★ FEDERAL HOME LOAN BANK

REVIEW

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IN THIS ISSUE

The 1947 edition of the *Statistical Supplement* to the FEDERAL HOME LOAN BANK REVIEW is released with this May issue. The seventh annual production of this condensed statistical manual draws together the more important data on the operations of the Federal Home Loan Bank System and its members as well as pertinent reference material on the accumulation of savings and on home financing and home building activities.

Although limited in size to that of previous issues, this year's edition has been substantially revised to provide more comprehensive coverage of the series presented. Additional tables have been included which should increase the usefulness of the *Supplement* to Bank System members and others interested in the field of thrift and home finance.

The REVIEW in Brief

A statement by the Secretary of the Treasury

Secretary Snyder, writing in the April *Treasury Bulletin*, stated: "I feel strongly that our economic outlook, now so promising, will be jeopardized if we do not cooperate to reduce prices now . . . There has never been a time when the backlog of demand for houses and automobiles, for household equipment and other types of goods was so great . . . It would indeed be tragic to let a substantial part of this demand be dissipated in high prices, when it could serve as a bulwark to the national economy for many years ahead." [*Page 227.*]

The postwar pattern of savings and loan liquidity

The anticipated postwar drop in liquidity ratios began to materialize last year although the dollar volume of cash and Government bonds—$1.8 billion—remained far above prewar levels. These facts were brought out in the FHLBA's annual study of trends in liquid assets of all insured associations, which showed that the proportion of these assets to share capital had dropped from 41 to 30 percent in 1946. The ratio to total resources also declined from over a third to about a quarter last year.

The entire decline last year was concentrated in "Governments" as these funds were converted to mortgage investments, and new money was used for the latter securities.

The national pattern was repeated in each FHL Bank District, with decreases ranging from 7 percent in New York to 27 percent in Winston-Salem. [*Page 229.*]

Last year's trend in the home mortgage debt

Estimates prepared by the FHLBA of the mortgage debt on 1- to 4-family homes placed the total last year-end at $24.6 billion—up one-fifth during the year and 15 percent above the 1930 peak. Chief reason for this large rise was the $9.5 billion of new loans made which more than offset the continuing high repayments. The increased proportion of new lending on home construction, plus rapid turnover of properties at mounting prices swelled the volume of new loans, as did the high percentage of GI loans.

"Individuals and others" again held the largest proportion of the outstanding debt but savings and loan associations, in showing the greatest dollar increase, all but closed the gap in the ratios of these two types of mortgagees. Savings and loans also reported the largest dollar gain in new lending and maintained first place as a source of home mortgage credit. [*Page 233.*]

New state totals on home building

A recent state-by-state report released by the Department of Commerce shows wide fluctuations in the volume of private home building from 1939 through 1946, with significant shifts in distribution. In 1941, two-thirds of it was concentrated in seven FHL Bank Districts east of the Mississippi River. Last year these same regions accounted for only a little over half of the new residential construction.

Every Bank District west of the Mississippi had a larger share of the total in 1946 than in 1941. Winston-Salem was the only eastern area to report such an increase. [*Page 241.*]

March highlights

Balance sheet summaries for all insured associations at the end of the first quarter revealed that **for the first time in more than a year the net inflow of new savings exceeded the growth in loan portfolios.** The gain in share accounts was 25 percent above the same 1945 or 1946 periods.

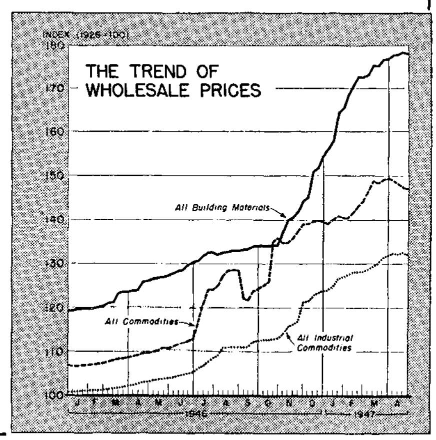
New loans by all savings and loans were 20 percent higher than in February, but this was less than seasonal. **It was the first time in more than three years that loans were below the same month of the preceding year.**

Although the dollar amount of nonfarm mortgages recorded by all lenders was 12 percent above March 1946, there was an actual decline in the number of instruments. While the size of the average recording was higher than a year ago, there has not been much increase in recent months.

The number of permits issued for privately financed dwellings in all nonfarm areas during the first quarter was 9 percent below the 1946 total. **March permits totaled 61,200 units—up 38 percent from February.**

Building costs continued to increase, but there were definite signs of a levelling. The chart below shows the trend of wholesale prices through the end of April.

The **FRB index of industrial production was unchanged** for the third successive month at 189 percent of the 1935–1939 average.



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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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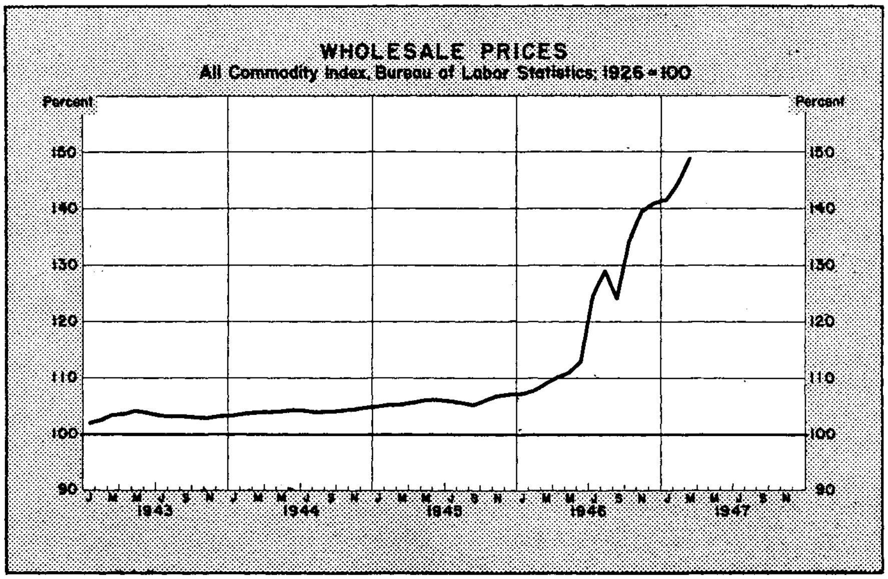
SUBSCRIPTION PRICE OF REVIEW.—A copy of the REVIEW is sent to each member and insured institution without charge. To others the annual subscription price, which covers the cost of paper and printing, is $1. Single copies will be sold at 10 cents. Outside of the United States, Canada, Mexico, and the 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

A Statement by the Secretary of the Treasury



DURING the past several months I have become increasingly concerned over the rise in prices. I see more and more evidence that the prices people have to pay are being raised to levels out of proportion to their incomes. The sharpness of the recent rise is shown in the accompanying chart.

When people find prices too high they stop buying. They wear their old clothes longer. They put off buying new cars and building new houses. They buy cheaper foods and less meat and butter.

I feel strongly that our economic outlook, now so promising, will be jeopardized if we do not cooperate to reduce prices now.

The hard way to get prices down is for people to cut down their buying. Retailers then start cancelling orders, and try to reduce their inventories through clearance sales. Factories, in turn, have to curtail production and lay off workers, which further reduces consumer demand. This is the hard way.

There is a better way. I ask all who have a voice in pricing their products to cooperate in reducing prices *before* they are forced down.

I have been immensely gratified by the price reductions made recently by several of our larger manufacturing companies, and I know there are many others who have done their share.

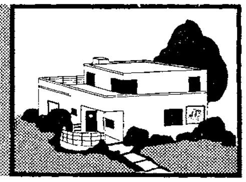
There has never been a time when the backlog of demand for houses and automobiles, for household equipment, and other types of goods was so great as it has been in recent months. It would indeed be tragic to let a substantial part of this demand be dissipated in high prices, when it could serve as a bulwark to the national economy for many years ahead.

An improvement in the price picture will not solve all our economic problems, but I emphasize this factor because a reduction in prices (in areas in which profits justify) to an equitable level in relation to incomes is the outstanding need right now.

I trust that all groups—manufacturers, distributors, workers, farmers, and all others—will recognize and carry out their part in this contribution to continued national prosperity.

Reprinted from Treasury Bulletin, April 1947.

NEWS NOTES



VA takes over on setting "reasonable value"

Last month the FHA discontinued placing an estimate of "reasonable value" upon home properties for which they approved loans for mortgage insurance and on which the Veterans Administration was later requested to approve a secondary loan under the GI Bill of Rights. The terminated arrangement was adopted a year ago as a temporary expedient to facilitate VA's administration of loan provisions of the Bill. In announcing the change, the heads of the two agencies involved stated that experience showed that misunderstanding and confusion had often arisen because the FHA figures were predicated upon the mortgage loan amount without regard to purchase price, whereas VA appraisals dealt with the purchase price only with the purpose of establishing the maximum amount the veteran might pay for the property.

Under the new procedure, VA-designated appraisers establish the "reasonable value" figure as the maximum price for which the home may be sold to a veteran with financing in whole or in part by means of a GI loan.

New records in FHA mortgage insurance applications

The sharp increase in applications for FHA mortgage insurance on new privately built housing continued in March, according to a recent report issued by FHA Administrator Foley. The 31,000 received during that month represented an increase of more than one-fourth over February. About a third of the proposed new units covered consisted of rental projects, with 9,500 of the applications (the largest number ever received in a single month) involving 253 separate multi-family rental housing projects.

GOVERNOR LEE HONORED

Harold Lee, Governor of the Federal Home Loan Bank System, was recently honored through election as National President of the Federal Bar Association.

Appointed Governor of the FHLB System in March 1946, Lee has been associated with the FHLB Administration since 1934, and served for a number of years as its General Counsel. In this post, he headed the legal staffs of the FHLB System, Federal Savings and Loan Insurance Corporation, HOLC and the U. S. Housing Corporation.

The Federal Bar Association was organized in 1920 and has chapters in Baltimore, Philadelphia, New York, Boston, Pittsburgh, Cleveland, Detroit, Chicago, St. Louis, Kansas City, Milwaukee, Minneapolis-St. Paul, Winston-Salem, Atlanta, New Orleans, Dallas, Fort Worth, Denver, Los Angeles, San Francisco, Reno, Omaha, Bay Pines (Fla.) and other cities.

The Federal Bar Association membership embraces about 3,000 attorneys throughout the country in the service of the national Government.

Progress reported in building materials situation

Reflecting the great progress made during 1946 toward balancing supply with demand in building materials, the Department of Commerce's index of production for selected construction materials stood more than 20 percent higher at the beginning of this year than it had 12 months before. For some materials—nails, tubs, sinks, warm air furnaces and concrete reinforcing bars—production was double or triple that of 1946. Several other building components—brick, cement, concrete block and asphalt roofing—are approaching a market balance.

However, supply difficulties are being encountered in certain areas because of low inventories, and distributors' problems are expected to continue in other localities during at least a part of 1947, partially due to an acute shortage of freight cars. For some materials, the supply-demand situation is not so bright as the over-all picture in spite of high production levels. Notably in such items as millwork, flooring, gypsum board, cast iron soil pipe and plumbing fixtures, output is probably not yet adequate to meet current requirements and still more production will be needed to rebuild inventories.

Changes in rent control

Another function was added to the Office of the Housing Expediter on May 4 when rent control was transferred to that agency from the Office of Temporary Controls. In issuing his first rent control order, Mr. Creedon pointed out that the functions, procedures and policy in effect at the time of the transfer would remain unchanged until an examination of the entire rent control operation could be completed. There are 620 areas containing 14 million housing units still under rent control.

THE POSTWAR PATTERN OF SAVINGS AND LOAN LIQUIDITY

A study of liquid assets of all insured savings and loan associations shows that the looked-for return toward more normal proportions commenced last year. In spite of a decline, however, cash and Government bond accounts remained far above prewar levels in volume and in relation to share capital and assets.

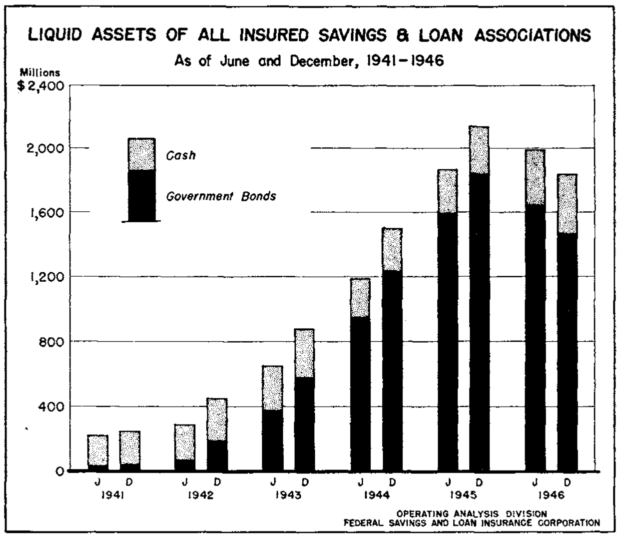
■ DURING the war, as savings and loan management projected probable future conditions of operation, one of the major developments which was anticipated was a turning point in the steadily mounting level of liquid assets. A year ago it was predicted that a reversal in trend was at hand and that the make-up of association resources would begin to return to a more normal balance between mortgage investments and liquid assets. This expectation was borne out by the 1946 experience of associations insured by the Federal Savings and Loan Insurance Corporation, the institutions on which the most complete data are currently available and which represent approximately three-fouths of the assets of all operating associations.

The reasons for this recent reversal of the upward trend in the volume of liquid assets are not hard to find. Unprecedented activity in the real estate market, topped off by a record level of home construction, brought an all-time high in the demand for mortgage funds which ate into the backlog of cash and Government bonds. Although the dollar volume of new investments reached a new peak last year, increased consumer spending resulted in a proportionately heavier volume of repurchases and a consequent slackening in the rate of growth of net capital investments in these institutions.[1]

From the all-time high reached at the end of 1945, the combined total of cash and Government bonds held by insured associations had dropped 14 percent to $1,836 million by December 31, 1946. Although this dollar volume was still the second highest on record, because of the billion-dollar expansion in savings invested in these institutions, the ratio of liquidity to share capital declined from 41 percent in 1945 to 30 percent last year. The same situation prevailed in the liquidity-to-asset ratio which dropped 10 points to 25 percent at the end of 1946.

However, it will be seen from the charts on this and the following page that, despite this decline in liquid assets, they remained far above their prewar levels both in dollar volume and in their relationship to private capital and to assets.

The optimum ratio has been a matter of deep interest throughout the industry since the liquid condition of an association plays such a vital role in sound and efficient management. While no over-all standard has been established, it is possible that some minimum ratio of liquid assets to share capital and to total resources might serve as an additional safety factor. Requirements of



[1] Data for the first quarter of 1947, which have just become available, indicate that the increase in the mortgage portfolio of all insured savings and loan associations was fractionally less than the gain in private share capital during that interval. This was the first quarterly period in the last five in which this situation prevailed and it has an important bearing on the liquidity position of these institutions since, as long as these two elements are in balance, the necessity for drawing on liquid assets or for borrowing is minimized.

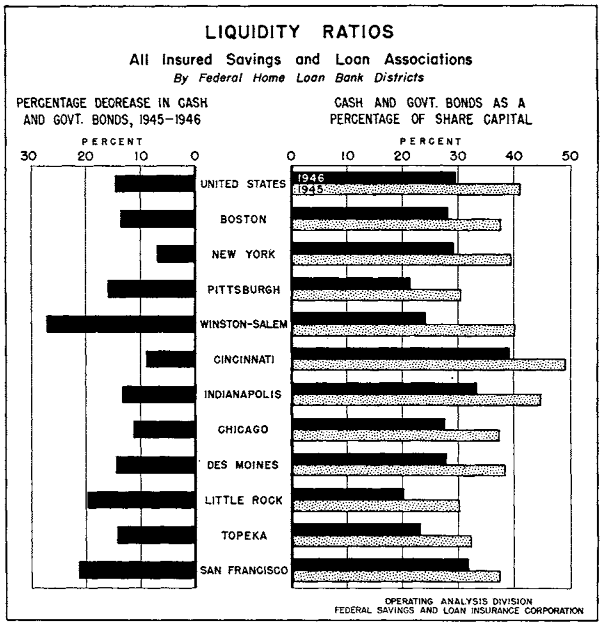
this nature are often found in the legislation or regulations under which various types of savings institutions operate.

However, in gauging the over-all liquidity position of an association, many factors in addition to the ratio of these assets to private share capital and to total resources must be taken into account. Since the primary purpose of cash and Government bonds is to assure adequate coverage of the cash requirements of an institution, it is necessary to relate the status of these accounts to the probable need for funds in any given period. Because of this, variations above an established minimum might prove rather common, depending on individual operating conditions. For instance, a study made by the Federal Home Loan Bank Administration last winter indicated a rather definite relationship between the size and location of institutions and their liquidity ratios. It was found that the larger associations showed the greater degree of liquidity, particularly those located in densely populated areas where the turnover of funds is usually more rapid. This analysis highlighted the fact that, in general, liquidity is a matter of considerably more concern to some associations than to others.

Analysis of savings accounts

A case study of its savings accounts would undoubtedly reward the savings and loan management desiring to gain a comprehensive knowledge of its cash position and requirements. On the basis of a recent analysis which indicated that the greater portion of the withdrawals occurred in the largest and the smallest accounts, a knowledge of the number and size of investment accounts should prove a good guide of what to expect. Recent trends in withdrawal ratios and in turnover rates provide another excellent yardstick for measuring liquidity trends. These factors, obviously, are tied in with general economic conditions which would influence the saving and borrowing habits of the general public.

An association which has a relatively large percentage of its funds committed on loans in process would need to plan its liquidity position with that in mind. As home building increases and construction loans play a larger part in the lending picture, this would assume greater importance. The extent of an association's liabilities on advance payments by borrowers for taxes and insurance must also be considered in assessing the adequacy of its liquidity position.



Another factor which is often considered in analyzing liquidity is the amount of cash required for the amortization of Bank advances and other borrowed money. There is, however, a genuine difference of opinion as to whether these requirements should be considered in evaluating the liquid position of an institution. Federal Home Loan Bank advances, of course, are essentially long-term in character rather than payable on demand or on short notice, but regardless of the type of borrowed money, there are those who feel that in determining the need for funds during a given period the requirements for these purposes should be considered. The other face of this coin, the unused portion of an association's line of credit, also affects the volume of cash or assets readily convertible to cash which prudent management would deem necessary.

However, all of the foregoing measurements of liquidity are supplements to, and not substitutes for, a study of liquidity ratios. They provide different angle-shots which round out the composite picture of the relation of liquid assets to cash requirements. In order to furnish individual savings and loan management with a yardstick against which to gauge their own position and progress, this article summarizes, on a state and Bank District basis, the 1946 liquidity pattern among insured associations.

Liquid assets last year

The fact that last year's decline in liquid assets was based entirely on a shrinkage in the Government bond holdings is quite understandable in the light of the situation which prevailed. With the mortgage financing outlet greatly expanded and the war financing need virtually eliminated, funds invested in obligations of the United States were transferred to home mortgages at the same time that new money was invested in these higher paying securities. In the face of an increase of almost two-fifths in the mortgage loan portfolio of insured associations, it is significant that Government bond holdings dropped only one-fifth as the net inflow of new funds took up the slack. At the year-end, "Governments," which totaled \$1,459 million, represented 23 percent of the amount of share capital—down from the 35-percent ratio shown the year before. In relation to total assets, these holdings equaled only one-fifth in contrast to almost one-third at the close of 1945.

For the second successive year cash accounts of insured associations showed an increase. The gain last year—\$69 million, or over one and a half times the 1945 increase—brought the year-end total to \$377 million An increase of that size is a natural accompaniment of the general growth of the associations and did not affect the ratio of cash to the increased volume of share capital or assets. Cash continued to represent 6 percent of private capital and 5 percent of assets.

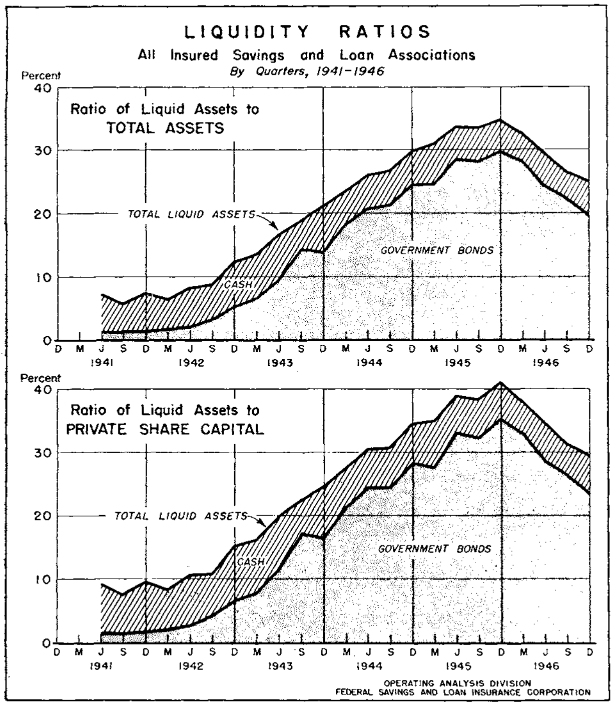
Bank District data

The national pattern of liquidity trends in 1946 was repeated in each Bank District—that is, an over-all decline based on a drop in Government bond holdings more than offsetting increased cash accounts. Decreases in total liquid assets ranged from 7 percent in the New York District to 27 percent in Winston-Salem. The Topeka and Des Moines regions reported declines equal to the national average of 14 percent, while in addition to Winston-Salem, the Pittsburgh, Little Rock and San Francisco Bank Districts showed decreases exceeding the national rate. Iowa, New

Cash and Government obligations of insured savings and loan associations

[As of December 31; dollar amounts are shown in thousands]

District and state	Change in number of associations	Total cash and Government obligations		As a percent of 1946	
		1946	1945	Share capital	Assets
UNITED STATES	21	$1,835,613	$2,146,720	29.6	25.1
Boston	1	86,693	100,104	28.3	24.2
Connecticut	----------	24,258	27,595	25.9	22.1
Maine	----------	808	973	21.1	18.5
Massachusetts	1	53,879	62,067	25.4	25.4
New Hampshire	----------	4,739	6,338	33.5	28.8
Rhode Island	----------	366	296	6.4	6.0
Vermont	----------	2,643	2,835	35.9	29.8
New York	7	239,779	257,256	29.3	25.9
New Jersey	4	84,821	83,486	32.4	28.8
New York	3	154,958	173,770	27.8	24.5
Pittsburgh	2	87,846	104,630	21.3	18.0
Delaware	----------	98	99	15.1	14.4
Pennsylvania	2	81,294	96,414	21.2	18.0
West Virginia	----------	6,454	8,117	21.7	18.7
Winston-Salem	2	163,177	223,409	24.1	20.0
Alabama	1	5,109	7,254	17.6	15.1
Dist. of Columbia	----------	15,619	18,835	22.3	18.4
Florida	1	56,199	65,784	35.7	29.5
Georgia	----------	17,378	28,866	17.2	14.8
Maryland	----------	18,204	34,585	16.3	12.4
North Carolina	1	25,377	33,617	28.1	24.8
South Carolina	----------	12,764	17,268	25.0	21.2
Virginia	−1	12,527	17,200	18.8	15.6
Cincinnati	2	432,615	474,824	39.3	34.3
Kentucky	−1	38,194	41,235	35.7	31.8
Ohio	3	374,845	408,487	40.6	35.2
Tennessee	----------	19,576	25,102	28.5	25.0
Indianapolis	−2	140,090	161,232	33.4	28.9
Indiana	−1	90,640	97,549	35.2	30.7
Michigan	−1	49,450	63,683	30.5	26.0
Chicago	1	184,451	207,592	27.6	22.6
Illinois	1	151,553	169,986	28.4	23.3
Wisconsin	----------	32,898	37,606	24.4	19.8
Des Moines	−1	99,928	116,669	27.8	23.7
Iowa	----------	16,721	16,074	28.9	24.1
Minnesota	----------	56,585	64,397	38.8	33.3
Missouri	−1	18,178	26,698	13.4	11.3
North Dakota	----------	6,833	7,690	45.8	40.5
South Dakota	----------	1,611	1,810	34.7	31.8
Little Rock	3	65,256	81,268	20.2	16.5
Arkansas	----------	3,824	4,733	14.8	12.5
Louisiana	2	23,983	29,747	21.7	17.2
Mississippi	−1	1,904	2,647	12.4	10.5
New Mexico	----------	1,904	2,357	18.1	15.3
Texas	2	33,641	41,784	20.8	17.2
Topeka	1	56,053	65,226	23.1	19.4
Colorado	1	16,662	18,006	30.7	24.9
Kansas	----------	14,438	19,976	20.2	16.5
Nebraska	----------	5,885	6,133	35.7	30.7
Oklahoma	----------	19,068	21,111	18.9	16.4
San Francisco	5	279,725	354,510	31.8	26.5
Arizona	----------	5,260	10,842	33.3	23.3
California	4	148,494	185,130	26.8	21.9
Idaho	----------	6,689	10,115	33.2	28.9
Montana	----------	6,714	6,997	42.0	37.2
Nevada	----------	343	498	17.5	14.3
Oregon	----------	14,291	18,502	36.0	31.4
Utah	----------	12,899	19,547	35.3	29.5
Washington	1	79,647	96,469	44.3	38.9
Wyoming	----------	3,201	3,870	35.5	31.5
Alaska	----------	397	420	40.9	33.4
Hawaii	----------	1,790	2,120	28.0	24.8



Jersey and Rhode Island were the only states to run counter to the nationwide decline with increases of 4, 2 and 24 percent, respectively.

The decline in bond holdings ranged from 11 percent in the Cincinnati area to 34 percent in the Winston-Salem District. All regions reported more cash on hand at the end of last year than at the close of 1945, with gains varying from 7 percent in the Cincinnati Bank District to 44 percent in the Topeka region.

Liquidity-capital ratios

In measuring the liquidity position of an association, the ratio of liquid assets to private share capital is a vital piece of knowledge. The chart on this page shows the quarterly trends in this relationship since the beginning of the war. With two minor exceptions, this ratio rocketed from 10 percent at the time of Pearl Harbor to a peak of 41 percent at the close of 1945. The progressive decline since that time brought the 1946 year-end ratio to 30 percent—still equal to that of midyear 1944, a proportion of share capital three times as great as the prewar high.

Analysis of Bank District data shows that the lower level of liquid assets was general throughout the country. The 1946 range of liquidity-to-share capital ratios was from 20 percent in Little Rock to 39 percent in Cincinnati compared with a variation between 30–49 percent the previous year. The geographical pattern was practically unchanged from 1945. In that year, the Cincinnati area led while the Little Rock and Pittsburgh Bank Districts were alone in showing a volume of liquid assets as low as 30 percent of share capital. Last year that ratio was exceeded only in the Cincinnati, Indianapolis and San Francisco regions. The latter area which climbed into third place in 1946 reversed positions with Winston-Salem which dropped to seventh place.

All states, including Iowa, Rhode Island and New Jersey where liquid assets showed an increase during 1946, followed the declining trend in liquidity-capital ratios. In 12 states the ratio was less than 20 percent; 32 states, the District of Columbia and Hawaii fell between 20 and 40 percent; while only 4 and Alaska had cash and Government bonds equal to more than two-fifths of their private capital. North Dakota, with a ratio of 46 percent, was the leader. The year before, only Rhode Island and Delaware were below the 20-percent level with 10 states showing liquid assets equal to at least half of their share capital.

Liquidity-asset ratios

The other standard measure of liquidity ratios—the relationship of those assets to total resources—repeated the trend of the liquidity-capital ratio at, of course, a somewhat lower level. Starting from 7 percent in 1941, the ratio of cash and Government bonds to assets rose to a peak of 35 percent at the close of 1945. Successive declines last year dropped it to the point that it represented an amount equal to a quarter of total assets. The variation among the Bank Districts ranged from a high of 34 percent in Cincinnati to a low of 16 percent in the Little Rock area. In six regions the ratio fell below the 25-percent national average. Comparable data for 1945 showed that the range at that time was between 43 and 25 percent.

The declining trend in liquidity-asset ratios was also apparent in all states. Twenty-seven and the District of Columbia reported less than the national average. The rest were at or above that mark but North Dakota was alone in showing a liquidity-asset ratio as high as 40 percent.

LAST YEAR'S TREND IN THE HOME MORTGAGE DEBT

The Bank Administration's regular study of the mortgage debt outstanding on small homes showed an unprecedented annual increase which brought the total to a new peak. The high turnover in existing properties and the revival of new construction were primary factors.

■ AS one after another of the estimates of 1946 real estate activity becomes available, the magnitude of last year's mortgage financing operation is made increasingly apparent. Adding to the already long list of "record levels" is the Federal Home Loan Bank Administration's study of the home mortgage debt which shows a volume surpassing any for which data are available. At the end of last December, the total debt outstanding on 1- to 4-family nonfarm homes was estimated at $24.6 billion—up more than one-fifth during the year and approximately 15 percent higher than the previous peak recorded in 1930.

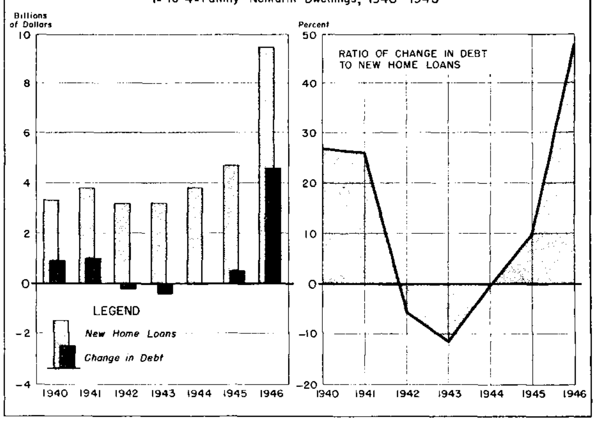
A further basis for judging the magnitude of last year's addition to the total home mortgage debt is a comparison of the $4.6-billion gain with those shown during the pre-depression years when residential construction was at consistently high levels. From 1925 (the first year for which mortgage debt figures are available) through 1929, annual increments at no time amounted to more than about $2 billion—a rate which was not exceeded until 1946.

The ballooning debt last year was based on a variety of inter-related factors. Chief among these, of course, was the fact that $9.5 billion was loaned on 1- to 4-family homes—double the volume of the previous year and two-thirds above the 1928 peak.

Back of all this were the pressures resulting from the emergency character of last year's hunt for homes. Home ownership became not only a goal, but a necessity for many families who would otherwise be without shelter. Although there are no 1946 data available on the increase of owner-occupancy, between 1940 and 1945 the proportion of home ownership had increased 23 percent and there is no reason to believe that 1946 brought any change in the upward trend.

Last year's resumption of home building, at record prices, brought an increase in construction loans which represented a 100-percent addition to mortgage debt in contrast to the smaller "roll-over" increment characteristic of loans for the refinancing of debt on existing homes which are transferred. However, in a year of volume sales (home purchase loans continued to account for the major portion of all home mortgage lending) and of spiraling prices, these "roll-over" increments added up to a considerable volume. Although there is no index of real estate prices as an exact measurement of change, FHLBA mortgage recording data provide basic evidence of what has been happening. Last year the value of the average mortgage recording of $20,000 or less rose $566, or almost one-quarter. Other statistical studies, as well as general first-hand knowledge of the rate of réal estate turnover at these rapidly rising prices

RELATIONSHIP BETWEEN CHANGE IN MORTGAGE DEBT AND NEW LOANS
1- To 4-Family Nonfarm Dwellings, 1940–1946



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

[Dollar amounts are shown in millions]

Type of mortgagee	Amount		Change		Percent of total debt	
	1946	1945	Amount	Percent	1946	1945
Savings and loan associations	p$7,200	$5,376	$1,824	33.9	29.3	26.9
Life insurance companies	p2,645	2,258	387	17.5	10.8	11.3
Mutual savings banks	2,680	2,530	150	4.9	10.9	12.6
Commercial banks	3,900	2,575	1,325	51.4	15.9	12.9
Home Owners' Loan Corp.	636	852	−216	−25.4	2.6	4.3
Individuals and others	7,500	6,400	1,100	17.2	30.5	32.0
Total	24,561	19,991	4,570	22.9	100.0	100.0

p Preliminary.

give some indication of the extent to which the inflationary factor has influenced the growth in the home mortgage debt.

Another factor which added to the high volume of new lending last year was the high total of GI home loans. At the end of 1946 the Veterans Administration reported that loans of $2.9 billion in principal amount had been approved. The fact that many of these represented 100-percent loans gave added impetus to the upswing in the total debt estimates.

For the second successive year the volume of new loans made exceeded the amount of loan repayments by a substantial margin. This is a reversal of the situation which prevailed from 1942 through 1944 when the outstanding debt showed fractional declines. In spite of the fact that repayments were high last year, they were more than offset by the exceptional volume of new loans written. For each $100 of new lending, $52 was received in loan repayments leaving a net increase of $48 in the outstanding debt. In other words, slightly more than half of the volume of new loans made was offset by repayments of principal on existing loans.

1946 experience

The over-all rise in home mortgage debt last year included gains by all types of private lenders, with three of them showing increases of more than a billion dollars apiece. Savings and loan associations again led, advancing $1.8 billion, followed by increments of $1.3 billion in the portfolio of commercial banks and $1.1 billion for "individuals and others." The remaining private lending groups—life insurance companies and mutual savings banks—reversed the declines of the previous year and rose $387 million and $150 million, respectively. Percentagewise, last year's gains ranged from 6 percent for mutual savings banks to 52 percent for commercial banks. In 1945 the changes in the total portfolio of private mortgagees varied between a drop of 8 percent in the portfolio of life insurance companies to a 12-percent gain for savings and loan associations.

Mortgage holdings of the Home Owners' Loan Corporation, which has been in liquidation since 1936, were cut by one-quarter during 1946. The $636 million now outstanding represents but a small proportion of the total mortgage debt.

Distribution of holdings

The pattern of distribution among the various holders of the mortgage debt was not affected by the changes during the year, but an examination of the portfolio reveals several interesting facts about the concentration within this frame. While "individuals and others" continued in first place with holdings of $7.5 billion, or 30 percent of the outstanding debt, this represented a decline of 2 percentage points from their previous share of the total, marking the low point in their proportion which has zigzagged generally downward from the high ratio of 38 percent in 1925.

Savings and loan associations, in reporting a portfolio of $7.2 billion, moved up from 27 to 29 percent of the total and all but closed the gap which has existed between these two types of mortgagees. Over the period in which the relative share of miscellaneous lenders in the outstanding mortgage debt has been declining, that of savings and loan associations has come back to within striking distance of their peak ratio of 32 percent shown in 1925.

The only other type of mortgagee to show an increased proportion in the total balance outstanding was the commercial bank group which raised its relative share from 13 to 16 percent on the basis of last year's portfolio which was estimated at $3.9 billion. Since 1925 these institutions have more than doubled the ratio of their outstanding mortgage debt to the national total. Last year for the first time they pulled appreciably ahead of life insurance companies.

The gains registered in the holdings of life insurance companies and mutual savings banks were not sufficient to maintain their previous ratios to total mortgage debt and last year each represented about 11 percent. Dollarwise, the $2.6 billion portfolio of the former group was a record and meant only a slight decline from their peak participation—13 percent in 1944. For mutual savings banks, however, the estimated portfolio of $2.7 billion represented a continuation of the long-term decline in their share of the mortgage debt outstanding on 1- to 4-family homes.

Estimated volume of mortgage loans outstanding on 1- to 4-family nonfarm homes, 1925-1946

[Millions of dollars]

Year	Savings and loan associations	Life insurance companies	Mutual savings banks	Commercial banks	HOLC	Individuals and others [1]	Total
1925	$4,204	$837	$2,375	$800	--------	$5,000	$13,216
1926	4,810	1,062	2,650	1,250	--------	5,500	15,272
1927	5,488	1,254	2,900	1,850	--------	6,000	17,492
1928	6,060	1,445	3,125	2,375	--------	6,600	19,605
1929	6,507	1,626	3,225	2,500	--------	7,200	21,058
1930	6,402	1,732	3,300	2,425	--------	7,400	21,259
1931	5,890	1,775	3,375	2,145	--------	7,500	20,685
1932	5,148	1,724	3,375	1,995	--------	7,000	19,242
1933	4,437	1,599	3,200	1,810	$132	6,700	17,878
1934	3,710	1,379	3,000	1,189	2,379	6,200	17,857
1935	3,293	1,281	2,850	1,189	2,897	6,000	17,510
1936	3,237	1,245	2,750	1,230	2,763	6,000	17,225
1937	3,420	1,246	2,700	1,400	2,398	6,180	17,344
1938	3,555	1,320	2,670	1,600	2,169	6,332	17,646
1939	3,758	1,490	2,680	1,810	2,038	6,440	18,216
1940	4,084	1,758	2,700	2,095	1,956	6,510	19,103
1941	4,552	1,976	2,730	2,470	1,777	6,590	20,095
1942	4,556	2,255	2,700	2,480	1,567	6,350	19,908
1943	4,584	2,410	2,660	2,450	1,338	6,100	19,542
1944	4,799	2,458	2,570	2,410	1,091	6,200	19,528
1945	5,376	2,258	2,530	2,575	852	6,400	19,991
1946	[p] 7,200	2,645	2,680	3,900	636	7,500	24,561
PERCENTAGE DISTRIBUTION							
1925	31.8	6.3	18.0	6.1	--------	37.8	100.0
1926	31.5	7.0	17.3	8.2	--------	36.0	100.0
1927	31.4	7.1	16.6	10.6	--------	34.3	100.0
1928	30.9	7.4	15.9	12.1	--------	33.7	100.0
1929	30.9	7.7	15.3	11.9	--------	34.2	100.0
1930	30.1	8.2	15.5	11.4	--------	34.8	100.0
1931	28.5	8.6	16.3	10.4	--------	36.2	100.0
1932	26.7	9.0	17.5	10.4	--------	36.4	100.0
1933	24.8	9.0	17.9	10.1	0.7	37.5	100.0
1934	20.8	7.7	16.8	6.7	13.3	34.7	100.0
1935	18.8	7.3	16.3	6.8	16.5	34.3	100.0
1936	18.8	7.2	16.0	7.1	16.1	34.8	100.0
1937	19.7	7.2	15.6	8.1	13.8	35.6	100.0
1938	20.1	7.5	15.1	9.1	12.3	35.9	100.0
1939	20.6	8.2	14.7	9.9	11.2	35.4	100.0
1940	21.4	9.2	14.1	11.0	10.2	34.1	100.0
1941	22.7	9.8	13.6	12.3	8.8	32.8	100.0
1942	22.9	11.3	13.6	12.4	7.9	31.9	100.0
1943	23.3	12.3	13.6	12.6	6.9	31.3	100.0
1944	24.6	12.6	13.2	12.3	5.6	31.7	100.0
1945	26.9	11.3	12.6	12.9	4.3	32.0	100.0
1946	29.3	10.8	10.9	15.9	2.6	30.5	100.0

[1] Includes fiduciaries, trust departments of commercial banks, real estate and bond companies, title and mortgage companies, philanthropic and educational institutions, fraternal organizations, construction companies, RFC Mortgage Company, etc.
[p] Preliminary.

New lending

A breakdown of the unprecedented $9.5 billion of new lending last year showed substantially increased activity by each type of private lender. Gains, which ranged from 74 percent by individuals to 162 percent by commercial banks, brought all lenders except life insurance companies and mutual savings banks to new peaks. Here again, an analysis of these figures reveals some significant trends in the distribution of home financing activity.

While savings and loan associations continued to provide the bulk of new home mortgage money, their ratio of total new lending declined from the high of 41 percent in 1945 to 38 percent last year. This proportionate drop occurred despite the fact that these institutions showed the largest dollar increase of any type of mortgagee last year—up $1.7 billion to $3.6 billion.

"Individuals and others" also showed a billion-dollar increase in new loans made and a decline in their relative participation in total mortgage lending. Aggregating $2.7 billion in 1946, the loans of this category accounted for 29 percent of total business in contrast to 33 percent the year before.

Commercial banks made the greatest strides of any type of private lender, both in the percentage increase of their new business and in ratio to total new loans. Increasing by $1.3 billion, their 1946 lending totaled $2.2 billion and accounted for almost a fourth of the year's volume in comparison with 18 percent in 1945.

Edging up slightly over their 1945 levels of participation with volumes well over double those shown in that year, life insurance companies and mutual savings banks each wrote new loans equal to 5 percent of the 1946 total. For the former, the dollar volume of $487 million meant getting back near the neighborhood of their better-than-$500 million peak of 1928 and 1929. Mutual savings banks, in spite of having loaned more money on 1- to 4-family homes than in any year since 1930, still showed only a little over half of their peak volume—$480 million last year compared with $915 million in 1928.

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

[Dollar amounts are shown in millions]

Type of mortgagee	Amount		Change		Percent of total lending	
	1946	1945	Amount	Percent	1946	1945
Savings and loan associations	$3,584	$1,913	$1,671	87.3	37.9	40.7
Insurance companies	[p] 487	209	278	133.0	5.2	4.4
Mutual savings banks	480	184	296	160.9	5.1	3.9
Commercial banks	2,200	840	1,360	161.9	23.3	17.9
Home Owners' Loan Corp.	2	4	−2	−50.0	([1])	0.1
Individuals and others	2,700	1,551	1,149	74.1	28.5	33.0
Total	9,453	4,701	4,752	101.1	100.0	100.0

[1] Less than one-tenth of 1 percent.
[p] Preliminary.

Again, as is to be expected in an agency which has retired from lending business except for reconditioning loans and those directly connected with property disposal, the volume of lending by the HOLC declined to less than one-tenth of 1 percent of 1946 loans.

1947 prospects

In projecting the home mortgage debt for the current year, it seems logical to assume a continuation of last year's upward trend. An increase between $3 and $4 billion in the total debt outstanding would appear to be a reasonable estimate even though the volume of new loans made during the current year may not equal last year's.

Many of the factors which contributed to the 1946 growth in the outstanding debt may be expected to continue or to be accentuated. For instance, as construction loans make up a greater proportionate share of the new additions to loan portfolios, they will tend to add more to the volume of outstanding debt, as explained earlier. If the buyers' resistance to current asking prices, which has been in evidence to some extent recently, continues or mounts, volume of home purchase lending may be expected to assume smaller proportions. There are definite indications that there has been a substantial slackening in the rate of turnover in existing properties and this will slow down the treadmill characteristic which in many respects was typical of lending operations last year.

Another influence not to be discounted in assessing the probable growth of the outstanding debt on small homes is the effect of general economic conditions on loan repayments. In recent years there has been a high volume of prepayments as borrowers, because of their high incomes and limited opportunities for purchasing consumer goods, have been paying off their loans in advance of amortization schedules. Today, however, the increased cost of living and greater spending opportunities have already had their effect in bringing repayments and prepayments down to more normal levels. Thus, the existing debt in all likelihood may not be as rapidly liquidated and additions to the debt will therefore be more apparent because of the lack of this offsetting factor.

NOTE: New mortgage loans and outstanding debt on 1- to 4-family nonfarm homes are estimated from information obtained from a variety of sources, including: (1) estimates for all operating savings and loan associations, prepared by the Operating Analysis Division, Federal Savings and Loan Insurance Corporation; (2) mortgage and real estate investments of life insurance companies, from special reports submitted to the Operating Analysis Division by companies holding 95 percent of the assets of all legal reserve life insurance companies; (3) the nonfarm mortgage recording series, prepared by the Operating Analysis Division; (4) financial statements of the Home Owners' Loan Corporation; (5) combined balance sheets for all active commercial and mutual savings banks, prepared by the Comptroller of Currency; (6) Census of Housing, 1940, prepared by the Bureau of the Census; (7) reports of the Federal Housing Administration; and other miscellaneous data.

Estimated volume of mortgage loans made on 1- to 4-family nonfarm homes, by years, 1925–1946

[Millions of dollars]

Year	Savings and loan associations	Life insurance companies	Mutual savings banks	Commercial banks [1]	HOLC	Individuals and others	Total
1925	$1,620	$400	$863	$760		$1,120	$4,763
1926	1,824	465	809	943		1,280	5,321
1927	1,895	500	834	1,144		1,360	5,733
1928	1,932	525	915	1,156		1,250	5,778
1929	1,791	525	612	1,040		1,120	5,088
1930	1,262	400	484	670		720	3,536
1931	892	169	350	364		400	2,175
1932	543	54	150	170		175	1,092
1933	414	10	99	110	$132	100	865
1934	451	16	80	110	2,263	150	3,070
1935	564	77	80	264	583	443	2,011
1936	755	140	100	430	128	605	2,158
1937	897	232	120	500	27	723	2,499
1938	798	242	105	560	81	669	2,455
1939	986	274	112	610	151	740	2,873
1940	1,200	324	133	689	143	801	3,290
1941	1,379	371	171	798	63	1,028	3,810
1942	1,051	374	130	606	40	954	3,155
1943	1,184	272	120	515	54	1,038	3,183
1944	1,454	300	140	601	31	1,304	3,830
1945	1,913	209	184	840	4	1,551	4,701
1946	3,584	[p] 487	480	2,200	2	2,700	9,453

[1] Includes loans made by trust departments of commercial banks.
[p] Preliminary.

Decline of Building Costs Essential

■ NHA Administrator Raymond M. Foley recently stated that a gradual decline of building costs is essential if the home building industry is to achieve the production of which it is capable. Declaring that he sees no good reason why costs should rise higher, but reason why they should level off and "decline over a fairly long period," Mr. Foley called upon all factors in the industry to "re-examine their demands upon the finished house." Material producers, fabricators, real estate men, merchandisers, contractors and labor must join in a cooperative effort to that end, he said.

"The cost of producing housing has risen under post-war conditions to a point where further rise would threaten failure of continued absorption at the rate of production of which the industry is capable. . . . The industry is a complicated one, with many handlings and transfers of goods. It involves many small operators, many professions, skills, and building trades. The final figure, the operative builder, has but small control of total costs. At every point, those involved must re-examine their own demands upon the finished house, if required production is to be achieved.

"Producers and suppliers of materials must re-examine their profit requirements and eventually re-examine the system of merchandising for other possible economies.

"Land developers must remove any unnecessary margins from their prices for home sites.

"Labor must justify its wage rates with full productivity, whether in on-site or off-site operations.

"Sub-contractors, upon whom the industry very largely depends, must sharpen their pencils in their bidding. They must remove any contingent margins calculated against the serious uncertainties of last year's material shortages. They must make sure that their profit margins are properly related to the margins commonly adequate in the past.

"Operative builders must be satisfied with reasonable profits derived from large volume operations such as the market requires.

"Restrictive practices, whether of governmental units, such as exist in many out-moded building codes, or of labor, or of management, must be removed wherever they exist and add unnecessarily to the cost of housing.

"Immediate action in these fields can prevent further rise of housing costs. Further development of such action will bring them down.

"New methods and materials, new techniques, such as prefabrication and industrialization, on-site or off, total or partial, are all developments which should have full support of the industry, of labor, and of governmental units.

"Costs can be reduced. They ought not be supported at unnecessarily high levels by financing devices which would serve only to place a temporary floor under them and to defer the real solution. . . . Unless such a job is done, there is serious danger that public resistance to price will force reductions in a manner particularly costly in that the process would result in loss of needed housing production."

Advisory Council Meeting

■ THE Federal Savings and Loan Advisory Council met at Washington, D. C., on May 15 and 16, 1947. John H. Fahey, Federal Home Loan Bank Commissioner, Harold Lee, Governor of the Federal Home Loan Bank System, and William H. Husband, General Manager of the Federal Savings and Loan Insurance Corporation, met with the Council during the two-day session. The Council considered and made recommendations on various matters affecting the FHL Banks and member institutions.

Members of the Council present for the May meeting included: James J. O'Malley, Wilkes-Barre, Pennsylvania, (chairman); Henry G. Zander, Jr., Chicago, Illinois, (vice-chairman); Walter Gehrke, Detroit, Michigan, (secretary); Milton A. Barrett, Fitchburg, Massachusetts; J. Alston Adams, Westfield, New Jersey; Frank Muller, Jr., Baltimore, Maryland; Allen C. Knowles, (alternate), Cleveland, Ohio; Earl S. Larson, Moline, Illinois; John W. Ballard, Kansas City, Missouri; O. W. Boswell, Paris, Texas; B. H. Wooten, Dallas, Texas; Harrington Wimberly, Altus, Oklahoma; Ray H. Babbitt, Lawton, Oklahoma; William A. Davis, (alternate), Oakland, California; and Guy E. Jaques, Portland, Oregon.

★ ★ ★ WORTH REPEATING ★ ★ ★

CHALLENGE: "One of the greatest challenges of the day is that relating to the building and financing of the homes that are so sorely needed throughout the nation. The actual building of such homes is a matter of material and manpower, their financing a matter which directly concerns our financial institutions. We all know that there is no dearth of capital to adequately supply the financing of these needed homes.

"And because savings and loan and building and loan associations have always been in the forefront in connection with this particular type of lending, the challenge to do a job is most direct and impelling . . . No doubt banks and insurance companies will share in this vast home building program to a much larger degree than has been customary in years past. And their assistance should not, in all good conscience, be seriously resisted, because it is most important in the long run and in the light of present conditions that the united efforts of all our privately owned and operated financing institutions do this necessary job of home financing in an efficient and businesslike manner and thereby refute any argument that the task should be taken over by the Government itself because private enterprise has failed.

"It was never amiss . . . to place particular emphasis upon the importance of these features as having a bearing upon the attracting of savings, and in building up and maintaining the financial integrity and stability of your associations, viz., (a) sufficient liquidity; (b) proper and adequate reserves, and (c) a fair and equitable dividend rate both from the standpoint of present and future savers in your associations. Each has a direct bearing on the other and all are tied into an enlightened, conservative and businesslike lending policy.

"Business should never be attracted by the payment of too high a dividend at the expense of building up needed reserves . . . The shareholder has a perfect right to assume that you know more about the investment of funds than he does, and, while he expects just as fair an apportionment of the profits earned on his money as is consistent with good businesslike management, nevertheless, he expects that in any event you will protect his principal investment. Wise managers understand this viewpoint and will take the long range view that safety of principal is more important than the continuance of a dividend rate at the expense of the building up of an *adequate* reserve to take care of any contingencies that may develop.

"The question might be asked, therefore, 'What is an adequate reserve?' There is no easy answer and consideration must be given to many factors—some are political, some are economic; the kind of a community you service and the class of membership are also important; likewise the lending policy followed. . . . It has been my experience that the types of business and the types of population in communities vary widely with the result that money flows out of some financial institutions much faster and to much greater extent than in others. This is particularly true in times of stress and affects not only the reserves but also the degree of liquidity required.

"Proper reserves are stressed because of their importance to the well-being of any savings and loan association. . . . Whether you have been in business for 5, 10, or 15 years, or longer, you must have the financial stamina, in the form of reserves to weather all adversity, and never take a chance on being knocked out. Now is the time to build up those reserves."

Lawrence B. Carey, New Jersey Commissioner of Banking and Insurance, before annual stockholders meeting, FHLB of New York.

TWOFOLD DUTY: "Our duty to these men [returning servicemen] is twofold, *we not only wish to assist them in acquiring homes, but in keeping them as well.* If we fail to give to these men the benefit of our experience and *wise counsel in the matter of real values as opposed to inflated prices*, we are rendering to them a disservice that will be a just cause for resentment when the dream of home ownership becomes the nightmare of foreclosure and breadlines. The future security of a home life lies in the ability of the borrower to *purchase at a reasonable price and to discharge the debt incurred, without undue burden on earning capacity.* Your friendly and firm counsel and advice on these points now will prove most effective in stabilizing values and protecting these men in their future security as home owners rather than house renters. That you will do your full duty is without question. The extent to which this responsibility is discharged is entirely in your hands."

Fourteenth Annual Report, FHL Bank of Winston-Salem, Winston-Salem, N. C., 1946.

ELEMENTARY: "The contention that blighted areas are luxuries that modern cities can no longer afford is elementary. Wherever it can be established that a redevelopment program in a particular area, a portion of which will be removed from the tax rolls by the creation of a specific type project, can offset this loss by increasing tax rolls in the entire area, easier acceptance to the idea of redevelopment is obtainable."

David M. Walker, Philadelphia Redevelopment Authority, *Journal of Housing*, March 1947.

FACTS: "Public relations starts with what the public thinks—not what the public ought to think. The character of an institution is what it is. Its reputation is what the public thinks it is. If the public does not have the facts, it is up to the institution to see to it that it gets the facts."

Sidney B. Congdon, National City Bank of Cleveland, *Mutual Savings Banking*, May 1947.

SELLING THRIFT: "Certainly the variety of services available to encourage thrift has never been exceeded in past history. This has meant the constant improvement of old services and the adoption of new ones to meet changing needs as well as the presentation of these services through progressive educational programs, vigorous advertising and public relations programs to an ever increasing portion of the general public."

Sigurd F. Olsen, Union Dime Savings Bank, *Savings Bank Journal*, March 1947.

REAL PLANNING: "Makeshift measures to deal with recurring emergencies have been tried and found wanting. They have not arrested the process of decay in the city's interior that destroys property values and creates difficulties in municipal finance, nor have they prevented the kind of rank suburban development that promises future blight and overburdened transit systems. Therefore real planning, of a kind that has been almost unknown in the western world for almost two hundred years, must be revived and used in the setting of today and tomorrow."

Guy Greer, in *Your City Tomorrow*.

TRENDS: "Five factors are working toward a reduction in the cost of building; if they are not now working in that direction, they can be made to do so. They are availability of materials, competition in all markets, efficiency of both management and labor, improved labor relations and finally, advanced technology.

"The supply problem is nearly licked . . .. Competition has already started to show its power. Building material dealers are refusing to stock items which they consider overpriced in their local market. This has had a salutary effect on the few manufacturers who thought to make quick profits because of high demand. The trend is forcing out of business the marginal producers, except in those fields where the price rise is not abnormal or the demand justifies abnormal production costs."

Tyler S. Rogers, Producers' Council, Inc., at North Central Conference of the U. S. Savings and Loan League, French Lick, Ind.

RESERVES: "The association with a high reserve ratio has better earnings possibilities than one with a low reserve ratio. Associations with a high reserve ratio can afford a stronger cash position without adversely affecting earnings and in some cases the earnings on reserves may pay something of the operating expenses."

Warren Hill, New Jersey Savings and Loan League, *Investment Dealers' Digest*, April 28, 1947.

FACING THE FUTURE: "The condition in which anybody could sell anything for any price within reason and some things for prices beyond reason has passed. It will come as a shock to some businessmen, spoiled by almost 10 years of continuous upward advance in prices and volume, that there will be some difficulty in increasing volume further and that all their talents for improving quality and shaving prices may be necessary to maintain their competitive position. It will come as a shock to others to find that the competitive system is a system of profit and loss and that their turn has come after a good many years of profitable operation to fall into the loss category. They will be faced with the uncomfortable task of improving their efficiency, raising the quality of their products and exerting real selling effort. Workers will likewise be faced once more with the choice of earning all their pay or losing it. They may be comforted but slightly by reflecting that they are doing precisely what is required under a private enterprise system to justify the continued existence and strengthening of that system . . .

"This year can be the first of many prosperous years if we face our problems courageously and lick them. The outlook is for considerable readjustment in prices and production, with a return to competitive selling. It will be a bad year for us all if we lose our courage and turn to Government for relief by deficit spending merely because we are afraid to make the adjustments necessary for sustained prosperity under a competitive private enterprise system.

". . . . If the private énterprise system which we hold so dear is to survive the test, and the present situation constitutes a test, its friends must accept the responsibility which rests upon their shoulders. When most of the decisions were made in Washington . . . the responsibilities of the business men were not as great as they are today. Private industry as represented and influenced by this group must and should now rise or fall, sink or swim, on the basis of the judgment of its own management.

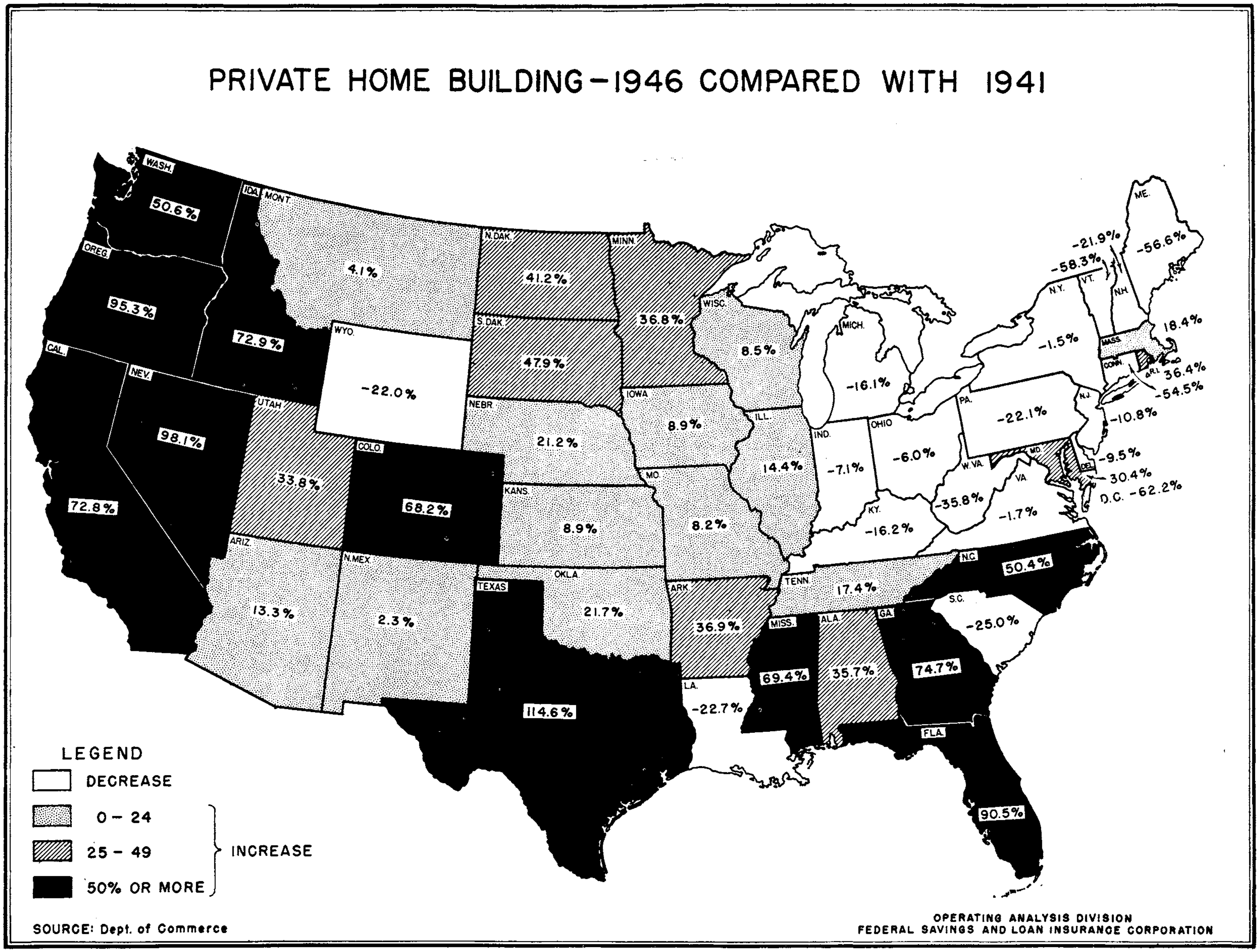
Ours is the opportunity

"Above all else, the private enterprise system to be successful must support a free economy. This is only possible where reasonably full employment exists at wages which will support a standard of living reasonably satisfactory to labor, with an opportunity for a fair return to capital. Ours is the responsibility. Ours is the opportunity, and if we miss this opportunity we will have missed our chance.

"Winston Churchill in his speech before the House of Commons on August 16, 1945, giving his final review of the war and his first major speech as leader of the Opposition, described thus our opportunities and responsibilities. He said 'The United States stand at this moment at the summit of the world. I rejoice that this should be so. Let them act up to the level of their power and their responsibility not for themselves but for others, for all men in all lands, and then a brighter day may dawn upon human history . . . Our pilgrimage has brought us to a sublime moment in the history of the world. From the least to the greatest, all must strive to be worthy of these supreme opportunities. There is not an hour to be wasted; there is not a day to be lost.' "

L. F. Whittemore, President, Federal Reserve Bank of Boston, before annual stockholders meeting, FHLB of Boston.

(*Continued on p. 256*)



This chart is based on dollar volume of private home construction "put-in-place" during 1941 and 1946.

NEW STATE TOTALS ON HOME BUILDING

Recent studies by the Department of Commerce provide important new information of interest to mortgage financing institutions. State totals of residential construction volume from 1939–1946 reveal important geographical shifts.

■ STATISTICS, like most things in the world, are of infinitely greater interest when they deal with "you" and "yours." Most people are primarily interested in detailed information about their own locality or their own state, and the more remote or all-inclusive figures become, the greater is the natural tendency for interest to wane. This is particularly true in the matter of home construction, since there are few fields more essentially local in character or which show more variation between communities.

Within the past month, the release of a new statistical series has been made which brings nationwide data on home building closer to the operations of every mortgage lending institution. The Department of Commerce has just published, for the first time, state-by-state estimates of the volume of private residential construction "put-in-place" for each year from 1939 through 1946. Although these are only preliminary estimates, they reveal important geographic shifts during this period.

State totals on home building

The March issue of the *Construction Industry Report* published by the Construction Division of the Department of Commerce contained estimates of the share of each state in the total dollar volume of new construction put in place during the period from 1939 through 1946. The tables accompanying this article show figures for selected years during this period on the total private residential construction. Other tables in the original source material of the Department of Commerce contain estimates for all private construction, for private non-residential construction, farm construction and privately financed public utility construction.

The wide fluctuations in the volume of private home building in recent years are clearly shown in the figures in the accompanying tables. The national totals, which increased during 1939, 1940 and 1941, reached a high point of almost \$2¾ billion just prior to our entry into the war. The eclipse of home construction during 1942, 1943 and 1944 is indicated by the fact that the total value of new home building shrank to a half-billion dollars in the latter year. In 1945, the trend was reversed, but the progress was negligible as the total increased to only \$670 million. The jump from this figure to a total of \$3⅓ billion in 1946 is indicative of the tremendous pressure of last year's drive for new homes. The volume of private residential construction put in place last year was 19 percent above the 1941 total.

Heavy West Coast gains noted

Significant shifts have taken place in the distribution of our building volume throughout the country from 1941 through 1946. In the last prewar year, for example, two-thirds of the home building volume was concentrated in the seven Federal Home Loan Bank Districts east of the Mississippi River. Last year these same seven Districts accounted for only a little more than half (56 percent) of the dollar volume of private residential construction put in place.

Conversely, the Districts west of the Mississippi River have been showing consistent gains. In 1941, the Little Rock, Topeka, Des Moines and San Francisco Districts accounted for only one-third of the total, but in 1946 the proportion attributable to these areas had increased to 44 percent of the national total. Every Bank District west of the Mississippi River had a larger share of the total private residential construction

Comparison of prewar and postwar home construction volume

[Dollar amounts are shown in millions]

Federal Home Loan Bank District	1941	1946	Percent change	Share of total	
				1941	1946
UNITED STATES	\$2,765.0	\$3,300.0	19.3	100.0	100.0
Boston	159.2	133.6	−16.1	5.8	4.0
New York	341.2	326.4	−4.3	12.3	9.9
Pittsburgh	215.2	164.0	−23.8	7.8	5.0
Winston-Salem	370.0	482.2	30.3	13.4	14.6
Cincinnati	243.5	234.2	−3.8	8.8	7.1
Indianapolis	294.2	252.8	−14.1	10.6	7.7
Chicago	218.5	246.6	12.9	7.9	7.5
Des Moines	149.0	182.5	22.5	5.4	5.5
Little Rock	192.8	339.4	76.0	7.0	10.3
Topeka	91.7	118.9	29.7	3.3	3.6
San Francisco	489.7	819.4	67.3	17.7	24.8

in 1946 than in prewar 1941; on the other hand, the Winston-Salem District was the only one east of that dividing line which did not report a smaller share of the home building activity.

The accompanying map shows even more strikingly the geographic shifts in construction volume between 1941 and 1946. The 16 states and the District of Columbia which are not shaded reported a lower volume of housing put in place last year than in the preceding period. Nearly all of these were located in the northeastern section of the country. On the other hand, the states with the darkest shading experienced gains of 50 percent or more, and the consistency of the Pacific Coast region together with the southwestern and southeastern sections stands out.

California reported $623 million of private residential building put in place last year, which was almost as large as the combined total of the three next largest states (Texas, New York and Michigan). Looking at it another way, the California total was equal to the aggregate volume of the 32 states with the smallest totals.

Background of data

In releasing the material, the Department of Commerce pointed out that the state estimates reflect a piecing together of materials from many sources. Generally these sources do not provide data that can be used directly. Adjustments and laborious manipulation of the basic data are a mandatory first step. This means that the state estimates must be labeled less reliable than the national totals. It is believed, however, that they show both trends and geographic shifts sufficiently well for over-all market analysis.

The complexity of the piecing together process is suggested by the following list of sources: building permit data of the Bureau of Labor Statistics, contract awards data of the F. W. Dodge Corporation and *Engineering News-Record;* the 1939 Census of Construction; farm income data of the Department of Agriculture; report of the Interstate Commerce Commission, the Federal Power Commission, and the Federal Communications Commissions; data filed with various state public utilities commissions; and data compiled by the American Gas Association and the United States Independent Telephone Association.

Value of private residential construction put in place, in selected years

[Source: Department of Commerce. Millions of dollars]

Federal Home Loan Bank District and state	1939	1940	1941	1945	1946
UNITED STATES	$2,114.0	$2,355.0	$2,765.0	$670.0	$3,300.0
Boston	105.8	131.4	159.2	19.7	133.6
Connecticut	35.1	46.2	57.3	3.9	26.1
Maine	4.2	7.4	11.3	0.8	4.9
Massachusetts	49.3	56.8	67.5	11.1	79.9
New Hampshire	4.6	5.7	7.3	0.5	5.7
Rhode Island	10.3	11.7	11.0	3.2	15.0
Vermont	2.3	3.6	4.8	0.2	2.0
New York	390.3	370.4	341.2	42.7	326.4
New Jersey	70.2	82.4	105.3	15.6	93.9
New York	320.1	288.0	235.9	27.1	232.5
Pittsburgh	154.5	168.5	215.2	18.1	164.0
Delaware	7.0	5.4	6.3	0.7	5.7
Pennsylvania	128.7	134.8	176.5	15.3	137.5
West Virginia	18.8	28.3	32.4	2.1	20.8
Winston-Salem	294.4	323.0	370.0	92.3	482.2
Alabama	16.3	17.6	22.1	5.0	30.0
District of Columbia	34.0	34.1	42.8	8.7	16.2
Florida	69.5	78.8	86.6	32.3	165.0
Georgia	29.2	30.4	30.0	8.2	52.4
Maryland	39.1	44.4	56.0	10.9	73.0
North Carolina	35.9	37.8	38.1	7.4	57.3
South Carolina	16.5	17.0	19.2	1.7	14.4
Virginia	53.9	62.9	75.2	18.1	73.9
Cincinnati	165.6	189.8	243.5	64.1	234.2
Kentucky	19.3	18.5	20.4	2.1	17.1
Ohio	125.4	149.0	192.2	46.3	180.7
Tennessee	20.9	22.3	30.9	15.7	36.4
Indianapolis	156.7	212.0	294.2	56.8	252.8
Indiana	38.7	49.3	67.3	13.0	62.5
Michigan	118.0	162.7	226.9	43.8	190.3
Chicago	142.7	174.4	218.5	61.3	246.6
Illinois	102.3	127.3	161.1	46.7	184.3
Wisconsin	40.4	47.1	57.4	14.6	62.3
Des Moines	104.2	135.2	149.0	27.6	182.5
Iowa	23.7	29.9	34.6	3.7	37.7
Minnesota	38.7	52.8	60.8	16.2	83.2
Missouri	37.0	44.5	43.7	5.3	47.3
North Dakota	2.3	3.9	5.1	1.3	7.2
South Dakota	2.5	4.1	4.8	1.1	7.1
Little Rock	142.7	143.6	192.8	66.5	339.4
Arkansas	7.6	9.8	13.0	2.8	17.8
Louisiana	24.3	21.4	36.5	10.5	28.2
Mississippi	9.5	9.7	9.8	2.5	16.6
New Mexico	5.1	6.9	8.6	1.6	8.8
Texas	96.2	95.8	124.9	49.1	268.0
Topeka	58.6	73.4	91.7	22.6	118.9
Colorado	14.6	18.8	22.3	9.4	37.5
Kansas	11.0	15.8	23.5	3.8	25.6
Nebraska	10.4	11.3	13.2	3.3	16.0
Oklahoma	22.6	27.5	32.7	6.1	39.8
San Francisco	398.5	433.3	489.7	198.3	819.4
Arizona	7.0	8.1	9.8	5.7	11.1
California	324.9	326.1	360.8	149.6	623.3
Idaho	4.9	6.9	7.0	2.8	12.1
Montana	4.9	6.1	7.4	1.3	7.7
Nevada	4.0	3.7	5.4	2.1	10.7
Oregon	14.4	22.3	25.3	10.5	49.4
Utah	9.9	13.3	16.0	4.4	21.4
Washington	24.9	42.2	53.0	20.4	79.8
Wyoming	3.6	4.6	5.0	1.5	3.9

Home Building Prospects

■ CONFIRMATION of the fact that total construction this year will not be so large as originally anticipated is found in the Department of Commerce's revised estimates of the total volume of construction expenditures for 1947. The aggregate is now expected to be between $18.3 and $19.6 billion on the basis of the present outlook, as contrasted with an estimate of $21.6 billion made last December.

The largest modification in the estimates is in figures for private residential building (excluding farm), private non-residential building and highway construction. It is now believed that the value of private residential building put-in-place in 1947 will range between $4.25 and $4.8 billion, as compared with $3.3 billion for 1946, and the original estimate of $6 billion for 1947. This means starting some 700,000 to 800,000 new private units this year and completion of 720,000 to 770,000 units as compared with the original estimates of 1,000,000 starts and about 900,000 completions.

In announcing the revised estimates of construction activity during 1947, the Chief of the Construction Division of the Department of Commerce outlined a number of factors in the current outlook. The less favorable include: (1) the failure of total new construction during the first quarter to reach earlier expectations by some 13 percent, (2) the falling behind of new residential units started, (3) the failure of Federal permits for new units to show appreciable spring increases, (4) the seeming reluctance of home builders to expand commitments partly at least because of uncertainty concerning future prices and costs, (5) sharper increases in construction costs than originally anticipated, and (6) uncertainty concerning the pattern of general business conditions during the rest of the year.

These unfavorable factors are partially offset, he said, by (1) the relative stability of total new construction over the last five months after seasonal adjustment, (2) actual increases in some classes of new construction after adjustment for seasonal influences, (3) improvement in the rate of starts of residential units in March, and (4) continued high output of construction materials.

The unfavorable factors outweighed the favorable and suggested the need for a downward revision of the Construction Division's earlier estimates. After allowance for cost increases, it appears that the physical volume of new construction will not be much above that of last year.

The outlook for construction material seems favorable enough to support a larger volume of building than now appears likely this year.

Proposed Amendment

FHLBA Bulletin No. 87

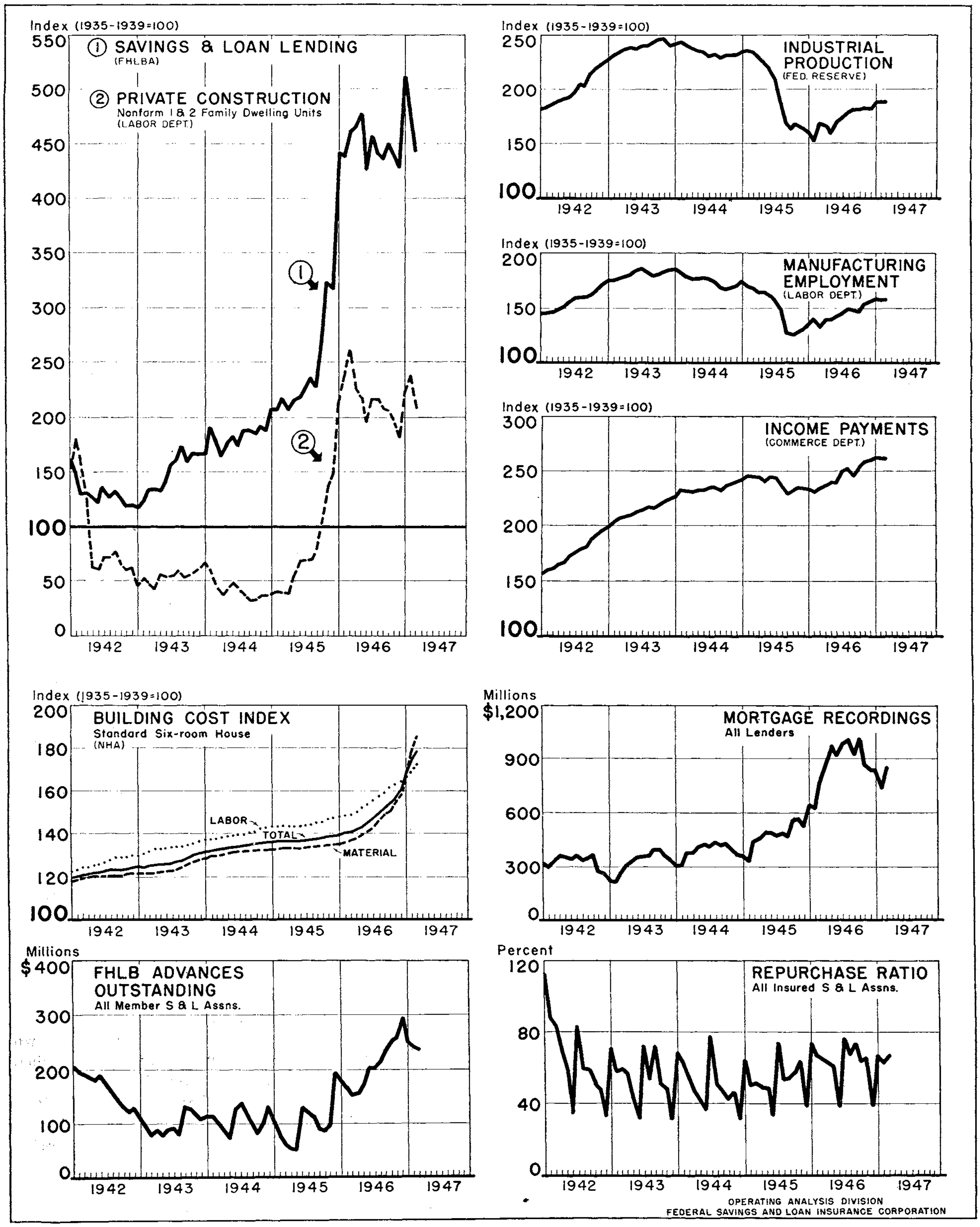
Proposed amendment to the Rules and Regulations for the Federal Home Loan Bank System relating to deposits from members.

The following amendment to paragraph (f), Section 4.1 (Title 24, Code of Federal Regulations) was proposed by the Federal Home Loan Bank Administration on May 21, 1947, to replace the present Section. It will not be adopted until at least 30 days after publication in *The Federal Register*—May 24, 1947.

par. f. *Deposits from Members.* (1) Banks may accept demand deposits from members, but no interest shall be paid thereon. At least 25% of such funds on deposit shall be reserved in the form of cash and/or U. S. Treasury Bills. The remaining 75% of such funds on deposit shall be invested within the provisions of Section 11(g) of the Act. The Governor may, in his discretion, upon the application of a Bank, waive all or a part of these reserve requirements, subject to the provisions of the Federal Home Loan Bank Act, as now or hereafter amended. Immediate withdrawal may be permitted in the form of the check of the Bank or as otherwise authorized from time to time by order of the Federal Home Loan Bank Administration.

(2) Banks may accept time deposits from members but shall reserve the right to require, in writing, thirty days' notice of intention to withdraw such deposits or any part thereof. At least 25% of such funds on deposit shall be reserved in the form of cash and/or U. S. Treasury Bills. The remaining 75% of such funds on deposit shall be invested within the provisions of Section 11 (g) of the Act. The Governor may, in his discretion, upon the application of a Bank, waive all or a part of these reserve requirements, subject to the provisions of the Federal Home Loan Bank Act, as now or hereafter amended. The rates of interest to be paid on such deposits as remain unwithdrawn for periods of thirty days or more may be established by the board of directors of each Bank, within the ranges established by the Federal Home Loan Bank Administration. Withdrawals of such deposits shall be in the form of the check of the Bank, or in such other manner as may from time to time be authorized by order of the Federal Home Loan Bank Administration.

(3) As used in subparagraphs (1) and (2) of this Section, the word "cash" shall not include deposits in any other Bank.


Index (1935-1939=100)
① SAVINGS & LOAN LENDING
(FHLBA)
② PRIVATE CONSTRUCTION
Nonfarm 1 & 2 Family Dwelling Units
(LABOR DEPT)
550
500
450
400
350
300
250
200
150
100
50
0
1942 1943 1944 1945 1946 1947
Index (1935-1939=100)
INDUSTRIAL PRODUCTION
(FED. RESERVE)
250
200
150
100
1942 1943 1944 1945 1946 1947
Index (1935-1939=100)
MANUFACTURING EMPLOYMENT
(LABOR DEPT.)
200
150
100
1942 1943 1944 1945 1946 1947
Index (1935-1939=100)
INCOME PAYMENTS
(COMMERCE DEPT.)
300
250
200
150
100
1942 1943 1944 1945 1946 1947
Index (1935-1939=100)
BUILDING COST INDEX
Standard Six-room House
(NHA)
LABOR
TOTAL
MATERIAL
200
180
160
140
120
100
1942 1943 1944 1945 1946 1947
Millions
MORTGAGE RECORDINGS
All Lenders
$1,200
900
600
300
0
1942 1943 1944 1945 1946 1947
Millions
FHLB ADVANCES OUTSTANDING
All Member S & L Assns.
$400
300
200
100
0
1942 1943 1944 1945 1946 1947
Percent
REPURCHASE RATIO
All Insured S & L Assns.
120
80
40
0
1942 1943 1944 1945 1946 1947
OPERATING ANALYSIS DIVISION
FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

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

Industrial production still at postwar peak

For the third consecutive month, the Federal Reserve Board's seasonally adjusted index of industrial production remained unchanged at 189 percent of the 1935–1939 average. Slight gains in the output of durable goods and minerals were offset by a small decrease in the manufacture of nondurable items—all after adjustment for seasonal variations.

Of interest to the home building industry is the fact that lumber production during March was reported at the highest level for this season in almost 20 years. Steel mill operations averaged 94 percent of capacity and, according to the Federal Reserve Board's summary of business activity, they were maintained at this rate during most of April. The automobile industry continued to expand its production, with more than 300,000 passenger cars and 117,000 trucks being manufactured in March—a new postwar high.

Nonagricultural employment was maintained at about the same high level as in recent months after adjustment for seasonal influences. The total number of persons employed in this field was about 7 percent above the number at work a year ago.

The trend of prices received increasing attention from both Government and private business. The BLS index based on the wholesale prices of almost 900 commodities rose to another new peak in March which was 33 percent higher than the level a year ago. It is significant, however, that the over-all index, which reached a high of 149.4 (1926=100) in the week ending March 29, showed fractional declines in each of the succeeding four weeks. On April 26, this index stood at 146.8—a drop of almost 2 percent. Lower prices for farm products and foods accounted for the major portion of this decrease. Wholesale prices for the majority of industrial commodity groups were fractionally higher during April than in the preceding month. (See chart on page 225.)

Index [1935–1939=100]	March 1947	Feb. 1947	Percent change	March 1946	Percent change
Home construction (private)[1]	207.7	r 239.0	−13.1	r 260.7	−20.3
Building material prices	198.2	195.2	+1.5	139.5	+42.1
Savings and loan lending [1]	442.5	471.2	−6.1	460.8	−4.0
Industrial production [1]	189.0	r 189.0	0.0	168.0	+12.5
Manufacturing employment [1]	157.7	r 157.7	0.0	r 134.6	+17.2
Income payments [1]	263.0	r 263.6	−0.2	234.7	+12.1

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

Consumers' prices on cost-of-living items rose 2 percent from the middle of February to the middle of March. Higher food prices were responsible for most of this increase, but there have been indications of some reductions in this field during recent weeks.

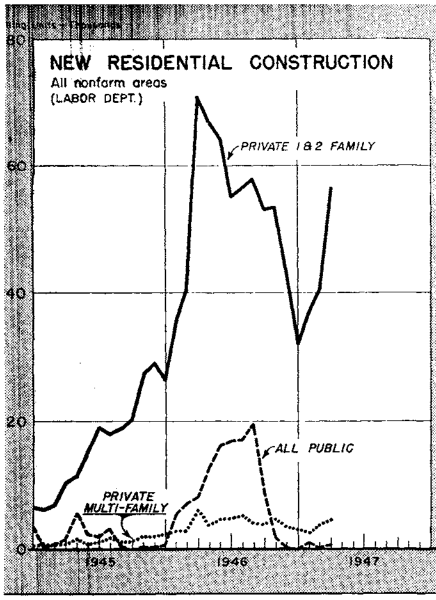
While the dollar volume of Easter business this year was slightly higher than a year ago, this was largely the result of higher prices. The Federal Reserve Board reports that the value of department store sales during the six weeks preceding Easter was only 3 percent larger than in the corresponding 1946 period. The Board points out that a higher level of sales of household appliances and men's clothing played an important part in the increased volume.

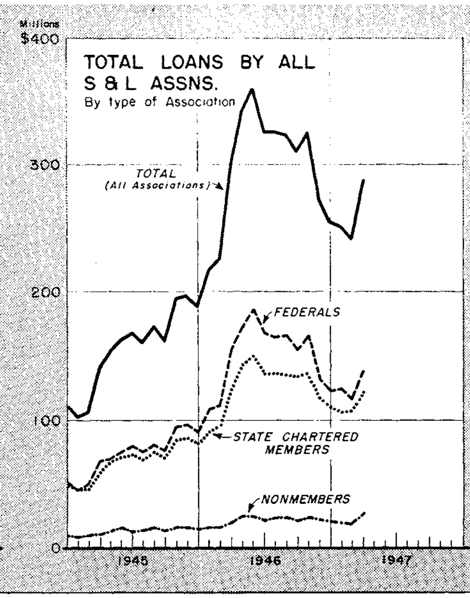
Debt Retirement Continues

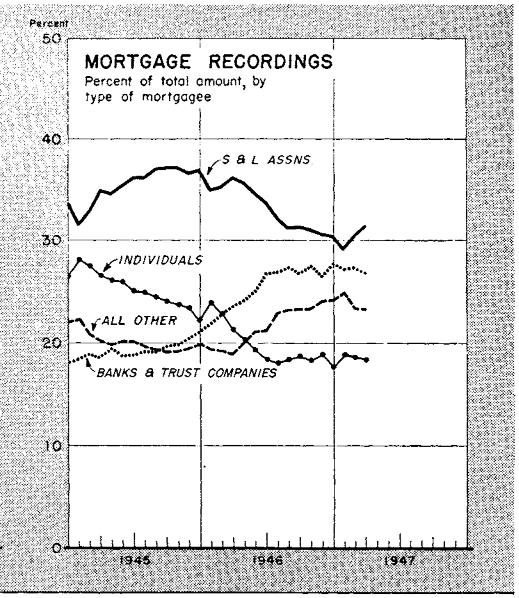
The total interest-bearing direct debt of the Federal Government has been reduced approximately \$20 billion as a result of the Treasury's present program of debt retirement. From a peak of \$276 billion reached in December 1945, the total outstanding interest-bearing debt has been gradually lowered until at the end of March it was just under \$256 billion. The gross direct debt is approximately \$3 billion larger than this amount.

Building permits below first quarter of 1946

The slowdown in residential construction was quite apparent from the March figures released by the Bureau of Labor Statistics. The number of privately financed nonfarm dwelling units for which permits were issued during the first quarter of 1947 was 9 percent less than in the same period last year, while in urban areas construction was off







16 percent. The decline in public construction (from 21,532 units to 1,593) brought to 19 percent the decrease in total dwelling units provided in nonfarm areas during the period from January through March and to 28 percent the decline in urban areas for the same period.

Construction of 61,200 privately financed dwelling units in nonfarm areas was authorized for the month of March. Although this represented a substantial increase, 38 percent, over February, the percentage gain was less than half that recorded from February to March last year.

The ratio of privately financed 1- and 2-family units to total private construction remained 93 percent. Permits for rental units, as represented by structures containing 3- or more-family units, provided for 10,700 families in nonfarm areas during the first quarter of 1947, which compared with 12,300 units in the same period of 1946—a decline of 13 percent. [Tables 1 and 2.]

Upward movement of building costs continued

Construction costs as measured by the NHA index for the standard house continued to increase during March, but at a less rapid pace than in recent months. A 3-percent gain brought the index for total costs to 180 percent of the 1935-1939 average compared with the 174 which was shown in February.

Material prices were again responsible for the greater portion of the increase. Gains in lumber, flooring and millwork items accounted for a large part of the almost 5-percent rise in the material index which stood at 186 in contrast to a February figure of 178. The labor component advanced slightly less than 1 percent to reach 170 percent of the base period.

Wholesale prices of building materials, according to the Bureau of Labor Statistics, were up less than 2 percent during the month which was also a smaller rise than during the past few months. Lumber and cement prices showed the largest increases in March but these were only about 2 percent. There are several indications that wholesale prices in many items were beginning to at least level off, and the first signs of declines were in evidence. [Tables 3, 4 and 5.]

Lending gain was less than seasonal

The volume of new mortgage loans made by all savings and loan associations during March, estimated at $288,000,000, represented a less-

New mortgage loans distributed by purpose

[Dollar amounts are shown in thousands]

Purpose	March 1947	Feb. 1947	Percent change	March 1946	Percent change
Construction	$61,543	$52,723	+16.7	$45,391	+35.6
Home purchase	161,694	133,399	+21.2	202,995	−20.3
Refinancing	25,916	22,529	+15.0	24,244	+6.9
Reconditioning	9,665	7,091	+36.3	6,198	+55.9
Other purposes	29,403	25,521	+15.2	21,335	+37.8
Total	288,221	241,263	+19.5	300,163	−4.0

than-seasonal increase of 19 percent from February. That this rise was less than that which ordinarily occurs at this time of the year is indicated by the fact that the seasonally adjusted index of savings and loan lending dropped to 443 percent of the 1935–1939 average from 471 percent in February.

Compared with the volume of loans made in March of last year, lending during the reporting month was off 4 percent. This was the first time in three years in which the volume of loans made by these institutions in any month has been less than in the same month of the preceding year.

In only three of the FHLB Districts—Boston, Winston-Salem and San Francisco—did associations make a larger volume of loans during March than in the comparable 1946 month. Declines in the remaining Districts ranged up to 19 percent.

Despite the fact that privately financed urban residential construction activity was about 16 percent below the first quarter of last year, the volume of home construction loans made by savings and loan associations had risen more than 50 percent over this interval, from $107,000,000 during the first quarter of 1946 to $165,000,000. Over the same period an even greater relative increase, 66 percent, has been shown by repair and reconditioning loans. New loans made during the first three months of this year for the purchase of existing homes were 12 percent less in aggregate amount than in the same months of last year. [Tables 6 and 7.]

Mortgage recordings by type of mortgagee

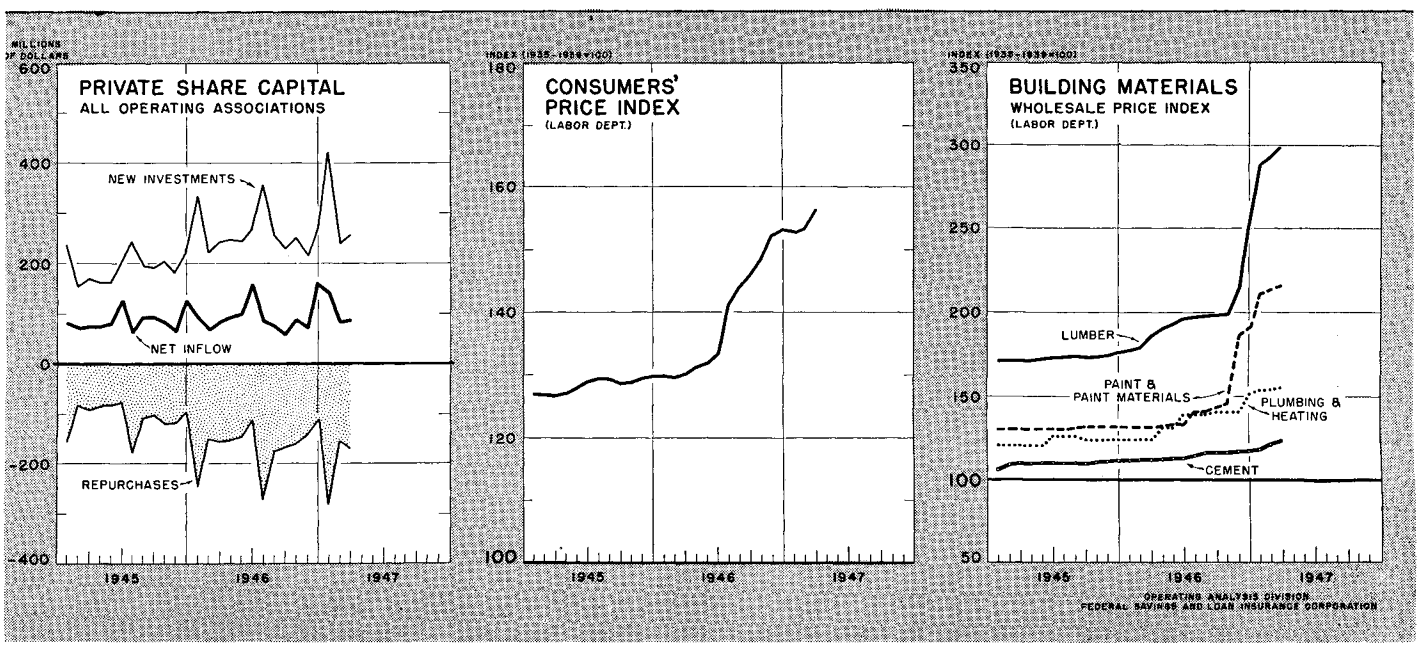
[Dollar amounts are shown in thousands]

Type of lender	March 1947	Feb. 1947	Percent change	March 1946	Percent change
Savings and loan associations	$270, 724	$235, 096	+15. 2	$277, 408	−2. 4
Insurance companies	50, 955	46, 608	+9. 3	31, 083	+63. 9
Banks, trust companies	229, 862	211, 091	+8. 9	180, 656	+27. 2
Mutual savings banks	39, 961	35, 155	+13. 7	33, 914	+17. 8
Individuals	157, 802	143, 880	+9. 7	162, 986	−3. 2
Others	109, 371	98, 265	+11. 3	79, 926	+36. 8
Total	858, 675	770, 095	+11. 5	765, 973	+12. 1

Number of mortgages recorded down from 1946 volume

Although the volume of real estate financing activity during the first quarter of this year was substantially greater than in the same period of 1946, analysis of data on nonfarm mortgages of $20,000 or less recorded during recent months indicates that activity in this field is leveling off. For example, in January of this year mortgages recorded by all lenders were 14 percent greater in number and 34 percent greater in amount than in the same month of last year. In a similar comparison of February totals, the number of mortgages recorded in 1947 was 7 percent greater and the amount 24 percent greater. By March the margin of increase over the comparable 1946 month had narrowed to 12 percent for value of mortgages recorded, while the number of instruments was fractionally *less* than last year.

One of the important factors in boosting the dollar volume of real estate financing to the billion-dollar-a-month level reached last fall was the precipitous rise in real estate prices during recent



years, which in turn was reflected in the average size of mortgage loans. From December 1941 to December 1946 the size of the average mortgage of $20,000 or less recorded rose $1,400, or 46 percent. During the last six months, however, the average size of mortgages recorded has leveled off, fluctuating between $4,375 and $4,475. Although the size of the average mortgage recorded in March of this year was 12 percent greater than in the same month of 1946, there has been a slight decline noticeable during recent months. [TABLES 8 and 9.]

Bank advances down 20 percent in first quarter

Declining seasonally for the third successive month, FHLB advances outstanding on March 31 totaled $236 million—down almost one-fifth since the close of 1946. All Banks shared in this decline which represented the smallest percentage drop in any first quarter in recent years and left the balance at the end of the reporting month more than half again as large as at the end of March 1946. A February-March comparison showed a decreased balance outstanding in six Bank Districts accounting for the 2-percent drop which occurred in that period.

New advances of $14.8 million during March brought the first quarter total to $34.3 million, or a quarter less than the volume reported in the first three months of 1946. Again this year, as was the case in the first quarter of 1946, the San Francisco Bank reported the largest lending volume—approximately $7.3 million in both years. March advances were only fractionally higher than in the same month of last year but exceeded by well over a third the amount loaned in February 1947. All but three Banks in the middle of the country—Chicago, Des Moines and Little Rock—reported more money advanced to member institutions in March than during the preceding month.

First quarter repayments this year—$91.3 million—exceeded by 4 percent the all-time high established in that 1946 period. This increased total is probably due to the reportedly unusual influx of new share capital to member associations. Repayments made during March totaled $20.4 million, approximately $5 million less than in the same month last year. However, they had risen by $637,000 over February 1947, with all Banks except Winston-Salem, Cincinnati, Chicago, Little Rock and San Francisco sharing in the increase.

There were 1,276 borrowers from the Banks as of March 31—about one out of three members of the Bank System. This was less than the number borrowing on December 31, 1946 but substantially higher than at the end of March last year. [TABLE 12.]

Recent trends in insured association operations

Analysis of the statistics for insured associations presented in Table 13 reveals a number of recent trends or developments which are of particular interest. First, the decline in general level of real estate activity from the lofty peaks reached in mid-1946 has been accompanied by an encouraging increase in the average life of mortgages held by insured associations. From an average of about six years in 1940 the average life of mortgage loans declined persistently during the war, approaching three years in the spring of 1946. By the first quarter of this year the computed turnover had lengthened to four years. This reflects a lower volume of both real estate transfers and loan prepayments.

Second, the share accounts of insured associations continued to grow at a record pace despite the fact that the American people are saving considerably less out of current income than during the war years. During the first three months of 1947, private investors in these institutions increased their share accounts by more than $269,000,000, an amount over one-fourth greater than the net additions to these accounts during the same months of either 1945 or 1946.

Partly as the result of this expanded net inflow of savings funds and partly attributable to the smaller volume of loans made during the winter months, the increase registered in their mortgage portfolios was fractionally less than the increase in private capital accounts. This was the first quarter in the last five in which the growth in mortgage holdings was not greater than the net inflow of savings funds. During the full year 1946, portfolio growth exceeded the net inflow of savings funds into these institutions by almost 52 percent. [TABLE 13.]

Net inflow of savings set new record

Savings funds continued to flow into savings and loan associations in record volume throughout the first quarter of the year. New investments added to the accounts of all such institutions amounted to $311 million in the first quarter of 1947 compared with $245 million in the same period last year—an increase of 27 percent. The withdrawal ratio for the January–March period for all associations was 66.1 during 1947 compared with 69.3 in 1946.

Insured associations, which account for nearly three-fourths of the total assets of all operating associations, received $85 of every $100 of net savings added to the share accounts of these institutions during the first quarter of 1947.

New private share capital, which reached $257 million in March, was 5 percent greater than in the same month last year. Withdrawals amounting to $170 million were higher (7 percent) than a year ago. This difference in the rate of increase in withdrawals and new investments was reflected in a slightly higher withdrawal ratio. The withdrawal ratio for all savings and loan associations during March was 66.4 compared with 65.2 a year earlier. [TABLE 14.]

Revised FHA Manual

A revised issue of the Federal Housing Administration's manual for underwriting operations, developed in the early days of that agency, has recently been distributed to all FHA offices. This revision brings up to date changes in methods and procedures in insurance of FHA mortgages under Titles II and VI of the National Housing Act.

Organized on a functional basis, there are 20 sections divided into the FHA Underwriting System, Architectural, Valuation and Mortgage Credit Units and the Chief Underwriter. The architectural unit deals with the physical security of the mortgage and criteria of eligibility and acceptability of that security. Sections relating to methods of cost estimation and the FHA system of compliance inspection are also included. Copies of the revised manual are available at $2.00 from the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

DIRECTORY CHANGES

March 1947

Key to changes

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

BOSTON DISTRICT

MAINE:
Bangor:
*Bangor Loan and Building Association, 92 Central St.
Richmond:
**Richmond Loan and Building Association, Main St.
MASSACHUSETTS:
South Boston:
*Farragut Cooperative Bank, 706 E. Broadway.

NEW YORK DISTRICT

NEW JERSEY:
Caldwell:
**Grover Cleveland Savings and Loan Association, 309 Bloomfield Ave.
Wildwood:
**Wildwood Savings and Loan Association, 100 W. Schellenger Ave.
Wortendyke:
**Wortendyke Savings and Loan Association, Greenwood and Central Aves.

PITTSBURGH DISTRICT

PENNSYLVANIA:
Allentown:
*ØPennsylvania Loan and Building Association, 404 Allentown National Bank Bldg.

WINSTON-SALEM DISTRICT

FLORIDA:
Tavares:
##ØØLake County Federal Savings and Loan Association, Broad St., N. E.
NORTH CAROLINA:
Lexington:
ØIndustrial Building and Loan Association, Industrial Bank Bldg.

CINCINNATI DISTRICT

OHIO:
Cincinnati:
**Bremen Street Loan and Building Company, 1633 Vine St.

DES MOINES DISTRICT

MISSOURI:
Carthage:
**Home Federal Savings and Loan Association of Carthage, 133 E. Third St.
Kansas City:
**##ØØStandard Federal Savings and Loan Association of Kansas City, 919 Walnut St.
Kirksville:
ØKirksville Building and Loan Association, 213 S. Franklin St.

TOPEKA DISTRICT

COLORADO:
Lamar:
*ØLamar Building and Loan Association, 107 W. Olive St.

Table 1.—BUILDING ACTIVITY—Estimated number of new family dwelling units provided in all urban areas in March 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					
	Mar. 1947 p	Feb. 1947	Mar. 1946	Mar. 1947 p	Feb. 1947	Mar. 1946	Mar. 1947 p	Feb. 1947	Mar. 1946	Mar. 1947 p	Feb. 1947	Mar. 1946
UNITED STATES	37,308	27,074	57,665	33,213	23,771	44,448	4,095	3,303	6,285	491	-	6,932
Boston	1,602	795	2,404	1,599	755	1,907	3	40	20	-	-	477
Connecticut	264	160	562	264	160	362	-	-	-	-	-	200
Maine	70	20	86	67	20	45	3	-	9	-	-	32
Massachusetts	952	485	1,530	952	445	1,274	-	40	11	-	-	245
New Hampshire	44	31	42	44	31	42	-	-	-	-	-	-
Rhode Island	267	99	150	267	99	150	-	-	-	-	-	-
Vermont	5	-	34	5	-	34	-	-	-	-	-	-
New York	3,000	1,859	5,139	1,912	1,047	3,194	1,088	812	972	491	-	973
New Jersey	916	794	1,764	810	606	1,246	106	188	81	50	-	437
New York	2,084	1,065	3,375	1,102	441	1,948	982	624	891	441	-	536
Pittsburgh	1,237	564	2,718	1,100	479	2,174	137	85	262	-	-	282
Delaware	23	9	74	23	9	74	-	-	-	-	-	-
Pennsylvania	1,023	425	2,268	886	348	1,754	137	77	232	-	-	282
West Virginia	191	130	376	191	122	346	-	8	30	-	-	-
Winston-Salem	5,328	5,287	8,986	4,747	4,337	6,572	581	950	2,082	-	-	332
Alabama	618	543	981	573	470	754	45	73	51	-	-	176
District of Columbia	399	439	852	248	206	194	151	233	650	-	-	8
Florida	2,051	1,884	3,089	1,754	1,525	1,872	297	359	1,217	-	-	-
Georgia	517	557	897	513	557	894	4	-	3	-	-	-
Maryland	320	209	775	316	209	770	4	-	5	-	-	-
North Carolina	713	688	904	639	684	826	74	4	50	-	-	28
South Carolina	239	172	335	239	164	193	-	8	22	-	-	120
Virginia	471	795	1,153	465	522	1,069	6	273	84	-	-	-
Cincinnati	2,788	1,710	4,228	2,407	1,622	3,359	381	88	362	-	-	507
Kentucky	402	231	445	330	207	437	72	24	8	-	-	-
Ohio	1,810	1,079	2,595	1,517	1,031	2,094	293	48	342	-	-	159
Tennessee	576	400	1,188	560	384	828	16	16	12	-	-	348
Indianapolis	3,074	1,697	3,887	2,911	1,524	3,802	163	173	85	-	-	-
Indiana	742	302	1,177	708	296	1,142	34	6	35	-	-	-
Michigan	2,332	1,395	3,710	2,203	1,228	2,660	129	167	50	-	-	-
Chicago	2,202	829	3,633	2,073	796	3,001	129	33	306	-	-	326
Illinois	1,526	700	2,640	1,412	679	2,190	114	21	282	-	-	168
Wisconsin	676	129	993	661	117	811	15	12	24	-	-	158
Des Moines	1,599	708	3,226	1,523	693	2,775	76	15	237	-	-	214
Iowa	336	100	790	336	100	596	-	-	-	-	-	194
Minnesota	568	205	1,326	526	190	1,185	42	15	121	-	-	20
Missouri	590	354	871	556	354	755	34	-	116	-	-	-
North Dakota	34	11	111	34	11	111	-	-	-	-	-	-
South Dakota	71	38	128	71	38	128	-	-	-	-	-	-
Little Rock	5,601	4,695	8,363	5,445	4,537	6,691	156	158	143	-	-	1,529
Arkansas	267	278	269	253	278	217	14	-	12	-	-	40
Louisiana	559	375	568	553	375	546	6	-	12	-	-	10
Mississippi	440	407	485	430	390	481	10	17	4	-	-	-
NewMexico	228	87	242	228	87	214	-	-	8	-	-	20
Texas	4,107	3,548	6,799	3,981	3,407	5,233	126	141	107	-	-	1,459
Topeka	1,459	1,220	2,713	1,318	1,186	2,144	141	34	131	-	-	438
Colorado	226	336	887	226	336	552	-	-	109	-	-	226
Kansas	401	362	498	361	353	454	40	9	4	-	-	40
Nebraska	271	118	325	263	113	320	8	5	5	-	-	-
Oklahoma	561	404	1,003	468	384	818	93	20	13	-	-	172
San Francisco	9,418	7,710	12,368	8,178	6,795	8,829	1,240	915	1,685	-	-	1,854
Arizona	307	127	562	148	124	182	159	3	12	-	-	368
California	6,791	5,764	8,639	6,042	4,985	5,892	749	779	1,518	-	-	1,229
Idaho	148	158	254	148	158	227	-	-	3	-	-	24
Montana	74	61	214	74	37	184	-	24	-	-	-	30
Nevada	190	218	92	190	218	83	-	-	9	-	-	-
Oregon	675	497	854	547	399	661	128	98	69	-	-	124
Utah	308	229	424	284	224	383	24	5	41	-	-	-
Washington	874	640	1,253	694	634	1,153	180	6	21	-	-	79
Wyoming	51	16	76	51	16	64	-	-	12	-	-	-

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: January–March	145,135	122,838	100,677	6,195	15,966	22,297	$493,973	$421,665	$361,105	$14,569	$45,991	$72,308
March	60,172	51,162	43,031	2,731	5,400	9,010	206,128	176,990	155,157	6,617	15,216	29,138
1946: January–March	181,900	160,368	141,999	6,051	12,318	21,532	759,109	702,891	634,354	24,215	44,322	56,218
March	86,100	77,649	68,453	2,751	6,445	8,451	375,076	354,141	316,988	11,953	25,200	20,935
April	84,000	70,738	64,137	2,721	3,880	13,262	349,106	311,978	286,127	11,141	14,710	37,128
May	85,100	68,734	60,552	3,433	4,749	16,366	349,989	296,358	265,465	13,914	16,979	53,631
June	76,900	59,819	52,737	2,276	4,806	17,081	315,966	260,245	232,021	9,564	18,660	55,721
July	79,000	61,793	54,632	2,105	5,056	17,207	316,230	260,715	236,105	8,593	16,017	55,515
August	81,800	62,027	55,868	2,063	4,096	19,773	337,352	272,501	246,251	9,014	17,236	64,851
September	65,500	57,080	50,981	2,160	3,939	8,420	267,238	247,263	224,140	9,290	13,833	19,975
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	35,200	35,168	30,958	1,041	3,169	32	156,812	156,737	139,802	4,623	12,312	75
1947: January–March p	147,200	145,607	128,985	5,933	10,689	1,593	679,674	670,665	601,030	24,902	44,733	9,009
January	41,100	39,998	35,836	1,596	2,566	1,102	187,194	179,771	162,322	6,667	10,782	7,423
February	44,400	44,400	39,057	1,715	3,628	----------	199,339	199,339	178,046	6,700	14,593	----------
March p	61,700	61,209	54,092	2,622	4,495	491	293,141	291,555	260,662	11,535	19,358	1,586
Urban												
1941: January–March	91,770	77,994	58,275	5,096	14,623	13,776	327,185	282,918	226,979	12,656	43,283	44,267
March	36,171	31,838	24,760	2,257	4,821	4,333	131,495	117,202	97,362	5,792	14,048	14,293
1946: January–March	125,366	105,410	87,720	5,768	11,922	19,956	560,666	505,992	439,648	23,281	43,063	54,674
March	57,665	50,733	41,797	2,651	6,285	6,932	272,265	253,723	217,453	11,604	24,666	18,542
April	56,610	45,276	38,975	2,621	3,680	11,334	252,706	220,543	195,659	10,838	14,046	32,163
May	58,258	43,557	35,825	3,283	4,449	14,701	260,457	211,540	182,052	13,464	16,024	48,917
June	52,235	38,130	31,388	2,156	4,586	14,105	228,851	187,201	160,038	9,204	17,959	41,650
July	52,227	37,966	31,170	1,980	4,816	14,261	223,182	181,288	157,833	8,218	15,237	41,894
August	55,407	38,660	32,921	1,943	3,796	16,747	250,140	193,470	168,555	8,654	16,261	56,670
September	42,775	35,044	29,335	2,050	3,659	7,731	190,995	172,678	150,795	8,960	12,923	18,317
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–March p	90,246	88,681	73,414	5,603	9,664	1,575	476,283	467,433	402,692	23,617	41,124	8,850
January	25,383	24,299	20,537	1,496	2,266	1,084	131,238	123,974	108,134	6,129	9,711	7,264
February	27,074	27,074	22,156	1,615	3,303	----------	138,443	138,443	118,613	6,375	13,455	----------
March p	37,799	37,308	30,721	2,492	4,095	491	206,602	205,016	175,945	11,113	17,958	1,586

p Preliminary.

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

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

Period	All building materials	Brick and tile	Cement	Lumber	Paint and paint materials	Plumbing and heating	Structural steel	Other
1945: March	130.8	121.8	109.1	171.8	130.7	121.4	103.5	112.3
1946: 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	140.0	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
February	195.2	145.6	120.6	293.5	213.8	153.8	123.2	153.0
March	198.2	145.7	123.2	299.9	216.5	154.9	123.2	155.2
Percent change:								
March 1947–February 1947	+1.5	+0.1	+2.2	+2.2	+1.3	+0.7	0.0	+1.4
March 1947–March 1946	+42.1	+12.8	+9.7	+60.7	+63.4	+24.0	+6.3	+27.8

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

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

Element	Mar. 1947	Feb. 1947	Jan. 1947	Dec. 1946	Nov. 1946	Oct. 1946	Sept. 1946	Aug. 1946	July 1946	June 1946	May 1946	Apr. 1946	Mar. 1946
Material	185.6	r 177.6	r 168.2	r 158.6	r 153.6	r 150.3	r 148.0	146.1	143.7	141.6	139.2	138.0	137.1
Labor	170.2	168.6	166.8	164.8	163.1	161.6	159.3	157.2	155.6	153.8	152.5	150.6	148.9
Total	179.6	r 173.8	r 167.0	r 159.8	r 156.7	r 154.0	r 151.8	149.8	147.7	145.7	143.6	142.1	141.0

r Revised.

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

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

Federal Home Loan Bank District and city	1947		1946			1945	1944	1943	1942	1941
	Apr.	Jan.	Oct.	July	Apr.	Apr.	Apr.	Apr.	Apr.	Apr.
New York:										
Buffalo, New York	196.3	182.6	175.4	166.0	151.6	149.4	140.0	130.8	125.4	112.0
Indianapolis:										
Indianapolis, Indiana	177.6	162.0	148.2	146.5	142.7	139.5	134.2	121.6	118.2	104.8
Detroit, Michigan	197.2	191.1	171.1	162.7	160.7	152.9	149.6	128.8	123.3	108.7
Des Moines:										
Des Moines, Iowa	161.1	151.7	140.4	124.9	122.7	120.8	118.4	116.1	115.2	106.0
St. Louis, Missouri	184.3	177.5	164.9	161.8	148.8	126.9	123.1	120.6	125.1	109.0
Fargo, North Dakota	177.8	148.2	137.8	134.4	129.5	128.3	124.7	122.3	115.8	104.9
Sioux Falls, South Dakota	188.3	160.3	148.7	143.8	135.9	131.9	127.7	126.2	119.4	108.3
San Francisco:										
Phoenix, Arizona	166.7	138.8	128.9	124.8	122.9	122.4	118.0	111.5	112.9	104.3
Los Angeles, California	197.8	188.9	173.0	169.3	161.4	151.4	148.2	132.9	120.3	102.7
San Francisco, California	180.4	166.9	151.4	147.0	141.1	136.3	134.5	-------	121.6	105.5
Boise, Idaho	169.7	147.1	143.8	141.2	138.9	138.1	136.8	126.4	126.2	112.4
Reno, Nevada	172.1	154.3	150.7	143.0	133.9	133.0	127.5	120.6	117.5	109.2
Portland, Oregon	195.9	r 173.4	r 160.9	159.7	151.5	143.4	140.9	133.0	115.1	104.2
Salt Lake City, Utah	160.7	150.9	141.5	138.2	132.0	129.1	126.8	122.8	119.6	106.2
Seattle, Washington	184.4	156.5	147.5	142.9	137.9	138.9	133.7	126.6	123.8	110.6

r Revised.
[1] For complete explanation of these data, see 1947 Statistical Supplement to the REVIEW, published with this issue.

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–March	14,259	259,942	40,613	6,421	28,556	349,791	165,769	153,715	30,307
March	7,406	105,307	15,922	2,559	10,287	141,481	69,430	60,688	11,363
1946	615,542	2,356,630	270,235	80,563	261,522	3,584,492	1,810,374	1,511,507	262,611
January–March	107,064	502,556	65,417	14,218	53,269	742,524	377,033	313,353	52,138
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–March	165,411	440,366	71,044	23,551	79,128	779,500	378,630	336,599	64,271
January	51,145	145,273	22,599	6,795	24,204	250,016	123,827	106,358	19,831
February	52,723	133,399	22,529	7,091	25,521	241,263	115,503	107,019	18,741
March	61,543	161,694	25,916	9,665	29,403	288,221	139,300	123,222	25,699

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

[Dollar amounts are shown in thousands]

Federal Home Loan Bank District and class of association	New loans			Cumulative new loans (3 months)		
	March 1947	February 1947	March 1946	1947	1946	Percent Change
UNITED STATES	$288,221	$241,263	$300,163	$779,500	$742,524	+5.0
Federal	139,300	115,503	155,960	378,630	377,033	+0.4
State member	123,222	107,019	123,945	336,599	313,353	+7.4
Nonmember	25,699	18,741	20,258	64,271	52,138	+23.3
Boston	20,348	16,329	17,160	53,987	41,201	+31.0
Federal	6,687	5,422	8,308	18,173	19,336	−6.0
State member	10,981	8,845	7,558	28,946	18,044	+60.4
Nonmember	2,680	2,062	1,294	6,868	3,821	+79.7
New York	23,664	20,599	27,190	68,853	67,199	+2.5
Federal	8,214	7,947	10,989	26,159	26,229	−0.3
State member	10,791	9,708	12,298	31,807	30,897	+2.9
Nonmember	4,659	2,944	3,903	10,887	10,073	+8.1
Pittsburgh	19,653	15,099	23,463	54,206	56,441	−4.0
Federal	9,493	6,668	12,214	25,935	29,001	−10.6
State member	6,321	5,288	7,245	17,719	17,225	+2.9
Nonmember	3,839	3,143	4,004	10,552	10,215	+3.3
Winston-Salem	45,256	40,992	39,390	125,355	104,209	+20.3
Federal	25,177	19,658	22,768	65,074	57,915	+12.4
State member	15,400	18,221	14,458	49,136	39,337	+24.9
Nonmember	4,679	3,113	2,164	11,145	6,957	+60.2
Cincinnatti	45,357	35,870	50,637	117,010	121,191	−3.4
Federal	19,807	17,111	23,581	54,376	55,325	−1.7
State member	22,863	17,068	24,792	56,141	60,633	−7.4
Nonmember	2,687	1,691	2,264	6,493	5,233	+24.1
Indianapolis	15,895	14,583	18,388	45,285	45,085	+0.4
Federal	8,776	7,891	10,731	24,875	25,314	−1.7
State member	6,487	6,147	7,235	18,635	18,477	+0.9
Nonmember	632	545	422	1,775	1,294	+37.2
Chicago	28,323	22,096	31,312	73,114	76,041	−3.8
Federal	12,358	9,073	13,692	31,802	33,399	−4.8
State member	14,529	11,784	15,737	37,605	38,602	−2.6
Nonmember	1,436	1,239	1,883	3,707	4,040	−8.2
Des Moines	15,319	12,102	17,737	40,526	44,550	−9.0
Federal	8,252	6,154	9,577	21,318	24,034	−11.3
State member	5,003	4,263	6,297	13,854	15,528	−10.8
Nonmember	2,064	1,685	1,863	5,354	4,988	+7.3
Little Rock	14,717	13,297	15,477	42,112	40,762	+3.3
Federal	6,387	5,769	7,882	18,321	20,962	−12.6
State member	8,163	7,350	7,494	23,277	19,450	+19.7
Nonmember	167	178	101	514	350	+46.9
Topeka	13,984	11,556	16,981	36,586	41,519	−11.9
Federal	7,970	6,873	9,672	21,654	23,984	−9.7
State member	3,825	2,999	5,185	9,514	13,076	−27.2
Nonmember	2,189	1,684	2,124	5,418	4,459	+21.5
San Francisco	45,705	38,740	42,428	122,466	104,326	+17.4
Federal	26,179	22,937	26,546	70,943	61,534	+15.3
State member	18,859	15,346	15,646	49,965	42,084	+18.7
Nonmember	667	457	236	1,558	708	+20.1

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

MARCH 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	$270,724	$50,955	$229,862	$39,961	$157,802	$109,371	$858,675
Boston	18,513	1,054	9,206	18,581	7,202	3,427	57,983
Connecticut	2,483	697	3,630	3,548	2,261	1,263	13,882
Maine	701	47	468	1,176	460	76	2,928
Massachusetts	12,933	300	3,464	12,078	3,304	1,774	33,853
New Hampshire	478	-------	367	717	470	46	2,078
Rhode Island	1,674	10	1,165	668	493	224	4,234
Vermont	244	-------	112	394	214	44	1,008
New York	19,629	3,134	16,384	16,466	20,540	8,304	84,457
New Jersey	5,664	1,477	5,900	1,449	5,702	3,775	23,967
New York	13,965	1,657	10,484	15,017	14,838	4,529	60,490
Pittsburgh	18,117	2,505	18,854	1,048	8,454	6,013	54,991
Delaware	339	173	281	124	332	126	1,375
Pennsylvania	16,291	1,966	16,401	924	7,524	5,500	48,606
West Virginia	1,487	366	2,172	-------	598	387	5,010
Winston-Salem	26,661	7,194	11,910	597	25,104	9,088	80,554
Alabama	1,537	1,177	1,288	-------	1,371	1,244	6,617
District of Columbia	4,010	420	1,346	-------	2,133	610	8,519
Florida	5,770	3,349	1,687	-------	11,421	2,394	24,621
Georgia	2,944	236	2,071	-------	1,661	1,716	8,628
Maryland	7,073	447	2,414	597	2,092	763	13,386
North Carolina	2,067	722	826	-------	1,576	900	6,091
South Carolina	564	257	776	-------	867	563	3,027
Virginia	2,696	586	1,502	-------	3,983	898	9,665
Cincinnati	52,711	4,195	24,260	1,145	8,468	9,312	100,091
Kentucky	4,868	745	1,835	-------	488	249	8,185
Ohio	46,125	2,063	18,926	1,145	6,763	3,401	78,423
Tennessee	1,718	1,387	3,499	-------	1,217	5,662	13,483
Indianapolis	17,574	5,369	20,587	29	5,255	8,562	57,376
Indiana	10,570	1,747	7,370	29	1,854	1,540	23,110
Michigan	7,004	3,622	13,217	-------	3,401	7,022	34,266
Chicago	30,364	2,848	14,116	50	10,260	13,558	71,196
Illinois	23,876	1,334	8,943	-------	6,483	12,386	53,022
Wisconsin	6,488	1,514	5,173	50	3,777	1,172	18,174
Des Moines	16,374	4,067	14,151	794	7,128	6,758	49,272
Iowa	3,915	510	4,135	-------	1,189	1,122	10,871
Minnesota	6,647	1,287	4,152	794	2,176	2,634	17,690
Missouri	4,808	2,131	5,295	-------	3,409	2,911	18,554
North Dakota	728	61	288	-------	177	75	1,329
South Dakota	276	78	281	-------	177	16	828
Little Rock	15,361	8,748	6,236	-------	12,761	10,747	53,853
Arkansas	1,331	1,090	1,123	-------	918	71	4,533
Louisiana	4,866	970	453	-------	2,662	1,339	10,290
Mississippi	939	722	820	-------	695	431	3,607
New Mexico	319	68	244	-------	406	62	1,099
Texas	7,906	5,898	3,596	-------	8,080	8,844	34,324
Topeka	13,632	2,012	6,737	-------	7,809	7,583	37,773
Colorado	2,775	203	1,830	-------	3,984	1,672	10,464
Kansas	4,005	526	2,153	-------	1,024	1,798	9,506
Nebraska	1,406	720	1,021	-------	699	283	4,129
Oklahoma	5,446	563	1,733	-------	2,102	3,830	13,674
San Francisco	41,788	9,829	87,421	1,251	44,821	26,019	211,129
Arizona	1,952	377	2,025	-------	2,550	240	7,144
California	26,818	7,166	72,804	-------	34,360	17,624	158,772
Idaho	1,091	160	728	-------	645	136	2,760
Montana	544	75	685	-------	579	49	1,932
Nevada	332	94	474	-------	634	92	1,626
Oregon	3,411	768	2,171	139	2,756	1,848	11,093
Utah	1,067	236	1,912	-------	492	230	3,937
Washington	6,240	891	6,164	1,112	2,454	5,701	22,562
Wyoming	333	62	458	-------	351	99	1,303

Table 9.—RECORDINGS—Estimated volume of nonfarm mortgages, $20,000 and under

[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-March	715, 449	35. 4	84, 118	4. 2	460, 672	22. 8	83, 288	4. 1	455, 064	22. 6	220, 262	10. 9	2, 018, 853	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-March	751, 934	30. 4	149, 718	6. 0	671, 445	27. 1	119, 877	4. 8	461, 979	18. 7	320, 860	13. 0	2, 475, 813	100. 0
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
February	235, 096	30. 5	46, 608	6. 0	211, 091	27. 4	35, 155	4. 6	143, 880	18. 7	98, 265	12. 8	770, 095	100. 0
March	270, 724	31. 5	50, 955	5. 9	229, 862	26. 8	39, 961	4. 7	157, 802	18. 4	109, 371	12. 7	858, 675	100. 0

Table 10.—GI LENDING—Home loans

[Source: Veterans Administration. Dollar amounts are shown in thousands]

Cumulative through	No. of applications and reports	Loans processed for closing		Loans reported closed and disbursed	
		Number	Amount	Number	Amount
1946: Apr. 26	156, 786			118, 143	$555, 541
May 31	209, 334			133, 972	634, 812
June 28	257, 986			165, 737	804, 907
July 26	305, 503			200, 231	994, 778
Aug. 30	371, 142			257, 471	1, 316, 554
Sept. 27	420, 960	373, 932	$1, 987, 982	303, 353	1, 584, 444
Oct. 25	473, 784	426, 699	2, 314, 515	356, 804	1, 906, 743
Nov. 25	524, 428	478, 049	2, 635, 372	409, 112	2, 217, 347
Dec. 25	570, 883	523, 067	2, 911, 521	455, 293	2, 494, 547
1947: Jan. 25	614, 323	565, 185	3, 173, 509	502, 510	2, 782, 379
Feb. 25	655, 962	604, 934	3, 414, 126	546, 466	3, 051, 728
Mar. 25	696, 930	643, 367	3, 641, 748	585, 441	3, 287, 663
Apr. 25	747, 758	691, 583	3, 925, 987	634, 965	3, 584, 083

Table 11.—FHA—Home mortgages insured

[Source: Federal Housing Admin. Premium paying; thousands of dollars]

Period	Title II (203)		Title VI (603)	
	New	Existing	New	Existing
1946: March	$3, 760	$24, 346	$5, 122	$1, 152
April	3, 570	24, 160	6, 870	983
May	4, 406	26, 389	5, 988	3, 712
June	5, 573	31, 551	3, 678	1, 012
July	6, 374	26, 956	4, 020	572
August	5, 668	20, 831	2, 959	960
September	5, 279	20, 713	2, 084	613
October	6, 576	26, 553	2, 475	1, 335
November	5, 354	20, 175	2, 679	1, 164
December	6, 631	21, 390	5, 426	2, 600
1947: January	7, 071	22, 805	5, 585	2, 356
February	5, 691	21, 311	7, 698	1, 935
March	5, 367	22, 735	9, 653	2, 861

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

[Thousands of dollars]

Federal Home Loan Bank	Lending operations March 1947		Principal assets, March 31, 1947			Capital and principal liabilities March 31, 1947			Total assets March 31, 1947 [1]
	Advances	Repayments	Advances outstanding	Cash [1]	Government securities	Capital [2]	Debentures	Member deposits	
Boston	$1, 264	$3, 016	$8, 118	$4, 679	$19, 362	$21, 945	$9, 000	$1, 244	$32, 242
New York	815	2, 688	18, 270	1, 006	37, 932	30, 934		26, 396	57, 336
Pittsburgh	1, 948	1, 686	27, 069	2, 318	9, 439	20, 507	17, 000	1, 357	38, 969
Winston-Salem	2, 852	1, 523	32, 778	2, 127	6, 217	21, 755	15, 000	4, 395	41, 249
Cincinnati	785	1, 870	17, 864	1, 998	38, 850	29, 787	12, 000	16, 973	58, 861
Indianapolis	1, 144	976	21, 552	1, 575	17, 124	16, 018	16, 000	8, 212	40, 337
Chicago	283	3, 837	36, 473	4, 848	15, 734	26, 598	22, 500	7, 901	57, 150
Des Moines	738	1, 539	22, 550	3, 498	12, 108	16, 335	15, 000	6, 809	38, 244
Little Rock	480	793	13, 883	1, 135	9, 216	13, 635	10, 000	634	24, 328
Topeka	1, 754	1, 016	12, 339	2, 325	8, 854	12, 558	9, 500	1, 457	23, 578
San Francisco	2, 771	1, 495	25, 568	2, 638	23, 470	28, 375	14, 000	9, 344	51, 816
March 1947 (Combined total)	14, 834	20, 439	236, 464	28, 147	198, 306	238, 447	140, 000	84, 722	464, 110
February 1947	10, 716	19, 802	242, 069	24, 430	183, 255	236, 390	140, 000	74, 843	452, 048
March 1946	14, 368	26, 160	153, 232	20, 264	165, 678	221, 850	68, 500	47, 252	339, 998

[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: 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	135,114	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
February	2,505	7,453,733				6,391,613	13,166	221,336	182,519	196,576	126,006	64.1
March	2,508	7,533,403	5,506,154	348,078	1,436,346	6,462,732	13,166	216,118	218,297	207,440	138,765	66.9
FEDERAL												
1946: 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
February	1,473	4,742,608				4,008,078	9,622	152,534	115,503	130,933	84,834	64.8
March	1,472	4,791,976	3,525,984	219,249	904,928	4,132,978	9,622	148,721	139,300	137,018	92,300	67.4
STATE												
1946: 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
February	1,032	2,711,125				2,303,535	3,544	68,802	67,016	65,643	41,172	62.7
March	1,036	2,741,427	1,980,170	128,829	531,418	2,329,754	3,544	67,397	78,997	70,422	46,465	66.0

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–March	798,793	553,902	244,891	69.3	664,342	457,209	207,133	68.8	134,451	96,693	37,758	71.9
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–March	917,016	606,319	310,697	66.1	763,382	503,098	260,284	65.9	153,634	103,221	50,413	67.2
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
February	239,014	154,552	84,462	64.7	196,576	126,006	70,570	64.1	42,438	28,546	13,892	67.3
March	256,587	170,478	86,109	66.4	207,440	138,765	68,675	66.9	49,147	31,713	17,434	64.5

Worth Repeating

(*Continued from p. 239*)

SOUND BUSINESS: "You all know that it is sound mortgage investing policy to make sure that, as far as possible, the interest rate and the equity in the property cover the risk of loss on the investment. At the present time, because of high prices, thin equities and low interest rates, it does not appear certain that the entire risk of loss on many home mortgage loans is adequately covered. Some of the methods of protecting mortgage investments are as follows:

"Lenders should, at all times, protect themselves against loss due to depreciation and obsolescence of structure by making sure that the home is well built, modern, and properly maintained; against risk of loss due to changing neighborhood by being sure that communities are properly planned, protected by zoning, and free from area nuisances; against risk of loss due to the unreliability of the borrower by a careful character and credit investigation; against risk of loss due to foreclosure costs, back taxes, and the cost of property rehabilitation by requiring the owner to maintain an adequate equity; and against losses due to economic recession by requiring substantial equities and high amortization during the early period of the loan, and by taking advantage of the protection afforded by mutual mortgage insurance, by using the credit facilities of the Federal Home Loan Bank System, and by maintaining a 10 percent to 20 percent liquidity.

"I have been told by many home mortgage lenders that the mortgage losses of the 1930's, which were due largely to economic conditions, would have been much larger than they were if it had not been for the borrowers' personal liability on the mortgage debt, for the fact that most borrowers are fundamentally honest, and for the further important fact that most home owners will put up a real fight to avoid losing their homes.

"Despite opinion to the contrary, I am convinced that the integrity of the borrower, his ability to get and hold a job, and his determination to hold on to his home, particularly during periods of economic adversity, are often better security than the property itself. In mortgage lending nothing is more important than the character and integrity of the borrower, when to this is added a basic determination to hold on to the home through thick and thin, then you really have security.

"The most important single cause of loss to home mortgage lenders is the effect of economic recession . . . Lenders should guard against losses on mortgage loans, due to general economic causes, by diversifying investments geographically, by type of property, on the basis of the borrower's source of income, by staggering maturities, by insisting on substantial amortization, and by insisting that the borrower have and maintain a substantial equity in the property. Savings and loan associations, however, are not able to completely diversify investments because most of their loans are made on homes located in limited areas and in many cases to a single economic group.

Liquidity essential

"For these reasons savings and loan associations do need additional protection against probable losses due to economic recession. This protection is afforded by mutual mortgage insurance, by the credit facilities of the Federal Home Loan Bank System, and by the Federal Savings and Loan Insurance Corporation. You have been wise to avail yourselves of these protections.

"But even with all of the protection provided by the Federal Home Loan Bank System and by other agencies, each association should further safeguard itself by maintaining a 10 to 20 percent liquid position at all times. If this is done, savers will have greater confidence in the association, and furthermore, the conduct of its financial affairs will be facilitated.

"You in the home mortgage lending field have a responsibility to adequately serve the home mortgage needs . . . of your own communities. You have almost every conceivable form of protection for the safe conduct of your business. But, you are still individually responsible for the acutal making of safe and sound home mortgage loans . . . Remember there is no substitute for common sense. Be conservative! Be cautious! Keep liquid! Take all of the protection you can get; you may need it some day!"

C. Elliott Smith, New York University Professor of Real Estate, before annual meeting of stockholders, FHLB of Cincinnati.

THE BOOKSHELF

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

LAND SUBDIVISION: American Society of Civil Engineers, 33 West 39th Street, New York, N. Y. 75 pp. $1.20.

A PROGRAM FOR THE USE OF TAX-ABANDONED LANDS: American Society of Planning Officials, 1313 East 60th Street, Chicago 37, Ill. 38 pp. 50¢.

MISTAKES WE HAVE MADE IN COMMUNITY DEVELOPMENT: By J. C. Nichols, Technical Bulletin No. 1, Urban Land Institute, 1737 K Street, N. W., Washington 6, D. C. 8 pp. $1.00.

NEIGHBORHOOD DESIGN AND CONTROL: AN ANALYSIS OF THE PROBLEMS OF PLANNED SUBDIVISIONS: By Henry S. Churchill, Planning Consultant, and Roslyn Ittleson, Research Assistant, National Committee on Housing, 512 Fifth Avenue, New York 18, N. Y. 40 pp. $1.00.

TEMPERATURE DISTRIBUTION IN A TEST BUNGALOW WITH VARIOUS HEATING DEVICES: Building Materials and Structures Report, BMS 108, National Bureau of Standards. Available from Superintendent of Documents, Government Printing Office, Washington 25, D. C. 10¢.

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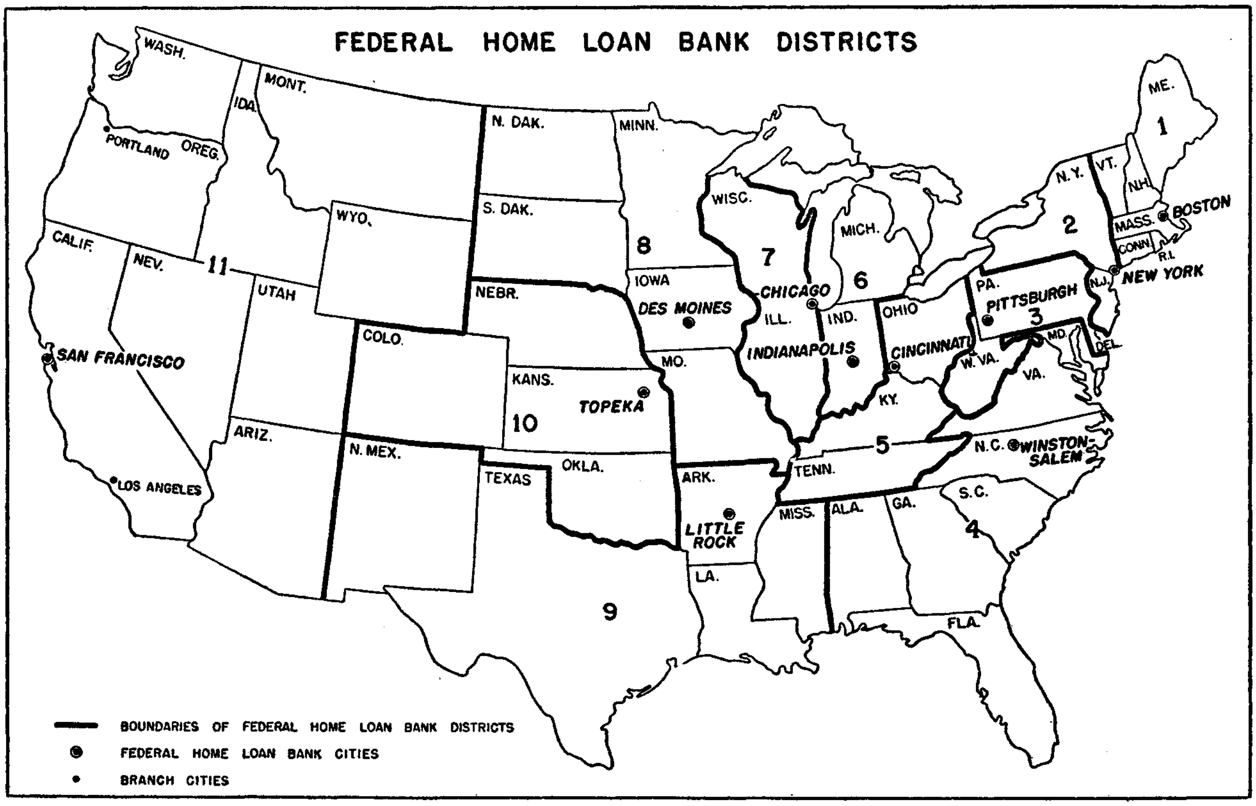

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