

TWELFTH ANNUAL REPORT OF THE FEDERAL HOME LOAN BANK ADMINISTRATION

LETTER

FROM

THE COMMISSIONER OF FEDERAL HOME LOAN BANK ADMINISTRATION

TRANSMITTING

THE TWELFTH ANNUAL REPORT OF THE FEDERAL
HOME LOAN BANK ADMINISTRATION FOR THE PE-
RIOD JULY 1, 1943, THROUGH JUNE 30, 1944, COVERING
THE OPERATIONS OF THE FEDERAL HOME LOAN
BANKS, THE FEDERAL SAVINGS AND LOAN ASSOCIA-
TIONS, THE FEDERAL SAVINGS AND LOAN INSURANCE
CORPORATION, THE HOME OWNERS' LOAN COR-
PORATION, AND THE UNITED STATES
HOUSING CORPORATION



MAY 28, 1945.—Referred to the Committee on Banking
and Currency and ordered to be printed

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LETTER OF TRANSMITTAL

NATIONAL HOUSING AGENCY,
FEDERAL HOME LOAN BANK ADMINISTRATION,
Washington, D. C., May 24, 1945.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington, D. C.

MY DEAR MR. SPEAKER: I am sending you herewith the Twelfth Annual Report of the Federal Home Loan Bank Administration for the period July 1, 1943, through June 30, 1944, covering the operations of the Federal Home Loan Banks, the Federal Savings and Loan Associations, the Federal Savings and Loan Insurance Corporation, the Home Owners' Loan Corporation, and the United States Housing Corporation.

Again this year, as a wartime economy, we have substantially curtailed the text of the report and have had it multilithed in our own duplicating section. The attached copy is one of a very limited number which have been prepared in compliance with instructions contained in Budget Circulars No. 379 and No. 389.

Sincerely yours,

JOHN H. FAHEY, *Commissioner.*

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TWELFTH ANNUAL REPORT OF THE FEDERAL HOME LOAN BANK ADMINISTRATION

I. THE YEAR IN RETROSPECT

The war continued to be the primary influence affecting the national economy during the fiscal year 1944. Throughout the year, the national effort was devoted to the operation of the war-production machine which had been created in previous years. Because of this tremendous effort, the national income increased to the highest level in the Nation's history while, at the same time, there was a serious interruption in the production of such durable consumers' goods as houses, automobiles, and refrigerators.

This situation has caused inflationary pressure on real-estate prices. Among the indications of this are reports of serious wartime increases in appraised valuations, high loan ratios, and inadequate amortization schedules.

Because of the importance of these changes, the Federal Home Loan Bank Administration for several years has studied the effect of inflation on the operation of home-financing institutions. As a result of this study, the Federal Home Loan Bank System formulated the following five-point program to serve as a basis from which to develop a realistic policy for future lending activity:

1. To focus public attention on existing conditions and developing trends in real estate and mortgage lending.
2. To urge the development of realistic and adequate safeguards by all home-mortgage lenders.
3. To assist the members of the Federal Home Loan Bank System in establishing and maintaining such safeguards through organized and sustained programs.
4. To cooperate with and solicit and secure the support of State supervisory officials and State and National trade organizations in the home financing field.
5. To offer full cooperation to all organized groups of home-mortgage lenders so that there may be a planned and agreed attack on the over-all problem.

SERVICEMEN'S READJUSTMENT ACT

On June 22, 1944, Congress passed the Servicemen's Readjustment Act of 1944, commonly known as the GI bill. This act provided, among other things, for guaranties of loans to servicemen for the purpose of purchasing homes. Because of the influence which this may have on building during the immediate postwar period, savings and loan associations took an active interest in the bill and cooperated in its preparation. The associations have engaged actively in promoting such loans and the first loan made under the bill to enable a veteran of World War II to purchase a home was made by a Federal savings and loan association.

RESIDENTIAL CONSTRUCTION AND THE REAL-ESTATE MARKET

Residential construction.—During the fiscal year 1944 there was a decline in residential construction from the preceding fiscal year which was the first during which the War Production Board's Order L-41 limiting construction had been in continuous operation. This is shown by the table of new nonfarm dwelling units presented as Exhibit 1 of this report.

The number of nonfarm dwelling units completed during the fiscal year 1944 was approximately 247,000 as compared with 391,700 during the 1943 fiscal year and 652,100 during the 1942 fiscal year. Of the 247,000 units built during the fiscal year 1944, a total of 69,248, or 28 percent, were publicly financed as housing for essential war workers. This represents a sharp drop in publicly financed units from the fiscal year 1943 when more than half of the total construction was built from public funds.

Building costs.—The wholesale price index of building materials, as reported by the Bureau of Labor Statistics, was 129.4 in June 1944. This represented an increase of 5.9 points in the index during the fiscal year 1944 as compared with an increase of only 0.6 points during the fiscal year 1943.

This rise in the wholesale cost of building materials was reflected in the Federal Home Loan Bank Administration's index of labor and material costs for constructing a standard six-room frame house in selected cities. Retail material prices, as reflected in this index, rose from 123 on June 30, 1943, to 130.7 on June 30, 1944.

In contrast to the fiscal year 1943, when labor costs rose more rapidly than material costs, the rise in labor costs during the fiscal year 1944 was much less than the rise in material costs. The index of the cost of labor to build the standard six-room house increased from 134.3 on June 30, 1943, to 137.5 on June 30, 1944. During the same period, the index of total building cost, which includes both labor and materials, rose from 126.8 to 133. Exhibit 2 presents these indexes monthly for the 1943 and 1944 fiscal years.

Foreclosures.—The growing strength of the real estate market in recent years is demonstrated by the decrease in nonfarm foreclosures as shown in the following table:

<i>Number of nonfarm foreclosures</i>	
Fiscal year:	
1941.....	69, 169
1942.....	49, 890
1943.....	33, 402
1944.....	20, 710

This decrease in foreclosures was shared by each of the 12 Federal Home Loan Bank Districts and by every State except Connecticut and North Dakota. The Bank District reflecting the smallest improvement was the Boston District and even in that District, foreclosures during the 1944 fiscal year declined more than three-tenths from those of the previous year. Exhibit 3 presents the number of nonfarm real-estate foreclosures during the last two fiscal years, by Federal Home Loan Bank Districts and by States.

Real-estate overhang.—The estimated book value of residential real estate owned by operating savings and loan associations, commercial

banks, mutual savings banks, life insurance companies, and the Home Owners' Loan Corporation decreased from \$946,371,000 on December 31, 1942,¹ to \$550,115,000 at the close of the calendar year 1943, or by 41.9 percent. This compares with a similar decline of 27.2 percent during the preceding calendar year. Of the \$396,256,000 decrease during the calendar year 1943 in real estate owned by institutional lenders, \$127,372,000 was effected by the Home Owners' Loan Corporation alone. Because of this decrease, the residential real estate owned by the HOLC declined from \$221,512,000 to \$94,140,000 during the reporting period, a decline of 57.5 percent. This percentage decrease was greater than that accomplished by any type of private institutional lender.

Of the private institutional lenders, the savings and loan associations, as in previous years, led in the rate of disposition of real estate. Their holdings declined from \$202,686,000 on December 31, 1942, to \$113,304,000 on December 31, 1943, a decrease of 44.1 percent. Mutual savings banks and commercial banks followed closely with decreases of 43.3 and 42.1 percent, respectively. As in the preceding year, the smallest percentage decline of real estate held by institutional lenders was that of the life-insurance companies, with a decrease of 27.9 percent. The amount of residential real estate owned by financial institutions is shown in exhibit 4.

This rapid reduction in residential real estate held by financial institutions strengthens the real-estate market because these institutionally owned properties are either actively or potentially a threat to the stability of the market. Real-estate holdings of mortgage lenders have now been reduced so greatly that the properties still held are largely those which, because of obsolescence, local conditions, or other reasons are unusually difficult to sell.

MORTGAGE FINANCE AND SAVINGS

Home mortgage lending in 1943.—During the calendar year 1943, \$3,183,000,000 of new mortgage loans was estimated to have been written on nonfarm one- to four-family dwellings as compared with \$3,155,000,000 during 1942 and \$3,810,000,000 during 1941. The decrease in 1942 was caused in large part by the decrease in new building resulting from the order of the War Production Board limiting construction. This construction-limitation order would have caused an even greater decline in mortgage lending activity if new loans made to finance home purchase had not expanded.

Exhibit 5 presents figures for the mortgage loans written by each of the major lending groups during the years 1931 to 1943. It will be noted that throughout this entire period, savings and loan associations ranked first each year except for the years of maximum HOLC lending. In fact, the savings and loan associations represented the major support of the home-mortgage market during the period before the Home Owners' Loan Corporation commenced operations. This is evident from the following table showing the estimated volume of mortgage loans made during the depression years of 1932 and 1933:

¹ These figures on real-estate overhang, together with some others throughout the report, are not available on a fiscal-year basis and have, therefore, been presented on a calendar-year basis.

Type of lender	1932	1933
Savings and loan associations.....	\$543,000,000	\$414,000,000
Insurance companies.....	54,000,000	10,000,000
Mutual savings banks.....	150,000,000	99,000,000
Commercial banks and their trust departments.....	170,000,000	110,000,000
Home Owners' Loan Corporation.....		132,000,000
Individuals and others.....	175,000,000	100,000,000
Total.....	1,092,000,000	865,000,000

During 1943, savings and loan associations wrote 37.2 percent of all new residential loans made. The total of \$1,184,000,000 of home mortgages written by the associations in 1943 represented an increase of 12.7 percent over 1942. In contrast, other private institutional lenders wrote a smaller volume in 1943 than in 1942.

Insurance companies in 1943 placed \$272,000,000 of new mortgages. This represented a 27.3-percent decline from the volume written in 1942. Commercial banks and their trust departments wrote \$515,000,000, or 15 percent less than in 1942, and mutual savings banks wrote \$120,000,000, or 7.7 percent less than in 1942. The experience of "individuals and others" was more favorable inasmuch as they, like the savings and loan associations, wrote a larger volume of new mortgages in 1943 than in 1942. Their total of \$1,038,000,000 of new loans in 1943 represented an increase of 8.8 percent over the volume of \$954,000,000 for 1942.

The general lending activities of the Home Owners' Loan Corporation ended in 1936. Since that date, the Corporation has been liquidating. In order to carry on this liquidation, it is necessary for the Corporation to take purchase-money mortgages to finance the sale of properties which it has been forced to acquire. In addition, the Corporation makes advances to borrowers to enable them to pay taxes, make essential repairs, and to make payments for similar purposes. During 1943 this activity by the Corporation totaled \$54,000,000 as compared with \$40,000,000 during 1942. Of the \$54,000,000, approximately \$50,000,000 represented purchase-money mortgages. The increase in 1943 resulted from the Corporation's success in selling most of its remaining real estate.

Mortgage lending can be studied on a fiscal-year basis by means of the mortgage-recording data collected for several years by the Bank Administration. Although recordings cannot be taken as an accurate measure of new lending, because they include changes in existing mortgage contracts as well as new mortgage lending, nevertheless, recordings give a valuable picture of trends in mortgage financing and in the activity of the different types of lending institutions.

Mortgage lenders throughout the country recorded 1,385,487 non-farm mortgages of \$20,000 or less in the total amount of \$4,334,549,000 during the fiscal year 1944. In comparison, 1,237,396 mortgages were written in the amount of \$3,639,814,000 during the preceding fiscal year. Exhibit 6 presents a break-down of these figures, by types of lenders and by Federal Home Loan Bank Districts and States.

Home mortgage debt.—The total nonfarm home mortgage debt continued during the calendar year 1943 the decline started during the preceding year. The total outstanding mortgage debt on one- to four-family dwellings was \$19,512,000,000 on December 31, 1943, a reduction of \$396,000,000 from the total of \$19,908,000,000 outstanding the year before. This decrease compares with a decline of \$187,000,000 during 1942. The decline in mortgage debt results from the accelerated rate of repayment made possible by higher incomes and from the fact that new lending was largely for home purchase and refinancing. Because new loans for these purposes are frequently accompanied by the cancellation of previous mortgages, such new loans usually do not cause a great increase in total mortgage debt.

In 1942 the decline in mortgage debt was entirely accounted for by the decrease in the outstanding mortgages of the Home Owners' Loan Corporation which were reduced by \$210,000,000 during that year. In fact, if the mortgage portfolio of the Corporation is disregarded, the combined total debt held by all other lenders increased during the calendar year 1942.

During the calendar year 1943, the Home Owners' Loan Corporation was again the most important factor in causing the decrease in mortgage debt. Of the total decrease of \$396,000,000, \$229,000,000 represented the decline in outstanding mortgages of the Corporation. However, for the first time in several years, the outstanding mortgage debt held by other lenders declined also. The greatest change was that of "individuals and others," whose mortgages decreased by \$250,000,000. Smaller declines were recorded by mutual savings banks (whose mortgages decreased \$40,000,000 in amount), by commercial banks (with a decline of \$30,000,000), and by savings and loan associations (which remained virtually unchanged with a decline of \$2,000,000).

In 1943, as in the preceding year, insurance companies increased their mortgage holdings substantially, the increase being \$155,000,000 in 1943 as compared with \$279,000,000 in 1942. It will be noted that insurance companies experienced the only major increase in mortgage debt held during 1943, while their volume of new mortgages written during that year declined substantially. At the same time, "individuals and others" increased their volume of new loans written, but suffered a substantial decline in outstanding mortgage loans. This appears to be a reflection of the fact that a substantial portion of the new loans written by individuals and others were purchased by insurance companies.

On December 31, 1943, savings and loan associations held \$4,554,000,000, or 23.3 percent, of the total mortgage debt. Accordingly, the associations held a greater portion of the debt than any other institutional lenders. The mortgages held by the savings and loan associations were exceeded only by those of the miscellaneous group, which includes individual lenders and others, which held 31.3 percent of the mortgage debt. A survey of the estimated home-mortgage debt from 1931 to 1943 is presented in exhibit 7. The debt held by each type of mortgagee at the end of the last two calendar years is summarized in the following table:

Estimated balance of outstanding mortgage loans on nonfarm 1- to 4-family dwellings

[Millions of dollars]

Type of mortgagee	Dec. 31—		Percent change
	1942	1943	
Savings and loan associations.....	¹ \$4,556	\$4,554	(²)
Insurance companies.....	2,255	2,410	+6.9
Mutual savings banks.....	2,700	2,660	-1.5
Commercial banks.....	2,480	2,450	-1.2
Home Owners' Loan Corporation.....	1,567	1,338	-14.6
Individuals and others.....	6,350	6,100	-3.9
Total.....	¹ 19,908	19,512	-2.0

¹ Revised.² Less than 0.05 percent.

Two opposite trends marked the growth in volume of mortgage loans since the middle of the decade of the thirties. During the period from 1935 to 1943 there was a substantial increase in the volume of mortgages insured by the Federal Housing Administration. This increase and its distribution by type of lender is shown in the following table:

Estimated balance of outstanding FHA-insured mortgage loans on nonfarm 1- to 4-family dwellings

[Millions of dollars]

Type of mortgagee	1935	1943	Increase
Savings and loan associations.....	\$16	\$322	\$306
Life-insurance companies.....	6	1,282	1,276
Mutual savings banks.....	5	302	297
Commercial banks.....	66	1,737	1,671
Home Owners' Loan Corporation.....			
Individuals and others.....	2	355	353
Total.....	95	3,998	3,903

It will be noted that during this period there was a total increase of almost \$4,000,000,000 in these insured mortgages. Most of the increase was effected by life-insurance companies and by commercial banks, both of which types of organizations were faced with the problem of investing billions of dollars of new savings. Through the use of FHA-insured mortgages, these banks and insurance companies were enabled to invest large sums in the home-mortgage market without having the intimate knowledge of local conditions which previously was necessary on the part of home-mortgage lenders.

In contrast, uninsured home-mortgage loans decreased by nearly \$2,000,000,000 during the same period. This decrease, and its distribution among the different types of lenders, is shown in the following table:

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

[Millions of dollars]

Type of mortgagee	1935	1943	Dollar change	Percent change
Savings and loan associations.....	\$3,277	\$4,232	+\$955	+29.1
Life-insurance companies.....	1,275	1,128	-147	-11.5
Mutual savings banks.....	2,845	2,358	-487	-17.1
Commercial banks.....	1,123	713	-410	-36.5
Home Owners' Loan Corporation.....	2,897	1,338	-1,559	-53.8
Individuals and others.....	5,998	5,745	-253	-4.2
Total.....	17,415	15,514	-1,901	-10.9

It can be seen from this table that despite the increasing prosperity from 1935 to 1943, all types of lending institutions except savings and loan associations gradually withdrew their support from the uninsured mortgage market. Lenders other than savings and loan associations decreased their holdings of uninsured mortgages by almost \$3,000,000,000. This was partly offset by an increase of \$1,000,000,000 of such mortgages by savings and loan associations.

It was shown previously that the savings and loan associations represented the major private support of the home-mortgage market during the depression. This, together with the support of the uninsured mortgage market by the associations during the last decade, indicates that one of the major functions performed by the savings and loan associations has been to provide the continuous support of the home-mortgage market needed during periods of depression and prosperity in order to encourage home ownership. Savings and loan associations are qualified to perform this function because of their intimate knowledge of local conditions.

Private savings.—The long-term savings of individuals continued during 1943 the rapid increase of previous years. The following table shows for the last few years the increase in savings represented by accounts in savings and loan associations, life insurance policies, savings deposits in banks, postal savings, and United States savings bonds:

Increase in savings in selected media

Calendar year:

1941.....	\$3,907,000,000
1942.....	8,881,000,000
1943.....	15,383,000,000

The gain during 1943 in each of the selected savings media is shown in the following table. The distribution of long-term savings from 1936 through 1943 and an explanation of the source of these figures are presented in exhibit 8.

Volume of long-term private savings in selected savings media

[Millions of dollars]

	Dec. 31—		Increase	
	1942	1943	Amount	Percent
Life-insurance companies.....	\$29,043	\$30,567	\$1,524	5.2
Mutual savings banks.....	10,621	11,707	1,086	10.2
Insured commercial banks.....	13,820	16,572	2,752	19.9
Savings and loan associations.....	4,910	5,464	554	11.3
Postal savings.....	1,417	1,837	420	29.6
2½-percent postal-savings bonds.....	84	83	-1	-1.2
United States savings bonds.....	10,526	19,574	9,048	86.0
Total.....	70,421	85,804	15,383	21.8

The greatest single increase in private savings was that represented by the investment in United States savings bonds. The \$9,048,000,000 increase in investment in these bonds during 1943 was almost three-fifths of the gains in total savings represented by the table. The next most rapid increase was that of \$420,000,000, or 29.6 percent, in postal-savings bonds.

During the calendar year 1943, the net increase in savings placed in savings banks, insured commercial banks, and savings and loan associations was almost one-half the net increase in United States savings bonds as compared with the preceding year when the increase in the savings held by these institutions was approximately one-sixth of the increase in savings in United States savings bonds. Insured commercial banks led the banking group in rate of growth, the savings held by these banks increasing 19.9 percent during the year. Savings held by savings and loan associations increased 11.3 percent and deposits in mutual savings banks increased 10.2 percent.

Life-insurance companies, which during 1942 led banks and savings and loan associations in rate of growth, had the lowest rate of growth during 1943, with an increase in private investments of \$1,524,000,000, or 5.2 percent, over the previous year.

During the first half of 1944, private savings continued the rapid increase of 1943. United States savings bonds continued to absorb the greatest proportion of these savings as is indicated by the fact that outstanding savings bonds increased in value from \$19,574,000,000 on December 31, 1943, to \$24,750,000,000 on June 30, 1944, producing an increase of \$5,176,000,000 during the first 6 months of 1944. These figures do not include sales of F and G bonds, some of which are sold to individuals.

Savings held by insured commercial banks increased by \$1,972,000,000 during the first 6 months of 1944 to a total of \$18,544,000,000. Savings in mutual savings banks increased by \$721,000,000 during the same period, while the savings held in insured savings and loan associations increased \$349,000,000 from \$3,574,000,000 on December 31, 1943, to \$3,923,000,000 on June 30, 1944. Postal savings increased by \$251,000,000 during the first 6 months of 1944.

Savings by private individuals throughout the Nation have reached an all-time high. This, of course, has been made possible by the increase in incomes resulting from war production, while limitations on production for civilian use have reduced the flow of goods which can be purchased with the augmented income. Such a situation insures that an unprecedented total of savings will be available after the war. A large portion of these savings may be used to satisfy the desire and need for new housing that will undoubtedly exist when millions of servicemen and war workers resume normal civilian life.

II. FEDERAL HOME LOAN BANK ADMINISTRATION

Under the provisions of the First War Powers Act, 1941, the President of the United States, by Executive Order No. 9070, dated February 24, 1942, placed all Government agencies relating to urban housing under a newly created National Housing Agency, under the direction of an Administrator. The Federal Home Loan Bank Administration is one of the three principal units designated by the President's Executive order to comprise the National Housing Agency. Pursuant to the terms of this Executive order, the Federal Home Loan Bank Administration, under the direction of a Commissioner, exercises the functions, powers, and duties which the Federal Home Loan Bank Act, as amended, conferred upon the former Federal Home Loan Bank Board.

The major components of the Federal Home Loan Bank Administration are the Federal Home Loan Bank System, the Federal Savings and Loan Insurance Corporation, and the Home Owners' Loan Corporation. Functions relating to the United States Housing Corporation, which was formed during the last war for the purpose of housing workers in congested war-industry areas, have been administered in the Federal Home Loan Bank Administration since 1942.

In the performance of its functions, the Federal Home Loan Bank Administration receives recommendations from the Federal Savings and Loan Advisory Council, which is authorized to confer with it on general business conditions and on special conditions affecting the Federal Home Loan Banks and their members and the Federal Savings and Loan Insurance Corporation. Two meetings of this council, which was created by an amendment to the Federal Home Loan Bank Act, were held during the fiscal year. A list of the members who served during these meetings is presented as exhibit 12.

ADMINISTRATIVE EXPENSES OF THE BANK ADMINISTRATION

The Federal Home Loan Bank System of the Federal Home Loan Bank Administration, the Home Owners' Loan Corporation, and the Federal Savings and Loan Insurance Corporation are each entirely self-sustaining and obtain no funds by any appropriation out of the United States Treasury. The amount of their administrative expenses is authorized annually, based on a budget submitted in the customary manner through the Bureau of the Budget and the Congress. Services performed by any one of these organizations for the others are paid for by the organization receiving these services. This practice is common in the Federal Government and legal provision for loans of personnel on a reimbursable basis are made by statute. Exhibit 13 presents the number of employees in the major components of the Federal Home Loan Bank Administration during the period from 1939 to 1944.

III. FEDERAL HOME LOAN BANK SYSTEM

The growth in number and assets of the member institutions of the Federal Home Loan Bank System during the fiscal year 1944 is shown, by Bank Districts and by States, in exhibit 15. A summary of the number and approximate assets of member institutions, by type, as of June 30, 1943, and June 30, 1944, is presented in the following tabulation:

Number and assets of member institutions of the Federal Home Loan Bank System, June 30, 1943, and June 30, 1944

[Dollar amounts in millions]

	June 30, 1943		June 30, 1944		Net change	
	Number	Assets	Number	Assets	Number	Assets
Savings and loan associations:						
Federal associations.....	1,468	\$2,426	1,465	\$2,881	-3	+\$455
State-chartered insured member associations.....	976	1,449	992	1,696	+36	+247
Uninsured member associations.....	1,305	1,374	1,214	1,385	-91	+11
All member associations.....	3,729	5,249	3,671	5,962	-58	+713
Other member institutions:						
Savings banks.....	22	429	22	464	0	+35
Insurance companies.....	23	367	21	414	-2	+47
All member institutions.....	3,774	6,045	3,714	6,840	-60	+795

SALE OF WAR BONDS

During the fiscal year 1944, the member institutions of the Bank System devoted great efforts to the purchase of war bonds for their own account and to the sale of these war bonds to the public. Because the Fifth War Loan drive covered the months of June and July 1944, figures for war-bond purchases are available for the 13-month period ending July 31, 1944, rather than for the 12 months of the fiscal year. During this 13-month period, reporting member institutions purchased \$1,124,709,000 of war bonds for their own account, and sold \$625,181,000 of war bonds to the public. The proportion of the assets of these reporting member institutions invested in Government obligations rose from 11.4 percent on June 30, 1943, to 23 percent on July 31, 1944.

LENDING ACTIVITY OF REGIONAL BANKS

Outstanding advances of the Federal Home Loan Banks totaled \$128,277,546 on June 30, 1944, or 42.2 percent more than the total of \$90,191,577 outstanding on June 30, 1943. During the fiscal year 1944, the Federal Home Loan Banks advanced \$222,500,866 to member institutions, an increase of 130.9 percent over advances during the fiscal year 1943. The \$96,346,313 advanced in the latter year was smaller than the total of advances in any year since 1939.

During the reporting period, \$184,414,896 of advances was repaid. Repayments during the fiscal year 1944 were less than advances. This was in contrast to the preceding reporting period when repayment of advances totaled more than twice the new advances made. From the beginning of operations through June 30, 1944, the Federal Home Loan Banks advanced \$1,247,781,080. Of this \$1,119,503,534 was repaid.

During the fiscal year 1944, the ratio of short-term advances of 1 year or less to total outstanding advances continued to increase. Such advances rose from 41.6 percent of all advances on June 30, 1942, to 51.3 percent on June 30, 1943, and to 75.8 percent on June 30, 1944. The proportion of secured advances to all advances increased from 70.1 percent on June 30, 1943, to 82.7 percent 1 year later. Exhibit 16 contains detailed information reflecting the various changes in advances made by the Federal Home Loan Banks during the fiscal year 1944, together with a summary of lending activity in previous years.

No borrower from the Federal Home Loan Banks was more than 30 days delinquent on such indebtedness as of June 30, 1944. Also, no member borrower was in liquidation at that time. During the fiscal year 1944, as in previous years, the indebtedness of Federal savings and loan associations constituted the larger part of the outstanding advances of the Federal Home Loan Banks. Of the outstanding advances of the Banks on June 30, 1944, \$84,600,000, or 66 percent, was to 395 Federal savings and loan associations. As of the same date, advances totaling \$34,200,000 were outstanding to 346 insured State-chartered member associations and advances totaling \$9,500,000 were outstanding to 115 uninsured State-chartered member institutions.

The effective interest rates of the Banks on advances to members remained in large part unchanged during the fiscal year 1944. Rates of interest on advances to members are established by the board of directors of each Bank, within the range established by the Federal Home Loan Bank Administration, which at present permits a maximum of 3 percent. Exhibit 17 gives the effective interest rates charged on advances by each of the Federal Home Loan Banks as of July 1, 1944.

MEMBERS' DEPOSITS

There was a decrease in total deposits of members in the Federal Home Loan Banks from \$29,262,275 on June 30, 1943, to \$21,388,388 on June 30, 1944. Practically all of this decrease was in the time deposits of members, inasmuch as demand deposits are already at a low level. Interest may be paid by the Federal Home Loan Banks on time deposits remaining for 30 days or more, at rates established by the board of directors of each Bank, within ranges fixed by the Federal Home Loan Bank Administration. As of June 30, 1944, all of the Federal Home Loan Banks were paying interest on members' time deposits at the rate of one-half of 1 percent per annum.

DEBENTURE FINANCING

The total amount of consolidated Federal Home Loan Bank debentures outstanding on June 30, 1944, was \$58,000,000, an increase of \$23,000,000 over the consolidated debentures outstanding 1 year,

before. Up to the close of the year covered by this report, a ready market has been found for the sale of consolidated Federal Home Loan Bank debentures. As has been true from the first, every issue offered in financing the cash requirements of the 12 Federal Home Loan Banks has promptly been oversubscribed. Consolidated Federal Home Loan Bank debentures, which represent the joint and several obligations of all Federal Home Loan Banks, are not guaranteed by the United States Government either as to principal or interest. It is the policy of the Federal Home Loan Bank Administration to issue such debentures only when the cash available in the 12 Federal Home Loan Banks is deemed insufficient to meet their anticipated requirements. The total debentures issued by the Banks from the beginning of operations to June 30, 1944, aggregated \$551,500,000, of which \$493,500,000 had been retired and/or refunded at maturity, thereby leaving \$58,000,000 of debentures outstanding, as indicated previously.

FINANCIAL STATEMENTS

Exhibit 18 presents a statement of condition of the 12 Federal Home Loan Banks both on an individual and on a consolidated basis. The largest change indicated for the fiscal year 1944 by this statement is the increase of more than \$38,000,000 in outstanding advances to member institutions. In addition, the Banks increased their holdings of cash by almost \$8,000,000 and had almost \$8,000,000 of deposits withdrawn.

Operating funds were obtained by the Banks primarily from the following three sources. The investments of the Banks were decreased by almost \$23,000,000; there was an increase of \$23,000,000 in outstanding debentures; and the Banks received about \$6,500,000 from the sale of stock. The increase during the fiscal year 1944 of \$6,514,500 in stock in the Federal Home Loan Banks owned by member institutions is 66 percent more than the increase of \$3,929,200 during the preceding fiscal year.

The Federal Home Loan Bank stock owned by the United States in the name of the Reconstruction Finance Corporation remained unchanged at \$124,741,000. The Federal Home Loan Bank Act provides that—

After the amount of capital of a Federal Home-Loan Bank paid in by members equals the amount paid in by the Secretary of the Treasury, * * * such Banks shall apply annually to the payment and retirement of the shares of the capital stock held by the United States, 50 per centum of all sums thereafter paid in as capital until all such capital stock held by the United States is retired at par.

The capital stock structure of the 12 Federal Home Loan Banks on June 30, 1944, is summarized in the following table:

Capital:

Capital stock (par):	
Members (fully paid).....	\$61, 234, 600
Members (partially paid).....	1, 000
Total.....	61, 235, 600
Less unpaid subscriptions.....	250
	61, 235, 350
U. S. Government, now owned by RFC (fully paid).....	124, 741, 000
Total paid in on capital stock.....	<u>185, 976, 350</u>

Surplus:		
Reserve as required under sec. 16 of the act-----	\$8, 046, 194	
Reserve for contingencies-----	2, 392, 154	
Total surplus-----	10, 438, 348	
Undivided profits-----	7, 063, 921	
Total surplus and undivided profits-----	17, 502, 269	
Total capital-----	203, 478, 619	

The change in the reserves and undivided profits of the Federal Home Loan Banks during the reporting period is as follows:

	June 30, 1943	June 30, 1944
Reserve required by sec. 16 of act-----	\$7, 292, 016 39	\$8, 046, 193. 63
Reserve for contingencies-----	2, 170, 531. 03	2, 392, 154. 21
Undivided profits-----	6, 680, 848 96	7, 063, 921. 17
Total-----	16, 143, 396 38	17, 502, 269 01

A study of the surplus and undivided profits of the Federal Home Loan Banks for the fiscal year 1944 is given in exhibit 19.

A statement of the profits and losses of the Federal Home Loan Banks for the fiscal year 1944 will be found in exhibit 20. During the year the consolidated gross income of the Banks totaled \$5,634,042, representing a slight decrease as compared with \$5,823,440 for the 1943 fiscal year. However, there was an even greater decline in operating expenses which were down from \$2,052,912 during the 1943 fiscal year to \$1,842,413 for the 1944 fiscal year. As a result, there was a small rise in the net income of the Banks which, during the reporting period, was \$3,770,886 as compared with \$3,669,550 during the preceding fiscal year.

The Federal Home Loan Banks declared a total of \$2,096,846 of dividends during the reporting period. This compares with \$1,897,436 declared during the 1943 fiscal year. Of the dividends paid during 1944, \$1,429,485 was paid to the Reconstruction Finance Corporation and \$667,361 to member institutions. The \$2,096,846 of dividends paid during the current reporting period is an increase of 10.5 percent over the dividends paid during the fiscal year 1943. The cumulative amount of dividends paid by the 12 Federal Home Loan Banks from the beginning of operations through June 30, 1944, was \$22,406,973. Of this, \$16,956,560 was paid on the stock subscribed by the United States Government and \$5,450,413 was paid on stock owned by member institutions.

INTEREST AND DIVIDEND RATES

For many years there has been a downward trend in interest rates which has been reflected in the interest rates of mortgage loans and in the dividends paid on the shares of savings and loan associations. A study of the financial records of all member savings and loan associations of the Bank System indicated that the average yield on mortgage loans held by these associations declined from 5.77 percent in 1942 to 5.58 percent in 1943. The ratio of dividends paid to average share capital outstanding decreased from 3.08 percent in 1942 to 2.85 percent in 1943.

The mortgage interest mentioned above represents the average rate on the present mortgage portfolio of these associations. The rates for new mortgage loans will average somewhat less than the rates for outstanding mortgages.

EXAMINATION AND SUPERVISION

The Congress has charged the Federal Home Loan Bank Administration with the responsibility of examining and supervising Federal savings and loan associations. Examinations of insured State-chartered associations in most instances are conducted jointly with the respective State departments, and the supervision of these institutions is conducted cooperatively with those departments.

It will be observed, therefore, that since the number and assets of associations whose accounts are insured by the Federal Savings and Loan Insurance Corporation have been steadily increasing, the work of the Examining Division has expanded as have the cases to be reviewed by the chief supervisor's office and the supervisory agents.

In addition to the annual supervisory examination or examination-audit of approximately 2,500 insured institutions, the Examining Division makes an examination or examination-audit of every applicant for insurance of accounts.

ADMINISTRATIVE EXPENSES

The Federal Home Loan Bank System of the Federal Home Loan Bank Administration obtains its funds with which to defray its administrative expenses by semiannual assessments upon the Federal Home Loan Banks, by reimbursements representing the costs of services rendered to the Federal Savings and Loan Insurance Corporation and the Home Owners' Loan Corporation, and by fees collected from the institutions in whose behalf examination expenses have been incurred. Since expenses falling within the latter category constitute the major portion of the administrative expenses of the Federal Home Loan Bank System of the Federal Home Loan Bank Administration, and thereby represent the greater portion of the approved budget, it follows that the greater portion of administrative expense funds are obtained from the institutions in whose behalf examining services are rendered.

Expenses of the Bank System's Examining Division, which constitute the major portion of the Bank System's authorized operating budget, are reimbursed by the institutions examined. During the fiscal year 1944, total receipts of the Federal Home Loan Bank System of the Federal Home Loan Bank Administration amounted to \$1,418,105 as compared with \$1,357,747 for the previous fiscal year. In addition, a cash balance of \$409,119 was carried over at the beginning of the fiscal year 1944. Administrative disbursements during the 1944 fiscal year totaled \$1,538,008 as compared with \$1,302,002 during the previous fiscal-year period. This increase in disbursements was due principally to a new Federal Home Loan Bank Administration policy in allocation of over-all expenses, resulting in payment for space occupied by the Bank System and payment for a portion of the costs of operating various administrative and service departments carried on the pay roll of the Home Owners'

Loan Corporation, but rendering services to all the component agencies of the Bank Administration. The cash balance as of June 30, 1944, was \$289,216.

There is attached as exhibit 14 a statement reflecting the administrative obligations, by types, incurred by the Federal Home Loan Bank System of the Federal Home Loan Bank Administration during the fiscal years 1943 and 1944.

The actively employed personnel of the Federal Home Loan Bank System of the Federal Home Loan Bank Administration totaled 284 at the close of the reporting period. Of this total, 216 employees constituted the staff of the Examining Division.

IV. SAVINGS AND LOAN ASSOCIATIONS

The construction and purchase of residential real estate in the United States are financed largely from the accumulated savings of the American people. Most of the savings used in this way are first accumulated in savings and loan associations, mutual savings banks, life-insurance companies, and commercial banks.

The Federal Home Loan Bank System is a central credit reserve system for the first three types of thrift and home-financing institutions. The Federal Home Loan Bank Administration performs additional functions for savings and loan associations. Many of the associations are Federal savings and loan associations, chartered and supervised by the Bank Administration. The Federal Savings and Loan Insurance Corporation, another of the component units of the Bank Administration, insures all Federal associations and such State-chartered associations as apply for and qualify for insurance.

NUMBER AND ASSETS

From the following table it can be seen that the total resources of member savings and loan associations of the Federal Home Loan Bank System have been increasing rapidly.

Assets

(Thousands of dollars)

Date	All member savings and loan associations	All State-chartered insured associations	All Federal associations	Uninsured nonmember associations ¹
June 30, 1938	\$3,704,259	\$769,827	\$1,210,744	\$2,113,806
June 30, 1939	3,935,641	899,654	1,439,988	1,943,049
June 30, 1940	4,232,681	983,367	1,725,817	1,957,681
June 30, 1941	4,626,920	1,131,625	2,028,138	1,292,245
June 30, 1942	4,885,049	1,255,307	2,205,921	1,170,926
June 30, 1943	5,249,414	1,454,920	2,426,079	1,061,147
June 30, 1944	5,962,319	1,702,292	2,881,276	1,001,640

¹ Estimated.

NOTE.—Figures for State-chartered insured associations in this and the following tables include 4 insured associations which are not members of the Federal Home Loan Bank System. On June 30, 1944, these associations held total assets of \$5,940,000.

During the fiscal year 1944, the total assets of all member associations increased by \$712,905,000. Of this increase, \$455,197,000 represented the growth of Federal savings and loan associations. Insured State-chartered savings and loan associations, including the four which are not members of the Federal Home Loan Bank System, experienced an increase of \$247,372,000 in total assets. In contrast to the increase in assets of those associations which are members of the Federal Home Loan Bank System, the savings and loan associations which are not members of the System continued to decrease in number and assets.

The number of savings and loan associations in the Federal Home Loan Bank System has declined slightly from the maximum reached in 1938. The decline, which has taken place despite the increase in

total assets, has been caused largely by mergers and consolidations. The change in the number of savings and loan associations is presented in the following table:

Number

Date	All member savings and loan associations	All State-chartered insured associations	All Federal associations	Uninsured nonmember associations ¹
June 30, 1938.....	3,909	681	1,337	5,651
June 30, 1939.....	3,897	790	1,380	4,474
June 30, 1940.....	3,865	816	1,421	4,007
June 30, 1941.....	3,798	861	1,452	3,341
June 30, 1942.....	3,772	910	1,464	3,101
June 30, 1943.....	3,729	960	1,468	2,757
June 30, 1944.....	3,671	996	1,465	2,530

¹ Estimated.

The number of member associations decreased from 3,729 at the beginning of the 1944 fiscal year to 3,671 at the close of the year, a net decrease of 58 associations. The decline resulted from the termination of membership of 91 associations, while 33 associations were admitted to membership in the System. Of the terminations, 51 were caused by merger, consolidation, or sale of assets to other member institutions, actions which did not result in the complete withdrawal of the assets held by these institutions. The number of applications for membership pending on June 30, 1944, was 12 as against 37 on June 30, 1943.

The number of State-chartered insured associations continued during the 1944 fiscal year the steady growth characteristic of recent years. During the reporting period there was a net increase of 36 State-chartered insured associations.

Partly as a result of wartime conditions, the number of Federal savings and loan associations has stabilized. These associations decreased by three during the 1944 fiscal year, which partly offset the increase of four during the previous year. The decrease of 3 was the result of 16 additions and 19 terminations. Of the 19 terminations, 14 were of Federal associations which merged with other Federal associations. In addition, three Federal associations went into voluntary liquidation and there were two instances of sale of assets.

Of the 16 associations to which new Federal charters were granted, 1 was a newly organized association, and the remaining 15 were converted State associations.

The change in the average size of savings and loan associations may be seen from the following table:

Average size of associations

Date	All member savings and loan associations	All State-chartered insured associations	All Federal associations	Uninsured nonmember associations ¹
June 30, 1938.....	\$947,623	\$1,130,436	\$905,568	\$374,059
June 30, 1939.....	1,009,916	1,138,803	1,043,470	434,298
June 30, 1940.....	1,095,131	1,205,107	1,214,509	488,565
June 30, 1941.....	1,218,252	1,314,315	1,396,789	386,784
June 30, 1942.....	1,295,082	1,379,458	1,506,777	377,596
June 30, 1943.....	1,407,727	1,515,542	1,652,642	384,892
June 30, 1944.....	1,624,168	1,709,129	1,966,741	395,905

¹ Estimated.

The average size of member associations of the Bank System has increased by 71.4 percent since June 30, 1938. This increase has been the result of the increase in total resources and the slow decrease in numbers. This rapid growth in the size and financial strength of individual member associations is a promising fact for the future of the Federal Home Loan Bank System. In comparison, it will be seen that there has been little net change since 1938 in the average size of nonmember uninsured associations.

The Congress, in providing for the establishment of Federal savings and loan associations, contemplated, first, that these associations would provide adequate thrift and home-financing facilities for localities which lacked such facilities and, second, anticipated that a group of home-financing institutions, operating with the highest standards and practices, would be developed under Federal charter. The average size of Federal savings and loan associations is growing more rapidly than that of other member associations. The average size of all Federal savings and loan associations has increased 117.2 percent since 1938 as compared with an increase of 51.2 percent for all State-chartered insured associations. All member associations have had an increase in average size since 1938 of 71.4 percent. In comparison, the net increase in average size for uninsured nonmember associations has been only 5.8 percent since June 30, 1938.

Probably the most important factor in causing this increase in the total assets of savings and loan associations has been the continued large flow of private share capital to these associations. New share investments and repurchases of share capital during the 1944 fiscal year proceeded at the rate indicated in the following table:

[Thousands of dollars]

	New share investments	Repurchases	Net increase	Ratio of repurchases to new investments
				Percent
All member savings and loan associations ¹ -----	\$1,534,417	\$852,895	\$681,522	55.6
All State-chartered insured associations-----	453,633	262,759	190,874	57.9
All Federal associations-----	848,150	431,530	416,620	50.9
Uninsured nonmember associations ¹ -----	157,733	114,712	43,021	72.7

¹ Uninsured members and nonmembers estimated.

As will be seen from the table, a smaller proportion of new share investments is offset by repurchases by Federal associations than by either the State-chartered insured associations or by all member savings and loan associations.

This continued influx of private share capital, together with the difficulty of finding suitable new investments, enabled member associations during the reporting period to retire much of their Government share investments. By authorizations of Congress in 1933, 1934, and 1935, the United States Treasury invested \$49,300,000 and the Home Owners' Loan Corporation, during the years 1935 through 1942, invested \$223,856,710 in savings and loan associations to increase the funds available for home financing. During the 1944 fiscal year, the outstanding balance of these investments was reduced from \$119,-887,410 to \$51,256,050. Outstanding advances from the Federal

Home Loan Banks increased during the same period from \$90,191,577 to \$128,277,546, an increase of \$38,085,969 in comparison with the decrease of \$102,453,359 during the preceding fiscal year.

OPERATIONS IN A WARTIME ECONOMY

Lending operations.—Because of the construction limitation order of the War Production Board, new residential construction has been severely limited. The construction of new homes is now limited largely to the war housing required by workers migrating to war-production centers and defense areas.

As a result, construction loans are now at a low level. During the reporting period, construction loans by member savings and loan associations totaled \$114,705,000, which was not greatly different from the figure for the preceding year. Reconditioning loans also were almost unchanged in amount.

New loans made by member associations, by purpose

Purpose of loan	July 1, 1942, to June 30, 1943	July 1, 1943, to June 30, 1944	Percent change
Construction.....	\$112,308,000	\$114,705,000	+2.1
Home purchase.....	545,580,000	849,336,000	+55.7
Refinancing.....	148,017,000	147,366,000	-.4
Reconditioning.....	29,070,000	27,186,000	-6.5
Other purposes.....	60,559,000	81,570,000	+34.7
Total.....	895,534,000	1,220,163,000	+36.2

Loans made to finance the purchase of homes continued during the fiscal year 1944 the increase characteristic of recent years. For the fiscal year 1944, loans for home purchase totaled \$849,336,000 as compared with \$545,580,000 during the 1943 fiscal year. Because of this increase in loans for home purchase, these loans accounted for 69.6 percent of all loans by member institutions during the fiscal year 1944 as compared with 60.9 percent during the fiscal year 1943 and 44.9 percent in 1942. This shift in the purpose for which loans have been made during the last few years is shown in exhibit 9.

Despite the heavy volume of mortgage lending during 1942 and 1943, lending during these years did not cause any addition to the total outstanding home-mortgage debt. During the calendar year 1940, when \$3,290,000,000 was loaned by all lenders on one- to four-family dwellings, there was a net increase of \$27 in outstanding mortgages for every \$100 of new loans. In 1941, new loans increased to \$3,810,000,000, and there was a net increase of \$26 in outstanding loans for every \$100 of new loans. However, in 1942 and 1943, despite the fact that total new loans of \$3,155,000,000 and \$3,183,000,000, respectively, were not much below the total amount loaned during 1940, there was a decrease of \$6 in outstanding loans for each \$100 of new loans made during 1942 and \$12 during 1943.

The two most important reasons why the home-mortgage debt is not now increasing, despite the volume of home mortgages made, are the rapid repayment of mortgage loans at the present time made possible by high incomes and also the shift in mortgage lending from construction loans to home-purchase loans. Loans for the latter purpose,

which represent an increasing proportion of the total, are frequently offset in large part by the cancellation of existing mortgages. The same is true of refinancing loans.

Increased strength of savings and loan associations.—During the calendar year 1943, the assets of reporting member savings and loan associations of the Federal Home Loan Bank System increased from \$5,025,451,000 to \$5,538,600,000. Liquid assets increased even more rapidly. Cash increased about \$51,000,000 to a total of about \$387,000,000. Holdings of United States Government obligations increased from \$259,678,000 to \$738,648,000. Because of the great increase in cash and Government securities held by member associations, these holdings on December 31, 1943, were 24 percent of total private repurchasable capital as compared with 14.5 percent for December 31, 1942, and 9.4 percent for the preceding year. The increase in assets and liquidity, together with the disposition of the real-estate overhang, discussed previously, has increased the ability of the member associations and of the Federal Home Loan Bank System to meet postwar problems and to serve the public.

FINANCIAL OPERATIONS

Balance sheet.—The combined balance sheet for all member savings and loan associations for the calendar years 1942 and 1943 is presented in exhibit 10. During the 1943 calendar year, the assets of State-chartered insured associations increased from 26.7 percent of the total for all member associations to 28 percent; the assets of Federal savings and loan associations increased from 45.7 percent of the total to 47.2 percent.

For all member savings and loan associations, holdings of first-mortgage loans, including interest and advances, increased from \$3,989,514,000 to \$4,047,693,000 during the 1943 calendar year, an increase of 1.5 percent. The first-mortgage loans held by Federal savings and loan associations increased by 3.3 percent during this period, while those held by State-chartered insured associations increased by 7 percent.

There was a 44.3 percent decline from \$124,752,000 to \$69,512,000 in the real estate owned by member associations during the calendar year 1943. The rate of decrease was practically the same for Federal (42.2 percent) as for State-chartered insured associations (41 percent).

Growth in liquidity.—Growth in liquidity is indicated by the fact that the cash held by all member savings and loan associations increased from \$336,281,000 to \$387,229,000, an increase of 15.2 percent. Cash held by Federal savings and loan associations increased 12.8 percent, while the greatest percentage increase was experienced by cash holdings of all State-chartered insured member associations, 27.8 percent. Holdings of United States Government obligations by member associations increased rapidly during the year. For all member associations, the growth was from \$259,678,000 to \$738,648,000, or 184.4 percent. For State-chartered insured associations the increase was 174.2 percent, while the most rapid growth was that of Federal savings and loan associations, whose holdings of United States Government obligations rose 215 percent.

On the capital and liability side of the ledger, private repurchasable shares of member savings and loan associations increased 14.4 percent

compared with an increase of 19.9 percent for Federal savings and loan associations, and 19.6 percent for State-chartered member insured associations. Advances from the Federal Home Loan Banks and other borrowed money decreased from \$142,682,000 on December 31, 1942, to \$127,017,000 a year later, a drop of 11 percent. The advances and borrowings of Federal savings and loan associations remained almost unchanged during the year, experiencing a drop of only 2 percent, while the advances and borrowings of insured State-chartered associations decreased by 17.1 percent.

General reserves, undivided profits, and surplus held by all member savings and loan associations rose from \$368,401,000 on December 31, 1942, to \$409,928,000, a year later. However, because of the increase in total assets, general reserves, undivided profits, and surplus increased only from 7.3 percent of total assets to 7.4 percent during the calendar year. For both Federal savings and loan associations and State-chartered insured associations, there was little change in general reserves, undivided profits, and surplus considered as a percentage of total assets.

Statement of operations.—The combined statement of operations for all reporting member associations, Federal associations, State-chartered insured associations, and State-chartered uninsured associations is presented in exhibit 11. For the 3,681 reporting member savings and loan associations, gross operating income totaled \$255,051,211. Of this, 86.94 percent was obtained as interest from mortgage loans. For State-chartered insured associations, the percentage was 85.13 percent; for Federal associations, 87.94 percent; and for uninsured State-chartered associations, 87.11 percent. The proportion of income obtained from mortgage loans decreased slightly from earlier years because of the fact that the associations are holding a large proportion of assets in the form of Government securities.

Of net income received, 70.26 percent was paid out as dividends by the reporting member associations. State-chartered insured associations paid 70.60 percent of net income as dividends, State-chartered uninsured associations paid 73.83 percent, and Federal associations paid 67.83 percent, the smallest percentage of net income as dividends. Approximately one-fourth to three-tenths of net income was transferred to reserves and undivided profits.

FEDERAL HOME LOAN BANK DISTRICTS

For purposes of the Federal Home Loan Bank System, the Nation has been divided into 12 Federal Home Loan Bank Districts, in each of which a Federal Home Loan Bank is located. Each Bank makes credit and deposit facilities available to associations within its District. The names and addresses of the 12 Federal Home Loan Banks and the area served by each are given in exhibit 12. The operations of these banks are discussed in detail in chapter III.

V. FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

The fiscal year 1944 completed the first decade of the existence of the Federal Savings and Loan Insurance Corporation. The Corporation was created in 1934 by title IV of the National Housing Act in order to restore and maintain public confidence in savings and loan associations through the protection of savings up to \$5,000 for each investor. As a result, the steady flow of savings into these institutions has provided a considerable amount of the funds available for home-mortgage lending in this country. It is apparent that the principle of insurance of accounts has received wide public acceptance.

INSURED INSTITUTIONS

During the fiscal year 1944 the number of savings and loan associations insured by the Federal Savings and Loan Insurance Corporation increased from 2,428 to 2,461. During the same period, the total assets of these insured institutions rose from \$3,880,999,000 to \$4,583,568,000 and the number of investors protected by insurance of accounts increased from 3,494,100 to 3,837,500. The increase in the number and assets of insured associations, by Federal Home Loan Bank Districts and by States, is given in exhibit 21. The operations of insured savings and loan associations have been discussed previously in chapter IV.

OPERATIONS OF THE INSURANCE CORPORATION

The Federal Savings and Loan Insurance Corporation's statement of condition as of June 30, 1944, is presented in exhibit 22. On that date, total assets were \$151,631,510 compared with \$143,249,154 one year before. On June 30, 1944, reserves and surplus amounted to \$49,279,605, an increase of \$7,872,642 from the total of \$41,406,963 on June 30, 1943. The surplus and reserves on June 30, 1944, included a special reserve for contingencies of \$27,000,000, which is equivalent to the total cumulative dividends since June 30, 1935, on the capital stock of the Corporation. In order to provide a cushion against future losses, the Corporation has followed the practice of building up surplus and reserves as rapidly as possible.

The insured account liability of the Corporation increased from \$3,124,640,000 on June 30, 1943, to \$3,746,414,000 on June 30, 1944. In the event of liquidation, the assets of an insured association must be used to pay creditor obligations before being applied upon share account liability. If the creditor obligations are included with the insured account liability of the Corporation, the total on June 30, 1943, was \$3,237,364,000, increasing to \$3,934,276,000 on June 30, 1944.

For each dollar of capital, reserves, and surplus of the Corporation, there was a potential liability of \$26.36 on June 30, 1944. However, it is inconceivable that the total amount of this potential liability

might ever become real. In the event of payment of insurance, the Corporation becomes subrogated to the amount of each insured account up to \$5,000 and consequently the recovery from the proceeds of the assets of the institution in default reduces the loss to the Corporation.

The Federal Savings and Loan Insurance Corporation derives its income from the premiums paid by insured institutions, from admission fees paid by associations newly entering the System, and from interest on investments. All income received in excess of the Corporation's expenses is allocated to reserves. The losses of the Corporation from its insurance operations are charged to these reserve accounts.

During the fiscal year 1944, the Corporation earned \$4,245,151 of premiums compared with \$4,000,101 during the preceding fiscal year. The premium paid annually by each insured institution represents one-eighth of 1 percent of the accounts of its insured members plus all creditor obligations. Admission fees, which are computed on the basis of 4 cents for each \$100 of the total amount of the institution's accounts of an insurable type plus all obligations to its creditors, amounted to \$13,465 during the 1944 fiscal year compared with \$37,151 during the previous fiscal year.

The investment income of the Corporation during the reporting period was \$3,277,125 as compared with \$3,556,881 during the preceding year. The decrease in interest earnings resulted from lower rates of interest on securities obtained by the Corporation as a result of a redistribution of its investment portfolio. Profits from the sale of securities during the 1944 fiscal year were \$1,133,888. The aggregate income of the Corporation from these sources and from minor miscellaneous items totaled \$8,669,635 during the fiscal year 1944, compared with \$9,655,650 during the preceding year.

The major reason for this decrease is that during the fiscal year 1943 the Insurance Corporation deemed it advisable to sell certain securities having an early call date and invest the proceeds in United States Treasury bonds running for a longer term. As a result, the profit from the sale of securities during the fiscal year 1943 was larger than normal and accordingly there was a decrease in aggregate income during the fiscal year 1944.

The administrative expenses of the Corporation rose from \$293,448 during the fiscal year 1943 to \$425,667 during the fiscal year 1944. This increase in administrative expenses was due principally to a new policy of the Federal Home Loan Bank Administration in allocating expenses, which resulted in payment for space occupied by the Insurance Corporation and payment for a portion of the costs of operating various administrative and service departments carried on the pay roll of the Home Owners' Loan Corporation, but rendering services to all the component agencies of the Bank Administration. The Corporation's nonadministrative expenses during the reporting period were \$26,974. If the administrative and nonadministrative expenses are deducted from gross income, the resulting net income of the Corporation during the 1944 fiscal year was \$8,216,994.

On June 30, 1944, the Corporation actively employed a total personnel of 53. The Corporation is able to operate efficiently with this small staff because, under a cooperative arrangement, it is able to utilize the various service divisions of the Federal Home Loan Bank

Administration on a reimbursable basis and does not have to maintain such departments of its own. At the present time, the Corporation is able to maintain its administrative expenses at a figure lower than the interest income from its invested reserves.

INSURANCE SETTLEMENTS

Congress established the Federal Savings and Loan Insurance Corporation to bring about a greater degree of stability in savings and loan operations by spreading the loss risk according to accepted insurance principles. It was to be expected that a certain number of problem cases would develop, for in any insuring operation losses are as much a part of normal operations as premium income.

In the first decade of existence of the Federal Savings and Loan Insurance Corporation, 37 insured associations experienced difficulties requiring study. After careful analysis by the Corporation, it was found that 3 of these associations required no financial assistance and these associations continued normal operations. Of the remaining 34 associations, 27 received net cash disbursements from the Corporation aggregating \$5,109,003.80. These disbursements were made to prevent default by the associations. To arrive at the foregoing figure for net cash settlements, total recoveries of \$142,017, received through June 30, 1944, have been deducted from gross disbursements. On June 30, 1944, there were additional contingent commitments of \$80,265.75 still outstanding to 2 of these 27 associations. Of these associations which had received contributions from the Corporation, 18 continued operations as separate units; 6 merged with other insured institutions; and 3 subsequently liquidated voluntarily, paying all investors in full. The remaining 7 of the 34 associations have been declared in default and placed in liquidation.

Final losses which will be sustained by the Insurance Corporation from contributions and commitments made on or before June 30, 1944, and from insured associations placed in liquidation before that date will total an estimated \$5,918,692.

Analysis of the difficulties encountered by the 34 associations with which the Corporation has dealt indicates that adverse economic conditions, coupled with weak management, are by far the most important causes of institutional difficulties. These two factors were responsible for losses in 22 of the 34 cases. Outright dishonesty on the part of association employees or breach of trust on the part of management accounted for the difficulties experienced by the remaining 12 institutions.

The Corporation is authorized by statute to adopt several courses of action with respect to an insured association which is in difficulty. After careful study and analysis of the condition of the association, the Corporation determines whether it will prevent a declaration of default or whether it will permit the association to be liquidated. A declaration of default can be prevented by the Insurance Corporation either by purchasing doubtful assets from the association, by making a loan, or by means of a contribution to the institution in difficulty. Through the close of the fiscal year 1944 the Corporation had used only the last method of assistance.

Whenever an insured association is declared in default and is placed in liquidation, the Corporation makes prompt determination of the

insured members of the association and the amount of their insured accounts. The Corporation then makes available to each insured member, upon surrender and transfer to the Corporation of his insured account up to \$5,000, at his option, either (1) a new insured account in an insured institution not in default, in an amount equal to the insured account so transferred, or (2) the amount of his account which is insured, as follows: 10 percent in cash, 45 percent in negotiable noninterest-bearing debentures of the Corporation due within 1 year from the date of the default, and 45 percent in such debentures due within 3 years from the date of default.

Practically all the insured investors in each of the seven insured associations which have been placed in liquidation have elected to accept the first method of settlement; i. e., a new account in a normally operating insured association. To date, less than one-fifth of 1 percent of the claims settled have been paid by the cash and debenture method. As of June 30, 1944, 99.7 percent of the estimated dollar amount of the insured claims in all insured associations placed in liquidation had been settled. This involved issuance of new share accounts by other insured institutions amounting to \$6,673,666.38, and payment by cash and debentures in the amount of \$13,200. During the fiscal year 1944, the Corporation extended financial aid in the form of contributions, or payments made on contingent commitments previously authorized, in the total amount of \$329,618.81.

OPERATIONS OF INSURED INSTITUTIONS IN DEFAULT

During the fiscal year 1944, no insured association was placed in receivership. Of the seven insured associations previously placed in receivership, one was terminated during the fiscal year 1943 and one during the fiscal year 1944, leaving five in receivership on June 30, 1944. The Corporation, through its subrogation of insured accounts, has an equivalent claim to the proceeds from the assets of all insured institutions in liquidation. To protect its subrogated rights, the Corporation takes an active interest in the liquidation of State-chartered insured institutions, while, in the liquidation of Federal savings and loan associations, the value of the subrogated rights is safeguarded by virtue of its position as the active receiver.

Exhibit 24 presents comparative statements of condition and operation for the associations in receivership on June 30, 1944. The liquidations are progressing favorably. These comparative statements indicate that during the fiscal year 1944, partial liquidating dividends were declared in the five receiverships which were still in force at the end of the year. For the receivership terminated during the year, a final liquidating dividend of 23.376 percent was declared, increasing the total dividends for this receivership to 93.376 percent, which represents the total recovery by the Corporation from this association. It is estimated that the Corporation will recover, from the five associations still in liquidation, an amount aggregating approximately 89 percent of the funds disbursed in paying insurance to the insured members of these associations.

VI. HOME OWNERS' LOAN CORPORATION

GENERAL OPERATIONS

The Home Owners' Loan Corporation from June 13, 1933, through June 12, 1936, refinanced the mortgage loans of 1,017,821 home owners, all of whom were in financial distress and in danger of losing their homes. Some of these home owners, despite the Corporation's great efforts, were unable to work out of their difficulties. However, as a result of the activities of the Home Owners' Loan Corporation, then and since, more than 4 out of every 5 of these owners were enabled to save their homes. In other words, foreclosure of their homes was averted for more than 800,000 American families in what was undoubtedly the greatest emergency program on record in support of home ownership.

The mortgage loans made by the Corporation originally totaled \$3,093,451,321. The Corporation, in servicing these loans was forced to advance supplementary amounts, primarily to make funds available to pay delinquent taxes. The Corporation's investment was also increased because of the necessity of foreclosing on some of these properties, which resulted in the capitalization of delinquent interest and taxes, foreclosure and acquisition costs, and reconditioning expenses. Through June 30, 1944, the total of these advances and capitalizations was \$394,204,939. At that time, therefore, a gross cumulative investment of \$3,487,656,260 had resulted from the Corporation's lending program to aid American home owners.

The efforts of the HOLC since June 12, 1936, have been devoted to the liquidation of its affairs as orderly and as economically as possible. The Corporation's success in this endeavor may be noted from the following facts:

By June 30, 1944, the Home Owners' Loan Corporation had completed almost two-thirds of its liquidation. On that date, the balance of mortgage loans, vendee accounts, and property accounts was \$1,256,169,310, a decrease of \$376,282,629, or 23.1 percent, from the total of \$1,632,451,939 at the beginning of the reporting period. The fact that of the cumulative gross investment of \$3,487,656,260, all but \$1,256,169,310 had been liquidated on June 30, 1944, means that the liquidation of the Corporation was 64 percent completed at that time. The following table summarizes the reduction in operating assets:

Original amount loaned.....	\$3, 093, 451, 321
Subsequent advances to borrowers, net additions included in capitalized value of properties, etc.....	394, 204, 939
Original loans plus advances, capitalized additions, etc.....	3, 487, 656, 260
Outstanding on June 30, 1944:	
Mortgage loans and advances.....	\$847, 179, 749
Vendee accounts, advances, and unposted advances.....	372, 926, 075
Property acquired and in process of acquisition.....	36, 063, 486
Total outstanding.....	1, 256, 169, 310
Net reduction in operating assets.....	2, 231, 486, 950

In 1935 Congress authorized the Home Owners' Loan Corporation to invest in the share capital of savings and loan associations in order to stimulate the home-mortgage market. Through June 30, 1943, the cumulative investment made in savings and loan associations by the Corporation was \$223,856,710. This investment is being reduced rapidly. The total of \$108,403,410 remaining on June 30, 1943, was reduced to \$46,529,250 one year later. Dividends received from these share investments have, of course, been available to offset part of the loss from the properties taken over by the Corporation. For the period through June 30, 1944, these dividends aggregated \$42,350,351.

Because of the liquidation of debtor and property accounts and retirement of investments in savings and loan associations, the Corporation has been able to reduce its bonded indebtedness substantially. The Corporation's outstanding unmatured bonds at the end of the fiscal year 1944 amounted to \$1,334,904,000, a reduction of 61.7 percent from the \$3,489,453,550 bonds issued for value.

The Home Owners' Loan Act of 1933, as amended, requires that all payments upon principal of loans made by the Corporation shall, under regulations made by the Corporation, be applied to the retirement of the bonds of the Corporation. Certain other receipts, such as amounts received by the Corporation as a result of the repurchase of shares purchased by it in savings and loan associations, are also applied to bond retirement. The total applied to the retirement of bonds through June 30, 1944, was \$2,090,036,930. Funds in this amount have been deposited with the Treasurer of the United States and have been used to retire bonds or are available for future retirements, as shown in the following table:

Disposition of funds allocated (through June 30, 1944) to Bond Retirement Fund

Applied to retirement of bonds.....	\$2, 090, 036, 930. 00
Deposited for matured bonds on which interest has ceased...	64, 399, 675. 00
Available for future retirement of unmatured bonds.....	38, 165. 11
Gross amount deposited in Bond Retirement Fund...	2, 154, 474, 770. 57
Balance due Retirement Fund for June 1944 deposited in July 1944.....	1, 280, 883. 24
Total applicable to bond retirement.....	2, 155, 755, 653. 81

During the fiscal year 1944 the Corporation carried out an important bond refinancing operation which resulted in a substantial reduction in interest charges. The series A bonds of the Corporation was a 3 percent series maturing in 1952 and callable May 1, 1944. This entire series was called in May 1944. Of the total, \$146,577,775 was retired by funds available for that purpose and the remainder was repaid from funds obtained by the issuance at the same time of \$632,000,000 of series S bonds at 1 percent. This resulted in a net interest reduction of 2 percent on the \$632,000,000 of refinancing and of 3 percent on the \$146,577,775 of bonds which were repaid. Of the series S bonds issued for refinancing purposes, the Corporation repaid \$52,000,000 during the remainder of the 1944 fiscal year. In addition, during the reporting period, the Corporation repaid the \$196,000,000 of 1 percent series Q bonds which were still outstanding at the beginning of the period.

Largely because of the refinancing of the series A bonds by the series S bonds during the fiscal year 1944, the average interest rate on

the outstanding bonds of the Corporation (exclusive of bonds on which interest has ceased) decreased from 2.118 percent on June 30, 1943, to 1.283 percent on June 30, 1944.

Personnel and also administrative expenses have been sharply reduced by the Corporation. Personnel was reduced from 3,319 on June 30, 1943, to 2,532 on June 30, 1944, a reduction of 787, or 23.7 percent. During the reporting period, administrative expenses were \$9,078,615 as compared with \$10,711,749 during the 1943 fiscal year, a reduction of 15.2 percent.

During the reporting period, 11 field stations were closed by the Corporation. As of June 30, 1944, the HOLC operated eight regional offices and eight field stations. These stations are established strategically at points of loan concentration where their presence permits economies in travel time and expense which more than offset the small cost of operating the field stations. Collection facilities are maintained in seven of the field stations.

Within the continental United States the Corporation's loan accounts can be serviced and supervised readily and at low cost. In Hawaii, however, the number of accounts and outstanding balances became too low to warrant the direct cost of continuing the local office with the supervisory and overhead expenses involved. Because of the distance from the mainland, it appeared impracticable to manage these accounts from the nearest regional office in San Francisco. For this reason the Hawaiian loans were completely liquidated by May 1944 when the outstanding loans were transferred to a group of local savings and loan associations for the remaining principal and interest and a 1 percent premium. At that time the investment had been reduced to less than one-fourth of the original amount. The Corporation's experience in the islands had been exceptional in that there had been little delinquency and no foreclosures.

The Independent Offices Appropriation Act of 1944 required the preparation of a plan for the liquidation of the Home Owners' Loan Corporation at the earliest practicable date and for the submission of this plan to Congress by February 1, 1944. In addition, a progress report on the Corporation's liquidation was to be submitted to Congress semiannually during the 1944 fiscal year. In accordance with these requirements, reports were submitted to Congress on January 31, 1944, August 3, 1944, and February 5, 1945.

STATUS OF ACCOUNTS

The HOLC made loans to 1,017,821 individuals during its 3 years of lending operations. Because of divisions of property, partial sales of properties owned, and other reasons, the number of accounts was increased to a total of 1,019,768 as of June 30, 1944. On that date, these accounts were divided as follows:

Accounts terminated.....	372, 863
Original mortgage loans.....	499, 238
Vendee accounts.....	142, 208
Properties owned and in process of acquisition.....	5, 459
Total.....	1, 019, 768

This table indicates that these accounts fall into three major groups—those which have been terminated, those which represent outstanding debtor accounts, and those which represent property

owned. These will be discussed separately in the three following sections.

Accounts terminated.—A total of 372,863, or more than one-third of the 1,019,768 accounts, have been terminated. Of the accounts terminated, payment in full of mortgage loans accounted for 324,766; payment in full of vendee accounts caused 33,842 terminations; cash sales of acquired properties accounted for 13,937 terminations; charge-offs accounted for 242 terminations; and 76 accounts were terminated through consolidations. Of the 372,863 accounts terminated, 116,772 were terminated during the fiscal year 1944 alone.

Mortgage and vendee accounts.—There was a total of 641,446 mortgage and vendee accounts outstanding on June 30, 1944. Of these, 211,369 had been extended in accordance with the Mead-Barry Act of 1939, which provided for extensions of amortization periods, in justifiable cases, up to 25 years from the date of execution of the mortgage held by the Corporation.

On June 30, 1944, four-fifths of the HOLC's outstanding accounts were paid on schedule; this compares with 37 percent in 1936 and 53 percent in 1939. Experience has been gratifying with the quarter million loans extended from 15 up to a maximum of 25 years, beginning in 1939 under authorization of the Mead-Barry Act. When the extensions were granted, all these borrowers were behind in their payments. On June 30, 1944, 73 percent were paying exactly on schedule. Many foreclosures and resultant losses to the HOLC have been averted through these extensions which cut down required monthly payments by more than 40 percent.

The Home Owners' Loan Corporation, from the beginning of its operations, adopted the practice of servicing its loans individually, thus permitting the Corporation to discover causes of trouble and to take action to avoid foreclosure. As part of this servicing program, the Corporation holds funds to pay taxes and insurance, collected from borrowers on a systematic monthly installment basis. This procedure assists borrowers to avoid tax difficulties and has also resulted in economies in the Corporation's administrative expenses by eliminating the necessity for searching tax records to determine whether delinquencies exist. During the 1944 fiscal year, the proportion of such accounts was increased from 56.2 percent of outstanding loan accounts to 61.2 percent.

Properties acquired, including those subject to redemption.—The HOLC acquired, from the time it commenced operations until June 30, 1944, 197,263 properties as a result of foreclosures, abandonments, etc. In addition, the Corporation on June 30, 1944, held 417 properties which had been acquired but were still subject to redemption. Of the Corporation's property acquisitions, 193,750 were of properties covered by original mortgage loans. Of the 1,017,821 original mortgagors, all of whom faced loss of their properties under the conditions prevailing from 1933 to 1936, 824,071, or 81 percent, were saved from foreclosure through the operations of the Home Owners' Loan Corporation.

During the reporting period, 930 properties were acquired as compared with 2,118 during the fiscal year 1943. During the fiscal year 1944, the Corporation disposed of 21,512 properties as compared with 14,075 during the fiscal year 1943. Whereas net property acquisitions during the reporting period represented a decrease of 56.1 per-

cent from the preceding reporting period, there was an increase of 52.8 percent in properties disposed of by the Corporation.

Property accounts.—The foregoing figures indicate that the HOLC during the fiscal year 1944 was successful in disposing of most of its remaining properties. The rapid decrease in the number of properties which the Corporation owned or to which it was acquiring title is shown in the following table:

<i>Properties owned or in process of acquisition</i>	
June 30, 1941.....	49, 419
June 30, 1942.....	37, 998
June 30, 1943.....	26, 041
June 30, 1944.....	5, 459

From the beginning of operations until June 30, 1944, the HOLC acquired and had available for sale a total of 197,263 properties, of which it had disposed of 192,221, or 97.4 percent. These figures do not include 417 properties acquired but still subject to redemption. If these latter properties are included in the total acquisitions, the Corporation had disposed of 97.2 percent of all properties acquired. At the close of the fiscal year 1944, the combined capital value of properties which the Corporation owned or to which the Corporation was in process of acquiring title was \$36,063,486 as compared with \$191,298,828 on June 30, 1943, and \$262,307,276 on June 30, 1942.

Sale of Corporation-owned properties through June 30, 1944, had resulted in a total cumulative loss, including brokers' commissions and selling costs, of \$319,135,606. Other losses, which included principal and interest losses on mortgage loans and vendee accounts, properties charged off, fire and other hazards, and fidelity and casualty losses, amounted to \$1,208,116. This increased total losses from all sources, cumulative through the close of the fiscal year 1944, to \$320,343,722.

As of June 30, 1944, cumulative net income before provision for losses totaled \$213,464,280. After deducting this, the Corporation's losses in excess of its earnings as of June 30, 1944, were \$106,879,442. The loss figure given above on properties sold includes brokers' commissions, selling costs, and the difference between the actual sales prices and the capitalized value shown on the Corporation's books. Capitalized value includes the unpaid principal value of the foreclosed loan; delinquent interest and taxes, foreclosure and acquisition costs, and reconditioning expenses. In other words, a large part of the book losses reflects the cost of leniency to borrowers who eventually had to be foreclosed.

The HOLC endeavors to sell its acquired properties as promptly as possible. Pending sale, most of these properties are rented. At the close of the fiscal year 1944, properties owned by the Corporation contained 9,095 rental units, of which 1,761 units were not available for rental because these were in process of repair, held vacant for sale, or adversely occupied. The remaining 7,334 units were available for rental and 6,246, or 85.2 percent, of these were rented.

The Corporation's gross operating income during the 1944 fiscal year from the rental of properties was \$7,533,006. Gross expenses for rented and unrented properties, not including interest and administrative expenses, was \$6,388,238. During the year, therefore, the Corporation's net operating income from property was \$1,144,768.

On a cumulative basis from the beginning of operations until June 30, 1944, net operating income from properties owned by the Corporation was \$25,718,946.

RECONDITIONING

Reconditioning activities of the Corporation are undertaken to restore its properties and properties on which it has mortgages to a condition of normal habitability. The Corporation, because of the decrease in property acquisitions and in its real estate accounts, has been able to reduce its reconditioning operations. This is shown by the following table which indicates the number and total cost of reconditioning operations completed during each of the last three fiscal years:

Fiscal year	Number of cases	Total cost
1942	21,687	\$9,174,051
1943	10,836	4,369,428
1944	3,093	1,741,161

APPRAISALS

Pronounced changes in property valuations under war conditions require the Corporation to continue making appraisals of its properties and to review appraisals previously made. The decrease in property accounts, and those in process of acquisition, has resulted in a reduction in the number of appraisals. During the fiscal year 1944, appraisals and reviews completed totaled 25,867 as compared with 28,513 during the preceding fiscal year and 37,125 during the fiscal year 1942. Appraisals and reviews completed between the beginning of liquidation on June 12, 1936, and June 30, 1944, totaled 524,270.

FINANCIAL STATEMENTS

Exhibit 25 of this report presents the balance sheet of the Home Owners' Loan Corporation for June 30, 1944. As a result of the Corporation's progress in liquidation, total assets decreased 19.9 percent during the reporting period.

Statements of income and expense for the fiscal year 1944 and for the period from the beginning of operations through June 30, 1944, are shown in exhibits 26 and 27, respectively. Operating and other income for the fiscal year 1944 totaled \$71,339,093. Total expenses, including interest on bonded indebtedness, amounted to \$47,713,019, leaving a net income before provision for losses of \$23,626,074. After allowance for the reserves necessary to meet future estimated losses, the Corporation's deficit for the fiscal year 1944 amounted to \$16,506,809.

In comparison, operating and other income for the fiscal year 1943 amounted to \$92,861,703. Total expenses, including interest on bonded indebtedness, for the same period, was \$60,752,270, leaving a net income for 1943, before provision for losses, of \$32,109,432. After allowance for the reserves necessary to meet estimated future losses, the Corporation's deficit for the fiscal year 1943 amounted to \$8,116,595.

WAR HOUSING ACTIVITIES

Because of its extensive experience in reconditioning properties, the Home Owners' Loan Corporation was requested by the National Housing Agency to operate the publicly financed part of the wartime conversion program of the Homes Use Service. The Corporation acted simply to supervise the program and all of the Corporation's expenses were reimbursed to it. After the close of the 1944 fiscal year, the operation of the program was transferred to the Federal Public Housing Authority.

This conversion program was announced in October 1942 and conversion activities were started shortly thereafter. The results achieved under this program are summarized in the following paragraphs:

Programming.—Through June 30, 1944, 52,743 units had been programmed for publicly financed conversion by the National Housing Agency. These units were scattered over 232 areas in 42 States.

Applications for conversion.—A total of 44,521 applications for conversion were received by the Home Owners' Loan Corporation during the fiscal year 1944. From these, 9,123 leases have been executed for properties that will make available 47,451 units. Applications pending disposition in the various stages total 311, and the remaining 35,087 cases have been rejected or withdrawn. Possession has been secured in 8,714 of the properties leased, and 46 are awaiting possession.

Production.—There were 8,694 conversion contracts awarded during the fiscal year 1944, covering the construction of 46,265 housing units. Of these, 35,385 have been completed.

Cost.—The average cost per unit, estimated at the time of application, was approximately \$1,662. A recent comparison with actual costs indicates that this is a fairly accurate figure. Some increase in cost is expected in the future because of the addition of repairs and equipment not contemplated in the original estimates.

VII. UNITED STATES HOUSING CORPORATION

Under Executive Order No. 9070 of February 24, 1942, functions relating to the United States Housing Corporation are now being administered in the Federal Home Loan Bank Administration. The United States Housing Corporation, which is near complete liquidation, was created in 1918 during World War I for the purpose of providing housing for workers in congested war-production centers. Congress was requested to authorize the Federal Home Loan Bank Administration to use \$173,000 of the special deposit account held with the Treasurer of the United States in the name of the Corporation to wind up the affairs of the Corporation. This request was granted on July 2, 1942.

At the close of the reporting period, with few exceptions, all of the Corporation's remaining properties were involved in litigation which has delayed the completion of its liquidation. In the meantime, appropriate steps have been taken to protect the Corporation's investment in these properties.

The Corporation's income and expense statement for the period March 1, 1942, to June 30, 1944, is as follows:

Income from rents, stipulation payments, and miscellaneous items	\$322, 195. 37
Operating expenses	61, 738. 91
Net losses from liquidation	9, 404. 54
Net income for period	251, 051. 92

The Corporation had for disposal on February 28, 1942, a total of 518 parcels of real estate, including 60 vacant lots, most of which were in litigation. Of these parcels, 74, including 25 vacant lots, were disposed of during the period March 1, 1942, to June 30, 1944, leaving a total of 444 properties on hand on June 30, 1944, for liquidation.

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EXHIBITS

EXHIBIT 1.—*Estimated number of new nonfarm dwelling units, by source of funds and type of structure*

	Total non-farm	Private			Public
		1-family	2-family ¹	Multi-family ²	
Fiscal year 1942, total.....	652, 100	430, 409	23, 838	43, 714	154, 139
Third quarter, 1941.....	211, 400	161, 586	8, 013	13, 474	28, 327
Fourth quarter, 1941.....	135, 600	106, 327	5, 573	10, 842	12, 858
First quarter, 1942.....	138, 500	94, 804	5, 288	10, 933	27, 475
Second quarter, 1942.....	166, 600	67, 692	4, 964	8, 465	85, 479
Fiscal year 1943, total.....	391, 651	155, 532	14, 905	24, 385	196, 829
Third quarter, 1942.....	94, 600	53, 132	3, 235	7, 521	30, 712
Fourth quarter, 1942.....	96, 900	36, 695	3, 976	4, 488	51, 741
First quarter, 1943.....	118, 105	26, 932	2, 689	4, 527	83, 957
Second quarter, 1943.....	82, 046	38, 773	5, 005	7, 849	30, 419
Fiscal year 1944, total.....	247, 029	135, 809	16, 396	25, 576	69, 248
Third quarter, 1943.....	76, 145	37, 361	5, 662	9, 561	23, 561
Fourth quarter, 1943.....	73, 681	33, 243	4, 410	7, 693	28, 335
First quarter, 1944.....	48, 925	31, 107	2, 703	3, 523	11, 592
Second quarter, 1944.....	48, 278	34, 098	3, 621	4, 799	5, 760

¹ Includes 1- and 2-family dwellings with stores.

² Includes multifamily dwellings with stores.

Source: Division of Construction and Public Employment, Employment and Occupational Outlook Branch, Bureau of Labor Statistics, U. S. Department of Labor.

EXHIBIT 2.—*Indexes of total building cost, and of cost of materials and labor used in construction of standard 6-room frame house*

[Average month 1935-39=100]

Period	Materials	Labor	Total	Period	Materials	Labor	Total
Fiscal year 1943:				Fiscal year 1944:			
1942—July.....	121.2	128.5	123.7	1943—July.....	123.7	134.3	127.3
August.....	121.2	129.4	124.0	August.....	123.4	134.2	127.1
September.....	121.5	130.2	124.4	September.....	124.4	133.8	127.6
October.....	121.6	130.2	124.5	October.....	126.0	135.0	129.1
November.....	121.5	130.2	124.4	November.....	126.8	135.6	129.8
December.....	121.4	130.7	124.5	December.....	127.6	136.0	130.5
1943—January.....	121.5	130.9	124.7	1944—January.....	127.8	136.1	130.6
February.....	121.9	132.5	125.5	February.....	128.8	136.5	131.4
March.....	122.0	133.0	125.7	March.....	129.1	136.8	131.7
April.....	121.8	133.4	125.7	April.....	129.7	137.0	132.2
May.....	122.2	134.2	126.2	May.....	130.3	137.3	132.7
June.....	123.0	134.3	126.8	June.....	130.7	137.5	133.0

Source: Division of Operating Statistics, Federal Home Loan Bank Administration.

EXHIBIT 3.—*Nonfarm real-estate foreclosures, by Federal Home Loan Bank Districts and by States*

Bank District and State	Number, year ending June 30—		Percent change	Bank District and State	Number, year ending June 30—		Percent change
	1943	1944			1943	1944	
United States.....	33,402	20,710	-38.0	No. 7—Chicago.....	1,897	1,121	-40.9
No. 1—Boston.....	3,511	2,452	-30.2	Illinois.....	1,242	791	-36.3
Connecticut.....	556	624	+12.2	Wisconsin.....	655	330	-49.6
Maine.....	463	285	-38.4	No. 8—Des Moines.....	1,948	1,277	-34.4
Massachusetts.....	2,098	1,324	-36.9	Iowa.....	210	105	-50.0
New Hampshire.....	171	89	-48.0	Minnesota.....	345	198	-42.6
Rhode Island.....	183	101	-44.8	Missouri.....	1,161	796	-31.4
Vermont.....	40	29	-27.5	North Dakota.....	90	94	+4.4
No. 2—New York.....	8,340	5,515	-33.9	South Dakota.....	142	84	-40.8
New Jersey.....	1,592	905	-43.2	No. 9—Little Rock.....	1,165	649	-44.3
New York.....	6,748	4,610	-31.7	Arkansas.....	113	55	-51.3
No. 3—Pittsburgh.....	5,724	3,535	-38.2	Louisiana.....	275	177	-35.6
Delaware.....	86	38	-55.8	Mississippi.....	146	59	-59.6
Pennsylvania.....	5,142	3,207	-37.6	New Mexico.....	31	21	-32.3
West Virginia.....	496	290	-41.5	Texas.....	600	337	-43.8
No. 4—Winston-Salem.....	4,017	2,286	-43.1	No. 10—Topeka.....	1,179	799	-32.2
Alabama.....	529	211	-60.1	Colorado.....	198	124	-37.4
District of Columbia.....	77	65	-15.6	Kansas.....	270	109	-59.6
Florida.....	727	408	-43.9	Nebraska.....	426	424	-0.5
Georgia.....	492	278	-43.5	Oklahoma.....	285	142	-50.2
Maryland.....	613	390	-36.4	No. 11—Portland.....	340	170	-50.0
North Carolina.....	614	357	-41.9	Idaho.....	24	10	-58.3
South Carolina.....	188	81	-56.9	Montana.....	39	39	0.0
Virginia.....	777	496	-36.2	Oregon.....	96	40	-58.3
No. 5—Cincinnati.....	2,920	1,731	-40.7	Utah.....	32	9	-71.9
Kentucky.....	421	222	-47.3	Washington.....	128	64	-50.0
Ohio.....	1,683	980	-41.8	Wyoming.....	21	8	-61.9
Tennessee.....	816	529	-35.2	No. 12—Los Angeles.....	1,508	770	-48.9
No. 6—Indianapolis.....	853	405	-52.5	Arizona.....	48	23	-52.1
Indiana.....	426	218	-48.8	California.....	1,456	744	-48.9
Michigan.....	427	187	-56.2	Nevada.....	4	3	-25.0

Source: Division of Operating Statistics, Federal Home Loan Bank Administration.

EXHIBIT 4.—*Selected figures on residential real estate owned by financial institutions, Dec. 31, 1942, and Dec. 31, 1943*

[Amounts in thousands of dollars]

Type of institution	Dec. 31—		Decrease during 1943	
	1942	1943	Amount	Percent
Savings and loan associations ¹	² \$202,686	\$113,304	\$89,382	44.1
Mutual savings banks ³	² 142,111	80,605	61,506	43.3
Commercial banks ⁴	85,000	49,248	35,752	42.1
Life-insurance companies ⁵	295,062	212,818	82,244	27.9
Total private.....	² 724,859	455,975	268,884	37.1
Home Owners' Loan Corporation ⁶	221,512	94,140	127,372	57.5
Grand Total.....	² 946,371	550,115	396,256	41.9

¹ Estimate based on reports of operating associations received by the Federal Home Loan Bank Administration.

² Revised.

³ Estimate based on reports from the Comptroller of the Currency and State supervisory authorities.

⁴ Based on reports of the Comptroller of the Currency and of the Federal Deposit Insurance Corporation. Excludes trust departments of commercial banks.

⁵ Estimate of the Federal Home Loan Bank Administration based on a questionnaire survey of the largest life-insurance companies. Excludes company-built housing projects.

⁶ Capital value.

EXHIBIT 5.—*Estimated volume of mortgage loans originated on nonfarm 1-to 4-family dwellings, by type of lender*

[Millions of dollars]

Type of lender	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943
Savings and loan associations.....	\$892	\$543	\$414	\$451	\$564	\$755	\$897	\$798	\$986	\$1,200	\$1,379	\$1,051	\$1,184
Insurance companies.....	169	54	10	16	77	140	232	242	274	324	371	374	272
Mutual savings banks.....	350	150	99	80	80	100	120	105	112	133	171	130	120
Commercial banks and their trust departments.....	364	170	110	110	264	430	500	560	610	689	798	606	515
Home Owners' Loan Corporation.....			132	2,263	583	128	27	81	151	143	63	40	54
Individuals and others ¹	400	175	100	150	443	605	723	669	740	² 801	² 1,028	² 954	1,038
Total.....	2,175	1,092	865	3,070	2,011	2,158	2,499	2,455	2,873	² 3,290	² 3,810	² 3,155	3,183

¹ Includes fiduciaries, mortgage, title, and real-estate companies, construction companies, philanthropic and educational institutions, fraternal organizations, State and local governments, etc.

² Revised.

Source: Division of Operating Statistics, Federal Home Loan Bank Administration.

EXHIBIT 6.—Estimated recordings of nonfarm mortgages of \$20,000 or less,¹ by type of mortgage, fiscal year 1944
 (Amounts are shown in thousands of dollars)

	Savings and loan associations		Insurance companies		Banks and trust companies		Mutual savings banks		Individuals		Other mortgages		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Federal Home Loan Bank District and State														
United States.....	467,632	\$1,424,075	53,964	\$289,776	238,948	\$835,644	40,480	\$160,975	416,942	\$1,004,856	167,541	\$339,223	1,385,487	\$4,334,549
No. 1—Boston.....	32,401	113,101	1,347	7,687	9,390	36,054	22,005	79,669	25,077	62,427	11,000	39,438	101,220	338,376
Connecticut.....	3,315	14,170	865	4,937	3,745	16,841	3,720	15,643	6,518	19,068	3,428	13,986	21,591	84,645
Maine.....	2,362	6,149	74	343	1,056	2,301	2,910	7,644	2,858	5,405	369	1,035	9,629	22,877
Massachusetts.....	22,316	78,550	355	2,154	2,636	11,209	10,958	43,611	10,965	26,983	6,138	20,732	53,358	183,241
New Hampshire.....	1,236	2,976	12	152	714	1,411	2,111	5,684	1,716	3,239	233	672	6,022	14,034
Rhode Island.....	2,444	9,514	33	173	821	3,453	3,756	2,011	5,766	701	2,650	7,074	25,312	26,312
Vermont.....	728	1,742	8	28	418	839	1,242	3,329	1,019	1,966	131	363	3,546	8,267
No. 2—New York.....	27,510	95,145	4,049	22,237	15,225	60,356	12,960	57,419	47,206	131,882	21,022	89,643	127,972	456,682
New Jersey.....	9,525	35,179	1,389	7,621	7,258	31,961	1,344	6,485	14,675	41,888	8,003	33,868	42,194	157,002
New York.....	17,985	59,966	2,660	14,616	7,967	28,395	11,616	50,934	32,531	89,994	13,019	55,775	85,778	299,680
No. 3—Pittsburgh.....	37,618	103,361	4,398	20,679	22,590	74,276	1,634	6,385	24,144	59,755	10,899	41,287	101,283	305,743
Delaware.....	703	2,251	334	1,477	440	1,617	137	424	1,060	2,761	350	1,229	3,024	9,759
Pennsylvania.....	32,609	91,209	3,508	16,277	17,223	59,752	1,497	5,961	18,942	50,482	9,972	38,091	85,356	261,772
West Virginia.....	4,306	9,901	556	2,925	4,927	12,907	---	---	4,142	6,512	---	1,967	14,903	34,212
No. 4—Winston-Salem.....	52,266	160,863	9,056	39,331	19,660	55,796	412	1,374	54,429	127,113	15,836	47,495	151,659	431,972
Alabama.....	2,236	4,636	1,430	5,738	2,370	4,583	---	---	5,214	9,087	2,215	4,441	13,465	28,485
District of Columbia.....	4,798	3,240	427	718	5,044	---	---	---	13,369	3,939	2,628	3,939	10,543	53,404
Florida.....	4,649	17,253	2,813	11,001	2,743	7,795	---	---	15,697	42,265	2,414	7,472	25,316	85,786
Georgia.....	6,669	16,213	815	4,715	4,836	11,292	---	---	5,725	10,438	1,827	5,604	19,872	48,252
Maryland.....	13,872	45,051	429	2,392	2,279	8,671	412	1,374	15,421	8,985	2,209	8,985	24,720	81,896
North Carolina.....	9,498	22,747	1,574	4,992	3,672	3,672	---	---	6,947	11,024	2,659	5,443	22,113	47,878
South Carolina.....	1,855	4,131	640	3,977	1,676	3,977	---	---	3,395	5,752	1,186	2,884	8,752	19,345
Virginia.....	8,689	23,020	928	4,650	3,603	10,762	---	---	7,960	19,757	2,698	8,727	23,878	66,916
No. 5—Cincinnati.....	83,374	269,245	5,613	28,536	30,869	107,387	1,428	8,289	28,397	66,294	16,878	50,440	166,559	530,191
Kentucky.....	9,731	25,353	1,127	4,586	3,192	8,553	---	---	1,988	3,486	648	1,900	16,686	43,908
Ohio.....	70,840	236,654	2,940	16,767	24,672	90,823	1,428	8,289	23,401	57,465	6,239	25,054	123,520	435,052
Tennessee.....	2,803	7,238	1,546	7,183	3,005	7,981	---	---	3,008	5,343	9,991	23,436	20,353	51,181

No. 6—Indianapolis	34,329	79,628	6,307	30,589	24,902	73,341	158	347	14,260	35,089	11,939	51,908	91,805	270,902
Indiana	24,915	52,481	1,810	8,196	9,700	27,030	158	347	5,396	11,722	3,475	10,739	45,544	110,515
Michigan	9,414	27,147	4,497	22,393	15,112	46,311	158	347	8,864	23,367	8,464	41,169	46,351	160,387
No. 7—Chicago	45,039	156,641	3,296	17,066	16,568	64,085	68	163	25,356	69,188	19,321	93,410	109,648	400,553
Illinois	34,025	118,844	2,014	11,315	10,225	41,975	68	163	13,412	38,376	17,127	86,071	78,803	296,581
Wisconsin	11,014	37,797	1,282	5,751	6,343	22,110	68	163	11,944	30,812	2,194	7,339	32,845	103,972
No. 8—Des Moines	34,471	87,696	5,083	24,185	22,104	59,520	378	1,476	30,697	56,079	12,556	39,533	105,289	268,489
Iowa	8,911	21,762	561	2,311	5,455	14,061	378	1,476	4,222	8,240	1,169	3,004	20,318	49,378
Minnesota	11,756	31,581	1,858	8,162	3,646	9,004	378	1,476	6,622	15,010	1,637	5,912	20,318	49,378
Missouri	11,791	29,822	2,433	12,760	11,402	33,305	378	1,476	17,935	29,652	9,343	30,057	52,904	135,596
North Dakota	1,238	2,839	167	1,120	579	1,120	378	1,476	796	1,476	202	280	2,982	6,465
South Dakota	775	1,692	64	205	1,022	2,030	378	1,476	1,122	1,698	205	280	3,188	5,905
No. 9—Little Rock	33,483	93,922	6,625	28,525	7,191	20,476	158	347	31,620	67,819	9,087	28,482	88,006	239,524
Arkansas	2,323	5,215	211	968	1,158	2,313	158	347	3,100	4,450	219	412	7,011	13,358
Louisiana	8,960	33,964	745	3,524	587	1,630	158	347	5,935	12,550	2,093	5,133	18,320	56,811
Mississippi	1,537	3,306	551	2,252	1,184	2,317	158	347	2,732	4,512	818	1,628	6,882	14,015
New Mexico	784	1,895	20	97	526	1,757	158	347	1,206	2,565	144	235	6,969	14,015
Texas	19,879	49,552	5,098	21,984	3,736	12,459	158	347	18,587	43,742	5,813	21,084	55,113	148,771
No. 10—Topeka	30,887	72,934	2,361	10,438	10,233	27,389	158	347	24,934	46,861	6,459	19,152	74,874	176,774
Colorado	4,234	10,987	223	1,307	1,328	3,855	158	347	9,775	22,383	1,821	6,301	17,381	44,656
Kansas	9,844	20,981	316	1,507	2,063	6,078	158	347	3,068	5,009	1,310	3,635	17,291	37,910
Nebraska	5,784	13,156	1,091	4,746	1,565	5,715	158	347	2,901	5,259	811	1,697	17,182	36,613
Oklahoma	11,025	27,810	731	3,055	4,617	11,741	158	347	9,160	14,170	2,517	7,319	28,080	64,295
No. 11—Portland	16,202	44,838	1,370	5,024	12,381	35,904	1,417	5,853	16,175	34,181	10,267	45,105	57,812	171,505
Idaho	1,401	3,667	67	264	479	1,342	1,417	5,853	1,754	3,285	667	1,622	4,428	10,160
Montana	1,046	2,750	62	204	1,119	1,049	1,417	5,853	1,320	2,905	114	268	2,961	7,072
Oregon	3,593	10,474	682	2,902	1,254	3,330	161	659	6,763	14,703	2,264	10,798	14,828	43,098
Utah	1,402	4,802	286	1,125	2,443	6,833	161	659	1,230	2,586	2,021	3,625	6,060	18,971
Washington	8,012	21,200	262	1,110	7,068	21,044	1,256	5,194	4,156	8,749	6,120	28,759	27,483	86,706
Wyoming	628	1,895	2	19	438	1,467	1,256	5,194	912	2,014	72	103	2,052	5,498
No. 12—Los Angeles	40,062	146,701	4,459	34,579	47,885	221,060	158	347	94,647	248,168	22,277	93,330	209,270	743,838
Arizona	527	1,550	54	185	808	2,674	158	347	3,226	8,581	169	643	4,784	13,933
California	38,327	144,513	4,393	34,339	46,806	217,732	158	347	90,633	237,134	22,069	92,530	208,262	726,248
Nevada	198	658	42	34	197	654	158	347	778	2,153	39	157	1,224	3,657

¹ Based upon county reports submitted through the cooperation of savings and loan associations, the United States Building and Loan League, the Mortgage Bankers Association, and the American Title Association.

Source: Division of Operating Statistics, Federal Home Loan Bank Administration.

EXHIBIT 7.—*Estimated balance of outstanding mortgage loans on nonfarm 1- to 4-family dwellings.¹*

[Millions of dollars]

Type of mortgagee	1931	1932	1933	1934	1935	1936	1937
Savings and loan associations.....	\$5,890	\$5,148	\$4,437	\$3,710	\$3,293	\$3,237	\$3,420
Insurance companies.....	1,775	1,724	1,599	1,379	1,281	1,245	1,246
Mutual savings banks.....	3,375	3,375	3,200	3,000	2,850	2,750	2,700
Commercial banks.....	2,145	1,995	1,810	1,189	1,189	1,230	1,400
Home Owners' Loan Corporation.....			132	2,379	2,897	2,763	2,398
Individuals and others.....	7,500	7,000	6,700	6,200	6,000	6,000	6,180
Total.....	20,685	19,242	17,878	17,857	17,510	17,225	17,344

Type of mortgagee	1938	1939	1940	1941	1942	1943
Savings and loan associations.....	\$3,555	\$3,758	\$4,084	\$4,552	\$4,556	\$4,554
Insurance companies.....	1,320	1,490	1,758	1,976	2,255	2,410
Mutual savings banks.....	2,670	2,680	2,700	2,730	2,700	2,660
Commercial banks.....	1,600	1,810	2,095	2,470	2,480	2,450
Home Owners' Loan Corporation.....	2,169	2,038	1,956	1,777	1,567	1,338
Individuals and others.....	6,332	6,440	6,510	6,590	6,350	6,100
Total.....	17,646	18,216	19,103	20,095	19,908	19,512

¹ For detailed explanation of preparation of these estimates, see footnotes to exhibit 10 of Ninth Annual Report of Federal Home Loan Bank Board.

² Revised.

Source: Division of Operating Statistics, Federal Home Loan Bank Administration.

EXHIBIT 8.—*Changes in selected types of individual long-term savings, Dec. 31, 1936, to Dec. 31, 1943*

[In millions of dollars]

	1936	1937	1938	1939	1940	1941	1942	1943	Per- cent change 1942-43
Total.....	\$46,428	\$49,109	\$51,144	\$54,190	\$57,633	\$61,540	\$70,421	\$85,804	+21.8
Life insurance companies ²	19,133	20,510	21,858	23,381	25,025	26,877	29,043	30,567	+5.2
Mutual savings banks ³	10,013	10,126	10,235	10,481	10,618	10,490	10,621	11,707	+10.2
Insured commercial banks ⁴	11,491	12,100	12,196	12,622	13,062	13,261	13,820	16,572	+19.9
Savings and loan associations ⁵	3,926	4,011	4,035	4,092	4,304	4,685	4,910	5,464	+11.3
Postal savings ⁶	1,291	1,303	1,286	1,315	1,342	1,392	1,417	1,837	+29.6
2½ percent Postal Savings bonds ⁷	99	95	92	90	87	85	84	83	-1.2
United States Savings bonds ⁸	475	964	1,442	2,209	3,195	4,750	10,526	19,574	+86.0

¹ Revised

² Estimated accumulated savings in United States life-insurance companies. Represents reserves plus unpaid dividends and surplus to policyholders, except that deduction is made of policy notes and loans and net deferred and unpaid premiums. Source: The Spectator.

³ Deposits. Source: The Month's Work, published by the National Association of Mutual Savings Banks.

⁴ Deposits evidenced by savings passbooks for insured commercial banks; 1943 figure estimated. Source: FDIC.

⁵ Estimated private investments in savings and loan associations, including deposits and investment securities. Series revised to exclude shares pledged against mortgage loans. Source: Federal Home Loan Bank Administration.

⁶ Due depositors, outstanding principal and accrued interest on certificates of deposit, outstanding savings stamps, and unclaimed deposits. Source: Post Office Department.

⁷ Excludes such bonds held by the Postal Savings System. Source: Treasury Daily Statements and Post Office Department.

⁸ Current redemption value. From May 1, 1941 includes War Savings bonds, series E.

EXHIBIT 9.—*New loans made by member associations, by purpose*

[Thousands of dollars]

Period	Total	Construc- tion	Home purchase	Refinanc- ing	Recondi- tioning	Other
Fiscal year 1942.....	\$1,063,445	\$311,039	\$477,193	\$152,561	\$43,503	\$79,149
September 1941.....	333,463	116,481	138,334	42,088	14,184	22,376
December 1941.....	281,379	87,222	123,426	38,614	11,613	20,504
March 1942.....	206,667	58,924	83,454	33,675	8,125	17,489
June 1942.....	241,936	48,412	126,979	38,184	9,581	18,780
Fiscal year 1943.....	895,534	112,308	545,580	148,017	29,070	60,559
September 1942.....	239,077	39,233	135,807	38,631	9,695	15,711
December 1942.....	201,228	26,011	118,594	35,048	7,282	14,293
March 1943.....	181,486	19,706	108,828	33,755	5,315	13,882
June 1943.....	273,743	27,358	182,351	40,583	6,778	16,673
Fiscal year 1944.....	1,220,163	114,705	840,336	147,366	27,186	81,570
September 1943.....	313,694	32,315	216,798	39,205	7,684	17,692
December 1943.....	282,133	24,732	194,716	35,558	6,842	20,285
March 1944.....	265,384	27,705	179,962	32,965	5,059	19,693
June 1944.....	358,952	29,953	257,860	39,638	7,601	23,900

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EXHIBIT 10.—Combined statement of condition for all reporting savings and loan members of the Federal Home Loan Bank System, by type of association, as of Dec. 31, 1943, and Dec. 31, 1942

[In thousands of dollars]

Balance-sheet items	All members		Federals		Insured State-chartered		Uninsured State-chartered	
	1942	1943	1942	1943	1942	1943	1942	1943
ASSETS								
First mortgage loans (including interest and advances)	3,989,514	4,047,693	1,859,892	1,920,735	1,031,495	1,103,944	1,098,127	1,023,014
Junior mortgage liens (including interest and advances)	2,066	1,645	512	482	703	520	851	643
Other loans (including share loans)	17,132	12,617	4,144	3,960	4,839	3,514	8,149	5,143
Real estate sold on contract	162,348	141,422	57,792	52,245	58,239	51,269	46,317	37,908
Real estate owned	124,752	69,512	36,910	21,344	36,737	21,658	51,105	26,510
Federal Home Loan Bank stock	49,943	56,024	24,523	28,204	12,926	15,288	12,494	12,532
U. S. Government obligations	259,678	738,648	119,124	375,201	75,161	206,077	65,393	157,370
Other investments (including accrued interest)	23,112	25,070	4,054	3,386	10,588	13,015	8,470	8,669
Cash on hand and in banks	336,281	387,229	162,933	183,750	93,140	119,054	80,208	84,425
Office building (net)	47,272	46,850	20,830	21,547	13,649	13,644	12,793	11,659
Furniture, fixtures, and equipment (net)	6,077	5,216	3,422	2,808	1,757	1,564	898	844
Other assets	7,276	6,674	2,305	2,392	1,713	1,728	3,258	2,554
Total assets	5,025,451	5,538,600	2,296,441	2,616,054	1,340,947	1,551,275	1,388,063	1,371,271
LIABILITIES AND CAPITAL								
U. S. Government investment (shares and deposits)	167,902	69,326	136,136	54,454	31,605	14,872	161	-----
Private repurchaseable shares	3,746,191	4,310,548	1,884,808	2,259,962	860,497	1,036,551	1,000,886	1,014,035
Mortgage pledged shares	125,682	112,057	5,705	4,324	20,526	17,876	99,451	89,857
Deposits and investment certificates	350,955	378,555	279	72	231,772	270,305	118,904	108,178
Advances from Federal Home Loan Banks	131,152	107,869	83,776	74,386	32,043	25,696	15,333	7,787
Other borrowed money	11,530	19,148	4,438	12,111	3,036	3,402	4,036	3,635
Loans in process	29,556	37,508	15,782	21,651	9,273	13,292	4,501	2,565
Advance payments by borrowers	22,455	26,082	10,778	12,544	6,863	8,092	4,814	5,446
Other liabilities	21,805	21,200	10,387	9,517	7,269	7,455	4,149	4,228
Capital, permanent reserve or guaranty stock	25,841	25,509	-----	-----	21,963	21,450	3,878	4,059
Deferred credit to future operations	14,894	12,513	6,020	5,161	4,641	3,642	4,233	3,710
Specific reserves	8,411	7,480	4,221	3,675	2,122	2,119	2,068	1,686
General reserves	240,836	273,501	83,787	98,310	77,033	90,298	86,016	84,983
Bonus on shares	676	877	532	587	136	113	8	177
Undivided profits and surplus	121,565	136,337	49,772	59,300	32,168	36,112	30,625	40,925
Total liabilities and capital	5,025,451	5,538,600	2,296,441	2,616,054	1,340,947	1,551,275	1,388,063	1,371,271
Number of reporting associations	3,737	3,701	1,464	1,466	927	974	1,346	1,261

EXHIBIT 11.—Consolidated statement of operations for 3,681 reporting member savings and loan associations of the Federal Home Loan Bank System, by type, for the year ended Dec. 1943

Item	Amounts				Ratio to gross operating income			
	Total	Federals	Insured State-chartered	Uninsured State-chartered	Total	Federals	Insured State-chartered	Uninsured State-chartered
Number of associations.....	3,681	1,466	960	1,255	3,681	1,466	960	1,255
Gross operating income:								
Interest.....								
On mortgage loans—ordinary cash collections.....	\$221,748,203	\$104,269,456	\$60,104,169	\$57,374,578	Percent	Percent	Percent	Percent
On mortgage loans—all other.....	1,270,831	348,913	335,284	586,634	86.94	87.94	85.13	87.11
On real estate sold on contract.....	8,453,362	3,109,712	3,237,970	2,105,680	3.31	2.62	4.59	3.20
On investments and bank deposits.....	8,463,459	4,125,201	2,452,385	1,885,873	3.32	3.48	3.47	2.86
Net income or loss from real estate owned.....	1,970,487	331,966	836,423	811,098	78	28	1.18	1.23
Gross income from office building.....	3,071,035	1,326,851	829,803	914,381	1.20	1.12	1.18	1.39
All other operating income.....	10,064,834	5,069,898	2,805,832	2,189,104	3.95	4.27	3.97	3.32
Gross operating income.....	255,051,211	118,381,997	70,601,866	65,867,348	100.00	100.00	100.00	100.00
Less operating expense.....								
Compensation to directors, officers, employees, etc.....	34,329,793	16,473,477	10,107,132	7,749,184	13.46	13.89	14.32	11.77
Rent, light, heat, etc.....	3,428,404	1,750,386	917,786	760,232	1.34	1.48	1.30	1.15
Repairs, taxes and maintenance of office building.....	2,950,971	1,297,390	900,708	752,873	1.16	1.09	1.27	1.14
Depreciation of office building.....	1,448,846	639,167	460,556	349,123	.57	.54	.65	.53
Advertising.....	4,443,640	2,023,756	1,202,745	617,139	1.74	2.21	1.70	.94
Audit.....	764,964	252,792	273,753	238,409	.30	.21	.39	.36
Supervising examinations and assessments.....	1,050,051	419,781	411,838	188,432	.41	.36	.63	.29
All other operating expense.....	20,853,589	10,458,654	6,677,537	3,717,398	8.18	8.82	9.46	5.64
Total operating expense.....	69,270,248	33,915,403	20,982,055	14,372,790	27.16	28.60	29.72	21.82
Net operating income before interest and other charges.....	185,780,963	84,666,594	49,619,811	51,494,558	72.84	71.40	70.28	78.18
Less interest charges:								
On advances from Federal Home Loan Bank.....	2,088,148	1,319,346	531,931	236,871	.82	1.11	.76	.36
On borrowed money.....	383,159	131,012	136,074	116,073	.15	.11	.19	.18
Total interest.....	2,471,307	1,450,358	668,005	352,944	.97	1.22	.95	.54
Net operating income.....	183,309,656	83,216,236	48,951,806	51,141,614	71.87	70.18	69.33	77.64

EXHIBIT 11.—Consolidated statement of operations for 3,681 reporting member savings and loan associations of the Federal Home Loan Bank System, by type, for the year ended Dec. 1943—Continued

Item	Amounts				Ratio to gross operating income			
	Total	Federals	Insured State-chartered	Uninsured State-chartered	Total	Federals	Insured State-chartered	Uninsured State-chartered
Add nonoperating income:								
Total nonoperating income	\$6,129,734	\$1,957,694	\$2,438,542	\$1,733,498	Percent 2.40	Percent 1.65	Percent 3.46	Percent 2.63
Net income after interest and before charges	189,439,390	85,173,930	51,390,348	52,875,112	74.27	71.83	72.79	80.27
Less nonoperating charges	3,031,350	1,303,566	899,702	828,082	1.19	1.10	1.28	1.25
Net income for the year	186,408,040	83,870,364	50,490,646	52,047,030	73.08	70.73	71.51	79.02
Less transfers for reserves and dividends:					Ratio to net income			
Reserves	34,469,744	16,540,832	9,870,139	8,058,773	18.49	19.72	19.55	15.48
Dividends (including interest on deposits and investment certificates)	130,964,712	56,891,697	35,646,593	38,426,422	70.26	67.83	70.60	73.83
Balance to undivided profits	20,973,584	10,437,835	4,973,914	5,561,835	11.25	12.45	9.85	10.69

Source: Division of Operating Statistics, Federal Home Loan Bank Administration.

EXHIBIT 12.—*Federal Home Loan Bank Administration—Members of the Federal Savings and Loan Advisory Council, during the meetings held in the fiscal year 1944*

Federal Home Loan Bank District	Member	Elected or appointed
Boston.....	Raymond P. Harold.....	Elected.
New York.....	Francis V. D. Lloyd.....	Do.
Pittsburgh.....	James J. O'Malley.....	Do.
Winston-Salem.....	Horace S. Haworth.....	Appointed.
Do.....	J. T. Stevens.....	Elected.
Cincinnati.....	R. P. Dietzman.....	Appointed.
Do.....	W. Megrue Brock.....	Elected.
Indianapolis.....	Walter Gehrke.....	Do.
Chicago.....	C. W. Reuling.....	Appointed.
Do.....	A. G. Erdmann.....	Elected.
Des Moines.....	E. A. Purdy.....	Appointed.
Do.....	C. R. Mitchell.....	Elected.
Little Rock.....	J. J. Miranne.....	Do.
Topeka.....	George E. McKinnis.....	Do.
Portland.....	T. M. Donahoe.....	Do.
Los Angeles.....	David G. Davis.....	Appointed.
Do.....	C. A. Carden.....	Elected.

¹ Deceased; Harry S. Kissell was appointed for the remainder of the term.

EXHIBIT 13.—*Federal Home Loan Bank Administration—Number of employees*

Date	Federal Home Loan Bank System	Federal Savings and Loan Insurance Corporation	Home Owners' Loan Corporation		Total
			Home office	Field	
July 1, 1939.....	359	39	1,318	9,689	11,405
July 1, 1940.....	398	47	1,274	8,569	10,288
July 1, 1941.....	451	56	1,256	6,508	8,271
July 1, 1942.....	359	74	1,026	4,202	5,661
July 1, 1943.....	299	60	750	2,569	3,678
June 30, 1944.....	284	53	581	1,951	2,869

EXHIBIT 14.—*Federal Home Loan Bank System of the Federal Home Loan Bank Administration—Statement of receipts and disbursements during the fiscal years 1943 and 1944*

[Cash basis]

	July 1, 1942, to June 30, 1943	July 1, 1943, to June 30, 1944
Balance at beginning of fiscal year.....	\$353,374 06	\$409,119.12
Receipts:		
Federal Home Loan Banks.....	300,000 00	350,000 00
Home Owners' Loan Corporation.....	0	27,957 44
Federal Savings and Loan Insurance Corporation.....	103,678 01	75,702.99
Examining receipts.....	918,321 39	953,477 51
Miscellaneous refunds.....	27,991 37	6,662 90
Reimbursement for conservators' expense.....	3,600 29	0
Sale of material.....	8 00	446 00
Refund from Treasury Department.....	0	1,826 41
Refund from Federal Loan Agency.....	4,148 29	216 73
Refund from National Housing Agency.....	0	1,814 84
Total receipts.....	1,357,747 35	1,418,104 82
Total cash and receipts.....	1,711,121 41	1,827,223 94

EXHIBIT 14.—Federal Home Loan Bank System of the Federal Home Loan Bank Administration—Statement of receipts and disbursements during the fiscal years 1943 and 1944—Continued

[Cash basis]

	July 1, 1942, to June 30, 1943	July 1, 1943, to June 30, 1944
Disbursements:		
Salaries.....	\$1,059,584.99	\$1,010,073.87
Supplies and materials.....	5,697.70	6,805.19
Newspapers and periodicals.....	117.00	317.55
Communications.....	10,732.64	14,481.80
Travel.....	166,758.35	202,155.41
Transportation of things.....	328.87	355.49
Printing and binding.....	7,632.10	2,802.49
Other contractual services.....	13,598.10	189,195.53
Rents and utilities.....	26,820.48	69,230.36
Equipment (furniture and fixtures).....	2,668.06	135.94
Transferred to administrative expenses:		
National Housing Agency.....	7,064.00	42,454.00
Treasury Department.....	1,000.00	0
Total disbursements.....	1,302,002.29	1,538,007.63
Balance at end of fiscal year.....	409,119.12	289,216.31

EXHIBIT 15.—Federal Home Loan Bank System—Number and estimated assets of member institutions, June 30, 1943, and June 30, 1944

Bank District and States	Number of members		Assets of members (in thousands of dollars)	
	1943	1944	1943	1944
United States.....	3,774	3,714	\$6,045,016	\$6,840,241
No. 1—Boston.....	237	236	958,698	1,045,816
Connecticut.....	51	51	162,611	188,154
Maine.....	23	22	25,077	29,891
Massachusetts.....	132	132	636,588	678,494
New Hampshire.....	21	21	81,165	88,701
Rhode Island.....	5	5	47,129	53,851
Vermont.....	5	5	6,128	6,725
No. 2—New York.....	370	359	617,595	694,444
New Jersey.....	236	223	243,269	272,511
New York.....	134	136	374,326	421,933
No. 3—Pittsburgh.....	477	453	320,199	370,224
Delaware.....	7	7	3,440	3,965
Pennsylvania.....	443	419	292,163	340,588
West Virginia.....	27	27	24,596	25,671
No. 4—Winston-Salem.....	414	412	801,848	905,344
Alabama.....	28	27	24,961	29,074
District of Columbia.....	21	22	172,467	188,579
Florida.....	50	50	103,964	126,802
Georgia.....	56	55	53,606	62,578
Maryland.....	63	63	96,822	113,259
North Carolina.....	113	112	240,850	264,313
South Carolina.....	44	44	48,611	53,495
Virginia.....	39	39	60,567	67,244
No. 5—Cincinnati.....	564	561	992,895	1,117,746
Kentucky.....	78	75	88,102	96,725
Ohio.....	450	450	864,981	975,364
Tennessee.....	36	36	39,812	45,657
No. 6—Indianapolis.....	220	221	360,448	399,626
Indiana.....	162	163	216,841	236,606
Michigan.....	58	58	143,607	163,020
No. 7—Chicago.....	455	454	500,018	578,852
Illinois.....	343	341	374,669	444,093
Wisconsin.....	112	113	125,349	134,759

EXHIBIT 15.—*Federal Home Loan Bank System—Number and estimated assets of member institutions, June 30, 1943, and June 30, 1944—Continued*

Bank District and States	Number of members		Assets of members (in thousands of dollars)	
	1943	1944	1943	1944
No. 8—Des Moines	244	238	\$281,627	\$322,968
Iowa	73	72	61,706	69,266
Minnesota	43	43	85,231	105,070
Missouri	104	100	116,293	128,115
North Dakota	13	13	13,732	15,844
South Dakota	11	10	4,665	4,673
No. 9—Little Rock	280	278	414,491	456,834
Arkansas	41	40	23,103	22,405
Louisiana	67	67	100,762	110,030
Mississippi	26	26	29,642	32,409
New Mexico	14	14	7,909	8,524
Texas	132	131	253,075	283,466
No. 10—Topeka	214	209	202,654	221,885
Colorado	39	39	38,274	41,276
Kansas	92	87	61,487	66,912
Nebraska	31	31	29,688	32,842
Oklahoma	52	52	73,205	80,855
No. 11—Portland	130	128	207,901	249,708
Idaho	8	8	9,527	12,645
Montana	14	14	13,177	14,507
Oregon	26	26	42,689	50,772
Utah	10	10	23,750	29,652
Washington	61	59	111,452	133,859
Wyoming	10	10	6,761	7,526
Alaska	1	1	545	747
No. 12—Los Angeles	169	165	386,642	476,794
Arizona	3	3	8,131	9,654
California	160	156	370,523	457,755
Nevada	1	1	904	1,109
Hawaii	5	5	7,084	8,276

Source: Division of Operating Statistics, Federal Home Loan Bank Administration

EXHIBIT 16.—*Federal Home Loan Banks—Advances and repayments for the periods indicated, and the balance of advances outstanding at the close of such periods*

Period	Advances	Repayments	Balance outstanding
Fiscal year:			
1933	\$48,894,602 41	\$1,230,772 82	\$47,663,829 59
1934	62,871,970 22	25,387,445 72	85,148,354 09
1935	36,683,308 61	42,599,148 52	79,232,514 18
1936	78,195,224 32	38,840,900 50	118,586,838 00
1937	114,287,052 41	65,817,003 85	167,056,886 56
1938	105,432,157 95	76,264,107 15	196,224,937 36
1939	76,659,074 62	103,922,448 88	168,961,563 10
1940	108,009,901 23	119,574,417 17	157,397,047 16
1941	142,875,563 45	130,375,220 91	169,897,389 70
1942	155,025,046 83	132,277,500 65	192,644,935 88
1943	96,346,312 85	198,799,671 97	90,191,576 76
1943—July	18,650,247 50	17,300,521 41	91,541,302 85
August	3,672,355 00	13,847,347 79	81,366,310 06
September	56,501,281 16	7,502,543 61	130,365,047 61
October	8,299,165 68	11,980,753 84	126,683,459 45
November	5,093,156 38	15,420,817 75	116,355,798 08
December	12,626,090 89	18,914,072 02	110,067,816 95
1944—January	28,948,700 00	24,452,446 74	114,564,070 21
February	13,280,099 00	13,690,386 60	114,153,782 61
March	3,189,871 50	17,965,244 25	99,378,409 86
April	3,467,657 00	20,200,926 51	82,645,140 35
May	3,938,933 33	14,978,243 55	71,605,830 13
June	64,833,307 50	8,161,591 52	128,277,546 11
Total, fiscal year 1944	222,500,864 94	184,414,895 59	
Grand total through June 30, 1944	1,247,781,079 84	1,119,503,533 73	

EXHIBIT 17.—*Federal Home Loan Banks—Interest rates charged member institutions on new advances as of July 1, 1944*

Federal Home Loan Bank	Rate in effect	Types of advances
Boston-----	1½%	Short-term advances amortized within 1 year, or secured by Government bonds
	2	On advances for 5 years, for defense housing purposes, not exceeding 10 percent of member's assets, amortized at not less than 5 percent quarterly.
	2½	All other advances.
New York-----	1½	Short-term advances amortized within 1 year.
	2½	Long-term advances
Pittsburgh-----	1½	Short-term secured advances for purchase of Government securities during war loan drives
	2	Advances for 5 years with amortization of 10 percent per annum, payable quarterly, for purpose of repurchasing HOLC and Treasury share investments.
	3	All other advances.
Winston-Salem-----	2	All advances
Cincinnati-----	1½	On advances not exceeding 1 year secured by (1) obligations of or guaranteed by the Government (2) other acceptable collateral, advances so secured not to exceed current redemption price of series F and G savings bonds held by member.
	2	All other advances.
Indianapolis-----	1½	On advances not exceeding 6 months.
	2	On advances not exceeding 1 year, but in excess of 6 months.
	2	On long-term advances for the first year of the note.
	2½	On long-term advances beginning with the second year from the date of the note.
Chicago-----	1½	Short-term advances amortized in equal monthly installments. ¹
	2	On 1-year unamortized advances for purpose of repurchasing share investments made by HOLC or Treasury, or purchase of Treasury obligations.
	2½	Short-term advances amortized by not less than 2½ percent quarterly. ¹
	3	All other advances.
Des Moines-----	1½	Advances must not exceed 10 percent of member's assets. ¹
		On secured advances not exceeding 6 months, without amortization requirement, for purchase of Government bonds. Such advances, together with other type of short-term advances to a member shall not exceed 40 percent of its line of credit.
	2	Advances not exceeding 1 year.
	2½	Advances exceeding 1 year.
Little Rock-----	2	All advances
Topeka-----	1	On secured advances not exceeding 6 months, without amortization requirement, for purchase of Government bonds during Fifth War Loan drive.
	2½	All other advances.
Portland-----	1½	On advances not exceeding 4 months to purchase Government securities during Fifth War Loan drive, such loans to be collateralized by such securities; renewable at 2 percent if bond secured or 3 percent if mortgage secured.
	2	Advances collateralized by Government obligations.
	2	Effective for the month of July 1944 on advances for retiring Treasury or HOLC investments on an unsecured basis, with maturity not to exceed 6 months. Renewals to be on secured basis.
	3	All other advances.
Los Angeles-----	1½	On 1-year secured advances for purchase of Government bonds.
	2	On secured advances for purchase of obligations of United States or in an amount equal to the purchase price or par value, whichever is less, of obligations of the United States purchased since Jan. 1, 1942. (Foregoing advances limited to \$100,000 or 25 percent of line of credit, whichever is greater.)
	2½	All other advances.

¹ Rates on advances to nonmembers are ½ percent higher, except Cincinnati which charges 1 percent more.

EXHIBIT 18.—Federal Home Loan Banks—Statement of condition as of June 30, 1944

ASSETS															
Cash		Consolidated		Combined		Boston		New York		Pittsburgh		Winston-Salem		Cincinnati	
On hand and on deposit with commercial banks.....		\$8,795,446 71	\$8,795,446 71	\$9,786,446 71	\$1,375,195 18	\$408,233 00	\$1,354,869 54	\$178,142 30	\$4,433,093 08			\$78,142 30	\$1,433,093 08		
On deposit with United States Treasurer.....		12,861,383 99	12,861,383 99	12,861,383 99	1,451,863 85	1,422,035 03	1,461,292 59	397,384 44	1,602,872 26			397,384 44	1,602,872 26		
Total.....		22,656,830 70	22,656,830 70	22,656,830 70	2,827,059 03	1,830,268 03	2,816,162 13	575,526 74	3,035,965 34			575,526 74	3,035,965 34		
Deposit with United States Treasurer for matured obligations.....		5,462 50	0	0	0	0	0	0	0			0	0		
Investments.....															
Treasury bills.....		5,697,978 23	5,697,978 23	5,697,978 23	0	0	0	0	0			1,999,008 35	0		
Other U. S. Government obligations, direct or fully guaranteed.....		136,275,353 00	136,275,353 00	136,275,353 00	12,914,195 29	19,346,687 31	7,573,765 47	6,438,448 20	22,270,554 05			6,438,448 20	22,270,554 05		
Total.....		131,973,331 23	131,973,331 23	131,973,331 23	12,914,195 29	19,346,687 31	7,573,765 47	8,437,456 55	22,270,554 05			8,437,456 55	22,270,554 05		
Advances outstanding, members.....		128,277,546 11	128,277,546 11	128,277,546 11	8,134,638 00	20,122,289 12	12,521,704 99	8,986,287 50	9,165,162 93			8,986,287 50	9,165,162 93		
Accrued interest receivable.....		752,578 31	752,578 31	752,578 31	64,197 85	132,043 87	67,100 95	45,671 73	102,993 43			45,671 73	102,993 43		
Deferred charges.....		27,978 44	27,978 44	27,978 44	1,440 64	4,861 16	3,556 27	174 55	1,744 29			174 55	1,744 29		
Other assets.....		4,617 37	4,617 37	4,617 37	151 00	469 75	781 39	839 01	700 95			839 01	700 95		
Total assets.....		283,638,344 66	283,638,344 66	283,638,344 66	23,941,681 81	41,436,599 24	22,983,131 20	17,985,956 08	34,577,120 99			17,985,956 08	34,577,120 99		
LIABILITIES AND CAPITAL															
Liabilities.....															
Deposits of member institutions.....		21,360,313 18	21,360,313 18	21,360,313 18	1,112,457 95	4,146,126 38	335,000 00	291,100 00	4,065,000 00			291,100 00	4,065,000 00		
Deposits of applicants for membership.....		28,075 00	28,075 00	28,075 00	0	17,800 00	3,600 00	0	1,475 00			0	1,475 00		
Accrued interest payable.....		27,143 07	27,143 07	27,143 07	4,238 22	3,000 17	2,473 26	-3 57	1,521 88			-3 57	1,521 88		
Dividends payable.....		781,147 88	781,147 88	781,147 88	92,285 44	0	0	0	113,228 47			0	113,228 47		
Accounts payable.....		17,584 02	17,584 02	17,584 02	0	992 64	1,561 33	0	11,035 38			0	11,035 38		
Consolidated debentures outstanding.....		58,000,000 00	58,000,000 00	58,000,000 00	3,000,000 00	10,000,000 00	6,000,000 00	0	5,000,000 00			0	5,000,000 00		
Matured obligations not presented for payment.....		5,462 50	0	0	0	0	0	0	0			0	0		
Total liabilities.....		80,219,725 65	80,219,725 65	80,219,725 65	4,209,001 61	14,167,919 19	6,344,634 59	291,103 57	9,192,280 73			291,103 57	9,192,280 73		
Capital.....															
Capital stock.....															
Reconstruction Finance Corporation (fully paid).....		124,741,000 00	124,741,000 00	124,741,000 00	12,467,500 00	18,963,300 00	11,146,300 00	9,208,200 00	12,775,700 00			9,208,200 00	12,775,700 00		
Member institutions (subscribed).....		61,235,600 00	61,235,600 00	61,235,600 00	6,050,100 00	6,464,400 00	3,791,900 00	6,424,000 00	10,289,600 00			6,424,000 00	10,289,600 00		
Total subscribed.....		185,976,600 00	185,976,600 00	185,976,600 00	18,517,600 00	25,427,600 00	14,938,200 00	15,632,200 00	23,065,300 00			15,632,200 00	23,065,300 00		
Less unpaid subscriptions of members.....		250 00	250 00	250 00	0	0	0	0	0			0	0		
Total paid in on capital stock.....		185,976,350 00	185,976,350 00	185,976,350 00	18,517,600 00	25,427,600 00	14,937,950 00	15,632,200 00	23,065,300 00			15,632,200 00	23,065,300 00		

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

EXHIBIT 18.—Federal Home Loan Banks—Statement of condition as of June 30, 1944—Continued

LIABILITIES AND CAPITAL—continued						
Capital—Continued						
Consolidated	Combined	Boston	New York	Pittsburgh	Winston-Salem	Cincinnati
\$8,046,193.63	\$8,046,193.63	\$604,702.14	\$989,171.11	\$704,629.28	\$730,351.58	\$1,163,440.36
2,392,154.21	2,392,154.21		91,769.28		295,000.00	477,141.18
7,063,921.17	7,063,921.17	610,378.06	660,109.66	995,917.33	1,047,300.93	678,958.72
Total surplus	17,502,269.01	1,215,080.20	1,841,080.05	1,700,546.61	2,072,652.51	2,319,540.26
Total capital	203,478,619.01	19,732,680.20	27,268,680.05	16,638,496.61	17,704,852.51	25,384,840.26
Total liabilities and capital	283,698,344.66	23,941,681.81	41,436,599.24	22,983,131.20	17,995,956.08	34,577,120.99
ASSETS						
Indianapolis	Chicago	Des Moines	Little Rock	Topeka	Portland	Los Angeles
Cash—						
On hand and on deposit with commercial banks	\$1,990,926.00	\$398,571.61	\$251,475.00	\$155,159.13	\$326,473.42	\$384,413.04
On deposit with United States Treasurer	130,671.48	294,300.08	2,249,925.76	1,731,300.33	1,815,801.50	1,687.38
Total	2,111,597.48	692,871.69	2,501,400.76	1,886,459.46	2,142,274.92	386,100.42
Deposit with United States Treasurer for matured obligations	0	0	0	0	0	0
Investments—						
Treasury bills	0	0	0	0	0	499,896.70
Other U. S. Government obligations, direct or fully guaranteed	11,118,060.89	9,569,593.53	8,168,213.75	7,566,060.18	5,678,929.84	5,778,504.48
Total	11,118,060.89	9,569,593.53	8,168,213.75	7,566,060.18	5,678,929.84	6,278,401.18
Advances outstanding, members	9,949,812.66	8,683,459.00	4,875,513.00	5,044,062.50	2,535,863.39	19,094,623.02
Accrued interest receivable	67,883.88	56,322.81	49,353.91	41,114.92	28,486.61	29,684.94
Deferred charges	3,023.37	2,974.73	1,203.44	768.68	734.76	5,141.70
Other assets	176.75	111.00	155.35	1.00	81.00	699.17
Total assets	23,290,555.03	19,005,242.76	15,595,840.21	14,538,466.74	10,386,390.52	25,794,650.43

LIABILITIES AND CAPITAL									
Liabilities:									
Deposits of member institutions.....	2,423,342 49	4,482,219 15	1,467,073 37	50,000 00	627,069 88	873,930 06	1,480,983 90		
Deposits of applicants for membership.....	0	900 00	0	0	801 37	0	1,500 00		
Accrued interest payable.....	3,304 18	4,303 37	2,141 78	916 41	701 37	1,465 16	3,053 70		
Dividends payable.....	96,515 69	152,555 98	56,442 22	112,898 21	48,835 67	38,422 23	69,873 97		
Accounts payable.....	453 19	0	629 55	575 96	577 77	408 70	1,329 50		
Consolidated debentures outstanding ¹	6,500,000 00	7,000,000 00	5,000,000 00	3,000,000 00	3,000,000 00	1,000,000 00	8,500,000 00		
Matured obligations not presented for payment.....	0	0	0	0	0	0	0		
Total liabilities.....	9,023,615 55	11,639,978 50	6,526,586 92	3,164,380 58	3,678,084 69	1,914,226 15	10,056,751 07		
Capital:									
Reconstruction Finance Corporation (fully paid).....	6,577,400 00	14,173,903 00	7,394,900 00	8,772,400 00	7,333,600 00	5,980,000 00	9,867,900 00		
Member institutions (subscribed).....	6,554,200 00	6,483,100 00	4,003,400 00	2,542,500 00	2,639,200 00	1,766,600 00	4,225,600 00		
Total subscribed.....	13,131,600 00	20,657,000 00	11,398,300 00	11,314,900 00	9,972,800 00	7,726,600 00	14,194,500 00		
Less unpaid subscriptions of members.....	0	0	0	0	0	0	0		
Total paid in on capital stock.....	13,131,600 00	20,657,000 00	11,398,300 00	11,314,900 00	9,972,800 00	7,726,600 00	14,194,500 00		
Surplus:									
Reserve required by sec. 16 of act.....	542,509 76	1,045,734 37	518,770 02	500,558 73	360,602 24	309,766 53	575,567 51		
Reserve for contingencies.....	0	0	250,000 00	78,213 75	0	400,000 00	700,000 00		
Undivided profits.....	516,829 72	844,534 28	311,885 82	537,787 15	526,979 81	35,797 84	267,441 85		
Total surplus.....	1,059,339 48	1,890,268 65	1,080,655 84	1,116,559 63	887,582 05	745,564 37	1,543,389 36		
Total capital.....	14,220,939 48	22,547,268 65	12,478,955 84	12,431,459 63	10,860,382 05	8,472,164 37	15,737,899 36		
Total liabilities and capital.....	28,250,555 03	34,187,247 15	19,005,242 76	15,595,840 21	14,538,466 74	10,386,390 52	25,734,650 43		

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

EXHIBIT 19.—Federal Home Loan Banks—Analysis of surplus and undivided profits for the fiscal year ended June 30, 1944

	Combined	Boston	New York	Pittsburgh	Winston-Salem	Cincinnati
Surplus — Reserve as required by sec. 16 of act. Balance June 30, 1943.....	\$7,292,016 39	\$499,202 13	\$890,360 37	\$641,860 35	\$683,060 34	\$1,087,096 04
Add transfers from undivided profits.....	754,177 24	105,500 01	98,810 74	62,768 93	47,291 24	76,344 32
Balance June 30, 1944.....	8,046,193 63	604,702 14	989,171 11	704,629 28	730,351 58	1,163,440 36
Surplus — Reserve for contingencies Balance June 30, 1943.....	2,170,531 03	25,000 00	162,564 60	0	298,000 00	464,945 43
Add transfers from undivided profits.....	309,431 76	0	34,730 82	0	27,000 00	12,195 75
Balance June 30, 1944.....	2,479,962 79	25,000 00	197,295 42	0	295,000 00	477,141 18
Deduct Transfers to undivided profits.....	38,059 58	25,000 00	5,496 14	0	0	0
Retirement fund (prior service).....	49,749 00	0	0	0	0	0
Balance June 30, 1944.....	87,808 58	25,000 00	5,496 14	0	0	0
Undivided profits Balance June 30, 1943.....	2,392,154 21	0	191,799 28	0	295,000 00	477,141 18
Add Profits for fiscal year 1944.....	6,680,848 96	371,881 55	579,583 60	941,937 54	1,038,058 27	675,704 15
Transfers from reserve for contingencies.....	3,770,836 14	527,499 99	494,053 70	313,844 62	236,456 22	381,721 60
Total.....	10,439,704 68	924,381 54	1,079,133 44	1,255,802 16	1,274,514 49	1,087,425 75
Deduct Dividends declared: R.F.C. Members.....	1,429,485 38	124,575 00	189,632 00	111,463 00	92,082 00	143,726 63
Transfers to reserves.....	667,361 13	58,828 47	62,902 22	33,652 90	60,840 32	105,947 33
Retirement fund (prior service).....	1,063,609 00	105,500 01	133,541 55	62,768 93	74,291 24	88,540 07
Total.....	2,955,455 51	288,903 48	386,075 77	207,864 83	227,213 56	338,213 03
Balance June 30, 1944.....	7,063,921 17	610,378 06	660,109 66	995,917 33	1,047,300 93	678,968 72

	Indianapolis	Chicago	Des Moines	Little Rock	Topeka	Portland	Los Angeles
Surplus — Reserve as required by sec. 16 of act:							
Balance June 30, 1943.....	\$484,482.63	\$968,355.43	\$472,461.14	\$446,824.49	\$326,596.14	\$283,703.27	\$508,014.06
Add transfers from undivided profits.....	58,027.13	77,378.94	46,308.88	53,734.24	34,006.10	26,063.26	67,943.45
Balance June 30, 1944.....	542,509.76	1,045,734.37	518,770.02	500,558.73	360,602.24	309,766.53	575,957.51
Surplus — Reserve for contingencies:							
Balance June 30, 1943.....	12,793.00	0	250,000.00	85,272.00	0	365,000.00	536,956.00
Add transfers from undivided profits.....	0	0	0	505.19	0	35,000.00	200,000.00
Balance June 30, 1944.....	12,793.00	0	250,000.00	85,777.19	0	400,000.00	736,956.00
Deduct:							
Transfers to undivided profits.....	0	0	0	7,563.44	0	0	0
Retirement fund (prior service).....	12,793.00	0	0	0	0	0	36,956.00
Balance June 30, 1944.....	0	0	250,000.00	78,213.75	0	435,000.00	700,000.00
Undivided profits:							
Balance June 30, 1943.....	506,847.66	880,978.95	266,912.06	522,011.04	516,635.45	42,852.90	337,425.79
Add:							
Profits for fiscal year 1944.....	290,135.66	386,894.69	231,544.39	268,671.22	170,030.49	130,216.32	339,717.24
Transfers from reserve for contingencies.....	0	0	0	7,563.44	0	0	0
Total.....	796,983.32	1,267,873.64	498,456.45	798,245.70	686,665.94	173,169.22	677,143.03
Deduct:							
Dividends declared:							
RFC.....	98,661.00	212,008.50	92,436.25	131,556.00	73,336.00	59,600.00	96,679.00
Members.....	91,516.47	89,926.92	47,825.50	37,509.12	22,669.03	16,708.12	30,034.73
Transfers to reserve.....	58,027.13	77,378.94	46,308.88	54,239.43	34,006.10	61,063.26	267,943.45
Retirement fund (prior service).....	1,949.00	43,425.00	0	37,124.00	29,675.00	0	3,044.00
Total.....	290,153.60	423,339.36	186,570.63	260,458.55	159,686.13	137,371.38	409,701.18
Balance June 30, 1944.....	546,829.72	844,534.28	311,885.82	537,787.15	526,979.81	35,797.84	267,441.85

EXHIBIT 20.—Federal Home Loan Banks—Statement of profit and loss for the fiscal year ended June 30, 1944

	Consolidated	Combined	Boston	New York	Pittsburgh	Winston-Salem	Cincinnati
Gross operating income:							
Interest earned on advances	\$2,006,626.64	\$2,006,626.64	\$141,773.76	\$311,047.24	\$238,010.72	\$166,427.69	\$140,771.02
Interest earned on investments	2,907,319.98	2,907,319.98	235,525.04	386,669.14	215,727.29	122,588.80	412,637.90
Interest earned on deposits—Other Federal Home Loan Banks	0	18,274.90	3,375.00	418.03	345.88	1,821.34	4,720.16
Gross operating income	4,913,946.62	4,932,221.52	380,673.80	698,164.41	452,083.89	290,837.73	558,126.08
Less operating charges:							
Compensation, travel, etc. (detail below)	848,764.22	848,764.20	54,889.53	105,701.03	104,215.70	51,843.82	94,317.61
Interest on debentures	455,741.12	455,741.12	21,592.61	69,201.43	55,797.87	0	26,075.63
Debiture expense:							
Concessions:	45,822.89	45,822.89	2,228.43	7,233.73	5,634.02	0	2,649.10
Miscellaneous:	23,375.89	23,434.95	1,893.17	1,977.30	1,963.45	1,846.86	1,903.39
Interest on deposits:							
Members:	118,708.72	118,708.72	7,733.67	11,896.99	2,394.82	2,482.30	25,923.79
Other Federal Home Loan Banks	0	18,274.92	3,418.04	0	547.95	452.73	722.59
Assessment for expenses of FHLB Administration	350,000.00	350,000.00	28,301.49	45,988.55	30,549.87	24,411.21	38,592.56
Total operating charges	1,842,412.84	1,860,793.80	120,056.64	241,999.03	201,103.68	81,036.92	190,286.67
Net operating income	3,071,533.78	3,071,424.72	260,616.86	456,165.38	250,980.21	209,800.81	367,842.41
Add—Nonoperating income:							
Profit on sale of investments	719,294.45	719,294.45	266,876.33	43,413.52	62,864.41	26,744.92	22,516.19
Miscellaneous	801.13	910.19	6.80	351.34	0	0	28.25
Total nonoperating income	720,095.58	720,204.64	266,883.13	43,764.86	62,864.41	26,744.92	22,544.44
Less nonoperating charges:							
Furniture and equipment purchased	3,130.07	3,130.07	0	380.40	0	89.51	356.77
Loss on sale of investments	17,613.15	17,613.15	0	5,496.14	0	0	8,308.48
Total nonoperating charges	20,743.22	20,743.22	0	5,876.54	0	89.51	8,665.25
Net income	3,770,886.14	3,770,886.14	527,499.99	494,053.70	313,844.62	236,456.22	381,721.90
DETAIL OF COMPENSATION, TRAVEL, AND OTHER EXPENSES							
Compensation:							
Directors' fees	38,270.00	38,270.00	2,120.00	4,880.00	3,000.00	1,662.50	4,410.00
Officers' salaries	293,848.39	293,848.39	26,450.00	36,100.16	25,649.94	16,800.00	27,330.00
Counsel's compensation	34,981.02	3,350.00	3,350.00	3,500.00	4,150.06	4,001.00	4,001.00
Other salaries	216,861.40	216,861.40	7,456.10	32,404.65	43,194.72	16,012.20	30,590.05
Total compensation	583,960.81	583,960.81	39,376.10	76,884.81	73,994.72	34,474.70	66,331.05

[illegible]

EXHIBIT 20.—Federal Home Loan Banks—Statement of profit and loss for the fiscal year ended June 30, 1944—Continued

	Indianapolis	Chicago	Des Moines	Little Rock	Topeka	Portland	Los Angeles
Gross operating income:							
Interest earned on advances	\$158,060.50	\$244,693.05	\$123,752.03	\$82,921.57	\$96,363.79	\$35,980.97	\$263,485.40
Interest earned on investments	239,420.92	266,976.13	238,607.63	229,799.64	165,021.65	137,213.08	234,102.76
Interest earned on deposits—Other Federal Home Loan Banks	0	547.95	1,967.25	295.88	0	113.01	4,670.40
Gross operating income	417,481.42	515,517.13	364,326.91	313,017.09	261,415.44	173,316.06	507,258.56
Less operating charges:							
Compensation, travel, etc. (detail below)	58,302.36	81,641.29	56,085.93	63,574.08	54,755.55	46,456.15	76,981.15
Interest on debentures	56,778.81	34,197.53	51,667.98	21,312.64	11,056.71	13,709.29	94,550.62
Debiture expense:							
Concessions	5,591.18	3,365.41	4,919.08	2,102.05	1,114.22	1,404.34	9,881.33
Miscellaneous	1,966.42	1,919.51	1,961.78	2,101.13	1,876.38	1,899.74	2,180.82
Interest on deposits:							
Miscellaneous	19,669.32	27,744.20	6,669.38	966.93	1,528.49	1,111.01	10,587.82
Members	2,531.51	1,359.03	624.65	5,403.85	1,137.03	479.45	1,573.09
Other Federal Home Loan Banks	28,661.34	36,880.79	25,777.51	21,948.70	20,319.56	15,436.52	33,032.10
- Assessment for expenses of FHLB Administration							
Total operating charges	173,500.94	187,107.76	147,696.31	117,409.38	91,810.94	80,496.30	228,291.93
Net operating income	243,980.48	328,409.37	216,630.60	195,607.71	169,604.50	92,819.76	278,966.63
Add—Nonoperating income:							
Profit on sale of investments	46,532.18	58,505.33	18,554.83	73,836.01	425.99	37,910.89	61,093.65
Miscellaneous	124.46	8.54	43.84	0	0	290.00	56.96
Total nonoperating income	46,656.64	58,514.07	18,598.67	73,836.01	425.99	38,200.89	61,150.61
Less nonoperating charges:							
Furniture and equipment purchased	409.69	28.75	0	772.50	0	692.45	400.00
Loss on sale of investments	111.77	0	3,684.88	0	0	11.88	0
Total nonoperating charges	521.46	28.75	3,684.88	772.50	0	704.33	400.00
Net income	290,135.66	386,894.69	231,544.39	268,671.22	170,030.49	130,316.32	339,717.24
DETAIL OF COMPENSATION, TRAVEL, AND OTHER EXPENSES							
Compensation:							
Directors' fees	2,575.00	2,520.00	2,490.00	3,570.00	3,730.00	4,237.50	3,125.00
Officers' salaries	21,054.55	28,343.96	27,240.00	26,999.80	18,800.00	17,829.98	23,250.00
Counsel's compensation	3,000.00	4,999.96	2,230.00	1,350.00	3,000.00	1,800.00	3,000.00
Other salaries	13,907.30	14,364.98	7,985.00	11,377.62	13,623.88	6,766.23	19,178.67
Total compensation	40,536.85	50,228.90	39,945.00	43,297.42	39,153.88	30,633.71	49,153.67

Travel expense:					
Directors.....	1,905.79	1,632.40	2,377.06	4,775.47	3,268.14
Officers.....	2,106.39	1,838.95	2,413.49	1,563.60	1,503.63
Other.....	185.08	120.85	147.29	0	294.80
Total travel expense.....	4,287.40	3,592.20	4,937.84	6,729.07	5,018.42
Other expenses:					
Telephone and telegraph.....	1,633.38	1,407.37	954.08	2,154.34	849.51
Postage and express.....	1,980.19	2,395.37	1,105.99	2,075.96	1,105.99
Light, power, etc.....	615.24	1,681.80	255.93	951.04	1,132.25
Stationery, printing, and supplies.....	1,687.46	2,282.93	\$54.43	1,578.70	1,132.25
Insurance and surety bond premiums.....	1,230.18	1,481.83	1,093.39	1,197.56	1,596.23
Retirement fund expense.....	1,241.13	1,586.82	0	1,141.29	1,206.78
Rent, less rental charged Examining Division, FHLB Administration.....	3,930.00	11,700.00	4,680.00	3,000.00	4,200.00
Maintenance of office quarters and equipment.....	50.42	1.50	98.85	167.25	95.29
Examinations and analyses.....	0	2,536.66	0	0	978.89
Miscellaneous operating expense.....	1,210.05	2,801.91	2,160.43	1,281.45	2,031.36
Total other expenses.....	13,478.05	27,850.19	11,203.09	13,547.59	10,583.25
Total.....	58,302.36	81,641.29	56,085.93	63,574.08	54,755.55
					76,981.15

EXHIBIT 21.—Federal Savings and Loan Insurance Corporation—Number and assets of all insured associations, by Federal Home Loan Bank Districts and by States, June 30, 1943, and June 30, 1944

Federal Home Loan Bank District and State	All insured			Federal			Insured State		
	Number of associations		Assets	Number of associations		Assets	Number of associations		Assets
	June 30, 1943	June 30, 1944		June 30, 1943	June 30, 1944		June 30, 1943	June 30, 1944	
United States.....	2,428	2,461	\$3,880,999,000	1,468	1,465	\$2,426,079,000	960	996	\$1,454,920,000
No. 1—Boston.....	63	65	247,293,000	52	52	194,324,000	11	13	14,991,000
Connecticut.....	25	27	67,136,000	16	16	37,139,000	9	11	14,146,000
Maine.....	5	5	1,833,000	6	6	1,833,000	0	0	0
Massachusetts.....	26	26	136,386,000	26	26	136,386,000	0	0	0
New Hampshire.....	4	4	12,377,000	2	2	11,532,000	2	2	845,000
Rhode Island.....	1	1	2,324,000	1	1	2,324,000	0	0	0
Vermont.....	2	2	5,598,000	2	2	5,598,000	0	0	0
No. 2—New York.....	215	228	542,883,000	74	74	228,864,000	141	154	226,414,000
New Jersey.....	105	117	162,663,000	9	9	10,695,000	96	108	108,616,000
New York.....	110	111	380,200,000	65	65	218,159,000	45	46	116,798,000
No. 3—Pittsburgh.....	220	235	222,260,000	132	133	157,409,000	88	102	64,851,000
Delaware.....	1	1	393,000	1	1	393,000	0	0	0
Pennsylvania.....	193	208	197,900,000	109	110	136,396,000	84	98	61,504,000
West Virginia.....	26	26	23,967,000	22	22	20,620,000	4	4	3,347,000
No. 4—Winston-Salem.....	286	287	410,519,000	218	219	318,440,000	68	68	92,079,000
Alabama.....	26	25	21,277,000	18	17	15,224,000	8	8	2,712,000
District of Columbia.....	11	11	54,918,000	3	3	32,288,000	8	8	19,741,000
Florida.....	47	47	87,855,000	46	46	86,254,000	1	1	1,601,000
Georgia.....	49	49	60,376,000	45	45	40,732,000	4	4	7,731,000
Maryland.....	42	43	85,881,000	33	33	58,153,000	9	10	11,292,000
North Carolina.....	46	47	57,084,000	23	25	30,470,000	23	22	26,614,000
South Carolina.....	39	39	35,507,000	30	30	25,873,000	9	9	7,468,000
Virginia.....	26	26	48,692,000	20	20	33,682,000	6	6	14,920,000
No. 5—Cincinnati.....	341	340	736,992,000	214	214	399,735,000	127	126	337,257,000
Kentucky.....	58	57	75,662,000	55	54	81,533,000	3	3	1,918,000
Ohio.....	247	247	621,518,000	123	124	286,179,000	124	123	335,336,000
Tennessee.....	36	36	39,812,000	36	36	45,657,000	0	0	385,783,000

No. 6—Indianapolis.....	178	181	274,176,000	319,809,000	100	100	185,683,000	216,617,000	78	81	88,493,000	103,192,000
Indiana.....	133	136	171,583,000	198,354,000	69	69	120,320,000	138,410,000	64	67	51,263,000	59,944,000
Michigan.....	45	45	102,596,000	121,455,000	31	31	65,363,000	78,207,000	14	14	37,230,000	43,248,000
No. 7—Chicago.....	293	302	404,052,000	486,387,000	139	140	215,678,000	260,063,000	154	162	188,374,000	226,324,000
Illinois.....	206	213	303,703,000	375,622,000	100	100	181,495,000	221,150,000	106	113	122,208,000	153,912,000
Wisconsin.....	87	89	100,349,000	111,325,000	39	40	84,153,000	98,913,000	48	49	66,166,000	72,412,000
No. 8—Des Moines.....	160	157	220,844,000	269,527,000	112	109	104,933,000	196,039,000	48	48	55,911,000	63,468,000
Iowa.....	43	42	33,779,000	39,693,000	33	32	26,793,000	31,801,000	10	10	6,986,000	7,892,000
Minnesota.....	35	35	79,165,000	98,851,000	31	31	78,098,000	97,678,000	4	4	1,097,000	1,173,000
Missouri.....	68	66	96,834,000	108,226,000	38	36	54,313,000	60,064,000	30	30	42,521,000	48,162,000
North Dakota.....	8	8	8,045,000	9,570,000	6	6	3,818,000	4,585,000	2	2	4,227,000	4,985,000
South Dakota.....	6	6	3,021,000	3,187,000	4	4	1,941,000	1,931,000	2	2	1,080,000	1,256,000
No. 9—Little Rock.....	263	262	256,423,000	277,045,000	166	165	112,245,000	119,543,000	97	97	144,178,000	157,502,000
Arkansas.....	37	37	18,342,000	19,268,000	33	33	15,447,000	16,138,000	4	4	2,895,000	3,130,000
Louisiana.....	68	68	100,854,000	110,040,000	13	13	14,002,000	14,923,000	55	55	86,852,000	95,117,000
Mississippi.....	24	24	10,037,000	10,722,000	21	21	8,778,000	9,413,000	3	3	1,259,000	1,279,000
New Mexico.....	13	13	7,181,000	7,793,000	7	7	3,624,000	3,991,000	6	6	3,557,000	3,802,000
Texas.....	121	120	120,009,000	129,222,000	92	91	70,394,000	75,048,000	29	29	49,615,000	54,174,000
No. 10—Topeka.....	150	150	161,286,000	180,062,000	96	97	121,067,000	135,562,000	54	53	40,219,000	44,500,000
Colorado.....	31	31	35,181,000	38,409,000	23	23	27,058,000	30,086,000	8	8	8,123,000	8,323,000
Kansas.....	59	59	48,303,000	54,636,000	27	28	29,641,000	33,241,000	32	31	18,662,000	21,395,000
Nebraska.....	19	19	11,642,000	13,287,000	15	15	9,384,000	10,759,000	4	4	2,265,000	2,528,000
Oklahoma.....	41	41	66,160,000	73,730,000	31	31	54,934,000	61,476,000	10	10	11,176,000	12,254,000
No. 11—Portland.....	114	112	177,699,000	215,944,000	85	84	126,180,000	154,890,000	29	28	51,519,000	61,054,000
Idaho.....	8	8	9,527,000	12,645,000	8	8	9,527,000	12,645,000	0	0	0	0
Montana.....	10	10	12,510,000	13,845,000	3	3	1,340,000	1,340,000	7	7	11,283,000	12,505,000
Oregon.....	22	22	22,627,000	27,800,000	22	22	22,627,000	27,800,000	0	0	0	0
Utah.....	9	9	23,572,000	29,466,000	6	6	11,630,000	14,564,000	3	3	11,942,000	14,902,000
Washington.....	55	53	103,835,000	125,487,000	36	35	75,541,000	91,840,000	19	18	28,204,000	33,647,000
Wyoming.....	9	9	5,083,000	5,954,000	9	9	5,083,000	5,954,000	0	0	0	0
Alaska.....	1	1	545,000	747,000	1	1	545,000	747,000	0	0	0	0
No. 12—Los Angeles.....	145	142	352,165,000	439,385,000	80	78	201,531,000	288,643,000	65	64	150,634,000	170,742,000
Arizona.....	3	3	8,131,000	9,654,000	2	2	6,919,000	8,135,000	1	1	1,212,000	1,519,000
California.....	137	134	388,059,000	423,119,000	76	74	190,519,000	256,334,000	61	60	147,540,000	166,785,000
Nevada.....	1	1	1,109,000	1,109,000	1	1	904,000	1,109,000	0	0	0	0
Hawaii.....	4	4	5,071,000	5,503,000	1	1	3,189,000	3,065,000	3	3	1,882,000	2,438,000

Source: Division of Operating Statistics, Federal Home Loan Bank Administration.

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EXHIBIT 22.—Federal Savings and Loan Insurance Corporation—Statement of condition

	June 30, 1944	June 30, 1943
ASSETS		
Cash in U. S. Treasury:		
Special deposit account.....	\$950,478.02	\$961,578.82
Available for:		
Administrative expenses: ¹		
1942.....	2,571.95	2,443.91
1943.....	7,106.98	4,093.83
1944.....	30,472.25	0
Employees' bond allotment account.....	2,339.79	1,196.10
Withholding tax account.....	7,402.60	2,611.50
	1,000,371.59	971,924.16
Accounts receivable:		
Insurance premiums:		
Payments due.....	9,721.54	13,740.75
Payments deferred.....	1,167,313.19	1,025,363.71
Admission fees due.....	0	2,531.04
Due from receiver for institutions in liquidation.....	1,652.53	3,029.84
Liquidating dividends receivable on subrogated accounts in insured institutions.....	0	118.44
Miscellaneous.....	345.60	6,825.63
	1,179,032.86	1,051,609.41
Investments:		
United States Government obligations and securities fully guaranteed by United States (par value).....	146,782,000.00	137,062,500.00
Net unamortized premium and discount on investments.....	20,408.51	225,092.33
	146,802,408.51	137,287,592.33
Accrued interest on investments.....	181,977.89	110,861.49
Subrogated accounts in insured institutions in liquidation.....	3,169,558.02	4,556,070.06
Less allowance for losses.....	701,838.57	728,903.45
	2,467,719.45	3,827,166.61
Total assets.....	151,631,510.30	143,249,154.00
LIABILITIES AND CAPITAL		
Liabilities:		
Estimated expenses incurred and not billed at close of fiscal year.....	21,638.00	4,622.58
Employees' war savings bond allotments.....	2,339.79	1,196.10
Employees' withholding tax.....	7,402.60	2,611.50
Unsettled insurance claims.....	55.67	55.67
Undisbursed commitments for contributions to insured institutions.....	80,265.75	0
	111,701.81	8,485.85
Deferred income:		
Unearned insurance premiums.....	2,232,858.78	1,833,487.08
Prepaid insurance premiums.....	7,344.42	217.63
	2,240,203.20	1,833,704.71
Capital:		
Capital stock.....	100,000,000.00	100,000,000.00
Reserve fund as provided by law.....	22,279,605.29	17,406,963.44
(The Corporation estimates losses of \$2,515.33 (\$2,711.46) ¹ on insured accounts aggregating \$19,975.50 (\$21,020.71) ¹ in institutions in default, pending settlement or not claimed.)		
Special reserve for contingencies.....	27,000,000.00	24,000,000.00
	49,279,605.29	41,406,963.44
Total liabilities and capital.....	151,631,510.30	143,249,154.00

¹ As of June 30, 1943.

NOTE.—At June 30, 1943, a contingent liability of \$366,944.76 existed due to commitments in connection with the prevention of default in insured associations.

EXHIBIT 23.—Federal Savings and Loan Insurance Corporation—Income and expense statement

	July 1, 1943 through June 30, 1944	July 1, 1942 through June 30, 1943
Income:		
Insurance premiums earned	\$4,245,150.52	\$4,000,101.27
Admission fees earned	13,464.87	37,150.76
Interest earned on U. S. Government obligations and securities fully guaranteed by United States	3,277,125.47	3,556,880.66
Miscellaneous	6.20	19.65
	<u>7,535,747.06</u>	<u>7,594,152.34</u>
Administrative expenses:		
Personal services	177,572.08	175,376.68
Travel	3,453.79	3,221.63
Transportation of things	299.26	6.87
Communication services	4,770.46	3,527.08
Rents and utility services	23,389.58	0
Printing and binding	381.77	271.38
Other contractual services	5,244.30	10,059.82
Supplies and materials	594.44	707.50
Equipment	278.90	401.40
Services rendered by FHLBA	98,508.39	98,056.84
Services rendered by HOLC	106,189.01	0
Administrator's office, NHA	4,985.00	1,819.00
	<u>425,666.98</u>	<u>293,448.20</u>
Nonadministrative expenses:		
Personal services	25,438.77	31,957.68
Travel	632.11	845.39
Transportation of things	.60	14.73
Communication services	69.00	311.76
Printing and binding	0	263.64
Other contractual services	833.72	5,093.03
Supplies and materials	0	122.91
Equipment	0	32.00
	<u>26,974.20</u>	<u>38,641.14</u>
Net income from operations	<u>7,083,105.88</u>	<u>7,262,063.00</u>
Nonoperating charges and credits:		
Profit on sale of securities	1,133,887.93	2,069,779.08
Commission on sale of securities	0	8,281.25
	<u>1,133,887.93</u>	<u>2,061,497.83</u>
Net income for period	<u>8,216,993.81</u>	<u>9,323,560.83</u>
Adjustment of net income for prior years	764.48	152.83
Net income	<u>8,217,758.29</u>	<u>9,323,713.66</u>

RECONCILIATION OF RESERVES AND SURPLUS

Balance at beginning of fiscal year	\$41,406,963.44	\$32,665,904.50
Additions:		
Recoveries on contributions to insured institutions	39,643.16	71,378.18
Allocation of income to special reserve for contingencies	3,000,000.00	3,000,000.00
Allocation of income to reserve fund as provided by law	5,217,758.29	6,323,713.66
Adjustment of allowance for losses on subrogated shares	25,362.37	0
Adjustment applicable to unsettled insurance claims	0	.04
	<u>8,282,763.82</u>	<u>9,395,091.88</u>
Total	<u>49,689,727.26</u>	<u>42,060,996.38</u>
Deductions:		
Approved contributions to insured institutions	409,884.56	638,466.82
Allowance for losses on subrogated shares	182.40	15,536.93
Transfer to liability for unsettled insurance claims account	0	29.19
Charge-off of uncollectible accounts receivable	55.01	0
	<u>410,121.97</u>	<u>654,032.94</u>
Balance at end of fiscal year	<u>49,279,605.29</u>	<u>41,406,963.44</u>

EXHIBIT 24.—Federal Savings and Loan Insurance Corporation—Statements of condition and operation for insured institutions in receivership, June 30, 1944

FEDERAL ASSOCIATIONS

CONDENSED COMPARATIVE STATEMENTS OF CONDITION

	Security Federal Savings and Loan Association of Guymon, Guymon, Okla.		Community Federal Savings and Loan Association of Independence, Independence, Mo.		Actna Federal Savings and Loan Association, Topeka, Kans.		First Federal Savings and Loan Association of Oklahoma City, Okla.		Grand total, as of June 30, 1944
	Date of receivership, Feb. 12, 1940	As of June 30, 1944	Date of receivership, June 26, 1940	As of June 30, 1944	Date of receivership, Aug. 27, 1941	As of June 30, 1944	Date of receivership, Aug. 30, 1941	As of June 30, 1944	
ASSETS									
Mortgage loans.....	\$96,496.34		\$892,380.31	\$313,515.49	\$3,369,490.13	\$1,250,480.18	\$838,573.90	\$429,784.64	\$1,993,780.31
Share loans.....			12,427.73		14,110.99		4,056.87		
Real estate sold on contract.....	1,147.14		64,909.46	11,463.33	798,133.72	490,154.44	32,973.99	6,343.23	507,961.00
Real estate owned, includes office building.....	118,457.27		213,607.94	1,500.00	1,334,352.47	259,657.59	374,286.24	26,550.48	287,735.07
Cash and investments.....	8,697.00	\$7,162.57	62,429.44	74,310.25	309,115.93	345,023.88	99,664.33	95,731.59	522,228.29
Furniture, fixtures, and equipment.....	455.00			565.04	10,597.23	9,644.57	2,198.55	340.55	10,550.16
Other assets.....	28.00		9,794.88	2,352.43	8,012.03	1,932.15	2,381.35	2.00	4,286.58
Total.....	225,280.75	7,162.57	1,245,549.76	403,706.54	5,843,812.50	2,356,922.81	1,354,135.23	558,752.49	3,326,544.41
LIABILITIES AND CAPITAL									
Secured claims of creditors.....					527,459.59		336,380.44		2,183.10
Unsecured claims of creditors.....	14,236.01		274,730.50	226.91	13,740.80	236.14	9,278.50	1,720.05	160.26
Loans in process.....	364.48		2,276.69		101,856.79	49.92	706.09	110.34	2,935.86
Advance payments by borrowers.....			2,015.00		34,568.25		2,017.84		19,857.32
Other liabilities.....	1,684.20	12.00		2,935.56	48,880.42		15,425.91	9,998.85	3,849.45
Reserve for uncollected interest.....	1,880.39		7,244.71	1,998.52	10,622.67	2,026.16	873.18	350.61	119,006.24
Allowance for losses.....	48,916.59		101,472.59	1,472.68	1,072,622.67	107,161.85	66,858.58	10,410.72	1,352,010.10
Surplus.....	17,741.23	1,915.18	19,569.68	1,436.67	1,387,830.69	1,253,758.85	1,141,035.30	518,252.99	3,106,122.08
Shares purchased by F. S. & L. I. C.....		4,922.11		128,028.74		2,454,918.24		175,314.61	424,437.50
Other share account claims.....	165,940.31	313.28	877,369.95	210,368.21	4,972,173.39	38,441.40	1,063,629.99		
Total.....	225,280.75	7,162.57	1,245,549.76	403,706.54	5,843,812.50	2,356,922.81	1,354,135.23	558,752.49	3,326,544.41

CONDENSED STATEMENTS OF OPERATION

	Fiscal year ended June 30, 1944	Cumulative, Feb. 12, 1940, through June 30, 1944	Fiscal year ended June 30, 1944	Cumulative, June 26, 1940, through June 30, 1944	Fiscal year ended June 30, 1944	Cumulative, Aug. 27, 1941, through June 30, 1944	Fiscal year ended June 30, 1944	Cumulative Aug. 30, 1941, through June 30, 1944	* Gr. and total cumulative thru June 30, 1944
Gross income.....	-----	\$22,063.04	\$23,952.46	\$168,140.18	\$144,539.31	\$633,098.54	\$33,369.96	\$154,492.15	\$987,793.91
Less gross expense.....	-----	27,009.60	13,717.93	67,388.46	73,697.07	344,165.01	19,692.05	83,093.11	522,258.18
Net income.....	-----	4,453.44	10,234.53	100,751.72	70,842.24	288,933.53	13,667.91	71,397.04	465,535.73
Capital gains.....	-----	6,190.36	1,828.12	9,287.41	6,857.26	26,258.97	4,063.55	14,078.85	55,815.59
Less capital losses.....	-----	31,209.09	12,805.90	66,465.51	156,751.77	600,013.97	13,597.98	137,596.95	836,285.52
Net capital loss.....	-----	25,018.73	10,977.78	57,178.10	149,894.51	573,755.00	9,534.41	123,518.10	779,469.93

* Indicates red figures.

* Net loss (assets sold Mar. 15, 1943).

EXHIBIT 24.—Federal Savings and Loan Insurance Corporation—Statements of condition and operation for insured institutions in receivership, June 30, 1944—Con.**STATE ASSOCIATIONS****CONDENSED COMPARATIVE STATEMENTS OF CONDITION**

	Wapakoneta Building & Savings Co., Wapakoneta, Ohio	
	Date of receivership Sept. 15, 1941	As of June 30, 1944
ASSETS		
Mortgage loans.....	\$303,492.68	\$5,689.74
Share loans.....	700.00	
Real estate sold on contract.....	66,639.36	587.91
Real estate owned.....	51,712.85	
Cash and investments.....	44,402.98	53,683.71
Furniture, fixtures, and equipment.....	549.13	549.13
Other assets.....		
Total.....	467,497.00	60,510.49
LIABILITIES AND CAPITAL		
Secured claims of creditors.....	56,498.96	
Unsecured claims of creditors.....	1,926.22	
Loans in process.....	3,000.00	
Other liabilities.....	353.53	3.99
Surplus.....	130,026.22	14,855.19
Shares purchased by FS&LIC.....		63,435.94
Other share account claims.....	435,744.51	1,925.75
Total.....	467,497.00	60,510.49

CONDENSED STATEMENTS OF OPERATION

	Fiscal year ended June 30, 1944	Cumulative Sept. 15, 1941, through June 30, 1944
Gross income.....	\$3,511.36	\$25,965.82
Less gross expense.....	4,566.47	14,854.39
Net income.....	¹ 1,055.11	11,111.43

¹ Loss.

NOTE.—The Ohio State Building and Loan Department is the receiver for the above institution.

EXHIBIT 25.—Home Owners' Loan Corporation—Balance sheet as of June 30, 1944**ASSETS**

Mortgage loans, vendee accounts and advances, at present face value.....	\$1,220,105,824.06
Interest receivable.....	3,257,263.28
Property:	
Owned.....	\$34,889,758.01
In process of acquiring title.....	1,173,728.35
	¹ 36,063,486.36
Less reserve for losses.....	1,259,426,573.70
	26,431,418.82
Total.....	1,232,995,154.88
Investments, at cost:	
Federal Savings and Loan Insurance Corporation (entire capital)...	\$100,000,000.00
Savings and loan associations:	
Federal chartered.....	\$35,590,150.00
State chartered.....	10,939,100.00
	46,529,250.00
U. S. Treasury bonds (borrowers' special deposits), at face value...	15,000,000.00
	161,529,250.00
Bond Retirement Fund: Cash (including \$64,399,675 deposited with U. S. Treasury for retirement of matured bonds).....	64,437,840.11

¹ Property owned and property in process of acquiring title are stated at values represented by unpaid balances of loans and advances, unpaid interest to date of foreclosure sale or judgment; foreclosure costs; net charges prior to date of acquisition and permanent additions; initial repairs and reconditioning subsequent to acquisition. Unpaid interest included in these values amounts to \$1,638,746.08.

EXHIBIT 25.—Home Owners' Loan Corporation—Balance sheet as of June 30, 1944—
Continued

ASSETS—Continued

Cash:		
Operating funds (includes \$1,280,883.24 payable to Bond Retirement Fund in July 1944, and \$11,030,206.70 deposited by borrowers, employees, and NHA lessors (see contra))	\$34,307,195.97	
NHA homes conversion program, conversion fund (see contra)	18,709,433.47	
Special funds held by U. S. Treasury for payment of interest coupons (see contra)	1,360,707.74	
Special funds, Federal tax withheld (see contra)	288,838.40	
		\$54,666,175.58
Fixed assets:		
Home office land and building, at cost	2,987,819.93	
Furniture, fixtures, and equipment, at cost	1,800,303.98	
Total	4,788,123.91	
Less reserve for depreciation	2,225,880.04	
		2,562,243.87
Other assets:		
Accounts receivable	209,681.90	
Less reserve for uncollectible accounts receivable	31,231.53	
	178,450.37	
Mineral and oil rights	6.00	
		178,456.37
Deferred and unapplied charges:		
Unapplied property costs and expenses	47.00	
Miscellaneous	50,803.23	
		50,850.23
Total assets		1,516,419,971.04

LIABILITIES AND CAPITAL

Bonded indebtedness (guaranteed as to principal and interest by the United States, except \$148,500 of unpaid matured 4-percent bonds guaranteed as to interest only):		
Bonds outstanding, not matured ²	\$1,334,904,000.00	
Bonds matured—on which interest has ceased	64,399,675.00	
		1,399,303,675.00
Accounts payable:		
Interest due July 1, 1944, and prior thereto (see contra)	1,360,707.55	
Vouchers payable	1,924.69	
Insurance premiums	181,691.96	
Commissions to sales brokers	133,127.72	
Special deposits:		
By borrowers	24,782,051.51	
By employees	66,700.92	
Lessors' deposits, NHA, homes conversion program	1,181,454.27	
Federal tax withheld (see contra)	288,838.40	
Miscellaneous	122,606.38	
		28,119,103.40
Accrued liabilities:		
Accrued interest on bonded indebtedness	943,630.00	
Other accrued liabilities	165,862.81	
		1,109,492.81
Liability for special funds held: NHA, homes conversion program		18,709,433.47
Deferred and unapplied credits:		
Unamortized premium on bonds sold	594,740.73	
Miscellaneous	1,894,386.41	
		2,489,127.14
Reserves:		
Fidelity and casualties	525,469.20	
Fire and other hazards	250,000.00	
		775,469.20
Capital stock less deficit:		
Capital stock:		
Authorized, issued and outstanding	200,000,000.00	
Losses in excess of net earnings	³ \$106,879,441.96	
Reserve for future losses	⁴ 27,206,888.02	
	134,086,329.98	
		65,913,670.02
Total liabilities and capital		1,516,419,971.04

² Total bonded indebtedness shown includes unmatured bonds, which are guaranteed as to principal and interest by the United States, as follows:

1½-percent bonds due June 1, 1947	\$754,904,000
1-percent bonds due June 30, 1945	580,000,000

³ The figure shown above reflects the Corporation's actual losses sustained in the sale of its acquired properties; on mortgage loans and other losses; on fire and other hazards; and on fidelity and casualties in excess of its cumulative net earnings.

⁴ The reserve for losses is being accumulated at an annual rate which, on the basis of careful estimates, will approximate the total losses which may be sustained in the liquidation of mortgage loans, interest and property. The figure shown above reflects the reserves which have been provided to date for such future losses.

NOTE.—Except for property transactions which are recorded on a cash basis, major items of income and expense are recorded on an accrual basis. Therefore, no asset value has been recognized with respect to uncollected rentals or prepaid taxes, nor liability for accrued taxes.

EXHIBIT 26.—Home Owners' Loan Corporation—Statement of income and expense for the fiscal year 1944 .**Operating and other income:****Interest:**

Mortgage loans and advances.....	\$43,356,125.95
Vendee accounts and advances.....	16,820,511.02
Total.....	60,176,636.97
Special investments.....	417,611.80
Total.....	60,594,248.77
Property income.....	7,533,006.15
Dividends received from savings and loan associations.....	2,285,940.47
Miscellaneous.....	925,897.79
Total income.....	71,339,093.18

Operating and other expenses:

Interest on bonded indebtedness.....	32,172,656.68
Less amortization of premium on bonds sold.....	204,390.17
	31,968,266.51

Administrative and general expenses:

Administrative expenses:	
Current fiscal year.....	9,078,615.05
First preceding fiscal year.....	58,613.08
All other fiscal years.....	1,364.72
General expenses.....	219,651.01
Property expense.....	6,388,238.35
Total expenses.....	47,713,019.28

Net income before provision for losses which may be sustained in the liquidation of assets.....	23,626,073.90
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Provision for losses:

On mortgage loans, interest and property.....	40,000,000.00
For fidelity and casualties.....	30,583.37
For fire and other hazards.....	89,760.50
For uncollectible accounts receivable.....	12,902.76

Total.....	40,133,246.63
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Loss for fiscal year.....	16,507,172.73
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¹ Net credit.**EXHIBIT 27.—Home Owners' Loan Corporation—Statement of income and expense from the beginning of operations June 13, 1933, to June 30, 1944****Operating and other income:****Interest:**

Mortgage loans and advances.....	\$946,473,701.16
Vendee accounts and advances.....	80,011,162.20

	1,026,484,863.36
Special investments.....	649,099.83

Total.....	\$1,027,133,963.19
Property income.....	137,544,171.45
Dividends received, Federal Savings and Loan Insurance Corporation.....	3,035,326.09
Dividends received from savings and loan associations.....	42,350,351.00
Miscellaneous.....	5,282,425.85

Total.....	1,215,346,237.58
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Operating and other expenses:

Interest on bonded indebtedness.....	\$617,832,520.12
Less amortization of premium on bonds sold.....	1,024,125.70

	616,808,394.42
Amortization of discount on refunded bonds.....	7,147,710.28
Administrative and general expense.....	266,100,627.96
Property expense.....	111,825,225.35

1,001,881,958.01

Net income before provision for losses which may be sustained in the liquidation of assets.....

213,464,279.57

Provision for losses:

On mortgage loans, interest, and property (computed in accordance with Board resolution of Nov. 15, 1938).....	\$346,137,153.25
For fidelity and casualties.....	1,276,323.40
For fire and other hazards.....	867,493.00
For uncollectible accounts receivable.....	13,871.33

348,294,845.98

EXHIBIT 27.—*Home Owners' Loan Corporation—Statement of income and expense from the beginning of operations June 13, 1933, to June 30, 1944—Continued*

Loss for period June 13, 1933, to June 30, 1944.....		\$134,830,566.41
Add unlocated payments.....	\$33,780.04	
Less:		
Unidentified payments.....	\$13,819.43	
Repayments unallocated—unidentified difference.....	14,197.04	
	<u>28,016.47</u>	
		<u>5,763.57</u>
Deduct surplus adjustment, reserve against fire and other hazards.....		<u>134,836,329.98</u>
		<u>750,000.00</u>
Deficit at June 30, 1944.....		<u>134,086,329.98</u>

