

HOUSING AND HOME FINANCE AGENCY

HOME LOAN BANK BOARD

SUMMARY OF OPERATIONS FOR 1950

FEDERAL HOME LOAN BANK SYSTEM

FEDERAL SAVINGS AND LOAN  
INSURANCE CORPORATION

HOME OWNERS' LOAN CORPORATION



Washington, D. C.

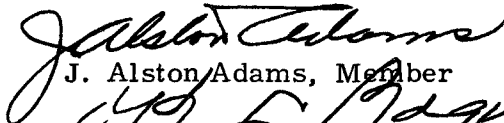
## FOREWORD

This "Summary of Operations for 1950" presents a review of the activities and accomplishments of the units of the Home Loan Bank Board, including the Federal Home Loan Bank System, the Federal Savings and Loan Insurance Corporation, and the Home Owners' Loan Corporation (in liquidation). In preparing this summary, the Board feels that the member institutions are interested in and are entitled to receive information of this nature while the data are current and of immediate significance.

In addition to these highlights of operation, the statement outlines briefly the changes that have occurred during the calendar year 1950 in the basic laws creating the units of the Home Loan Bank Board, which are the first substantial changes in many years. Although most of the legislative actions were effected in the latter half of the year, the beneficial effects already have been demonstrated in increased advantages to the units of the Board as well as to the member institutions and their savers.



William K. Divers, Chairman



J. Alston Adams, Member



O. K. LaRoque, Member

March, 1951.

HOME LOAN BANK BOARD

## FEDERAL HOME LOAN BANK SYSTEM

On December 31, 1950, the 3,930 member institutions of the Federal Home Loan Bank System, with assets of \$16,250,000,000, consisted of 3,894 savings and loan associations, 29 savings banks, and 7 insurance companies. This represents a net increase of 70 members during the year. At the close of the year, 34 applications for membership were pending.

Advances by the Federal Home Loan Banks during the year aggregated \$674,756,650 and repayments totaled \$292,229,082. At the close of the year there was a balance outstanding of \$815,956,718, the largest amount outstanding at any time since the System was created. Exhibit 1 presents a summary of the lending operations of the Banks, by years, through December 31, 1950.

At the close of 1950, 2,278 member institutions, or 58.0 percent of the total membership, were borrowers from the Federal Home Loan Banks, as compared with 1,799 member borrowers, or 46.6 percent, at the close of 1949. One non-member borrower was indebted to a Federal Home Loan Bank as of December 31, 1950.

Secured advances outstanding on December 31, 1950, reached a new high of \$567,972,508, representing the borrowings of 1,496 members and one non-member mortgagee and accounting for 69.6 percent of total advances outstanding. On the same date, unsecured advances to 1,053 members reached a new peak of \$247,984,210 and represented 30.4 percent of total advances outstanding.

An amendment to the Federal Home Loan Bank Act, approved June 27, 1950, and to become effective June 27, 1951, increases the capital stock requirement of each member of a Federal Home Loan Bank to an amount equal to at least 2 percent of the aggregate of the unpaid principal of its home mortgage loans, home-purchase contracts, and similar obligations, but not less than \$500. By December 31, 1950, Government-owned stock in the Banks had declined from the original investment of \$124,741,000 to \$56,021,900. Member-owned stock on the same date totaled \$182,546,500, representing 76.5 percent of the total paid-in capital stock at the close of 1950. (By February 28, 1951, all but \$10,000,000 of Government-owned stock--of two Federal Home Loan Banks--had been retired. It is anticipated that complete retirement of all Government-owned stock will be accomplished not later than July, 1951.)

The capital structure of the Federal Home Loan Banks as of December 31, 1950, and December 31, 1949, is presented in the following table:

	<u>December 31, 1950</u>	<u>December 31, 1949</u>
CAPITAL STOCK		
U. S. Government	\$ <u>56,021,900</u>	\$ <u>95,818,800</u>
Members:		
Stock subscribed	\$ 182,597,900	\$ 136,271,100
Less unpaid subscriptions	<u>51,400</u>	<u>31,850</u>
Total paid in by members	<u>182,546,500</u>	<u>136,239,250</u>
Total paid-in capital	\$ 238,568,400	\$ 232,058,050
SURPLUS		
Legal Reserve	14,476,647	13,184,046
Reserve for Contingencies	5,624,807	4,785,651
Undivided Profits	<u>9,801,851</u>	<u>9,026,884</u>
Total Surplus	\$ <u>29,903,305</u>	\$ <u>26,996,581</u>
Total Capital	<u>\$ 268,471,705</u>	<u>\$ 259,054,631</u>

During the calendar year 1950, four public offerings of consolidated obligations of the Federal Home Loan Banks were made totaling \$476,000,000, and four private sales aggregating \$261,000,000. Retirements during the same period totaled \$382,500,000. Consolidated obligations of the Banks outstanding on December 31, 1950, totaled \$560,000,000.

The Federal Home Loan Bank Act, by amendment approved June 27, 1950, authorizes the Secretary of the Treasury to purchase consolidated obligations of the Federal Home Loan Banks up to a total of \$1,000,000,000. No purchases of such obligations by the Secretary of the Treasury had been made through the close of 1950.

Deposits of members in the Federal Home Loan Banks decreased from \$267,112,161 at the close of 1949 to \$224,096,859 at the close of 1950. Of this total, members' time deposits accounted for \$183,967,090 and members' demand deposits accounted for \$40,129,769.

Interbank deposits were made during the year in the aggregate amount of \$121,500,000, while repayments totaled \$149,200,000, resulting in a balance outstanding on December 31, 1950, of \$1,000,000 compared with \$28,700,000 outstanding at the close of the previous year.

During 1950 the Banks purchased U. S. Government obligations having a par value in excess of \$500,000,000. Due to sales and maturities during the period, such obligations were reduced by December 31, 1950, to a face amount of \$197,435,500.

As will be seen from the consolidated statement of condition of the Federal Home Loan Banks as of December 31, 1950, and December 31, 1949, presented as Exhibit 2, total assets of the Banks rose from \$734,274,206 at the close of 1949 to \$1,058,458,393 a year later.

Gross operating income of the eleven Federal Home Loan Banks, as will be seen from the consolidated statement of income and expense of the Banks presented in Exhibit 3, increased by 15.3 percent during the year, advancing from \$13,426,355 in 1949, to \$15,479,472 in 1950. This was due principally to the upward trend in advances outstanding during the last half of 1950.

Total operating expenses of the Banks for the calendar year 1950 amounted to \$9,533,385 as compared with \$9,016,829 for 1949. Non-operating income totaled \$595,392 for 1950 and \$366,331 for 1949, while non-operating charges for the two years aggregated \$78,473 and \$17,875, respectively. Net income of the Banks for 1950 amounted to \$6,463,006, while net income for 1949 aggregated \$4,757,983, an increase of 35.8 percent. Net income for 1950 and cumulatively from the beginning of operations to December 31, 1950, was distributed as follows:

	Calendar Year 1950		October 1932 to December 31, 1950	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Dividends Paid:				
U. S. Government	\$ 956,010	14.8	\$26,113,670	36.4
Members	2,582,292	40.0	15,078,742	21.0
Retirement Fund - Prior Service	17,980	0.2	655,959	0.9
Legal Reserve	1,292,601	20.0	14,476,647	20.2
Contingent Reserve	839,156	13.0	5,624,807	7.8
Undivided Profits	774,967	12.0	9,801,851	13.7
Total Net Income	\$6,463,006	100.0	\$71,751,676	100.0

Dividend declarations by the Banks during the calendar year 1950, at rates ranging from 1 percent to 2-1/4 percent per annum, totaled \$3,538,302, which was shared by member institutions and the U. S. Government in the respective amounts of \$2,582,292 and \$956,010. Dividend declarations from the beginning of operations through December 31, 1950 aggregate \$41,192,412, of which the U. S. Government has received \$26,113,670 and member institutions have received \$15,078,742.

## FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

During the calendar year 1950 a new record was reached in the number of savings and loan associations offering insurance to their savers and investors through the Federal Savings and Loan Insurance Corporation. Insured associations at the close of the year totaled 2,860, of which 1,526 were Federal savings and loan associations for which insurance is mandatory, and 1,334 were State-chartered institutions for which insurance is optional. Total assets of these insured institutions on December 31, 1950, were \$13,691,000,000, representing 81 percent of the assets of all savings and loan associations in the country. Exhibit 4 shows the number and assets of insured associations, by States and Federal Home Loan Bank Districts, at the end of 1949 and 1950.

A total of 111 institutions with assets of \$388,192,000 qualified for insurance during 1950. In the same period, 7 institutions terminated their insurance, 4 by consolidation with other insured associations, 2 by voluntary dissolution, and 1 continued in operation. Under legislation enacted during the year, the provisions relating to voluntary and involuntary termination were equalized. An insured member is now required, whether its insurance is terminated by the Corporation or at its own request, to pay a two-year premium and, in exchange, the accounts of its savers which were insured at the time of termination will continue to be protected by the Corporation for a two-year period.

The cost of insurance to the institutions, also by legislative action during 1950, was reduced through a lowering of the annual premium paid by insured associations from  $\frac{1}{8}$  of 1% to  $\frac{1}{12}$  of 1% of the total amount of all accounts of their insured savers or investors plus creditor obligations. The new rate was retroactively made effective as of July 1, 1949.

The Federal Savings and Loan Insurance Corporation guarantees the safety of savings against any type of loss in each insured association up to \$10,000 for each saver or investor. Prior to September 21, 1950, the maximum insurance protection was \$5,000.

As a protection to the individual savers or investors in an insured association, the Corporation may act to prevent the default and liquidation of an insured association in difficulty by making a contribution or a loan to the association or by purchasing some or all of its assets. When an insured association is declared in default and is placed in liquidation, the Corporation

may pay the insured accounts in cash or may make other accounts in other operating insured institutions available to the savers of the association in liquidation. This method of settlement was a result also of legislation enacted during the year. Previously the individual was given the option of selecting, in settlement of his account, either an insured account in another institution or cash and debentures of the Corporation.

Assets of the 2,860 insured associations approximated \$13,691,000,000 on December 31, 1950, an increase of \$2,387,000,000, or 21 percent during the year. About \$11,188,000,000, or 82 percent of these assets, represented loans made on the security of first mortgages on homes. Another 14 percent consisted of cash and United States Government securities.

Loans made by insured associations reached a new high of \$4,352,000,000 during 1950, as compared with \$2,887,000,000 the year previous.

Savings capital increased \$1,662,000,000, or 17 percent during the year, to a total of \$11,374,000,000 on December 31, 1950.

Reserves and undivided profits continued to grow during 1950 and at the close of the year amounted to \$955,000,000.

Total assets of the Federal Savings and Loan Insurance Corporation at the close of 1950, as shown in Exhibit 5, amounted to \$199,592,517, of which 97 percent consisted of cash and U. S. Government securities.

Legislation enacted during the year provides that the Corporation begin the systematic retirement of its \$100,000,000 capital stock now held by the United States Treasury. Starting with the fiscal year ending June 30, 1951, the Corporation will retire capital stock in an amount equal to one-half of its income after expenses and losses. During 1950 the Corporation was also authorized to pay to the United States Treasury, in place of cumulative dividends on the capital stock, an amount equal to 2 percent simple interest per year on its capital stock since the Corporation was created. This amount was computed at \$28,981,112, after allowance for dividends previously paid. In the future, annual payments in lieu of dividends will be made by the Corporation on the average amount of its unretired capital stock at a rate to be determined by the Secretary of the Treasury.

Reserves of the Corporation at the close of 1950 totaled \$93,590,275, a drop of 17.3 percent from the previous year end. The decrease was largely the result of the payment made to the United States Treasury in lieu of ac-

cumulated dividends. This reserve for losses is equivalent to .79 percent of the Corporation's potential risk, which consists of the insured amount of all accounts of insured institutions plus their creditor obligations.

Legislation enacted during 1950 directed the United States Treasury to lend to the Corporation such funds as may be needed, up to \$750,000,000 outstanding at any one time. At the same time the Corporation's previous authority to borrow funds from other sources was revoked.

Gross operating income of the Corporation during 1950, as shown in Exhibit 6, amounted to \$13,209,008 as compared with \$13,831,555 during the previous year. The decrease resulted from the reduction in annual premiums paid by the insured member institutions and a reduction in income from investments because of payment to the United States Treasury of an amount in lieu of cumulative dividends on the capital stock of the Corporation.

Premium income during the year accounted for \$8,451,489 of gross operating income and interest income amounted to \$4,624,020. Admission fees from associations qualifying for insurance totaled \$134,337 during 1950.

Administrative expenses of the Corporation during 1950 amounted to \$579,963 as compared with \$599,512 the previous year.

## HOME OWNERS' LOAN CORPORATION

The Home Owners' Loan Corporation was created June 13, 1933, to grant long-term mortgage loans, at low interest rates, to home owners who, because of depression conditions, were faced with foreclosure and were unable to refinance their loans through normal channels.

During its three-year lending period which ended June 12, 1936, the Corporation loaned \$3,093,451,321 to refinance the mortgages of 1,017,821 home owners. Supplementary advances made for such items as taxes, insurance, maintenance, reconditioning, and acquisition costs increased this original investment by \$405,445,363, bringing the Corporation's gross cumulative investment at the close of 1950 to \$3,498,896,684.

Since 1936 the chief task of the Corporation has been the liquidation of its assets. At the end of the calendar year 1950, as summarized in the following table, most of the Corporation's assets had been liquidated:

Original amount loaned to 1,017,821 individuals.....	\$3,093,451,321.01
Subsequent advances .....	405,445,362.63
	<hr/>
Cumulative investment to December 31, 1950.....	3,498,896,683.64
Outstanding on December 31, 1950:	
Original loans and advances .....	\$6,718,367.97
Vendee accounts and advances .....	2,873,812.04
Loans in foreclosure.....	3,714.96
	<hr/>
Total outstanding.....	9,595,894.97
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Net reduction in mortgage and property assets (99.7%)	3,489,300,788.67
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The liquidation program of the Corporation has progressed in an orderly manner. Borrowers have been encouraged to pay their loans in full before maturity date, especially where loan balances have become small. In March 1948 a speed-up program of liquidation was launched in 20 States and the District of Columbia where loan portfolios were less than \$1.5 million. Borrowers were given opportunity to refinance their loans with local institutions of their own choice, but where such transfers were not made, the Corporation arranged with financial institutions within the general community to purchase the remaining accounts. By the close of 1949 the loan balances in these States and the District of Columbia had been reduced from an aggregate of \$15,726,130 to \$1,462,179.

In June 1949 a further program of liquidation acceleration was instituted designed to sell all remaining loans by publicly offering them for sale on a State-wide basis by bid and contract. This program extended to 29 States with total balances in about 160,000 accounts approximating \$277,000,000.

During 1950 the Corporation concluded the contracting for purchase of these accounts by savings and loan associations, mutual savings banks, trust companies, life insurance companies, and commercial banks. Deliveries of these accounts to the successful bidders continued to be made during the calendar year and by December 31, there remained undelivered 8,909 accounts with balances of \$9,592,180. From September 1, 1949, when the first purchase contract was closed, to December 31, 1950, the Corporation has received cumulative premiums of \$2,174,720 through sale of loans by contract.

Of the \$223,856,710 investment of the Corporation in the shares of nearly 1,500 savings and loan associations as a means of stimulating local financing of home loans, all but \$414,200 in five associations had been repaid by December 31, 1950. Dividends paid to the Corporation on these investments aggregated \$44,745,332.

In addition to its capital stock of \$200,000,000 originally subscribed by the United States Government, the Corporation issued for value bonds amounting to \$3,489,453,550. On January 27, 1950, the last of the bonds issued by the Corporation was retired, and at the close of the calendar year 1950, all of the capital stock had been retired and the United States Treasury repaid in full.

From the beginning of operations to December 31, 1950, as shown in Exhibit 7, the Corporation had a cumulative net income of \$352,247,062 before actual losses and provisions for future losses. Cumulative losses for the same period amounted to \$338,010,020, including losses on sale of properties amounting to \$336,544,274 and losses of \$1,465,746 from principal, interest and properties charged off, fire and other hazards, and fidelity and casualty losses. Accordingly, after deducting cumulative losses of \$338,010,020 and the balances in reserves and provision for future losses amounting to \$326,388 from the net income, the Corporation had a surplus of \$13,910,654 on December 31, 1950.

During the calendar year 1950, total income of the Corporation amounted to \$6,554,096 and total expenses amounted to \$1,838,059, leaving a net income of \$4,716,037. Losses during the year of \$12,116 resulted in a net profit of \$4,703,921. Premiums on the sale of loans accounted for \$1,897,496 of this profit. Exhibit 8 presents a statement of income and expense of the Corporation for the calendar year 1950.

## LIST OF EXHIBITS

1. Federal Home Loan Banks--Summary of Lending Operations, 1932-1950.
2. Federal Home Loan Banks--Consolidated Statement of Condition as of December 31, 1950, and December 31, 1949.
3. Federal Home Loan Banks--Consolidated Comparative Statement of Operations for the Calendar Years 1950 and 1949.
4. Federal Savings and Loan Insurance Corporation--Number and Assets of Insured Savings and Loan Associations, by Type, December 31, 1950, and December 31, 1949.
5. Federal Savings and Loan Insurance Corporation--Statement of Condition as of December 31, 1950, and December 31, 1949.
6. Federal Savings and Loan Insurance Corporation--Statement of Operations for the Calendar Years 1950 and 1949.
7. Home Owners' Loan Corporation--Statement of Income and Expense from the Beginning of Operations, June 13, 1933, to December 31, 1950.
8. Home Owners' Loan Corporation--Statement of Income and Expense for the Calendar Year 1950.

**For your convenience and ready reference, selected statistics concerning the Federal Home Loan Banks and the Federal Savings and Loan Insurance Corporation have been reproduced in the attached pocket - size information card.**

Selected Statistics  
Concerning the  
FEDERAL HOME LOAN BANKS

CONSOLIDATED INCOME AND EXPENSES CALENDAR YEAR 1950			
OPERATING INCOME		Amount	%
Int.on: Advances		\$10,524,968	68.0
Other Secur.		4,950,569	32.0
Other		3,915	--
Total		\$15,479,472	100.0
OPERATING EXPENSES			
Compensation		\$ 935,402	6.0
Travel		99,947	0.6
Con.Oblig.Costs		4,535,753	29.3
Int. on Deposits		3,136,586	20.3
Assess. for HLB		441,250	2.9
Other Adm. Exp.		384,437	2.5
Total		\$ 9,539,385	61.6
NET OPER. INCOME		\$ 5,946,087	38.4
Non-oper: Income		598,392	
Expense		-78,473	
NET INCOME		\$ 6,463,006	

CONSOLIDATED STATEMENT OF CONDITION DECEMBER 31, 1950		
ASSETS		
Cash		\$ 40,479,121
Invest: Bills & Notes		86,661,619
Bonds		113,662,202
*Advances		815,956,718
Other		2,708,733
Total Assets		\$1,058,458,393
LIABILITIES AND CAPITAL		
Deposits		\$ 224,363,709
Consolidated Oblig.		360,000,000
Other		5,622,979
Total Liabilities		\$ 789,986,688
Cap.Stk.: Orig.U.S.Gov.		124,741,000
Retired		68,719,100
Gov. Owned		56,021,900
Mem. 76.5%		182,646,500
Legal Reserve		14,476,647
Reserve for Conting.		6,624,807
Undivided Profits		9,801,851
Total Capital		\$ 268,471,705
Total Liab. & Capital		\$1,058,458,393
Borrowers		
Federals	No.	Amount
State: Insured	1,005	\$330,785,064
Non-Ins.	778	222,167,028
Insurance Co.	495(a)	57,273,251
Total	1	5,173,375
(a) Incl. 1 Nonmember	2,279(a)	\$815,956,718
*Unsecured	30.4%	\$ 47,500
		\$247,984,210

INTEREST RATES IN EFFECT January 1, 1951			
Bank	Advances	Deposits	
Boston	2.0-2.5	1.0*	
New York	2.25-2.5	1.5	
Pittsburgh	2.0-2.5	1.0*	
Greensboro	2.0	1.0-1.25*	
Cincinnati	2.25	1.0*	
Indianapolis	2.0-2.5	1.5	
Chicago	2.0-2.25-2.5	1.0*	
Des Moines	2.25	1.0*	
Little Rock	2.0	1.0	
Topeka	2.5	1.0*	
San Francisco	2.25	1.0*	
*Also 1 1/2% Certificates of Time Deposits - one year. Chicago Bank pays 1 1/2%.			
DISPOSITION OF NET INCOME through December 31, 1950			
Dividends Paid:	\$41,192,412	57.4%	
U. S. Gov't.	26,113,670	36.4	
Members	15,079,742	21.0	
Retirement Fund	865,969	0.9	
Legal Reserve	14,476,647	20.2	
Conting. Reserve	5,624,807	7.8	
Undivided Profits	9,801,851	13.7	
Total	\$71,761,676	100.0%	

STATEMENT OF CONDITION  
DECEMBER 31, 1960

ASSETS	
Cash	\$ 535,658
Accounts Receivable	2,237,095
Investments	192,627,632
Accr. Int. on Inv.	927,787
Ins. Accts. - Pending and Unclaimed	9,436
Assets Purchased from Ins. Inst.	3,193,318
Deferred Charges	61,591
Total	\$199,592,517

LIABILITIES AND CAPITAL	
Accounts Payable	\$ 1,079,393
Deferred Credits	4,922,848
Capital Stock	100,000,000
Legal Reserve	88,205,486
Unallocated Income	5,384,789
Total	\$199,592,517

INSURED ASSNS. NO.		ASSETS
Federal	1,526	\$ 8,457,000,000
State	1,332	5,224,000,000
Non-member	2	10,000,000
Total	2,860	\$13,681,000,000
Insured Share Liab.		\$11,173,000,000
No. of Private Inv.		8,100,000
Res. and Undivided Profits of Ins. Inst.		955,000,000
Average Size Ins. Inst.		4,787,000

Selected Statistics  
Concerning the  
FEDERAL SAVINGS AND LOAN  
INSURANCE CORPORATION

INCOME AND EXPENSE STATEMENT  
12 MONTHS ENDING DECEMBER 31, 1960

INCOME	
Insurance Premiums	\$ 8,451,488*
Admission Fees	134,337
Int. on Investments	4,624,020
Miscellaneous	-93
Total	\$13,209,753*

EXPENSES	
Administrative	\$ 579,963
Liquidation & Other	11,167
Depreciation	3,938
Insurance Losses	-352
Total	\$ 594,746

NET INCOME BEFORE ADJ.	12,615,007*
Adj. Prov. for Losses	132,155
Net Income Before Payment of Ret'n on Cap.	\$12,482,852*
Ret'n on Cap. Stock in Lieu of Dividends	2,009,000
NET INCOME	\$10,482,852*

\*Reflects estimated reduction 1/1 - 6/30/60 due to retroactive change in premium rate on 6/27/60 by Public Law No. 576, 81st Congress.

CUMULATIVE INCOME AND EXPENSE  
JUNE 27, 1934 TO DECEMBER 31, 1960

INCOME	
Insurance Premiums	\$ 73,602,724
Admission Fees	620,062
Int. on Investments	60,056,628
Profit - Sale of Sec.	3,674,248
Recoveries	475,797
Miscellaneous	12,983
Total	\$138,442,442

EXPENSES	
Administrative	\$ 5,714,763
Liquidation & Other	220,294
Depreciation	62,581
Insurance Losses	5,683,559
Miscellaneous	21,666
Total	\$ 11,702,863

NET INCOME BEFORE ADJ.	126,739,579
Adj. Prov. for Losses	132,656
Net Income Before Payment of Ret'n on Cap.	126,606,713
Ret'n on Cap. Stock	33,016,438
Legal Reserve	\$ 93,580,275

SOURCE OF INCOME		% TO TOTAL
Premiums and Fees		53.6
Interest		43.4
Other		3.0

APPLICATION OF INCOME		% TO TOTAL
Expenses		4.4
Insurance Losses (Net)		3.9
Return on Cap. Stock		23.9
Legal Reserve		67.8

**EXHIBIT 1**  
**FEDERAL HOME LOAN BANKS**  
 Summary of lending operations

	Year 1950		Balance Outstanding End of Year
	Advances	Repayments	
Boston	\$ 40,692,625.00	\$ 17,817,498.00	\$ 50,734,183.00
New York	94,558,300.03	28,636,671.60	96,152,751.26
Pittsburgh	44,675,800.00	19,050,960.00	62,377,945.00
Greensboro	66,120,500.00	34,825,017.34	90,082,389.31
Cincinnati	41,317,550.00	17,137,675.00	51,235,675.00
Indianapolis	34,850,718.75	12,585,478.90	53,513,189.96
Chicago	100,518,012.91	29,615,034.80	132,151,037.61
Des Moines	47,102,776.00	15,280,289.45	55,347,656.36
Little Rock	32,943,600.00	13,259,955.00	42,604,306.00
Topeka	30,596,097.00	12,742,172.50	39,650,216.47
San Francisco	141,380,670.00	91,278,329.14	142,107,367.85
<b>Total - Year 1950</b>	<b>\$ 674,756,649.69</b>	<b>\$ 292,229,081.73</b>	<b>\$815,956,717.82</b>
1949	255,662,641.50	337,249,580.83	433,429,149.86
1948	359,612,776.74	280,168,873.35	515,016,089.19
1947	351,079,350.99	208,961,931.93	435,572,185.80
1946	329,231,890.68	230,649,366.93	293,454,766.74
1945	277,748,276.84	213,438,982.95	194,872,242.99
1944	239,254,221.89	218,759,089.74	130,562,949.10
1943	156,925,588.93	176,070,303.60	110,067,816.95
1942	99,461,876.19	189,695,394.41	129,212,531.62
1941	157,600,420.85	139,646,335.38	219,446,049.84
1940	134,212,165.93	114,033,192.20	201,491,964.37
1939	94,780,586.64	112,310,034.15	181,312,990.64
1938	81,958,343.39	83,153,601.22	198,842,438.15
1937	123,251,172.91	68,440,498.13	200,037,695.98
1936	93,257,057.50	50,715,704.66	145,227,021.20
1935	59,130,068.56	43,046,971.39	102,685,668.36
1934	38,675,566.12	37,515,249.30	86,602,571.19
1933	90,032,164.49	5,427,410.12	85,442,254.37
1932	837,500.00	-0-	837,500.00
<b>Grand Total</b>	<b>\$3,617,468,319.84</b>	<b>\$2,801,511,602.02</b>	

## EXHIBIT 2

## FEDERAL HOME LOAN BANKS

Consolidated statement of condition as of Dec. 31, 1950 and 1949

	December 31, 1950	December 31, 1949
<b>Assets</b>		
<b>Cash:</b>		
On hand - including imprest funds.....	\$ 39,881.58	\$ 112,872.10
On deposit with:		
Treasurer of the United States.....	22,020,069.89	7,314,843.32
Commercial banks.....	18,419,169.32	15,951,168.70
Total cash.....	40,479,120.79	23,378,884.12
<b>Investments:</b>		
U. S. Treasury bills .....	33,450,748.68	6,886,093.41
Other U. S. Treasury obligations.....	165,863,072.85	268,082,257.55
Total investments.....	199,313,821.53	274,968,350.96
<b>Advances outstanding:</b>		
1 year or less .....	546,906,188.48	230,880,919.05
Amortized - 1 to 10 years.....	269,003,029.34	202,323,230.81
Total to members.....	815,909,217.82	433,204,149.86
Nonmember mortgage .....	47,500.00	225,000.00
Total advances outstanding.....	815,956,717.82	433,429,149.86
<b>Accrued interest receivable:</b>		
Investments .....	934,351.79	1,647,365.97
Advances.....	1,490,982.93	751,327.25
Total accrued interest receivable.....	2,425,334.72	2,398,693.22
<b>Deferred charges:</b>		
Prepaid consolidated obligations expense .....	214,328.61	69,056.43
Prepaid surety bond premiums .....	4,367.65	6,591.72
Other prepaid expenses .....	53,047.74	7,666.18
Total deferred charges .....	271,744.00	83,314.33
<b>Other assets:</b>		
U. S. Savings bonds redeemed.....	3,082.03	2,948.21
Accounts receivable.....	8,561.11	12,854.75
Furniture and equipment.....	11.00	11.00
Total other assets.....	11,654.14	15,813.96
<b>Total assets.....</b>	<b>1,058,458,393.00</b>	<b>734,274,206.45</b>
<b>Liabilities and Capital</b>		
<b>Liabilities:</b>		
<b>Deposits:</b>		
Members-time .....	183,967,090.18	231,677,602.61
Members-demand .....	40,129,769.01	35,434,558.70
Government instrumentalities-demand.....	180,000.00	-0-
Applicants for membership.....	86,850.00	147,550.00
Total deposits .....	224,363,709.19	267,259,711.31
<b>Accrued interest payable:</b>		
Deposits - members' time .....	620,498.42	717,190.09
Consolidated obligations .....	2,807,541.90	1,242,975.67
Total accrued interest payable.....	3,428,040.32	1,960,165.76
<b>Dividends payable:</b>		
Member institutions.....	1,415,374.66	1,087,133.43
U. S. Treasury .....	465,233.50	681,879.25
Total dividends payable.....	1,880,608.16	1,769,012.68
<b>Accounts payable .....</b>	<b>314,330.05</b>	<b>5,685.99</b>
<b>Consolidated obligations (net) <sup>1/</sup>.....</b>	<b>560,000,000.00</b>	<b>204,225,000.00</b>
<b>Total liabilities .....</b>	<b>789,986,687.72</b>	<b>475,219,575.74</b>

<sup>1/</sup> Consolidated Federal Home Loan Bank obligations issued by the Home Loan Bank Board are the joint and several obligations of all Federal Home Loan Banks and are not guaranteed by the United States nor by any agency thereof.

## EXHIBIT 2

## FEDERAL HOME LOAN BANKS

Consolidated statement of condition as of Dec. 31, 1950 and 1949 -contd.

	December 31, 1950	December 31, 1949
<b>Liabilities and Capital--continued</b>		
<b>Capital:</b>		
Capital stock outstanding (par):		
Members (fully paid) .....	182,494,800.00	136,182,900.00
Members (partially paid) .....	103,100.00	88,200.00
Total member subscriptions .....	182,597,900.00	136,271,100.00
Less: Unpaid subscriptions .....	51,400.00	31,850.00
Total paid in by members .....	182,546,500.00	136,239,250.00
U. S. Government subscriptions (fully paid) .....	56,021,900.00	95,818,800.00
Total paid in on capital stock .....	238,568,400.00	232,058,050.00
<b>Surplus-earned:</b>		
Legal reserve .....	14,476,647.07	13,184,045.91
Reserve for contingencies .....	5,624,806.68	4,785,650.60
Total surplus reserves .....	20,101,453.75	17,969,696.51
Undivided profits .....	9,801,851.53	9,026,884.20
Total earned surplus .....	29,903,305.28	26,996,580.71
Total capital .....	268,471,705.28	259,054,630.71
<b>Total liabilities and capital .....</b>	<b>1,058,458,393.00</b>	<b>734,274,206.45</b>

## EXHIBIT 3

## FEDERAL HOME LOAN BANKS

Consolidated statement of operations for the calendar years 1950 and 1949

	Year ended December 31, 1950	Year ended December 31, 1949
<b>Earned operating income:</b>		
Interest on advances.....	\$10,524,968.23	\$ 7,608,097.09
Interest on securities.....	4,950,588.99	5,815,223.81
Miscellaneous .....	3,915.18	3,034.48
Total earned operating income.....	15,479,472.40	13,426,355.38
<b>Operating expenses:</b>		
Compensation, travel and other expenses.....	1,412,834.91	1,276,097.79
Interest on consolidated obligations.....	4,233,301.61	4,417,690.97
Consolidated obligations expense--concessions.....	253,085.01	273,150.58
Paid through office of fiscal agent.....	49,366.32	49,872.03
Interest on members' deposits.....	3,136,596.14	2,536,858.69
GAO audit expense .....	6,951.47	20,729.74
Assessment for expenses of HLB Board .....	441,250.00	442,429.29
Total operating expenses.....	9,533,385.46	9,016,829.09
Net operating income .....	5,946,086.94	4,409,526.29
<b>Nonoperating income:</b>		
Profit-sales of securities.....	590,569.45	286,571.48
Assessment credit .....	-0-	78,679.29
Furniture and equipment sales.....	4,748.96	333.99
Miscellaneous .....	73.61	746.29
Total nonoperating income.....	595,392.02	366,331.05
<b>Nonoperating charges:</b>		
Loss-sales of securities.....	28,260.40	4,579.32
Furniture and equipment purchased .....	50,212.72	13,295.35
Total nonoperating charges.....	78,473.12	17,874.67
Net income .....	6,463,005.84	4,757,982.67

## DETAIL OF COMPENSATION, TRAVEL, AND OTHER EXPENSES

<b>Compensation:</b>		
Directors' fees .....	60,680.00	57,625.00
Officers' salaries.....	487,288.22	435,306.35
Counsels' compensation.....	71,198.68	69,001.81
Other salaries.....	316,235.23	287,107.44
Total compensation.....	935,402.13	849,040.60
<b>Travel expense:</b>		
Directors .....	56,955.51	52,953.24
Officers.....	32,958.49	33,507.61
Counsel and others.....	6,695.43	9,589.64
Maintenance and operation costs of automobile .....	3,337.19	3,989.75
Total travel expense.....	99,946.62	100,040.24
<b>Other expenses:</b>		
Retirement fund contribution .....	79,599.12	64,973.19
Telephone and telegraph .....	29,561.50	26,070.30
Postage and expressage.....	21,033.09	20,363.87
Stationery, printing and other office supplies.....	35,587.90	31,358.31
Rent of banking quarters (net).....	95,361.31	91,030.75
Maintenance of banking quarters and equipment.....	27,700.38	13,214.00
Services of HLBB's examining division.....	4,835.15	4,164.28
Safekeeping and protection services.....	2,714.52	2,529.60
Insurance and surety bond premiums.....	18,735.65	16,671.49
Reports and other publications.....	7,588.41	6,966.94
Stockholders' annual meeting expenses .....	22,357.03	17,556.23
Dues and subscriptions .....	16,492.21	15,236.81
Public relations expense.....	11,298.46	13,240.08
Miscellaneous operating expenses.....	4,621.43	3,641.10
Total other expenses.....	377,486.16	327,016.95
Total compensation, travel and other expenses ...	1,412,834.91	1,276,097.79

# EXHIBIT 4

## FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Number and assets of insured savings and loan associations, by type,  
December 31, 1950 and 1949  
(Dollar amounts shown in thousands)

	All Insured				Federal				Insured State			
	1950		1949		1950		1949		1950		1949	
	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets
United States .....	2,860	\$13,691,410	2,756	\$11,304,868	1,526	\$8,457,420	1,508	\$7,107,202	1,334	\$5,233,990	1,248	\$4,197,666
District No. 1--Boston.....	72	678,847	71	533,544	53	530,136	53	464,090	19	148,711	18	69,454
Connecticut.....	32	207,392	31	179,189	17	153,424	17	132,916	15	53,968	14	46,273
Maine.....	5	7,823	5	7,094	5	7,823	5	7,094	-0-	-0-	-0-	-0-
Massachusetts.....	27	323,991	27	285,737	26	317,304	26	279,534	1	6,687	1	6,203
New Hampshire.....	3	27,378	4	23,732	2	26,729	2	22,092	1	649	2	1,640
Rhode Island.....	3	98,318	2	25,665	1	10,911	1	10,327	2	87,407	1	15,338
Vermont.....	2	13,945	2	12,127	2	13,945	2	12,127	-0-	-0-	-0-	-0-
District No. 2--New York.....	307	1,829,383	288	1,514,402	85	894,882	85	750,067	222	934,501	203	764,335
New Jersey.....	148	571,157	140	465,901	18	68,718	18	56,974	130	502,439	122	408,927
New York.....	158	1,254,472	147	1,046,711	66	822,410	66	691,303	92	432,062	81	355,408
Puerto Rico.....	1	3,754	1	1,790	1	3,754	1	1,790	-0-	-0-	-0-	-0-
District No. 3--Pittsburgh.....	265	860,212	262	717,774	142	570,920	138	468,633	123	289,292	124	249,141
Delaware.....	2	2,154	1	1,655	2	2,154	1	1,655	-0-	-0-	-0-	-0-
Pennsylvania.....	238	800,865	236	665,444	119	519,779	116	423,693	119	281,086	120	241,751
West Virginia.....	25	57,193	25	50,675	21	48,987	21	43,285	4	8,206	4	7,390
District No. 4--Greensboro.....	375	1,839,315	353	1,348,905	251	1,272,514	242	1,056,923	124	566,801	111	291,982
Alabama.....	28	69,034	28	58,040	20	57,037	20	47,890	8	11,957	8	10,150
District of Columbia.....	22	371,495	17	141,939	9	91,601	8	78,516	13	279,894	9	63,423
Florida.....	53	373,973	51	312,583	51	369,913	50	309,620	2	4,060	1	2,963
Georgia.....	61	241,467	59	200,845	56	231,226	53	191,180	5	10,241	6	9,665
Maryland.....	45	268,253	43	208,445	33	206,008	32	160,734	12	62,245	11	47,711
North Carolina.....	87	246,412	77	197,876	29	118,431	27	100,087	58	127,981	50	97,789
South Carolina.....	47	128,732	47	107,162	32	99,076	32	82,887	15	29,656	15	24,275
Virginia.....	32	139,929	31	122,015	21	99,162	20	86,009	11	40,767	11	36,006
District No. 5--Cincinnati.....	366	1,934,833	363	1,738,420	222	1,128,439	221	1,008,839	144	806,394	142	729,581
Kentucky.....	56	185,389	56	170,174	54	181,116	54	166,009	2	4,273	2	4,165
Ohio.....	273	1,591,512	270	1,435,681	132	790,285	131	710,845	141	801,227	139	724,836
Tennessee.....	37	157,932	37	132,565	36	157,038	36	131,985	1	894	1	580
District No. 6--Indianapolis.....	191	799,716	187	691,488	104	593,595	102	478,729	87	206,121	85	212,759
Indiana.....	142	466,513	140	412,828	70	318,481	69	278,096	72	148,032	71	134,732
Michigan.....	49	333,203	47	278,660	34	275,114	33	200,633	15	58,089	14	78,027

## EXHIBIT 4

## FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Number and assets of insured savings and loan associations, by type,  
December 31, 1950 and 1949 -contd.

(Dollar amounts shown in thousands)

	All Insured						Federal						Insured State					
	1950			1949			1950			1949			1950			1949		
	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets		
District No. 7--Chicago.....	384	1,636,322	356	1,322,304	144	868,911	143	704,177	240	767,411	213	618,127						
Illinois.....	280	1,313,098	258	1,056,213	104	749,640	103	607,692	176	563,458	155	448,521						
Wisconsin.....	104	323,224	98	266,091	40	119,271	40	96,485	64	203,953	58	199,606						
District No. 8--Des Moines.....	173	758,455	165	630,502	107	559,095	106	470,552	66	199,360	59	189,950						
Iowa.....	45	125,881	43	98,478	32	94,740	32	78,601	13	31,141	11	20,877						
Minnesota.....	37	300,115	36	244,740	30	285,306	30	238,241	7	14,809	6	6,499						
Missouri.....	78	292,851	73	252,415	35	155,975	34	134,588	43	136,876	39	117,827						
North Dakota.....	7	28,620	7	24,926	6	15,685	6	13,172	1	12,935	1	11,784						
South Dakota.....	6	10,988	6	8,943	4	7,389	4	5,950	2	3,599	2	2,993						
District No. 9--Little Rock.....	281	778,914	275	652,332	160	358,338	159	296,837	121	420,576	116	395,495						
Arkansas.....	39	65,446	38	55,368	35	56,808	34	47,459	4	8,938	4	7,909						
Louisiana.....	72	250,677	72	216,874	14	42,486	14	33,936	58	208,191	58	182,938						
Mississippi.....	26	45,573	25	37,479	21	38,497	20	32,110	5	7,076	5	5,369						
New Mexico.....	14	32,867	14	25,839	7	21,606	7	16,445	7	11,261	7	9,394						
Texas.....	130	384,351	126	316,772	83	198,941	84	166,887	47	185,410	42	149,865						
District No. 10--Topeka.....	169	530,653	164	451,598	97	377,163	97	327,146	72	153,480	67	124,452						
Colorado.....	39	140,383	38	117,056	23	98,335	23	83,797	16	42,048	15	33,589						
Kansas.....	65	163,484	62	134,879	28	96,589	28	81,705	37	66,895	34	63,174						
Nebraska.....	20	32,101	19	27,434	15	25,544	15	22,022	5	6,557	4	5,412						
Oklahoma.....	45	194,685	45	172,229	31	156,695	31	139,622	14	37,990	14	32,607						
District No. 11--San Francisco ..	277	2,044,760	272	1,703,599	161	1,303,427	162	1,081,209	116	741,333	110	622,390						
Alaska.....	1	1,804	1	1,674	1	1,804	1	1,674	-0-	-0-	-0-	-0-						
Arizona.....	4	36,360	3	30,512	2	27,511	2	22,847	2	10,849	1	7,865						
California.....	156	1,438,914	151	1,184,100	74	865,195	74	708,190	82	573,719	77	475,910						
Hawaii.....	4	13,118	4	11,211	1	7,732	1	6,584	3	5,386	3	4,627						
Idaho.....	8	38,500	8	34,518	8	38,500	8	34,518	-0-	-0-	-0-	-0-						
Montana.....	10	29,777	10	26,366	3	4,855	3	4,309	7	24,922	7	22,057						
Nevada.....	1	5,667	1	5,152	1	5,667	1	5,152	-0-	-0-	-0-	-0-						
Oregon.....	21	82,613	21	68,205	21	82,613	21	68,205	-0-	-0-	-0-	-0-						
Utah.....	10	72,363	10	58,542	6	34,714	6	26,028	4	37,649	4	32,514						
Washington.....	53	305,213	54	267,472	35	216,405	36	188,055	18	88,808	18	79,417						
Wyoming.....	9	18,431	9	15,847	9	18,431	9	15,847	-0-	-0-	-0-	-0-						

## EXHIBIT 5

## FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Statement of condition as of December 31, 1950 and 1949

	December 31, 1950	December 31, 1949
<b>ASSETS</b>		
Cash .....	\$ 535,657.47	\$ 551,245.92
Accounts receivable:		
Insurance premiums - payments due .....	117,549.52	134,451.30
Insurance premiums - payments deferred.....	2,116,669.61	907,884.84*
Admission fees receivable .....	2,106.72	2,299.22
Advances for traveling expenses.....	300.00	-0-
Due from governmental agencies.....	469.49	64.20
Miscellaneous .....	-0-	875.43
Total.....	2,237,095.34	1,045,574.99*
Investments:		
U. S. Government securities (par value).....	192,612,000.00	213,962,000.00
Unamortized premium on investments.....	15,632.39	16,568.15
Total.....	192,627,632.39	213,978,568.15
Accrued interest on investments.....	927,787.27	1,117,765.53
Pending and unclaimed insured accounts in liquidated institutions.....	10,146.38	10,146.38
Less: Allowance for losses.....	710.35	710.35
Total.....	9,436.03	9,436.03
Assets purchased from insured institutions to prevent default.....	3,325,473.08	-0-
Less: Allowance for losses.....	132,155.25	-0-
Total.....	3,193,317.83	-0-
Furniture, fixtures and equipment.....	53,960.38	50,981.32
Less: Reserve for depreciation.....	53,960.38	50,981.32
Total.....	-0-	-0-
Deferred charges:		
Home Loan Bank Board.....	61,590.48	71,879.65
Fidelity bond and other insurance premiums ...	-0-	463.64
Preliminary expenses on problem cases.....	-0-	2,924.38
Total.....	61,590.48	75,267.67
Total assets .....	199,592,516.81	216,777,858.29*
<b>LIABILITIES AND CAPITAL</b>		
Liabilities:		
Accounts payable.....	-0-	151.42
Accrued liabilities .....	29,977.38	30,932.28
Accrued payments in lieu of dividends on capital stock .....	1,000,000.00	-0-
Deductions from employees' salaries.....	15,921.23	13,861.15
Funds held in escrow.....	12,227.15	-0-
Pending and unclaimed insured accounts in liquidated institutions .....	10,146.38	10,146.38
Custodial funds - receiverships.....	11,120.29	11,115.01
Total.....	1,079,392.43	66,206.24
Deferred credits:		
Unearned insurance premiums .....	4,576,185.89	3,807,041.75*
Prepaid insurance premiums.....	346,088.75	1,816,037.46*
Unapplied collections.....	574.79	37.25
Total.....	4,922,849.43	5,623,116.46*
Capital:		
Capital stock .....	100,000,000.00	100,000,000.00
Reserve fund as provided by law.....	88,205,486.31	105,194,656.22*
Unallocated income.....	5,384,788.64	5,893,879.37*
Total.....	93,590,274.95	111,088,535.59*
Total liabilities and capital.....	199,592,516.81	216,777,858.29*

\* Adjusted to reflect the effect of estimated changes due to retroactive reduction of premium rate on June 27, 1950, by Public Law No. 576, 81st Congress.

## EXHIBIT 6

## FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

## Statement of operations for the calendar years 1950 and 1949

	January 1, 1950 through December 31, 1950	January 1, 1949 through December 31, 1949
Operating income:		
Insurance premiums earned.....	\$ 8,451,489.07*	\$ 9,068,881.53*
Admission fees earned.....	134,337.32	79,686.72
Interest earned on U. S. Government securities...	4,624,019.70	4,677,631.44
Miscellaneous .....	837.78 (-)	5,355.78
Total operating income.....	13,209,008.31*	13,831,555.47*
Operating expenses and losses:		
Administrative expenses.....	579,963.34	599,511.94
Liquidation and other expenses .....	11,166.55	10,912.96
Depreciation of furniture, fixtures and equipment..	3,937.86	5,003.60
Losses on subrogated accounts .....	321.86 (-)	278,372.19
Total operating expenses and losses.....	594,745.89	893,800.69
Net income from operations .....	12,614,262.42*	12,937,754.78*
Nonoperating income:		
Profit on sale of securities.....	-0-	190,843.77
Sale of furniture, fixtures and equipment .....	744.40	6,441.02
Miscellaneous .....	.06	-0-
Total nonoperating income.....	744.46	197,284.79
Nonoperating charges: Commission on securities....	-0-	390.63
Net income before adjustment of valuation reserves.....	12,615,006.88*	13,134,648.94*
Adjustment of valuation reserves:		
Provision for losses on subrogated accounts in insured institutions in liquidation.....	-0-	280,025.28
Provision for losses on assets purchased from insured institutions .....	132,155.25 (-)	-0-
Provision for losses on pending and unclaimed insured accounts in liquidated institutions .....	-0-	8.26
Net adjustment of valuation reserves .....	132,155.25 (-)	280,033.54
Net income before payment of return on capital stock.....	12,482,851.63*	13,414,682.48*
Provision for return on capital stock in lieu of dividends.....	2,000,000.00	-0-
Net income .....	10,482,851.63*	13,414,682.48*

\* Reflects estimated reduction due to retroactive change in premium rate on June 27, 1950, by Public Law No. 576, 81st Congress.

## EXHIBIT 7

## HOME OWNERS' LOAN CORPORATION

## Statement of income and expense from beginning of operations,

June 13, 1933, to December 31, 1950

## Operating and other income:

## Interest:

Mortgage loans and advances .	\$1,055,754,663.78	
Vendee accounts and advances.....	<u>136,207,716.91</u>	
	1,191,962,380.69	
Special investments.....	<u>1,417,726.52</u>	\$1,193,380,107.21

Property income.....	138,645,668.78	
Dividends received--F.S. & L. I. C.....	28,217,076.07	
Dividends on investments in savings and loan associations.....	44,745,331.53	
Premium on sale of loans.....	2,177,343.29	
Miscellaneous .....	<u>9,768,731.01</u>	
	1,416,934,257.89	

## Operating and other expenses:

Interest on bonded indebtedness..	655,209,292.74	
Less: Premium on bonds sold...	<u>1,618,866.43</u>	
	653,590,426.31	
Discount on refunded bonds.....	7,147,710.28	
Administrative expenses.....	272,410,223.84	
General expenses .....	18,712,108.35	
Property expense .....	<u>112,826,726.95</u>	1,064,687,195.73

Net income before provision for losses which may be sustained in the liquidation of assets .....	352,247,062.16
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## Losses and provision for losses:

On mortgage loans, interest and property.....	349,737,153.25	
For fidelity and casualties .....	1,372,053.31	
For fire and other hazards.....	881,252.50	
For uncollectible accounts receivable .....	<u>75,944.89</u>	
Total provision for losses....	352,066,403.95	
Losses on investments.....	<u>34,264.80*</u>	
Total losses and provision for losses.....	352,100,668.75	

Net income after losses and provision for losses for period June 13, 1933 to December 31, 1950 .....	146,393.41
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Add: Surplus adjustments--reserve against fire and other hazards, reserve for losses on mortgage loans, interest and property and unlocated payments (net).....	<u>13,764,260.90</u>
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Surplus at December 31, 1950.....	<u>13,910,654.31</u>
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\* Excess liquidating dividends of \$31,080.61 included in income "Dividends on investments in savings and loan associations".

## EXHIBIT 8

HOME OWNERS' LOAN CORPORATION  
Statement of income and expense for calendar year 1950

## Operating and other income:

## Interest:

Mortgage loans and advances .....	\$ 2,955,181.38
Vendee accounts and advances .....	1,478,607.92

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4,433,789.30

Special investments.....	42,756.87
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Total..... 4,476,546.17

Property income.....	-0-
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Dividends received from savings and loan associations...	13,454.25
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Premiums on sale of loans.....	1,897,495.86
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Miscellaneous .....	166,599.91
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Total income..... 6,554,096.19

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## Operating and other expenses:

Interest on bonded indebtedness.....	17,368.78
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Administrative expenses.....	1,783,484.87
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General expenses .....	36,693.51
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Property expense .....	511.90
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Total expense..... 1,838,059.06

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

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4,716,037.13

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## Provision for losses:

On mortgage loans, interest and property.....	-0-
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For fidelity and casualties .....	275.00
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For fire and other hazards.....	-0-
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For uncollectible accounts receivable .....	8,134.11
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Total provision for losses..... 8,409.11

Losses on investments in savings and loan associations ..	3,707.32*
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Total losses .....

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12,116.43

Net income for calendar year after provision for losses..... 4,703,920.70

Add: Surplus adjustments--reserve against fire and other hazards, reserve for losses on mortgage loans, interest and property and unlocated payments (net) .....	415,433.26
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Surplus at December 31, 1949..... 8,791,300.35

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Surplus at December 31, 1950..... 13,910,654.31

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\* Excess liquidating dividends of \$31,080.61 included in income "Dividends on  
investments in savings and loan associations"--Exhibit 7.