FEDERAL HOME LOAN BANK

REVIEW

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IN THIS ISSUE

The REVIEW in Brief

From the Commissioner

Commissioner Fahey participated in a panel discussion of the mortgage financing outlook at the recent National Association of Home Builders' convention in Chicago. He was requested, in advance, to express his opinions on two important questions of interest to FHLB members: (1) mortgage interest rates and the return on savings; and (2) the sale of mortgages by associations.

He said, in part: "I think present interest rates on home mortgages are likely to hold during 1947 . . . . [they] are now too low to be safe. . . . The men and women who save a few dollars at a time . . . . are not today receiving the consideration and encouragement they should have." On the sale of mortgages, he added: "Present authority to sell up to 25 percent . . . . is as liberal as it should be . . . . If as much as half of the business of mutual institutions is merely buying and selling mortgages, clearly the operation is much different from the encouragement of savings for which it has been generally assumed they were organized." [*Page 167.*]

Progress report on operations of the Bank System

Federal Home Loan Bank System operations resulted in many new records being set during 1946. Aggregate assets of the 3,698 member institutions passed $10 billion at the year-end, while assets of the 11 FHL Banks also reached an all-time high—$473 million. Increased financing activity brought the balance of advances outstanding to a peak of $293 million on December 31.

An important improvement was made last year in the procedure for financing Bank System operations. The new method—issuing notes and bonds instead of consolidated debentures—permits more flexible long-term financing and widens the issuing base. [*Page 169.*]

Year-end statement on the activities of the FSLIC

Total resources of the FSLIC passed $176 million at the end of December while accumulated reserves amounted to $73 million, or about $1.16 for each $100 of insured liability.

The growth of insured associations in 1946 was greater than in any year in FSLIC history. Combined assets of these 2,496 institutions totaled over $7.3 billion at last year-end, representing only 40 percent of the number of all operating associations but 73 percent of their aggregate resources. In the past five years no insured association has been placed in receivership; in two years none has required financial assistance from the Corporation. [*Page 173.*]

A management survey on savings campaigns (Part III)

This article, concluding the series based on a survey of savings promotion campaigns of over 50 savings and loan associations, discusses some special projects which have proved effective in attracting new funds needed for increased home financing activity.

Variations of the direct mail method ranked high, with best results dependent on careful planning in building up lists and in the type of material distributed. An elaborate civic meeting, a payroll deduction program and paid solicitation of savings featured some programs. Institutional advertising in the form of special services provided by the associations and goodwill gift items was also popular. [*Page 177.*]

January Highlights

The net gain in savings and loan share capital ($140 million) was 55 percent above the same month of last year and the largest on record for this particular month. The repurchase ratio also showed a substantial improvement over the same 1946 month.

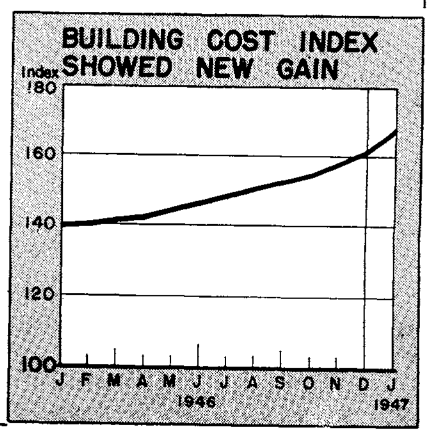
The volume of savings and loan lending declined slightly for the third successive month. A drop in home purchase loans more than offset relatively small increases in other loan categories.

In contrast, the volume of mortgage activity as evidenced by recordings by all lenders showed a slight gain from December to January. The savings and loan share of the total volume dropped below the 30-percent mark for the first time since the same month in 1944.

Building permits issued for privately financed nonfarm homes were 13 percent higher than in the preceding month. More 1- and 2-family units accounted for the gain, as permits for multi-family structures showed a decline.

Construction cost indexes continued their upward trends. The index for the standard frame house showed the largest monthly gain in its history, reaching 168 percent of the 1935–1939 average. The BLS index of wholesale building material prices was up 8 percent.

In a virtually strike-free month, the FRB index of industrial production advanced 6 points to reach **a new peacetime peak.**



FEDERAL HOME LOAN BANK

REVIEW

Vol. 13 No. 6

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NATIONAL HOUSING AGENCY

Raymond M. Foley, Administrator

FEDERAL HOME LOAN BANK ADMINISTRATION

John H. Fahey, Commissioner

Contents

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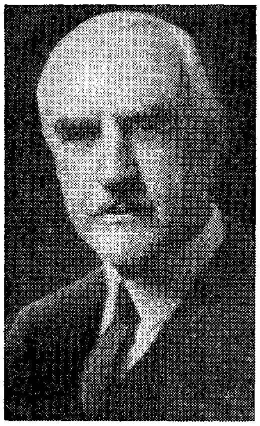
SUBSCRIPTION PRICE OF REVIEW.—A copy of the REVIEW is sent to each member and insured institution without charge. To others the annual subscription price, which covers the cost of paper and printing, is $1. Single copies will be sold at 10 cents. Outside of the United States, Canada, Mexico, and the insular possessions, subscription price is $1.60; single copies, 15 cents. Subscriptions and orders for individual copies should be sent with remittances to the *Superintendent of Documents, Government Printing Office, Washington 25, D. C.*

APPROVED BY THE BUREAU OF THE BUDGET

FROM THE COMMISSIONER . . .



Commissioner Fahey was recently invited to participate in a panel discussion on the mortgage financing outlook at the convention of the National Association of Home Builders in Chicago. Two of the questions presented to him in advance of the meeting concerning which he was requested to express his views are of vital concern to Bank System members: (1) mortgage interest rates and the return on savings; and (2) the sale of home mortgages by associations.

On mortgage interest rates . . .

■ . . . I think present interest rates on home mortgages are likely to hold during 1947. There are proposals for reductions on some types of private rental housing loans. I doubt seriously the advisability of cutting such rates. They could easily have the effect of alarming executives of lending institutions and restricting the amount of money which would be made available.

Interest rates on long-term amortized home mortgages, in my opinion, are now too low to be safe. Management of unquestioned ability and integrity is vital to the soundness and success of our savings institutions. The vast majority of them are managed by men of character who know their business and who recognize their trustee responsibility for the protection and conscientious management of other peoples' money. These executives are fairly well compensated in most cases. There are far too many savings institutions of average size, however, which do not have enough income from their mortgages at present rates.

They cannot command the services of the kind of men they need, provide necessary reserves to cover inevitable losses, and also pay a reasonable return to the millions of small savers who furnish the great bulk of the money which builds our homes. Men and women who save a few dollars at a time are the owners of nearly all our savings institutions, and they are not today receiving the consideration and encouragement they should have.

In response to public sentiment, Congress fixed a mortgage rate of 4 percent on homes for veterans, with a complete guarantee by the Veterans Administration against loss to the lending institution. The law reflected the intent of the people of the United States to favor the veteran as compared with other borrowers and to do everything practicable to enable him to secure a worthwhile home. We cannot disregard the fact, however, that in too many cases lending institutions have relied entirely on the Veterans Administration guarantee and have not adequately protected either the veteran or the public interest. Overlending has unquestionably stimulated real estate speculation and an inflationary market.

In my opinion it is unsafe and unwise to establish interest rates on long-term amortized mortgages for home owners generally below 5 percent. As a result of the complete change of the home mortgage pattern in this country since 1933, influenced by the Home Owners' Loan Corporation longer-term loan with a flat 5 percent interest rate, and the Federal Housing Administration insurance plan, the interest cost on home mortgages to the average family has been nearly cut in half. Second and third mortgages with their extreme rates have been practically wiped out. The resulting annual savings to home owners totals hundreds of millions of dollars. As yet there has been no savings to the home purchaser in any other direction.

Except in unusual cases, like that of the veterans, while the interest on a long-term home loan should not be less than 5 percent, the mortgage may fairly include provision for a lower figure when it has been reduced to 40 percent or 50 percent of the unquestioned value of the property and there is no doubt as to the credit responsibility of the borrower.

The great army of savers in the country who furnish our home mortgage funds are now receiving but 1 percent to about 2½ percent on their money. A limited number of institutions are paying 3 percent but it is a doubtful policy in view of the low mortgage rates. Compared with the 3½ percent to 4½ and 5 percent formerly paid, the present return is far from attractive. I think we are in danger of discouraging thrift in this country if we do not find a way to compensate our savers more liberally. I see no prospect that we will move in that direction in the near future. The greatest opportunity for reducing the size of the home mortgage and interest expense lies in making really good houses available to more families by cutting out the wastes and excessive costs which have been so common in the past.

We should discourage attempts to take a few more pennies out of the pockets of the people who, through their mutual mortgage lending institutions, lend money to their neighbors and fellow citizens to finance home ownership. As you know so well—indeed as you have promised emphatically—price levels on homes can and will be reduced. They must be if we are going to have the large, sustained market and the kind of a construction industry we should have for the years ahead.

There never has been such an accumulation of funds to finance sound construction of all kinds at defensible prices, but right prices will determine the rate of the monetary flow and its steady continuance.

On the sale of mortgages . . .

. . . On the question of the sale of home mortgages by Federal savings and loan associations, if they need money to meet community needs, I think their present authority to sell up to 25 percent of the new mortgages they are making is as liberal as it should be. When the Congress provided for Federal charters of mutual savings associations it intended that they should be examples of the soundest methods of managing and protecting savings and making home mortgages. The legislation did not contemplate that they should become mortgage-brokerage concerns.

If a local mortgage lending institution is convinced that the mortgage it is making is safe and sound, in my opinion it should retain it as an earning asset for the benefit of its shareholders. If to meet the demonstrated need of its community it should have more funds than local savers can provide, it can readily obtain additional money from its district Federal Home Loan Bank.

If as much as half of the business of mutual institutions is merely buying and selling mortgages, clearly the operation is much different from the encouragement of savings for which it has been generally assumed they were organized.

Among all classes of lending institutions, as everyone familiar with conditions well knows, too many doubtful mortgages have been made in recent years in disregard of the safeguards which should characterize long-term loans, solely because the Government was in fact guaranteeing the lender against loss. I think we need to get away from that attitude rather than to encourage it further.

A PROGRESS REPORT ON OPERATIONS OF THE BANK SYSTEM

The assets of all members of the Federal Home Loan Bank System reached $10 billion last year, as operations expanded to new record levels. The progress in recent months indicates the increased use of Bank System facilities by member institutions.

■ THE past year has been the most active one which the Federal Home Loan Bank System has experienced. During the year the member institutions made mortgage loans for the purchase or financing of homes of $3.3 billion, the Federal Home Loan Banks made advances to members in the amount of $329 million and received repayments of $231 million. Since the organization of the Bank System, the Banks have made loans to members amounting to approximately $2 billion. Outstanding advances on December 31 were $293 million.

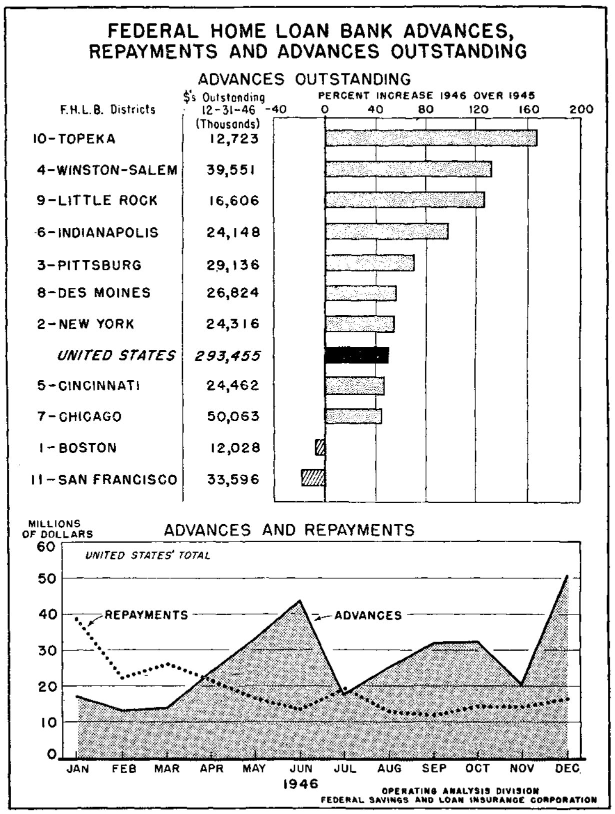
A significant milestone in the history of the Federal Home Loan Bank System was passed during 1946 when the resources of all member institutions passed $10 billion. Aggregate assets of all members of the System were estimated at $10.1 billion on last December 31—a gain of approximately a billion and a half dollars during the year. Although this dollar increase was slightly larger in amount than in the preceding year, the percentage gain was not quite as great as in 1945. At the end of 1946 there were 3,698 institutions affiliated with the Bank System—one more than the 1945 closing figure. These consisted of 3,661 savings and loan associations, 25 mutual savings banks and 12 insurance companies. A net addition of three savings and loan associations was partially offset by the withdrawal of two insurance companies during the year.

Assets of the 11 Federal Home Loan Banks also reached a new high of slightly over $473 million. The year-end total was more than 40 percent above the same 1945 date.

Outstanding advances near $300 million

The record volume of home financing activity by member institutions last year was reflected in a substantial increase in the volume of Federal Home Loan Bank advances. New advances of $329 million were made—more than those in 1940 and 1941 combined. At the same time, repayments were also up to a new high of $231 million. The net effect of these two operations was to increase the balance of advances outstanding from $195 million at the beginning of the year to $293 million at the year-end. This was the largest year-to-year jump in outstanding advances in the 14 years of Federal Home Loan Bank System operations.

Only two Banks (Boston and San Francisco) had a smaller volume of advances outstanding at the end of 1946 than 12 months earlier. The greatest monetary gain was $22.6 million (133



Interest rates charged on FHLB advances

JANUARY 1, 1947

Federal Home Loan Bank	Rates[1]	Type of advance
	Percent	
Boston	1½	On advances, secured or unsecured, in amounts not exceeding one-fourth of member's line of credit, for periods up to 1 year.
	2	On advances for periods not to exceed 3 years.
	2½	On advances for periods up to 10 years.
New York	1½	On short-term advances.
	2	On long-term advances for periods up to 5 years.
	2½	On long-term advances for more than 5 years.
Pittsburgh	2	On advances not exceeding 1 year; such advances must be collateralized by either mortgages or Government securities, the latter to be submitted through the custodianship agreement with the Chase National Bank of New York or a custodianship arrangement entered into by the member with some other incorporated financial institution.
	2½	On advances from 1 to 5 years, such advances to be collateralized by either mortgages or Government securities.
	2½	On unsecured advances within certain limits.
Winston-Salem	2	On all advances.
Cincinnati	1½	On advances not exceeding 1 year secured by (1) Obligations of or guaranteed by the Government (2) Other acceptable collateral, advances so secured not to exceed current redemption price of Series F and G savings bonds held by member.
	2	All other advances.
Indianapolis	2	On advances for 1 year or less.
	2	On advances in excess of 1 year during the first 2 years in which such advances are outstanding, and 2½% thereafter.
	2½	See above.
Chicago	2	On advances for periods up to 1 year.
	2	On advances for periods in excess of 1 year and up to 3 years.
	2½	On advances for periods in excess of 3 years.
Des Moines	2	On all advances.
Little Rock	2	On all advances.
Topeka	2	On advances not exceeding 5 years.
	2½	On advances up to 10 years.
San Francisco	1½	On advances not to exceed 3 years, repayable at least 5% quarterly, the proceeds to be used to retire HOLC or Treasury funds.
	2	On all other advances.

[1] Rates on advances to non-members are ½ percent higher, except Cincinnati which charges 1 percent more.

percent) in the Winston-Salem Bank, while the Topeka Bank's 168-percent ($8 million) was the largest percentage rise. For 7 of the 11 Banks, the December 31 total represented the highest balance for any month since their establishment. These included the Pittsburgh, Winston-Salem, Indianapolis, Chicago, Des Moines, Little Rock and Topeka Banks.

Because the balance of advances outstanding tends to vary widely over the period of a year, the weekly average balance perhaps gives a better indication of the expansion of business volume. The 1946 weekly average of advances to members was $206 million compared with slightly under $100 million in 1945.

On December 31, 1946, about two out of every five member institutions were making some use of the credit facilities of the Bank System. At the end of 1945, only one in four were "borrowing members." It is interesting to note that the *number* of borrowers from the various regional Banks was down about a third from the period at the beginning of the war (December 1941). The converse trend in advances outstanding (up 34 percent) during the intervening five years has resulted in a substantial increase in the average amount of money borrowed.

A slightly smaller proportion of the advances to member institutions were on a secured basis at the end of 1946 than at the close of the preceding year. Approximately $230 million, or 79 percent, were advances backed up by mortgages, U. S. Government obligations, or other approved collateral having a face value of more than $440 million. Unsecured advances, all of which were on a short-term basis, amounted to $63 million, or about $1 out of every $5 of the total loans to member institutions. At the end of 1945, secured advances accounted for 82 percent of the total amount outstanding.

The 1946 picture

Last year brought an important improvement from the previous system of issuing consolidated debentures for financing the Banks' needs for additional operating funds. In October the Bank Administration formulated a procedure for issuing consolidated Bank obligations in the form of notes and bonds—a means which will permit a more flexible operation for long-term financing as well as widen the issuing base. The first flotation—$140 million—was a non-callable series of 1¼ percent consolidated bonds to mature in 18 months, on April 15, 1948. In addition, during December the Banks issued a total of $29 million in consolidated 63-day notes at 1.10 percent, which were retired on February 17, 1947.

Interest rates paid on time deposits

JANUARY 1, 1947

Bank	Over 30 days	Over 45 days	Over 60 days	Over 90 days	Over 6 months
	Percent	*Percent*	*Percent*	*Percent*	*Percent*
Boston	½				1
New York	1				
Pittsburgh	½				¾
Winston-Salem				1	
Cincinnati				½	¾
Indianapolis			¾		
Chicago	½				
Des Moines		¾			
Little Rock				½	1
Topeka				½	
San Francisco				¾	

Through the issuance of consolidated Federal Home Loan Bank bonds and notes on the basis of not over 12 times the present total of paid-in capital stock and reserves under Section 16 of the Bank Act, it would now be possible to borrow $2.5 billion if necessary to finance Bank operations. A doubling of the Banks' capital through additional investments therein by member institutions would raise the amount of consolidated bonds which could be issued and sold to $5 billion, thus demonstrating the advantage of the new procedure of providing funds for the Banks over the past procedure of issuing debentures for such purpose.

As a result of the year's operations, there was a net increase of $100 million in consolidated obligations outstanding, largely a reflection of increased borrowing by the members. The year-end total amounted to $169 million.

Earned operating income of the 11 regional Banks totaled $6.2 million last year—up $1.2 million from the 1945 level. The higher volume of loans to members accounted for this increase, as interest on advances was more than doubled, reaching $3.6 million. Interest received during the year on securities held by the Banks amounted to $2.6 million compared with $3.3 million received from this source in 1945. This was the first year since 1942 that interest income from advances to members exceeded the return on the Banks' investment portfolio.

Statement of condition of the Federal Home Loan Banks as of December 31, 1946

Balance sheet items	Consolidated	Combined	Boston	New York	Pittsburgh	Winston-Salem	Cincinnati
ASSETS							
Cash	$33, 214, 400. 63	$39, 714, 400. 63	$2, 333, 321. 23	$4, 876, 462. 46	$2, 672, 950. 31	$2, 555, 787. 00	$4, 805. 091. 39
Investments	145, 091, 594. 83	145, 091, 594. 83	16, 946, 125. 32	24, 123, 223, 56	10, 442, 662. 29	4, 118, 228. 18	27, 207, 525. 98
Advances outstanding	293, 454, 766. 74	293, 454, 766. 74	12, 028, 356. 00	24, 316, 452. 90	29, 136, 452. 92	39, 551, 037. 50	24, 462, 294. 59
Accrued interest receivable	896, 158. 30	896, 824. 05	78, 850. 66	158, 973. 98	106, 620. 50	94, 831. 76	126, 278. 12
Deferred charges	309, 530. 39	309, 530. 39	19, 858, 04	1, 403. 80	37, 064. 01	32, 963. 14	26, 928. 30
Other assets	96, 445. 55	96, 445. 55	301. 00	4, 182. 26	740. 14	11, 375. 94	76, 509. 73
TOTAL ASSETS	473, 062, 896. 44	479, 563, 562. 19	31, 406, 812. 25	53, 480, 698. 96	42, 396, 490. 17	46, 364, 223. 52	56, 704, 628. 11
LIABILITIES AND CAPITAL							
Deposits	70, 298, 921. 20	76, 798, 921. 20	947, 057. 95	19, 935, 091. 78	1, 331, 550. 99	7, 867, 475. 00	15, 078, 506. 78
Accrued interest payable	408, 368. 68	409, 034. 43	25, 674. 06	1, 604. 18	47, 634. 19	42, 903. 28	32, 872. 37
Dividends payable	1, 363, 569. 77	1, 363, 569. 77	97, 482. 77	----------	244, 408. 46	174, 849. 53	198, 648. 16
Accounts payable	17, 139. 61	17, 139. 61	----------	4, 240. 70	450. 00	678. 60	9, 527. 98
Consolidated obligations [1]	169, 000, 000. 00	169, 000, 000. 00	9, 000, 000. 00	3, 500, 000. 00	21, 000, 000. 00	17, 500, 000. 00	12, 000, 000. 00
TOTAL LIABILITIES	241, 087, 999. 26	247, 588, 665. 01	10, 070, 214. 78	23, 440, 936. 66	22, 624, 043. 64	25, 585, 906. 41	27, 319, 555. 29
Capital stock—paid-in	209, 479, 300. 00	209, 479, 300. 00	19, 789, 900. 00	27, 282, 900. 00	17, 843, 500. 00	18, 372, 700. 00	26, 668, 700. 00
Surplus—earned	22, 495, 597. 18	22, 495, 597. 18	1, 546, 697. 47	2, 756, 862. 30	1, 928, 946. 53	2, 405, 617. 11	2, 716, 372. 82
TOTAL CAPITAL	231, 974, 897. 18	231, 974, 897. 18	21, 336, 597. 47	30, 039, 762. 30	19, 772, 446. 53	20, 778, 317. 11	29, 385, 072. 82
TOTAL LIABILITIES AND CAPITAL	473, 062, 896. 44	479, 563, 562. 19	31, 406, 812. 25	53, 480, 698. 96	42, 396, 490. 17	46, 364, 223. 52	56, 704, 628. 11

	Consolidated	Indianapolis	Chicago	Des Moines	Little Rock	Topeka	San Francisco
ASSETS							
Cash	$33, 214, 400. 63	$5, 859, 661. 14	$7, 017, 306. 03	$922, 001. 92	$1, 351, 063. 87	$2, 441, 773. 23	$4, 878, 982. 05
Investments	145, 091, 594. 83	14, 231, 670. 29	8, 472, 127. 74	8, 942, 411. 52	8, 617, 722. 40	9, 037, 873. 12	12, 952, 024. 43
Advances outstanding	293, 454, 766. 74	24, 148, 112. 01	50, 062, 737. 00	26, 824, 481. 25	16, 605, 704. 00	12, 722, 838. 00	33, 596, 300. 57
Accrued interest receivable	896, 158. 30	81, 289. 68	43, 528. 38	46, 642. 47	65, 190. 49	45, 041. 40	49, 576. 61
Deferred charges	309, 530. 39	34, 876. 46	49, 556. 48	32, 555. 95	22, 090. 36	21, 037. 17	31, 196. 68
Other assets	96, 445. 55	767. 75	601. 00	260. 22	413. 60	1. 00	1, 292. 91
TOTAL ASSETS	473, 062, 896. 44	44, 356, 377. 33	65, 645, 856. 63	36, 768, 353. 33	26, 662, 184. 72	24, 268, 563. 92	51, 509, 373. 25
LIABILITIES AND CAPITAL							
Deposits	70, 298, 921. 20	8, 018, 527. 32	9, 429, 267. 81	3, 471, 084. 15	165, 200. 00	957, 337. 64	9, 597, 821. 78
Accrued interest payable	408, 368. 68	48, 324. 79	64, 177. 11	40, 446. 90	29, 127. 43	26, 025. 89	50, 244. 23
Dividends payable	1, 363, 569. 77	108, 485. 77	174, 393. 93	102, 159. 08	89, 038. 91	51, 010. 48	123, 092. 68
Accounts payable	17, 139. 61	437. 86	----------	439. 60	477. 90	472. 60	414. 37
Consolidated obligations [1]	169, 000, 000. 00	20, 000, 000. 00	30, 000, 000. 00	17, 500, 000. 00	13, 000, 000. 00	11, 500, 000. 00	14, 000, 000. 00
TOTAL LIABILITIES	241, 087, 999. 26	28, 175, 775. 74	39, 667, 838. 85	21, 114. 129. 73	13, 283, 844. 24	12, 534, 846. 61	23, 771, 573. 06
Capital stock—paid-in	209, 479, 300. 00	14, 698, 100. 00	23, 585, 600. 00	13, 987, 600. 00	12, 002, 400. 00	10, 431, 700. 00	24, 816, 200. 00
Surplus—earned	22, 495, 597. 18	1, 482, 501. 59	2, 392, 417. 78	1, 666. 623. 60	1, 375, 940. 48	1, 302, 017. 31	2, 921, 600. 19
TOTAL CAPITAL	231, 974, 897. 18	16, 180, 601. 59	25, 978, 017. 78	15, 654, 223. 60	13, 378, 340. 48	11, 733, 717. 31	27, 737, 800. 19
TOTAL LIABILITIES AND CAPITAL	473, 062, 896. 44	44, 356, 377. 33	65, 645, 856. 63	36, 768, 353. 33	26, 662, 184. 72	24, 268, 563. 92	51, 509, 373. 25

[1] Consolidated Federal Home Loan Bank obligations issued by the Federal Home Loan Bank Administration and now outstanding, are the joint and several obligations of all Federal Home Loan Banks.

Operating expenses of the Banks were also higher last year. The primary factor in this increase was the greater amount of interest which was paid for the larger volume of outstanding consolidated obligations. After deducting operating charges of $2.8 million, the *net* operating income of the Banks amounted to $3.4 million. This was almost a half-million dollars, or 17 percent, greater than in 1945.

Year-end dividends declared by the 11 Banks varied from 1 to 1.5 percent. Following the usual practice, declarations of the Pittsburgh and Winston-Salem Banks were on an annual basis. Two Banks—Cincinnati and Little Rock—changed their rates in 1946, both raising them to 1.5 percent on December 31.

The Banks paid dividends of $2.5 million during 1946, of which almost 40 percent, or $992,000, went to member institutions while the remaining $1.5 million was paid to the RFC.

As of the end of 1946, the highest interest rate charged on FHLB advances to members was 2.5 percent in six Banks; in four of the other five Banks which charged 2 percent, that rate applied to all advances. Since the end of 1945, the Des Moines Bank has abolished its 1.5- and 2.5-percent rates, and the Pittsburgh and Chicago Banks dropped their 1.5- and 3-percent rates. On advances up to five years, the New York and Topeka Banks established a rate of 2 percent.

Deposits of cash by member associations with their regional FHL Banks also showed an increase during the past year. The total rose from just under $46 million to more than $70 million.

Dividends declared by the Federal Home Loan Banks during 1946

Federal Home Loan Bank	Rate per annum [1]	Members	R. F. C.	Total
	Percent			
Boston	1.0	$68,415.39	$124,675.00	$193,090.39
New York	1.0	77,431.06	189,632.00	267,063.06
Pittsburgh	1.5	77,213.96	167,194.50	244,408.46
Winston-Salem	1.0	82,767.53	92,082.00	174,849.53
Cincinnati	1.25–1.5	191,091.43	171,133.88	362,225.31
Indianapolis	1.5	126,592.13	87,258.00	213,850.13
Chicago	1.5	129,476.52	212,608.50	342,085.02
Des Moines	1.5	90,165.33	110,923.50	201,088.83
Little Rock	1.0–1.5	37,472.08	109,655.00	147,127.08
Topeka	1.0	26,903.72	73,336.00	100,239.72
San Francisco	1.0	84,090.42	159,279.00	243,369.42
Total		991,619.57	1,497,777.38	2,489,396.95

[1] Rates apply to dividends declared on both a semi-annual and an annual basis. Only Pittsburgh and Winston-Salem Banks declared dividends on an annual basis on December 31, 1946.

DIRECTORY CHANGES

January 1947

Key to changes

*Admission to membership in Bank System.
**Termination of membership in Bank System.
#Federal charter granted.
øInsurance certificate granted.
øøInsurance certificate canceled.

NEW YORK DISTRICT

NEW JERSEY:
Boonton:
**Ogden Building and Loan Association, 210 Main St.
East Orange:
øøBrick Church Savings and Loan Association, 29 Washington Pl.
East Paterson:
øFirst Savings and Loan Association of East Paterson, 24 Grove St.
NEW YORK:
Maspeth:
*Maspeth Federal Savings and Loan Association, 56-18 69th St.

PITTSBURGH DISTRICT

PENNSYLVANIA:
East Stroudsburg:
*øEast Stroudsburg Savings, Building and Loan Association, 5 South Crystal St.
Malvern:
*øMalvern and Duffryn Mawr Building and Loan Association, 3 West King St.

WINSTON-SALEM DISTRICT

GEORGIA:
Covington:
#øNewton Federal Savings and Loan Association, Public Sq.

CINCINNATI DISTRICT

KENTUCKY:
Louisville:
#øEquitable Federal Savings and Loan Association, 604 West Jefferson St.
St. Matthews:
*# St. Matthews Federal Savings and Loan Association, 3830 Frankfort Ave.

INDIANAPOLIS DISTRICT

MICHIGAN:
Detroit:
#Home Federal Savings and Loan Association of Detroit, 301 East Warren Ave.

CHICAGO DISTRICT

ILLINOIS:
Peoria:
*South Side Savings and Loan Association, 2228 South Adams St.

SAN FRANCISCO DISTRICT

CALIFORNIA:
Bakersfield:
**Kern County Mutual Building and Loan Association, 803 Baker St.
La Mesa:
*øLa Mesa-El Cajon Savings and Loan Association, 8247 La Mesa Blvd.
San Jose:
øøIndependent Savings and Loan Association, 16 East San Antonio St.
OREGON:
Marshfield:
**West Coast Federal Savings and Loan Association, 160 West Anderson St.

YEAR-END STATEMENT OF THE ACTIVITIES OF THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

An outstanding feature of 1946 operations of savings and loan associations insured by the FSLIC was the $1.5-billion increase in their mortgage portfolio. By the end of the year the combined assets of these institutions had reached $7.3 billion.

■ FOR the past five years no insured association has been placed in receivership and during the past two years none has required financial assistance by the Federal Savings and Loan Insurance Corporation. One insured association experienced difficulty during 1946 but no financial assistance was needed.

Of the 39 insured associations which have experienced difficulties since 1934, 28 have been assisted through cash grants by the Corporation, 7 have been placed in liquidation and 4 have continued operations without financial assistance.

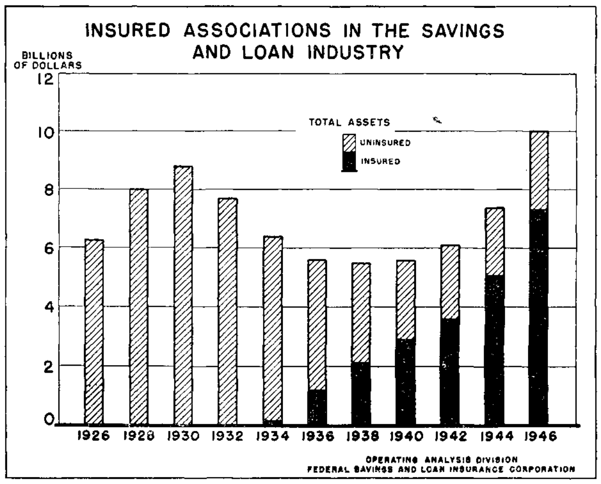
Record growth in 1946

The growth of insured associations in 1946 was greater than in any other year in the history of the FSLIC. The combined assets of the 2,496 insured associations totaled over $7.3 billion at the end of 1946, an increase of $1.2 billion during the year. The Corporation now protects the savings accounts of nearly 4,900,000 private investors in these associations. The sharp rise in first mortgage holdings was the most outstanding development of the year. Compared with an increase of $1 billion during the four-year period 1942–1945, mortgage holdings rose $1.5 billion during 1946 and on December 31 aggregated $5.2 billion. This increase in the mortgage portfolio was accompanied by a decline in the liquid assets. From the peak of $2.1 billion in cash and U. S. Government bonds at the end of 1945, liquid assets declined to $1.8 billion by the year-end.

During the year, 33 savings and loan associations with assets of $17 million were granted insurance by the Corporation. Certificates of 12 previously insured associations were canceled due to the sale of assets, merger or consolidation with other insured associations, or voluntary termination of insurance. At the end of December, approximately 40 percent of all operating savings and loan associations, with 73 percent of the aggregate resources, were insured.

The combined total of about 4,900,000 savers and investors in insured associations hold average accounts of $1,275, compared with an $835 average before the war. Although the insurance is limited to $5,000 per investor, nearly 96 percent of all savings accounts are safeguarded in full since they do not exceed that figure. Over 94 percent of the dollar amount of savings in these associations is completely covered by insurance.

Total resources of the Federal Savings and Loan Insurance Corporation reached over $176 million at the end of December, an expansion of $11 million over a year ago. Since its organization in 1934, the Corporation has accumulated reserves of $73 million, an amount equal to $1.16 for each $100 of insured liability of the Corporation as of December 31, 1946. During the year, gross in-



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Federal Savings and Loan Insurance Corporation Statement of Condition as of December 31, 1946

Assets	
Cash	$1,586,253.92
All funds of the Corporation are held in the United States Treasury until they are invested or required for other purposes.	
Accounts Receivable	1,984,046.49
This item consists principally of insurance premiums payable after December 31, 1946, by insured institutions.	
Investments	172,674,517.89
Cash not required for current operations has been invested in obligations of the United States Government.	
Subrogated Accounts	97,055.80
Represents subrogated shares received or to be received from payment of insurance on accounts in institutions in default, less liquidating dividends and allowance for losses.	
Deferred Charges	45,241.50
Prepaid expenses which are amortized over the fiscal year.	
Total Assets	$176,387,115.60

Liabilities and Capital	
Liabilities	$125,297.28
Includes current liabilities and commitments of the Corporation plus the amount of accounts in institutions in default pending settlement of insurance.	
Deferred Income	3,640,679.43
Premiums for insurance of accounts are taken into earnings over the insurance year of each institution.	
Capital Stock	100,000,000.00
The total authorized stock of the Corporation is held by the Home Owners' Loan Corporation in accordance with section 402(b) of the National Housing Act.	
Reserves	72,621,138.89
This sum represents a legal reserve as required by law, a special reserve for contingencies, and the unallocated income for the past six months.	
Total Liabilities and Capital	$176,387,115.60

come from operations amounted to nearly $11 million, while operating expenses totaled slightly more than one-half million dollars—5.2 percent of gross income.

Since its creation, the FSLIC has benefited over 66,000 investors in 39 insured associations which have experienced difficulties. In giving this protection, the Corporation made net disbursements of over $5 million in the rehabilitation of 28 of these associations. In further detail, 19 of the 28 associations receiving cash grants continued operations as separate units, 6 merged with other insured institutions, and 3 subsequently liquidated voluntarily, paying all investors in full.

At the close of the year, investors in the seven associations which had been placed in liquidation had received new accounts in other insured associations totaling $6.7 million and cash and debentures of $13,200. As of the end of 1946, the Corporation had recovered 94 percent of the funds disbursed in the payment of insurance. It is estimated that an additional 1 percent will be recovered from those associations where liquidation has not been fully completed.

Proposed Amendment to Rules and Regulations

FHLBA
Bulletin No. 86

Proposed amendment to rules and regulations for the Federal Savings and Loan System relating to a new type of share account under Charter K.

The FHLB Administration has proposed to amend Section 202.9 (d) (Title 24, Code of Federal Regulations) by adding a new subparagraph 5 to provide a Charter K amendment for use in the acceptance of Christmas, tax, vacation or other special accounts to be repurchased within 12 months. Crediting of dividends to these accounts would not be required.

5. Amendment of the fourth sentence of Section 6 by striking the period at the end thereof and adding the following:

"or, if to be repurchased within 12 months, as short-term savings share accounts."

and amendment of the tenth sentence of Section 9 by striking the period at the end thereof and adding:

"and short-term savings share accounts."

Notice of this proposed amendment, was published in *The Federal Register* on March 15, 1947.

Savings and Loan Associations in the News

■ WITH savings and loan operations hitting an all-time high in 1946, news stories like those in the accompanying illustration have become every-day reading matter. The over-all account of industry progress presented in the February REVIEW was the result of the combined success stories of thousands of associations like these which have just closed their books on a peak year.

The financial statements on which these stories are based are, in themselves, prominent among the paid advertising media used by savings and loan associations. However, since more people will read a news story than will study a financial report, the former method undoubtedly gives wider circulation to the savings and loan story. At a time when the consensus of the industry is that competition in the fields of both thrift and mortgage financing is bound to be stiffer, making the most of previous facts and future plans represents one of the soundest means of keeping the public informed of savings and loan prospects and services.

Examples

The accompanying bird's eye view of recent press coverage tells the story of individual association participation in a year of record home financing activity. The thrift side of operations, also a bright spot, is played up while an all-time high in total assets provides another good talking point.

As shown by this cross-section, these associations in common with many others, do not expect just to coast along in 1947 on the gains made last year. Funds will be needed even in addition to the large volume already on hand, as the increasing tempo of home construction keeps the demand for mortgage money at a high level. With this in mind, these associations give a preview of their plans for stimulating thrift, as well as an account of their present lending potential.

In looking into the future, one official stresses the need for precaution against inflated values in making high-percentage GI loans during the coming year. The increasing need for "packaged" mortgages to streamline financing operations for both the borrower and the lender was one of the "coming events" mentioned by two of the associations covered by these stories. News releases of this type can be handled either on the basis of individual institutions or groups of associations through trade organization channels.

★ ★ ★ WORTH REPEATING ★ ★ ★

HOUSING JOB: ". . . briefly the housing job before the industry for 1947 is . . . more than placing a million family dwelling units under construction; more than completing a million units; more than planning and launching a large rental construction program.

"It is a challenge of cost—a challenge of lower rents and lower sale prices. Even though difficulties still remain, they must be attacked with the basic task constantly in mind—provision of decent housing for the American people through the channels of private enterprise at prices, rent or sale, that their incomes will permit them to pay."

Raymond M. Foley, NHA Administrator, before annual convention of the National Association of Home Builders, Chicago, Ill., Feb. 25, 1947.

PROBLEM: "The real housing problem . . . involves a general raising of standards and, particularly, the elimination of unsafe and unsanitary conditions found in city and rural slums. Because of its magnitude, it cannot be solved quickly. Nor is there one simple formula which can be followed blindly to a sure and safe conclusion."

Business Action, February 14, 1947.

RESISTANCE: "The need for housing increases but the public has learned to wait until its demand is met. The demand for well built homes at a price that can be afforded and which will permit the home to be a good investment has taken the form of quiet resistance that is as effective as a mighty roar. This is altogether praiseworthy and is bringing results."

South Side Federal News, Cleveland, Ohio, February 1947.

EXPERIMENT: "Surely it is time to make up our minds whether we are really serious when we say that every veteran or any other American, for that matter—is entitled to be housed in decent comfort. And in the process I hope we shall not allow our vision to become clouded by stereotype phrases. . . . With respect to housing we have a problem to think our way through and it will not help to strew the path with verbal road blocks. If we are to find a solution to this, as to other difficult problems, we shall need open minds and probably a willingness to experiment."

Major General Philip B. Fleming, Administrator, Federal Works Agency and Office of Temporary Controls, before the 21st Women's Patriotic Conference on National Defense, Washington, D. C., Jan. 25, 1947.

GREAT NEED: "The great need in the coming year appears to be an aggressive campaign by every member of the Federal Home Loan Bank System for investments. Every means of advertising and sound public relations should be directed toward the procuring of investment of funds sufficient to care for the legitimate loan demand. Operations should not be predicated on permanent borrowings."

Annual Report, Federal Home Loan Bank of Little Rock, 1946

THRIFTY HABITS: ". . . thrifty people have more than mere rainy day psychology to guide their thrifty habits. Simply and smartly, they are looking ahead to the broader, safer life which systematic accumulation of savings makes possible for them in the future. Money, for money's sake alone holds no particular glamour for these savings-minded folk. Money, for what it can buy and the security it assures is the inspiration for all of us."

Carter K. Ruggles, Northeastern Federal Savings League, *Boston Herald Annual Industrial Review*, Jan. 26, 1947.

CODES AND COSTS: "Another direction toward which the current interest in housing is leading is the search for a house of minimum cost. All sorts of corners have to be cut in arriving at the desired results. It will not be surprising if some of these put building departments on the defensive as to whether some existing code requirements are really necessary, at least to the extent to which they are applied. The search for lowering costs is going on relentlessly and it is natural that code requirements should not escape scrutiny."

George N. Thompson, Chief, Division of Codes and Specifications, National Bureau of Standards, *Building Standards Monthly*, February 1947.

HOUSING COSTS: "The essence of the problem seems to lie just there—what does housing cost and what can people pay? At present, the gap between these two figures is so great that there cannot be any substantial amount of housing built. By substantial is meant of course housing in the millions of units. Other estimates range as high as twelve million, but whatever figure is taken, it is clear that housing built in the mere thousands of units would be but a drop in the bucket."

Eugene Raskin, Assistant Professor of Architecture, Columbia University, *Progressive Architecture*, February 1947.

THE BOOKSHELF

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

HOUSING DIRECTORY 1946–1947: National Association of Housing Officials, 1313 E. 60th Street, Chicago 37, Ill. August 1946. $3.00.

THE SELF-SUPPORTING CITY: By Gilbert Tucker. Robert Schalkenbach Foundation, 50 E. 69th St., New York 21, N. Y. 1946. 108 pp. $1.00.

YOUR COMMUNITY: By Joanna C. Colcord. The Russell Sage Foundation, 130 E. 22nd Street, New York, N. Y. $1.50.

MR. BLANDINGS BUILDS HIS DREAM HOUSE: By Eric Hodgins. Simon and Schuster, 1230 6th Ave., New York 20, N. Y. $2.75.

OPERATION HOUSING: National Headquarters, The American Legion, 777 N. Meridian Street, Indianapolis 6, Ind.

RENTAL HOUSING: A Community Program for Mayors' Emergency Housing Committees, Office of the Housing Expediter, Washington 25, D. C.

A MANAGEMENT SURVEY ON SAVINGS CAMPAIGNS—PART III

This is the third and concluding article in the series presenting the results of a canvass to determine what Bank System members are doing to obtain new savings funds. Some of the most distinctive and individual projects of institutions are highlighted here.

■ THE first article in this series covered some of the more intangible elements of savings promotion—office location, public relations, community contacts, for example. The second emphasized the role of newspapers and the radio in these campaigns. However, there are many other effective methods of building business which deserve special treatment.

Direct mail advertising is sometimes used as the sole promotional method but more often combined with other forms of advertising. The experience of institutions with this medium varied considerably, with success apparently dependent upon the extent of the careful planning and preparation. One managing officer expressed it: "We believe that direct mail advertising is the cheapest and most effective of all types."

A wide variety was found in the kinds of material used. "Sales talks" in the form of letters and pamphlets on one or both phases of operation ranked high, while financial statements as well as general explanations of association services and programs were other popular subjects. No general agreement was evident on the most effective frequency of circularization—intervals varied from every few weeks to once a year.

The pamphlet or folder type of direct mail advertising is also sometimes used as counter literature in an association. An example was sent in by a Pennsylvania institution which distributes a syndicated booklet explaining what a savings and loan association is and offering down-to-earth answers to the questions which an average citizen might have about an institution of this type.

Various approaches have been used in building up general mailing lists. Two widely separated associations relied on the records of local taxing authorities of people declaring investment funds. Telephone and city directories were other sources.

One large New York association built up its mailing list from two places. The original one was a general list of voters enrolled in the assembly district (an eight-block radius) from which all but one person of the same surname at the same address was eliminated. Then, as the executive officer said: "We realized that this did not cover any of the thousands of people employed or in business in this district, so we recently worked up a new list of the business people in this area from the telephone directory." The three pieces so far mailed to that group contain an approach particularly applicable to a large metropolitan center. These letters, stressing the anonymity of big-city neighbors, contain an invitation to come in, get acquainted and let the association be of service. As an added inducement, as well as a check on the effectiveness of the appeal, the informal "P. S." on each offers city transportation maps or other "come-in" material to anyone interested enough to visit the association.

House organs

House organs were also popular as ammunition for this "broadside" type of direct mail advertising. The coverage obtained through these publications is of several types, as are the magazines themselves. It seemed most common to send them to both savings and borrowing customers, although some institutions supplemented this by circularizing prospective customers as well. One large midwestern Federal reported that it regularly mailed out 12,500 copies to its entire list. Another organization concentrated its non-customer mailing chiefly on professional and business men, while a third said that its house organ was sent to the offices of doctors, dentists and beauty parlors.

Some prefer to use a syndicated magazine with an imprint of the savings and loan association or a large identifying ad. On the other hand, a number of institutions publish their own house organ. These, originating chiefly with the larger associations, vary from small folders on specific topics to magazines covering various phases of association operations and activities of interest to the borrowing or investing public.

Special mailings

A more concentrated approach in the use of direct mail advertising was included in the programs of many of the associations polled. Courtesy and friendly interest in dealing with the public were stressed by most managers as the bedrock of all advertising. Rather than let this attitude stop at the door, many institutions make a practice of extending it through their written contacts.

Perhaps the most elaborate program is one which has been in force for several years in an association in upper New York State. Letters on the personalized stationery of the managing officer are sent congratulating all new parents in the community (a practice reported by several other institutions also) and suggesting the opening of a new savings account for the child's education. Newly-weds are also circularized, as are all returning veterans—the letters suggesting the benefits of a savings account or offering assistance in the financing of a new home. Bereavement in a family is the occasion for an expression of condolence, while in the case of serious illness among substantial shareholders, flowers are sent. The managing officer of this association said: "A lot of these activities might, in a way, seem to be a trifle overdone, but, on the other hand, I know from personal experience that in continuing our activities along these lines we have built up our savings accounts and have acquired a considerable amount of goodwill which we will cash in on further over the period of years."

Another illustration of this evidence of personal interest is the Baby Gift Certificate which is sent by a southern association to all new parents, offering, upon the return of the certificate, to credit a new account in the baby's name with one dollar as a savings inducement. "We have only a small percentage of the Certificates returned but people appreciate our thoughtfulness and, in that manner, a good many people have found out that we accept savings."

Other variations of the direct mail technique were also in common use among the reporting associations. Many send "thank you" letters when an account is opened or a loan closed. This, in addition to being a courteous gesture, provides an opportunity for informing each type of customer about the other angle of savings and loan operations.

Many associations emphasize home building appeals in their advertising campaigns, offering various types of literature on the subject as well as sample plans. In reporting their experience with a home-of-the-month series, the president of a Michigan association said: "While this is primarily for loans, it has brought in savings from people who plan to build in the future. From this program we have developed a mailing list of about 600 people interested in building new homes." Several other associations also found the Loan Department a fertile field for producing new savings business. One Ohio executive put it this way: "A well handled mortgage loan gets you closer to folks than any other business transaction. These transactions are investigated and it has been found on the average that the mortgagor has about five or six relatives and friends. We figure that every loan ought to produce over a short period, two or three savings accounts."

The Loan Department is not the only one that can be used as a general business-builder, according to this story from a midwestern Federal:

> By taking constant inventory, we have found that one of the outstanding contributory factors to the success of our association was the inauguration and careful development of our Escrow Department. Through this service we are acquainted with the parties involved in the real estate transfer and we are invariably able to solicit from the seller's proceeds a substantial new savings account with our association, if there is no immediate purchase of another parcel, and in that event we most likely obtain another mortgage or escrow. This department is a highly specialized one, being carefully planned, and is considered one of the outstanding units of our association, in addition yielding a substantial earning every year . . . One evening a week is set aside for handling escrow matters in which the parties are unable to come to the association during the daytime.

Soliciting new business

On the theory that one of the best ways to get new business is to go out and ask for it, several associations reported very satisfactory results from the employment of paid solicitors. An eastern institution official speaks of this method as "what we consider our most important advertising campaign which has brought us more results than anything we have tried." The business was handled through a contract with a distributor of registering banks to make house-to-house calls throughout the entire district. "Under the terms of the campaign the banks and a wallet for the storage of bonds and personal papers are sold to prospective customers with the understanding that if they do open an account and make payments totaling not less than $50 at the end of the year, the institution would refund the cost." Since 1944 over 15,000 people have been interviewed; 3,200 banks and wallets distributed; and over 1,800 new accounts opened at an average of $300 per account. As the association report stated: "This, of course, does not tell the whole story as hundreds of people who were not interested in the purchase of the bank and wallet have opened accounts." Another association keeps one full-time and one part-time employee constantly soliciting new savings accounts, using the same

technique of "selling" a coin bank, subject to redemption if an account is opened within 60 days and a $50 balance built up within the year.

Payroll savings program

Taking a cue from the favorable reaction to the Treasury's wartime experience, some associations are now operating payroll deduction plans for the promotion of regular savings. The "Passport to the Home of Savings," shown in the illustration on page 179, is one of the pieces of promotional material issued by an institution in New York State which recently established such a program. The booklet contains an explanation of the advantages and mechanism of the plan, with particular emphasis on the flexibility and privacy of the arrangement, as well as on the safety of the institution. The back cover of the booklet is an authorization card for the employer's records. In reporting on the plan, the manager of the institution said:

> About four months ago, we launched the Security Payroll Club and we have had some very attractive literature prepared in order to familiarize not only the employees but the employers in the various industrial and mercantile plants in the community with the plan. Individual letters are sent to the management of each plant and this is followed up by personal solicitation. Each of the unions was contacted by letter and these letters were followed by personal calls, and several addresses have been made before various groups in order to promote the Payroll Club. We also had attractive window posters of the easel type prepared and these were distributed for display purposes to the various stores in the community. In distributing these posters, we have been successful in having about 200 of the various stores in the community, as well as the mercantile plants, accept them. Of the above that were solicited to place these posters on display, we only had five refusals which, to our way of thinking, spells the public acceptance and approval of the association in the community.

Special programs

Another type of promotional program, one of the most elaborate reported to the REVIEW, is the Annual Open Meeting sponsored by a southern Federal. This, according to the managing officer of the association, has been the main feature of all their advertising. "Once a year we decide on a timely topic to be discussed and secure, where possible, the outstanding speaker in the country for the subject chosen. For the occasion we do a large amount of advertising and really make it First Federal week."

Invitations and tickets are hand-mailed to everyone listed in the telephone book and a supply of tickets sent to corporations and firms for distribution to their employees. Originally, convention halls of local hotels were used for the meeting but attendance increased to the point that it has been necessary in the last five years to move the meeting to the City Auditorium which holds 5,000 people, and that has sometimes been filled to overflowing. A printed program is provided which contains, on the back cover, a dignified statement of the purposes of the association but no commercial announcement is made in connection with the meeting. The executive officer reported: "This fact itself has received very favorable comment."

In connection with this Open Meeting, the association gives a dinner in honor of the guest speaker to which some 75–100 people are invited. Some particular city-wide group is invited each year—for instance, the realtors, the lawyers, the preachers or the members of the local women's clubs.

Selection of the person to introduce the speaker is another matter which receives careful attention—one year it was the Governor of the State and another time the president of the Chamber of Commerce. The association manager reported that one man chosen to officiate in that capacity was so favorably disposed toward the organization that within a year, $50,000 in new accounts was traced to his influence.

Goodwill advertising takes many forms other than such elaborate entertainment. One association, for instance, provides an hour-long musical program in the office quarters each noontime. During the holiday season the organ is moved to the front window and the music is broadcast for the pleasure and attention of passers-by.

A Pennsylvania association makes itself known to newcomers in the community by maintaining membership in the local "Welcome Wagon." This is a service provided in many cities which is sponsored by various business concerns as a friendly gesture to new residents to acquaint them with the products and services of local organizations. Numerous forms of free service within an association are also used as goodwill and business builders. One executive said, "In my estimation, it is that kind of thing that people like."

Cashing in on the traffic problem presented in getting into the adjoining metropolitan center, one suburban association entered into a contract with the telephone company to collect their bills. This brought some 1,500 new people into the association's quarters each month, many of whom would not otherwise have come to the association. Once having acquired the habit, they often utilize other services as well.

Another device used by several associations is the provision of safe deposit boxes for the accommodation of members and to attract new customers to the office.

"Something for nothing"

"We believe in the liberal use of 'gadgets' to be handed out to members, on the theory that everyone is glad to get something for nothing." This comment by the managing officer of a large middlewestern Federal, represents the philosophy of many institutions. In addition to putting the customer in a pleasant frame of mind, these gifts serve the added purpose of keeping him reminded of the donor, a cardinal principal of good advertising.

Most of the gadgets distributed by these institutions were designed for individual use—blotters, thimbles, dime savings folders, letter openers, calendars, and even baby books. However, one association in Pennsylvania reported excellent results from furnishing score cards and tallies for group card parties. The managing officer said "Our city has many clubs and women's organizations and we furnish the score cards for many of their card parties. These parties sometimes amount to as many as 100 tables so by furnishing the tally cards we place our name before at least 400 women."

Display advertising

Various kinds of display advertising were also reported in the REVIEW'S canvass. However, aside from window and lobby displays, that field did not seem to be so thoroughly worked as the others which have been summarized.

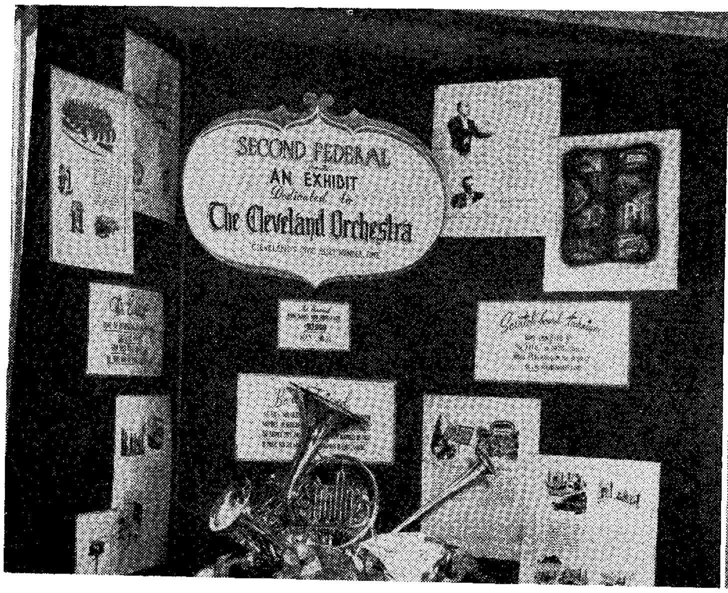
There are two distinct types of window displays—direct business promotion and goodwill advertising. The former, emphasizing either mortgage loans or thrift, includes displays of house plans and building materials, or set-ups designed to dramatize the benefits of regular savings.

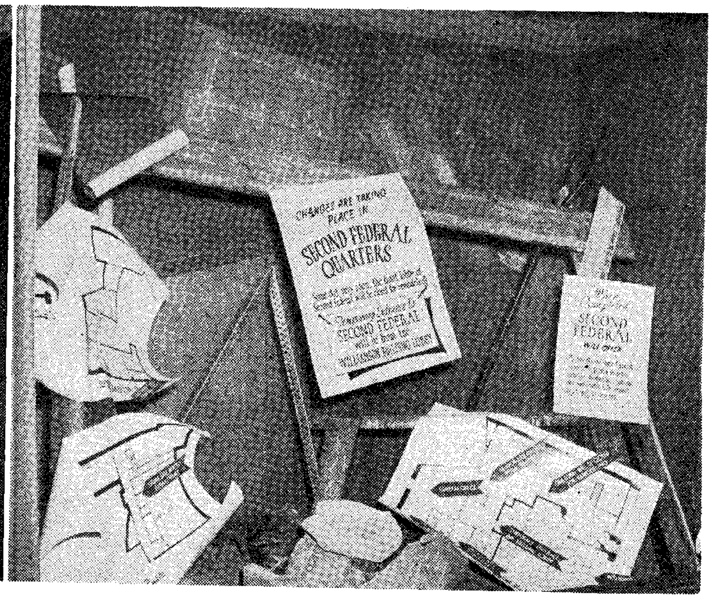
An interesting variation of this kind of advertising is shown in the accompanying illustration. The managing officer of the association which used this display explained: "This shows how we announced the change in our quarters when it became necessary to barricade our front window for remodeling. Incidentally, this is the only window devoted entirely to the subject of the Second Federal which we have used in the past six or seven years."

The other type of window display—general service or goodwill advertising—usually stresses such themes as the local Community Chest, Red Cross, manufacturing activity in the city, or any civic feature. An example of that type is also shown in the illustration on this page.

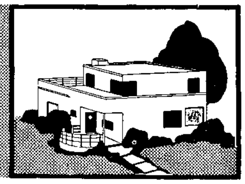
Many associations reported that their own employees furnished the bulk of the ideas for these

(*Continued on p. 189*)





NEWS NOTES



Veterans' organizations support present housing program

Almost complete unanimity of opinion in favor of keeping all present provisions of the housing program was expressed by representatives of the five major veterans' organizations recently. This consensus was announced by Housing Expediter Frank R. Creedon following a meeting which he had called to clear up conflicting reports as to the attitude of these groups.

The nine-point control program on which the veterans' organizations were asked to comment included: the construction limitation order; allocation of basic raw materials; special assistance in securing building machinery and equipment; one completed bathroom; 1,500 square feet as area limitation; suitability of house for year-round occupancy; rent ceilings on new construction; veterans' preference; sales and rental ceilings on HH houses. The only point questioned by two of the organizations was the advisability of rental ceilings on new construction.

Both lumber prices and production rise

Since decontrol, prices have gone up more sharply on lumber than on any other building material, the Forest Products Section of the Department of Commerce reported. Unless prices can be stabilized at more moderate levels, the Commerce Department believes that lumber dealers may lose some of their markets. This danger is underlined by great technological improvements in competing materials and the expanding production of new lumber substitutes.

During the last few months, the Forest Products Section reported, there appears to have been plenty of lumber available for those who cared to meet the price. Lumber production in 1947 will total about 36 billion board feet, the Commerce Department estimated. On an overall basis, this appears sufficient to bring the supply into approximate balance with minimum requirements.

Despite numerous adverse factors, the lumber industry made an outstanding production record in 1946. Total production was 34.5 billion board feet—about 23 percent above 1945 and several billion feet more than was predicted at the beginning of the year. During the third quarter of 1946, lumber stocks continued the increase which was first evident in the second quarter of the year.

Priority rating assistance curtailed

Beginning April 1, priority rating assistance will be given, in general, only in support of the housing program and in aiding the Veterans Administration construction program (mostly hospitals). Ratings previously issued for other purposes will expire and, by action of the CPA, a new RR rating covering future priority assistance will become effective.

Valid HH and HHH ratings are not affected in any way by the new PR–35. Valid AAA, MM and CC ratings issued for the purchase of any building material or product listed on Schedule A to PR–33 remain in effect in accordance with the rules under which they were issued, except that they will not be effective for the purchase of steel for delivery after March 31.

Construction research board organized

To provide a clearing house for technical research information in the field of construction, a Building Construction Research Board was set up on January 31 by the National Research Council of the National Academy of Sciences. Supported by contributions from the building industry, the new Board contemplates no direct laboratory activity. Its principal function will be to collect and disseminate technical research findings of importance to the building trades and to correlate investigations carried on simultaneously by different organizations.

Revisions in guaranteed market plan

In order to bring the guaranteed market plan into conformity with recent changes in the housing program, several revisions are currently being made according to a recent announcement by the Office of the Housing Expediter. Price ceiling provisions will not be included in new market guarantee contracts but contracts will still be based in part on the prospect of substantial construction economies through factory production. Also, a maximum limit will be placed on the amount the Government will have to pay for any units it may have to take over.

Benefits of the guarantee will continue even though a producer, through no fault of his own, is unable to meet the production schedule called for in the contract. In addition, a change will be made in the sales clause to conform with the new permit system for residential construction.

"Community Action—Yakima Style"

National recognition was accorded the aggressive veterans housing program in Yakima, Washington, through a nationwide radio broadcast on March 15 which originated from a veteran's home in that city. The driving force in this community has been the Mayor's Emergency Housing Committee, which includes representatives of the local savings and loan associations in key positions. A feature article, describing the Yakima housing program in detail, will be published in the April issue of the REVIEW.

Premium payments on pig iron continued

Continuation to June 30, 1947, of premium payments on foundry and malleable grades of pig iron, in order to assure maximum production of this critical material, was generally approved by the Joint Pig Iron Industry Advisory Committee, the CPA and the Office of the Housing Expediter announced last month. Also, at the same time, consideration was indicated for a possible increase in the basic quota output of plants operating under this arrangement.

Effective September 1, 1946, the plan was designed to increase the supply of pig iron needed for cast iron soil and pressure pipe, radiation and other housing products. During the September–November period the combined production of participating plants rose an average of 48,800 tons a month over the three months prior to the institution of the plan. The over-all increase in the industry was 8.9 percent in October which represented a peak for 1945–1946. In November alone, despite the coal strike, the daily average output was higher than during any of the eight months of 1946 before premium payments were instituted.

Low redemption rate in savings bonds

New evidence that U. S. savings bonds have been bought as long-term, "permanent" investments is contained in a recent nationwide survey conducted by the U. S. Treasury Department. This sample study, which covered the first seven months of 1946, showed that over half of the holders of these securities cashed no bonds at all during the period. The majority of the people who had cashed any bonds, about four-fifths of those interviewed, stated that they had been obliged to redeem these bonds in order to meet emergencies and to pay for higher living and consumption expenses. However, the individual amounts involved were relatively small on the average and the total represented about two-fifths of the value of all bonds redeemed during the period.

In contrast to this, only 14 percent of the people who redeemed bonds did so for investment purposes but in the aggregate this involved over one-third of the dollar volume of redemptions. Since the financing of homes and farms constituted the chief reason for these redemptions, it is probable that the future trend will be conditioned to a great extent by a rising volume of residential construction.

There was no pronounced variation in bond redemptions as between various income groups. The $2,000–$4,000 bracket led, exceeding by a slight margin the lowest income groups, but the proportion of redemptions was also substantial among the higher income brackets—over $4,000.

According to the Treasury, small investors purchased approximately $4.5 billion of "E" bonds last year, while the shrinkage of total outstanding volume of these bonds was only 1.1 percent.

Two new guaranteed market contracts

Directives were issued last month by Housing Expediter Frank R. Creedon to the RFC to negotiate guaranteed market contracts with three housing producers for the provision of 13,700 houses in 1947. This action will bring into force 10 such agreements for a total production of 82,500 factory-built houses during the current year.

The Texas Housing Company contract calls for the production of 10,000 wood panel, one-story two-bedroom dwellings containing 800 square feet of floor space. These houses, which will be marketed principally in the South and Southwest, will sell complete and erected but without land, for approximately $5,500.

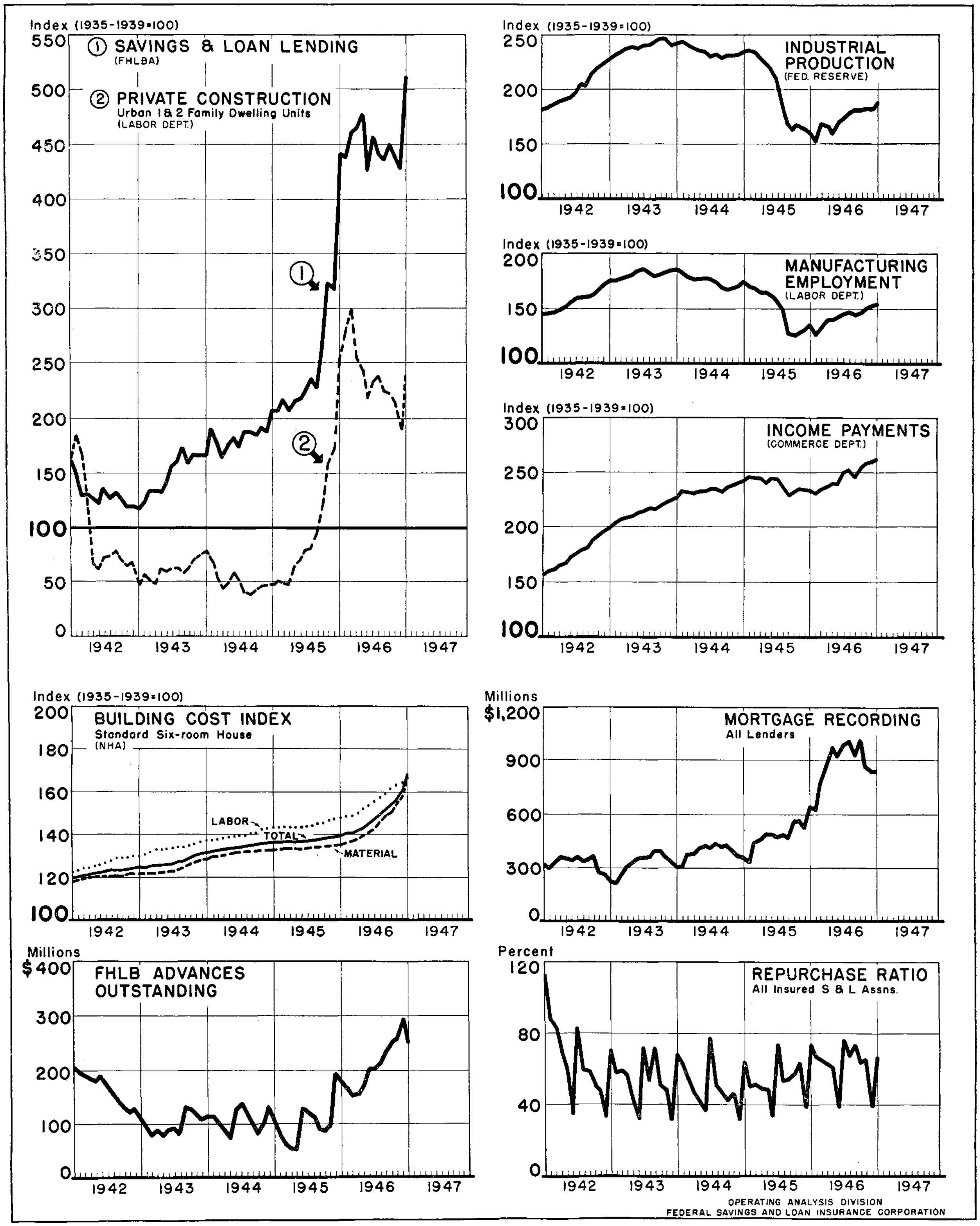
Under another agreement, General Houses, Inc., will undertake to provide 2,000 wood and plywood Cape Cod cottages. These will be story-and-a-half two-bedroom houses of 825 square feet with an unfinished attic where two more bedrooms and a bath can be added later. The price, complete and erected but without land, will be approximately $5,050 in the South and $5,900 in the North. The difference is based on higher freight charges and the addition of a basement and a larger heating system.

The contract with General Homes, Inc., calls for the production of 1,646 units of a one-story two-bedroom aluminum house of conventional appearance containing 874 square feet. This house will sell, complete and erected but not including land, for approximately $5,865. In addition to these units the company has agreed to provide 54 houses of a larger three-bedroom type for an addition to the Tauxmont housing development south of Alexandria, Virginia.

Two premium payment plans dropped

Premium payments on structural clay products and sand lime brick, provided under Premium Payment Regulations 1 and 10, were terminated at the end of February by the Office of the Housing Expediter. Both of these programs were originally scheduled to remain in effect through May 1947 but a review of the supply outlook for this year led the Industry Advisory Committees to recommend the earlier ending of these programs. This action brings to six the number of incentive payment plans which, having served their purpose of encouraging a satisfactory level of production, have been closed out since price controls were removed from building materials.

Monthly output of structural clay products before the premium plan was 89,000 tons; the plan went into effect on October 1 and in the remaining months of 1946, production increased to an average 119,000 tons a month. About 530 plants, including at least 78 which were reopened, participated in the plan, accounting for 80 to 90 percent of the industry's total production. Monthly output of sand lime brick during the first five months of 1946, before incentive payments became operative, averaged 341 million brick. In the last seven months of the year the monthly average rose to 455 million.



Index (1935-1939=100)
① SAVINGS & LOAN LENDING
(FHLBA)
② PRIVATE CONSTRUCTION
Urban 1 & 2 Family Dwelling Units
(LABOR DEPT.)
INDUSTRIAL PRODUCTION
(FED. RESERVE)
MANUFACTURING EMPLOYMENT
(LABOR DEPT.)
INCOME PAYMENTS
(COMMERCE DEPT.)
BUILDING COST INDEX
Standard Six-room House
(NHA)
LABOR
TOTAL
MATERIAL
Millions
MORTGAGE RECORDING
All Lenders
FHLB ADVANCES OUTSTANDING
Percent
REPURCHASE RATIO
All Insured S & L Assns.
1942
1943
1944
1945
1946
1947
OPERATING ANALYSIS DIVISION
FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Industrial output reached new peacetime peak

In a month virtually free from major management-labor conflict, the wheels of American industry were turning at the fastest rate during January for any month since the end of the war. The Federal Reserve Board's seasonally adjusted index of industrial production moved up six points from December to reach 188 percent of the 1935–1939 average. Output of durable and nondurable goods, as well as that of the country's mines, all shared in the gains registered over the preceding month.

According to Reserve Board economists, the substantial rise in January reflected primarily sharp gains in the output of coal, iron and steel. Production of iron and steel was at the highest rate since May 1945. The output of building materials was also maintained at an unusually high level for this time of year, the report stated.

The number of unemployed persons increased slightly to about 2,400,000 but this was largely a seasonal movement. For example, the Bureau of Labor Statistics estimates that the total number of workers on construction projects throughout the country was 145,000 less than in December. This trend has been going on since late fall, but will be reversed with the approach of spring.

The Bureau also reported that January was the second successive month during which total expenditures for building and repair of nonfarm homes ($357 million) were below the total for non-residential construction. While this is normally true, the situation was reversed last summer when a peak volume of new homes was being started at a time when there were severe restrictions on non-residential projects.

Index [1935–1939=100]	Jan. 1947	Dec. 1946	Percent change	Jan. 1946	Percent change
Home construction (private)[1]	239.5	191.5	+25.1	r 252.4	−5.1
Rental index (BLS)	108.8	108.8	--------	108.3	+0.5
Building material prices	189.5	176.2	+7.5	134.0	+41.4
Savings and loan lending [1]	510.2	430.0	+18.7	442.5	+15.3
Industrial production [1]	188.0	r 182.0	+3.3	160.0	+17.5
Manufacturing employment [1]	155.3	153.1	+1.4	135.2	+14.9
Income payments [1]	263.6	r 261.6	+0.8	233.5	+12.9

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

Retail transactions, as measured by the department store sales index of the Federal Reserve Board, were about 17 percent higher during the first few weeks of this year than in the same period of 1946. Higher prices figure in the increase, however, and it was reported that unit sales of some nondurable goods have shown declines.

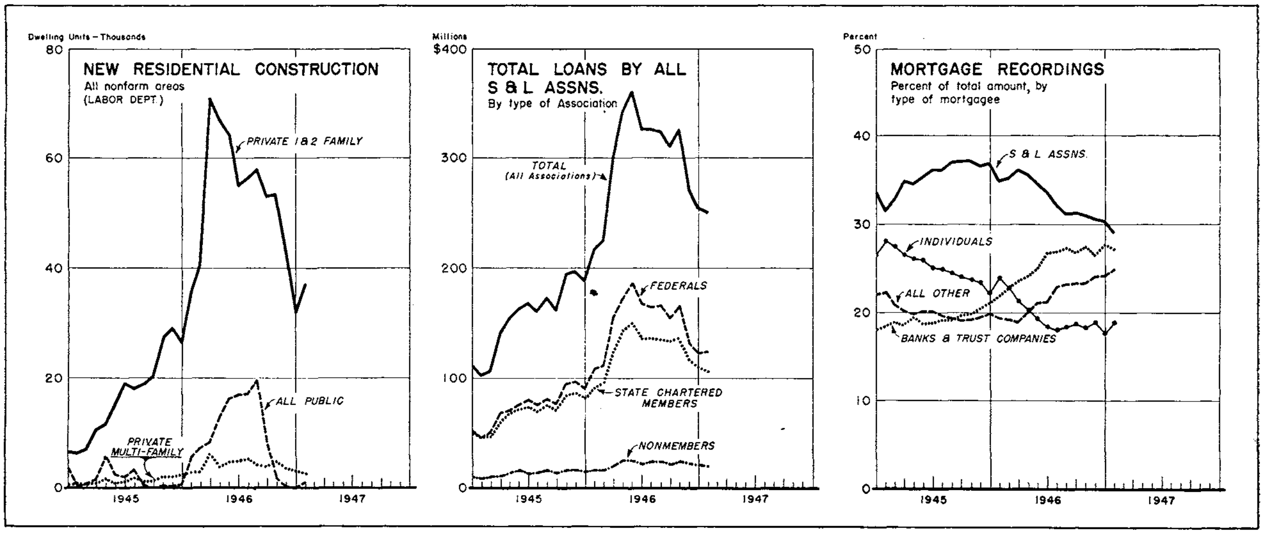
Price fluctuations continued to exercise an important influence over current and future business activity. The Bureau of Labor Statistics index of wholesale prices, based on approximately 900 commodities, has maintained its upward trend since the beginning of the year. Prices are now at the highest levels since late 1920, but still 12 percent below the peak reached in May of that year.

Wholesale building material prices have participated in the recent gains. In the first eight weeks of this year, the index of all building materials rose almost 12 percent. Each of the various commodity sub-groups making up the combined index shared in the rise, with lumber and paint and paint materials showing the greatest increases.

After 10 consecutive monthly increases, the index of consumer prices declined one-tenth of 1 percent from mid-December to mid-January. Lower prices for food items in the family budget more than offset the additional gains in retail prices of other living essentials. The net increase in the past 12 months, however, is estimated at nearly 18 percent. The trends of these prices are studied, of course, for their effect on the purchasing power of consumers.

January building permits were up 13 percent

Building permits were granted for nearly 40,000 privately financed family dwelling units in all nonfarm areas during January. This is only a fractional increase over the same month of last year but exceeds by 9 percent the January 1941 volume of private construction. From December to January, permits for privately financed dwellings rose 13 percent, all of which may be accounted for by the accelerated activity in construction of



1- and 2-family dwellings—multi-family units having declined 19 percent during this period.

The average permit valuation for 1-family homes built in nonfarm areas was $4,529 in January compared with $4,256 a year ago and $3,587 in January 1941. [Tables 1 and 2.]

Standard house index of building costs up 5 percent

Construction costs as measured by the NHA index for the standard frame house showed the sharpest gain for any single month since this series was started in 1936. The index for total costs was up 7 points, reaching 168 percent of the 1935–1939 average.

[Note—Because of the method used in compiling the national standard house index, it has been slow to recognize the changes in costs which have occurred since the lifting of price controls on November 9. For example, the index for January reflects price quotations obtained in the three reporting groups of cities. One group of quotations was obtained on November 15, the second group on December 15, and the final group on January 15. The index is derived by an average of the quotations for the three reporting dates. For the same reason the standard house index will be somewhat slower in recognizing any declines in construction costs when they occur.]

Increases in material costs were responsible for the major portion of the December-to-January gain. The index for material costs reached 168 percent of the 1935–1939 average. This was the first time since December 1937 that the index of material costs was higher than that of labor costs. Labor charges involved in constructing the standard house rose 1 percent during the month to bring this index to 167 percent of the 1935–1939 average.

Wholesale building material prices as measured by the Department of Labor index were up 8 percent during the month of January and stood 41 percent above the level of a year ago. Both lumber and paint and paint materials showed gains of 10 percent in January and these same materials have experienced the greatest gains in the year-to-year comparison. [Tables 3, 4 and 5.]

Savings and loan lending showed slight decline

The downward trend in the volume of home purchase loans made by all savings and loan associations, which has accompanied the general slow-down in the turnover of existing properties,

New mortgage loans distributed by purpose

[Dollar amounts are shown in thousands]

Purpose	January 1947	December 1946	Percent change	January 1946	Percent change
Construction	$51,145	$50,233	+1.8	$30,807	+66.0
Home purchase	145,273	151,848	−4.3	145,342	−0.1
Refinancing	22,599	22,116	+2.2	21,372	+5.7
Reconditioning	6,795	6,040	+12.5	3,803	+78.7
Other purposes	24,204	23,464	+3.2	15,518	+56.0
Total	250,016	253,701	−1.5	216,842	+15.3

was continued during the opening months of 1947. Loans in all other purpose categories were greater in January than in December, increases ranging from 2 percent for construction and refinancing loans to as much as 12 percent for repair and reconditioning loans. However, the 4-percent drop in home purchase lending was sufficient to more than offset the increased lending in the other categories, with the result that total new loans dropped slightly from the December level to $250,000,000.

Compared with the estimated $217,000,000 of loans made during the same month of last year, savings and loan lending during January was up 15 percent. The greater portion of the rise in new lending in this January-to-January comparison was accounted for by loans for the construction of homes, which increased 66 percent to more than $51,000,000. The volume of home purchase loans made was fractionally smaller than in the corresponding month of 1946. [TABLES 6 and 7.]

Volume of recordings showed little change from December

Changes in mortgage financing volume were spotty at the start of this year, with the various classes of financial institutions (commercial banks, savings banks and associations) showing reductions from December. However, the gains recorded by insurance companies, individuals and other mortgagees were sufficient to raise the total for all lenders slightly from December to January.

Mortgage recordings by type of mortgagee

[Dollar amounts are shown in thousands]

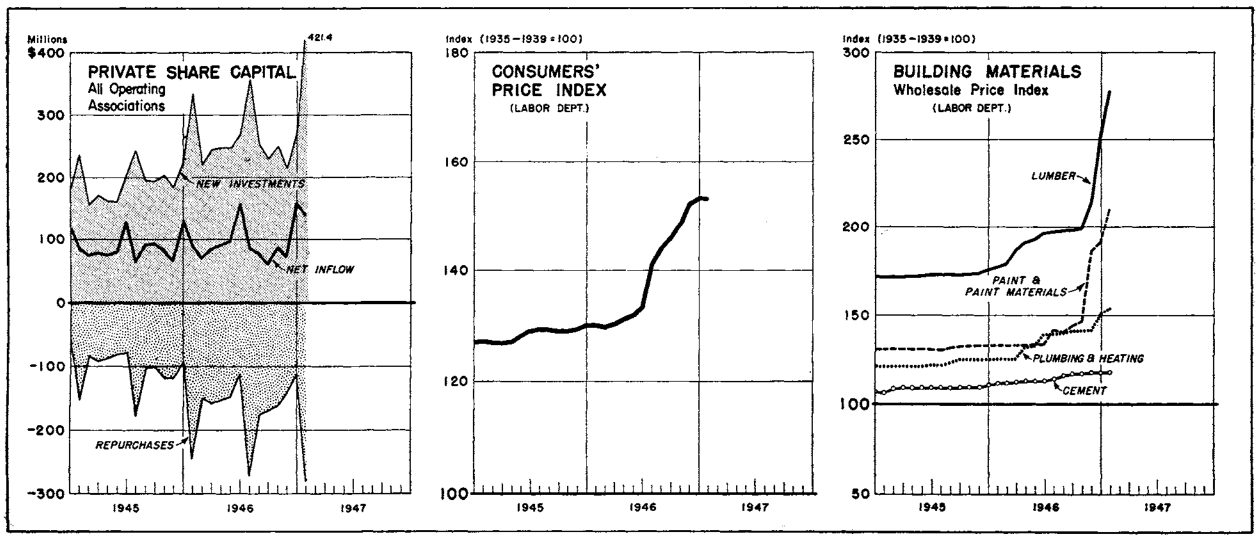
Type of lender	January 1947	December 1946	Percent change	January 1946	Percent change
Savings and loan associations	$246,114	$254,477	−3.3	$220,420	+11.7
Insurance companies	52,155	44,548	+17.1	26,936	+93.6
Banks, trust companies	230,492	232,032	−0.7	139,126	+65.7
Mutual savings banks	44,761	46,941	−4.7	24,401	+83.4
Individuals	160,297	147,613	+8.6	151,601	+5.7
Others	113,224	110,793	+2.2	71,633	+58.1
Total	847,043	836,404	+1.3	634,117	+33.6

In dollar volume, a total of $847,000,000 in mortgages of $20,000 or less was recorded in January. While this is one-third greater than the amount reported a year previous, it is significant that more than half of this gain was due to increases in the average size of the instruments recorded.

The *number* of mortgages recorded was only 14 percent greater in January 1947 than a year earlier—while savings and loan associations as well as individual lenders actually showed fewer instruments recorded. As late as July 1946, the number of recordings was 65 percent above the corresponding 1945 figure, but the margin narrowed persistently from month to month for the rest of the year. [TABLES 8 and 9.]

Outstanding FHLB advances fell $42 million in January

In spite of a record volume of repayments during the month, FHLB advances outstanding at the end of January remained the largest ever



reported for that month. Although 44 percent higher than on that 1946 date, the January 31 balance of $251,155,000 followed the normal seasonal pattern by dropping more than one-seventh below the year-end figure. Shared in by every Bank, the decline ranged from 6 percent in Pittsburgh to 27 percent in San Francisco. This first monthly contraction since the fractional decrease in July 1946 brought the advances outstanding to the lowest level since last September.

Aggregate advances made by the Banks in January followed the trend usually apparent at this time of year by falling to about one-sixth of the December amount. Reflecting a decline in every Bank District, the January advances totaled $8,718,000. This was the smallest volume recorded for any January since 1941 and about 51 percent below that 1946 month. Member institutions borrowed less from the 11 FHL Banks during January than in any single month since October 1945.

While it is customary for member institutions to make heavy repayments during January on funds advanced by FHL Banks, the $51 million repaid in that period this year exceeded any other monthly total in the Banks' history. About $12.6 million above the previous peak set in January 1946, repayments in the reporting month were over three times as high as in December. [TABLE 12.]

Number of insured associations reached 2,500

The 2,500 associations insured by the Federal Savings and Loan Insurance Corporation enjoyed a particularly favorable growth in share capital during the opening month of 1947. With the exception of June and December of last year—the months in which most associations declare and credit dividends to the savings accounts of their members—the $121,000,000 increase during January was the largest monthly gain on record and boosted the private repurchasable capital of these institutions to $6,317,000,000. Compared with the share growth recorded in January 1946, the current figure represents an improvement of well over 50 percent.

Although both total new share investments and withdrawals were substantially greater than in the same month of last year—up 27 and 16 percent, respectively—the greater relative rise in total new investments served to reduce the withdrawal ratio to 66 percent from 73 percent a year earlier.

After tending downward during 1944–1945, the ratio of general reserves and undivided profits to assets of insured associations again turned slightly upward during the latter half of 1946. The $463,286,000 of general reserves and undivided profits held by these institutions by the end of January represented 6.3 percent of total assets on that date.

In line with experience during the same month of preceding years, insured associations during January reduced their advances from the Federal Home Loan Banks from $273,000,000 to $231,-000,000. Advances outstanding at month-end were, however, 41 percent greater than a year earlier. [TABLE 13.]

Gain in share capital 55 percent above a year ago

During January, both total new investments and withdrawals of savings and loan associations' share capital reached new high levels. But more important, the net flow of savings into these institutions (excess of new investments over withdrawals) also established a new record for the month. In fact, with the exception of June and December of last year—the months in which most associations make their semi-annual declaration of dividends—the estimated $140,000,000 net growth in share accounts during the reporting month was the largest on record and exceeded by 55 percent the growth in the same month of last year.

Total new share investments, which reached an all-time high of $421,000,000 in January, were 26 percent greater than in the same month of last year. Over the same interval, withdrawals rose 15 percent to a new monthly peak of $281, 000,000. By virtue of the larger percentage gain in total new investments, the withdrawal ratio dropped from 73 percent in January 1946 to 67 percent. This is the second month in the last 13 (the other being December 1946) in which the withdrawal ratio has shown an improvement over the comparable month of the preceding year. [TABLE 14.]

Foreclosures were down 17 percent during 1946

Nonfarm foreclosure actions initiated during the fourth quarter of 1946 were approximately 30 percent more numerous than during the preceding three-month period which marked a new low point in this series. The estimated October-December total of 3,392 cases, however, was only 3 percent more than in the corresponding period of 1945. This indicates that not too much significance can be attached to the recent rise.

For the year as a whole, nonfarm foreclosures were nearly 17 percent below the 1945 level. The total is estimated at just over 12,000 or approximately 1,000 cases per month. Only two Federal Home Loan Bank Districts (Topeka and San Francisco) showed more foreclosures last year than in 1945 [TABLE 19.]

Management Survey

(*Continued from p. 181*)

exhibits, if not all the actual "trappings" or work. This, plus the fact that these displays may be as simple or as elaborate as desired, means that it need not be an expensive form of advertising.

Bus, streetcar and subway advertising also had its proponents. This medium was not among the most frequently mentioned although it was considered by some as an excellent source of new contacts. One more form which might properly be considered display advertising is the motion-picture short. Two associations reported using movie shorts as part of their business promotion programs.

Conclusions

The cooperation of all associations which participated in this survey is appreciated and the results are indicative of the interesting and challenging problems involved in promotional efforts. There are undoubtedly other institutions which have had equally good results with the methods presented in these articles, or with other types of activities which have not been covered.

This survey also showed that organized campaigns for savings can be effective and will go a long way in producing the funds which will be required in the coming months for the home financing activity of these institutions.

Rent Regulations Eased

■ LIBERALIZATION of provisions under which owners of rental property can apply for increases in rent ceilings was announced during February by the Office of Price Administration. These changes, effective February 15, make it easier to get rent increases to cover "financial hardship" cases and those involving "peculiar circumstances" of renting.

"Financial hardship" cases, under the new regulations will be determined by comparing the operating position of the property in the current year with that in any representative two-year base period after January 1, 1939. Previously, the base period had to be before the maximum rent date.

In order to qualify for a hardship increase, a landlord must show both a decrease in net income and an increase in property taxes or operating costs between the selected base period and the current year. The amount of increase granted, OPA stated, will continue to be limited by the level of rent ceilings for comparable housing in each area.

The change in provisions covering "peculiar circumstances "was accomplished through instructions to OPA area rent offices granting more local discretion in such decisions. These cases, which have always been subject to adjustment, involve properties which, for a specific and unusual reason, were at the time rent control became effective, being rented at a rate substantially below the comparable rent for similar accommodations.

Increases to date

By the first of this year OPA had granted 987,000 individual petitions for rent increases under all of the 15 individual grounds provided by the rent regulations. The monthly rate of these increases, which has been growing since early 1946, is now somewhat more than 25,000 petitions a month.

These increases have been granted chiefly to compensate for additional furniture, equipment or services, or for a major capital improvement. Substantial increases in occupancy of a rental unit, that is, in the number of sub-tenants or occupants in excess of normal, has been another major ground for adjusting ceilings upward, as have been special relationships between an owner and a tenant.

Table 1.—**BUILDING ACTIVITY**—Estimated number of new family dwelling units provided in all urban areas in January 1947, by Federal Home Loan Bank District and by state

[Source: U. S. Department of Labor]

Federal Home Loan Bank District and state	Total urban residential construction			Private residential construction						Public residential construction		
				1- and 2-family dwellings			3- and more-family dwellings					
	Jan. 1947 p	Dec. 1946	Jan. 1946	Jan. 1947 p	Dec. 1946	Jan. 1946	Jan. 1947 p	Dec. 1946	Jan. 1946	Jan. 1947 p	Dec. 1946	Jan. 1946
UNITED STATES	25,301	21,348	31,639	21,955	18,429	23,130	2,262	2,919	2,810	1,084	----------	5,699
Boston	680	759	455	676	715	405	4	44	50	----------	----------	----------
Connecticut	252	165	90	252	165	85	----------	----------	5	----------	----------	----------
Maine	8	13	14	8	13	7	----------	----------	7	----------	----------	----------
Massachusetts	316	486	302	312	446	264	4	40	38	----------	----------	----------
New Hampshire	35	10	6	35	6	6	----------	4	----------	----------	----------	----------
Rhode Island	69	75	42	69	75	42	----------	----------	----------	----------	----------	----------
Vermont	----------	10	1	----------	10	1	----------	----------	----------	----------	----------	----------
New York	2,454	2,096	6,629	886	1,036	859	484	1,060	762	1,084	----------	5,008
New Jersey	736	752	372	501	424	350	235	328	22	----------	----------	----------
New York	1,718	1,344	6,257	385	612	509	249	732	740	1,084	----------	5,008
Pittsburgh	819	762	659	793	730	589	26	32	70	----------	----------	----------
Delaware	6	11	9	6	7	9	----------	4	----------	----------	----------	----------
Pennsylvania	683	635	512	657	611	448	26	24	64	----------	----------	----------
West Virginia	130	116	138	130	112	132	----------	4	6	----------	----------	----------
Winston-Salem	4,542	4,134	4,209	4,052	3,431	3,593	490	703	542	----------	----------	74
Alabama	514	549	476	498	385	390	16	164	12	----------	----------	74
District of Columbia	190	255	74	90	80	74	100	175	----------	----------	----------	----------
Florida	1,901	1,423	1,791	1,717	1,261	1,466	184	162	325	----------	----------	----------
Georgia	411	357	688	411	357	603	----------	----------	85	----------	----------	----------
Maryland	258	288	279	232	268	279	26	20	----------	----------	----------	----------
North Carolina	541	514	399	525	476	355	16	38	44	----------	----------	----------
South Carolina	233	150	192	233	150	183	----------	----------	9	----------	----------	----------
Virginia	494	598	310	346	454	243	148	144	67	----------	----------	----------
Cincinnati	1,726	1,279	1,373	1,647	1,150	1,307	79	129	66	----------	----------	----------
Kentucky	228	148	122	228	148	110	----------	----------	12	----------	----------	----------
Ohio	1,105	910	882	1,026	781	860	79	129	22	----------	----------	----------
Tennessee	393	221	369	393	221	337	----------	----------	32	----------	----------	----------
Indianapolis	1,241	1,078	1,889	1,212	1,043	1,690	29	35	19	----------	----------	180
Indiana	463	405	538	453	390	350	10	15	8	----------	----------	180
Michigan	778	673	1,351	759	653	1,340	19	20	11	----------	----------	----------
Chicago	1,054	1,142	1,620	870	1,070	1,197	184	72	36	----------	----------	387
Illinois	839	913	1,258	682	853	951	157	60	32	----------	----------	275
Wisconsin	215	229	362	188	217	246	27	12	4	----------	----------	112
Des Moines	909	851	985	857	796	905	52	55	30	----------	----------	50
Iowa	118	189	121	118	189	121	----------	----------	----------	----------	----------	----------
Minnesota	342	337	403	326	321	353	16	16	----------	----------	----------	50
Missouri	381	268	401	350	229	371	31	39	30	----------	----------	----------
North Dakota	35	19	14	30	19	14	5	----------	----------	----------	----------	----------
South Dakota	33	38	46	33	38	46	----------	----------	----------	----------	----------	----------
Little Rock	3,855	2,810	4,220	3,616	2,670	4,079	239	140	141	----------	----------	----------
Arkansas	263	146	186	239	140	186	24	6	----------	----------	----------	----------
Louisiana	439	350	321	431	314	321	8	36	----------	----------	----------	----------
Mississippi	305	237	248	238	219	248	67	18	----------	----------	----------	----------
New Mexico	132	26	190	132	26	164	----------	----------	26	----------	----------	----------
Texas	2,716	2,051	3,275	2,576	1,971	3,160	140	80	115	----------	----------	----------
Topeka	1,090	888	1,455	1,058	824	1,298	32	64	157	----------	----------	----------
Colorado	227	254	503	215	230	366	12	24	137	----------	----------	----------
Kansas	265	245	275	253	209	275	12	36	----------	----------	----------	----------
Nebraska	109	126	83	109	126	83	----------	----------	----------	----------	----------	----------
Oklahoma	489	263	594	481	259	574	8	4	20	----------	----------	----------
San Francisco	6,931	5,549	8,145	6,288	4,964	7,208	643	585	937	----------	----------	----------
Arizona	168	112	185	154	91	176	14	21	9	----------	----------	----------
California	5,780	4,260	6,148	5,231	3,736	5,404	549	524	744	----------	----------	----------
Idaho	37	92	126	37	86	126	----------	6	----------	----------	----------	----------
Montana	33	40	57	33	40	53	----------	----------	4	----------	----------	----------
Nevada	146	197	114	137	197	109	9	----------	5	----------	----------	----------
Oregon	332	243	627	265	209	549	67	34	78	----------	----------	----------
Utah	47	169	173	47	169	125	----------	----------	48	----------	----------	----------
Washington	370	420	678	370	420	629	----------	----------	49	----------	----------	----------
Wyoming	18	16	37	14	16	37	4	----------	----------	----------	----------	----------

p Preliminary.

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

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

Period	Number of family dwelling units provided						Permit valuation					
	Total construction	Private construction				Public construction	Total construction	Private construction				Public construction
		Total	1-family	2-family	3- and more-family			Total	1-family	2-family	3- and more-family	
NONFARM												
1941	715,200	619,460	533,185	28,393	57,882	95,740	$2,502,818	$2,180,805	$1,952,003	$69,429	$159,373	$322,013
January	41,198	36,480	28,495	1,617	6,368	4,718	140,022	124,727	102,234	3,656	18,837	15,295
1946	796,200	680,697	604,711	25,533	50,453	115,503	3,335,453	2,982,726	2,686,161	106,611	189,954	352,727
January r	44,800	39,101	34,771	1,409	2,921	5,699	178,954	162,703	147,963	5,286	9,454	16,251
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	13,833	20,683
October	60,200	58,492	51,551	1,999	4,942	1,708	270,983	261,614	233,066	8,590	19,958	9,369
November	46,600	46,478	41,296	1,684	3,498	122	212,668	212,424	188,830	7,667	15,927	244
December r	35,200	35,168	30,958	1,041	3,169	32	156,812	156,737	139,802	4,623	12,312	75
1947 January p	41,000	39,898	35,778	1,558	2,562	1,102	186,661	179,238	162,022	6,454	10,762	7,423
URBAN												
1941	439,582	369,465	295,024	22,752	51,689	70,117	1,617,981	1,380,736	1,175,598	58,841	146,297	237,245
January	27,505	24,361	17,035	1,321	6,005	3,144	96,913	87,230	65,984	3,141	18,105	9,683
1946	530,295	429,997	358,115	24,265	47,617	100,298	2,414,668	2,113,732	1,830,307	102,702	180,723	300,936
January r	31,639	25,940	21,807	1,323	2,810	5,699	135,636	119,385	105,261	5,011	9,113	16,251
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	54,347
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	37,401	36,067	29,576	1,899	4,592	1,334	192,148	183,593	156,482	8,290	18,821	8,555
November	28,661	28,539	23,747	1,594	3,198	122	149,541	149,297	126,948	7,397	14,952	244
December	21,348	21,348	17,458	971	2,919	----------	108,130	108,130	92,297	4,396	11,437	----------
1947 January p	25,301	24,217	20,497	1,458	2,262	1,084	131,238	123,974	108,134	6,129	9,711	7,264

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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
1945: January	130.4	121.5	106.9	171.3	130.7	121.4	103.5	111.9
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
November	162.5	142.1	117.4	213.9	186.0	140.8	115.9	135.5
December	176.2	143.1	117.3	253.0	191.1	151.0	115.9	142.5
1947: January	189.5	145.5	118.9	278.3	210.5	153.7	123.2	150.3
Percent change:								
January 1947–December 1946	+7.5	+1.7	+1.4	+10.0	+10.2	+1.8	+6.3	+5.5
January 1947–January 1946	+41.4	+13.1	+7.1	+57.7	+58.9	+23.2	+19.0	+30.4

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

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

Element	Jan. 1947	Dec. 1946	Nov. 1946	Oct. 1946	Sept. 1946	Aug. 1946	July 1946	June 1946	May 1946	Apr. 1946	Mar. 1946	Feb. 1946	Jan. 1946
Material	168.5	158.9	153.8	150.5	148.3	146.1	143.7	141.6	139.2	138.0	137.1	136.3	135.5
Labor	166.8	164.8	163.1	161.6	159.3	157.2	155.6	153.8	152.5	150.6	148.9	148.5	147.9
Total	168.0	160.8	156.9	154.2	151.9	149.8	147.7	145.7	143.6	142.1	141.0	140.3	139.7

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

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

Federal Home Loan Bank District and city	1947	1946				1945	1944	1943	1942	1941
	Feb.	Nov.	Aug.	May	Feb.	Feb.	Feb.	Feb.	Feb.	Feb.
Pittsburgh:										
Wilmington, Delaware	180.1	154.9	143.1	141.6	138.5	134.9	133.4	129.2	131.0	108.4
Philadelphia, Pennsylvania	199.9	187.4	176.5	172.9	170.0	151.4	148.5	138.8	135.0	118.0
Pittsburgh, Pennsylvania	177.0	152.7	146.9	140.9	139.6	135.0	133.5	130.7	118.6	110.2
Charleston, West Virginia	194.3	166.0	157.4	150.5	136.3	134.2	121.6	121.1	115.9	108.6
Cincinnati:										
Louisville, Kentucky	177.4	152.1	148.9	146.0	142.9	135.2	126.5	119.9	112.8	106.6
Cincinnati, Ohio	170.3	152.2	146.1	141.0	140.1	137.7	131.2	119.1	111.1	100.3
Cleveland, Ohio	171.6	163.1	159.6	147.0	145.9	147.9	139.5	128.3	125.1	110.5
Memphis, Tennessee	172.6	154.1	147.3	141.6	141.3	136.0	134.4	120.1	115.8	107.2
Little Rock:										
Little Rock, Arkansas	185.4	163.1	154.9	145.4	142.3	138.4	135.4	134.6	127.9	111.8
New Orleans, Louisiana	201.2	160.5	155.2	150.2	143.1	141.9	141.3	131.3	128.5	121.0
Jackson, Mississippi	187.1	156.8	148.6	141.7	141.6	137.2	132.3	123.4	122.6	113.5
Albuquerque, New Mexico	162.8	152.2	148.6	137.6	133.9	134.7	133.8	117.0	116.6	105.6
Houston, Texas	167.8	146.5	138.1	135.5	132.3	126.4	123.1	116.2	119.5	106.3

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

Table 6.—MORTGAGE LENDING—Estimated volume of new home mortgage loans by all savings and loan associations, by purpose and class of association

[Thousands of dollars]

Period	Purpose of loans					Total loans	Class of association		
	Construction	Home purchase	Refinancing	Reconditioning	Loans for all other purposes		Federals	State members	Nonmembers
1945	$180,550	$1,357,555	$196,011	$40,736	$137,826	$1,912,678	$911,671	$836,874	$164,133
January	3,772	76,495	12,167	1,868	7,999	102,301	46,439	46,452	9,410
1946	615,542	2,356,630	270,235	80,563	261,522	3,584,492	1,810,374	1,511,507	262,611
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
November	51,187	170,162	21,625	7,034	21,468	271,476	131,607	116,780	23,089
December	50,233	151,848	22,116	6,040	23,464	253,701	122,742	109,795	21,164
1947									
January	51,145	145,273	22,599	6,795	24,204	250,016	123,827	106,358	19,831

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

[Dollar amounts are shown in thousands]

Federal Home Loan Bank District and class of association	January 1947	December 1946	January 1946	1946	1945	Percent change
UNITED STATES	$250, 016	$253, 701	$216, 842	$3, 584, 492	$1, 912, 678	+87. 4
Federal	123, 827	122, 742	109, 146	1, 810, 374	911, 671	+98. 6
State member	106, 358	109, 795	92, 103	1, 511, 507	836, 874	+80. 6
Nonmember	19, 831	21, 164	15, 593	262, 611	164, 133	+60. 0
Boston	17, 310	17, 553	12, 003	239, 665	125, 996	+90. 2
Federal	6, 064	6, 311	5, 601	102, 778	53, 840	+90. 9
State member	9, 120	9, 164	5, 217	112, 425	56, 991	+97. 3
Nonmember	2, 126	2, 078	1, 185	24, 462	15, 165	+61. 3
New York	24, 590	26, 727	20, 573	372, 091	187, 331	+98. 6
Federal	9, 998	10, 171	7, 822	156, 530	66, 576	+135. 1
State member	11, 308	12, 123	9, 434	162, 723	89, 971	+80. 9
Nonmember	3, 284	4, 433	3, 317	52, 838	30, 784	+71. 6
Pittsburgh	19, 454	18, 939	16, 865	267, 106	154, 716	+72. 6
Federal	9, 774	9, 273	8, 714	134, 256	73, 534	+82. 0
State member	6, 110	6, 096	5, 070	85, 444	53, 400	+60. 6
Nonmember	3, 570	3, 570	3, 081	47, 406	27, 782	+70. 6
Winston-Salem	39, 107	40, 881	31, 814	525, 631	243, 851	+115. 6
Federal	20, 239	21, 449	16, 764	296, 700	128, 459	+131. 0
State member	15, 515	16, 169	12, 508	191, 484	99, 687	+92. 1
Nonmember	3, 353	3, 263	2, 542	37, 447	15, 705	+138. 4
Cincinnati	35, 783	40, 005	33, 668	565, 535	313, 820	+80. 2
Federal	17, 458	17, 889	15, 730	256, 744	135, 090	+90. 1
State member	16, 210	19, 695	16, 540	280, 970	158, 388	+77. 4
Nonmember	2, 115	2, 421	1, 398	27, 821	20, 342	+36. 8
Indianapolis	14, 807	13, 701	12, 267	210, 942	108, 216	+94. 9
Federal	8, 208	7, 557	6, 768	122, 867	58, 605	+109. 7
State member	6, 001	5, 756	5, 071	82, 782	44, 997	+84. 0
Nonmember	598	388	428	5, 293	4, 614	+14. 7
Chicago	22, 695	24, 108	21, 789	367, 792	214, 528	+71. 4
Federal	10, 371	11, 003	9, 876	170, 143	91, 988	+85. 0
State member	11, 292	11, 786	10, 971	180, 356	106, 893	+68. 7
Nonmember	1, 032	1, 319	942	17, 293	15, 647	+10. 5
Des Moines	13, 105	14, 776	12, 576	216, 485	116, 997	+85. 0
Federal	6, 912	8, 014	6, 545	120, 170	61, 444	+95. 6
State member	4, 588	4, 713	4, 782	69, 793	40, 375	+72. 9
Nonmember	1, 605	2, 049	1, 249	26, 522	15, 178	+74. 7
Little Rock	14, 098	12, 667	12, 256	188, 124	90, 802	+107. 2
Federal	6, 165	5, 077	6, 407	87, 140	44, 942	+93. 9
State member	7, 764	7, 412	5, 761	99, 110	44, 678	+121. 8
Nonmember	169	178	88	1, 874	1, 182	+58. 5
Topeka	11, 046	10, 796	12, 067	168, 555	96, 974	+73. 8
Federal	6, 811	6, 204	7, 138	97, 947	53, 683	+82. 5
State member	2, 690	3, 272	3, 855	51, 556	28, 144	+83. 2
Nonmember	1, 545	1, 320	1, 074	19, 052	15, 147	+25. 8
San Francisco	38, 021	33, 548	30, 964	462, 566	259, 447	+78. 3
Federal	21, 827	19, 794	17, 781	265, 099	143, 510	+84. 7
State member	15, 760	13, 609	12, 894	194, 864	113, 350	+71. 9
Nonmember	434	145	289	2, 603	2, 587	+0. 6

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

JANUARY 1947

[Thousands of dollars]

Federal Home Loan Bank District and state	Savings and loan associations	Insurance companies	Banks and trust companies	Mutual savings banks	Individuals	Other mortgagees	Total
UNITED STATES	$246, 114	$52, 155	$230, 492	$44, 761	$160, 297	$113, 224	$847, 043
Boston	17, 488	1, 126	8, 993	18, 901	8, 188	4, 226	58, 922
Connecticut	2, 634	745	3, 475	4, 133	2, 442	1, 548	14, 977
Maine	683	39	469	1, 173	458	79	2, 901
Massachusetts	11, 634	320	3, 594	11, 524	4, 003	2, 057	33, 132
New Hampshire	438	-----	299	689	367	65	1, 858
Rhode Island	1, 846	22	1, 014	931	702	434	4, 949
Vermont	253	------	142	451	216	43	1, 105
New York	24, 117	3, 495	18, 803	20, 314	23, 349	10, 528	100, 606
New Jersey	6, 988	1. 494	7, 678	2, 445	7, 078	3, 874	29, 557
New York	17, 129	2, 001	11, 125	17, 869	16, 271	6, 654	71, 049
Pittsburgh	17, 534	2, 445	18, 510	1, 101	8, 913	7, 397	55, 900
Delaware	268	149	228	145	344	127	1, 261
Pennsylvania	15, 829	1, 989	16, 016	956	7, 816	6, 973	49, 579
West Virginia	1, 437	307	2, 266	------	753	297	5, 060
Winston-Salem	24, 409	7, 096	9, 894	634	23, 132	9, 564	74, 729
Alabama	1, 071	754	1, 026	------	1, 223	1, 046	5, 120
District of Col	3, 946	679	709	------	2, 596	852	8, 782
Florida	5, 055	3, 202	1, 486	------	9, 710	3, 049	22, 502
Georgia	3, 193	217	2, 262	------	1, 935	1, 910	9, 517
Maryland	5, 830	463	1, 776	634	2, 055	781	11, 539
North Carolina	2, 025	874	630	------	1, 626	795	5, 950
South Carolina	499	320	669	------	843	406	2, 737
Virginia	2, 790	587	1, 336	------	3, 144	725	8, 582
Cincinnati	46, 039	4, 232	24, 633	1, 343	9, 360	10, 532	96, 139
Kentucky	4, 287	749	2, 050	------	488	267	7, 841
Ohio	39, 787	2, 379	19, 634	1, 343	7, 524	4, 473	75, 140
Tennessee	1, 965	1, 104	2, 949	------	1, 348	5, 792	13, 158
Indianapolis	15, 870	5, 371	21, 809	18	5, 078	6, 482	54, 628
Indiana	9, 349	1, 988	8, 550	18	1, 739	1, 029	22, 673
Michigan	6, 521	3, 383	13, 259	------	3, 339	5, 453	31, 955
Chicago	24, 131	4, 229	14, 156	48	10, 132	13, 009	65, 705
Illinois	18, 766	2, 090	8, 997	------	6, 013	11, 753	47, 619
Wisconsin	5, 365	2, 139	5, 159	48	4, 119	1, 256	18, 086
Des Moines	14, 490	3, 389	13, 899	716	7, 031	7, 506	47, 031
Iowa	3, 298	479	4, 281	------	1, 196	921	10, 175
Minnesota	5, 737	911	3, 693	716	1, 753	3, 218	16, 028
Missouri	4, 587	1, 923	5, 419	------	3, 744	3, 284	18, 957
North Dakota	642	47	315	------	168	72	1, 244
South Dakota	226	29	191	------	170	11	627
Little Rock	13, 181	7, 141	5, 500	-----	12, 245	10, 792	48, 859
Arkansas	1, 021	739	1, 084	------	832	97	3, 773
Louisiana	4, 290	691	463	------	2, 594	1, 399	9, 437
Mississippi	696	512	673	------	657	369	2, 907
New Mexico	319	48	213	------	450	68	1, 098
Texas	6, 855	5, 151	3, 067	------	7, 712	8, 859	31, 644
Topeka	12, 141	1, 722	5, 791	------	7, 662	6, 570	33, 886
Colorado	2, 459	129	1, 270	------	3, 702	1, 748	9, 308
Kansas	3, 926	428	2, 235	------	1, 169	1, 903	9, 661
Nebraska	1, 321	570	727	------	607	187	3, 412
Oklahoma	4, 435	595	1, 559	------	2, 184	2, 732	11, 505
San Francisco	36, 714	11, 909	88, 504	1, 686	45, 207	26, 618	210, 638
Arizona	1, 200	257	1, 881	------	2, 493	178	6, 009
California	25, 166	9, 444	74, 869	------	35, 617	18, 708	163, 804
Idaho	909	134	556	------	683	205	2, 487
Montana	416	93	586	------	631	66	1, 792
Nevada	230	61	447	------	620	51	1, 409
Oregon	2, 320	683	2, 138	137	2, 253	2, 057	9, 588
Utah	793	314	1, 497	------	413	199	3, 216
Washington	5, 283	903	6, 111	1, 549	2, 177	5, 111	21, 134
Wyoming	397	20	419	------	320	43	1, 199

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
1946	$3,421,027	32.9	$474,852	4.5	$2,685,061	25.8	$547,977	5.3	$2,023,015	19.4	$1,257,899	12.1	$10,409,831	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
November	266,108	30.6	42,979	4.9	230,588	26.5	49,334	5.7	163,866	18.9	116,614	13.4	869,489	100.0
December	254,477	30.4	44,548	5.3	232,032	27.8	46,941	5.6	147,613	17.6	110,793	13.3	836,404	100.0
1947 January	246,114	29.0	52,155	6.2	230,492	27.2	44,761	5.3	160,297	18.9	113,224	13.4	847,043	100.0

Table 10.—GI LENDING—Home loans[1]

[Dollar amounts are shown in thousands]

Cumulative through	No. of applications and reports	Number[2]	Amount of guaranty and insurance[2]	Principal amount of loan[2]
1946: Mar. 30	126,249	105,990	$214,869	$495,385
Apr. 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
Aug. 30	371,142	257,471	610,007	1,316,554
Sept. 27	420,960	303,353	737,342	1,584,444
Oct. 25	473,784	356,804	886,216	1,906,743
Nov. 25	524,428	409,112	1,032,596	2,217,347
Dec. 25	570,883	455,293	1,165,641	2,494,547
1947 Jan. 25	614,323	502,510	1,301,681	2,782,379
Feb. 25	655,962	546,466	1,430,914	3,051,728

[1] Records of Veterans Administration.
[2] Total loans reported closed and disbursed. Totals do not include 58,468 loans acted upon and approved for loan closing. Their dollar volume, $362,398,000, brought the aggregate principal of GI home loans to $3,414,126,000 on February 25.

Table 11.—FHA—Home mortgages insured

[Premium paying; thousands of dollars]

Period	Title II		Title VI (603)	
	New	Existing	New	Existing
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	6[illegible]3
October	6,576	26,553	2,475	1,335
November	5,354	20,175	2,679	1,164
December r	6,631	21,390	5,426	2,600
1947: January	7,071	22,805	5,585	2,356

r Revised.

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

[Thousands of dollars]

Federal Home Loan Bank	Lending operations, January 1947		Principal assets, Jan. 31, 1947			Capital and principal liabilities, Jan. 31, 1947			Total assets, Jan. 31, 1947[1]
	Advances	Repayments	Advances outstanding	Cash[1]	Government securities	Capital[2]	Consolidated FHLB obligations	Member deposits	
Boston	$610	$1,797	$10,841	$2,046	$18,544	$21,546	$9,000	$990	$31,579
New York	761	3,281	21,797	1,718	32,718	30,287	3,500	22,644	56,455
Pittsburgh	1,387	3,027	27,497	2,915	11,940	19,997	21,000	1,456	42,529
Winston-Salem	1,473	9,400	31,624	2,908	7,219	20,949	17,500	3,411	41,923
Cincinnati	564	4,721	20,304	2,941	32,819	29,128	12,000	15,211	56,395
Indianapolis	505	2,907	21,746	1,410	20,417	15,880	20,000	7,816	43,768
Chicago	507	7,484	43,086	4,741	15,572	26,135	30,000	7,374	63,606
Des Moines	320	3,530	23,614	691	12,041	15,779	17,500	3,145	36,489
Little Rock	99	2,276	14,429	925	11,217	13,414	13,000	245	26,702
Topeka	633	1,680	11,676	3,740	9,037	11,993	11,500	1,031	24,564
San Francisco	1,859	10,914	24,541	4,710	22,059	27,859	14,000	9,589	51,508
January 1947 (Combined total)	8,718	51,017	251,155	28,745	193,583	232,967	169,000	72,912	475,518
December 1946	51,241	16,230	293,455	39,714	145,092	231,975	169,000	70,248	479,564
January 1946	17,715	38,694	173,893	30,142	129,571	219,367	68,500	44,340	334,992

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

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

[Dollar amounts are shown in thousands]

Period and class of association	Number of associations	Total assets	Net first mortgages held	Cash	Government bond holdings	Private repurchasable capital	Government share capital	Federal Home Loan Bank advances	Operations: New mortgage loans	Operations: New private investments	Operations: Private repurchases	Operations: Repurchase ratio
ALL INSURED												
1946: January	2,477	$6,204,954				$5,299,668	$20,165	$163,559	$169,107	$283,487	$205,537	72.5
February	2,481	6,274,832				5,361,314	19,374	154,835	174,954	182,679	122,099	66.8
March	2,485	6,359,998	4,051,583	279,543	1,792,418	5,432,080	19,373	144,111	238,268	198,176	129,573	65.4
April	2,486	6,462,376				5,507,923	19,373	145,744	268,706	198,896	123,265	62.0
May	2,488	6,592,552				5,589,795	19,358	159,546	285,613	196,973	116,370	59.1
June	2,490	6,743,121	4,519,248	347,362	1,641,628	5,724,893	19,358	189,908	257,175	219,825	86,017	39.1
July	2,493	6,810,626				5,798,380	16,832	187,401	254,858	296,710	224,686	75.7
August	2,495	6,916,472				5,869,338	16,306	196,495	255,273	207,782	140,849	67.8
September	2,497	7,012,249	4,922,400	289,903	1,566,979	5,922,507	16,306	216,573	240,708	185,754	135,144	72.7
October	2,496	7,114,023				5,995,695	16,305	233,503	254,626	202,178	129,272	63.9
November	2,495	7,183,179				6,056,207	16,305	238,907	205,776	172,886	112,127	64.9
December	2,496	7,318,604	5,237,560	376,872	1,458,741	6,193,342	16,305	272,904	193,814	223,646	87,736	39.2
1947: January	2,500	7,362,541				6,317,309	13,207	230,766	191,982	359,366	238,327	66.3
FEDERAL												
1946: January	1,467	3,955,391				3,395,108	15,250	124,242	109,146	190,748	144,388	75.7
February	1,468	3,999,837				3,435,482	14,540	118,501	111,927	122,452	82,173	67.1
March	1,469	4,050,719	2,571,919	169,884	1,175,285	3,481,382	14,539	109,213	155,960	132,145	86,471	65.4
April	1,469	4,118,076				3,532,406	14,539	106,599	174,468	132,092	81,241	61.5
May	1,471	4,204,057				3,586,501	14,539	115,009	186,282	130,551	78,013	59.8
June	1,472	4,311,747	2,886,641	221,431	1,067,943	3,677,643	14,539	137,605	167,552	144,470	55,038	38.1
July	1,473	4,344,421				3,716,445	12,380	134,376	165,031	194,872	156,734	80.4
August	1,473	4,411,389				3,758,827	11,956	142,018	165,812	136,777	95,328	69.7
September	1,474	4,469,937	3,151,813	180,457	1,004,260	3,790,634	11,956	153,096	154,105	121,872	90,296	74.1
October	1,472	4,537,135				3,839,002	11,956	164,305	165,742	132,882	84,518	63.6
November	1,471	4,580,447				3,880,142	11,956	165,077	131,607	113,504	71,952	63.4
December	1,471	4,671,503	3,357,582	243,886	921,421	3,970,772	11,956	190,579	122,742	148,106	55,346	37.4
1947: January	1,471	4,684,549				4,042,186	9,622	159,585	123,827	235,491	164,607	69.9
STATE												
1946: January	1,010	2,249,563				1,904,560	4,915	39,317	59,961	92,739	61,149	65.9
February	1,013	2,274,995				1,925,832	4,834	36,334	63,027	60,227	39,926	66.3
March	1,016	2,309,279	1,479,664	109,659	617,133	1,950,698	4,834	34,898	82,308	66,031	43,102	65.3
April	1,017	2,344,300				1,975,517	4,834	39,145	94,238	66,804	42,024	62.9
May	1,017	2,388,495				2,003,294	4,819	44,537	99,331	66,422	38,357	57.7
June	1,018	2,431,374	1,632,607	125,931	573,685	2,047,250	4,819	52,303	89,623	75,355	30,979	41.1
July	1,020	2,466,205				2,081,935	4,452	53,025	89,827	101,838	67,952	66.7
August	1,022	2,505,083				2,110,511	4,350	54,477	89,461	71,005	45,521	64.1
September	1,023	2,542,312	1,770,587	109,446	562,719	2,131,873	4,350	63,477	86,603	63,882	44,818	70.2
October	1,024	2,576,888				2,156,693	4,349	69,198	88,884	69,296	44,754	64.6
November	1,024	2,602,732				2,176,065	4,349	73,830	74,169	59,382	40,175	67.7
December	1,025	2,647,101	1,879,978	132,986	537,320	2,222,570	4,349	82,325	71,072	75,540	32,390	42.9
1947: January	1,029	2,677,992				2,275,123	3,585	71,181	68,155	123,875	73,720	59.5

Table 14.—SAVINGS—Savings and loan share investments and repurchases

[Dollar amounts are shown in thousands]

Period	All associations: New investments	All associations: Repurchases	All associations: Net inflow	All associations: Repurchase ratio	Insured associations: New investments	Insured associations: Repurchases	Insured associations: Net inflow	Insured associations: Repurchase ratio	Uninsured associations: New investments	Uninsured associations: Repurchases	Uninsured associations: Net inflow	Uninsured associations: Repurchase ratio
1946	$3,143,821	$2,004,878	$1,138,943	63.8	$2,568,992	$1,612,645	$956,347	62.8	$574,829	$392,233	$182,596	68.2
January	334,961	244,619	90,342	73.0	283,487	205,537	77,950	72.5	51,474	39,082	12,392	75.9
February	220,469	150,656	69,813	68.3	182,679	122,099	60,580	66.8	37,790	28,557	9,233	75.6
March	243,363	158,627	84,736	65.2	198,176	129,573	68,603	65.4	45,187	29,054	16,133	64.3
April	248,077	155,455	92,622	62.7	198,896	123,265	75,631	62.0	49,181	32,190	16,991	65.5
May	246,713	147,675	99,038	59.9	196,973	116,370	80,603	59.1	49,740	31,305	18,435	62.9
June	269,694	112,144	157,550	41.6	219,825	86,017	133,808	39.1	49,869	26,127	23,742	52.4
July	356,936	271,568	85,368	76.1	296,710	224,686	72,024	75.7	60,226	46,882	13,344	77.8
August	255,254	176,823	78,431	69.3	207,782	140,849	66,933	67.8	47,472	35,974	11,498	75.8
September	230,023	169,863	60,160	73.8	185,754	135,114	50,640	72.7	44,269	34,749	9,520	78.5
October	250,516	162,356	88,160	64.8	202,178	129,272	72,906	63.9	48,338	33,084	15,254	68.4
November	215,171	142,445	72,726	66.2	172,886	112,127	60,759	64.9	42,285	30,318	11,967	71.7
December	272,644	112,647	159,997	41.3	223,646	87,736	135,910	39.2	48,998	24,911	24,087	50.8
1947 January	421,415	281,289	140,126	66.7	359,366	238,327	121,039	66.3	62,049	42,962	19,087	69.2

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	Properties owned: Number [1]
1942: January	$1, 397, 411	$360, 541	$272, 859	38, 599
1943: January	1, 180, 723	365, 009	218, 084	29, 393
1944: January	939, 852	378, 248	82, 571	11, 267
1945: January	724, 306	344, 311	9, 157	1, 446
1946: January	550, 745	279, 977	1, 133	212
February	538, 330	274, 666	1, 004	186
March	524, 751	268, 894	934	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, 878	239, 683	617	113
September	447, 522	234, 594	606	103
October	435, 748	229, 153	516	89
November	425, 956	224, 838	384	68
December	416, 038	220, 425	315	54
1947: January	405, 495	215, 917	208	38

[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: Federals [2]	Home Owners' Loan Corporation: Federals	Home Owners' Loan Corporation: State members	Home Owners' Loan Corporation: Total
October 1935–December 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, 107	$208, 665
Net outstanding investments	$1, 150	$10, 843	$4, 349	$15, 192
Fourth quarter 1946:				
Applications:				
Number				
Amount				
Investments:				
Number				
Amount				
Repurchases			$1	$1

[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 December No.	1946 December Assets	1946 September No.	1946 September Assets	1945 [r] December No.	1945 [r] December Assets	1944 December No.	1944 December Assets
All members	3, 698	$10, 049, 758	3, 702	$9, 676, 092	3, 697	$8, 730, 156	3, 699	$7, 332, 216
Savings and loan associations	3, 661	8, 990, 394	3, 665	8, 628, 457	3, 658	7, 681, 494	3, 659	6, 422, 762
Federal	1, 471	4, 671, 503	1, 474	4, 469, 937	1, 467	3, 921, 037	1, 464	3, 167, 514
Insured state	1, 021	2, 639, 592	1, 019	2, 534, 900	1, 004	2, 195, 517	998	1, 821, 611
Uninsured state	1, 169	1, 679, 299	1, 172	1, 623, 620	1, 187	1, 564, 940	1, 197	1, 433, 637
Mutual savings banks	25	641, 197	25	630, 039	25	594, 015	22	485, 747
Insurance companies	12	418, 167	12	417, 596	14	454, 647	18	423, 707

[r] Revised.

Table 19.—FORECLOSURES—Estimated nonfarm real-estate foreclosures, by Federal Home Loan Bank District

Federal Home Loan Bank District	Foreclosures: Dec. 1946	Foreclosures: Nov. 1946	Foreclosures: Oct. 1946	Cumulative (12 months): 1946	Cumulative (12 months): 1945	Percent change
UNITED STATES	1, 154	1, 285	953	12, 025	14, 436	−16. 7
Boston	59	59	55	780	1, 343	−41. 9
New York	286	243	265	3, 024	3, 393	−10. 9
Pittsburgh	264	352	136	2, 517	2, 637	−4. 6
Winston-Salem	125	154	93	1, 388	1, 569	−11. 5
Cincinnati	77	109	69	899	1, 624	−44. 6
Indianapolis	18	25	19	265	473	−44. 0
Chicago	48	49	48	534	652	−18. 1
Des Moines	39	78	37	500	666	−24. 9
Little Rock	56	12	45	287	408	−29. 7
Topeka	112	144	138	1, 049	939	+11. 7
San Francisco	70	60	48	782	732	+6. 8

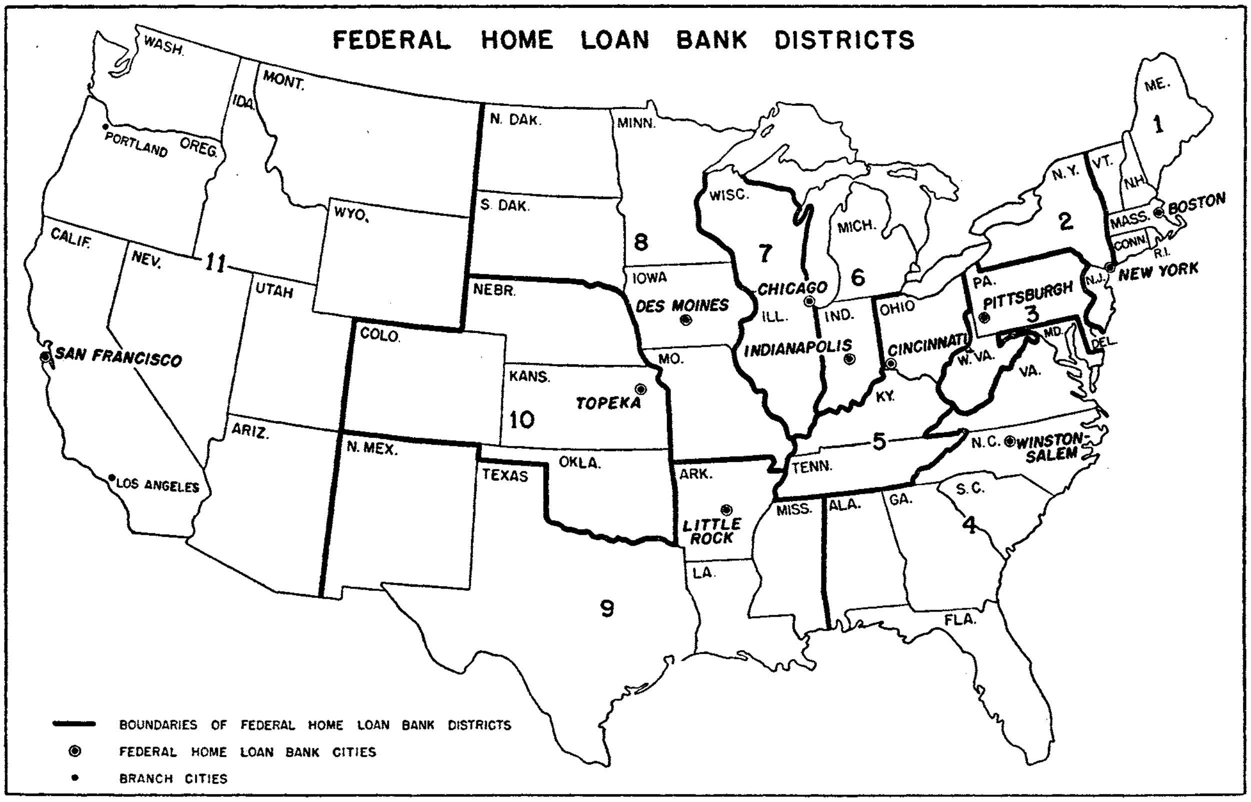
Table 20.—SAVINGS—Held by institutions

[Thousands of dollars]

End of period	Insured savings and loans [1]	Mutual savings banks [2]	Insured commercial banks [3]	Postal savings [4]
1944: June	$3, 922, 705	$12, 428, 026	$20, 543, 888	$2, 034, 136
December	4, 333, 739	13, 331, 811	23, 362, 909	2, 342, 297
1945: March	4, 538, 426			2, 513, 197
June	4, 786, 912	14, 378, 413	26, 363, 106	2, 659, 575
September	4, 981, 869			2, 836, 097
December	5, 219, 910	15, 332, 202	29, 295, 108	2, 933, 189
1946: March	5, 432, 080			3, 043, 000
June	5, 724, 893	16, 224, 971	31, 504, 915	3, 119, 656
September	5, 922, 907			3, 207, 457
December	6, 193, 342	16, 812, 524	32, 761, 111	3, 284. 255

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

U. S. GOVERNMENT PRINTING OFFICE: 1947



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