



**FEDERAL  
HOME  
LOAN  
BANK**

# REVIEW

Vol. 13, No. 3

Washington, D. C.

DECEMBER 1946

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## Revised housing program announced

During December, the Government's Housing Program underwent a substantial revision to bring it into line with the announced policy of relaxing controls wherever possible. In 1947, the emphasis will be on rental housing. Priorities and price ceilings on new construction have been dropped, but veterans preference will be maintained on units built for sale or rent. Non-veterans will be allowed to build for their own use, however. A new Housing Expediter and new Administrator for the NHA were also appointed. [Page 67.]

## How associations are reducing examination time

By Verne C. Bonesteel

Day-to-day experiences of FHLBA examiners working throughout the country were drawn on to provide some suggestions for reducing the time necessary for adequate examinations.

Observations of these examiners as to methods actually used by associations included: an adequate but not cumbersome accounting system, emphasizing uniformity of procedure and consistency of recording similar transactions; a good filing system; internal check and control. Accurate and rapid calculation of mortgage loan interest rates, and general orderliness and efficiency in daily operations were also stressed. [Page 69.]

## A management survey on savings campaigns

A survey of more than 50 managing officers of savings and loan associations throughout the country showed widespread agreement regarding the importance of attracting new private capital to finance expanded mortgage lending activity.

In encouraging new business, chief emphasis was placed on sound public relations. The value of well satisfied old customers was stressed as the best source of new ones. Other important items mentioned were: the open-door policy in accepting savings, participation in civic affairs, and well located offices. [Page 73.]

## Home mortgage debt at record level

The total home mortgage debt was estimated at almost \$20 billion at last year-end after a 12-month gain which all but eliminated the previous 3-year net reduction. If, as now anticipated, the 1946 rise is between \$3-4 billion, the total at the end of this year will be above \$23 billion for the first time.

The only 1945 increases in portfolios were among savings and loan associations, commercial banks and "individuals and others." Changes in distribution of total debt followed closely this pattern. New lending of \$4.7 billion was the largest annual figure since 1929; only life insurance companies failed to gain. [Page 77.]

## Rocky Mount solves its housing problem

In less than a year, community action channeled through the Mayor's Emergency Housing Committee of Rocky Mount, North Carolina, got that city past its housing crisis and headed for normal operations.

Savings and loan associations have financed 90 percent of these new homes, all of which are privately financed permanent construction at price ranges well under national maximums. The 400 completions scheduled for early 1947 will mean a new house for about 1 out of every 70 persons in Rocky Mount. [Page 81.]

## October highlights

The 8-percent gain in the recording of real estate mortgages sent the total volume of real estate financing above the billion-dollar mark for the first time since these data have been available. The 10-month total is in excess of \$8.7 billion.

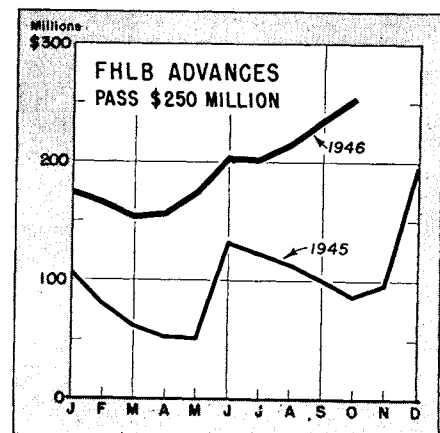
New mortgage loans made by all savings and loan associations were also higher than in the preceding month. October's total of \$326 million raised the cumulative figures for the year above \$3 billion—double the activity for the same period of 1945.

The net inflow of new savings into all savings and loan associations turned upward. The \$88-million excess of new investments over withdrawals was nearly 50 percent higher than in September, and also above the total for the corresponding month last year.

Outstanding FHLB advances to member institutions now exceed a quarter of a billion dollars—almost three times the volume in October 1945.

Permits were issued for 58,000 new privately financed residential units—slightly higher than the September totals. October was the best month so far in the production of building materials, with many new all-time or at least postwar highs being registered in most critical items. This is the encouraging element in the construction outlook.

Over-all industrial production reached another new peacetime peak as the FRB index advanced 2 points to 182 percent of the 1935-1939 average.



FEDERAL HOME LOAN BANK

REVIEW



Vol. 13

No. 3

DECEMBER 1946

The Federal Home Loan Bank Review is published monthly by the Federal Home Loan Bank Administration under the direction of a staff editorial committee. This committee is responsible for interpretations, opinions, summaries, and other text, except that which appears in the form of official statements and signed articles.

Communications concerning material which has been printed or which is desired for publication should be sent to the Editor of the Review, Federal Home Loan Bank Building, Washington 25, D. C.

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NATIONAL HOUSING AGENCY

Raymond M. Foley, Administrator

FEDERAL HOME LOAN BANK ADMINISTRATION

John H. Fahey, Commissioner

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APPROVED BY THE BUREAU OF THE BUDGET

# REVISED HOUSING PROGRAM ANNOUNCED

**Sweeping changes in the Government's Housing Program were announced recently by the President. Emphasis during the coming year will be on rental housing, with all priorities and price ceilings on new construction eliminated.**

■ SUBSTANTIAL changes have been made in the Government's Housing Program following the resignation of Wilson W. Wyatt on December 4, and the appointment by the President on December 12, of Frank R. Creedon and Raymond M. Foley to the positions of Housing Expediter and NHA Administrator, respectively. On December 14, the President issued a detailed statement of the policies of the 1947 program.

Highlights of the new program are as follows:

(1) Any one, veteran or non-veteran, may now build a home for personal occupancy. However, veterans preference is being retained for all new construction built for sale or rent.

(2) The former \$10,000 ceiling on the sales price for a new house will no longer be in effect. There will be restrictions, however, on the total floor areas of new dwellings.

(3) The priorities system for obtaining scarce building materials is being dropped, although outstanding priorities will be honored. The production of critical building materials will require the continued allocation of a few raw materials during the first quarter of 1947.

(4) In the case of rental housing projects, the \$80-a-month ceiling will be applied on a project-average basis, rather than to each individual unit. Rentals will continue to be established for individual houses built for rental purposes.

(5) Restrictions on non-residential construction will be relaxed as rapidly as the increased volume of building materials will permit.

In his statement announcing the new housing policy, the President said, "The main point of emphasis for 1947 is rental housing. Within the total number of homes to be built, it is of major importance that a maximum number of rental units be provided. We are planning financial and other aids that will encourage builders to produce units for rent."

The new Housing Expediter and the NHA Administrator officially began their duties on December 15. Mr. Frank R. Creedon, a native of Massachusetts, comes to his position as Housing Expediter from the Civilian Production Administration where he had been Deputy Administrator

in charge of all construction and housing activities. During the early part of the war, Mr. Creedon handled construction of munitions plants for the Corps of Engineers, United States Army. In 1943, he went with the War Production Board in charge of the construction of synthetic rubber plants. Early in 1944, he became resident manager in charge of the construction of the atomic bomb plant at Oak Ridge, Tenn., for which he later received the medal of merit from the Secretary of War. After the war ended, Mr. Creedon held important posts with the Reconstruction Finance Corporation and the War Assets Administration before going with CPA. From 1934-1940, he was with the Public Works Administration.

The new NHA Administrator, Mr. Raymond M. Foley, is well known to members of the FHLB System and other home financing institutions. He is a native of Michigan, and before entering Government service worked on newspapers in Detroit and Pontiac, where he became city and managing editor of the *Daily Press*.

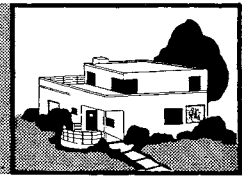
In October 1934, Mr. Foley was appointed State Director for Michigan of the newly established Federal Housing Administration. He served in that capacity until July 1945, when he was appointed by the President as FHA Commissioner. Mr. Foley will remain in charge of FHA, in addition to his duties as NHA Administrator.

## Relaxing controls

In a Presidential statement issued at the time of Mr. Wyatt's resignation, it was pointed out that: "The problem has been recognized, it has been measured, and a successful organization has been set up to achieve the goals, as is evidenced by the increase in housing construction, and the increases in the production of building materials. The remainder of the program must now be faced within the framework of the Government's announced policy of relaxing controls. Balance of materials and equipment must be achieved. The program must be given its proper emphasis in the over-all economy and controls must be relaxed as rapidly as possible without threatening the success of the housing program."



# NEWS NOTES



## Money in circulation at record level

Money in circulation on October 31 reached a new high of \$28,604,000,000 to exceed the previous record of \$28,507,000,000 on December 31, 1945, the Treasury Department reported. The \$95-million gain registered during this past October, however, was considerably smaller than the increment of \$226 million in the same month last year.

After attaining a record level last December, money in circulation dropped sharply in January and also declined, though by smaller amounts, in February and March. Turning upward again from the March 31 level of about \$27,875,000,000, it has gradually but consistently increased to the October 31 peak.

## Weekly output of prefabs passes 1,000

Weekly shipments of factory-built homes in October exceeded the 1,000-mark for the first time, with shipments during the month totaling 4,700. This was 1,000 more than in September and reflects the largest monthly increase since the start of the program, according to NHA reports. Production for the first 10 months of the year aggregated 30,300 units—substantially below the goals set early this year.

## Encouraging reports on lumber output

For lumber generally the prospect of achieving a balance between supply and demand continues bright, according to CPA reports, combining data from the Bureau of the Census and the U. S. Forest Service. September was the fifth consecutive month with a total output of more than 3 billion board feet. This sustained rate of record production has enabled mills and concentration yards to make a good start toward rebuilding their stocks. More than

a billion feet was added to these inventories during the second and third quarters of this year, regaining the ground which had been lost in the preceding two years. Retail and wholesale distributors were also able to get their stocks back to the level on hand at the beginning of this year.

If current estimates of requirements are correct, the CPA states that the lumber industry will be much better prepared to handle 1947 housing construction and make its contribution to shortening the building time.

## Priorities issued by FHA up 20 percent

The Federal Housing Administration approved the issuance of priorities for the construction of approximately 63,000 new privately financed dwelling units during October—a 21-percent increase over the September total. In addition, HH ratings were granted for 11,500 conversion units. Through October, more than 1 million homes and apartments had been authorized for construction or conversion under the Veterans Emergency Housing Program.

## Semi-annual report of banks

The total assets of the 14,626 active commercial and savings banks in the United States, amounting to almost \$773 billion on June 30, were down 3 percent during the first half of this year. According to a recent report of the Comptroller of the Currency, most of the decline was attributable, on the one hand, to the retirement of U. S. Government obligations held by the banks and, on the other, to the decline of Government funds on deposit with these institutions.

Total loans increased 4 percent in the first six months, but loans on real estate were up 13 percent in the same period. Real estate loans rose \$1,166,000,000 from January to June, in contrast with an increase of only \$237,000,000 in the preceding half-year.

Deposits of individuals, partnerships and corporations were a little more than \$6 billion, or 5 percent, above the totals at the beginning of this year, with the gains about equally divided between demand and time deposits.

## PROGRESS OF THE VEHP—OCTOBER 31, 1946

882,200 units started account for 74 percent of 1946 goal of 1,200,000

Program component	Units started	Units completed
Total <sup>1</sup> .....	882, 200	500, 400
New permanent <sup>2</sup> .....	579, 900	341, 200
Conventional <sup>3</sup> .....	549, 600	.....
Factory-built <sup>4</sup> .....	30, 300	.....
Temporary re-use <sup>5</sup> .....	215, 000	72, 600
Conversions <sup>6</sup> .....	51, 100	50, 400
Trailers <sup>7</sup> .....	36, 200	36, 200

<sup>1</sup> October data preliminary.

<sup>2</sup> Includes factory-built units; breakdown of conventional and factory-built completions not available.

<sup>3</sup> Adjusted to exclude factory-built units; includes approximately 6,500 permanent units financed by New York State.

<sup>4</sup> Factory shipments.

<sup>5</sup> Family-equivalent units financed by Federal and non-Federal funds.

<sup>6</sup> Figures for previous months have been revised.

<sup>7</sup> Factory shipments.

# HOW ASSOCIATIONS ARE REDUCING EXAMINATION TIME

Managing officers frequently ask, "What can we do to reduce the time required for the examination and audit of our association?" To provide practical and constructive answers, this article is drawn from the day-to-day experiences of examiners on the job throughout the country.

By **VERNE C. BONESTEEL**, Chief Examiner

■ THE recently published combined statements of members of the Federal Home Loan Bank System show that the average annual cost of assessments, audits and examinations of savings and loan members is less than three-fourths of one cent out of each dollar of gross operating income. Approximately the same total is shown in the combined operating ratios of insured associations.

Although small in relation to other expenses, it is understandable that these costs are a matter of some concern. Virtually all other costs have been mounting and the operating margin has narrowed. Most managers value annual examinations; and yet a few managers feel that the costs are higher than necessary.

Prior to the inception of the Federal examining system there was very little uniformity in procedures and thus there was no occasion or opportunity to discuss any one plan or coordinated program. In some states examinations were thorough. In others, examinations were cursory. In still others, no examinations were made at all. Recent years have brought far more uniformity, with the result that there has been more interest in the subject.

The attitude of management toward examinations has generally been cooperative. Legislation, including provision for audits and examinations, has usually been initiated and endorsed by officers and directors of savings and loan associations. The interests of good management require intelligent and efficient examinations. Managers and directors receive a measure of protection from these periodic examinations of accounts and reviews of condition and operations. The general public, particularly the investing member, expects and assumes that financial institutions are competently examined and supervised.

Responsibilities have thus been placed upon both Federal and state examining and supervisory

departments. Every effort is made by the Federal Home Loan Bank Administration to hold examination time and costs to a minimum consistent with those responsibilities. In the past year the Administration has made substantial reductions in procedures and is continually alert for such changes when they represent sound practice. It should be recognized, however, that saving of examination time is a joint or mutual responsibility. It is a program to which the associations can contribute materially. The cooperation of the institutions toward this effort has been very helpful; and the purpose of this article is to present the observations of examiners as to methods which are actually used by associations to assist in the reduction of the time required to complete examinations.

Examination costs are determined generally by three factors: first, the amount of information to be obtained; second, the availability of such information from the association's records; and third, the efficiency of the examiner. Examiners themselves have little or no control over the amount of information deemed necessary for supervisory purposes. As to the third factor, the Administration and the state supervisory authorities must be careful in the selection of examiners and must have methods of training them and of overseeing their work.

## Obtaining necessary data

This article will deal with the second factor—the problem of obtaining the necessary information from the association's records. The cooperation of associations has a primary bearing on the availability of such material. Where the examiner finds a cooperative attitude, as he usually does, the question is presented as to what specifically can be done by management to facilitate the examination. Most phases of the work must be performed by the examiner. Other phases

may be done jointly. The association's employees can usually be helpful in pointing out sources of information in the files, in checking tapes run by an examiner, and in preparing certain schedules which need only be test-checked by an examiner. In some associations the manager delegates an employee to ascertain from the examiner in charge just what can be done by office personnel, and this employee then sees to it that such assistance is rendered.

Since the examiner as well as the managing officer must obtain information largely from the books and records, most of these observations pertain, first, to the accounting system. The system should conform basically to the uniform standard system. Not many years ago there were nearly as many different bookkeeping systems as there were associations. Greater uniformity not only saves time for the examiner but it is beneficial to the business as a whole. Much progress has been made. As of September 1940, the standard accounting system was used by 75 percent of all insured institutions. At present it is used by approximately 84 percent of all insured associations.

What are the essentials of any accounting system? The system should be adequate but not cumbersome. Entries should be clearly described or identified. The test is whether the records readily reveal what happened, or whether the examiner or anyone else must call upon someone's memory. Recently in a six-million-dollar association where the number-two man had been elevated to the position of manager and all the other employees had served the association less than a year, the manager commented that his job was extremely difficult because "you know in this business you rely considerably upon memory." This

situation is serious in many associations which have grown rapidly from a one-man operation to a large organization requiring departmentalization.

To do the work accurately and efficiently and to make improvements from time to time, it is important that any association employ a competent head bookkeeper. Too often the bookkeeping staff, although competent, is too small to keep the work current. The importance of keeping records posted up to date cannot be overemphasized.

There should be consistency of recording similar transactions. An account should be used only for the functions for which it was established. Journal entries should be adequately explained and properly authorized. Where a cash book is used, all pages should be footed and the totals carried forward. If a window-posting machine is used for audit purposes, the machine should be kept under proper control. The companies which sell machines are particularly interested in the audit phase of the machine's operation and will gladly furnish information which will enable the association to obtain the maximum protection. They will also assist in effecting the most complete use of the machine.

### Special records

In order that loan practices and facts may be summarized, certain information is necessary. With very little extra work, the association can materially assist by keeping that information so that it need only be checked by the examiner. Some institutions maintain in duplicate a mortgage loan register incorporating minimum columnar information. Such a chronological record is also useful to associations in showing quickly the lending volume between any two dates. An alterna-

Typical Mortgage Loan Register

ORIGINAL				RECORD OF NEW MORTGAGE LOANS																	
ACCOUNT NO.	TYPE	NAME	ADDRESS	DATE		AMOUNT OF LOAN	TERM	PURPOSE	APPRAISAL			PURCHASE PRICE	% TO ORIGINAL	MONTHLY PAYMENT	MORTGAGE INSURANCE	AMOUNT OF INSURANCE	BOOK VALUE	APPRAISAL ASSIGNMENT	MISC.	REMARKS	
				APPROVED	EMERGED				AMOUNT	DATE	%										

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Date Examined	Advance Payments For				Unapplied Mtg. Credits	Loans in Process	Unearned Profit	Miles Away
	TAXES	INSURANCE	MTG. INS.	TOTAL				
				Location	Amount \$			%
				Modified: Date	Amount \$	Book Value \$ When Sold		
No.	Name	Amount \$		Appraisal: Date	PMM—Contract \$ Selling Price	Payments Last 12 Mo.	Cont. Delinquency MONTHS	NATURE
Rate	Yrs.	Date	Purpose	Unpaid Principal	Unpaid Interest	Advances	Unpaid Taxes	Total Debt
Type	Date of Board Approval	Present Amount	Mtg. Pledged Shares	Unpaid Principal	Unpaid Interest	Advances	Unpaid Taxes	Total Debt
Date Examined								

Date	REMARKS

Payments	Principal
	Taxes
	Insurance
	Mtg. Ins.
	Total

Sample Mortgage Loan "Line Card"

tive plan which many examiners and managers consider preferable is for the association to head up "line cards" which are left in the association between examinations. The examiner when he arrives can readily bring these down to date. An example of each method is given in the accompanying illustrations.

Ledger cards for mortgage loans should contain the following: address of the property and of the owner, date, original amount, appraised value, interest rate, monthly payment (interest, principal and taxes), recast date, reference to additional loans on same property and additional collateral, type of property, term of loan, advance payments and contractual arrearage record. Supervisors in analyzing lending and appraisal policies need to know the purchase price of a property. It is less time consuming if the examiner does not have to search for such information on the loan application, the appraisal report or elsewhere. This figure could also very well be inserted on the ledger card and need then be merely test-checked to confirm the correctness of the association's records. Numbers assigned to loans should be new—old numbers of closed accounts should not be used.

The association should know at any time the volume of loans at the different rates. It is helpful to management and examiner, therefore, if mortgage loan ledger cards are segregated according to interest rates. Another segregation may be made for GI loans and for FHA loans. If not segregated by general ledger controls, a supplementary bookkeeper's control could be made at the end of each month.

### Importance of proper filing

The second suggestion for facilitating an examination is a good filing system. It has been proved by experience that a flat filing system for mortgage loans will save considerable time and money in contrast with the pouch system. This flat folder should be properly tabbed as to contents. It is suggested that an inventory be maintained of documents in each folder and that documents be filed in the same consecutive order. The numerical rather than alphabetical system of filing individual loan and contract records is recommended. Folders should be filed in the same sequence as mortgage loan cards. The numerical filing of documents will facilitate the examination of the files for supporting documents. The



correspondence file for each loan should also be filed in numerical sequence.

Some institutions have grown so rapidly that working and filing space is inadequate. When space will permit, all incomplete document files for mortgage loans should be kept in a separate cabinet or drawer and should be completed before being placed in the regular files. Invoices supporting expense items should also be filed in flat folders by general ledger account number. There should be a separate file maintained between examinations for all closed out or filled ledger cards that pertain to mortgage loans, real estate contracts and share accounts.

### **Internal checks**

Much has been said and written and much has been accomplished in the past three years regarding the third suggestion—improvement of the system of internal check and control. Improvements in associations' internal control have enabled directors and managers better to discharge their trusteeship responsibilities, and have enabled the examiner to dispense with some of the auditing procedures which otherwise would be necessary.

The term "internal control" refers to the methods employed by the association to safeguard its assets and to check the accuracy of its records. The basic principle is that the several duties of the personnel be so separated and yet coordinated that there is a constant check of the work of one department or employee against that of another, so that no one person has complete control over any entire important transaction. In addition to the division of work and responsibilities and the proofs as the work is in flow, there is the necessity of periodic internal audits.

Trial balance proofs of subsidiary ledgers should be taken at least monthly. Tapes should be preserved and some one in authority should determine the accuracy of the proof. Stubs of full paid or investment shares should be proved monthly, the same as the subsidiary ledgers. A master inventory will be of assistance in this latter proof.

The petty cash funds should be maintained on an imprest basis, and properly supported by authorized vouchers and periodically applied to operating accounts.

Paid checks, after the bank accounts have been reconciled, should be kept with the statements

and, after the examination or audit has been made should be filed numerically without regard to the date paid.

### **Recording interest**

Now, when associations have large bond accounts, the management must be able to verify income readily, and a saving in examination time would result from more adequate records of investment holdings, purchases, sales and income. Some associations reflect bond income in one interest account which includes, in addition to bond interest, mortgage loan interest, contract interest, share loan interest and Federal Home Loan Bank stock dividends. In test-checking interest reflected on the books against the amount of interest earned on investments, there is at least several hours of time lost when separate controls are not maintained.

There is one important function of internal check which is often overlooked. That is the determination that the correct amount of interest on mortgage loans is being charged. Mortgage loan interest is the principal source of income, and a reasonable certainty that charges are correct would appear to be a responsibility of management. The examiner makes a test analysis to ascertain that charges are computed properly and that the income is not being diverted but his test-checks cannot take the place of internal supervision.

The simplest and most practical method for management to have reasonable assurance that interest charges are correct is the establishment of block controls by interest rates. After charges are made at the beginning of the month, the adding machine listing of the individual cards can be proved by applying the respective interest rate to the total unpaid balance of each mortgage loan block control. This method also reduces the examiner's time in effecting proof of the interest account.

### **General observations**

Outside of the association's records and files there are vast differences among associations in the general orderliness and the manner of carrying on the daily work. It is always reflected throughout the operations when the staff is well informed. There are various methods of improving their knowledge, and the fact is merely pointed out

*(Continued on p. 79)*

# A MANAGEMENT SURVEY ON SAVINGS CAMPAIGNS

Because of the current importance of maintaining a steady inflow of new money, the REVIEW queried a cross-section of Bank System members to obtain management opinions on this vital topic. The highlights of letters from more than 50 managing officers are included in this first article on the subject.

■ FOR some time all savings institutions have been riding the crest of the great war-induced savings surge. In the five years following Pearl Harbor, share capital invested in all operating savings and loan associations increased almost \$4 billion. Withdrawal rates were comparatively low so this vast amount of money, for which there was no normal loan investment channel, went into liquid assets, and the cash and Government bond holdings of the industry soared. The largest proportion of this money went to help finance the war and to build a reservoir of credit for an expanding construction program once home building was resumed.

The wartime liquidity position of the savings and loan industry was easily achieved and not too difficult to maintain under the then-current conditions. True, it represented a level above the necessities of ordinary operation and to that extent is not a goal whose absolute maintenance is dictated by sound business policy. However, the retention of a sizable proportion of this gain is a matter of vital concern to savings and loan management and one which will not automatically take care of itself.

The factors which caused the unprecedented flow of capital into savings accounts have already undergone a change. It is constantly becoming harder for individuals to save. Everyday living expenses take an increasing proportion of income, and long-felt shortages are beginning to yield to the pressure of production. There are, in short, many other things to do with money besides putting it into savings accounts. These conditions are, in many instances, eating into both past and current savings of individuals.

From this it is evident that a passive approach by association management to the accumulation of share capital will not be enough—aggressive action will be needed to make the savings program keep pace with the demand for mortgage money.

It has for some time been apparent that this view represents the consensus of leaders of the industry and officials of the Federal Home Loan Bank Administration. In his discussions with savings and loan executives throughout the country, as well as in his recent REVIEW article,<sup>1</sup> Governor Lee has repeatedly emphasized, in relation to the broad field of savings and loan operations, "Without question, one of the most urgent needs is not only to accept every dollar of savings offered but to stimulate increased savings during the next several years by every sound means."

Because of the urgency and importance of this problem, the REVIEW has undertaken to canvass a number of widely scattered associations whose savings records have been outstanding. Almost without exception, the reply has been that this is indeed a matter of the foremost concern in the days ahead. Although there are undoubtedly many associations not polled which are devoting serious attention to this matter and achieving excellent results, the more than 50 replies received to date constitute a good cross-section of Bank System membership.

## Growing emphasis on savings

Programs to attract share capital are, of course, not just a postwar development. But appraisals by management indicate their belief in the need for concentration on this phase of operation. The time element in this problem is an interesting sidelight of the REVIEW's canvass. One association as long ago as 1943 anticipated the future ready market for mortgage loan investments and launched an aggressive advertising campaign for new funds. In three years they have more than doubled their savings shares. In another instance a stepped-up savings program grew out of this

<sup>1</sup> "Purposes and Policies of the FHLB System," FHLB REVIEW, November 1946, p. 35.

conviction, “. . . in the spring of 1945 we ventured to make the prediction that over a five-year period beginning at that time, savings and loan associations would find their main problem to be obtaining enough money to meet the demand for loans.”

A considerable number of associations have come to this same conclusion in the intervening time. Several mentioned that the turning point in their shift toward savings promotion came sometime between a year ago and last summer. A number of institutions reported that all of their advertising is now devoted to the savings side of the business.

The need for a change to greater emphasis on capital accumulation has apparently not yet been felt by all associations replying to the survey. However, in most cases such a turn is foreseen. One manager stated that in the past his association's advertising program had been entirely concentrated on mortgage loans but on the basis of a definite savings decrease this fall, he said, “if this trend continues we shall have to give it careful consideration and plan to counteract its influence.”

Several replies indicated that a pinch was being felt, not because of a decline in savings but rather due to increased withdrawals which, of course, would require remedial action. Others mentioned both reduced savings and accelerated withdrawals as a current development.

It is interesting to note that no association advanced its own particular program as a formula guaranteed to succeed any place or any time. Each had cut a pattern to fit its own needs—some on the basis of preliminary analysis of the problem and others by the trial and error method over a period of years. But running through all the replies received were several fundamental beliefs and practices which appear to be the bedrock of promotional policy.

### **Public relations paramount**

If any one thing could be said to be *the* basic principle of success, it would be sound public relations. Time and again, managing officers stated that a well satisfied customer was their best advertisement. Beyond the obvious requirements of financial stability and technical efficiency, the relationship between the association and its members stood out as the focal point of emphasis.

Courteous, friendly personal contact was mentioned again and again as being of primary importance. As one manager stated, “It might be said that we have adopted a ‘floorwalker’s’ technique in greeting our shareholders when they visit the office.” Another form of individual attention: “When members come in on any business in connection with their accounts, we invite them in to sit down. Chairs are still not so expensive but what we feel that we can have enough to permit our members to be seated when they come in to see us.”

The importance of customer relations was summed up by the executive of one Ohio association: “. . . our advertising money is wasted if the customer is not properly handled after he enters our front door.” “Fundamentally,” wrote the president of one of the largest savings and loan associations in the country, “business goes where it is invited and abides where it is well treated.” The head of a Kansas association whose aim was to make that institution the nicest in town with which to do business, explained that, in spite of the fact employees were hard to get, “we even discharged a couple . . . who we felt were not handling the public properly.”

### **The value of present customers**

Again and again throughout the correspondence with the managing officers of these various institutions, the importance of well satisfied present customers was emphasized. This was not to imply that the essential nature of a comprehensive advertising campaign for *new* customers was being overlooked; but simply that an association's present customers were certainly one of the most important, if not *the* most important source of new business. The president of one institution in Philadelphia said, “It has always been our thought to keep our present members sold on the advantages of our institution; and most of our public relations work has been pointed toward this effort. We find that contented old members are of great value in building up our institution as most of our new accounts are a result of recommendation on the part of our present members.” From Toledo came the report that, “The new customer is very apt to say that he saw our ad in the newspaper or heard our broadcast over the radio, whichever comes into his mind first, but in eight cases out of ten he always ends up by saying . . . ‘and Mrs. Jones told me that she had her account at the . . .

and it was a nice place to do business.'” These observations appear trite in many ways, yet they do raise a question to which many boards of directors will want to give serious thought and discussion: “Have we explored all of the possibilities within our own membership for the development of new business?”

### **No limit on savings**

It was not a little surprising to find that a majority of those participating in the REVIEW's survey laid special emphasis on the fact that they had made it a policy never to refuse to accept money offered to them for savings accounts. Associations which followed this policy throughout the period of excess funds have now apparently found they are reaping cumulative benefits. The manager of a Michigan association said, “The basic decision made by our Directors back in 1942, when they decided to continue to accept investments without restrictions, has enabled the association to service the savings needs of twice as many people as formerly in this community, and it now has ample funds available to service the community's greater demands for home financing . . .” Another executive out in Oklahoma wrote that, “We have never done anything to restrict the inflow of savings into our institution. During the war we continued to accept all savings offered, and with these excess funds purchased bonds, and it is this reservoir of surplus funds that makes it possible for us to maintain our heavy lending volume at the present time.” From another midwestern association, came word that, “We have felt it is bad policy to advertise for funds and then, when people have money to invest, stop them at the front door and tell them that their money is not wanted.”

### **Role in community affairs**

In such widely separated states as New York, Ohio, Kansas and Texas, associations have found it important to take an active part in every worthy civic enterprise. As one managing officer expressed it, “We make it a special practice that our top executives are affiliated with every type and kind of organization which may contribute either civically or socially to the improvement of our community.” The result, of course, is to broaden association contacts into all elements of business and social life. “We try to do our full share in supporting financially every worthy cause,” said the president of a Texas institution.

Closely tied in to this phase of the program of an association's operations, are its relations with the other financial institutions. Many associations have made it a point to develop and maintain the good will of the banks in their area. From the Southwest, the president of one association wrote, “We enjoy a very close and friendly relationship with the majority of the officers in our banks. It has been a part of our program to call on these gentlemen at frequent intervals and discuss our business with them and impress upon them our sincere and earnest effort to conduct not the largest but the soundest and most constructive program for the expansion of a savings and loan association. With all humility, I can report that our visits have been kindly received and numerous investors have been referred to us by the officers of banking institutions.” “Know and be on intimate, friendly relations with your commercial bankers, from the President down to the porter,” was the way another managing officer expressed it.

### **Importance of office location**

One of the most frequently mentioned factors having influence on the success of associations in maintaining a steady inflow of new savings was the location and facilities of their office quarters. This was true regardless of the size of the institution or the size of the community in which it was located. From North Dakota, one association reported that until it moved from an out-of-the-way side street location, to a ground floor office in the center part of the business district, it had considerable difficulty in securing enough local investments. “We feel,” said the president of this institution, “that this new location has done a lot for us in attracting new business of all kinds.” The executive vice-president of an association in Pennsylvania wrote, “I believe our new, modern, up-to-date savings and loan home has had a tremendous influence on our local public by instilling confidence and setting our association out as a recognized financial institution in the community.”

Little things often have a way of being “attention-getters” out of all proportion to their significance or cost. For example, an institution in Tennessee told that, on moving into new modern office quarters, they had installed “electric-eye” doors, which happened to be the only ones in their city. The interest which they created brought the institution to the attention of potential cus-

*(Continued on p. 96)*

**ASSURANCE:** "We must not discourage building by closing down on veterans' home loans, but we must squeeze out the speculative profits and make loans which these young men have some reasonable assurance they will be able to pay. If the American people permit scalpers to take the veteran with his GI loan, they shall have to reckon with the disillusionment that may strike the veteran in the event he finds himself doomed to foreclosure."

General Omar N. Bradley, Administrator of Veterans' Affairs, before the U. S. Savings and Loan League, Milwaukee, Wis., November 21, 1946.

**STANDARDS:** "Most building codes are admittedly antiquated in that they make little provision for the use of so-called experimental methods and materials. Those who desire sweeping changes charge that vested interests—including some trade unions as well as some suppliers of building materials—are blocking progress by obstructing the revision of codes. From the other camp come charges that the proponents of change want to lower the all-important safety factor and throw the field open to all sorts of untested experiments. However, most unbiased observers agree on the need for setting up general performance standards as a basis for modernizing local regulations."

*Tomorrow's Town*, September 1946.

**DISTORTED VALUES:** "Periods of rising salaries present admirable opportunities to revalue jobs and revalue people in the true light of their respective worth. Over the past five years (1941-1946) the relationship between the value of jobs and the value of incumbents has become distorted. In many cases the relationship is absurd. Your employees realize something that you do not—namely that these disparities cannot long be continued."

Guy Ferguson, President, Ferguson Personnel, *Best's Insurance News*, Sept. 3, 1946.

**COOPERATION:** "There is a real opportunity, I think, for local housing authorities to work with private housing groups in their respective communities in a joint effort to

service all income levels of the population. This means, first of all, sitting down with the private housing people, learning their problems and their points of view, giving them the benefit of your experience in the low-rent field, and helping them to narrow the gap that now exists between public and private housing. . . . It should be recognized more widely, for example, that slum clearance is a form of cooperation with private enterprise, since it leads usually to a toning-up of the whole neighborhood and an improvement of private values all along the periphery of the project."

Dillon S. Myer, FPHA Commissioner, before National Association of Housing Officials convention, Cleveland, Ohio, October 10, 1946.

**COURTING DISASTER:** "Until those housing requirements are met, you will be subject to constant pressure to exceed sound lending values. If you succumb to that pressure, sore trouble lies in store for you. Obviously production will reduce costs and the prices of existing houses—houses on which you have mortgage loans—will fall. . . . Even if we could assume that higher costs are more or less permanent, we know that in virtually every real estate transaction today there is being paid a premium for possession, and any bank which lends against any part of that premium is courting disaster."

Richard Rapport, Connecticut State Bank Commissioner, before annual convention of the Savings Bank Association of Conn., Manchester, N. H., October 1946.

**WISDOM:** "At the rate we are now going, we will not be able to catch up with our housing needs for 10 years, or until after 1956. . . . Nevertheless, since real estate loans are frequently made for periods of from 10 to 25 years, it is the policy of wisdom to require substantial amortization in the good years ahead, so that loans may be carried safely through any adverse conditions that might prevail in the middle 1950's."

Homer Hoyt, Div. of Research & Statistics, Federal Deposit Insurance Corporation, before Louisiana Bankers Association, October 1946.

**REASONABLE VALUE:** ". . . It would appear that an asking price is within 'reasonable value' when it is moderate in comparison with the current level of replacement costs within the same community or area, allowing, where necessary, for the various factors of depreciation. If it rears its head above that current level, it should not be countenanced with a GI loan. GI loans should not be made the rungs by which the asking price of residential properties can climb to still higher peaks."

T. B. King, Director, Loan Guarantee Service, Veterans Administration, before Board of Governors, National Savings and Loan League, Miami, Fla., Nov. 1, 1946.

## THE BOOKSHELF

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

**HOUSING PRACTICES—WAR AND PREWAR**, A Review of Design and Construction: National Housing Bulletin 5. May 1946. National Housing Agency. 15¢ a copy from the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

**PRINCIPLES OF PLANNING SMALL HOUSES**: Technical Bulletin No. 4 (revised). Federal Housing Administration, August 1946. Single copy 10¢ from Superintendent of Documents, Government Printing Office, Washington 25, D. C.

**MUNICIPAL REGULATION OF TEMPORARY HOUSING AND PREFABRICATED CONSTRUCTION**: By Roy H. Owsley. American Municipal Association, Chicago 37, Ill. 1946. 33 pp. \$1.00.

**WINTER CONSTRUCTION TECHNIQUES**: Construction Methods Division Bulletin No. 4, September 1946. National Housing Agency, Washington 25, D. C.

**THE PACKAGE MORTGAGE—A List of Selected References**: Compiled by Ruth L. Mushabac, Federal Housing Administration Library, Washington 25, D. C.

*Federal Home Loan Bank Review*

# HOME MORTGAGE DEBT AT RECORD LEVEL

After three years of fractional declines during the war years 1942-1944, the outstanding balance of loans on 1- to 4-family nonfarm homes increased almost a half-billion dollars last year. The record-breaking volume of new lending this year will set a new all-time high for this type of private long-term debt.

■ FINAL estimates of the mortgages outstanding on all nonfarm 1- to 4-family homes as of December 31, 1945, revealed a total debt of \$19,991,000,000. This was \$463,000,000 higher than at the end of the previous year, a gain which all but wiped out the net reduction during the three previous years. At the beginning of 1946, the nonfarm home mortgage debt was approximately \$100 million below the prewar peak registered in 1941 and about a billion and a quarter dollars less than the pre-depression high point which was reached in 1930.

The active real estate market and construction of new homes during the current year have combined to make 1946 a year without equal in the history of the home financing industry. Preliminary estimates indicate that the total new loans made on 1- to 4-family homes this year may reach \$8 billion. This is almost 40 percent more than in 1928 which was the highest year during the building boom of the twenties. The continued substantial volume of loan repayments has been more than offset by recent increases in the proportion of owner-occupied homes. The combined result of these various factors should produce a rise in the nonfarm home mortgage debt during the current year of between \$3 and \$4 billion. An increase of this proportion, added to the balance at the beginning of the year, would send the total above the \$23-billion mark for the first time.

## Summary of 1945 operations

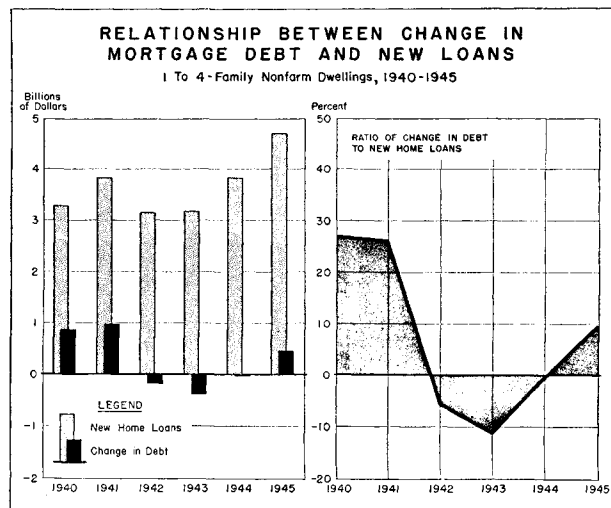
In reviewing the portfolio changes during 1945, savings and loan associations, commercial banks and the miscellaneous classification of "individuals and others" were the only major groups of mortgagees to show an increase in their holdings. Savings and loan association mortgages were up 12 percent, or nearly \$600 million. Commercial bank residential loans rose 7 percent, or about \$165 million; and those held by individual lenders advanced 3 percent, or \$200 million.

Life insurance company investments in this type of security were down \$200 million, or 8 percent; while the portfolio of mutual savings banks shrank only \$40 million which was less than 2 percent. The continued liquidation of the Home Owners' Loan Corporation brought a \$200-million decline in the balance of loans outstanding—more than one-fifth of its holdings at the beginning of the year.

## Distribution of the debt

Changes in the distribution of the total debt among the various types of lenders followed closely the pattern of increases and decreases shown above. The holdings of "individuals and others" continued to account for the largest single share of the total, but the gain during the year was less than 1 percentage point. Savings and loan associations added more than 2 points to their portion, giving them the largest share they have held since 1931.

The portfolio of commercial banks moved fractionally ahead of mutual savings banks. This was the first time this had happened in the 21 years for which this type of information is available. Each of these lenders accounts for about



## Estimated mortgage loans outstanding on 1- to 4-family nonfarm homes

[Dollar amounts are shown in millions]

Type of mortgagee	Amount		Change		Percent of total debt	
	1945	1944	Amount	Per- cent	1945	1944
Savings and loan associations	\$5,376	\$4,799	\$577	12.0	26.9	24.6
Life insurance companies	2,258	2,458	-200	-8.1	11.3	12.6
Mutual savings banks	2,530	2,570	-40	-1.6	12.6	13.2
Commercial banks	2,575	2,410	165	6.8	12.9	12.3
Home Owners' Loan Corp.	852	1,091	-239	-21.9	4.3	5.6
Individuals and others	6,400	6,200	200	3.2	32.0	31.7
Total	19,991	19,528	463	2.4	100.0	100.0

one-eighth of the total home mortgage debt. Life insurance companies held a little over 11 percent of the aggregate—about 1 point less than a year previous.

HOLC's share of the home mortgage debt dropped more than a point, and at the end of 1945 was equal to about \$1 out of every \$25 of the total. This is in sharp contrast to the position of the Corporation 10 years previously when it accounted for \$1 out of every \$6 invested in home mortgages.

### New lending operations

New home mortgage loans made by all types of lenders last year were estimated at \$4,700,000,000, which was the largest annual figure since 1929. Compared with 1944, it represented a gain of \$871,000,000, or almost 23 percent. Only one active lender (insurance companies) reported a smaller volume of new loans in 1945 than in the previous year. New lending by the HOLC, of course, has been restricted since 1935 to loans for reconditioning purposes or in connection with the disposal of acquired properties.

Savings and loan associations accounted for the largest single share of the new home mortgage loans made last year. Their total of \$1,913,000,000, which was just under the previous all-time high established in 1928 by these institutions, equaled two-fifths of the loans of this type made by all lenders. Next in order of relative importance were the advances made by "individuals and others" which aggregated \$1,551,000,000—also a new high for these lenders during the period for which data are available. New loans by commercial banks, amounting to \$840,000,000, earned them third place, with insurance companies, mutual savings banks and the HOLC following in that order.

The largest percentage increase last year (40 percent) was registered by commercial banks with a total new loan volume of \$840,000,000. Both savings and loan associations and mutual savings banks also showed gains of more than 30 percent in the same period.

### A preview of 1946 totals

Mortgage financing activity during the current year has moved forward at such an accelerated pace that there is no doubt that the home mortgage debt has been carried to the highest levels in the country's history. While only meager data are available on all types of lenders for the first half of this year, it is apparent that the gain was unprecedented. The total new home mortgage loans made from January through June are estimated to have been approximately \$4 billion—or more than the *annual totals* for every year since 1930, with the exception of 1945. Despite the high volume of loan repayments, this is believed to have resulted in a net increase of more than \$1,500,000,000 in the home mortgage debt during the six-month period. The significance of this gain is made more evident by the fact that no year since 1929 has witnessed a rise of as much as a billion dollars in the debt figures.

To take some specific examples as "straws in the wind," it is estimated that the mortgage loan portfolios of all savings and loan associations grew by close to a billion dollars in the first six-months of this year—more than in any other *annual* period for which data are available. New loans by these institutions were approximately \$1,773,000,000 in the first six months of 1946, and will exceed \$3 billion by the end of the year.

Real estate loans held by all active banks in the United States (including national banks, state

## Estimated new mortgage loans made on 1- to 4-family nonfarm homes

[Dollar amounts are shown in millions]

Type of mortgagee	Amount		Change		Percent of total lending	
	1945	1944	Amount	Per- cent	1945	1944
Savings and loan associations	\$1,913	\$1,454	\$459	31.6	40.7	38.0
Life insurance companies	209	300	-91	-30.3	4.4	7.8
Mutual savings banks	184	140	44	31.4	3.9	3.7
Commercial banks	840	601	239	39.8	17.9	15.7
Home Owners' Loan Corp.	4	31	-27	-87.1	0.1	0.8
Individuals and others	1,551	1,304	247	18.9	33.0	34.0
Total	4,761	3,830	871	22.7	100.0	100.0

commercial banks, mutual savings banks and private banks) passed the 10-billion dollar mark, an increase of more than \$1,166,000,000 in the first half of the year. This was more than four times the gain shown in this account for all of 1945. While these data compiled by the Comptroller of the Currency include loans on all types of properties, mortgage recording data and other information indicate that a sizable portion of this has been in loans on residential properties.

The Institute of Life Insurance reports that activity of life insurance companies in the mortgage and real estate fields has been materially increased this year. Purchases of mortgages of all types in the first nine months of 1946 were 60 percent higher than in the same period last year and well above prewar levels. New mortgage financing extended by life insurance companies during the first 9 months of this year amounted to \$1,127,000,000, which compares with slightly less than a billion dollars in the full 12 months of last year. Both figures exceed the prewar years of 1941 and 1939.

Certainly one of the most important factors in the current year's activity has been the volume of loans guaranteed or insured by the Veterans Administration. In the first 11 months of this year, the principal amount of loans reported by the Veterans Administration to have been closed and disbursed totaled more than \$2,142,000,000. At the current rate of loan closing, this figure will approach \$2,500,000,000 by the end of the year. These figures, of course, are included in the totals for the various types of lenders, but they do demonstrate the part played by GI loans in today's mortgage activity.

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## Examinations

*(Continued from p. 72)*

here that the staff or at least the department heads should be familiar with the provisions of the association's charter, the state laws and the regulations. Managers sometimes unintentionally delay the examiner by plying him with questions mainly with reference to charter provisions, insurance regulations and interpretation of the state code. The examiner wants to be helpful, but he should be permitted to proceed with the examination with the minimum of delay and interruptions. It is not suggested here, however, that there should be any hesitancy about discussing with him im-

provements in accounting practices and other procedural matters.

It is believed that the adoption of these suggestions will save examination time. Many associations have already put into effect these and other methods, and it is generally agreed that they have thus accomplished far more than merely assisting the examiner to complete his work more rapidly. The examiner is present only a few days each year. The saving of the time of officers and employees by having information more readily available and dependable and the obtaining of other benefits to the association are of paramount importance. As a rule, those changes in routine, in accounting and filing, and in internal proofs and controls that facilitate examinations and audits, will enable the association's staff to do the day-to-day work more accurately and efficiently, will promote harmony within the staff, and will give the officers more time for planning and constructive endeavor.

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## New President Named for FHLB of San Francisco

■ Garritt Van der Ende, city manager of Berkeley, California, has been elected president of the Federal Home Loan Bank of San Francisco, Ben A. Perham, chairman of the board of directors of the Bank, announced on December 10. His unanimous election by the directors of the FHLB of San Francisco has been approved by Commissioner Fahey.

Former executive officer of the Berkeley Guarantee Savings and Loan Association, Mr. Van der Ende was drafted for the city administrative post in 1944. He earlier served as president of the California Savings and Loan League and as vice president of the American Savings and Loan Institute. He is a former president of the Rotary Club of Berkeley, where he has been active in civic affairs for many years.

Mr. Van der Ende began work in 1917 as a messenger for the Bank of Savings in Oakland, and rose to become its manager. In 1926 he went to the Berkeley association as assistant secretary and later was elected secretary and manager.

Mr. Van der Ende will succeed Frank H. Johnson of Portland who is retiring for reasons of health. Mr. Johnson will continue his association with the Bank until Mr. Van der Ende enters upon his new duties.



# THE EVENING TELEGRAM

PAGES TODAY

ROCKY MOUNT, N. C., FRIDAY AFTERNOON, OCTOBER 4, 1946

The Age and

## Wallace, Baruch Renew Squabble In Atom Control

agree. On Dangers But Dispute Cause In Newest Outbreak

JOHN M. HIGHTOWER WASHINGTON, Oct. 4—(AP)—The danger confronts United Nations efforts to set up international atomic control.

Wallace, ousted commerce, blamed the former cabinet member that with a "stubborn approach to negotiating Russia.

U. N. Atomic Energy Commission blamed Wallace for the "errors" which caused confusion in the United States.

Dangerous "errors," Baruch "gravely damaged" negotiations while President Truman's whole controversy between the government and the international community.

Wallace, who seemed to have been "driven" from the secretary of state's office in the declaration that the negotiations have been set in motion.

Unnecessary insistence beyond these, Wallace said, the United States has insisted "unnecessarily" on the great powers giving up their veto over atomic control matters despite the flat refusal to do so.

Wallace argued, has "served as a barrier to the successful negotiations of an international atomic control treaty."

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## City Is Fast Finding Solution For Critical Housing Problems With Building Of 317 Dwellings

CITY HOUSING (Continued from page 1) owners with stoffer it in from

### Report Of The Mayor's Emergency Housing Committee



Rocky Mount, North Carolina  
September 15, 1946

Of 1 Second Take

Legion Session To Close

Handling Of Veterans

### Mayor's Committee Report Shows City Ahead Of Other Towns

By MAUD BATTLE

With a carefully planned effort by city and civic officials to ease the critical housing shortage and the starting of 317 new, permanent dwelling units in the past nine months, Rocky Mount is far out ahead of other communities in the southeast in solving her housing problems.

Despite the fact that a shortage of living accommodations still exist here, the remarkable progress made in the city—since the first of January is revealed in a report of the mayor's emergency housing committee, headed by Henry Gregory, Jr., which shows that executives of the various housing branches of the federal government have looked to the Rocky Mount program as a model. The committee report shows that from January 18 through the 30 there were 216 registrations representing 577 people for accommodations in the city. A total of 438 persons were placed; 193 persons moved away and 39 persons either bought or built.

In addition to working on the immediate housing problems, the committee has viewed the situation in the long-range plan. It has recommended that the city building code be updated and that its wise not be weakened under circumstances because of demands. It also recommends that as soon as available, provisions of acquiring proper maintenance offered for rent.

The committee named a committee, approved by J. R. Bennett, of this year to study the housing situation and suggestions for improvement.

The committee is headed by M. J. Haggerty, J. R. L. Sides, and R. L. Thorpe, Jr., of the Chamber of Commerce, W. W. Shaw, current chairman of Rocky Mount's postwar planning committee, City Manager L. B. Aycock and Mayor Bennett.

Out of meetings with builders, lenders, realtors, building supply companies, material manufacturers, representatives of civic groups and other persons interested in housing, the committee evolved a 12-point program which was immediately put into effect. Included

## Chief Executive And Cabinet Parley On Demand Expected Exceed Supply 1948; Gloomy Outlook

WASHINGTON, Oct. 4—(AP)—President Truman met his cabinet for 45 minutes to discuss the meat shortage.

Secretary of Agriculture, Charles Brannan, asked if he agreed with President Truman's statement that the meat shortage would be worse this winter, replied that he had not an opportunity to read the statement.

Economists in Anderson's report predicted that meat supplies will be up with demand before the end of the year.

That doubly discouraged cast for meat-hungry consumers as the price decontrol program is suspended at least until a third decision on the ceiling prices for milk and dairy products, now free.

Anderson was asked for any comment on a statement by Spence (D-Ky.) that the government might take remedial action to ease the shortage.

Anderson said he had no comment on what Spence said.

When reporters asked what the government might do, Anderson said he had no suggestions to make.

The secretary said it would be difficult to work out a "framework of policy" for the meat situation.

He said, however, he is hopeful that some work would be done since "there is a fairly good supply of meat in the world."

The Agriculture Department and the Bureau of Economics expect demand for meat to slacken some 12 or 15 percent by late 1947 or early 1948.

Furthermore, the agriculture department expects the demand for meat to decline as consumers shift to non-food items as automobiles, washing machines, refrigerators, and clothing.

Low Output Seen The bureau said meat production during the remainder of the year will be "relatively low," reflecting the marketing of hogs in July and August, when no price controls, and marketing of livestock

# HOW ROCKY MOUNT SOLVED ITS HOUSING PROBLEM

Community participation in solving the problem of veterans' housing has received wide acclaim as being the ultimate answer. This article, based on reports of the Mayor's Emergency Housing Committee of Rocky Mount, North Carolina, tells the story of how it actually worked in that city.

■ THE Mayor's Emergency Housing Committee of Rocky Mount, North Carolina, has worked itself out of a job, odd as that sounds in these days when housing is still a number-one domestic problem. This does not mean that no shortage of living accommodations now exists there. But in less than a year's time, community action channeled through this Committee, got the city over the hump of the crisis and headed toward normal operations. In rendering its final report after nine months of activity, the Committee states: "It is our definite opinion that the dwellings now under construction will furnish adequate houses to take care of our critical demand and that sufficient momentum has been set in motion to carry on our building program to such a point that a normal housing supply should be available by late spring or early summer of 1947 . . .

"We know of nothing further the Committee can do in connection with the program except to be a clearing house for Government officials and local builders, lenders, etc., and in that capacity we shall be glad to continue to function."

The accompanying "box score", contained in the report covering activity from January through June, gives a statistical accounting of the problem faced and the results achieved through the housing registration bureau. As to the actual construction record in Rocky Mount this year, a supplementary report issued by the Chairman of the Committee on November 1 to keep the community up to date on continued progress shows 352 units started and 152 completed in 10 months. At the rate then current, it seemed apparent that 200 new units would be completed and ready for occupancy by the first of next year with an additional 200 under construction or nearing completion. This means that Rocky Mount, a city of approximately 29,000, will have provided a new home for about every 70 people. While an effort has been made to provide sufficient dwellings for the minor-

ity group, only 44 of the units so far finished were for negro residents, more because of inability to locate suitable land with public utilities than on account of high costs.

Since this construction program consists entirely of privately financed, permanent dwellings, the role of savings and loan associations is of particular interest. Rocky Mount has four such associations which, according to the Mayor's Committee, have long furnished the bulk of home mortgage credit in the community. Since the inception of the local housing program these institutions have financed 90 percent of the new housing and have been active cooperators in all phases of the community undertaking.

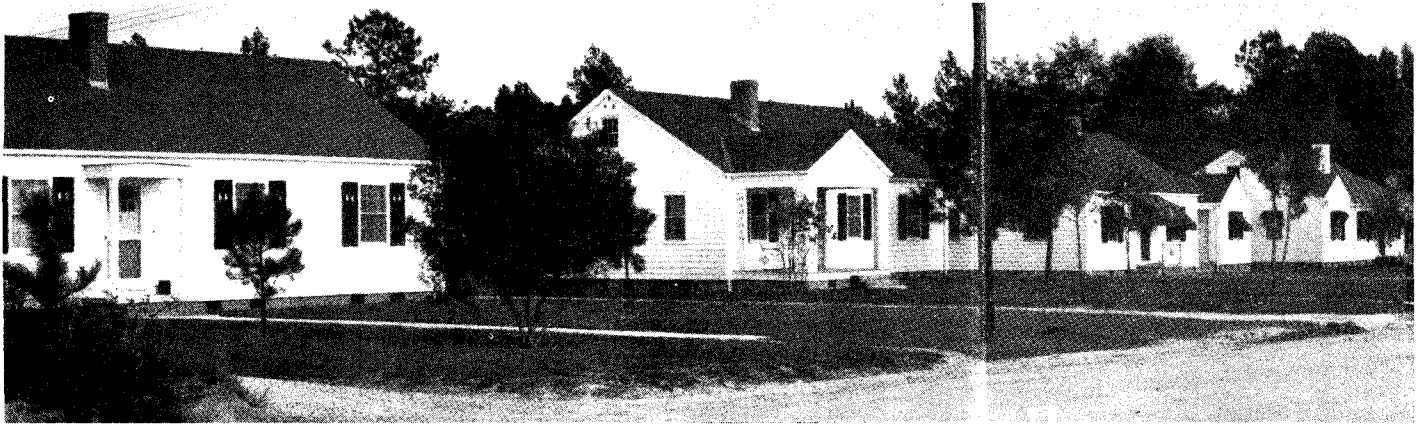
## The first steps

All this did not just happen. As told in the September report of the Mayor's Committee, submitted as that group was going out of active business, it is apparent that the accomplishments were the result of careful advance planning, dynamic leadership and the concerted effort of all citizens.

### Emergency Housing Committee

#### Report of Operations January 18-June 30, 1946

Number of registrations for accommodations..	216
Number of registrations by families.....	158
Number of registrations by single people.....	58
These 216 registrations represent 577 people.	
Number of persons placed.....	438
Number of persons moved away.....	82
Number of persons who have bought or built..	39
Number of persons to be placed.....	18
Total.....	577



Reflecting local recognition of the approaching housing crisis, in January of this year the Chamber of Commerce promoted a meeting of the builders, lenders, realtors, building supply companies, material manufacturers, representatives of civic groups and others interested in housing. At this meeting a comprehensive program was drawn up and a committee appointed to set up the machinery for carrying out the program. In its early start, as well as because of the program developed, the Rocky Mount Emergency Housing Committee was a forerunner of the national Veterans Emergency Housing Program. As a pioneer group it has been a center of information and interest in that region.

In this city, as in so many others, members of the savings and loan industry were called upon to provide leadership. The chairman and two others of the six active members of the Committee appointed by the mayor were savings and loan executives. Realtors, contractors and building supply officials made up the remaining active members. Representing the public interest were four ex-officio members—the mayor, the city manager, the president of the Chamber of Commerce and the chairman of the Rocky Mount Postwar Planning Committee. This same group was later appointed to serve as the Mayor's Emergency Housing Committee when the National Housing Agency began its program later in the year.

The cornerstone of the entire undertaking was the recognition that the public was entitled to a positive housing program. The other 11 points were concrete suggestions for accomplishing this end. At the outset, the Committee employed a temporary secretary, paid from the advertising fund of the Chamber of Commerce which is supplied by the city. He acted as a clearing house

for all veterans housing programs. By the end of June this expediter had completed his part of the job and turned over to the Chamber of Commerce the responsibility of handling the few applications that still come in.

### **Preliminary action**

In order to get a line on what the problem actually was, a housing survey was immediately undertaken. From information made available, it was the consensus of the Committee that, barring an upset such as a large industry moving into the community, approximately 500 homes would be needed to create a normal supply and beyond that ordinary construction and demand would take care of the situation.

Supplementing this survey, an inventory was taken of actual construction planned within the next 12 months. On the basis of this, the Committee was satisfied that the critical needs would be met.

However, people desperately in need of housing couldn't wait till the necessary construction program could get rolling. As a stop-gap measure, every effort was exhausted to make available rooms in existing dwellings. Appeals were made through civic clubs, churches and business firms and speakers appeared before club meetings. With the cooperation of radio and newspaper officials, the Junior Chamber of Commerce put on a radio program and a newspaper advertising campaign was financed by such interested groups as lenders, realtors and building supply dealers.

Another temporary expedient that had been recommended by the original civic meeting was the provision of an adequate trailer site equipped with the necessary utilities. A comprehensive study of the suggestion convinced the Committee

that the cost of such a project would not be justified even by its worth as an emergency measure. The proposal was abandoned, as was the plan to make use of any temporary or public housing. It was decided to concentrate every effort and to channel all materials into a privately financed, permanent housing program.

### Permanent construction program

Chief reliance was placed, and it turned out justly so, on complete cooperation among all related housing groups, including cooperation with Government agencies to stimulate production and allocation of adequate building supplies. Many of the materials problems that have beset the rest of the country were, of course, felt in Rocky Mount, but the Committee Report stated: “. . . our building supply companies have done everything humanly possible to make available the materials necessary to do this job, and in no instance has any builder intimated that any local supply company has demanded, directly or indirectly, black market prices.”

Attacking the problem also from the local production standpoint, labor and builders were discouraged from seeking work elsewhere and were assured of full employment in the community. Since more labor was actually needed in these lines, cooperative effort was made to assist in recruiting employees for building supply companies, lumber mills, brick manufacturers and related lines in an effort to achieve maximum output. Through the assistance of the local Veterans Administration and the Employment Service, a veterans' training program was set up in several industries.

Another angle of approach to increase available “makings” of homes was an appeal to landowners with standing timber to offer it for sale on the

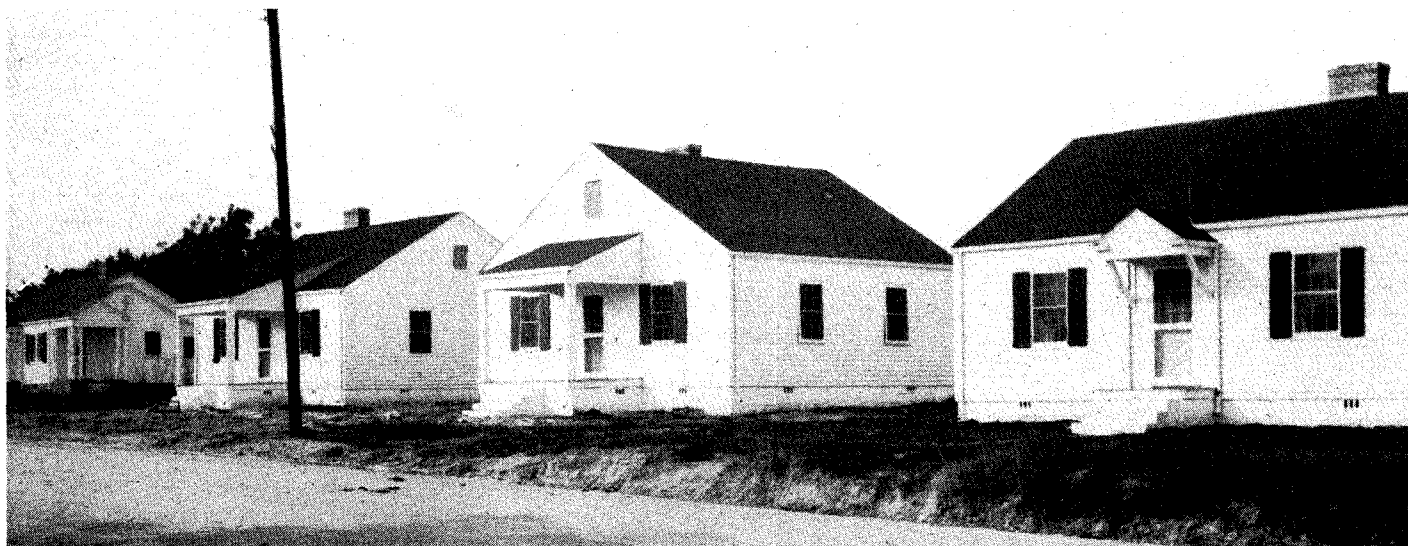
current market; owners of vacant lots were urged to put them up for sale at as reasonable prices as possible. Furthermore, the Mayor's Committee conducted an extensive campaign to make all citizens conscious of CPA building regulations with the result that few applications were made, and none approved, for construction that did not further the veterans program. The public support thus mobilized went a long way toward conserving scarce material for use in much needed homes.

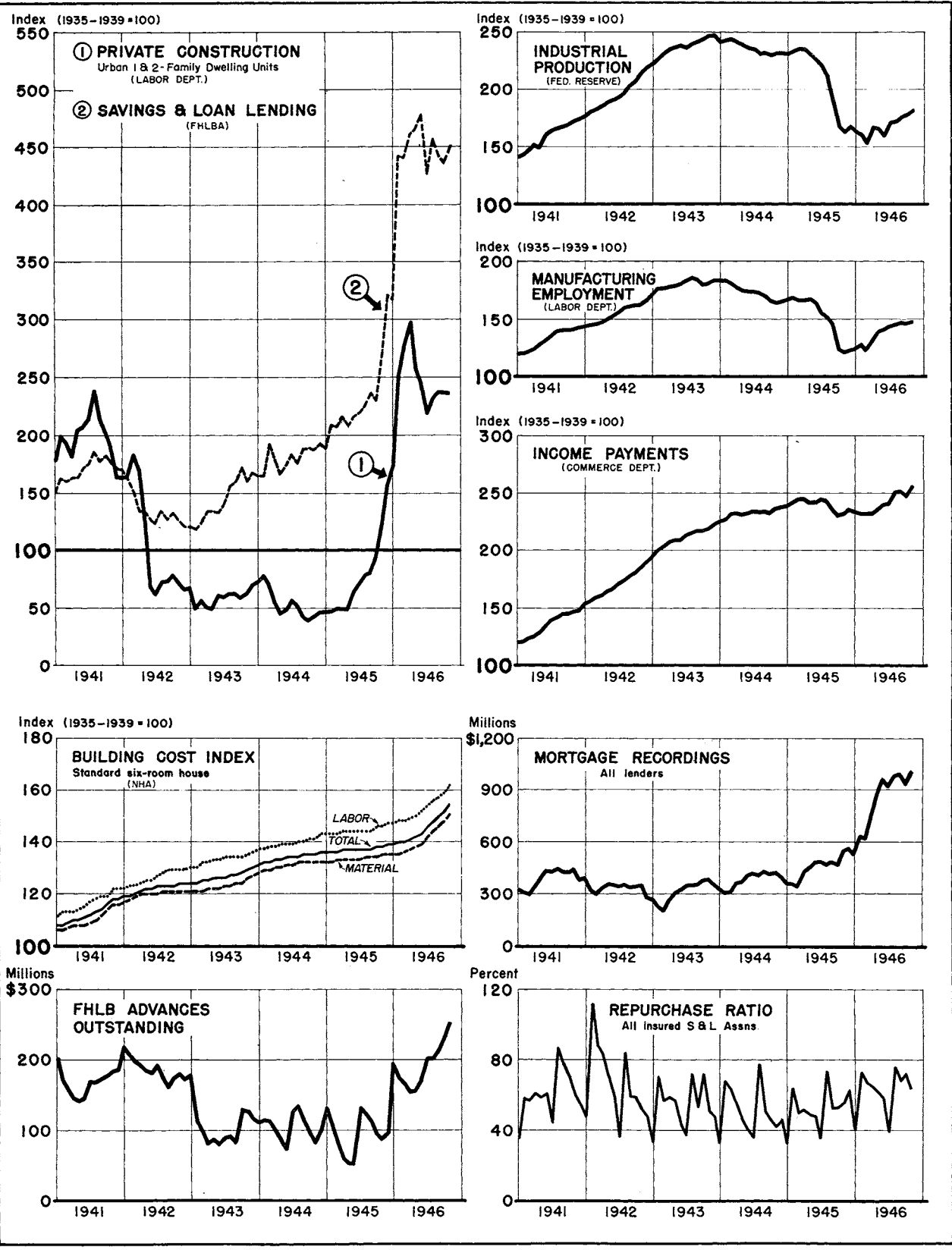
### Attention to building codes

That the effort to solve an emergency problem did not result in jerry building has been due, according to the Committee, to a good building code realistically adjusted to necessities of the supply situation, but still enforced. In addition to this, Federal and local government inspectors were on the job, as were the savings and loan associations that handled the bulk of the financing, all insisting on as good construction as conditions permitted. As a result, the Report states: “The Committee found that, except for a few isolated cases, the housing units completed and those now under construction are well built. . . . The greatest amount will be a credit to the community for years to come.”

In addition to urging the continued enforcement of the code in connection with new construction, its importance as a tool for correcting and forestalling slum hazards was recognized by the Committee. The recommendation was made that, as soon as materials become available, strict compliance be demanded with provisions requiring proper maintenance in units offered for rent. “The City of Rocky Mount was well on its way toward enforcement of this part of the code

*(Continued on p. 89)*





**Production showed further increases in October**

The total output of American industry during October was slightly higher than in September, and at record peacetime levels. The Federal Reserve Board's index of industrial production advanced 2 more points to reach 182 percent of the 1935-1939 average. Both durable and non-durable goods were produced at the highest rate for any month to date this year. The same trends were evident in November until the coal strike forced a gradual shutdown of vital elements of the economy.

Consumer incomes have held near peak levels. Income payments to individuals during September were down slightly from the August record (\$168 billion on an annual basis) but developments in October and the first part of November point to new increases in consumer incomes, particularly for farmers. Important, however, is the fact that the *real* incomes of consumers are somewhat below last year. The increase over the past year (7 percent) in consumer income has not kept pace with the rise in consumer prices (14 percent through September).

Department store sales, which usually increase from September to October, showed little change this year. Consequently, the Federal Reserve seasonally adjusted index dropped to 258 percent of the 1935-1939 average compared with 269 for September and the all-time peak of 290 which was reached in August.

Inventories in department stores set a new high in October; and the general inventory picture failed to show any signs of reversing the recent trend of accumulating stocks. The Department of Commerce reports that the aggregate value of business inventories at the end of September

exceeded \$32 billion—an increase of \$3 billion during the third quarter, even after allowance for seasonal influences. Minimizing the import of these high inventories is the fact that they are low in relation to the volume of business being transacted. Inventory-sales ratios are still below pre-war levels.

Employment conditions were relatively unchanged during October. A seasonal decline in agricultural employment was offset by a rise in non-agricultural workers, leaving the total at about 57,400,000. Estimates of the number of unemployed workers dropped below 2,000,000 for the first time since January.

**Substantial gains in building materials output**

With few exceptions, the Civilian Production Administration reports "spectacular" gains in the production of critical building materials during October. New all-time highs were established in the production of such plumbing fixtures as sinks, water closet bowls and lavatories; and in gypsum board and lath; warm air furnaces; and water heaters. New postwar records were reached in bricks, structural tile, clay sewer pipe, hardwood flooring, softwood plywood, cast iron soil pipe, cast iron and convactor radiation, and nail production.

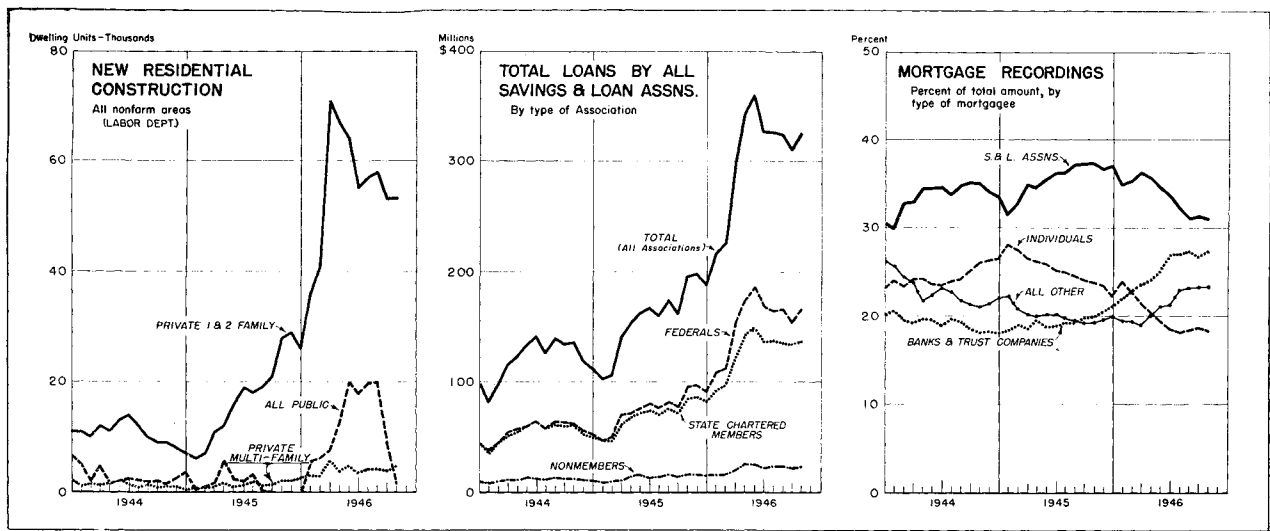
CPA indicates that the record output in the third quarter has gone a long way toward reducing severe shortages in many items. Brick, concrete block, cement, hot water heaters, warm air furnaces and floor and wall furnaces appear to be in the best supply-requirements relationship. The worst such balance is presently found in cast iron soil pipe, bathtubs, lavatories, water closet bowls and insect screen cloth.

**Private housing permits slightly higher in October**

There was a slight increase in the number of privately financed building permits from September to October, but the total during the latter month is still well under the peaks reached in the spring of this year. The total of 58,000 units was almost double the volume in October 1945, and 14 percent above the same 1941 month.

Index [1935-1939=100]	Oct. 1946	Sept. 1946	Percent change	Oct. 1945	Percent change
Home construction (private) <sup>1</sup> .....	222.6	225.3	-1.2	123.9	+79.7
Building material prices.....	150.5	149.4	+0.7	132.1	+13.9
Savings and loan lending <sup>1</sup> .....	450.1	435.9	+3.3	271.0	+66.1
Industrial production <sup>1</sup> .....	182.0	180.0	+1.1	162.0	+12.3
Manufacturing employment <sup>1</sup> .....	146.7	146.2	+0.3	127.4	+15.1
Income payments <sup>1</sup> .....	256.1	246.6	+3.9	231.4	+10.7

<sup>1</sup> Revised.  
<sup>1</sup> Adjusted for normal seasonal variation.



Nearly 595,000 building permits were issued for privately financed residential units during the first 10 months of 1946—or about four times the number of such permits filed during the corresponding interval of 1945. Detached homes accounted for nearly 9 out of every 10 new privately financed dwellings, a ratio very close to that shown in 1945 and 1941, but somewhat higher than that shown during the intervening war years. [TABLES 1 and 2.]

### Building costs showed further advances

The NHA price index of constructing a standard six-room frame house rose in October by 1.5 percent bringing the national index to 154.2 (1935-1939=100). The material and labor components of the index increased to 150.5 and 161.6, respectively. Material prices maintained the 1.5-percent rate of increase shown in September. Labor evidenced a 1.4-percent gain during October, a slightly higher rise than in the prior month.

Prices and wage rate changes reflected in the index were derived from October 15 quotations and were primarily the result of increases granted by OPA and WAB. They do not measure the effect of price decontrol on November 9.

The paint and paint materials group was the only component of the Bureau of Labor Statistics index of wholesale building materials prices to show a significant increase in October, rising 2 percent above the September level. Gains for all other commodity groups were less than 1 percent. The composite index was up 0.7 percent during the

month, bringing this series to 150.5 percent of the 1935-1939 base period. These data also do not reflect any changes resulting from the decontrol order. [TABLES 3, 4 and 5.]

### Savings and loan lending passed \$3-billion mark

Over \$3 billion in new mortgage loans have been made by savings and loan associations in the first 10 months of this year, an amount half again as great as during the full year 1945, and more than double any previous annual total since 1929.

This substantial expansion in mortgage activity, while induced by the postwar revival of building activity and by increased turnover of existing properties, has been accentuated by rising prices for both new and existing homes. As may be observed through a study of mortgage recording statistics, however, the rise in financing activity during 1946 has been much greater for other types of banking institutions than for savings and loan associations.

Analyzing monthly changes in new mortgage lending activity for savings and loan associations, October loans amounting to \$326 million were 5

### New mortgage loans distributed by purpose

[Dollar amounts are shown in thousands]

Purpose	October 1946	September 1945	Percent change	October 1945	Percent change
Construction	\$60,931	\$55,354	+10.1	\$23,985	+154.0
Home purchase	207,139	198,842	+4.2	135,224	+53.2
Refinancing	24,376	21,546	+13.1	18,751	+30.0
Reconditioning	9,061	8,027	+12.9	4,857	+86.6
Other purposes	24,692	26,022	-5.1	13,562	+82.1
Total	326,199	309,791	+5.3	196,379	+66.1

percent above September and within 10 percent of the postwar peak reached in May. After allowance for the fact that lending in the autumn months is normally somewhat below that recorded in the spring of the year, the current rise has brought the total nearly in line with the previous high level.

New loans in October were 66 percent in excess of the total for October 1945, with loans for the construction of homes showing by far the greatest gain—154 percent. All other classes of loans shared in the increase, the rises ranging from 30 percent for refinancing to 87 percent for reconditioning of homes. [TABLES 6 and 7.]

### Real estate financing in October exceeded \$1 billion

October was the first "billion-dollar month" on record for the financing of mortgages of \$20,000 or under. The \$1,007,000,000 estimated for the current month was 8 percent higher than in September, and nearly double the volume for October 1945.

The sustained volume of mortgage recordings, which has exceeded \$900 million for each month since April of this year, has carried the cumulative total for the year to date in excess of \$8.7 billion. It appears that, for the year as a whole, more than \$10.5 billion of mortgages of \$20,000 or less will be placed on record. This annual total will be about 90 percent higher than in 1945 when the volume was approximately \$5.6 billion.

Savings and loan associations continue to record the largest proportion of mortgages of \$20,000

### Mortgage recordings by type of mortgagee

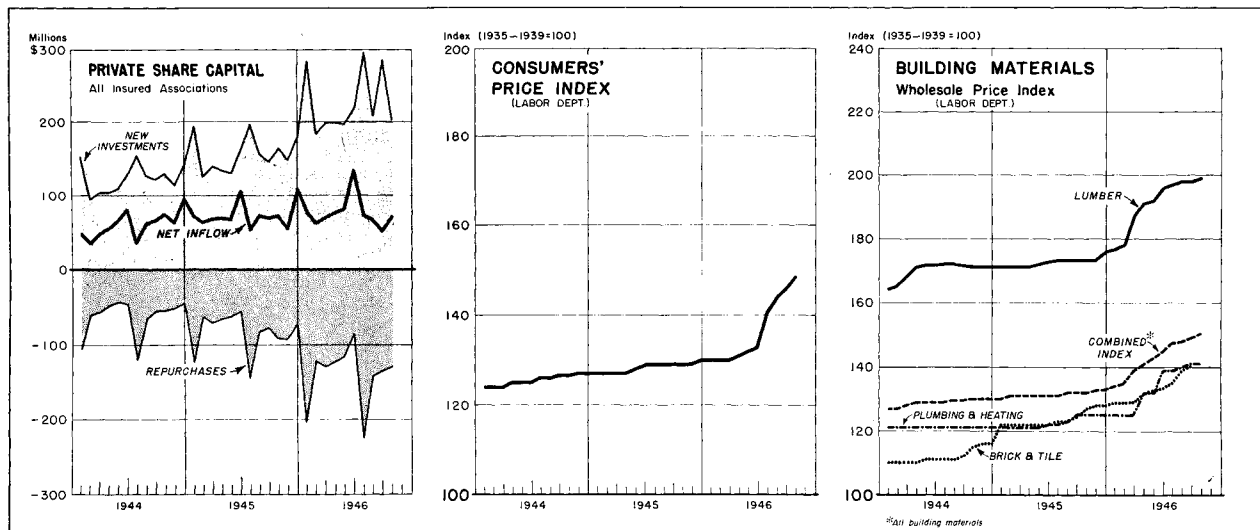
[Dollar amounts are shown in thousands]

Type of lender	October		Cumulative	
	1946 amount	Percent change from 1945	1946 (10 months)	Percent of total
Savings and loan associations.....	\$312,055	+80.1	\$2,900,442	33.3
Insurance companies.....	48,429	+94.4	387,325	4.5
Banks, trust companies.....	275,769	+156.7	2,222,441	25.5
Mutual savings banks.....	57,971	+168.2	451,702	5.2
Individuals.....	184,511	+48.3	1,711,536	19.7
Others.....	127,946	+91.5	1,030,492	11.8
Total.....	1,006,681	+91.9	8,703,938	100.0

or less, although both commercial banks and mutual savings banks have shown substantial gains during recent periods. During the first 10 months of 1946, savings and loan associations financed about one-third of all such mortgages compared with 26 percent for commercial banks and 5 percent for mutual savings banks. The size of mortgage instruments recorded during the January–October period averaged \$4,169, compared with \$3,401 in the same 1945 period. [TABLES 8 and 9.]

### FHLB advances passed the quarter-billion dollar mark

Continuing their upward movement, FHLB advances outstanding at the end of October exceeded a quarter of a billion dollars for a new record. Increased balances in every Bank District, except for a fractional decline in Cincinnati, brought the month-end total to \$252,518,000. This was almost three times greater than the advances outstanding a year ago and nearly





\$18 million more than the September 30, 1946, figure.

New advances made during October by the 11 FHL Banks aggregated \$32,720,000—slightly above those of the preceding month. The increased lending activity, however, was confined to five Districts—Boston, Indianapolis, Chicago, Des Moines and San Francisco. The total October advances this year, almost five times as high as in the same 1945 interval, represented the peak volume for any October in the System's 14 years of operation.

October repayments by borrowing members of the Bank System totaled \$14,969,000, or over \$2 million more than the September aggregate but almost one-fourth less than the October 1945 repayments. Seven of the eleven Banks received larger repayments during October 1946 than in the preceding month, with only Boston, Indianapolis, Des Moines and San Francisco experiencing slight declines in such receipts.

Total assets of all the FHL Banks at the end of October were up to \$423,828,000 compared with \$398,337,000 on September 30 and \$341,445,000 on October 31, 1945. This gain in assets partially reflected the issuance on October 15 of \$140,000,000 in consolidated bonds which were used to retire \$102,000,000 in outstanding debentures of the Banks and to make available additional credit to member institutions of the FHLB System. The new bonds, which will mature on April 15, 1948, are a non-callable, 1¼-percent series. [TABLE 12.]

### **Insured associations showed continued growth this year**

At the end of October, 2,496 associations were insured by the Federal Savings and Loan Insurance Corporation, representing a net decline of 1 during the month with an increase of 21 since the first of this year. The total resources of these institutions in October continued the steady growth which has characterized their operations, increasing 1.5 percent during the month to \$7,114,000,000. Since the first of the year, their aggregate resources have risen almost \$1 billion. This is \$181 million more than was registered during the first 10 months of last year.

New mortgage lending by insured associations, which had been declining very gradually from the record level reached last May, rose 6 percent in October to \$255 million, bringing the new lending

total for the first 10 months of this year to \$2.4 billion, an increase of 108 percent over the volume of new loans made during the January-October period of last year. This rise in the demand for home mortgage credit has been accompanied by a sharp increase in the mortgage holdings of these institutions, some liquidation of U. S. Government bond portfolios and larger borrowings from the Federal Home Loan Banks. [TABLE 13.]

### **Substantial increase shown in net inflow of funds**

Following declines in August and September, the net inflow of savings funds into savings and loan associations showed a substantial recovery during October. Compared with the two-year low of \$60 million reached in September, growth in the share capital accounts of these institutions approximated \$88 million in October, an increase of 47 percent. Although exceeded in four of the first nine months of this year, the net inflow of savings funds during the reporting month was greater than in the same month last year. During both August and September, share capital growth fell short of that registered during the same 1945 months.

The rise in net savings receipts during October resulted from an increase in the volume of new share investments and a decline in withdrawals, a divergent movement which served to reduce the withdrawal ratio to 65 percent from 74 percent in September. A year earlier, withdrawals were equal to 59 percent of new investments.

Statistics for the first 10 months of 1946 clearly indicate an all-time record year for growth in the share capital accounts of savings and loan associations. On the basis of the \$906-million growth registered during the January-October period, it is estimated that the full year will see net additions to share capital accounts of close to \$1,135,000,000 which, compared with the gain recorded during 1945, will represent an increase of about \$75 million, or 7 percent.

Viewed in the light of the U. S. Department of Commerce estimates that the annual rate of savings of individuals has dropped sharply from last year's high level, the experience of savings and loan associations in increasing the net inflow of savings funds in 1946 is impressive. However, the gain in share capital accounts will fall far short of the increase in mortgage portfolios estimated at about \$2 billion. [TABLE 14.]



# DIRECTORY CHANGES



October 1946  
Key to changes

- \*Admission to membership in Bank System
- \*\*Termination of membership in Bank System
- ##Federal charter canceled
- ∅Insurance certificate granted
- ∅∅Insurance certificate canceled

## WINSTON-SALEM DISTRICT

### NORTH CAROLINA:

Kernersville:  
\*\*Kernersville Building and Loan Association, W. Mountain St.

### VIRGINIA:

South Boston:  
\*\*\*∅∅First Federal Savings and Loan Association of South Boston, John Randolph Hotel Building.

## INDIANAPOLIS DISTRICT

### INDIANA:

East Chicago:  
\*\*∅∅Industrial Savings and Loan Association of Indiana Harbor Chicago and Kennedy Aves.

## CHICAGO DISTRICT

### ILLINOIS:

Galva:  
∅Galva Homestead and Loan Association, 318 Main St.

## LITTLE ROCK DISTRICT

### MISSISSIPPI:

Corinth:  
\*\*First Federal Savings and Loan Association of Corinth, Fillmore and Waldron Sts.

### TEXAS:

Dallas:  
∅Oak Cliff Savings and Loan Association, 219 S. Adams St.

## Rocky Mount

(Continued from p. 83)

when war restrictions caused its abandonment. Resumption at the proper time is strongly recommended."

### Price range

The price range of new construction in this community has stayed well under the national maximums, the report of the Mayor's Committee revealed. A vast majority of the new houses have been offered for sale to veterans for amounts ranging from \$4,500 to \$7,000, with higher priced dwellings very much in the minority. While it was recognized that the cost of housing in Rocky Mount is not high in comparison with nationwide prices, the Committee expressed concern lest the current excessive demand, if not held to an absolute minimum, might price the construction industry out of business and defeat the housing program.

Tying together the whole problem of quantity and quality production, the final report of the

December 1946

Committee wound up with the statement: "Every veteran needing a home should have a home; but every veteran who can stay in his present accommodations should be encouraged to do so for the time being. The reservoir of credit available under the GI Bill of Rights can be used by veterans for the next ten years, and every veteran who can wait should be encouraged to wait and not build until supplies can be obtained in an orderly fashion. Every effort is being made by all interested parties to see that good housing is built in Rocky Mount; and that is being accomplished. An orderly building program will guarantee good dwellings and will stop rising costs in construction . . . however, if the demand for housing continues, it is obvious that sooner or later, cost of housing will become prohibitive."

## Proposed Amendments

### FHLBA Bulletin No. 80

Proposed amendment to Rules and Regulations for the Federal Savings and Loan System relating to collection and payment of sales commissions.

(Proposed December 11, 1946; published in *The Federal Register* December 14, 1946.)

Proposal has been made by the FHLB Administration to add the following new Section 203.22:

Sec. 203.22. Sales Commissions on Shares.  
No sales commission shall be paid by any Federal association to any of its officers or directors for the sale of its shares.

### FSLIC Bulletin No. 35

Proposed amendment to Rules and Regulations for Insurance of Accounts relating to collection and payment of sales commissions.

(Proposed December 20, 1946; published in *The Federal Register* December 25, 1946.)

The Federal Savings and Loan Insurance Corporation has proposed to amend paragraph (d) of Section 301.7 by adding the following sentence:

No sales commissions shall be paid by any insured institution to any of its officers or directors for the sale of a withdrawable or repurchasable share, investment certificate, or deposit account issued by such institution.

Bulletin No. 36 supersedes a similar amendment proposed in Bulletin No. 35, published in *The Federal Register* on December 14.

The Bulletins shown above will not be approved until at least 30 days after publication in *The Federal Register*.

**Table 1.—BUILDING ACTIVITY—Estimated number of new family dwelling units provided in all urban areas in October 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		
	Oct. 1946 <sup>p</sup>	Sept. 1946 <sup>r</sup>	Oct. 1945	1- and 2-family dwellings			3- and more-family dwellings			Oct. 1946 <sup>p</sup>	Sept. 1946 <sup>r</sup>	Oct. 1945
				Oct. 1946 <sup>p</sup>	Sept. 1946 <sup>r</sup>	Oct. 1945	Oct. 1946 <sup>p</sup>	Sept. 1946 <sup>r</sup>	Oct. 1945			
UNITED STATES	37,113	43,087	19,496	31,330	31,385	17,439	4,469	3,659	2,057	1,314	8,043	
Boston	1,963	1,336	590	1,348	1,336	578	615		12			
Connecticut	216	228	115	212	228	103	4		12			
Maine	42	65	31	42	65	31						
Massachusetts	1,274	701	314	663	701	314	611					
New Hampshire	74	65	25	74	65	25						
Rhode Island	337	258	88	337	258	88						
Vermont	20	19	17	20	19	17						
New York	4,224	4,200	1,561	1,767	2,864	998	1,171	1,310	563	1,286	26	
New Jersey	1,197	1,507	312	708	1,214	293	489	293	19			
New York	3,027	2,693	1,249	1,059	1,650	705	682	1,017	544	1,286	26	
Pittsburgh	1,955	1,517	887	1,907	1,227	833	48	260	54		30	
Delaware	38	44	22	38	44	19			3			
Pennsylvania	1,688	1,209	748	1,655	974	701	33	235	47			
West Virginia	229	264	117	214	209	113	15	25	4		30	
Winston-Salem	5,161	5,848	3,135	4,588	4,404	2,899	573	463	236		981	
Alabama	722	721	409	722	675	405		8	4		38	
District of Columbia	297	150	186	59	147		238	3	46			
Florida	1,550	1,499	1,083	1,409	1,312	948	141	187	135			
Georgia	445	651	305	441	567	305	4				80	
Maryland	460	465	385	460	382	377		83	8			
North Carolina	779	769	271	775	649	252	4	48	19		72	
South Carolina	130	440	104	130	148	104					292	
Virginia	778	1,153	392	592	524	368	186	130	24		499	
Cincinnati	2,961	3,482	1,396	2,543	2,295	1,316	418	186	80		1,001	
Kentucky	238	272	97	214	246	93	24		4		26	
Ohio	2,173	2,126	893	1,783	1,486	821	390	166	72		474	
Tennessee	550	1,084	406	546	563	402	4	20	4		501	
Indianapolis	2,451	2,602	1,397	2,414	2,379	1,368	37	18	29		205	
Indiana	937	869	353	917	781	349	20	8	4		80	
Michigan	1,514	1,733	1,044	1,497	1,598	1,019	17	10	25		125	
Chicago	2,277	2,724	1,504	2,140	1,822	1,357	109	134	147	28	768	
Illinois	1,522	1,770	980	1,408	1,325	868	86	52	112	28	393	
Wisconsin	755	954	524	732	497	489	23	82	35		375	
Des Moines	1,632	4,163	1,147	1,576	1,973	1,080	56	184	67		2,006	
Iowa	411	601	229	407	491	225	4	12	4		98	
Minnesota	564	1,315	541	561	767	541	3	24			524	
Missouri	471	1,924	235	426	480	215	45	60	20		1,384	
North Dakota	76	87	93	72	87	50	4		43			
South Dakota	110	236	49	110	148	49		88				
Little Rock	4,813	6,615	2,598	4,321	4,720	2,499	492	277	99		1,618	
Arkansas	206	206	168	202	206	149	4		19			
Louisiana	449	762	217	445	428	211	4	36	6		298	
Mississippi	267	444	250	263	325	246	4		4		119	
New Mexico	154	268	73	154	217	73					51	
Texas	3,737	4,935	1,890	3,257	3,544	1,820	480	241	70		1,150	
Topeka	1,585	2,472	728	1,470	1,471	680	115	41	48		960	
Colorado	516	785	272	464	397	239	52	17	33		371	
Kansas	358	693	150	334	392	140	24	4	10		297	
Nebraska	235	309	83	223	265	78	12	20	5		24	
Oklahoma	476	685	223	449	417	223	27				268	
San Francisco	8,091	8,128	4,553	7,256	6,894	3,831	835	786	722		448	
Arizona	126	135	205	112	93	173	14	12	32		30	
California	6,498	6,128	3,671	5,722	5,128	3,018	776	712	653		288	
Idaho	175	196	35	175	181	35		15				
Montana	110	116	27	102	86	27	8	10			20	
Nevada	45	62	29	45	62	24			5			
Oregon	366	438	214	349	350	185	17	10	29		78	
Utah	179	331	102	179	307	102		24				
Washington	537	694	245	525	662	242	12		3		32	
Wyoming	55	28	25	47	25	25	8	3				

<sup>p</sup> Preliminary.

<sup>r</sup> Revised.

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

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

Period	Number of family dwelling units provided						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	
<b>Nonfarm</b>												
1941: January-October	635,772	547,683	471,843	25,276	50,564	88,089	\$2,226,562	\$1,932,402	\$1,731,959	\$61,804	\$138,639	\$294,160
October	56,179	50,972	44,992	2,456	3,524	5,207	200,440	181,559	165,745	6,253	9,561	18,881
1945: January-October	185,000	168,657	149,247	7,394	12,016	16,343	636,138	591,915	528,218	24,405	39,292	44,223
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	29,190	29,190	25,116	1,426	2,558	—	127,065	127,065	112,467	4,912	9,686	—
1946: January-October	714,300	594,937	532,141	22,608	40,188	119,363	2,934,686	2,598,472	2,355,607	93,309	149,556	336,214
January	44,800	39,111	34,782	1,395	2,934	5,689	176,285	162,304	147,800	5,222	9,282	13,981
February	49,500	43,342	38,689	1,889	2,764	6,158	201,703	185,049	169,037	6,969	9,043	16,654
March	84,500	77,002	68,461	2,783	5,758	7,498	371,091	352,956	316,924	12,098	23,934	18,135
April	82,900	70,478	64,182	2,671	3,625	12,422	340,614	310,848	286,437	10,991	13,420	29,766
May	88,700	68,758	60,549	3,417	4,792	19,942	347,584	296,138	265,321	13,754	17,063	51,446
June	76,100	58,340	52,712	2,264	3,364	17,760	310,705	255,786	231,938	9,531	14,317	54,919
July	80,400	60,586	45,462	2,027	4,097	19,814	316,379	256,822	235,336	8,217	13,269	59,557
August	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	65,800	57,044	50,945	2,160	3,939	8,756	267,946	247,263	224,140	9,290	13,633	20,683
October	59,500	58,186	51,428	1,939	4,819	1,314	267,305	258,805	232,423	8,223	18,159	8,500
<b>Urban</b>												
1941: January-October	392,376	328,030	262,600	20,285	45,145	64,346	1,447,531	1,230,579	1,050,762	52,423	127,394	216,952
October	33,646	29,709	24,727	2,000	2,982	3,937	127,233	112,710	99,025	5,405	8,280	14,523
1945: January-October	121,127	111,039	92,580	6,938	11,521	10,088	465,564	438,236	377,033	23,319	37,884	27,328
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	6,876	—
December	19,256	19,256	15,494	1,241	2,521	—	95,040	95,040	80,639	4,275	10,126	—
1946: January-October	476,932	376,059	316,657	21,500	37,902	100,873	2,122,820	1,841,210	1,609,137	89,897	142,176	281,610
January	31,607	25,918	21,786	1,309	2,823	5,689	132,967	118,986	105,098	4,947	8,941	13,981
February	34,370	28,503	24,072	1,792	2,639	5,867	147,633	131,886	116,568	6,659	8,659	15,747
March	56,503	50,066	41,785	2,683	5,598	6,437	268,533	252,537	217,388	11,749	23,400	15,996
April	55,603	44,996	39,000	2,571	3,425	10,607	245,565	219,412	195,969	10,688	12,755	26,153
May	60,167	43,583	35,824	3,267	4,492	16,584	255,110	211,320	181,907	13,304	16,109	43,790
June	51,270	36,660	31,372	2,144	3,144	14,610	223,734	182,742	159,954	9,171	13,617	40,992
July	52,131	36,830	31,071	1,902	3,857	15,301	220,350	177,394	157,063	7,842	12,489	42,956
August	55,081	38,660	32,921	1,943	3,796	16,421	247,818	193,471	168,556	8,654	16,261	54,947
September	43,087	35,044	29,335	2,050	3,659	8,043	191,826	172,678	150,795	8,960	12,923	19,148
October	37,113	35,799	29,491	1,839	4,469	1,314	180,284	180,784	155,839	7,923	17,022	8,500

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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: October	129.9	115.3	107.0	171.3	130.3	121.4	103.5	111.7
1945: 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
October	150.5	140.7	116.9	199.2	146.6	140.8	115.9	132.5
Percent change:								
October 1946-September 1946	+0.7	+0.1	0.0	+0.4	+2.2	0.0	0.0	+0.9
October 1946-October 1945	+13.9	+11.0	+6.7	+15.3	+10.8	+12.8	+12.0	+17.2

**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		
	October	September	August	July	June	May	April	March	February	January	December	November	October
Material .....	150.5	148.3	146.1	143.7	141.6	139.2	138.0	137.1	136.3	135.5	135.2	135.0	134.6
Labor .....	161.6	159.3	157.2	155.6	153.8	152.5	150.6	148.9	148.5	147.9	147.5	147.3	146.3
Total .....	154.2	151.9	149.8	147.7	145.7	143.6	142.1	141.0	140.3	139.7	139.3	139.1	138.5

**Table 5.—BUILDING COSTS—Index of building costs in representative cities<sup>1</sup>**

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

Federal Home Loan Bank District and city	1946				1945	1944	1943	1942	1941	1940
	Nov.	Aug.	May	Feb.	Nov.	Nov.	Nov.	Nov.	Nov.	Nov.
<b>Pittsburgh:</b>										
Wilmington, Delaware .....	154.9	143.1	141.6	138.5	137.9	134.9	130.8	129.7	122.8	106.5
Philadelphia, Pennsylvania .....	187.4	176.5	172.9	170.0	161.1	151.1	148.3	138.3	127.9	112.4
Pittsburgh, Pennsylvania .....	152.7	146.9	140.9	139.6	138.9	135.0	131.9	127.0	118.6	104.6
Charleston, West Virginia .....	166.0	157.4	150.5	136.3	136.1	134.2	121.6	121.3	115.5	106.8
<b>Cincinnati:</b>										
Louisville, Kentucky .....	152.1	148.9	146.0	142.9	138.4	134.7	126.2	118.4	112.1	107.0
Cincinnati, Ohio .....	152.2	146.1	141.0	140.1	138.2	134.6	130.7	116.7	111.0	100.5
Cleveland, Ohio .....	163.1	159.6	147.0	145.9	149.2	147.8	142.3	128.1	124.7	110.0
Memphis, Tennessee .....	154.1	147.3	141.6	141.3	139.9	135.6	133.7	118.9	113.0	107.5
<b>Little Rock:</b>										
Little Rock, Arkansas .....	163.1	154.9	145.4	142.3	140.9	138.5	135.4	135.0	125.0	109.9
New Orleans, Louisiana .....	160.5	155.2	150.2	143.1	142.7	141.7	138.4	131.9	126.9	119.3
Jackson, Mississippi .....	156.8	148.6	141.7	141.6	141.1	137.2	129.2	122.7	121.1	109.6
Albuquerque, New Mexico .....	152.2	148.6	137.6	133.9	132.5	132.0	130.9	117.5	113.1	104.9
Houston, Texas .....	146.5	138.1	135.5	132.3	128.6	126.8	121.5	116.6	118.1	104.9

<sup>1</sup> 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-October .....	85,364	892,327	136,993	26,117	83,739	1,224,540	562,869	546,508	115,163
October .....	6,095	101,461	15,253	2,699	9,720	135,228	61,965	60,945	12,318
1945 .....	180,550	1,357,555	196,011	40,736	137,826	1,912,678	911,671	836,874	164,133
January-October .....	133,147	1,092,313	158,752	32,291	110,306	1,526,809	724,042	669,179	133,588
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 .....	514,122	2,034,620	226,494	67,489	216,590	3,059,315	1,556,025	1,284,932	218,358
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
October .....	60,931	207,139	24,376	9,061	24,692	326,199	165,742	136,660	23,797



**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-October	1,610,167	35.5	199,259	4.4	865,797	19.1	168,408	3.7	1,153,734	25.4	538,221	11.9	4,535,586	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-October	2,900,442	33.3	387,325	4.5	2,222,441	25.5	451,702	5.2	1,711,536	19.7	1,030,492	11.8	8,703,938	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
October	312,055	31.0	48,429	4.8	275,769	27.4	57,971	5.8	184,511	18.3	127,946	12.7	1,006,681	100.0

**Table 10.—GI LENDING—Home loans<sup>1</sup>**

[Dollar amounts are shown in thousands]

Cumulative through	No. of applications and reports	Total loans reported closed and disbursed <sup>2</sup>		
		Number	Amount of guaranty and insurance	Principal amount of loan
March 30	126,249	105,990	\$214,869	\$495,385
April 26	156,786	118,143	245,046	555,541
May 31	209,334	133,972	283,948	634,812
June 28	257,986	165,737	364,514	804,907
July 26	305,503	200,231	454,709	994,778
August 30	371,142	257,471	610,007	1,316,554
September 27	420,960	303,353	737,342	1,584,444
October 25	473,784	356,804	886,216	1,906,743
November 25	524,428	409,112	1,032,596	2,217,347

<sup>1</sup> Records of Veterans Administration.

<sup>2</sup> Totals do not include 68,937 loans acted upon and approved for loan closing. Their dollar volume, \$418,025,000, brought the aggregate principal of GI home loans to \$2,635,372,000 on November 25.

**Table 11.—FHA—Home mortgages insured**

[Premium paying; thousands of dollars]

Period	Title II		Title VI (603)	
	New	Existing	New	Existing
1945: 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
October	6,576	26,553	2,475	1,335

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

[Thousands of dollars]

Federal Home Loan Bank	Lending operations, October 1946		Principal assets, October 31, 1946			Capital and principal liabilities, October 31, 1946			Total assets, October 31, 1946 <sup>1</sup>
	Advances	Repayments	Advances outstanding	Cash <sup>1</sup>	Government securities	Capital <sup>2</sup>	Bonds	Member deposits	
Boston	\$1,850	\$828	\$17,085	\$2,252	\$11,484	\$21,131	\$9,000	\$789	\$30,926
New York	3,031	1,430	20,896	1,756	24,671	29,847		17,609	47,471
Pittsburgh	2,986	1,005	27,513	2,187	7,445	18,913	17,000	1,367	37,307
Winston-Salem	3,383	2,297	29,681	2,637	4,119	20,644	15,000	906	36,565
Cincinnati	1,791	1,843	23,330	1,738	27,642	29,443	12,000	11,538	53,005
Indianapolis	6,505	191	22,710	2,651	14,236	16,090	16,000	7,610	39,725
Chicago	5,115	3,055	41,351	1,622	9,964	25,843	22,500	4,716	53,079
Des Moines	2,642	429	20,637	210	10,445	15,458	15,000	939	31,411
Little Rock	1,401	869	13,158	1,138	9,119	13,354	10,000	165	23,525
Topeka	1,491	609	11,998	1,612	8,040	11,658	9,500	571	21,736
San Francisco	2,530	2,413	24,159	2,256	22,457	27,694	14,000	7,370	49,078
October 1946 (Combined total)	32,725	14,969	252,518	20,059	149,622	230,075	140,000	53,580	423,828
September 1946	32,446	12,142	234,762	32,572	130,109	228,888	<sup>3</sup> 102,000	54,530	398,337
October 1945	6,577	19,748	86,598	20,917	232,626	217,048	<sup>3</sup> 68,500	53,749	341,445

<sup>1</sup> Includes interbank deposits.

<sup>2</sup> Capital stock, surplus and undivided profits.

<sup>3</sup> Debentures.





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

[Dollar amounts are shown in thousands]

Month	Due on original loans	Due on property sold	Properties owned	
			Book value	Number 1
1941: October	\$1,449,502	\$358,922	\$282,904	40,615
1942: October	1,236,432	366,427	231,950	31,594
1943: October	997,970	370,447	129,005	17,217
1944: October	774,179	358,541	15,641	2,362
1945: October	590,747	296,405	2,001	357
November	577,748	291,208	1,594	296
December	565,923	286,396	1,367	249
1946: January	550,745	279,977	1,133	212
February	538,330	274,666	1,004	186
March	524,751	268,894	935	175
April	510,598	262,752	769	147
May	496,662	256,498	736	136
June	484,416	250,888	685	127
July	470,553	244,905	638	122
August	458,879	239,683	617	113
September	447,522	234,594	607	103
October	435,748	229,153	516	89

1 Includes re-acquisitions of properties previously sold.

**Table 17.—GOVERNMENT SHARES—Investments in member associations 1**

[Dollar amounts are shown in thousands]

Type of operation	Treasury	Home Owners' Loan Corporation		
	Federals 2	Federals	State members	Total
October 1935–September 1946				
Applications:				
Number	1,862	4,710	995	5,705
Amount	\$50,401	\$213,701	\$66,495	\$280,196
Investments:				
Number	1,831	4,243	738	4,981
Amount	\$49,300	\$178,401	\$45,456	\$223,857
Repurchases	\$48,150	\$167,558	\$41,106	\$208,664
Net outstanding investments	\$1,150	\$10,843	\$4,350	\$15,193
Third Quarter 1946				
Applications:				
Number				
Amount				
Investments:				
Number				
Amount				
Repurchases	\$261	\$2,323	\$468	\$2,791

1 Refers to number of separate investments, not to number of associations in which investments are made.

2 Investments in Federals by the Treasury were made between December 1933 and November 1935.

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

[Dollar amounts are shown in thousands]

Type of institution	1946				1945		1944	
	September		June		September		September	
	No.	Assets	No.	Assets	No.	Assets	No.	Assets
All members	3,702	\$9,676,092	3,699	\$9,443,242	3,697	\$8,144,151	3,706	\$6,945,108
Savings and loan associations	3,665	8,628,457	3,660	8,358,532	3,658	7,192,282	3,666	6,101,752
Federal	1,474	4,469,937	1,472	4,311,747	1,467	3,632,197	1,464	2,961,860
Insured state	1,019	2,534,900	1,014	2,424,109	1,005	2,086,970	992	1,745,993
Uninsured state	1,172	1,623,620	1,174	1,622,676	1,186	1,473,115	1,210	1,393,899
Mutual savings banks	25	630,039	25	630,039	25	566,553	22	473,198
Insurance companies	12	417,596	14	454,671	14	385,316	18	370,158

## A Management Survey on Savings Campaigns

(Continued from p. 75)

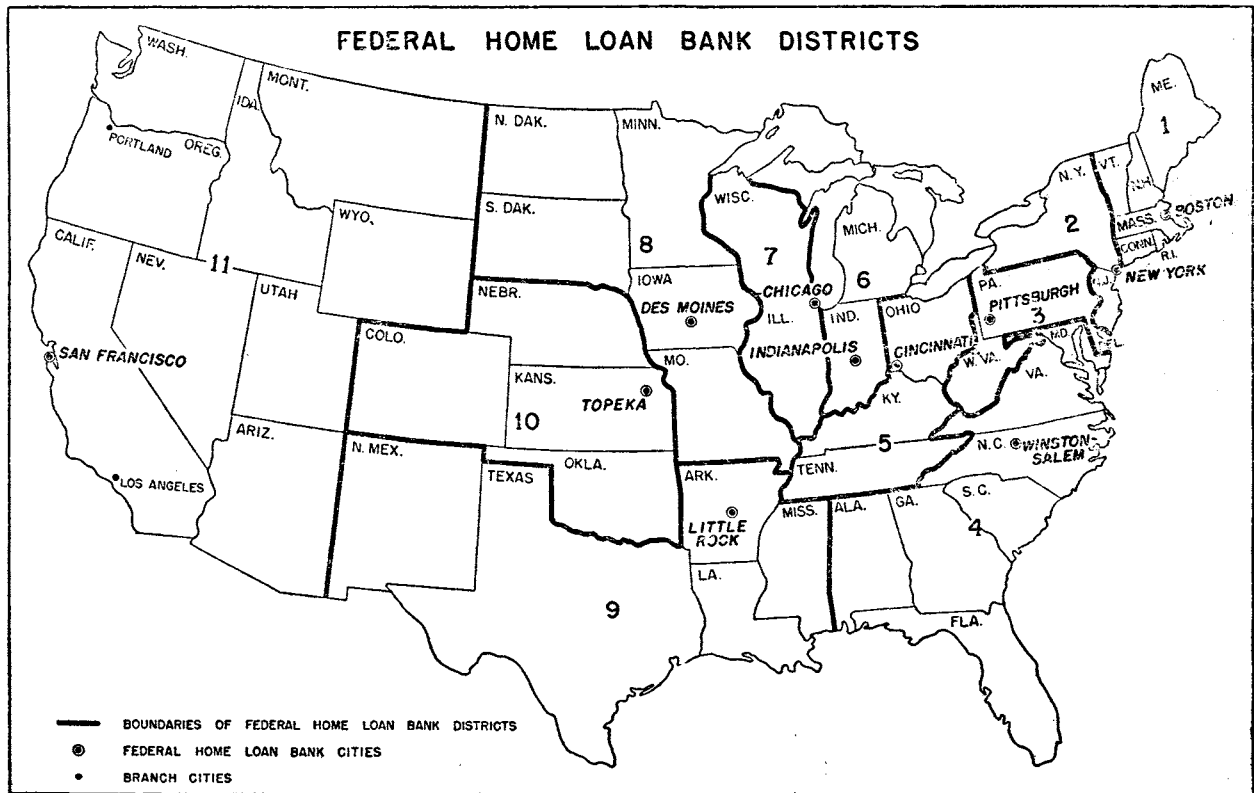
tomers who might not have been reached so effectively through conventional media.

Many associations, already acutely aware of the importance of adequate modern office quarters, have been unable to carry out expansion and modernization programs because of the restrictions on commercial construction. But the subject, judging from the opinions of the managing officers in the REVIEW's survey, is well worth the attention devoted to it by executives and their boards of directors.

### Next month

In addition to the discussion of these general elements of association operations affecting sav-

ings, the correspondence from managing officers also highlighted the use of specific advertising media such as newspapers, radio, direct mail, house organs and other good will builders, the sponsorship of school and payroll savings campaigns, and other matters of special importance in connection with obtaining new investments for their institutions. Also several associations emphasized the importance of an over-all plan for such a campaign, and for testing the results to be certain that expenditures were being made in the most effective manner possible. The January issue of the REVIEW will continue the discussion on these subjects.



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