	5,262	1,947	266,130	252,221	230,736	8,463	13,022	13,909
Urban												
1941: January-July	276,719	233,491	182,506	14,090	36,895	43,228	1,009,027	869,112	727,585	35,811	105,716	139,915
July	45,025	40,474	31,887	2,061	6,526	4,551	171,305	154,054	129,578	5,372	19,105	17,250
1945: January-July	73,953	64,009	52,225	4,610	7,174	9,944	259,517	232,727	197,103	14,433	21,191	26,790
July	15,913	12,956	10,464	782	1,710	2,957	59,830	51,682	43,520	2,707	5,455	8,148
August	13,059	12,915	11,206	626	1,083	144	54,800	54,262	48,199	2,138	3,925	538
September	14,619	14,619	12,567	845	1,207		60,133	60,133	52,537	3,197	4,399	
October	19,496	19,496	16,582	857	2,057		91,114	91,114	79,194	3,551	8,369	
November	20,417	20,417	17,421	1,069	1,927		93,953	93,953	82,944	4,134	6,875	
December	19,256	19,256	15,494	1,241	2,521		95,040	95,040	80,639	4,275	10,126	
1946: January-July	305,506	267,807	224,910	15,754	27,143	37,699	1,405,339	1,294,278	1,133,948	64,607	95,723	111,061
January	30,725	25,918	21,786	1,309	2,823	4,807	139,598	118,986	105,098	4,947	8,941	20,612
February	33,479	28,503	24,072	1,792	2,639	4,976	151,478	131,886	116,568	6,659	8,659	19,592
March	56,002	50,066	41,785	2,683	5,598	5,936	266,133	252,537	217,388	11,749	23,400	13,596
April	53,860	44,996	39,000	2,571	3,425	8,864	240,969	219,412	195,969	10,688	12,755	21,557
May	48,216	43,583	35,824	3,267	4,492	4,633	220,656	211,320	181,907	13,304	16,109	9,336
June r	43,833	36,660	31,372	2,144	3,144	7,173	201,281	182,743	159,954	9,172	13,617	18,538
July p	39,391	38,081	31,071	1,988	5,022	1,310	185,224	177,394	157,064	8,088	12,242	7,830

r Revised. p Preliminary.

Table 3.—BUILDING COSTS—Index of wholesale prices of building materials

[Source: U. S. Department of Labor. 1935-1939=100; converted from 1926 base]

Period	All building materials	Brick and tile	Cement	Lumber	Paint and paint materials	Plumbing and heating	Structural steel	Other
1944: July	129.4	110.8	105.8	171.7	129.7	121.4	103.5	111.5
1945: July	131.2	122.9	109.1	172.7	130.4	121.7	103.5	112.8
August	131.5	122.8	109.1	172.9	131.9	122.7	103.5	112.8
September	131.8	123.7	109.3	172.6	132.3	124.8	103.5	113.0
October	132.1	126.8	109.6	172.8	132.3	124.8	103.5	113.1
November	132.5	128.4	109.9	173.2	132.4	124.8	103.5	114.0
December	133.4	128.4	110.3	175.7	132.5	124.8	103.5	114.5
1946: January	134.0	128.7	111.0	176.5	132.5	124.8	103.5	115.3
February	135.0	128.7	111.4	178.3	132.5	124.9	109.7	115.9
March	139.5	129.2	112.3	186.6	132.5	124.9	115.9	121.4
April	141.3	132.0	112.4	190.9	132.8	132.4	115.9	122.0
May	142.7	132.6	112.6	192.1	133.0	132.4	115.9	125.1
June	145.1	133.5	112.6	196.0	133.5	139.3	115.9	128.0
July	147.5	134.8	114.1	197.4	141.3	139.3	115.9	129.7
Percent change:								
July 1946-June 1946	+1.7	+1.0	+1.3	+0.7	+5.8	0.0	0.0	+1.3
July 1946-July 1945	+12.4	+9.7	+4.6	+14.3	+8.4	+14.5	+12.0	+15.0

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

[Source: National Housing Agency. Average month of 1935-1939=100]

Element of cost	1946							1945					
	July	June	May	April	March	February	January	December	November	October	September	August	July
Material	143.7	141.6	139.2	138.0	137.1	136.3	135.5	135.2	135.0	134.6	134.1	133.9	133.8
Labor	155.6	[r] 153.8	[r] 152.5	[r] 150.6	[r] 148.9	[r] 148.5	[r] 147.9	[r] 147.5	[r] 147.3	[r] 146.3	[r] 146.0	[r] 144.5	[r] 144.1
Total	147.7	[r] 145.7	[r] 143.6	142.1	141.0	140.3	[r] 139.7	[r] 139.3	[r] 139.1	[r] 138.5	138.0	137.4	137.2

[r] Revised.

Table 5.—BUILDING COSTS—Index of building costs in representative cities [1]

[Source: National Housing Agency. Average month of 1935-1939=100]

Federal Home Loan Bank District and city	1946			1945		1944	1943	1942	1941	1940
	Aug.	May	Feb.	Nov.	Aug.	Aug.	Aug.	Aug.	Aug.	Aug.
Pittsburgh:										
Wilmington, Delaware	143.1	141.6	138.5	137.9	137.0	134.9	130.0	129.7	115.9	93.9
Philadelphia, Pennsylvania	176.5	172.9	170.0	161.1	158.3	149.7	145.7	138.5	120.1	110.0
Pittsburgh, Pennsylvania	146.9	[r] 140.9	[r] 139.6	[r] 138.9	[r] 136.4	134.2	131.9	126.1	118.7	100.1
Charleston, West Virginia	157.4	150.5	136.3	136.1	135.4	133.4	121.3	121.3	108.0	100.7
Cincinnati:										
Louisville, Kentucky	150.7	146.0	142.9	138.4	135.7	134.3	122.0	116.4	108.6	104.4
Cincinnati, Ohio	146.1	141.0	140.1	138.2	138.3		124.2	114.3	103.4	97.4
Cleveland, Ohio	159.6	147.0	145.9	149.2	148.1	142.6	138.5	127.3	121.3	108.4
Memphis, Tennessee	147.3	141.6	141.3	139.9	137.7	135.3	121.7	118.6	108.8	102.8
Little Rock:										
Little Rock, Arkansas	154.9	145.4	142.3	140.9	138.8	138.1	135.0	135.0	113.9	104.5
New Orleans, Louisiana	155.2	150.2	143.1	142.7	141.9	141.2	131.4	131.9	123.9	102.5
Jackson, Mississippi	148.6	141.7	141.6	141.1	139.2	137.2	123.9	122.7	118.9	106.3
Albuquerque, New Mexico	148.6	137.6	133.9	132.5	132.3	130.9	118.7	117.7	110.3	103.8
Houston, Texas	138.1	135.5	132.3	128.6	126.8	126.7	116.5	115.9	108.9	96.8

[1] For complete explanation of these data, see Statistical Supplement to April 1946 REVIEW.
[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
1944	$95,243	$1,064,017	$163,813	$30,751	$100,228	$1,454,052	$669,433	$648,670	$135,949
January-July	65,757	583,932	93,093	17,191	56,210	816,183	375,015	365,024	78,144
July	7,078	93,232	13,871	2,841	8,014	125,038	57,164	56,539	11,333
1945	180,550	1,357,555	196,011	40,736	137,826	1,912,678	911,671	836,874	164,133
January-July	72,057	723,429	106,069	19,483	73,296	994,334	468,709	438,074	87,551
July	17,658	112,761	15,622	3,351	11,007	160,399	76,355	70,264	13,780
August	20,730	120,557	17,146	3,971	11,259	173,663	82,197	75,644	15,822
September	16,375	113,103	16,786	3,980	12,189	162,433	77,321	70,642	14,470
October	23,985	135,224	18,751	4,857	13,562	196,379	95,815	84,819	15,745
November	24,481	135,685	19,411	4,487	14,095	198,159	96,709	85,804	15,646
December	22,922	129,557	17,848	3,958	13,425	187,710	90,920	81,891	14,899
1946 January-July	338,460	1,416,835	158,540	41,920	143,111	2,098,866	1,070,366	879,890	148,610
January	30,807	145,342	21,372	3,803	15,518	216,842	109,146	92,103	15,593
February	30,866	154,219	19,801	4,217	16,416	225,519	111,927	97,305	16,287
March	45,391	202,995	24,244	6,198	21,335	300,163	155,960	123,945	20,258
April	53,202	235,877	24,882	6,796	22,242	342,999	174,468	143,114	25,417
May	62,189	243,458	24,451	6,954	24,246	361,298	186,282	150,161	24,855
June	56,297	218,575	22,402	6,625	22,098	325,997	167,552	136,296	22,149
July	59,708	216,369	21,388	7,327	21,256	326,048	165,031	136,966	24,051

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

[Dollar amounts are shown in thousands]

Federal Home Loan Bank District and class of association	New loans			Cumulative new loans (7 months)		
	July 1946	June 1946	July 1945	1946	1945	Percent change
United States	$326,048	$325,997	$160,399	$2,098,866	$994,334	+111.1
Federal	165,031	167,552	76,355	1,070,366	468,709	+128.4
State member	136,966	136,296	70,264	879,890	438,074	+100.9
Nonmember	24,051	22,149	13,780	148,610	87,551	+69.7
Boston	23,858	23,057	10,868	136,770	67,309	+103.2
Federal	9,897	9,662	4,381	60,923	27,677	+120.1
State member	11,418	10,995	4,687	62,886	31,517	+99.5
Nonmember	2,543	2,400	1,800	12,961	8,115	+59.7
New York	38,061	35,547	15,889	214,907	96,926	+121.7
Federal	17,628	16,472	5,483	91,765	34,007	+169.8
State member	15,526	15,295	7,773	93,787	46,500	+101.7
Nonmember	4,907	3,780	2,633	29,355	16,419	+78.8
Pittsburgh	23,415	24,831	12,094	160,257	83,128	+92.8
Federal	11,338	12,885	6,258	82,616	39,239	+110.5
State member	7,395	8,012	4,036	49,985	29,037	+72.1
Nonmember	4,682	3,934	1,800	27,656	14,852	+86.2
Winston-Salem	45,679	47,729	19,449	297,055	121,845	+143.8
Federal	26,333	26,745	10,314	168,444	65,062	+158.9
State member	15,929	17,799	7,923	107,923	49,835	+116.6
Nonmember	3,417	3,185	1,212	20,688	6,948	+197.8
Cincinnati	50,603	49,133	27,836	332,009	165,772	+100.3
Federal	23,023	22,150	11,596	151,460	71,026	+113.2
State member	25,257	24,441	14,329	165,036	83,572	+97.5
Nonmember	2,323	2,542	1,911	15,513	11,174	+38.8
Indianapolis	18,912	19,318	8,618	126,353	55,539	+127.5
Federal	11,224	11,846	4,646	73,498	29,668	+147.7
State member	7,318	7,020	3,711	49,809	23,302	+113.8
Nonmember	370	452	261	3,046	2,569	+18.6
Chicago	32,531	34,636	17,487	216,796	113,104	+91.7
Federal	15,118	17,691	7,221	100,267	47,996	+108.9
State member	16,021	15,643	9,073	106,704	56,347	+89.4
Nonmember	1,392	1,302	1,193	9,825	8,761	+12.1
Des Moines	19,920	21,623	9,572	129,126	58,564	+120.5
Federal	11,133	12,138	4,933	72,149	29,871	+141.5
State member	6,385	6,805	3,409	42,052	20,836	+101.8
Nonmember	2,402	2,680	1,230	14,925	7,857	+90.0
Little Rock	18,928	16,512	7,607	110,890	47,557	+133.2
Federal	7,983	7,609	3,871	52,790	23,711	+122.6
State member	10,802	8,765	3,609	57,024	23,201	+145.8
Nonmember	143	138	127	1,076	645	+66.8
Topeka	14,495	15,453	8,315	105,921	50,617	+109.3
Federal	8,157	9,327	4,677	61,356	27,396	+124.0
State member	4,661	4,623	2,280	32,777	14,749	+122.2
Nonmember	1,677	1,503	1,358	11,788	8,472	+39.1
San Francisco	39,646	38,158	22,664	268,782	133,973	+100.6
Federal	23,197	21,027	12,975	155,098	73,056	+112.3
State member	16,254	16,898	9,434	111,907	59,178	+89.1
Nonmember	195	233	255	1,777	1,739	+2.2

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

JULY 1946

[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	$314,779	$48,101	$263,669	$58,020	$178,128	$118,490	$981,187
Boston	29,057	921	12,137	25,425	10,310	5,381	83,231
Connecticut	3,599	575	4,529	4,333	3,489	1,766	18,291
Maine	875	25	528	1,228	624	87	3,367
Massachusetts	21,751	298	5,277	17,285	4,670	2,986	52,267
New Hampshire	565	8	260	1,072	529	55	2,489
Rhode Island	1,950	15	1,345	955	728	452	5,445
Vermont	317	-------	198	552	270	35	1,372
New York	28,991	2,629	24,334	27,153	25,243	10,918	119,268
New Jersey	6,074	1,003	6,880	1,556	5,729	3,258	24,500
New York	22,917	1,626	17,454	25,597	19,514	7,660	94,768
Pittsburgh	24,398	3,206	25,185	1,591	10,330	7,796	72,506
Delaware	354	173	352	147	372	138	1,536
Pennsylvania	22,433	2,588	21,838	1,444	9,060	7,345	64,708
West Virginia	1,611	445	2,995	-------	898	313	6,262
Winston-Salem	28,537	6,026	12,430	560	21,336	9,183	78,072
Alabama	1,326	616	1,184	-------	1,287	1,451	5,864
District of Columbia	4,685	575	1,114	-------	2,566	1,227	10,167
Florida	5,339	2,305	2,073	-------	7,413	1,860	18,990
Georgia	3,457	315	2,319	-------	1,899	1,872	9,862
Maryland	7,419	282	2,290	560	2,093	475	13,119
North Carolina	2,280	842	765	-------	1,407	783	6,077
South Carolina	609	310	826	-------	886	468	3,099
Virginia	3,422	781	1,859	-------	3,785	1,047	10,894
Cincinnati	57,243	3,647	27,023	1,259	11,373	9,727	110,272
Kentucky	5,542	732	2,176	-------	751	325	9,526
Ohio	50,055	1,782	21,844	1,259	9,087	3,995	88,022
Tennessee	1,646	1,133	3,003	-------	1,535	5,407	12,724
Indianapolis	21,098	4,726	25,421	15	5,889	7,282	64,431
Indiana	11,850	1,765	9,008	15	2,205	2,436	27,279
Michigan	9,248	2,961	16,413	-------	3,684	4,846	37,152
Chicago	36,947	2,022	15,613	37	11,719	15,904	82,242
Illinois	28,176	1,352	9,552	-------	7,145	14,569	60,794
Wisconsin	8,771	670	6,061	37	4,574	1,335	21,448
Des Moines	19,076	6,718	17,353	554	8,566	10,344	59,511
Iowa	4,520	467	4,552	-------	1,608	875	12,022
Minnesota	7,686	1,084	4,725	554	2,361	3,343	19,753
Missouri	5,626	1,956	7,502	-------	4,170	6,038	25,292
North Dakota	831	84	278	-------	181	71	1,445
South Dakota	413	27	296	-------	246	17	999
Little Rock	18,958	6,792	5,808	-------	12,706	10,527	54,791
Arkansas	1,320	365	870	-------	618	93	3,266
Louisiana	6,997	1,594	587	-------	3,325	1,778	14,281
Mississippi	888	329	690	-------	640	393	2,940
New Mexico	336	23	139	-------	435	28	961
Texas	9,417	4,481	3,322	-------	7,688	8,235	33,343
Topeka	14,796	2,051	6,579	-------	9,241	6,142	38,809
Colorado	2,556	336	1,590	-------	4,758	1,785	11,023
Kansas	5,449	383	2,361	-------	1,251	1,197	10,641
Nebraska	1,539	647	652	-------	702	166	3,706
Oklahoma	5,252	685	1,976	-------	2,530	2,996	13,439
San Francisco	35,678	12,463	91,786	1,426	51,415	25,286	218,054
Arizona	980	234	1,413	-------	2,277	380	5,284
California	22,215	10,936	77,797	-------	42,216	19,699	172,863
Idaho	1,008	76	470	-------	732	172	2,458
Montana	614	68	588	-------	579	12	1,861
Nevada	239	57	345	-------	556	93	1,290
Oregon	2,638	420	1,988	176	2,085	1,298	8,605
Utah	978	223	1,480	-------	335	217	3,233
Washington	6,496	431	7,222	1,250	2,262	3,368	21,029
Wyoming	510	18	483	-------	373	47	1,431

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
1945	$2,009,707	35.7	$244,432	4.4	$1,091,021	19.4	$216,982	3.9	$1,402,103	24.9	$658,945	11.7	$5,623,190	100.0
January-July	1,049,454	34.7	137,736	4.6	570,349	18.8	107,737	3.6	790,745	26.1	370,126	12.2	3,026,147	100.0
July	169,784	36.2	20,173	4.3	90,199	19.2	18,062	3.9	116,964	24.9	54,087	11.5	469,269	100.0
August	181,156	37.0	20,359	4.2	93,358	19.1	18,488	3.8	120,015	24.5	56,013	11.4	489,389	100.0
September	172,551	37.2	18,935	4.1	91,661	19.7	18,472	4.0	111,384	24.0	51,154	11.0	464,157	100.0
October	207,006	37.2	22,229	4.0	110,429	19.9	23,711	4.3	131,590	23.7	60,928	10.9	555,893	100.0
November	205,100	36.6	23,061	4.1	114,636	20.5	23,310	4.1	130,986	23.4	63,087	11.3	560,180	100.0
December	194,440	36.9	22,112	4.2	110,588	21.0	25,264	4.8	117,383	22.2	57,637	10.9	527,424	100.0
1946														
January-July	1,987,117	34.4	244,945	4.3	1,425,173	24.7	288,137	5.0	1,169,710	20.3	654,076	11.3	5,769,158	100.0
January	220,420	34.8	26,936	4.2	139,126	21.9	24,401	3.9	151,601	23.9	71,633	11.3	634,117	100.0
February	217,621	35.2	26,099	4.2	140,890	22.8	24,973	4.0	140,477	22.7	68,703	11.1	618,763	100.0
March	277,408	36.2	31,083	4.1	180,656	23.6	33,914	4.4	162,986	21.3	79,926	10.4	765,973	100.0
April	315,471	35.6	33,974	3.8	213,878	24.1	44,855	5.1	180,318	20.3	98,770	11.1	887,266	100.0
May	333,192	34.6	38,862	4.0	241,330	25.0	51,851	5.4	187,311	19.4	111,892	11.6	964,438	100.0
June	308,226	33.6	39,890	4.3	245,624	26.8	50,123	5.5	168,889	18.4	104,662	11.4	917,414	100.0
July	314,779	32.1	48,101	4.9	263,669	26.9	58,020	5.9	178,128	18.1	118,490	12.1	981,187	100.0

Table 10.—**GI LENDING**—Home loans [1]

[Dollar amounts are shown in thousands]

Cumulative through	Number of applications and reports	Total loans reported closed and disbursed [2]		
		Number	Amount of guaranty and insurance	Principal amount of loan
June 21	246,201	157,004	$341,997	$756,782
June 28	257,986	165,737	364,514	804,907
July 5	267,110	172,434	383,027	843,303
July 12	279,600	180,664	403,971	887,713
July 19	291,571	190,630	429,938	941,379
July 26	305,503	200,231	454,709	994,778
August 2	318,905	209,960	480,241	1,046,197
August 9	331,763	220,988	510,554	1,107,674
August 16	344,561	233,354	543,883	1,169,751
August 23	357,510	245,231	575,664	1,246,274

[1] Records of Veterans Administration.
[2] Totals do not include 59,066 loans acted upon and approved for loan closing. Their dollar volume, estimated at $300,000,000, brought the aggregate principal of GI home loans to about $1,546,000,000 on August 23.

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

[Premium paying; thousands of dollars]

Period	Title II [2]		Title VI (603)	Total insured at end of period
	New	Existing		
1945: July	$347	$18,207	$19,056	$6,339,263
August	666	17,286	14,992	6,372,207
September	968	15,165	12,634	6,400,974
October	1,228	18,606	15,253	6,436,061
November	1,777	18,887	10,779	6,467,504
December	1,965	18,051	11,383	6,498,903
1946: January	3,095	24,275	11,293	6,537,566
February	3,728	20,006	7,508	6,568,808
March	3,760	24,346	6,273	6,603,187
April	3,570	24,160	7,853	6,638,770
May	4,406	26,389	9,700	6,679,265
June	5,573	31,551	4,690	6,721,079
July	6,374	26,956	4,471	6,758,880

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

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

[Thousands of dollars]

Federal Home Loan Bank	Lending operations, July 1946		Principal assets, July 31, 1946			Capital and principal liabilities, July 31, 1946			Total assets, July 31, 1946 [1]
	Advances	Repayments	Advances outstanding	Cash [1]	Government securities	Capital [2]	Debentures	Member deposits	
Boston	$1,822	$636	$14,788	$1,505	$7,483	$20,892	$2,000	$961	$23,859
New York	1,675	917	13,340	852	30,771	29,330	------	15,826	45,179
Pittsburgh	1,733	1,167	21,185	3,316	9,448	18,374	14,000	1,644	34,066
Winston-Salem	3,578	2,682	20,602	2,061	4,121	20,230	6,500	131	26,877
Cincinnati	1,492	945	20,069	1,632	25,647	29,063	5,000	13,539	47,636
Indianapolis	913	1,264	12,712	2,627	14,442	15,801	8,000	6,072	29,903
Chicago	1,983	3,454	39,233	3,657	9,393	25,475	22,500	4,400	52,424
Des Moines	1,108	1,985	15,843	685	10,450	15,108	11,000	938	27,076
Little Rock	1,117	955	10,657	1,000	9,121	13,173	7,500	178	20,867
Topeka	1,532	326	8,308	1,339	8,044	11,356	4,000	1,405	17,769
San Francisco	1,294	5,185	25,290	7,718	24,087	27,516	21,500	8,184	57,246
July 1946 (combined total)	18,247	19,516	202,027	26,392	153,007	226,318	102,000	53,278	382,902
June 1946	44,519	13,892	203,296	31,379	122,511	225,165	67,000	54,795	358,065
July 1945	7,444	17,501	121,608	18,505	154,936	214,339	32,000	43,642	296,601

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

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

[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	Operations: New private investments	Operations: Private repurchases	Operations: Repurchase ratio
ALL INSURED												
1945: July	2,473	$5,594,461				$4,840,292	$23,499	$114,469	$121,572	$196,944	$144,932	73.6
August	2,475	5,666,351				4,913,879	23,378	105,344	131,239	156,189	83,357	53.4
September	2,476	5,725,962	$3,572,964	$303,195	$1,607,844	4,981,869	23,367	92,618	122,098	146,290	77,855	53.2
October	2,476	5,797,238				5,055,073	23,367	79,497	150,000	163,628	91,668	56.0
November	2,474	5,878,098				5,109,101	23,366	88,304	151,335	147,022	92,650	63.0
December	2,475	6,148,230	3,763,128	307,712	1,839,008	5,219,910	23,366	185,210	144,664	180,352	71,777	39.8
1946: January	2,477	6,204,954				5,299,668	20,165	163,559	169,107	283,487	205,537	72.5
February	2,481	6,274,832				5,361,314	19,374	154,835	174,954	182,679	122,099	66.8
March	2,485	6,359,998	4,051,583	279,543	1,792,418	5,432,080	19,373	144,111	238,268	198,176	129,573	65.4
April	2,486	6,462,376				5,507,923	19,373	145,744	268,705	198,896	123,265	62.0
May	2,488	6,592,552				5,589,795	19,358	159,546	285,613	196,973	116,370	59.1
June	2,490	6,743,121	4,519,248	347,362	1,641,628	5,724,893	19,358	189,908	257,175	219,825	86,017	39.1
July	2,493	6,810,626				5,798,380	16,832	187,401	254,858	296,710	224,686	75.7
FEDERAL												
1945: July	1,467	3,552,154				3,089,026	18,138	90,017	76,355	129,958	100,301	77.2
August	1,469	3,595,087				3,137,136	18,069	81,805	82,197	102,190	55,016	53.8
September	1,467	3,632,197	2,255,283	178,411	1,067,837	3,182,465	18,058	71,252	77,321	96,180	51,428	53.5
October	1,466	3,676,401				3,231,187	18,058	58,694	95,815	108,252	59,925	55.4
November	1,466	3,732,490				3,271,317	18,058	62,153	96,709	97,373	59,023	60.6
December	1,467	3,923,501	2,382,101	194,678	1,213,609	3,348,567	18,058	137,839	90,920	120,195	44,352	36.9
1946: January	1,467	3,955,391				3,395,108	15,250	124,242	109,146	190,748	144,388	75.7
February	1,468	3,999,837				3,435,482	14,540	118,501	111,927	122,452	82,173	67.1
March	1,469	4,050,719	2,571,919	169,884	1,175,285	3,481,382	14,539	109,213	155,960	132,145	86,471	65.4
April	1,469	4,118,076				3,532,406	14,539	106,599	174,467	132,092	81,241	61.5
May	1,471	4,204,057				3,586,501	14,539	115,009	186,282	130,551	78,013	59.8
June	1,472	4,311,747	2,886,641	221,431	1,067,943	3,677,643	14,539	137,605	167,552	144,470	55,038	38.1
July	1,473	4,344,421				3,716,445	12,380	134,376	165,031	194,872	156,734	80.4
STATE												
1945: July	1,006	2,042,307				1,751,266	5,361	24,452	45,217	66,986	44,631	66.6
August	1,006	2,071,264				1,776,743	5,309	23,539	49,042	53,999	28,341	52.5
September	1,009	2,093,765	1,317,681	124,784	540,007	1,799,404	5,309	21,366	44,777	50,110	26,427	52.7
October	1,010	2,120,837				1,823,886	5,309	20,803	54,185	55,376	31,743	57.3
November	1,008	2,145,608				1,837,784	5,308	26,151	54,626	49,649	33,627	67.7
December	1,008	2,224,729	1,381,027	113,034	625,399	1,871,343	5,308	47,371	53,744	60,157	27,425	45.6
1946: January	1,010	2,249,563				1,904,560	4,915	39,317	59,961	92,739	61,149	65.9
February	1,013	2,274,995				1,925,832	4,834	36,334	63,027	60,227	39,926	66.3
March	1,016	2,309,279	1,479,664	109,659	617,133	1,950,698	4,834	34,898	82,308	66,031	43,102	65.3
April	1,017	2,344,300				1,975,517	4,834	39,145	94,238	66,804	42,024	62.9
May	1,017	2,388,495				2,003,294	4,819	44,537	99,331	66,422	38,357	57.7
June	1,018	2,431,374	1,632,607	125,931	573,685	2,047,250	4,819	52,303	89,623	75,355	30,979	41.1
July	1,020	2,466,205				2,081,935	4,452	53,025	89,827	101,838	67,952	66.7

Table 14.—**SAVINGS**—Savings and loan share investments and repurchases, July 1946

[Dollar amounts are shown in thousands]

Period	All associations: New investments	All associations: Repurchases	All associations: Net inflow	All associations: Repurchase ratio	Insured associations: New investments	Insured associations: Repurchases	Insured associations: Net inflow	Insured associations: Repurchase ratio	Uninsured associations: New investments	Uninsured associations: Repurchases	Uninsured associations: Net inflow	Uninsured associations: Repurchase ratio
1945: January–July	$1,335,786	$758,510	$577,276	56.8	$1,083,488	$588,412	$495,076	54.3	$252,298	$170,098	$82,200	67.4
July	243,361	179,183	64,178	73.6	196,944	144,932	52,012	73.6	46,417	34,251	12,166	73.8
August	196,241	104,265	91,976	53.1	156,189	83,357	72,832	53.4	40,052	20,908	19,144	52.2
September	194,823	100,506	94,317	51.6	146,290	77,855	68,435	53.2	48,533	22,651	25,882	46.7
October	202,777	119,821	82,956	59.1	163,628	91,668	71,960	56.0	39,149	28,153	10,996	71.9
November	184,046	118,881	65,165	64.6	147,022	92,650	54,372	63.0	37,024	26,231	10,793	70.8
December	223,885	94,970	128,915	42.4	180,352	71,777	108,575	39.8	43,533	23,193	20,340	53.3
1946: January–July	1,920,213	1,240,744	679,469	64.6	1,576,746	1,007,547	569,199	63.9	343,467	233,197	110,270	67.9
January	334,961	244,619	90,342	73.0	283,487	205,537	77,950	72.5	51,474	39,082	12,392	75.9
February	220,469	150,656	69,813	68.3	182,679	122,099	60,580	66.8	37,790	28,557	9,233	75.6
March	243,363	158,627	84,736	65.2	198,176	129,573	68,603	65.4	45,187	29,054	16,133	64.3
April	248,077	155,455	92,622	62.7	198,896	123,265	75,631	62.0	49,181	32,190	16,991	65.5
May	246,713	147,675	99,038	59.9	196,973	116,370	80,603	59.1	49,740	31,305	18,435	62.9
June	269,694	112,144	157,550	41.6	219,825	86,017	133,808	39.1	49,869	26,127	23,742	52.4
July	356,936	271,568	85,368	76.1	296,710	224,686	72,024	75.7	60,226	46,882	13,344	77.8

Table 16.—HOLC—Mortgage loans outstanding and properties on hand

[Dollar amounts are shown in thousands]

Month	Due on original loans	Due on property sold	Properties owned	
			Book value	Number[1]
1941: July	$1,502,710	$351,868	$298,165	43,933
1942: July	1,293,416	363,578	250,126	34,672
1943: July	1,059,151	359,394	179,103	23,728
1944: July	828,977	370,059	28,771	4,232
1945: July	632,598	312,329	3,522	613
August	618,121	306,982	2,966	512
September	605,742	302,233	2,524	435
October	590,747	296,405	2,001	357
November	577,748	291,208	1,594	296
December	565,923	286,396	1,367	249
1946: January	550,745	279,977	1,133	212
February	538,330	274,666	1,004	186
March	524,751	268,894	935	175
April	510,598	262,752	769	147
May	496,662	256,498	736	136
June	484,416	250,888	685	127
July	470,553	244,905	638	122

[1] Includes re-acquisitions of properties previously sold.

Table 17.—GOVERNMENT SHARES—Investments in member associations [1]

[Dollar amounts are shown in thousands]

Type of operation	Treasury	Home Owners' Loan Corporation		
	Federals [2]	Federals	State members	Total
October 1935–June 1946:				
Applications:				
Number	1,862	4,710	995	5,705
Amount	$50,401	$213,701	$66,495	$280,196
Investments:				
Number	1,831	4,243	738	4,981
Amount	$49,300	$178,401	$45,456	$223,857
Repurchases	$47,889	$160,373	$39,831	$200,204
Net outstanding investments	$1,411	$18,028	$5,626	$23,653
Second quarter 1946:				
Applications:				
Number				
Amount				
Investments:				
Number				
Amount				
Repurchases			$15	$15

[1] Refers to number of separate investments, not to number of associations in which investments are made.
[2] Investments in Federals by the Treasury were made between December 1933 and November 1935.

Table 18.—FHLBS—Membership in the Federal Home Loan Bank System

[Dollar amounts are shown in thousands]

Type of institution	1946 June No.	1946 June Assets	1946 March No.	1946 March Assets	1945 June No.	1945 June Assets	1941 June No.	1941 June Assets
All members	3,699	$9,443,242	3,699	$8,847,878	3,696	$7,969,978	3,714	$6,840,241
Savings and loan associations	3,660	8,358,532	3,660	7,870,518	3,656	7,013,906	3,671	5,962,319
Federal	1,472	4,311,747	1,469	4,050,719	1,465	3,528,027	1,465	2,881,276
Insured state	1,014	2,424,109	1,012	2,302,336	1,002	2,015,142	992	1,696,352
Uninsured state	1,174	1,622,676	1,179	1,517,463	1,189	1,470,737	1,214	1,384,691
Mutual savings banks	25	630,039	25	591,546	25	566,553	22	463,580
Insurance companies	14	454,671	14	385,814	15	389,519	21	414,342

Table 19.—FHA—Insured home mortgages (Titles II and VI) held, by class of institution [1]

[Thousands of dollars]

Cumulative through end of month	Total	Commercial banks	Mutual savings banks	Savings and loan associations	Insurance companies	Federal agencies [2]	Others [3]
1941: June	$2,754,725	$1,300,734	$174,706	$237,056	$668,069	$220,400	$153,760
December	3,115,616	1,447,101	205,748	255,296	791,617	233,628	182,226
1942: June	3,551,421	1,614,392	242,619	277,704	966,441	245,206	205,059
December	3,795,519	1,694,963	263,825	288,611	1,095,276	251,871	200,973
1943: June	4,153,657	1,819,942	301,058	319,147	1,231,638	259,495	222,377
December	4,308,362	1,894,913	328,041	345,938	1,374,570	116,330	248,570
1944: June	4,514,290	1,929,054	371,071	371,947	1,465,561	133,042	243,615
December	4,555,672	1,919,999	392,643	379,482	1,495,245	134,551	233,752
1945: June	4,677,345	1,982,879	416,254	407,994	1,550,409	99,362	220,447
December	4,563,797	1,954,736	418,505	404,391	1,557,603	40,584	187,978
1946: June	4,503,254	1,955,922	388,742	397,054	1,534,770	19,627	207,139

[1] Original face amount of mortgages held; does not include terminated mortgages and cases in transit to or being audited at the Federal Housing Administration.
[2] The RFC Mortgage Company, the Federal National Mortgage Association and the United States Housing Corporation.
[3] Includes mortgage companies, finance companies, industrial banks, endowed institutions, private and state benefit funds, etc.

INDEX OF VOLUME 12
FEDERAL HOME LOAN BANK REVIEW

■ FOR the convenience of readers in finding references, the pagination of each issue of Volume 12 is listed below. The titles of all articles appear in *italics.*

Volume 12	*Pages*
No. 1—October	1–28
No. 2—November	29–60
No. 3—December	61–88
No. 4—January	89–120
No. 5—February	121–156
No. 6—March	157–188
No. 7—April	189–220
No. 8—May	221–248
No. 9—June	249–280
No. 10—July	281–316
No. 11—August	317–352
No. 12—September	353–387

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