

HOUSING AND HOME FINANCE AGENCY

HOME LOAN BANK BOARD

SUMMARY OF OPERATIONS FOR 1951

FEDERAL HOME LOAN BANK SYSTEM

FEDERAL SAVINGS AND LOAN
INSURANCE CORPORATION

HOME OWNERS' LOAN CORPORATION



Washington, D. C.

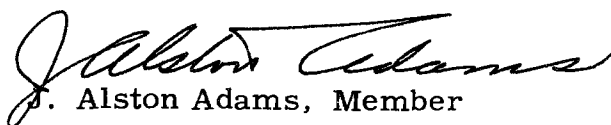
FOREWORD

The Home Loan Bank Board has prepared for your convenient reference the following "Summary of Operations" of the agencies of the Board during the calendar year 1951.

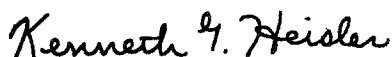
The current activities of the Federal Home Loan Bank System and the Federal Savings and Loan Insurance Corporation are presented briefly, as well as a review of the progress made toward the final liquidation of the Home Owners' Loan Corporation.



William K. Divers, Chairman



J. Alston Adams, Member



Kenneth G. Heisler, Member

HOME LOAN BANK BOARD

February 1952

FEDERAL HOME LOAN BANK SYSTEM

Membership in the Federal Home Loan Bank System reflected a net increase of 51 members during the year to a total of 3,981 on December 31, 1951. These institutions, with estimated assets of \$18,415,000,000, comprise 3,950 savings and loan associations, 25 savings banks, and 6 insurance companies. There were 44 applications for membership pending at the end of the year.

On December 31, 1951, 2,220 member institutions representing 55.8 percent of total membership were borrowers from the Federal Home Loan Banks as compared with 2,278 member borrowers or 58.0 percent a year previously.

A comparison of the 1951 lending operations of the Federal Home Loan Banks with those of prior years, is presented in Exhibit 1 of this Summary. With advances of \$422,977,074 and repayments setting an all-time high of \$432,997,025, advances outstanding on December 31, 1951, stood at \$805,936,767 or a decrease of \$10,019,951 from the record year-end high of \$815,956,718 outstanding at the close of 1950. It should be pointed out, however, that the average amount of advances outstanding during the calendar year 1951 exceeded \$772,000,000, while such average for 1950 was less than \$520,000,000.

Secured advances outstanding on December 31, 1951, reached a new month-end high of \$596,622,190 and represented the borrowings of 1,479 members and one nonmember mortgagee. On the same date, unsecured advances of \$209,314,577 were held by 978 member institutions. Secured advances outstanding on December 31, 1951, accounted for 74 percent and unsecured advances for 26 percent of the total, whereas such percentages on December 31, 1950, were 70 and 30, respectively.

Primarily as the result of an amendment to the Federal Home Loan Bank Act, effective June 27, 1951, requiring each member to acquire and hold stock in its Federal Home Loan Bank in an amount equal to two percent of its net home mortgage loans, the member-owned capital stock of the Federal Home Loan Banks increased \$88,105,125 during the year to a new high of \$270,651,625. Also during the year, the balance of the Government-owned capital stock in the amount of \$56,021,900 was retired at par. The capital stock of the eleven Federal Home Loan Banks is now wholly owned by their respective member institutions.

As will be noted from Exhibit 2, the capital structure of the Federal Home Loan Banks as of the close of 1951 and 1950 was as follows:

	<u>December 31, 1951</u>	<u>December 31, 1950</u>
CAPITAL STOCK		
Members:		
Stock Subscribed	\$271,374,700	\$182,597,900
Less: Unpaid Subscriptions	<u>723,075</u>	<u>51,400</u>
Total Paid in by Members	270,651,625	182,546,500
U. S. Government -- Fully Paid	<u>-0-</u>	<u>56,021,900</u>
Total Paid-in Capital	270,651,625	238,568,400
SURPLUS		
Legal Reserve	15,735,677	14,476,647
Reserve for Contingencies	5,510,758	5,624,807
Undivided Profits	<u>10,580,756</u>	<u>9,801,851</u>
Total Surplus	<u>31,827,191</u>	<u>29,903,305</u>
Total Capital	<u>\$302,478,816</u>	<u>\$268,471,705</u>

Funds required by the Banks are obtained from capital stock payments and deposits by members, and from public or private sales of the Banks' consolidated obligations. Although an amendment to the Federal Home Loan Bank Act, effective June 27, 1950, authorizes the Secretary of the Treasury to purchase obligations of the Federal Home Loan Banks to a total not exceeding \$1,000,000,000 outstanding at any one time, no request for such purchases has as yet been made.

During the calendar year 1951, eleven public offerings of consolidated obligations of the Federal Home Loan Banks were made in the total amount of \$843,500,000 while nine issues totaling \$875,000,000 were retired. At the close of the year seven issues were outstanding in the total amount of \$529,500,000, including \$5,000,000 of two issues maturing February 15, 1952, which had been acquired and were held by two Federal Home Loan Banks.

Time deposits of members in the Federal Home Loan Banks amounted to \$217,258,089 and demand deposits were \$43,977,691, or a total of \$261,235,780 on December 31, 1951. This represents an increase of \$37,138,921 over total deposits of \$224,096,859 on December 31, 1950. The increase consisted principally of time deposits.

During 1951 interbank deposits of \$9,500,000 were made. At the close of 1951 interbank deposits totaled \$1,500,000 as compared with \$1,000,000 a year previous.

Investment securities owned (excluding consolidated Federal Home Loan Bank obligations held) increased from \$197,435,500 at the close of 1950 to a total of \$248,112,500 on December 31, 1951. During 1951 investment securities were purchased at an aggregate cost of \$540,950,000, while sales and maturities approximated \$491,587,000.

A comparative condensed statement of income and expense of the eleven Federal Home Loan Banks for the calendar years 1951 and 1950 is given in Exhibit 3. This exhibit reflects that the earned operating income of the Banks during the year totaled \$21,974,713, an increase of \$6,495,241, which is due almost entirely to a larger interest income on advances resulting principally from a higher average amount outstanding and, to a lesser extent, upward adjustments in rates of interest charged by some Banks. Non-operating income decreased from \$595,392 in 1950 to \$92,722 during 1951, principally because of a decline in profit on sales of securities.

Operating expenses during 1951 totaled \$15,729,514 and represented a 65 percent increase over the 1950 total. The principal increase is confined to costs of consolidated obligations which reflect a 140 percent increase over the 1950 costs.

Net income for 1951, slightly less than the 1950 figure for reasons set forth above, and the net income from the beginning of operations through December 31, 1951, were distributed as follows:

	Calendar Year 1951		October 1932 to December 31, 1951	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Dividends Paid:				
U. S. Government	\$ 62,500	1.0	\$26,176,170	33.5
Members	<u>4,297,262</u>	<u>68.3</u>	<u>19,376,004</u>	<u>24.8</u>
Total	4,359,762	69.3	45,552,174	58.3
Retirement Fund--Prior Service	11,501	0.2	667,460	0.9
Legal Reserve	1,259,030	20.0	15,735,677	20.2
Contingent Reserve	- 114,048	-1.8	5,510,758	7.0
Undivided Profits	<u>778,904</u>	<u>12.3</u>	<u>10,580,756</u>	<u>13.6</u>
Total Net Income	\$6,295,149	100.0	\$78,046,825	100.0

Dividend declarations by the Banks during 1951 ranged from 1 percent to 2-1/4 percent per annum. It will be noted from the above tabulation that dividend payments for 1951 equaled 69.3 percent of the 1951 net income, while dividends since the beginning of operations equal but 58.3 percent of the cumulative net income.

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

The Federal Savings and Loan Insurance Corporation was created in 1934 to insure savings in institutions of the savings and loan type. To qualify for membership, an institution must have unimpaired capital and must operate under safe financial policies and management. The Corporation guarantees the safety of savings against loss in each insured association up to \$10,000 for each saver or investor. The cost to the institution for this insurance protection is an annual premium of 1/12 of 1 percent of the total amount of all accounts of the institution's savers or investors plus creditor obligations.

On December 31, 1951, insured institutions totaled 3,020--a new high--representing a net increase of 160 over the previous record of 2,860 reached last year. Federal savings and loan associations, for which insurance is mandatory, accounted for 1,549 of the total insured membership and State-chartered institutions, for which insurance is optional, accounted for 1,471.

The assets of insured institutions, totaling \$16,204,000,000, represented 85 percent of the total assets of all savings and loan associations. The number and assets of insured associations, by States and Federal Home Loan Bank Districts, on December 31, 1951, and December 31, 1950, are presented in Exhibit 4.

At the close of the year over 9,000,000 savers and investors held accounts in insured institutions. Total savings in these institutions amounted to \$13,653,000,000, of which about 98 percent was fully insured.

As a protection to the savers and investors in insured institutions, 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 institution is declared in default and is placed in liquidation, the Corporation may pay the insured accounts in cash or may make accounts in other operating insured associations available to the savers of the institution in liquidation.

The assets of the 3,020 insured institutions totaled \$16,204,000,000 at the close of the calendar year 1951, an 18 percent increase over the previous year-end total. First mortgage loans accounted for about 82 percent of total assets. Mortgage loans made by insured associations during the reporting period amounted to \$4,501,000,000 and represented a 3 percent increase over the previous high set in 1950.

Savings capital at the close of 1951 totaled \$13,653,000,000 as compared with \$11,374,000,000 a year ago. During the calendar year 1951, withdrawals were equivalent to 67 percent of new savings received.

On December 31, 1951, the combined reserves and undivided profits of insured institutions had increased to \$1,160,000,000 and represented 7.2 percent of assets or 8.5 percent of savings capital.

Exhibit 5 presents a comparative statement of condition of the Federal Savings and Loan Insurance Corporation as of December 31, 1951, and December 31, 1950. As seen from the statement, assets of the Corporation totaled \$208,211,786 at the close of the calendar year 1951 as compared with \$199,592,517 at the preceding year-end. As in the previous year, these assets consisted almost entirely of United States Government securities.

The Corporation is retiring its capital stock, held by the United States Treasury, by making annual payments, on a fiscal-year basis, in an amount equal to one-half of its income after expenses and losses. Payment during the calendar year 1951 of \$6,716,000 reduced the outstanding capital stock to \$93,284,000 on December 31, 1951. Also, in accordance with statutory requirements, the Corporation provided for the payment to the U.S. Treasury of \$1,762,573 as a return on capital stock for the year 1951. From organization to June 30, 1951, the Corporation has paid \$33,891,438 for this purpose.

The potential liability of the Corporation, which consists of the insured amount of all accounts of insured institutions plus their creditor obligations, totaled \$14,314,000,000 at the close of 1951. Against this potential liability, the Corporation has a primary protection of \$93,284,000 in capital stock plus a reserve for losses of \$106,118,581. This serves to supplement the \$1,160,000,000 of reserves and undivided profits held by insured members at the close of 1951. The Corporation also has a secondary protection of \$750,000,000 which it may call upon the United States Treasury to advance for purposes of paying insurance. No part of this authority has been used.

The income of the Federal Savings and Loan Insurance Corporation is derived principally from the annual premiums paid by insured members and from earnings on investments. During the calendar year 1951 the gross income of the Corporation, as seen in Exhibit 6, totaled \$14,803,622. This was a 12 percent increase over the \$13,209,753 income for the previous year. Expenses of the Corporation during 1951 equaled \$645,012, less than 5 percent of total income.

Premiums totaling \$10,125,281 paid by insured institutions during 1951 represented the largest source of income, while income from investments totaled \$4,515,071.

HOME OWNERS' LOAN CORPORATION

Created June 13, 1933, as a temporary emergency relief measure, the Home Owners' Loan Corporation was directed by the Congress to commence liquidation as soon as its purposes had been accomplished. The scheduled three-year lending period ended June 12, 1936. During that period the Corporation made loans totaling \$3,093,451,321 to 1,017,821 home owners who, had it not been for its existence, would have lost their homes through foreclosure. Capitalized additions of \$405,451,791 for taxes, insurance, maintenance, reconditioning, and acquisition costs brought the cumulative investment as of June 30, 1951, to \$3,498,903,112.

Since 1936 the program for the liquidation of the assets of the Corporation has progressed in an orderly manner. At the close of 1950 only \$9,595,895 of the Corporation's total investment was unliquidated. During the calendar year 1951 the Corporation "went out of business" as a mortgage holding agency of the Government. By December 31, 1951, the Corporation had disposed of all its assets.

The \$200,000,000 stock of the Corporation, originally subscribed by the U. S. Government, was retired by repurchase at par value from the Secretary of the Treasury by the close of the calendar year 1950, and the amount thereof was paid into the Treasury of the United States and the receipts evidencing ownership of such stock were canceled.

The Corporation issued its bonds to the extent of \$3,489,453,550. Such bond issues have either been called or matured and all bonds have been redeemed with the exception of a relatively small amount which has not been presented for payment. However, funds are on deposit with the Treasurer of the United States for the retirement of these outstanding bonds.

Exhibit 7 presents a cumulative statement of income, expense, loss, and surplus of the Corporation from June 13, 1933, to December 31, 1951. The total income of the Corporation during its operations aggregated \$1,417,134,830 and its expenses amounted to \$1,065,052,681, or a net income of \$352,082,149, of which a reserve of \$351,990,459 was established for losses on loans and interest, property, fidelity and casualties, fire and other hazards. A cumulative total loss of \$338,016,707 was sustained by the Corporation, of which \$337,893,825 was charged against this reserve. Thus the surplus or net earnings after losses was \$14,065,442.

During May 1951 the Corporation paid into the Treasury of the United States \$13,800,000 of this surplus, thus reducing its available surplus at June 30, 1951, to \$265,442. Due to a reduction in accrued liabilities principally as a result of the transfer of employees to other Government agencies, the surplus was increased by \$3,147, to \$268,589 on November 30, 1951. Pursuant to the Independent Offices Appropriation Act, 1952, approved August 31, 1951, surplus funds of the Home Owners' Loan Corporation totaling \$75,000 were made available to the Home Loan Bank Board to cover post audit and miscellaneous expenses, possible claims against the Corporation, and the costs of the final liquidation report to be submitted to the Congress as required by Section 20 of the Federal Home Loan Bank Act. The residue surplus of \$193,589 was paid into the Treasury of the United States during December 1951, thus accounting for the Corporation's total surplus of \$14,068,589 as of December 31, 1951.

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.

Federal Home Loan Banks

CONSOLIDATED STATEMENT OF CONDITION
DECEMBER 31, 1951

ASSETS		Amount
Cash		\$ 35,895,302
Invest: Bills, CI, Notes		134,934,408
Bonds		114,511,510
Other		75,000
*Advances		805,936,767
Other		3,922,662
Total Assets		\$1,095,275,649
LIABILITIES AND CAPITAL		
Deposits		\$ 261,706,880
Consolidated Obligations		524,500,000
Other		6,589,953
Total Liabilities		\$ 792,796,833
Cap. Stock: Member owned		270,651,625
Legal Reserve		15,735,677
Reserve for Contingencies		5,510,758
Undivided Profits		10,580,756
Total Capital		\$ 302,478,816
Total Liab. & Capital		\$1,095,275,649
Borrowers		No.
Federals		908
State: Insured		831
Non-Ins.		481 (a)
Insurance Co.		1
Total		2,221
(a) Incl. 1 nonmember S&LA		\$ 42,500
*Unsecured	26.0%	\$209,314,577

Federal Home Loan Banks

CONSOLIDATED INCOME AND EXPENSES
CALENDAR YEAR 1951

OPERATING INCOME		Amount	%
Int. on: Advances		\$17,089,442	77.8
Securities		4,879,682	22.2
Other		5,589	-
Total		\$21,974,713	100.0
OPERATING EXPENSES			
Compensation		\$ 1,044,479	4.8
Travel		103,737	0.5
Con. Oblig. Costs		10,757,147	49.0
Int. on Deposits		2,958,732	13.4
GAO - Audit Exp.		8,351	-
Assess. for HLBB		392,789	1.8
Other Adm. Expense		464,279	2.1
Total		\$15,729,514	71.6
NET OPER. INCOME		\$ 6,245,199	28.4
Non-Oper: Income		92,721	
Expense		-42,771	
NET INCOME		\$ 6,295,149	
MEMBER INSTITUTIONS			
Types	No.	Est. Assets	
Federals	1,549	\$ 9,792,000,000	
State: Insured	1,470	6,400,000,000	
Non-Ins.	931	1,708,000,000	
Savings Banks	25	425,000,000	
Insurance Cos.	6	90,000,000	
Total	3,981	\$18,415,000,000	

Federal Home Loan Banks

INTEREST RATES IN EFFECT
JANUARY 1, 1952

Bank	Advances	Deposits
Boston	2.5	1.25*
New York	2.75	1.75
Pittsburgh	2.5-2.75*	1.0*
Greensboro	2.25	1.5-1.75
Cincinnati	2.75	1.25*
Indianapolis	2.5	1.75
Chicago	2.5-2.75-3.0	1-1.25-1.5*
Des Moines	2.5	1.75
Little Rock	2.5	1.0
Topeka	2.75	1.0*
San Francisco	2.75	1.0-1.75*
*Also 1.75% Cert. of Time Dep. -one year except P'gh. pays 2% and San Fran. pays 1.5%		
DISPOSITION OF NET INCOME through December 31, 1951		
Dividends Paid:	\$45,552,174	58.3%
U. S. Government	26,176,170	33.5
Members	19,376,004	24.8
Retirement Fund	667,460	0.9
Legal Reserve	15,735,677	20.2
Conting. Reserve	5,510,758	7.0
Undivided Profits	10,580,756	13.6
Total	\$78,046,825	100.0

Federal Savings and Loan Insurance Corporation

STATEMENT OF CONDITION
DECEMBER 31, 1951

ASSETS		
Cash	\$ 3,203,907	
Accounts Receivable	3,111,731	
Investments	199,781,594	
Accr. Int. on Investments	994,254	
Insured Accounts - Pending and Unclaimed	6,450	
Assets Purchased from Insured Institutions	966,299	
Deferred Charges	143,831	
Insurance Signs	720	
Total	\$208,211,786	
LIABILITIES AND CAPITAL		
Accounts Payable	\$ 65,741	
Due U S Treasury	3,334,279	
Deferred Credits	5,409,184	
Capital Stock	93,284,000	
Legal Reserve	99,761,633	
Unallocated Income	6,356,949	
Total	\$208,211,786	
INSURED ASSOCIATIONS		
TYPE	NO.	ASSETS
Federal	1,549	\$ 9,792,000,000
State	1,471	6,412,000,000
Total	3,020	\$16,204,000,000
Average		\$ 5,360,000
Total Savings Insured		\$13,387,000,000
No. Insured Savings Accounts		9,354,000
Reserves and Surplus		\$ 1,160,000,000

Federal Savings and Loan Insurance Corporation

INCOME AND EXPENSE STATEMENT
12 MONTHS ENDING DECEMBER 31, 1951

INCOME	
Insurance Premiums	\$10,125,281
Admission Fees	161,137
Interest on Investments	4,515,071
Miscellaneous	2,133
Total	\$14,803,622
EXPENSES	
Administrative	\$ 489,734
Liquidation & Other Services Rendered by H. L. B. B.	5,839
Depreciation	144,187
Insurance Losses	4,764
Miscellaneous	113
Total	\$ 645,012
NET INCOME BEFORE ADJ.	\$14,158,610
Adj. Provision for Losses	132,269
Net Income Before Payment of Return on Capital	\$14,290,879
Return on Capital Stock in Lieu of Dividends	1,762,573
NET INCOME	\$12,528,306
SOURCE OF INCOME	
Premiums and Fees	69.5
Interest and Miscellaneous	30.5
APPLICATION OF INCOME	
Expenses	4.3
Return on Capital Stock	11.8
Legal Reserve	83.9

Federal Savings and Loan Insurance Corporation

CUMULATIVE INCOME AND EXPENSE
JUNE 27, 1934 TO DECEMBER 31, 1951

INCOME	
Insurance Premiums	\$ 83,728,006
Admission Fees	781,199
Interest on Investments	64,571,699
Profit - Sale of Securities	3,674,248
Recoveries	475,797
Miscellaneous	15,116
Total	\$153,246,065
EXPENSES	
Administrative	\$ 6,204,497
Liquidation & Other Services Rendered by H. L. B. B.	226,133
Depreciation	144,187*
Insurance Losses	67,345
Miscellaneous	5,683,672
Total	\$22,041
NET INCOME BEFORE ADJ.	\$12,347,875
Adj. Provision for Losses	\$140,898,190
Net Income Before Payment of Return on Capital	596
Return on Capital Stock	\$140,897,594
Legal Reserve	34,779,012
	\$106,118,582
SOURCE OF INCOME	
Premiums and Fees	55.2
Interest	42.1
Other	2.7
APPLICATION OF INCOME	
Expenses	4.4
Insurance Losses (Net)	3.4
Return on Capital Stock	22.8
Legal Reserve	69.4

*Classified as administrative expenses prior to June 30, 1951.

LIST OF EXHIBITS

1. Federal Home Loan Banks--Summary of Lending Operations, 1932-1951.
2. Federal Home Loan Banks--Comparative Consolidated Statement of Condition as of December 31, 1951, and December 31, 1950.
3. Federal Home Loan Banks--Comparative Consolidated Statement of Operations for the Calendar Years 1951 and 1950.
4. Federal Savings and Loan Insurance Corporation--Number and Assets of Insured Savings and Loan Associations, by Type, December 31, 1951, and December 31, 1950.
5. Federal Savings and Loan Insurance Corporation--Statement of Condition as of December 31, 1951, and December 31, 1950.
6. Federal Savings and Loan Insurance Corporation--Statement of Operations for the Calendar Years 1951 and 1950.
7. Home Owners' Loan Corporation--Statement of Income, Expense, Loss, and Surplus, cumulative from June 13, 1933, to December 31, 1951.

EXHIBIT 1

FEDERAL HOME LOAN BANKS

Summary of Lending Operations

Federal Home Loan Banks	Calendar Year 1951		Balance Outstanding End of Year
	Advances	Repayments	
Boston	\$ 30,224,900.00	\$ 30,624,997.00	\$ 50,334,086.00
New York	76,974,209.47	69,464,930.13	103,662,030.60
Pittsburgh	27,286,700.00	23,635,130.00	66,029,515.00
Greensboro	47,558,500.00	45,015,513.36	92,625,375.95
Cincinnati	31,637,000.00	30,659,025.00	52,213,650.00
Indianapolis	21,852,450.00	17,344,591.59	58,021,048.37
Chicago	48,450,437.68	32,911,128.29	147,690,347.00
Des Moines	21,325,660.00	24,004,709.86	52,668,606.50
Little Rock	21,790,500.00	20,988,944.00	43,405,862.00
Topeka	12,700,250.00	21,500,696.47	30,849,770.00
San Francisco	83,176,467.00	116,847,358.85	108,436,476.00
Total - Year 1951	\$ 422,977,074.15	\$ 432,997,024.55	\$805,936,767.42
1950	674,756,649.69	292,229,081.73	815,956,717.82
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
Grand Total	\$4,040,445,393.99	\$3,234,508,626.57	

EXHIBIT 2

FEDERAL HOME LOAN BANKS

Comparative Consolidated Statement of Condition as of Dates Indicated

Items	December 31, 1951	December 31, 1950
ASSETS		
Cash:		
On hand - Including Imprest Funds.	\$ 19,660.28	\$ 39,881.58
On deposit with:		
Treasurer of the United States	9,729,204.85	22,020,069.89
Commercial Banks	26,146,436.68	18,419,169.32
Total cash	35,895,301.81	40,479,120.79
Investment Securities	249,520,917.81	199,313,821.53
Advances outstanding:		
Secured	596,622,190.42	567,972,507.52
Unsecured	209,314,577.00	247,984,210.30
Total advances outstanding	805,936,767.42	815,956,717.82
Accrued interest receivable	3,171,119.14	2,425,334.72
Deferred charges	739,431.70	271,744.00
Other assets	12,111.14	11,654.14
Total assets	\$1,095,275,649.02	\$1,058,458,393.00
LIABILITIES AND CAPITAL		
Liabilities:		
Deposits:		
Members - time	\$ 217,258,088.99	\$ 183,967,090.18
Members - demand	43,977,691.13	40,129,769.01
Government instrumentalities - demand	-0-	180,000.00
Applicants for membership	471,100.00	86,850.00
Total deposits	261,706,880.12	224,363,709.19
Accrued interest payable	4,431,358.75	3,428,040.32
Dividends payable:		
Member institutions	2,126,375.65	1,415,374.66
U. S. Treasury	-0-	465,233.50
Total dividends payable	2,126,375.65	1,880,608.16
Accounts payable	32,218.20	314,330.05
Consolidated obligations (net) ^{1/}	524,500,000.00	560,000,000.00
Total liabilities	\$ 792,796,832.72	\$ 789,986,687.72
Capital:		
Capital stock (par):		
Amount paid in by members on stock	\$ 270,651,625.00	\$ 182,546,500.00
U. S. Government subscriptions (fully paid)	-0-	56,021,900.00
Total paid in on capital stock	270,651,625.00	238,568,400.00
Surplus-earned:		
Legal reserve	15,735,676.93	14,476,647.07
Reserve for contingencies	5,510,758.42	5,624,806.68
Undivided profits	10,580,755.95	9,801,851.53
Total earned surplus	31,827,191.30	29,903,305.28
Total capital	\$ 302,478,816.30	\$ 268,471,705.28
Total liabilities and capital	\$1,095,275,649.02	\$1,058,458,393.00

^{1/} 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 3

FEDERAL HOME LOAN BANKS

Comparative Consolidated Statement of Income and Expense
for the Calendar Years Indicated

Items	Year ended December 31, 1951	Year ended December 31, 1950
Earned operating income:		
Interest on advances	\$17,089,441.76	\$10,524,968.23
Interest on securities.	4,879,682.27	4,950,588.99
Miscellaneous.	5,588.93	3,915.18
Total operating income.	21,974,712.96	15,479,472.40
Operating expenses:		
Compensation	1,044,478.85	935,402.13
Travel	103,737.10	99,946.62
Other operating expenses	394,144.86	377,486.16
Interest on consolidated obligations	10,224,127.90	4,233,301.61
Consolidated obligations expense - concessions	533,019.16	253,085.01
Paid through office of fiscal agent	70,134.04	49,366.32
Interest on members' deposits	2,958,732.30	3,136,596.14
GAO audit expense	8,350.88	6,951.47
Assessment for expenses of HLB Board.	392,789.00	441,250.00
Total operating expenses.	15,729,514.09	9,533,385.46
Net operating income	\$ 6,245,198.87	\$ 5,946,086.94
Non-operating income:		
Profit - sales of securities.	88,096.38	590,569.45
Furniture and equipment sales.	3,650.40	4,748.96
Miscellaneous	974.86	73.61
Total non-operating income.	92,721.64	595,392.02
Non-operating charges:		
Loss - sales of securities	16,670.15	28,260.40
Furniture and equipment purchased	26,101.19	50,212.72
Total non-operating charges.	42,771.34	78,473.12
Net income	\$ 6,295,149.17	\$ 6,463,005.84

EXHIBIT 4

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Number and Assets of Insured Savings and Loan Associations, by Type,
December 31, 1951 and 1950

(Dollar amounts shown in thousands)

FHLB Districts and States	All Insured				Federal				Insured State			
	1951		1950		1951		1950		1951		1950	
	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets
United States	3,020	\$16,204,096	2,860	\$13,691,410	1,549	\$9,791,550	1,526	\$8,457,420	1,471	\$6,412,546	1,334	\$5,233,990
District No. 1--Boston	86	787,605	72	678,847	56	601,464	53	530,136	30	186,141	19	148,711
Connecticut	36	239,971	32	207,392	17	171,524	17	153,424	19	68,447	15	53,968
Maine	7	12,135	5	7,823	5	8,911	5	7,823	2	3,224	-	-
Massachusetts	30	369,813	27	323,991	29	362,582	26	317,304	1	7,231	1	6,687
New Hampshire	5	41,457	3	27,378	2	31,161	2	26,729	3	10,296	1	649
Rhode Island	5	108,646	3	98,318	1	12,104	1	10,911	4	96,542	2	87,407
Vermont	3	15,583	2	13,945	2	15,182	2	13,945	1	401	-	-
District No. 2--New York	325	2,217,358	307	1,829,383	88	1,075,370	85	894,882	237	1,141,988	222	934,501
New Jersey	153	689,175	148	571,157	20	89,763	18	68,718	133	599,412	130	502,439
New York	171	1,522,996	158	1,254,472	67	980,420	66	822,410	104	542,576	92	432,062
Puerto Rico	1	5,187	1	3,754	1	5,187	1	3,754	-0-	-	-	-
District No. 3--Pittsburgh	273	987,344	265	860,212	145	654,792	142	570,920	128	332,552	123	289,292
Delaware	2	2,757	2	2,154	2	2,757	2	2,154	-0-	-	-	-
Pennsylvania	246	921,375	238	800,865	122	597,680	119	519,779	124	323,695	119	281,086
West Virginia	25	63,212	25	57,193	21	54,355	21	48,987	4	8,857	4	8,206
District No. 4--Greensboro	401	2,235,840	375	1,839,315	260	1,535,017	251	1,272,514	141	700,823	124	566,801
Alabama	28	81,927	28	69,054	20	67,973	20	57,097	8	13,954	8	11,957
District of Columbia	25	438,698	22	371,495	10	101,873	9	91,601	15	336,825	13	279,894
Florida	56	468,328	53	373,973	54	462,772	51	369,913	2	5,556	2	4,050
Georgia	62	284,658	61	241,467	56	272,517	56	231,226	6	12,141	5	10,241
Maryland	50	338,325	45	268,253	35	260,304	33	206,008	15	78,021	12	62,245
North Carolina	99	305,512	87	246,412	31	138,254	29	118,431	68	167,258	58	127,981
South Carolina	48	154,341	47	128,732	33	118,236	32	99,076	15	36,105	15	29,656
Virginia	33	164,051	32	139,929	21	113,088	21	99,162	12	50,963	11	40,767
District No. 5--Cincinnati	382	2,237,733	366	1,934,833	223	1,282,492	222	1,128,439	159	955,241	144	805,394
Kentucky	59	206,739	56	185,389	55	197,493	54	181,116	4	9,246	2	4,273
Ohio	286	1,845,582	273	1,591,512	132	901,070	132	790,285	154	944,512	141	801,227
Tennessee	37	185,412	37	157,932	36	183,929	36	157,038	1	1,483	1	894
District No. 6--Indianapolis	194	926,670	191	799,716	104	678,719	104	593,595	90	247,951	87	206,121
Indiana	143	531,081	142	466,513	70	362,135	70	318,481	73	168,946	72	148,032
Michigan	51	395,589	49	333,203	34	316,584	34	275,114	17	79,005	15	58,089

EXHIBIT 4

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Number and Assets of Insured Savings and Loan Associations, by Type,
December 31, 1951 and 1950 - continued

(Dollar amounts shown in thousands)

	All Insured						Federal						Insured State					
	1951			1950			1951			1950			1951			1950		
	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets	Num- ber	Assets
FHLB Districts and States																		
District No. 7--Chicago.....	425	1,974,410	384	1,636,322	145	994,081	144	868,911	280	980,329	240	767,411	280	980,329	240	767,411	280	980,329
Illinois.....	306	1,567,777	280	1,313,098	105	855,539	104	749,640	201	712,238	176	563,458	201	712,238	176	563,458	201	712,238
Wisconsin.....	119	406,633	104	323,224	40	138,542	40	119,271	79	268,091	64	203,953	79	268,091	64	203,953	79	268,091
District No. 8--Des Moines.....	184	972,662	173	758,455	109	645,677	107	559,095	75	326,985	66	199,360	75	326,985	66	199,360	75	326,985
Iowa.....	52	176,846	45	125,881	32	108,980	32	94,740	20	67,666	13	31,141	20	67,666	13	31,141	20	67,666
Minnesota.....	39	413,677	37	300,115	31	326,538	30	285,306	8	87,139	7	14,809	8	87,139	7	14,809	8	87,139
Missouri.....	80	336,799	78	292,851	36	183,057	35	155,975	44	153,742	43	136,876	44	153,742	43	136,876	44	153,742
North Dakota.....	7	31,989	7	28,620	6	18,066	6	15,685	1	13,933	1	12,935	1	13,933	1	12,935	1	13,933
South Dakota.....	6	13,541	6	10,988	4	9,036	4	7,389	2	4,505	2	3,599	2	4,505	2	3,599	2	4,505
District No. 9--Little Rock.....	286	900,227	281	778,914	160	421,319	160	358,338	126	478,908	121	420,576	126	478,908	121	420,576	126	478,908
Arkansas.....	40	76,494	39	65,446	35	66,740	35	56,808	5	9,754	4	8,638	5	9,754	4	8,638	5	9,754
Louisiana.....	72	275,358	72	250,677	14	49,542	14	42,486	58	225,816	58	208,191	58	225,816	58	208,191	58	225,816
Mississippi.....	26	55,410	26	45,573	21	46,293	21	38,497	5	9,117	5	7,076	5	9,117	5	7,076	5	9,117
New Mexico.....	14	38,051	14	32,867	7	24,902	7	21,606	7	13,149	7	11,261	7	13,149	7	11,261	7	13,149
Texas.....	134	454,914	130	384,351	83	233,842	83	198,941	51	221,072	47	185,410	51	221,072	47	185,410	51	221,072
District No. 10--Topeka.....	179	619,568	169	530,653	97	425,059	97	377,163	82	194,509	72	153,490	82	194,509	72	153,490	82	194,509
Colorado.....	43	164,487	39	140,383	23	111,209	23	98,335	20	53,278	16	42,048	20	53,278	16	42,048	20	53,278
Kansas.....	68	191,897	65	163,484	28	111,532	28	96,589	40	80,365	37	66,895	40	80,365	37	66,895	40	80,365
Nebraska.....	23	47,267	20	32,101	15	29,748	15	25,544	8	17,519	5	6,557	8	17,519	5	6,557	8	17,519
Oklahoma.....	45	215,917	45	184,685	31	172,570	31	156,695	14	43,347	14	37,990	14	43,347	14	37,990	14	43,347
District No. 11--San Francisco.....	285	2,344,679	277	2,044,760	162	1,477,560	161	1,303,427	123	867,119	116	741,333	123	867,119	116	741,333	123	867,119
Alaska.....	1	1,691	1	1,804	1	1,691	1	1,804	-0-	-	-	-	-0-	-	-	-	-	-
Arizona.....	4	41,959	4	38,360	2	29,968	2	27,511	2	11,991	2	10,849	2	11,991	2	10,849	2	11,991
California.....	163	1,662,899	156	1,438,914	74	967,979	74	865,195	89	694,920	82	573,719	89	694,920	82	573,719	89	694,920
Hawaii.....	4	14,900	4	13,118	1	8,905	1	7,732	3	5,995	3	5,386	3	5,995	3	5,386	3	5,995
Idaho.....	8	42,103	8	38,500	8	42,103	8	38,500	-0-	-	-	-	-0-	-	-	-	-	-
Montana.....	10	34,288	10	29,777	4	11,286	3	4,855	6	23,002	7	24,922	6	23,002	7	24,922	7	24,922
Nevada.....	1	6,457	1	5,667	1	6,457	1	5,667	-0-	-	-	-	-0-	-	-	-	-	-
Oregon.....	21	89,508	21	82,613	21	89,508	21	82,613	-0-	-	-	-	-0-	-	-	-	-	-
Utah.....	10	78,307	10	72,363	6	37,341	6	34,714	4	40,966	4	37,649	4	40,966	4	37,649	4	40,966
Washington.....	54	351,362	53	305,213	35	261,117	35	216,405	19	90,245	18	88,808	19	90,245	18	88,808	19	90,245
Wyoming.....	9	21,205	9	18,431	9	21,205	9	18,431	-0-	-	-	-	-0-	-	-	-	-	-

EXHIBIT 5

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Statement of Condition as of Dates Indicated

Items	December 31, 1951	December 31, 1950
ASSETS		
Cash	\$ 3,203,906.61	\$ 535,657.47
Accounts receivable:		
Insurance premiums - payments due	240,915.33	117,549.52
Insurance premiums - payments deferred	2,868,250.64	2,116,669.61
Admission fees receivable	2,561.01	2,106.72
Advances for traveling expenses	-0-	300.00
Due from governmental agencies	-0-	469.49
Miscellaneous	4.00	-0-
Total	3,111,730.98	2,237,095.34
Investments:		
U. S. Government securities (par value)	199,990,000.00	192,612,000.00
Net unamortized premium and discount on investments	208,406.33	15,632.39
Total	199,781,593.67	192,627,632.39
Accrued interest on investments	994,254.36	927,787.27
Pending and unclaimed insured accounts in liquidated institutions	7,046.38	10,146.38
Less: Allowance for losses	596.23	710.35
Total	6,450.15	9,436.03
Assets purchased from insured institutions to prevent default	969,298.94	3,325,473.08
Less: Allowance for losses	-0-	132,155.25
Total	969,298.94	3,193,317.83
Furniture, fixtures and equipment	55,347.10	53,960.38
Less: Reserve for depreciation	55,347.10	53,960.38
Total	-0-	-0-
Deferred charges:		
Home Loan Bank Board	143,108.91	61,590.48
Fidelity bond and other insurance premiums	722.12	-0-
Total	143,831.03	61,590.48
Other assets	720.32	-0-
Total assets	208,211,786.06	199,592,516.81
LIABILITIES AND CAPITAL		
Liabilities:		
Accrued liabilities	2,477,974.84	29,977.38
Accrued payments in lieu of dividends on capital stock	887,573.22	1,000,000.00
Deductions from employees' salaries	19,293.03	15,921.23
Funds held in escrow	-0-	12,227.15
Pending and unclaimed insured accounts in liquidated institutions	7,046.38	10,146.38
Custodial funds - receiverships	8,132.84	11,120.29
Total	3,400,020.31	1,079,392.43
Deferred credits:		
Unearned insurance premiums	5,409,175.34	4,576,185.89
Prepaid insurance premiums	9.06	346,088.75
Unapplied collections	-0-	574.79
Total	5,409,184.40	4,922,849.43
Capital:		
Capital stock	93,284,000.00	100,000,000.00
Reserve fund as provided by law	99,761,632.55	88,205,486.31
Unallocated income	6,356,948.80	5,384,788.64
Total	106,118,581.35	93,590,274.95
Total liabilities and capital	\$208,211,786.06	\$199,592,516.81

EXHIBIT 6

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Statement of Operations for the Calendar Years 1950 and 1951

Items	January 1, 1951 through December 31, 1951	January 1, 1950 through December 31, 1950
Operating income:		
Insurance premiums earned.....	\$10,125,281.36	\$ 8,451,489.07*
Admission fees earned.....	161,137.40	134,337.32
Interest earned on U. S. Government securities...	4,515,070.95	4,624,019.70
Miscellaneous.....	6.57	837.78(-)
Total operating income.....	14,801,496.28	13,209,008.31*
Operating expenses and losses:		
Administrative expenses.....	489,734.12	579,963.34
Liquidation and other expenses.....	5,838.98	11,166.55
Services rendered by Home Loan Bank Board.....	144,187.31**	-0-
Depreciation of furniture, fixtures and equipment..	4,764.30	3,937.86
Losses on subrogated accounts.....	112.55	321.86(-)
Total operating expenses and losses.....	644,637.26	594,745.89
Net income from operations.....	14,156,859.02	12,614,262.42*
Nonoperating income:		
Sale of furniture, fixtures and equipment.....	984.00	744.40
Miscellaneous.....	1,142.25	.06
Total nonoperating income.....	2,126.25	744.46
Nonoperating charges: Commission on securities....	375.02	-0-
Net income before adjustment of valuation reserves..	14,158,610.25	12,615,006.88*
Adjustment of valuation reserves:		
Provision for losses on assets purchased from insured institutions.....	132,155.25	132,155.25(-)
Provision for losses on pending and unclaimed insured accounts in liquidated institutions.....	114.12	-0-
Net adjustment of valuation reserves.....	132,269.37	132,155.25(-)
Net income before payment of return on capital stock.....	14,290,879.62	12,482,851.63*
Provision for return on capital stock in lieu of dividends.....	1,762,573.22	2,000,000.00
Net income.....	12,528,306.40	10,482,851.63*

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

** Classified as administrative expenses prior to June 30, 1951.

EXHIBIT 7

STATEMENT OF INCOME, EXPENSE, LOSS AND SURPLUS
CUMULATIVE FROM INCEPTION OF HOME OWNERS' LOAN CORPORATION
JUNE 13, 1933 TO DECEMBER 31, 1951

Operating and other income:

Interest:

Mortgage loans and advances	\$1,055,792,756.97	
Vendee accounts and advances	136,223,865.56	
Investments - Government securities	<u>1,417,726.52</u>	\$1,193,434,349.05

Dividends:

Capital stock - Federal Savings and Loan Insurance Corporation	28,217,076.07	
Investments in savings and loan associations	<u>44,745,479.03</u>	72,962,555.10
Property management operations		138,645,668.78
Insurance commissions - Stock Company Association		3,073,582.02
Premium on sale of loan accounts		<u>2,241,649.11</u>

Rental income:

Federal Home Loan Bank Board Building	1,882,713.62	
Leaseholds	<u>357,810.85</u>	2,240,524.47
Miscellaneous		<u>4,536,500.98</u>

1,417,134,829.51

Operating and other expense:

Interest-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		<u>7,147,710.28</u>
Administrative expenses:		
Personal services	224,752,775.25	
Travel, transportation and communications	17,026,146.83	
Rents-Space, equipment, and related facilities	14,546,126.87	
Other	<u>16,442,627.66</u>	272,767,676.61
Property management expenses		112,826,733.45
General operating expenses		<u>18,720,134.12</u>
		<u>1,065,052,680.77</u>
Net income before losses		352,082,148.74

Losses:

Principal and interest:

Mortgage loans	356,053.55	
Vendee accounts	15,918.72	
Discount on loans sold	19,533.97	
Property losses - Sales	336,548,215.74	
Other property losses	<u>214,514.22</u>	
Losses on loans, interest and properties		337,154,236.20

Other losses:

Fidelity and casualties	372,053.31	
Fire and other hazards	367,535.65	
Losses on investments	34,264.80	
Miscellaneous	<u>88,617.02</u>	

Total losses 338,016,706.98

Surplus net income 14,065,441.76

Reduction:

Paid into Treasury of the United States, May 1951	<u>13,800,000.00</u>	
Net Surplus at June 30, 1951		265,441.76

Addition:

Reduction in accrued liabilities, November 1951	<u>3,146.88</u>	
		268,588.64

Reductions:

Allocated to HLBB for expenses, claims etc.	75,000.00	
Paid into U. S. Treasury, December 1951	<u>193,588.64</u>	268,588.64
Net Surplus December 31, 1951		<u>\$ -0-</u>