FEDERAL HOME LOAN BANK

REVIEW

Vol. 13, No. 2 Washington, D. C. NOVEMBER 1946

IN THIS ISSUE

". . . An Extraordinary Challenge"

". . . The responsibility which must be assumed in these times, and especially in the coming year, by all who are engaged in the financing of home mortgages is an extraordinary challenge. It cannot be met by the adoption of some all-inclusive formula which it is argued should govern the conduct of mortgage-making activities and will assure safety and necessary service to the public. No one is wise enough to write one. Only by conscientious common council, dominated by a determined spirit of helpfulness to our country, can we hope to develop the vision and judgment to find solutions for the problems we confront.

"We should face squarely the fact that we are in the midst of the most serious inflation of real estate prices in our history and that many thousands of veterans and others are being forced to buy homes they cannot afford and will be unable to pay for. This is a repetition of the conditions which caused the unprecedented mortgage panic of the thirties with its attendant obliteration of thousands of lending institutions and the loss of billions of dollars to millions of people of small means. That disaster cannot be repeated without far-reaching consequences and certainly it is up to directors and managements of all our financial institutions involved in the making of mortgages to do everything in their power to curb present trends and bring down the prices of homes and apartments.

"In my judgment what is most needed is an end to name-calling and recrimination, an end to buck-passing claims that it is the 'other fellow' who is making all the unsound mortgages, and an end to the continuous clatter that Government is to blame for everything. It is time for the substitution of really sincere cooperation on the part of all concerned to provide houses for our people safely, promptly and at fair prices . . ."

Commissioner Fahey, unable to attend the recent meeting of the United States Savings and Loan League in Milwaukee, Wisconsin, sent a message on November 22, 1946. The above paragraghs are excerpts from his statement.

The REVIEW in Brief

Purposes and policies of the FHLB System

By Harold Lee

Mortgage credit requirements for the financing of homes by member savings and loan associations during 1946–1947 may reach the record volume of $7 billion. Much of this money will be raised out of repayments on existing loans and by use of present liquid assets. Without doubt, however, one of the most urgent needs is not only to accept every dollar of savings offered but to stimulate increased savings by every sound means. This also raises the question as to the degree of liquidity which should be maintained, and a decision at this time is of paramount importance.

The FHLB System has already taken several positive steps, which, together with new measures under consideration, will strengthen its ability to serve all member institutions. Savings and loan associations face a challenge which will require intelligent effort to obtain and retain funds from the public as well as intelligent use of the credit facilities of the Bank System. [*Page 35.*]

Savings and loan assets at all-time peak

Before the year is out, total savings and loan assets will undoubtedly have passed the $10-billion mark. Complete figures for last year's operations reveal that they started 1946 with assets of $8,747,000,000 and have been gaining at the rate of more than $100,000,000 a month. Last year was the first billion-dollar year in growth of assets and private share capital.

During the war years, assets increased 45 percent, with private capital showing the largest dollar gain—$2.7 million. Most of these funds went into a Government bond portfolio which amounted to almost $2.5 billion at the end of last year. [*Page 41.*]

Research in home finance—a continuing process

The basic economic aspects of home mortgage finance, about which all too little is known, offer wide possibilities for future research. With wartime pressures relieved, private and Government studies can be extended and improved without sacrificing work on the statistical tools necessary for day-to-day operations.

To help stimulate such projects, this article introduces a series surveying past progress and current developments in economic research in the field of housing and home mortgage finance. [*Page 45.*]

The slow-down in savings

In spite of an all-time high of $130 billion in the selected types of private savings included in the FHLBA series, the anticipated postwar decline in the rate of gain is becoming increasingly apparent. In the last three half-year periods since January 1945, it has fallen from 10 to 7 to 4 percent, respectively, and available data show that the trend is still continuing.

Savings and loan associations, the only outlet to show a larger dollar gain during the first six months of this year than in the last half of 1945, also matched their previous *rate* of increase. All other media studied in this article reported lower percentage advances. [*Page 49.*]

September highlights

A new high mark in FHLB advances to member institutions was set, with a balance outstanding of $235 million at the end of the month.

Assets of all insured savings and loan associations passed $7 billion. The nine-month increase in 1946 in their loan portfolios exceeded the combined gains registered in the previous four years.

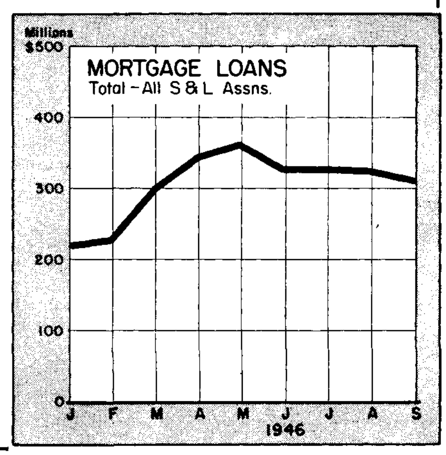
Their liquid resources have declined almost $300 million since the beginning of the year. The net inflow of share capital during the third quarter was only half as great as the increase in mortgage loan holdings.

The net inflow of money into all savings and loan associations amounted to $60 million in September. This was the smallest monthly volume since July 1944.

New loans made by all savings and loan associations were at the lowest level since March, but still above the $300-million mark.

The recordings of all mortgages of $20,000 or less totaled $929,000,000—off 7 percent from the all-time high established in August. Insurance companies were the only lenders to show an increase during the month.

NHA estimated that 807,500 dwelling units had been started through September 30. Almost 80,000 units of all types were completed during the month, bringing the total to 521,000 for the year-to-date. Building costs continued to climb gradually; but **materials production showed encouraging gains.**



FEDERAL HOME LOAN BANK

REVIEW

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NATIONAL HOUSING AGENCY

Wilson W. Wyatt, Administrator

FEDERAL HOME LOAN BANK ADMINISTRATION

John H. Fahey, Commissioner

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APPROVED BY THE BUREAU OF THE BUDGET

PURPOSES AND POLICIES OF THE FEDERAL HOME LOAN BANK SYSTEM

How far have the Bank System and its members progressed? Where are they headed? What can the industry and the Bank Administration do to make the way easier? Answers to these questions are discussed frankly by the Governor in the following article which provides a harvest of food for thought for all members of the Bank System.

By HAROLD LEE, Governor
Federal Home Loan Bank System

■ DURING the past few months I have had the opportunity and pleasure of meeting with a number of groups of savings and loan leaders representative of all parts of the country. Because the problems which we have considered are actually of industry-wide importance, I welcome the chance to bring them to the attention of the entire Bank System membership through the medium of the REVIEW. The discussions at these meetings have centered around the progress of the System and its members; the probable mortgage volume immediately ahead; and improvements recently made or in the making; also suggestions for further improvements and strengthening in order that we may fully measure up to our opportunities and responsibilities.

Living in new times with new risks there is great need for the savings and loan business to scan the horizon as well as to review the past.

Growth

There is little doubt that by the end of this year the total assets of all members of the Federal Home Loan Bank System will pass the $10-billion milestone. The gain in total resources during the first half of this year exceeded the annual gain in assets in all previous years, with the exception of 1933—the first full year of operation—and 1944 and 1945. Member savings and loan associations now represent nearly 90 percent of the resources of all institutions of this type in the United States; and in some Districts the proportion is running as high as 97 and 98 percent of all operating associations in those areas.

A comparison of the average size of all savings and loan associations at the end of the years 1940 and 1945 discloses a marked difference in the growth of insured associations and uninsured *nonmembers*. Insured associations have grown from an average of $1,200,000 to $2,400,000, while uninsured nonmembers have an average size of $390,000 as compared with $374,000 in 1940. The difference in size and trend of uninsured nonmember associations as compared with insured institutions is noteworthy and graphically portrays the value of both insurance and membership in the Bank System.

Mortgage volume, 1946–1947

In the light of the national effort now being made to increase home building during 1946 and 1947 to levels never before approached in the history of the country, and in view of the increasing competition being encountered in the home financing field, it is important for us to anticipate as best we can the mortgage loan demands for 1946–1947 in order that savings and loan associations may be prepared to handle their proportionate share of the business.

Of the goal for 1946–1947 of 2,700,000 new dwelling units to be built under the Veterans Emergency Housing Program, about 2,450,000 units of *permanent* construction are expected to be financed by *private* funds. According to estimates of the Office of the Housing Expediter, the aggregate of financing necessary for these units will exceed $15 billion.

Eliminating the type of financing which is not normally handled by savings and loan associations, and considering mainly residential property of 1- to 4-family units, mortgage financing under this program may amount to nearly $12 billion for the two years.

Currently, savings and loan associations are making somewhat over a third of all loans to finance homes. Applying that ratio to the $12-

billion estimated needs of the veterans program, associations may be called on to supply up to $4 billion, in addition to satisfying normal requirements from borrowers which in 1944 and 1945 together amounted to over $3 billion, exclusive of loans for construction purposes. Savings and loan financing of multi-family projects, through individual or joint participation loans within the regulations on this type of lending, will add even more to these figures.

During the first seven months of 1946 member savings and loan associations made new loans at an *annual* rate of approximately $3.6 billion. With the increase in construction under the Veterans Emergency Housing Program, it may reasonably be contemplated that the volume of loans which member savings and loan associations will be called upon to make during 1947, if they are to retain their proportionate share of the business, will at least equal that of 1946. Thus, it appears that mortgage credit for the financing of homes, approaching a record volume of at least $7 billion, may need to be supplied by member savings and loan associations during these two years.

Obviously the $7-billion estimate of total lending in 1946–1947 by member associations in the United States as a whole, does not mean that associations must receive new savings to that extent over and above withdrawals, since a large proportion of the amount needed will come from cash and Government bonds on hand and repayments on outstanding mortgages.

The net inflow of private savings invested in all member associations currently is at the annual rate of about $1.1 billion. As you know, however, the ratio of repurchases to new investments has been rising sharply and may be expected to rise considerably higher as a greater volume of consumer goods, housing and equipment becomes available. Even assuming an optimistic view, the net increase in the private capital of all members during 1946–1947 would not be likely to exceed $2 billion.

Based on the current rate, it is estimated that mortgage loan repayments during the two-year period will approximate $3.5 billion. Thus, funds available from net gain in share capital and loan repayments in 1946–1947 would probably not exceed $5.5 billion, leaving at least $1.5 billion of the estimated $7-billion loan volume for the period to be obtained through utilization of excess cash, liquidation of bond portfolios, Bank borrowings and the sale of mortgage loans.

These figures show that, despite the presently liquid condition of savings and loan associations and the operations of the 11 Federal Home Loan Banks as a national credit reservoir, institutions should more than ever encourage systematic thrift in their communities to help meet the demand for *sound* loans in the next few years.

Need for expansion in savings

We all know that during the past few years there has been a tremendous upsurge in the volume of new money received by associations. Some very pertinent questions, however, are: how long will the gross inflow of funds hold up at current levels; are these funds long-term or short-term in character; and what is likely to be the withdrawal trend? In this connection it is well to keep in mind that the purchasing power of the savings dollar is substantially less than in previous years. Undoubtedly, this means that as investors in savings and loan associations withdraw funds in the future, their withdrawals will be in terms of dollars with *lower* purchasing power and thus in *greater* aggregate volume.

Even under present conditions, the rate of withdrawals is rising sharply. In relation to new investments, the ratio of repurchases has risen from 51 percent in 1944 to 54 percent in 1945, and to 61 percent in the first six months of 1946.

As the people of the country use a larger amount of their income for the purchase of articles and equipment not hitherto available, and as they increase withdrawals on accumulated savings for the purchase of homes, household equipment and other substantial items, the probability is that the rate of withdrawals will rise higher at the same time that the inflow of new funds declines. Under such conditions it would not be long before the present margin of new savings over withdrawals would be substantially narrowed if not wiped out.

In view of the trends just discussed and of the unprecedented demands of the coming period for additional mortgage credit, there is a very real need for managers throughout the nation to examine closely the situation with respect to the ratio of repurchases to new investments, the rate of capital turnover, and the average life of the loans in which funds are being invested.

Without question, one of the most urgent needs is not only to accept every dollar of savings offered but to stimulate increased savings investments during the next several years by every sound means. The amount of funds which will be available will not otherwise be sufficient to fully meet the responsibilities and obligations to those who will be in need of home financing.

Liquidity of associations

In a market where the demand for mortgage loans for the financing of homes is expected to absorb virtually all of the available funds, a decision at this time as to the degree of liquidity which should be maintained is of paramount importance.

Because of the generally liquid condition of all associations, managers are now in an especially favorable position to analyze this problem and reach conclusions as to the liquidity position that should be maintained. If a decision on this matter is postponed, the demand for mortgage credit will have absorbed surplus cash and securities and we shall be in a far less advantageous position to make sound determinations and put them into effect.

Savers in these days want safety and availability of their funds above everything else and they regard cash and holdings of Government securities as an index of these two factors. That they place availability above rate of return has been demonstrated time and again by the failure of associations paying high dividends to attract as large a proportionate volume of savings as those paying lower rates but having substantially greater liquidity ratios.

If savings and loan associations are to retain the confidence of the public, they must continue to pay withdrawals without delay. In order to do this, reasonable liquidity is essential.

Need for increased reserves

The growth of savings and loan associations in recent years is a source of satisfaction to all in the industry. It will be unfortunate, however, if we permit our pride in this growth to blind us to its pitfalls. There is a real danger of a progressive thinning-out of the reserve cushion which can be a by-product of rapid growth unless management acts promptly to effect proportionate increases in the amount of its reserves and undivided profits.

Many soundly managed associations have succeeded in maintaining their reserve ratios despite phenomenal growth. This is not true, however, of *all* associations.

In the calendar year 1945 the assets of all members of the Bank System increased by over $1,250,000,000, or approximately 20 percent. But reserve allocations failed to keep pace with this growth and, in consequence, the *national* aggregate reserve and undivided profits ratio for members declined from 7.2 to 6.9 percent of assets.

To the extent that this trend is permitted to continue, the present financial strength of our associations will suffer. Especially now, when we are facing a record volume of new lending and the future holds many uncertainties, every effort should be made to build up reserves.

Secondary liquidity reserve

Many of the economic risks are beyond the control of local institutions. This was one of the reasons for the creation of the Federal Home Loan Bank System. In recognition of the responsibility of the Federal Home Loan Banks to have funds immediately available to meet emergency demands of their members, the Banks are establishing a secondary liquidity reserve of $100 million in addition to the cash and Governments which each Bank ordinarily has on hand to meet normal demands, and *in addition* to the statutory reserve required under Section 16 of the Federal Home Loan Bank Act. This liquidity reserve may be utilized to meet the needs of members when inter-bank deposit funds may not be available and pending the obtaining of additional cash through the sale of obligations of the Banks.

Consolidated bonds

It is not unlikely that during the next few years the Federal Home Loan Bank System will be put through severe tests of its ability to serve the cash needs of the industry, arising from the increasing demand for mortgage credit. Because of the statutory limitation on the issuance of debentures of five times the paid-in capital of the Federal Home Loan Banks, this method of financing might at some time prove to be inadequate. A practicable method has been worked out and plans duly approved for the issuance, when it appears to be desirable, of consolidated Federal Home Loan Bank bonds on a basis of not over 12 times the total paid-in capital stock and the reserves under Section 16 of the Federal Home Loan Bank Act. This will materially increase the capacity of the Banks to make advances or give financial assistance to members, and it is believed will prove adequate for their requirements.

FHLB purchase of GI loans

Plans are being perfected for the purchase by the Federal Home Loan Banks from their members of GI home mortgage loans guaranteed by the Veterans Administration. It is contemplated that these loans will be purchased at par with an annual service charge in an amount fully adequate to compensate the member institution for the servicing of the loan. The details of the plan are still in the study stage.

The purpose is to assure veterans adequate facilities at all times for home financing with institutions best fitted by tradition and experience to serve their needs. It will also undoubtedly result in a substantial increase in the earnings of both the member institutions and the Federal Home Loan Banks as well as assist member institutions in maintaining their relative position in new mortgage lending.

Supporting the Bank System

In addition to these, the Federal Home Loan Bank System will always be ready and willing to seek out and develop other methods by which to render better service to its member institutions. But the Federal Home Loan Bank System can reach its highest ability to serve only if it receives wholehearted support from its members.

I am sure all members will agree it is not reasonable or fair to expect to have a Federal Home Loan Bank which is a strong reservoir of credit ready to come to their support in bad times if they do not loyally support it in good times. Surely all must realize that in times of serious depression, associations cannot afford to depend upon commercial banks for necessary assistance.

You will undoubtedly recall that urban foreclosures during the depression reached an all-time peak of 1,000 daily—mortgage credit disappeared and many financial institutions were forced to close because of frozen real estate loans and because they did not have a strong liquid reservoir of credit of their own. It became necessary for the Government to create the Home Owners' Loan Corporation to relieve the resulting serious situation. That agency came to the rescue and refinanced institutional mortgagees. The Federal Home Loan Bank System was organized out of this experience, to provide an adequate nationwide reservoir for thrift and home financing institutions. This credit reservoir is maintained for Bank System members—it will be as strong or as weak as they make it.

Tomorrow seems a long way off when things are going well, but tomorrow does come. The question is, what will be the situation of member institutions when tomorrow arrives and funds are not so plentiful, when commercial banks are seeking to contract rather than expand their commitments, and when savings and loan associations are again faced with the need to borrow substantial funds in order to maintain normal operations?

Member deposits encouraged

A further method by which member institutions may support the System is by increasing their deposits with their Federal Home Loan Banks. I believe that such an increase is desirable. In the Federal Reserve System, member banks are required by law to carry substantial cash reserves with their Federal Reserve Banks and they receive no interest returns on these deposits. It is a price which they pay in order to have a reserve system. The desirability of imposing a similar requirement by regulation in the case of the Federal Home Loan Bank System has been the subject of serious discussion recently, but I feel confident that deposits in proper amounts will be maintained voluntarily when the members appreciate the mutual benefits flowing from this relationship.

It would be highly beneficial for member institutions to increase substantially their deposits with their respective Federal Home Loan Banks. The amount of funds normally carried on deposit by members with various other institutions at no interest clearly indicates that many members have failed to take advantage of such opportunity to support their Federal Home Loan Banks. Virtually all associations carry a portion of their liquid assets in the form of demand deposits and an additional amount in time deposits. If these funds are placed on deposit with the Federal Home Loan Banks they will be as readily available as if placed elsewhere and will materially assist in enabling the Banks to maintain balanced budgets in the periods of low earnings.

Conclusion

In this discussion I have endeavored to analyze some current trends in savings and loan financing, to point out some of the reasonable probabilities for the immediate future, and to discuss the problems arising from these trends and probabilities. Savings and loan associations throughout the country are facing the challenge of ability to provide a larger volume of home financing than ever before in our history. To accomplish this will require intelligent effort to obtain and retain funds from the public, and intelligent use of the credit reserve facilities which the Federal Home Loan Bank System provides. It will require an equivalent effort on the part of the Bank System to render the types of service which are needed, and a correlative measure of support by Bank System members. With these elements present, and with the application of sound appraisal and loan policies, I am confident that the challenge will be met and that the coming year will be one of the most successful in the history of savings and loan operations.

Needs for Home Sites

■ MORE than 300 square miles of raw land must be developed by communities in 1947, the NHA indicated recently in outlining the scope of the VEHP during the coming year. The cost, exclusive of homes, is estimated at $1 billion.

The current rate of home construction is rapidly exhausting available sites in and around cities where public utility services and adequate roads already exists, NHA reported. Although it is estimated that only about 50 percent of 1946 construction will be on raw land, the 1947 figure is expected to rise to about 75 percent.

NHA has undertaken a comprehensive program for the development of needed building sites through national and local action. The latter will be required in determining the housing needs of each community, the selection of well located sites and the provision of necessary public utilities. Means of assuring the production of the necessary amount of utility materials are being given top consideration by NHA.

Price Controls off Building Materials

■ With the removal of price controls on building materials, President Truman asked Housing Expediter Wyatt to report to him as soon as possible on recommended steps necessary to carry out the VEPH under these conditions.

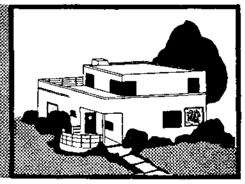
Following this request Mr. Wyatt issued the following statement: "In the meantime, all other controls will be kept in force—the priorities and allocations which channel materials and equipment into veterans' housing, the limitations on non-residential construction, and the price ceilings up to $10,000 on houses for sale and up to $80 on rents. Premium payments will continue on all plans now in effect, unless modifications are made necessary by sharp price rises on the items concerned. The guaranteed markets plan also will be continued for new materials and new types of housing and government loans for industrialized housing will be pressed.

"The impact of the removal of price controls will be less serious than it would have been without the unprecedented increase in materials production and the near-record volume of housing that has been put under way through the Veterans Emergency Housing Program. There were more than 800,000 units placed under construction by the end of September and completions have been mounting steadily; the home building industry has been put into high gear. But no one should minimize the effect of the removal of price controls and the difficulties of the task ahead, if veterans are to get homes and apartments in a volume and at prices even approaching their needs.

"In my report to the President, I will make plain the problems ahead. The demands of our homeless veterans cannot be met through building as usual today any more than they could when the Veterans Emergency Housing Program was announced."

The Housing Expediter submitted the requested report to the President late in November. However, as the REVIEW went to press, no action had yet been taken and no information was available as to the recommendations made.

NEWS NOTES



Rent control extended to 88 new areas

Eighty-eight rental areas with a total population of more than three and a half million persons were brought under rent control on November 1. For most of the areas this is the first time they have been under control, while regulations are currently being restored in seven localities.

Included in the areas are 23 college towns where the influx of students and veterans enrolling in courses under the GI Bill has been a factor in increasing the pressure on existing housing facilities. Rent control is now in effect in 650 areas throughout the country.

Third guaranteed market contract for prefabs issued

The third contract to be issued under the guaranteed market provisions of the Veterans Emergency Housing Act was completed early this month with the American Fabricators, Louisville, Kentucky. The terms call for the production of 7,500 factory-built plywood houses by the end of 1947.

Duties waived on imported lumber

Import duties have been temporarily lifted from timber, lumber and lumber products by authorization of the President on October 25. This action is expected to increase the inflow of such products for use in the Veterans Emergency Housing Program.

One of the serious obstacles to maintaining the nation's present lumber imports, which have been coming in at the rate of more than 1 billion board feet annually, is competitive bidding on world markets. This situation is expected to be met in part by temporarily lifting the import duties on lumber products. The waiver is to remain in effect until termination of provisions of the Veteran Emergency Housing Act of 1946 or until the President declares that a state of emergency no longer exists.

Although imported lumber constitutes less than 3 percent of the total U. S. lumber supply, the more than 1 billion board feet imported annually represents an important addition of this critically short material.

Non-residential construction controls tightened

The Civilian Production Administration has made the controls on non-residential construction more stringent. The $15,000 allowance for repair on such structures now applies only to buildings having floor areas of 10,000 square feet or more; smaller jobs henceforth have a ceiling of $1,000. A $200 ceiling is now fixed for construction of swimming pools, boardwalks and roller coasters; for concrete surfaces of drive-in theaters, parking lots and tennis courts; and for walls or fences of wood, brick, concrete or concrete block.

GI home loan volume passes $2 billion

More than 386,700 veterans have financed home loans, totaling $2,060,000,000, with the aid of Government guarantees provided under the Servicemen's Readjustment Act. An average of more than 14,000 veterans are obtaining guaranteed home loans each week. The principal amount of these loans is in excess of $75,000,000, nearly half of which is guaranteed or insured by the Veterans Administration. The current average for each loan is about $5,800.

Priority authorizations exceed 900,000 units

Through the end of September, priority authorizations issued by FHA, FPHA and the Department of Agriculture cover more than 900,000 dwellings. These totals include both new construction and conversions. They do not include the 192,000 units begun under the temporary housing program.

PROGRESS OF THE VEHP—SEPTEMBER 30, 1946

807,500 units started account for 67 percent of 1946 goal of 1,200,000

Program component	Units started	Units completed
Total [1]	807, 500	430, 200
New permanent [2]	521, 200	286, 200
Conventional [3]	496, 300	
Factory-built [4]	24, 900	
Temporary re-use [5]	192, 200	52, 100
Conversions	66, 800	64, 600
Trailers [6]	27, 300	27, 300

[1] September data preliminary.
[2] Includes factory-built units; breakdown of conventional and factory-built *completions* not available.
[3] Adjusted to exclude factory-built units; includes approximately 6,500 permanent units financed by New York State.
[4] Factory shipments.
[5] Family equivalent units financed by Federal and non-Federal funds. Total accommodations *started* amount to 226,500 units, comprising 157,800 family and 68,700 dormitory units. Total accommodations *completed* amount to 60,900 units, comprising 43,300 family and 17,600 dormitory units.
[6] Factory shipments.

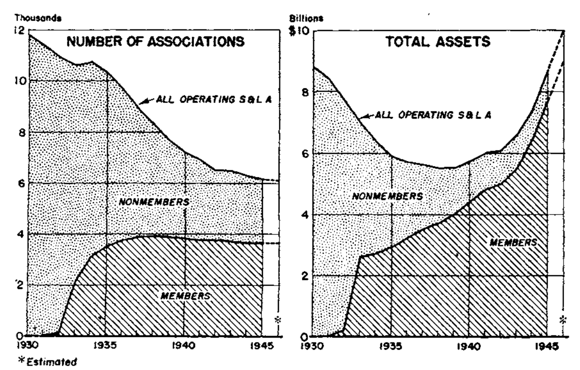
SAVINGS AND LOAN ASSETS REACH AN ALL-TIME PEAK

With final figures now available from virtually all state supervisory departments, it is possible to present industry-wide asset totals as of the end of 1945. The gains registered last year, while the largest on record, are already past history judging by preliminary data on 1946 operations.

■ IT is safe to say that by the end of December, the combined assets of all operating savings and loan, building and loan, homestead associations and cooperative banks will have passed the $10-billion mark for the first time in the history of their operations. Starting with resources of $8,747,000,000 at the beginning of this year, this total has grown at the rate of more than $100,000,000 each month. The previous all-time peak of $8,829,000,000 established in 1930 was passed early this year.

Combining the reports of the various state supervisory departments on nonmember associations with the data on all Bank System members published in July [1] reveals that 1945 was the first billion-dollar year for these institutions. The increase in both total assets and private share capital exceeded this figure. However, in spite of the unusually high volume of new mortgage loans made (only $20 million below the 1927 peak), the high ratio of loan repayments held the net increase during 1945 in this account to just over a half-billion dollars. There is little doubt that even this account will be in the billion-dollar class during the current year as mortgage financing activity has reached new heights in volume.

TRENDS IN THE SAVINGS AND LOAN INDUSTRY



The gradual contraction in the number of operating institutions continued, with a net decline of 130. The number active today is less than half of the peak of almost 13,000 reached in 1927. With only half the number of institutions and approximately an equal volume of assets, it is obvious that the size of the average savings and loan association is now twice what it was in the late twenties.

Summary of war years

In the four years following Pearl Harbor, the total assets of all operating savings and loan associations increased 45 percent from just over $6 billion at the end of 1941 to $8.7 billion by the close of last year. The number of active institutions declined from 6,905 to 6,149 during this period; and the combined effect of higher assets and fewer associations raised the average size from $870,000 at the beginning of the war to more than $1,400,000 at the start of this year.

The private share capital invested in these institutions showed the greatest dollar growth ($2.7 billion) of any single account on the consolidated balance sheet. Virtually all of these funds were used for the accumulation of a Government bond portfolio which amounted to almost $2.5 billion by the end of 1945.

With the exception of opportunities to finance war housing during the early part of the period and the rising volume of activity beginning about VE Day, mortgage lending opportunities were greatly restricted. The $700-million increase in the mortgage loan account during the *four years* was not so large as that registered in the first *six months* of this year!

More than $175,000,000 was added to the reserve and undivided profits accounts of these institutions from 1941–1945—a gain of almost

[1] "The Trend of Member Association Assets During the War," FHLB REVIEW, July 1946, page 289.

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40 percent. This was not quite equal to the rate of gain in total resources, however, with the result that the ratio of reserves to total assets of all operating associations showed a slight decline during the period.

Geographically, the 89-percent increase in the assets of associations in the San Francisco region was the highest shown in any Federal Home Loan Bank District. Institutions in the Indianapolis, Des Moines and Winston-Salem areas registered four-year gains ranging from 50–60 percent. The Cincinnati region also showed an average rise above that for all operating associations (47 percent). Only the Little Rock and Pittsburgh Districts reported gains of less than 30 percent for the entire period.

Sources of 1945 growth

As pointed out in the introduction, 1945 was a billion-dollar year for the net growth in savings and loan resources. Total assets of all operating associations rose almost $1,300,000,000, or 17 percent, from the balance of $7,458,000,000 on hand at the end of 1944. The gain, both on a dollar basis and percentagewise, was substantially higher than in the previous year.

Additions to the savings invested in these institutions by the general public were primarily responsible for the higher volume of resources. The net gain of $1,060,000,000 in private share capital last year may be contrasted with slightly more than $800,000,000 during 1944. Based on the balance at the beginning of 1945, this was an increase of 17 percent, or 2 points better than the rate of gain in the preceding year. An additional $14,700,000 of the Government investments in savings and loan associations was retired during the year.

Getting down to other details of the industry growth, it would be well first to adjust the gross figures for the reduction in mortgage pledged shares during the year. Thus the *adjusted* net increase in assets was $1,327,686,000. As indicated in the preceding paragraph, the *net* new

Comparative statement of condition for all operating savings and loan associations in the United States, 1945, 1944 and 1941

[Dollar amounts are shown in thousands]

Item	All operating associations			Ratio to total assets			Increase or decrease			
							1945–1944		1945–1941	
	1945	1944	1941	1945	1944	1941	Amount	Percent	Amount	Percent
ASSETS				*Percent*	*Percent*	*Percent*				
First mortgage loans	$5,520,566	$4,982,556	$4,798,453	63.11	66.81	79.82	$538,010	10.80	$722,113	15.05
Other loans	22,998	19,298	59,922	0.26	0.26	1.00	3,700	19.17	−36,924	−61.62
Real estate sold on contract	116,673	147,965	219,181	1.33	1.98	3.65	−31,292	−21.15	−102,508	−46.77
Real estate owned	32,824	60,383	327,620	0.38	0.81	5.45	−27,559	−45.64	−294,796	−89.98
Federal Home Loan Bank stock	71,820	62,251	47,553	0.82	0.83	0.79	9,569	15.37	24,267	51.03
U. S. Government obligations	2,420,017	1,671,115	135,989	27.67	22.41	2.26	748,902	44.81	(1)	(1)
Other investment securities	36,001	31,495		0.41	0.42		4,506	14.31		
Cash on hand and in banks	450,486	413,065	339,751	5.15	5.54	5.65	37,421	9.06	110,735	32.59
Office building	57,319	52,366	56,105	0.66	0.70	0.93	4,953	9.46	1,214	2.16
Furniture and fixtures	6,132	6,808	8,366	0.07	0.09	0.14	−676	−9.93	−2,234	−26.70
Other assets	12,553	10,963	18,297	0.14	0.15	0.31	1,590	14.50	−5,744	−31.39
Total assets	8,747,389	7,458,265	6,011,237	100.00	100.00	100.00	1,289,124	17.28	2,736,152	45.52
LIABILITIES AND CAPITAL										
U. S. Government investments	$20,821	$35,529	$195,692	0.24	0.48	3.26	−$14,708	−41.40	−$174,871	−89.36
Private repurchasable capital [2]	7,364,807	6,305,167	4,651,777	84.19	84.54	77.38	1,059,640	16.81	2,713,030	58.32
Mortgage pledged shares	144,726	183,288	246,340	1.65	2.46	4.10	−38,562	−21.04	−101,614	−41.25
Advances from Federal Home Loan Banks	189,982	126,882	217,881	2.17	1.70	3.62	63,100	49.73	−27,899	−12.81
Other borrowed money	145,938	72,009	37,669	1.67	0.97	0.63	73,929	102.67	108,269	287.42
Loans in process	111,744	37,863	72,547	1.28	0.51	1.21	73,881	195.13	39,197	54.03
Other liabilities	66,559	63,741	[3] 66,921	0.76	0.85	1.11	2,818	4.42	−362	−0.54
Permanent, reserve or guaranty stock	30,369	30,380	32,729	0.35	0.41	0.54	−11	−0.04	−2,360	−7.21
Deferred credits to future operations	10,210	12,682	20,245	0.12	0.17	0.34	−2,472	−19.49	−10,035	−49.57
Specific reserves	17,778	18,041	(1)	0.20	0.24	(1)	−623	−3.39		
General reserves	431,892	388,785	469,436	4.99	5.21	7.81	43,107	11.09	(1)	(1)
Undivided profits	212,563	183,538		2.43	2.46		29,025	15.81		
Total liabilities and capital	8,747,389	7,458,265	6,011,237	100.00	100.00	100.00	1,289,124	17.28	2,736,152	45.52

[1] No comparable breakdown available.
[2] Includes deposits and investment certificates.
[3] Includes specific reserves.

investments accounted for the lion's share—79 percent. The rise in non-savings liabilities (such items as borrowed money, loans in process, and other miscellaneous liabilities) contributed 16 percent of the growth; while the remaining 5 percent was reflected in net worth accounts which include reserves, undivided profits, deferred credits, and guaranty stock. The accompanying chart shows that this distribution of the growth factors is slightly different from the 1944 pattern, due principally to a higher proportion for the non-savings liabilities.

Source of growth of all operating savings and loan associations, 1945 and 1944

[Dollar amounts are shown in thousands]

Item	1945		1944	
	Amount	Percent	Amount	Percent
Gross gain in assets	$1, 289, 124		$854, 196	
Add: decline in pledged shares	38, 562		25, 716	
Adjusted gain in assets	1, 327, 686		879, 912	
Source:				
Net new investments	1, 044, 932	78. 7	777, 428	88. 4
Non-savings liabilities	213, 728	16. 1	66, 009	7. 5
Net worth	69, 026	5. 2	36, 475	4. 1
Total	1, 327, 686	100. 0	879, 912	100. 0

On the asset side

Again in 1945, the outstanding development on the asset side of the balance sheet was the increased liquidity of the associations. Cash and Government bonds accounted for about one-third of total assets, as against only 28 percent at the end of 1944. The ratio of the mortgage loan portfolio to total assets was 63 percent at the close of 1945—down 4 points during the year.

In terms of dollars, association holdings of Government bonds increased almost $750 million compared with an increment of $817 million during 1944. Cash on hand or in banks was up $37 million to reach a total of almost $450 million.

Mortgage investments showed the first sizable gain since 1941 and were a little more than half a billion dollars above the 1944 total. The real estate owned account was down to less than one-half of one percent of total assets, following a $28-million decline during the year.

Regional variations

The accompanying chart and table indicate the geographic variations in the rate of growth during 1945 and since the beginning of the war. It

Estimated number and amount of assets held by all operating savings and loan associations, 1945, 1944 and 1941

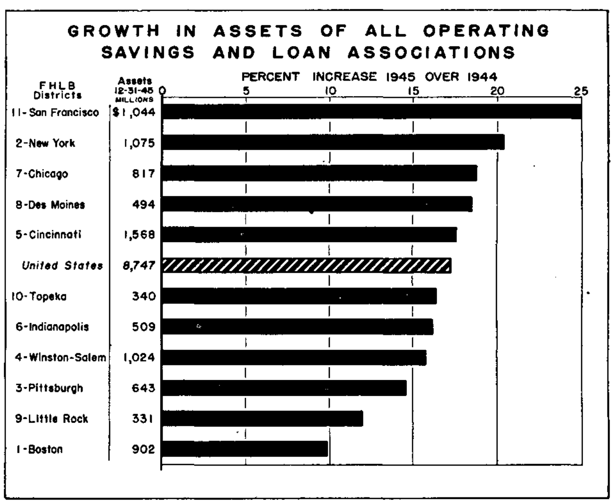
[Dollar amounts are shown in thousands]

FHLB District	Number			Assets		
	1945	1944	1941	1945	1944	1941
UNITED STATES	6, 149	6, 279	6, 905	$8, 747, 389	$7, 458, 265	$6, 011, 237
Boston	341	347	353	901, 511	820, 568	690, 390
New York	764	777	1, 115	1, 074, 746	892, 862	825, 945
Pittsburgh	1, 019	1, 080	1, 402	643, 309	561, 145	500, 659
Winston-Salem	882	897	680	1, 024, 461	884, 719	664, 322
Cincinnati	799	808	883	1, 568, 314	1, 333, 641	1, 064, 451
Indianapolis	315	317	326	509, 020	437, 966	324, 955
Chicago	741	749	782	816, 731	687, 283	563, 506
Des Moines	363	371	389	494, 161	417, 058	319, 190
Little Rock	305	304	316	331, 219	295, 736	256, 709
Topeka	280	289	306	340, 407	292, 562	249, 613
San Francisco	340	340	353	1, 043, 510	834, 725	551, 497

is interesting to note that there are now four Federal Home Loan Bank Districts in which the assets of all operating savings and loan associations total more than $1,000,000,000: Cincinnati, New York, San Francisco and Winston-Salem. At the end of 1944, Cincinnati was the only region to report an asset volume above that mark.

The largest percentage gain was registered by associations in the San Francisco region where their aggregate assets increased 25 percent over 1944 totals. Institutions in the New York District ranked second with an average gain of 20 percent. Associations in the Chicago, Des Moines and Cincinnati regions also had rates of gain above the average for the industry as a whole.

The Cincinnati and San Francisco regions reported the largest dollar gains last year. Associations in these two Districts accounted for over one-third of the total industry increase.



★ ★ ★ WORTH REPEATING ★ ★ ★

SAFETY: "The tradition of the savings and loan business, particularly in pre-depression days, was to attract savings with the highest possible return. While savers do like a high return, those savings institutions which have emphasized safety and availability with a low rate of return usually have out-distanced the high-dividend institutions in the attraction of savings."

Fred T. Greene, President, FHL Bank of Indianapolis, *National Savings and Loan Journal*, October 1946.

PREFABRICATED HOUSING: "The widespread housing emergency has focused attention on the prefabricating housing industry. Factory-made housing inevitably will come to occupy a larger part in the home construction industry. Association managers are urged to study all new developments in prefabricated housing since new methods in loan procedure will have to be adopted. Those houses meeting satisfactory construction standards and specifications, and where backed by financially sound companies and reliable dealers, should be approved and pre-building commitments made to the dealer and home purchaser."

Grant H. Longenecker, Michigan Savings and Loan League, *Savings and Loan Journal*, October 1946.

LOCAL PLANNING: ". . . If they are not to repeat the building boom history of the '20s with its dreary miles of unsatisfactory housing already falling into decay, the communities will have to act now. National Housing Administrator Wyatt has served notice that the location and planning of new housing is a local problem . . . The tools for control—zoning, subdivision control, building codes—are in local hands. And the costs of public services, which will be high or low, economical or wasteful, as the development is well or ill-planned, will fall on local taxpayers . . . The ills of haphazard growth . . . are all too well exemplified in towns and cities round about. Yet if speculative development alone guides the vast new housing programs, we shall see these ills multiplied many times."

Editorial, *New York Herald Tribune*, October 1, 1946.

RESEARCH NEEDED: ". . . A strong case can be made for a program of industry-wide cooperative but centrally directed research aimed at the production of data which would assist in the interpretation of long-run trends. Some of the factors to be taken into account should be population trends, net building rates, land and building costs, investment patterns, and the important relationships between real estate values and fluctuations in income payments, nationally and regionally. Armed with these data, adequately interpreted, the task of the appraiser in a period of inflation should be greatly simplified and the value of his service considerably increased."

Cecil L. Dunn, *The Appraisal Journal*, October 1946.

SOUND STANDARDS: "Present market values and current costs are higher than levels which history has demonstrated to be stable, long-term values. Because of these increased uncertainties, standards of sound mortgage lending should not be relaxed, but rather strengthened. Reserves should be created against which a reversal of trends can be cushioned."

Frank C. Rathje, Chicago City Bank & Trust Co., before Mortgage Bankers Association convention, Cincinnati, Ohio, October 9, 1946.

OUTLOOK: "We have all the *tangible* elements of sustained prosperity—manpower, raw materials, money supply, coupled with a vast back-log of needs and wants. The *intangibles*, still needed, include self-restraint, enlightened self-interest, the will and wisdom to translate the tangibles into a lasting, higher standard of living."

Marriner S. Eccles, Chairman, Board of Governors, Federal Reserve System, before National Outlook Conference, Washington, D. C., October 7, 1946.

TEAMWORK: "The old conception of what constitutes adequate housing for the mass of people is not an acceptable conception today—and will bring us to failure if we insist upon setting it up as the measure of our progress. We must find means of making better housing available for the many to whom it has been unattainable. . . .

". . . We can do so, if we develop the sort of co-related efficient industry we need . . . if we recognize that waste and excess cost of inefficiency in production can be eliminated—if we harness a four-horse team of management, labor, finance and Government, pulling evenly along a road from which many toll gates of cost can and must be removed."

Raymond H. Foley, FHA Commissioner, before Morris Plan Bankers Association, Virginia Beach, Va., October 24, 1946.

THE BOOKSHELF

Although inclusion of title does not necessarily mean recommendation by the REVIEW, the following recent publications will be of interest.

POSTWAR TAXATION AND ECONOMIC PROGRESS: By Harold M. Groves. McGraw-Hill Book Co., Inc., 330 West 42d St., New York 18, N. Y. 1946. 432 pp., charts. $4.50.

MAKING HOME TOWN PLANS WORK: (Veteran's report No. 3). Crowell-Collier Publishing Co., New York. 1946. 67 pp., charts.

BUILDING CODE SUGGESTIONS FOR VEHP: VEHP Community Action Bulletin No. 4, August 1946. National Housing Agency, Washington 25, D. C.

CONVERSIONS PROVIDE HOMES FASTER: VEHP Community Action Bulletin No. 5, August 1946. National Housing Agency, Washington 25, D. C.

AMERICA BUILDS—YOUR OPPORTUNITY: Wildrick & Miller, Inc., 630 Fifth Ave., New York 20, N. Y. 1946. 24 pp. Free.

RESEARCH IN HOME FINANCE— A CONTINUING PROCESS

This article sketches briefly the evolution of housing research by private groups and Governmental agencies in this country, especially on economic and financial aspects of the subject. Subsequent issues of the REVIEW will report on later developments.

■ IN the American pioneer society the provision of shelter was the personal concern of the individual citizen. But, as our modern industrial civilization developed, the problem of housing grew increasingly complex, affecting the economic and social well-being of the whole nation. It becomes imperative, in these circumstances, that any attempted solution be based on a solid groundwork of facts. Valuable information could undoubtedly be culled from past experience, once sufficient data can be assembled and subjected to objective examination and definitive analysis.

Foreword

There are few economic fields about which so little is known of previous experience or fundamental characteristics as housing and home mortgage finance. There are no short cuts to the answers to the "who, when, what, where and why" questions about these subjects; they can be found only through the laborious and painstaking process of research.. Students of the field are convinced, however, that from such effort will come useful and practical knowledge.

Without neglecting the always-important problems of day-to-day operations, the postwar period should provide the opportunity to devote greater attention to the basic economic aspects of mortgage finance. In addition to the studies by lending institutions, private foundations and Government agencies, the full-scale resumption of educational activities by trade associations and by colleges and universities will open new avenues of research.

In the interest of stimulating such projects, this article begins a series which will survey the progress that has been and is being made in research in housing and home finance. Comment either upon the material presented or on particular phases in which readers are interested will be welcome.

Even before the last great depression stimulated their concern, Americans were becoming increasingly curious about the fabric from which their economic and social jeans were cut. The yen to find out what makes the physical world tick had long since opened new frontiers to their science and industry. It was natural, then, that they should try to adapt the scientific research techniques so successful in those fields to economic problems which had been regarded as unsuited to such methods. While much remains to be done before the new techniques can be applied with complete reliability, the scientific approach to such economic problems as housing finance seems the most promising yet tried.

Housing research, as we know it today, goes back only to the early 1900's. The Federal Census of 1910 provided a little information about the country's housing resources, and a few sketchy statistics—mostly on current construction—were available from other Government sources. It was not until after World War I that privately sponsored study in this field began to appear. In fact, most organized effort, public and private, to gather and interpret data on the complex operations of home building, marketing and ownership began during that period. Many present Federal statistical series, especially; can be traced to work begun then.

President's Conference, 1931

Despite its broad scope, some of the work of the President's Conference on Home Building and Home Ownership (1931) fell into this category. Although best remembered, especially in the savings and loan industry, for the recommendations which led to the creation of the Federal Home Loan Bank System, the Conference was actually called to collect, analyze and evaluate *all* the information available on the nation's housing needs and resources. Prior to the Conference, 31 committees were appointed to study subject matter ranging from dwelling design and equipment to home financing and general housing research.

In its report, the Research Committee commented, "In examining the literature of housing and the best researches in this field, we have been impressed both with the large mass of material and . . . with the inadequacy of that material as a basis for effective programs." Specifically, the Committee criticized existing researches for their fragmentary nature both as to material and time covered; for their lack of comparability; and for "failure to deal with a sufficient number of cases or . . . in such a way as to provide convincing answers to unanswered questions. . . ."

The Research Committee prescribed as a remedy the establishment of a permanent, privately endowed housing research foundation. The foundation should catalogue all previous research, serve as a clearing house for proposedstudies and integrate separate existing projects, suggest most advantageous procedures for specific problems, and itself undertake projects nationwide in scope. It should be divorced, both administratively and financially, from the Government, the Committee felt, to insure complete freedom as to subjects studied and publication of findings. Close cooperation should be maintained by the foundation, however, with Government agencies, as well as with academic, business and civic groups and existing research organizations and laboratories. Both operating policies and salaries should be sufficiently liberal to attract most highly trained personnel in the field, thus the guaranteeing the quality of results achieved.

The search for facts

In addition, the Research Committee prepared a lengthy list of topics on which research would be particularly valuable. These were itemized in detail under the major headings of "environment; structural considerations; financial, business and income problems; appearance and function; and education." It is interesting to note in passing that the first proposed financial topic—"the elimination of excessive charges for junior financing on small homes"—is definitely dated in light of present home financing practices. However, other items listed under that heading remain of interest to us even after 15 years, because the need for current facts on some problems cannot be solved on a once-for-always basis.

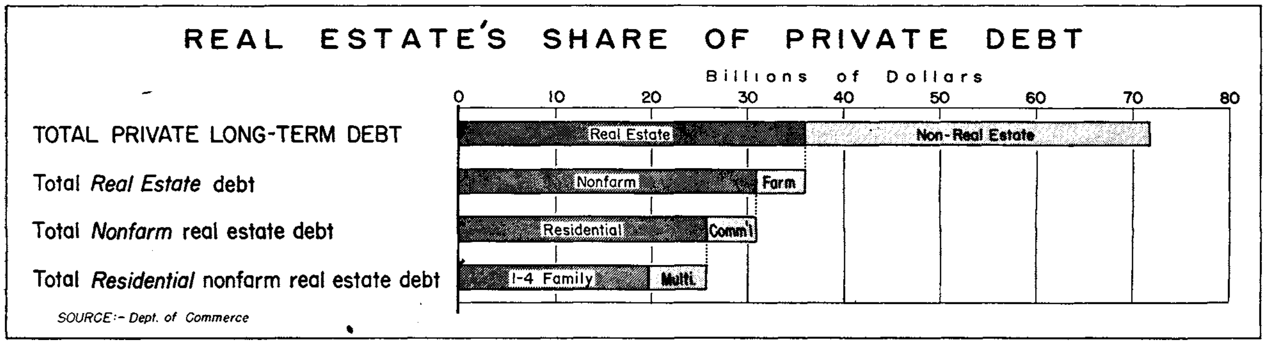
For example, it would be especially helpful today to determine income, expenditures, and savings of renters and of home owners with homes owned clear or with homes mortgaged. As proposed, this study was to show breakdowns according to types of dwellings occupied, income levels, occupational groups, size and composition of family, and size and geographic location of community. Using the data obtained from the renter group on exact expenditures for shelter, heat, light and particular services covered by rental charges, large-scale rental operators could determine with fair accuracy the type of such housing needed and the economic feasibility of competing for given segments of the rental market.

Among other researches of interest to the home financing industry were proposed studies of fluctuations in home property values; state supervision of savings and loan institutions; analysis of appraisal methods with a view to recommending standard terminology; land contracts, their utility and weaknesses; and work of central inspection bureaus maintained by lending institutions to improve the quality of construction.

Similar recommendations were made for each of the other phases of the problem examined by the President's Conference group. The Research Committee also believed it would be useful to maintain up-to-date series on basic collateral data such as population trends and migrations, housing vacancies and changing real estate values.

Government research

Just how much these recommendations actually accelerated research projects cannot, of course, be determined. It is true, however, that the following decade saw the Government increase the tempo, volume and diversity of its activities in this field. Some of the reports of the National Resources Planning Board, the Temporary National Economic Committee and the Central Housing Committee contained valuable information on housing needs and resources. The Bureau of Standards has published a continuing series of technological reports on building materials and equipment. The various Government agencies



have made some excellent studies on certain particular aspects of the problem. Among the more recent of these were *Structure and Growth of Residential Neighborhoods in American Cities* (FHA, 1939); *Waverly, A Study on Neighborhood Conservation* (FHLBB, 1940); and *Public Housing Design, A Review of Experience in Low Rent Housing* (FPHA, 1946).

One of the more important Federal contributions in the past few years, however, has been the effort to develop statistical tools from existing knowledge of actual experiences in the United States. Some Federal statistics related to housing are considerably older, but those dealing with real estate finance experience began to increase in quantity and quality after the Bureau of Foreign and Domestic Commerce published the *Real Property Inventory* and the *Financial Survey of Urban Housing* in 1934. Estimates on foreclosures were made on an annual basis as far back as 1926 but the present FHLBA monthly series was started in 1934. The building cost index, compiled monthly by the FHLBA until its recent transfer to the NHA, was set up in 1935. Mortgage recording data from scattered localities were available earlier but the first nationwide figures were published by the Federal Home Loan Bank Board early in 1939.

The Department of Commerce and the Department of Labor have been especially active in the evolution of these statistics. As an example, the series on expenditures for construction in the United States covers the period since 1915—collected first by the Bureau of Foreign and Domestic Commerce and since 1930 by the Bureau of Labor Statistics. The Bureau of the Census in 1940 expanded its previous activities into a full-fledged Census of Housing, and since that time has made a number of sample housing surveys and analyses. One of the most recent, published in collaboration with the Bureau of Labor Statistics, was *Effect of Wartime Housing Shortages on Home Ownership* (1946).

Most housing data gathered by the Government in recent years have, of necessity, had to be related to day-to-day operating statistics—first for the program to house war workers and second, since the end of the war, for the development of the Veterans Emergency Housing Program. Because of this, research and statistical groups in the National Housing Agency have had to limit their functions largely to these problems.

The need for coordination

As we progress further into the postwar era, it becomes increasingly imperative that we expand and refine the statistical tools with which we have been obliged to work during the emergency periods. In the past, Governmental housing research has been spotty in choice of subject matter and quality of performance. The work has been scattered among different agencies, and frequently conducted on a single-project basis. Often, too, it has been a by-product of other research or of operating procedures, subject to curtailment because of inadequate funds or personnel. The full potentialities of some excellent isolated studies have not been realized simply because they *were* isolated portions of an otherwise unexplored area. Coordination of research has long been advocated by both private and public groups working in the field.

Privately financed projects

Privately supported organizations and business concerns have likewise made some notable contributions to the literature in the field. Space limitations prevent consideration here of all the work completed or now being conducted by these groups, but a quick perusal of some of the better known ones will serve to indicate the trend of their activities.

The National Bureau of Economic Research is a privately supported nonprofit research organization incorporated in New York in 1920. Although similar in form to the non-Governmental housing foundation proposed by the Research Committee of the President's Housing Conference in 1931, it conducts research on all types of social, economic and industrial problems. Its exploration of housing problems has produced such outstanding reports as *Residential Real Estate, Its Economic Position as Shown by Values, Rents, Family Incomes, Financing and Construction, Together with Estimates for All Real Estate* (1941).

A new study on urban real estate finance is now in progress as part of the Bureau's long-range Financial Research Program which is in its tenth year. The need for this study has been recognized since the Program began but other projects had first priority. By 1944, however, an exploratory committee had outlined suggested research on the subject and, on the basis of this report, the Urban Real Estate Finance project was set up in 1945.

Outline of new study

The specific areas marked out for research by the National Bureau were: *Part I,* The Urban Real Estate Market and Its Financing Needs; *Part II,* Facilities and Practices in Urban Real Estate Finance; *Part III,* Risk Experience in the Financing of Urban Real Estate; *Part IV,* Effects of Fluctuations and Change in Urban Real Estate on Its Financing; and *Part V,* Influence of Government on Urban Real Estate Finance. At present, under the direction of two well known experts, work is proceeding independently on *Parts I* and *V.* Preliminary investigations are now under way on *Part II* which will comprise studies of four institutional areas: savings and loan associations, insurance companies, commercial banks and mutual savings banks. Risk experience will be investigated for *Part III* by sampling actual mortgages acquired over the past 24 years by each of the four institutional groups. Work on *Part IV* is being deferred "pending progress on other phases of the project."

The importance of this research becomes apparent when it is realized that more than half the national wealth in the United States consists of land and the improvements and buildings erected on it. *Urban* real estate alone was recently estimated to have a value equal to one-third our national wealth. Of vital significance to our financial system and our general economy, the financing of urban real estate is the largest single area of private finance. It is likewise one of the largest areas of capital formation and utilization of savings. The mounting postwar activity in real estate gives added emphasis to the importance of housing studies such as are being made by the National Bureau.

Twentieth Century Fund

One of the most thorough existing canvasses of the nation's housing problem *as a whole* was conducted by the Twentieth Century Fund, a nonprofit foundation established in 1919 for scientific research in current economic problems. Recognizing the need for a definitive over-all study of housing, the Fund in March 1940 began an extensive inquiry into the subject. Four years later, in 1944, the results were published under the title, *American Housing, Problems and Prospects.*[1]

The goal of the project, as described in the foreword of this publication, was "to reveal the obstructions to a greater volume of building and more adequate housing and to suggest ways in which these obstacles might be removed."

Part I is a careful analysis of the various factors affecting the production of housing, and includes six chapters on this phase of the subject. *Part II* discusses in detail the marketing of housing, and five chapters were devoted to a study of this element. Some of the chapter headings give perhaps an even better clue to the factual findings of this report: Land for Housing, The House as an Industrial Product, The Business of Housebuilding, Industrial Trends in Housebuilding, The Behavior of the Housing Market, Housing Investment and Finance, and Government and the Housing Market. There are more than a hundred pages in the appendix which contains a collection of statistical material and a bibliography valuable for reference purposes.

The final chapter in the book presents a program of policies which the experts on the Housing Committee of the Twentieth Century Fund who were guiding the study feel will meet the postwar housing problems.

[1] *See* "Survey of American Housing, Problems and Prospects," FHLB Review, May 1944, p. 205.

THE SLOW-DOWN IN SAVINGS

The predictions for a slow-down in the rate of savings by individuals following the end of the war are clearly borne out by statistics for the more common types of media. Funds accumulated during the first half of this year were less than half as large as in the same period last year.

■ THE turning point in the savings curve has already been reached. From a study of the statistics on savings during the past two years, it is evident that the peak in the rate of savings by individuals was reached late in 1944 or early in 1945. Both the percentage increase and the dollar gain shown in the totals for individual savings covered by the Federal Home Loan Bank Administration series were successively lower in the last half of 1945 and the first half of this year.

These figures reflect the fact that, on the one hand, the aggregate volume of consumer income has remained about the same. On the other hand, there has been an increasing volume of consumer expenditures as more and more of the long-sought radios, washing machines, refrigerators and automobiles come on the market. Tax rates have been reduced only slightly; and at the same time the level of consumer prices has been rising steadily. It is inevitable then that there will be a smaller amount of consumer income available for savings. The Department of Commerce reports that in the fourth quarter of 1941, savings constituted almost 20 percent of the disposable income of individuals, in contrast to 14 percent in the second quarter of this year.

There are several series on savings, most of which measure the changes from the over-all economic point of view taking into consideration factors such as fluctuations in consumer instalment debt, home mortgage debt, and other related data. The FHLBA series, however, is limited to deposits in savings and loan associations, time deposits in insured commercial banks as evidenced by passbooks, accounts in mutual savings banks, postal savings, the redemption value of U. S. Savings Bonds (series A through E and 2½ percent postal savings bonds) and reserves on life insurance policies. By the selection of these specific items, a conscious effort is made to limit the study to those channels used by the average American to satisfy that "rainy-day" streak in his psychological make-up.

The trend since 1944

The slow-down in savings is best demonstrated by the declining rate of increase shown in the last three half-year periods, beginning with January 1945. In the first half of 1945 the net increase in the selected media was just over $10 billion, or almost 10 percent of the balance at the beginning of that period. In the second half of last year, the net growth in these savings accounts was a little less than $8 billion, while the percentage increase was down to 7 percent. In the period ending June 30 of this year, the net gain was not quite $5 billion—a rate of increase of only 4 percent.

The total amount of these savings had reached $130 billion by the end of June, which, of course, was a new high for the series. The accompanying table shows the net gains registered by each of the media in recent periods. From this it may be seen that the pace is slowing down to a walk in most cases and in savings bonds and postal savings bonds there was a declining balance during the first six months of 1946. Savings and loan

Estimated net change of savings in selected media, by six-month periods, 1945–1946 [1]

[Dollar amounts are shown in millions]

Type of savings media	Dollar change			Percent change		
	First half 1945	Second half 1945	First half 1946 [p]	First half 1945	Second half 1945	First half 1946
Savings and loan associations	$520	$540	$585	8.2	7.9	7.9
Life insurance companies	1,631	1,631	1,538	4.8	4.6	4.1
Mutual savings banks	1,046	954	893	7.8	6.6	5.8
Insured commercial banks	3,075	3,027	2,100	14.2	12.2	7.5
Postal savings	326	281	194	13.5	10.3	6.4
2½% postals			−1	0.0	0.0	−1.2
U. S. bonds	3,529	1,522	−481	12.1	4.7	−1.4
Total	10,127	7,955	4,828	9.5	6.8	3.9

[1] See footnote on summary table for explanation.
[p] Preliminary.

associations were the only outlet to show a larger dollar gain than in the preceding period. These institutions were also able to match their previous *rate* of increase, but in all other instances the percentages were lower.

Redemptions of Series E bonds exceeded new sales in every month except January during the first half of this year. On the other hand, the balance of Series F and G bonds (not included in the tabulations) continued to increase steadily during the same period. This contrast between E bonds and F and G bonds may be explained by the difference in the types of investors holding these issues. Series F and G bonds are generally bought by persons in the upper income brackets or by corporations and institutions. The fact that these groups of investors have not reduced their holdings or cut down on the volume of their purchases indicates they have not yet reduced their current savings to any appreciable extent.

From 1941 through 1945

The annual rate of increase in savings by individuals in the media covered by this study follows a fairly definite pattern, as shown in the accompanying chart. In the prewar years of 1940 and 1941, the rate was 6 and 8 percent, respectively. It then began to climb—to 15 percent in 1942 and 22 percent in 1943. The peak, as previously indicated, was in 1944 when the increase over the preceding 12 months was 23 percent. Last year the rate of gain declined to 17 percent and projecting the experience of the first half of this year on an annual basis the rate would be 8 percent—or just about equal to the 1941 figures.

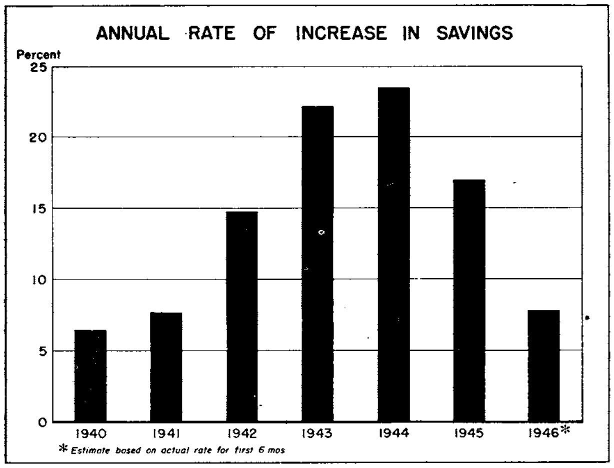
The significant role of the war bond program in the period from 1941 to the end of last year is clearly apparent in the summary table on this page. The balance of U. S. savings bonds increased sixfold, from less than $5 billion to more than $34 billion at the close of 1945. The time deposits of

Estimated savings of individuals in selected media, 1920–1945

[Millions of dollars]

December 31	Savings and loan associations[1]	Life insurance companies[2]	Mutual savings banks[3]	Insured commercial banks[4]	Postal savings[5]	2½% postal savings bonds[6]	War savings securities and U. S. savings bonds[7]	Total	Net increase during year
1920	$1,741	$5,814	$4,806	$6,532	$166	$5	$761	$19,825	----------
1921	1,965	6,175	5,541	7,457	148	4	652	21,942	$2,117
1922	2,210	6,625	5,985	8,156	135	3	730	23,844	1,902
1923	2,626	7,349	6,484	9,271	135	3	373	26,241	2,397
1924	3,153	8,048	6,912	10,282	137	2	411	28,945	2,704
1925	3,811	8,927	7,349	12,205	138	2	376	32,808	3,863
1926	4,378	9,939	7,799	14,288	143	3	356	36,906	4,098
1927	5,027	11,049	8,352	15,253	153	3	245	40,082	3,176
1928	5,762	12,213	8,731	15,304	158	5	95	42,268	2,186
1929	6,237	13,238	8,797	15,032	169	7	----------	43,480	1,212
1930	6,296	14,096	9,384	14,286	250	8	----------	44,320	840
1931	5,916	14,679	9,939	12,096	613	14	----------	43,257	—1,063
1932	5,326	14,858	9,890	9,341	915	30	----------	40,360	—2,897
1933	4,700	15,011	9,506	8,729	1,229	54	----------	39,229	—1,131
1934	4,358	16,052	9,670	9,709	1,232	73	----------	41,094	1,865
1935	4,104	17,542	9,829	10,575	1,229	104	153	43,536	2,442
1936	3,926	19,133	10,013	11,491	1,291	99	475	46,428	2,892
1937	4,011	20,510	10,126	12,100	1,303	95	964	49,109	2,681
1938	4,035	21,858	10,235	12,196	1,286	92	1,442	51,144	2,035
1939	4,092	23,381	10,481	12,622	1,315	90	2,209	54,190	3,046
1940	4,304	25,025	10,618	13,062	1,342	87	3,195	57,633	3,443
1941	4,652	27,393	10,490	13,261	1,392	85	4,750	62,023	4,390
1942	4,910	29,610	10,621	13,916	r 1,459	84	10,526	r 71,126	9,103
1943	5,494	31,256	11,707	16,864	1,837	83	19,574	86,815	15,689
1944	6,305	34,100	13,332	21,728	r 2,406	82	29,153	107,106	20,291
1945	7,365	37,362	15,332	27,830	3,013	82	34,204	125,188	18,082

[1] Estimated private investments, excluding pledged shares. Source: Federal Home Loan Bank Administration.
[2] Estimated reserves, unpaid dividends, dividends left to accumulate and surplus to policyholders, less premium notes, policy loans and net deferred and unpaid premiums. Source: *The Spectator*, Chilton Company, Inc., Philadelphia, Pa.
[3] Deposits. Sources: 1920 through 1937, Comptroller of the Currency; 1938 through 1945, *The Month's Work*, National Association of Mutual Savings Banks.
[4] Deposits evidenced by passbooks. 1920 through 1933 data based on figures reported by the Comptroller of the Currency covering all active banks except mutual savings banks; for 1934 and subsequent years, figures represent savings deposits in insured commercial banks. Figures for 1942 through 1945 are estimates based on total time deposits. Source: Federal Deposit Insurance Corporation and Federal Home Loan Bank Administration.
[5] Outstanding principal and accrued interest on certificates of deposit, outstanding savings stamps and unclaimed deposits. Source: Post Office Department.
[6] Excludes such bonds held by the Postal Savings System. Source: *Treasury Daily Statements* and *Post Office Department*.
[7] Current redemption value. From 1920 to 1928, War Savings Securities; 1935 to May 1, 1941, U. S. Savings Bonds, Series A–D; and May 1, 1941 through 1945 also includes U. S. War Savings Bonds, Series E. Source: *Treasury Daily Statements*.
r Revised.



insured commercial banks as evidenced by passbooks, and the amount invested in postal savings accounts more than doubled in the same period. Savings in commercial banks had reached nearly $28 billion, and postal savings had passed $3 billion.

Investments in savings and loan associations were up 58 percent during the same period and totaled more than $7 billion. Accounts in mutual savings banks increased 46 percent and their $15-billion aggregate was located in only 17 states.

Life insurance policy reserves amounting to more than $37 billion continued to dominate this group of savings media. Although their rate of growth was slightly lower during the war years than most of the other media, the record of this investment over the past 25 years indicates that it will again account for a major share of the new savings accumulated each year.

Other types of savings

From the economic point of view, increases in various forms of individual debt are, of course, an offsetting factor to the accumulations of savings. In the 12-month period ending in August 1946, the Federal Reserve Board estimates that total consumer credit rose $2.5 billion, or 44 percent. It now stands at more than $8 billion—the highest since 1942.

Also to be considered is the recent sharp increase in the home mortgage debt. Some estimates indicate that the rise in the first quarter of this year was greater than in all of the year 1945. The records for all insured savings and loan associations provide an additional clue to this trend. The gain in mortgages held by these institutions during the first nine months of this year was more than three times the increase shown in the same 1945 period.

Conclusion

From information available on third quarter operations, it is apparent that the trend toward a lower volume of savings is continuing. Perhaps the most important factor in the immediate future will be the behavior of prices of consumer goods. If price fluctuations stay within comparatively narrow limits during the next few months there will probably continue to be a net excess of new savings, even though the gains are at a slower rate.

Priority Structure Strengthened

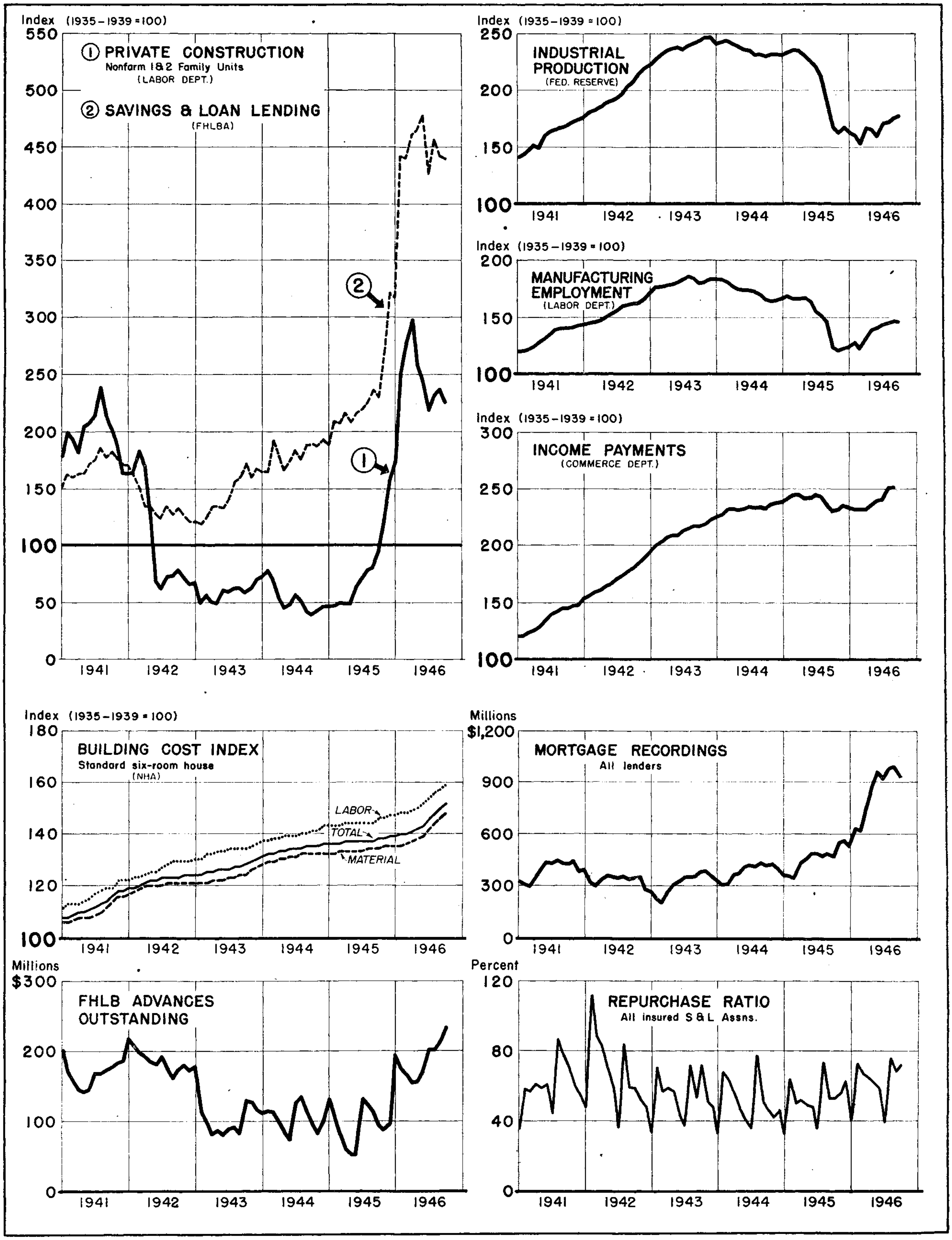
■ SEVERAL additional steps were taken during October by the Housing Expediter's Office and the Civilian Production Administration to channel scarce building materials into the Veterans Emergency Housing Program:

Home builders are now able to use HH priorities ratings for certain types of electrical service entrance equipment (service switches, panel boards, etc.); furnace pipes, fittings and ducts; fittings for copper tubing; building and sheathing papers; copper sheet and galvanized-steel sheet. There are now 66 materials for which priorities may be used.

Priorities on certain materials were made "extendible"—that is, they may be passed backward to sources of supply. Priorities for nails, steel and wrought-iron pipe, pipe nipples, cast and malleable pipe fittings, copper sheet, galvanized-steel sheet, and copper tubing and copper-tubing fittings may be extended to the wholesalers of these items. Priorities for sand-lime brick, common and face brick, structural-clay tile and concrete building blocks are extendible back to the manufacturer.

Eight additional materials were also added to the set-aside list with the requirement that dealers hold specified percentages of their stocks indefinitely for housing and other priorities. This brings to 18 the number of materials on that list.

The set-asides for these new items range from 60 percent of specified types of water heaters to 100 percent of prefabricated housing, sections and panels not made under Direction 8 to PR 33.


Index (1935-1939=100)
① PRIVATE CONSTRUCTION
Nonfarm 1&2 Family Units
(LABOR DEPT.)
② SAVINGS & LOAN LENDING
(FHLBA)
550
500
450
400
350
300
250
200
150
100
50
0
1941
1942
1943
1944
1945
1946
INDUSTRIAL PRODUCTION
(FED. RESERVE)
250
200
150
100
MANUFACTURING EMPLOYMENT
(LABOR DEPT.)
200
150
100
INCOME PAYMENTS
(COMMERCE DEPT.)
300
250
200
150
100
Index (1935-1939=100)
BUILDING COST INDEX
Standard six-room house
(NHA)
LABOR
TOTAL
MATERIAL
180
160
140
120
100
Millions
MORTGAGE RECORDINGS
All lenders
$1,200
900
600
300
0
Millions
FHLB ADVANCES OUTSTANDING
$300
200
100
0
Percent
REPURCHASE RATIO
All insured S&L Assns.
120
80
40
0

« « « MONTHLY SURVEY » » »

Postwar peak in industrial production maintained

Industrial production continued during September and early October at the revised August level of 177 percent on the Federal Reserve Board's seasonally adjusted index (1935–1939=100). According to the Civilian Production Administration, this postwar record will probably represent a plateau beyond which the general index will not advance during the remainder of the year unless the supply of basic materials, particularly steel, can be increased. However, further increases in the output of building materials and the post-OPA revival in the meat packing industry are among the factors which are expected to add a little to the over-all record.

The September production was as good or better than August in most respects, the chief exception being a sharp drop in activity at meat packing plants. There was little change in the output of other non-durable goods while durable manufactures rose, reflecting chiefly further gains in the machinery and transportation equipment industries. The production of building materials in many cases exceeded the high levels of August. New postwar marks were reached in the output of cast iron soil pipe, hardwood flooring, warm air furnaces, cement, asphalt roofing and bathtubs.

In these and other August–September comparisons it is significant that since the latter was a shorter work month, some gain in daily output is represented even though the total production declined by as much as 10 percent.

Construction activity began to level off in September after climbing steadily since VJ Day, according to preliminary estimates of the Bureau of Labor Statistics. Both employment and expenditures for work put in place were slightly below August levels. By the end of September, $8.5 billion had been spent for construction (including minor building repairs) during 1946, more than double the expenditure for the first nine months of 1945.

Index [1935–1939=100]	Sept. 1946	Aug. 1946	Percent change	Sept. 1945	Percent change
Home construction (private) [1]	225.2	r 238.3	−5.5	96.3	+133.9
Foreclosures (nonfarm) [1]	7.0	6.8	+2.9	8.5	−17.6
Building material prices	149.4	148.2	+0.8	131.8	+13.4
Savings and loan lending [1]	435.9	442.0	−1.4	228.6	+90.7
Industrial production [1]	178.0	r 177.0	+0.6	167.0	+6.6
Manufacturing employment [1]	145.9	r 147.2	−0.9	128.1	+13.9
Income payments [1]	246.4	252.1	−2.3	229.0	+7.6

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

Allowing for seasonal changes, employment in non-agricultural establishments advanced somewhat, reflecting continued gains in industries manufacturing durable goods and in trade and service lines. An over-all seasonal decline, however, brought the total of employed persons down from the all-time high of 58.1 million in July to 57.4 million during September.

Wholesale prices of industrial products have generally continued to show relatively moderate advances in recent weeks. However, following the lifting of price ceilings from livestock and meats, these prices as well as some other agricultural commodities advanced sharply and exceeded previous peaks reached during the lapse of price controls in July.

Department store sales increased by less than the normal seasonal amount in September from the unusually high level of August. As measured by the Federal Reserve Board's adjusted index (1935–1939=100) they stood at 269 in September compared with 290 in August and 202 in September 1945.

Building permits declined in September

The gradual though irregular decline in residential building activity from the peak level reached in the spring of this year was continued in September, according to data on building permits issued (for privately financed construction) and contracts awarded (for public building).

The 57,000 privately financed family dwelling units covered by permits issued in September were the smallest number for any month since February and fell 26 percent short of the peak of 77,000 units reached in March.

During the first nine months of this year, building permits were issued or contracts awarded for more than 619,000 new family units, of which

537,000 units, or 87 percent, were to be financed by private funds. Private construction to date this year is running about 8 percent above the level reached during the first nine months of 1941. [TABLES 1 and 2.]

Home building costs moved up 1.4 percent

Residential building costs continued their climb during September, bringing the combined NHA index to 151.9 from 149.8 in August, an increase of 1.4 percent. Material prices again showed the higher rise of the two constituents. The material cost index rose to 148.3, exceeding the August level of 146.1 by 1.5 percent. Wage rates advanced 1.3 percent during September. The index of labor costs now stands at 159.3, compared with 157.2 for August. Average monthly increases in the city indexes reported in the current cycle ranged from 0.4 percent to 3.1 percent.

Construction costs for the standard house

[Average month of 1935-1939=100]

Element of cost	Sept. 1946	Aug. 1946	Percent change	Sept. 1945	Percent change
Material	148.3	146.1	+1.5	134.1	+10.6
Labor	159.3	157.2	+1.3	146.0	+9.1
Total	151.9	149.8	+1.4	138.0	+10.1

The Department of Labor index of wholesale building material prices advanced slightly less than 1 percent during September. This index has now reached 149.4 on a 1935-1939 base. Paint and paint materials showed the largest increase (2.5 percent) and brick and tile prices were up 1.3 percent. Gains in the other commodity groups were fractional. [TABLES 3, 4 and 5.]

Savings and loan lending at lowest level since March

Another reduction in lending activity was noted for savings and loan associations during September, with loans for the construction and purchase of homes showing the greatest drop. Although the total lending volume has been moving slowly but persistently downward since the all-time peak was reached in May of this year, the September total was still almost 91 percent higher than in the same 1945 month.

A number of spot studies made in recent months indicate that there is increased buyer resistance to the high prices being asked for homes. This conclusion appears to be in line with the performance of home purchase loans made by savings and loan associations since spring of this year. For all such associations there has been a steady drop in dollar volume, aggregating 18 percent from May through September. Considering all insured associations, for which more detailed information is available, the total dollar reduction was also 18 percent, but the *number* of purchase loans declined much more rapidly—24 percent—during the four-month interval. [TABLES 6 and 7.]

New mortgage loans distributed by purpose

[Dollar amounts are shown in thousands]

Purpose	September 1946	August 1946	Percent change	September 1945	Percent change
Construction	$55,354	$59,377	−6.8	$16,375	+238.0
Home purchase	198,842	211,804	−6.1	113,103	+75.8
Refinancing	21,546	22,032	−2.2	16,786	+28.4
Reconditioning	8,027	8,481	−5.4	3,980	+101.7
Other purposes	26,022	22,765	+14.3	12,189	+113.5
Total	309,791	324,459	−4.5	162,433	+90.7

Mortgage recordings down 7 percent

The total volume of mortgage financing for instruments of $20,000 or less has been fluctuating just short of $1 billion per month since May of this year, with September showing a 7-percent decline from the peak of $999,000,000 reached in August.

With the exception of insurance companies which reported a 2-percent rise, all types of lenders experienced declines in recording volume from August to September. However, in each case, gains of over 50 percent were noted in comparison with September 1945. Mutual savings banks, commercial banks and insurance companies

Mortgage recordings by type of mortgagee

[Dollar amounts are shown in thousands]

Type of lender	September		Cumulative	
	1946 amount	Percent change from 1945	1946 (9 months)	Percent of total
Savings and loan associations	$290,547	+68.4	$2,588,387	33.6
Insurance companies	47,424	+150.5	338,896	4.4
Banks, trust companies	248,406	+171.0	1,946,672	25.3
Mutual savings banks	51,978	+181.5	393,731	5.1
Individuals	173,310	+55.6	1,527,025	19.9
Others	117,213	+129.1	902,546	11.7
Total	928,878	+100.1	7,697,257	100.0

reported rises of more than 150 percent in this comparison.

A total of $7,700,000,000 of mortgages of $20,000 or less were recorded during the first nine months of this year, 93 percent more than during the same 1945 interval. Savings and loan associations accounted for slightly more than one-third of this total, while one-fourth of all recordings were by commercial banks and one-fifth showed individuals as mortgagees. [TABLES 8 and 9.]

Another upsurge in outstanding FHLB advances

Up to almost $235 million on September 30, the balance of FHLB advances outstanding was more than twice that at the end of August 1945 when fighting had stopped. Within the last 12 months, outstanding advances have risen from the year's low of $86.6 million in October 1945 to the September peak. All FHL Banks except San Francisco recorded higher outstanding balances on September 30 than on August 31. Preliminary reports indicate that a continuing heavy volume of new advances during October brought the outstanding balance close to a quarter of a billion dollars by the end of the month.

As the gap widened between the net flow of savings into member institutions and the demand on them for mortgage funds, there was a rise in new advances made in September by FHL Banks to their members. The $32,446,000 total advanced by the 11 Banks represented an increase of $6,807,000 from August and a seven-fold gain over the September 1945 volume. The August-to-September increment in seven Districts was more than enough to offset the smaller advances reported by the Boston, Topeka, Winston-Salem and San Francisco Banks.

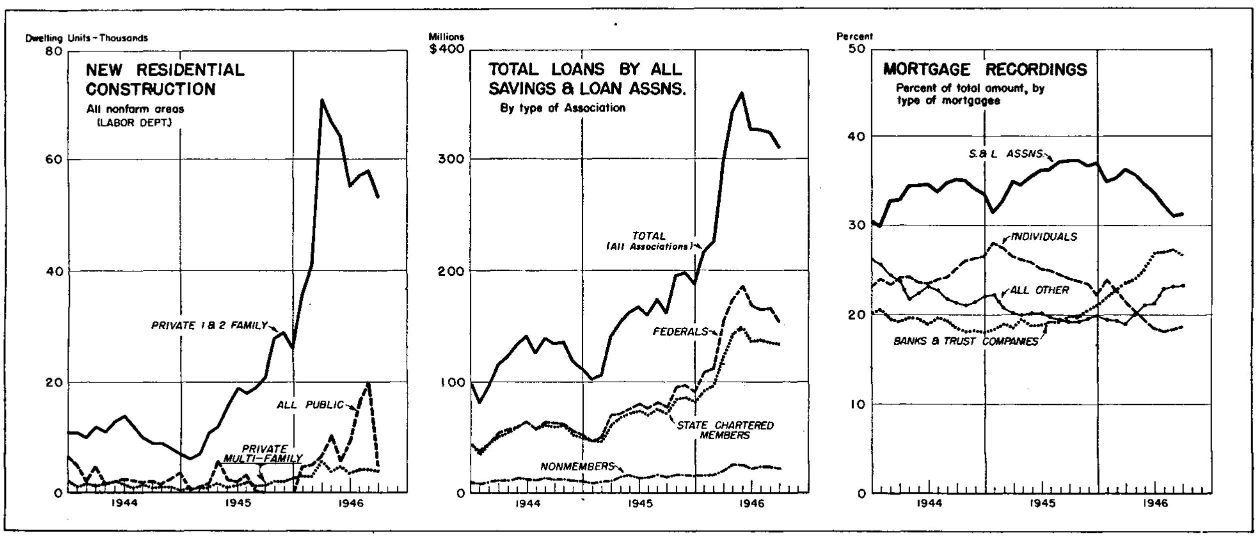
Repayments to all the Banks aggregated $12,142,000 during September, reaching the lowest point in 10 months. They were more than a million dollars below August and somewhat over $5 million less than those reported in September 1945. Although the decline in this item was concentrated in five Bank Districts, it counterbalanced the gains experienced by the other six FHL Banks. [TABLE 12.]

Assets of insured associations passed $7 billion

Combined assets of associations insured by the Federal Savings and Loan Insurance Corporation continued to expand at a substantial rate during the third quarter of this year, and in September passed the $7-billion mark. Currently these institutions hold 72 percent of the aggregate resources of all savings and loan associations.

On the asset side of the combined balance sheet for insured associations, the rapid rise in first mortgage holdings has been the most outstanding development this year. Compared with an increase of $1,011,000,000 during the preceding *four* years, mortgage holdings have risen $1,160,000,000 since the beginning of this year; on September 30 they aggregated $4,922,000,000.

This sharp rise in mortgage holdings has been accompanied by a decline in liquid resources.



From the peak of $2,147,000,000 in cash and United States Government bonds, reached at the end of 1945, liquid assets of these insured institutions had by the end of the third quarter declined to $1,857,000,000. However, the drop in liquidity ratio was relatively greater, from 35 to 26 percent. This 9-point drop is reflected in a comparable increase in the ratio of mortgage loans to total assets which rose from 61 to 70 percent during the January-September period.

Although the private repurchasable capital accounts of insured associations registered a record gain during the first nine months of this year (up $700,000,000 to $5,923,000,000), monthly additions during the third quarter dropped off significantly. From $72,000,000 in July, the net inflow of savings funds dropped to $67,000,000 in August and in September declined still further to $51,000,000. The September net was the smallest amount for any one month in more than two years. During the third quarter the net inflow of new share capital into insured associations was only half as great as the increase in their mortgage portfolios. [TABLE 13.]

Gain in share capital lowest in 2 years

The net influx of share capital into savings and loan associations dropped again in September, for the third successive month. This substantiates earlier indications of the general slow-down in the rate of savings.

The $60,000,000 of savings funds added to the accounts of associations during September, after allowance for withdrawals, is the smallest growth in private capital for any month since July 1944. The $170,000,000 of shares repurchased were the equivalent of 74 percent of new savings during September, compared with a 69-percent ratio in the preceding month, and a 52-percent withdrawal ratio in the same month of 1945.

Cumulatively, there has been a net addition of $818,000,000 to the private share accounts of savings and loan associations during the first nine months of 1946, a growth 7 percent greater than in the corresponding 1945 period. However, this spread has narrowed rapidly due to the reactions of the past two months. By way of contrast, the net share capital gain in January through June of this year was 16 percent in excess of that for the same interval of 1945. [TABLE 14.]

Foreclosure rate lowest on record

Nonfarm real estate foreclosures during the first nine months of this year totaled 8,600, or an average of less than 1,000 per month, for the United States as a whole. The foreclosure rate for the third quarter was lower than in any other three months on record. The average rate during this interval was less than 900 cases per month, a nominal figure in comparison with the depression rates of 1,000 per *day* reached during the peak months of 1933. [TABLE 15.]

Federal Credit Union Operations

■ FEDERAL credit unions closed their 1945 books with a volume of members' shares more than twice as large as in the last prewar year, according to the last annual report issued by the Federal Deposit Insurance Corporation, the supervisory agency of these institutions. Steady expansion in this respect has been characteristic of these organizations since their establishment in 1935, and at the end of last year share accounts totaled almost $141 million. This represented a gain of 5 percent over 1944.

Total assets have also shown continuous growth, rising from $1.5 million in 1935 to $153 million at the end of last year. The increase during the past 12 months amounted to 4 percent and brought the total gain since Pearl Harbor to more than 40 percent.

However, general wartime dislocations have reversed the previous upward trends in the number of such organizations, their total membership and the amount of money out on loan. Last year 3,700 credit unions operating under Federal charter were serving 1,200,000 people—the smallest number since 1940. Although the $35 million balance of loans outstanding was the lowest since 1938, it represented the first increase in four years—up 2 percent from 1944.

Thus it will be seen that these thrift and lending organizations have reacted to wartime conditions in much the same way as did other financial institutions. In connection with this summary of Federal credit unions, it should be pointed out that since these groups represent slightly less than half of all operating credit unions, these data cannot be interpreted as being necessarily representative of the entire movement. However, it is probably true of all these organizations, as the FDIC report points out, that as reconversion progresses, more people become permanently established and the supply of consumer goods increases, opportunities and incentives for credit union activity will again begin to expand.

A declining volume of interest income from loans was more than offset by income received from other sources—chiefly Government bonds which, at the end of 1945, totaled $77 million and represented half of all assets. Federal savings and loan shares held by Federal credit unions, however, declined in 1945 and accounted for only 12 percent of total resources.

These divergent trends among earning assets resulted in an increase of $331,000 in total income. Expenses declined during the year, leaving a net profit of over $2,500,000 which was $350,000 greater than the 1944 profit.

The dividends distributed in January 1946 totaled $2,100,000—an increase over the previous year. More than half of the groups paid dividends ranging between 1 and 3 percent.

Members, shares, and loans outstanding in reporting Federal credit unions as of December 31, 1935–1945

[Dollar amounts are shown in thousands]

Year	No. of reporting credit unions [1]	Number of members	Amount of shares	Amount of loans
1935	762	118, 665	$2, 225	$1, 830
1936	1, 725	307, 651	8, 573	7, 399
1937	2, 296	482, 441	17, 741	15, 772
1938	2, 753	631, 436	26, 869	23, 825
1939	3, 172	849, 806	43, 314	37, 664
1940	3, 739	1, 216, 222	65, 780	55, 801
1941	4, 144	1, 396, 696	98, 817	69, 249
1942	4, 070	1, 347, 519	109, 499	42, 887
1943	3, 859	1, 302, 363	116, 989	35, 228
1944	3, 795	1, 303, 801	133, 586	34, 403
1945	3, 757	1, 216, 625	140, 614	35, 155

[1] In 1945 the number of operating and reporting credit unions was the same Prior to that, the number which submitted financial and statistical reports was less than the number in operation at the end of the year.

Amendment to Rules and Regulations

FSLIC
Bulletin No. 34

Amendment to the Rules and Regulations for Insurance of Accounts providing for hearings before the Commissioner, Trial Examiner or Hearing Officer in Washington, D. C. or elsewhere.

(Adopted October 9, 1946; became effective upon its filing with *The Federal Register* on October 12, 1946.)

Section 301.20 of the Rules and Regulations for Insurance of Accounts has been amended by the substitution of a new paragraph (a) setting forth the procedure which is to be followed in the case of all hearings that are held in connection with the insurance of any state chartered savings and loan association.

This paragraph, as currently effective, reads as follows:

"*Hearings before the Commissioner, Trial Examiner or Hearing Officer.* Any person interested in the insurance of any State-chartered institution including cases where it is proposed to segregate the assets of such institution or readjust its capital, in anticipation of insurance or to terminate or otherwise affect the insurance of an insured institution may appear in person or by attorney and submit any evidence pertinent to the questions at issue affecting such insurance, segregation of assets, or readjustment of capital, before the Commissioner of the Federal Home Loan Bank Administration or a Trial Examiner or Hearing Officer appointed by the said Commissioner or by the General Counsel of the Federal Savings and Loan Insurance Corporation at such place as shall be specified in the Order setting the hearing. The Corporation will take such action as may appear to be appropriate."

DIRECTORY CHANGES

September 1946

Key to changes

*Admission to Membership in Bank System.
**Termination of Membership in Bank System.
ØInsurance Certificate Granted.
ØØInsurance Certificate Canceled.

BOSTON DISTRICT

MASSACHUSETTS:
Beverly:
*Beverly Co-operative Bank, 246 Cabot St.

NEW YORK DISTRICT

NEW YORK:
Kingston:
ØSavings and Loan Association of Kingston, 267 Wall St.

PITTSBURGH DISTRICT

PENNSYLVANIA:
Bethlehem:
**Equitable Building and Loan Association, 26 East 3d St.
*Industrial Savings and Loan Association of Bethlehem, 26 East 3d St.
**South Bethlehem Building and Loan Association, 26 East 3d St.

SAN FRANCISCO DISTRICT

CALIFORNIA:
Bakersfield:
ØØKern County Mutual Building and Loan Association, 803 Baker St.
Los Angeles:
*ØAtlantic Savings and Loan Association, 729 South Atlantic Blvd.
WASHINGTON:
Yakima:
*ØHome Federal Savings and Loan Association of Yakima, 214 West Yakima Ave.

Table 1.—BUILDING ACTIVITY—Estimated number of new family dwelling units provided in all urban areas in September 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					
	Sept. 1946 p	Aug. 1946 r	Sept. 1945	Sept. 1946 p	Aug. 1946 r	Sept. 1945	Sept. 1946 p	Aug. 1946 r	Sept. 1945	Sept. 1946 p	Aug. 1946 r	Sept. 1945
UNITED STATES	39,007	55,081	14,655	31,361	34,864	13,412	3,659	3,796	1,207	3,987	16,421	36
Boston	1,336	1,739	490	1,336	1,471	464		71	26		197	
Connecticut	228	229	80	228	229	80						
Maine	65	112	51	65	112	25			26			
Massachusetts	701	969	303	701	806	303		66			97	
New Hampshire	65	64	9	65	64	9						
Rhode Island	258	350	47	258	245	47		5			100	
Vermont	19	15		19	15							
New York	4,150	8,604	1,040	2,840	2,650	786	1,310	1,597	254		4,357	
New Jersey	1,507	1,587	270	1,214	870	206	293	80	64		637	
New York	2,643	7,017	770	1,626	1,780	580	1,017	1,517	190		3,720	
Pittsburgh	1,487	1,717	577	1,227	1,241	552	260	79	25		397	
Delaware	44	39	1	44	19	1					20	
Pennsylvania	1,209	1,267	473	974	988	452	235	32	21		247	
West Virginia	234	411	103	209	234	99	25	47	4		130	
Winston-Salem	4,885	6,646	2,006	4,404	4,812	1,845	463	273	161	18	1,561	
Alabama	683	1,071	441	675	768	429	8	4	12		299	
District of Columbia	150	214	36	147	113	36	3	101				
Florida	1,499	1,715	661	1,312	1,391	598	187	86	63		238	
Georgia	571	836	230	567	676	214	4		16		160	
Maryland	465	466	69	382	457	69	83	9				
North Carolina	697	916	222	649	685	218	48	10	4		221	
South Carolina	166	139	66	148	139	66				18		
Virginia	654	1,289	281	524	583	215	130	63	66		643	
Cincinnati	2,819	3,341	1,197	2,295	2,652	1,126	186	217	35	338	472	36
Kentucky	246	192	59	246	192	55			4			
Ohio	1,652	2,117	830	1,486	1,800	771	166	213	23		104	36
Tennessee	921	1,032	308	563	660	300	20	4	8	338	368	
Indianapolis	2,397	4,664	983	2,379	2,858	918	18	9	65		1,797	
Indiana	789	1,683	317	781	1,122	314	8		3		561	
Michigan	1,608	2,981	666	1,598	1,736	604	10	9	62		1,236	
Chicago	1,956	2,940	1,125	1,822	2,262	959	134	135	166		543	
Illinois	1,377	2,016	780	1,325	1,534	650	52	59	130		423	
Wisconsin	579	924	345	497	728	309	82	76	36		120	
Des Moines	2,182	4,646	840	1,973	2,699	822	184	213	18	25	1,734	
Iowa	503	1,195	119	491	629	119	12				566	
Minnesota	791	2,156	432	767	1,186	427	24	10	5		960	
Missouri	540	802	177	480	576	164	60	184	13		42	
North Dakota	87	222	71	87	154	71		4			64	
South Dakota	261	271	41	148	154	41	88	15		25	102	
Little Rock	7,447	6,839	2,399	4,720	4,866	2,355	277	124	44	2,450	1,849	
Arkansas	206	466	107	206	343	107					123	
Louisiana	762	693	162	428	497	162	36			298	196	
Mississippi	898	657	222	325	238	222		25		573	394	
New Mexico	366	286	74	217	248	74				149	38	
Texas	5,215	4,737	1,834	3,544	3,540	1,790	241	99	44	1,430	1,098	
Topeka	2,321	4,017	547	1,471	1,733	492	41	53	55	809	2,231	
Colorado	785	1,352	200	397	510	145	17	45	55	371	797	
Kansas	693	980	93	392	468	93	4			297	512	
Nebraska	426	271	62	265	245	62	20			141	26	
Oklahoma	417	1,414	192	417	510	192		8			896	
San Francisco	8,027	9,928	3,451	6,894	7,620	3,093	786	1,025	358	347	1,283	
Arizona	135	462	96	93	106	92	12	10	4	30	346	
California	6,089	6,810	2,535	5,128	5,497	2,237	712	900	298	249	413	
Idaho	196	194	108	181	170	104	15		4		24	
Montana	116	159	38	86	159	38	10			20		
Nevada	62	69	45	62	69	45						
Oregon	408	613	164	350	420	160	10	57	4	48	136	
Utah	331	411	118	307	345	117	24	22	1		44	
Washington	662	1,170	312	662	814	285		36	27		320	
Wyoming	28	40	35	25	40	15	3		20			

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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						Permit valuation					
	Total construction	Private construction				Public construction	Total construction	Private construction				Public construction
		Total	1-family	2-family	3- and more-family			Total	1-family	2-family	3- and more-family	
Nonfarm												
1941: January–September	579, 593	496, 711	426, 851	22, 820	47, 040	82, 882	$2, 026, 122	$1, 750, 843	$1,566,214	$55, 551	$129, 078	$275, 279
September	67, 046	53, 795	47, 988	2, 738	3, 069	13, 251	237, 394	191, 900	177, 348	6, 850	7, 702	45, 494
1945: January–September	155, 200	138, 882	122, 551	6, 465	9, 866	16, 318	511, 606	467, 621	416, 357	20, 626	30, 638	43, 985
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–September	619, 400	536, 806	408, 808	20, 629	35, 369	82, 594	2, 584, 153	2, 339, 494	2, 123, 020	85, 078	131, 396	244, 659
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	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 r	76, 700	60, 635	54, 511	2, 027	4, 097	16, 065	305, 935	256, 822	235, 336	8, 217	13, 269	49, 113
August r	82, 100	62, 090	55, 931	2, 063	4, 096	20, 010	335, 074	272, 501	246, 251	9, 014	17, 236	62, 573
September p	61, 300	57, 002	50, 905	2, 158	3, 939	4, 298	257, 502	247, 092	223, 977	9, 282	13, 833	10, 410
Urban												
1941: January–September	358, 730	298, 321	237, 873	18, 285	42, 163	60, 409	1, 320, 298	1, 117, 869	951, 737	47, 018	119, 114	202, 429
September	40, 389	30, 801	26, 011	2, 218	2, 572	9, 588	150, 947	117, 537	105, 016	5, 834	6, 687	33, 410
1945: January–September	101, 631	91, 543	75, 998	6, 081	9, 464	10, 088	374, 450	347, 122	297, 839	19, 768	29, 515	27, 328
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–September	409, 391	340, 236	287, 144	19, 659	33, 433	69, 155	1, 861, 802	1, 660, 256	1, 453, 135	81, 967	125, 154	201, 546
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	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 r	49, 222	36, 830	31, 071	1, 902	3, 857	12, 358	211, 711	177, 394	157, 063	7, 842	12, 489	34, 317
August r	55, 081	38, 660	32, 921	1, 943	3, 796	16, 421	247, 818	173, 471	168, 556	8, 654	16, 261	54, 347
September p	39, 007	35, 020	29, 313	2, 048	3, 659	3, 987	182, 158	172, 507	150, 632	8, 952	12, 923	9, 651

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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: September	129.5	111.7	106.3	171.5	129.7	121.4	103.5	111.7
1945: 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
August	148.2	138.7	116.1	197.8	140.0	139.7	115.9	130.7
September	149.2	140.5	116.9	198.4	143.5	140.8	115.9	131.3
Percent change:								
September 1946–August 1946	+0.8	+1.3	+0.7	+0.3	+2.5	+0.8	0.0	+0.5
September 1946–September 1945	+13.4	+13.6	+7.0	+14.9	+8.5	+12.8	+12.0	+16.2

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			
	September	August	July	June	May	April	March	February	January	December	November	October	September
Material	148.3	146.1	143.7	141.6	139.2	138.0	137.1	136.3	135.5	135.2	135.0	134.6	134.1
Labor	159.3	157.2	155.6	153.8	152.5	150.6	148.9	148.5	147.9	147.5	147.3	146.3	146.0
Total	151.9	149.8	147.7	145.7	143.6	142.1	141.0	140.3	139.7	139.3	139.1	138.5	138.0

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
	Oct.	July	Apr.	Jan.	Oct.	Oct.	Oct.	Oct.	Oct.	Oct.
New York:										
Camden, New Jersey				158.6			135.6	138.9	139.2	114.2
Newark, New Jersey				171.4			149.7	153.9	135.8	107.0
Albany, New York			161.1	159.7	157.4		140.6	134.2	122.5	102.9
Buffalo, New York	175.4	166.0	151.6	149.6	149.2	144.6	134.7	128.1	121.6	105.0
Indianapolis:										
Indianapolis, Indiana	148.2	146.5	142.7	141.7	141.6	137.3	126.0	122.6	113.0	101.4
Detroit, Michigan	171.1	162.7	160.7	156.3	153.4	152.1	142.1	125.6	119.2	105.1
Des Moines:										
Des Moines, Iowa	140.4	124.9	122.7	121.5	121.4	120.9	116.0	116.7	111.3	104.8
St. Louis, Missouri	164.9	161.8	148.8	150.3	149.5	124.4	119.0	120.7	119.4	102.9
Fargo, North Dakota	137.8	134.4	129.5	128.1	128.1	125.7	122.4	118.8	108.8	100.8
Sioux Falls, South Dakota	148.7	143.8	135.9	133.8	133.1	130.8	126.5	124.7	114.7	105.0
San Francisco:										
Phoenix, Arizona	128.9	124.8	122.9	121.9	121.9	122.0	112.5	111.8	109.1	101.2
Los Angeles, California	173.0	169.3	161.4	153.7	153.7	151.3	141.6	129.9	109.2	100.8
San Francisco, California	151.4	147.0	141.1	138.4	136.5	135.8			114.3	103.1
Boise, Idaho	143.8	141.2	138.9	138.9	138.9	139.1	127.2	126.0	118.3	108.3
Reno, Nevada	150.7	143.0	133.9	130.8	133.5	132.9	119.9	119.9	117.2	108.6
Portland, Oregon	168.8	159.7	151.5	142.5	142.4	143.6	132.0	127.0	111.0	101.4
Salt Lake City, Utah	141.5	138.2	132.0	130.5	130.4	129.7	122.3	120.1	116.6	103.8
Seattle, Washington	147.5	142.9	137.9	135.7	135.3	138.9	132.5	122.1	119.7	103.4

[1] For complete explanation of these data, see Statistical Supplement to April 1946 REVIEW.

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-September	79,269	790,866	121,740	23,418	74,019	1,089,312	500,904	485,563	102,845
September	5,923	101,884	14,459	3,160	8,993	134,455	63,489	59,162	11,804
1945	180,550	1,357,555	196,011	40,736	137,826	1,912,678	911,671	836,874	164,133
January-September	109,162	957,089	140,001	27,434	96,744	1,330,430	628,227	584,360	117,843
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-September	453,191	1,827,481	202,118	58,428	191,898	2,733,116	1,390,283	1,148,272	194,561
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	107,552	136,296	22,149
July	59,708	216,369	21,388	7,327	21,256	326,048	165,031	136,966	24,051
August	59,377	211,804	22,032	8,481	22,765	324,459	165,812	134,624	24,023
September	55,354	198,842	21,546	8,027	26,022	309,791	154,105	133,758	21,928

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 (9 months)		
	September 1946	August 1946	September 1945	1946	1945	Percent change
UNITED STATES	$309,791	$324,459	$162,433	$2,733,116	$1,330,430	+105.4
Federal	154,105	165,812	77,321	1,390,283	628,227	+121.3
State member	133,758	134,624	70,642	1,148,272	584,360	+96.5
Nonmember	21,928	24,023	14,470	194,561	117,843	+65.1
Boston	19,400	22,276	11,149	178,446	89,919	+98.5
Federal	8,578	9,589	5,514	79,090	37,951	+108.4
State member	9,174	9,976	4,375	82,036	40,973	+100.2
Nonmember	1,648	2,711	1,260	17,320	10,995	+57.5
New York	33,144	33,341	16,899	281,392	130,968	+114.9
Federal	14,184	14,494	5,813	120,443	46,001	+161.8
State member	14,164	14,478	8,406	122,429	63,172	+93.8
Nonmember	4,796	4,369	2,680	38,520	21,795	+76.7
Pittsburgh	21,368	22,644	13,621	204,269	110,630	+84.6
Federal	10,516	10,827	6,550	103,959	52,523	+97.9
State member	7,269	7,328	4,521	64,582	37,988	+70.0
Nonmember	3,583	4,489	2,550	35,728	20,119	+77.6
Winston-Salem	45,646	49,975	20,798	392,676	165,311	+137.5
Federal	26,971	30,490	11,139	225,905	87,782	+157.3
State member	15,426	16,170	7,992	139,519	67,303	+107.3
Nonmember	3,249	3,315	1,667	27,252	10,226	+166.5
Cincinnati	49,968	51,087	26,322	433,064	220,536	+96.4
Federal	22,210	23,463	10,826	197,133	94,215	+109.2
State member	25,228	25,438	13,712	215,702	110,885	+94.5
Nonmember	2,530	2,186	1,784	20,229	15,436	+31.1
Indianapolis	17,965	18,892	8,976	163,210	73,648	+121.6
Federal	10,876	11,341	5,012	95,715	39,718	+141.0
State member	6,602	7,112	3,585	63,523	30,644	+107.3
Nonmember	487	439	379	3,972	3,286	+20.9
Chicago	31,535	34,293	18,504	282,624	151,153	+87.0
Federal	14,289	15,843	8,093	130,399	64,316	+102.7
State member	15,691	16,744	9,116	139,139	75,481	+84.3
Nonmember	1,555	1,706	1,295	13,086	11,356	+15.2
Des Moines	18,250	19,017	10,296	166,393	80,163	+107.6
Federal	10,193	10,267	5,346	92,609	41,197	+124.8
State member	5,721	5,758	3,560	53,531	28,379	+88.6
Nonmember	2,336	2,992	1,390	20,253	10,587	+91.3
Little Rock	15,911	17,471	7,730	144,272	63,033	+128.9
Federal	7,681	7,711	3,741	68,182	31,117	+119.1
State member	8,077	9,597	3,880	74,698	31,066	+140.4
Nonmember	153	163	109	1,392	850	+63.8
Topeka	13,476	14,495	7,948	133,892	67,088	+99.6
Federal	8,185	8,532	4,572	78,073	36,625	+113.2
State member	3,901	4,460	2,176	41,138	19,271	+113.5
Nonmember	1,390	1,503	1,200	14,681	11,192	+31.2
San Francisco	43,128	40,968	20,190	352,878	177,981	+98.3
Federal	20,422	23,255	10,715	198,775	96,782	+105.4
State member	22,505	17,563	9,319	151,975	79,198	+91.9
Nonmember	201	150	156	2,128	2,001	+6.3

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

SEPTEMBER 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	$290,547	$47,424	$248,406	$51,978	$173,310	$117,213	$928,878
Boston	23,457	1,080	9,379	22,005	11,207	6,740	73,868
Connecticut	3,469	633	3,617	4,160	2,817	1,749	16,445
Maine	822	30	476	1,170	614	116	3,228
Massachusetts	16,787	388	3,638	14,350	6,339	4,253	45,755
N. Hampshire	598	-------	274	991	562	79	2,504
Rhode Island	1,531	29	1,234	800	565	500	4,659
Vermont	250	-------	140	534	310	43	1,277
New York	24,587	2,786	22,424	24,740	23,053	9,612	107,202
New Jersey	5,163	940	6,846	1,142	5,693	4,013	23,797
New York	19,424	1,846	15,578	23,598	17,360	5,599	83,405
Pittsburgh	20,655	2,694	22,144	955	9,318	6,583	62,349
Delaware	386	143	251	148	394	119	1,441
Pennsylvania	18,424	1,973	19,139	807	7,518	5,979	53,840
W. Virginia	1,845	578	2,754	-------	1,406	485	7,068
Winston-Salem	28,064	7,444	11,606	765	23,591	8,500	79,970
Alabama	1,535	1,058	1,286	-------	1,340	1,194	6,413
Dist. of Col.	3,876	660	1,024	-------	2,744	603	8,907
Florida	6,125	2,965	1,771	-------	9,028	2,890	22,779
Georgia	2,712	221	1,954	-------	1,632	1,253	7,772
Maryland	7,452	431	2,089	765	2,036	483	13,256
N. Carolina	2,296	836	782	-------	1,697	806	6,417
S. Carolina	540	283	733	-------	892	444	2,892
Virginia	3,528	990	1,967	-------	4,222	827	11,534
Cincinnati	56,864	4,221	27,123	1,282	10,760	10,913	111,163
Kentucky	4,901	701	2,208	-------	690	302	8,802
Ohio	50,353	2,254	22,286	1,282	8,675	4,787	89,637
Tennessee	1,610	1,266	2,629	-------	1,395	5,824	12,724
Indianapolis	18,921	4,626	24,554	29	6,548	6,488	61,166
Indiana	11,443	1,835	7,930	29	2,024	1,626	24,887
Michigan	7,478	2,791	16,624	-------	4,524	4,862	36,279
Chicago	34,069	1,910	15,341	60	11,596	15,206	78,182
Illinois	26,705	1,293	9,751	-------	7,125	13,826	58,700
Wisconsin	7,364	617	5,590	60	4,471	1,380	19,482
Des Moines	18,630	3,992	15,855	645	9,063	10,357	58,542
Iowa	4,284	476	4,618	-------	1,403	733	11,514
Minnesota	7,850	1,098	3,689	645	2,471	3,549	19,302
Missouri	5,504	2,262	6,969	-------	4,692	6,026	25,453
N. Dakota	765	79	290	-------	267	38	1,439
S. Dakota	227	77	289	-------	230	11	834
Little Rock	14,592	6,223	5,502	-------	11,859	10,789	48,965
Arkansas	1,182	537	935	-------	834	134	3,622
Louisiana	4,931	755	473	-------	2,787	1,341	10,287
Mississippi	912	436	746	-------	730	446	3,270
New Mexico	346	28	221	-------	444	13	1,052
Texas	7,221	4,467	3,127	-------	7,064	8,855	30,734
Topeka	14,293	1,789	7,144	-------	9,216	5,534	37,976
Colorado	2,249	295	1,542	-------	4,494	1,500	10,080
Kansas	5,264	376	3,035	-------	1,183	1,130	10,988
Nebraska	1,453	427	614	-------	768	184	3,446
Oklahoma	5,327	691	1,953	-------	2,771	2,720	13,462
San Francisco	36,415	10,659	87,334	1,497	47,099	26,491	209,495
Arizona	1,068	207	1,363	-------	2,670	194	5,502
California	23,499	9,023	73,650	-------	37,100	18,879	162,151
Idaho	1,192	61	488	-------	559	126	2,426
Montana	817	85	932	-------	596	25	2,455
Nevada	244	51	333	-------	652	47	1,327
Oregon	2,552	445	2,088	105	2,799	1,636	9,625
Utah	815	266	1,423	-------	432	383	3,319
Washington	5,784	510	6,561	1,392	1,987	5,182	21,416
Wyoming	444	11	496	-------	304	19	1,274

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–September	1,403,161	35.3	177,030	4.4	755,368	19.0	144,697	3.6	1,022,144	25.7	477,293	12.0	3,979,693	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–September	2,588,387	33.6	338,896	4.4	1,946,672	25.3	393,731	5.1	1,527,025	19.9	902,546	11.7	7,697,257	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
August	310,723	31.1	46,527	4.7	273,093	27.3	53,616	5.4	184,005	18.4	131,257	13.1	999,221	100.0
September	290,547	31.3	47,424	5.1	248,406	26.7	51,978	5.6	173,310	18.7	117,213	12.6	928,878	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
August 16	344,561	233,354	$543,883	$1,169,751
August 23	357,510	245,231	575,664	1,246,274
August 30	371,142	257,471	610,007	1,316,534
September 6	380,977	266,741	635,047	1,369,210
September 13				
September 20				
September 27	420,960	303,353	737,342	1,584,444
October 4				
October 11	446,780	330,267	810,885	1,739,397
October 18				
October 25	473,784	356,804	886,216	1,906,743

[1] Records of Veterans Administration.
[2] Totals do not include 69,895 loans acted upon and approved for loan closing. Their dollar volume, $407,771,000, brought the aggregate principal of GI home loans to $2,314,515,000 on October 25.

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

[Premium paying; thousands of dollars]

Period	Title II		Title VI (603)	
	New	Existing	New	Existing
1945: September	$968	$15,165	$12,286	$347
October	1,228	18,606	14,645	608
November	1,777	18,887	10,261	518
December	1,965	18,051	10,836	547
1946: January	3,095	24,275	9,617	1,676
February	3,728	20,006	6,267	1,241
March	3,760	24,346	5,122	1,152
April	3,570	24,160	6,870	983
May	4,406	26,389	5,988	3,712
June	5,573	31,551	3,678	1,012
July	6,374	26,956	4,020	572
August	5,668	20,831	2,959	960
September	5,279	20,713	2,084	613

[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, September 1946		Principal assets, Sept. 30, 1946			Capital and principal liabilities, Sept. 30, 1946			Total assets Sept. 30, 1946 [1]
	Advances	Repayments	Advances outstanding	Cash [1]	Government securities	Capital [2]	Debentures	Member deposits	
Boston	$1,365	$1,030	$16,064	$2,426	$7,482	$21,096	$2,000	$921	$26,028
New York	5,314	735	19,295	4,380	24,199	29,678		18,310	47,994
Pittsburgh	3,445	769	25,531	1,865	7,446	18,687	14,000	1,189	34,939
Winston-Salem	4,925	1,070	28,595	1,365	4,120	20,497	9,500	139	34,164
Cincinnati	3,004	1,075	23,382	2,498	23,640	29,320	5,000	13,368	49,727
Indianapolis	2,582	572	16,395	3,011	12,738	16,029	8,000	6,614	32,190
Chicago	3,917	2,426	39,291	3,369	9,773	25,720	22,500	4,190	52,482
Des Moines	2,463	777	18,424	463	8,447	15,345	11,000	989	27,378
Little Rock	2,047	447	12,626	703	7,620	13,317	7,500	165	21,007
Topeka	1,654	449	11,116	1,860	8,042	11,555	6,000	1,480	21,049
San Francisco	1,730	2,792	24,043	10,632	16,602	27,644	16,500	7,165	51,379
September 1946 (Combined total)	32,446	12,142	234,762	32,572	130,109	228,888	102,000	54,530	398,337
August 1946	25,639	13,208	214,458	23,045	146,274	227,484	102,000	52,149	385,497
September 1945	4,519	17,200	99,769	20,671	180,808	216,319	32,000	51,163	302,157

[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: 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	268,706	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
August	2,495	6,916,472				5,869,338	16,306	196,495	255,273	207,782	140,849	67.8
September	2,497	7,012,24[illegible]	4,922,400	28[illegible],[illegible]03	1,566,979	5,[illegible]22,507	16,306	216,573	240,708	185,754	135,144	72.7
FEDERAL												
1945: 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	174,468	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	127,605	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
August	1,473	4,411,389				3,758,827	11,956	142,018	165,812	136,777	95,328	69.7
September	1,474	4,46[illegible],937	3,151,813	180,457	1,004,260	3,7[illegible]0,634	11,[illegible]56	153,096	154,105	121,872	90,296	74.1
STATE												
1945: 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	2,344,390				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
August	1,022	2,505,083				2,110,511	4,350	54,477	89,461	71,005	45,521	64.1
September	1,023	2,542,312	1,770,587	10[illegible],446	562,719	2,131,873	4,350	63,477	86,603	63,882	44,818	70.2

Table 14.—SAVINGS—Savings and loan share investments and repurchases, September 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-September	$1,726,850	$963,281	$763,569	55.8	$1,385,967	$749,624	$636,343	54.1	$340,883	$213,657	$127,226	62.7
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-September	2,405,490	1,587,430	818,060	66.0	1,970,282	1,283,510	686,772	65.1	435,208	303,920	131,288	69.8
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
August	255,254	176,823	78,431	69.3	207,782	140,849	66,933	67.8	47,472	35,974	11,498	75.8
September	230,023	169,863	60,160	73.8	185,754	135,114	50,640	72.7	44,269	34,749	9,520	78.5

"Protect Your Future"

That *extra* step toward financial security—the purchase of extra savings bonds—is the keynote of the U. S. Treasury's current campaign to boost bond sales. Launched on Armistice Day, this push, which is to last through Pearl Harbor Day, is designed to keep the public reminded of the continuing values of savings bonds. In urging workers in industry and business, in offices and at work benches to "Sign up for Security," the Savings Bond Division is stressing the necessity of building up financial reserves through buying and keeping these securities. In addition to promoting spot sales, a special effort will be made during this time to expand payroll savings.

In commenting on this campaign, Secretary of the Treasury Snyder said: "The Treasury Department has two main objectives in promoting the sale of savings bonds. The first is to continue and, if possible, to further the wide distribution in the ownership of the public debt. The second is to aid in combating inflation by drawing purchasing power off the market at a time when goods are scarce—saving it for a time when they will be abundant."

It is the hope of the Savings Bond Division to sell $8 billion in bonds before the end of the year. Sales through October had passed the $6-billion mark. While no quota is being set for the current promotional effort, as was done during the war bond drives, most of the $2-billion gap will need to be closed during this campaign.

Bond sales have never again reached the $2-billion monthly mark which was achieved in June 1945 after the fighting ceased in Europe. By August of last year, which brought the end of the war, sales had been more than cut in half and only in four months since then have they exceeded the total of $700 million sold in that period.

The last Treasury campaign produced a "shot-in-the-arm" to bond sales but even then (July of this year) the total did not exceed that shown in January which marked the high point for 1946. This trend is part of a national swing away from saving discussed in the article on page 49.

GI Home Rights Protected

■ ON October 14, at the direction of the Housing Expediter, OPA began a nationwide compliance and enforcement drive.

The major objectives of the program are: (1) to safeguard veterans' preference rights; (2) to insure that builders fulfill commitments made in their priorities applications for homes built under VEHP; (3) to enforce maximum sales price regulations; and (4) to see that required placards are posted on all VEHP construction.

The compliance operations will be handled through more than 550 local rent offices and 8 regional OPA offices.

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

Federal Home Loan Bank District	1946 Sept.	1946 Aug.	1946 July	Cumulative (9 months) 1946	Cumulative (9 months) 1945	Percent change
UNITED STATES	926	864	820	8,633	11,134	−22.5
Boston	48	59	71	607	1,076	−43.6
New York	213	252	268	2,230	2,614	−14.7
Pittsburgh	234	170	125	1,765	1,967	−10.3
Winston-Salem	146	105	87	1,016	1,219	−16.7
Cincinnati	77	47	58	644	1,295	−50.3
Indianapolis	4	17	20	203	420	−51.7
Chicago	51	39	39	389	492	−20.9
Des Moines	28	28	35	346	473	−26.8
Little Rock	16	10	14	174	313	−44.4
Topeka	51	79	48	655	767	−14.6
San Francisco	58	58	55	604	498	+21.3

Table 16.—SAVINGS—Held by institutions

[Thousands of dollars]

End of period	Insured savings and loans [1]	Mutual savings banks [2]	Insured commercial banks [3]	Postal savings [4]
1944: June	$3,922,705	$12,428,026	$20,543,888	$2,034,136
September	4,092,609			2,197,701
December	4,333,739	13,331,811	23,362,909	2,342,297
1945: March	4,538,426			2,513,197
June	4,786,912	14,378,413	26,363,106	2,659,575
September	4,981,869			2,836,097
December	5,219,910	15,332,202	29,295,108	2,933,189
1946: March	5,432,080			3,043,000
June	5,724,893	16,224,971	39,643,805	3,119,656
September	5,922,507			3,203,142

[1] Private repurchasable capital as reported to the FHLB Administration.
[2] *Month's Work.* All deposits.
[3] FDIC. Total time deposits of individuals, partnerships and corporations.
[4] Balance on deposit to credit of depositors, including unclaimed accounts, September total is unaudited.

Check List of Housing Regulations

(Actions effective as of November 1, 1946)

OFFICE OF HOUSING EXPEDITER

Housing expediter priorities regulations

Number	Latest issue date	Subject
HEPR-1	10-16-46	Establishes order of priorities for surplus building materials and equipment (80 types) from WAA stocks.
HEPR-2	10-16-46	Establishes order of priorities for materials and equipment for services and utilities from WAA stocks.
HEPR-3	10-16-46	Establishes order of priorities for surplus building equipment (9 types).
HEPR-4	9-13-46	Provides certification for specially needed surplus materials and equipment.
HEPR-5	8-27-46	Authorization and pr'orities assistance for housing.
Amend. 1	9-10-46	Authorization and priorities assistance for housing.

Expediter priorities orders

Number	Latest issue date	Subject
EPO-1	8-27-46	Finding and delegation of authority.
EPO-2	8-27-46	Delegation of authority.
EPO-3	10-16-46	" " "
EPO-4	9-27-46	" " "

Expediter premium payment regulations

Number	Latest issue date	Subject
EPPR-1	8-30-46	Structural clay products.
Amend. 1	10-28-46	
Amend. 2	10-31-46	
EPPR-2	8-30-46	Softwood plywood.
EPPR-3	8-30-46	Merchant gypsum liner.
EPPR-4	7-31-46	Standing timber on state-owned lands.
EPPR-5	7-31-46	Convectors.
Amend. 1	10-21-46	
EPPR-6	9-3-46	Hardwood flooring—southern area.
Amend. 1	10-29-46	
EPPR-7	9-3-46	Hardwood flooring—northern area.
Amend. 1	10-29-46	
EPPR-8	9-30-46	Cast iron soil pipe.
Amend. 1	10-21-46	
EPPR-9	9-19-46	Merchant pig iron.
Amend. 1	10-9-46	
EPPR-10	10-29-46	Sand lime brick.
EPPR-11	11-1-46	Housing nails.

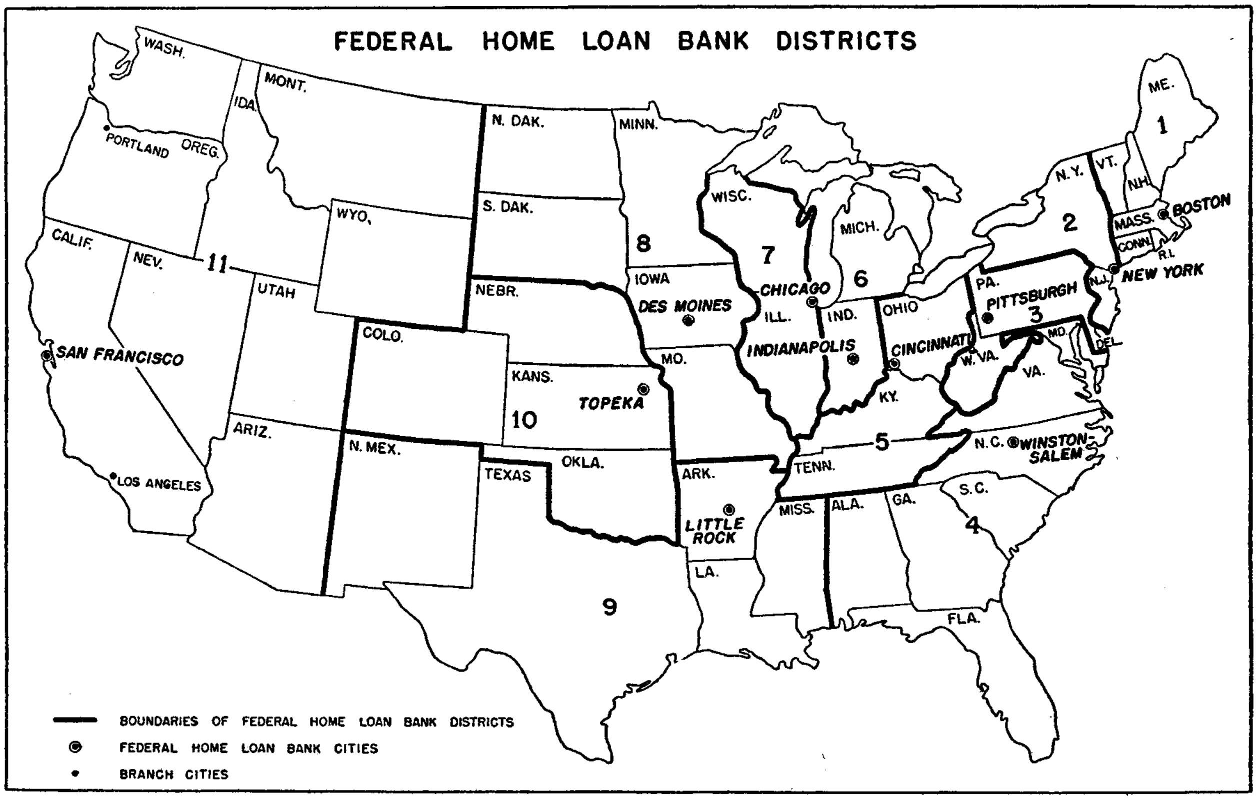
CIVILIAN PRODUCTION ADMINISTRATION

Veterans housing priority regulations

Number	Latest issue date	Subject
VHP-1	10-7-46	Forbids beginning of construction and repair on buildings and certain other structures without specific authorization.
Dir. 1	6-21-46	Reconstruction in Hawaii.
Dir. 2	9-6-46	Instructions on preparing CPA 4423 (non-housing) applications.
Supp. 1	8-30-46	Fixtures and mechanical equipment covered by VHP-1.
Supp. 2	7-2-46	Explains provisions relative to beginning construction.
Supp. 3	10-7-46	Classifies structures covered by small job allowances.
Supp. 4	10-7-46	Lists items which are not structures.
Supp. 5	8-27-46	Where applications should be filed.
VHP-2	7-19-46	General restrictions on hardwood lumber.
VHP-3	8-28-46	Use restriction on cast iron soil pipe.
VHP-4	9-23-46	Production restriction on cast iron soil pipe and fittings.

Priority regulations

PR-28	9-16-46	Priority assistance for critical production.
PR-33	6-14-46	Provides priority assistance for building materials under VEHP.
Amend. 1	8- 6-46	Extends period required (after 8-6-46) for holding and selling houses to veterans.
Amend. 2	8-27-46	Applications for housing to be filed under HEPR-5 after 9-10-46.
Sch. A	8-27-46	Materials for priorities assistance under PR-28.
Sch. B	8-27-46	How distributors of building materials handle ratings; outlines ceilings and set-aside requirements.
Dir. 5	8-28-46	Gypsum liner.
Dir. 8	8-22-46	Priorities assistance for manufacturers of prefabricated houses, sections or panels for Reconversion Housing Program.
Dir. 11	8-7-46	FPHA temporary re-use housing projects.
Dir. 13	8-21-46	Production and sale of house trailers under VEHP.
List 1	8-21-46	Veterans eligible to buy trailers.
Dir. 42	8-27-46	Delegation to NHA for HH ratings under VEHP established by PR-33.
Limitation Orders.		
L358	10-3-46	Specifies percentage of softwood plywood production and reserve (construction and door panel grades) for certified orders.
L359	10-18-46	Specifies percentage of sawmill production to be held for certified orders.



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