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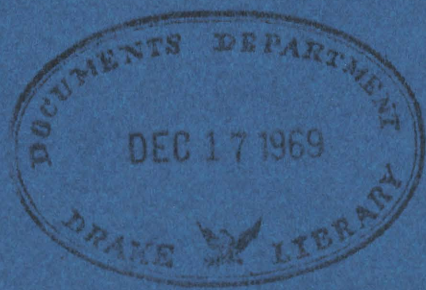
The **JOURNAL**

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of the FEDERAL HOME LOAN BANK BOARD

VOL. 2

NO. 11



**BOARD DETAILS OBJECTIVES
AT CHICAGO**

**THE MOBILE HOME LENDING
REGULATION**

**COFFEYVILLE FEDERAL AND
THE INNER CITY**

WASHINGTON, D. C.

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Board Acts to Spur Housing In Answer to Credit Crisis

Policies Aired at 77th U.S. League Meeting

Major actions and policies to stimulate the production of housing both now and in the 1970's were announced by Federal Home Loan Bank Board Members and staff at the 77th annual convention of the United States Savings and Loan League in Chicago late this month.

Leadoff man in a series of important convention appearances by Board officials was Chairman Preston Martin who met with press and television reporters in a news conference Tuesday morning, November 18; addressed the second general session of the convention immediately afterwards, and spoke that afternoon to the League's Federal Home Loan Bank System Committee.

In his conference with news representatives, Mr. Martin announced a reduction in liquidity requirements from 6 to 5½ percent as part of a new eight-point Board program to combat the current housing credit crisis.

The reduction is expected to release a potential \$650 million in additional funds for mortgage lending.

Mr. Martin also declared that he is asking the \$160 billion savings and loan industry, the prime lender on housing in this country, not only to attack today's housing shortage, but to use its influence to halt both a rise in rents and the pricing of homes out of the reach of the average purchaser.

Highlights of Board Announcements at Chicago

A reduction in liquidity requirements from 6 to 5½ percent to channel a potential \$650 million into mortgage credit and the housing market.

Adoption of a mobile home financing regulation to permit savings and loan associations to enter this growing low-cost housing field and to provide another source of mobile home financing for the public.

Plans for a first \$200 million combined Federal Home Bank-Government National Mortgage Association security issue against a pool of "new" Department of Housing and Urban Development subsidy mortgages. The Board will act with a consortium of Federal Home Loan Banks to purchase and package the issue—hopefully by mid-1970.

Restructuring of the maturity of more than \$8 billion in outstanding advances due in 1970 so that up to 25 percent can be extended to a maximum of 10 years, thus increasing cash

flows and mortgage originations by as much as \$500 million.

Adoption of a selective supervision policy aimed at prompt action in the case of S&L's which are in trouble, but reduction of the examination burden on small and well-run associations.

Exploration of the possibility of providing a secondary mortgage market to supplement and broaden various private secondary market mechanisms now developing.

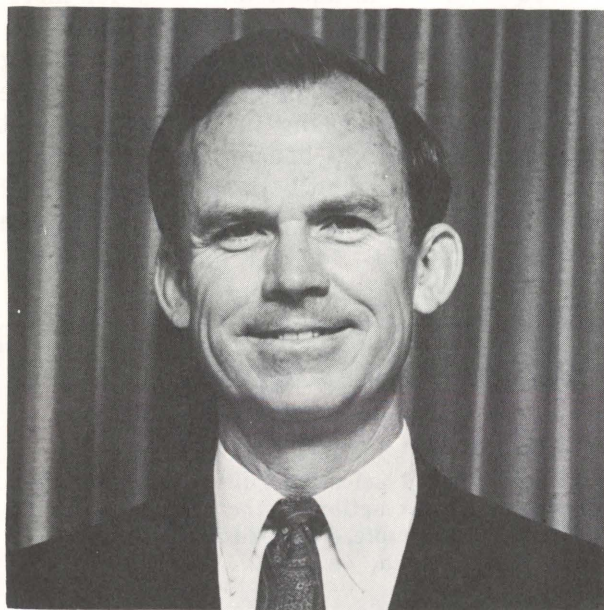
Endorsement by District Bank Presidents of a Liquidity Transfer Orders mechanism to facilitate transfer of funds from one Bank System member institution to another.

Funding or commitment during the first month of operation of nearly \$170 million in HUD-subsidy project mortgages by savings and loans using the Bank System's new, special 10-year advances.

"We are all aware of the housing credit crisis in which we live," Mr. Martin said. "The Federal Home Loan Bank Board, as one of the principal housing credit agencies of the Federal government, announces today an eight-point program designed to soften the present housing credit stringency.

"We are announcing to the industry the continuation of a vigorous new credit policy of loans from the Federal Home Loan Banks to the savings and loan associations in the Nation and we are indicating to the industry that for 1969 the increase in our funding to those mortgage lending institutions will probably approach \$4 billion or 160,000 loans of the average size made by the savings and loans in this country.

"Secondly, we are asking the industry to enlist in the war against inflation, reminding it



Mr. Martin

that 21 percent of the consumers price index in this country is made up of housing costs to the consumer. We are challenging this industry to attack the housing shortage mounting in our cities; to head off the escalation in rents charged our citizens; and to cut off at the pass the scarcity pricing of homes.

"Third, we announce today a new program aimed at stimulating the shift by this \$160 bil-

lion industry from their holdings of liquid assets to origination of new mortgage loans. As part of that program we are herewith reducing the required liquidity percentage on savings and loans from today's level of 6 percent in liquid assets to tomorrow's level of 5½ percent."

Mr. Martin also announced a new set of liquidity regulations, "the rules of the game," by which the new 5½-percent liquidity requirement is to be figured. The Chairman said that one-half of 1 percent of liquidity now can be of any maturity, while 5 percent is to be of 7 years' maturity or less. Of this latter portion, 2 percent must be 18 months or less, in maturity.

"In other words," he added, "we have cut the percentage and we have altered the rules with a very specific objective in mind. We are calling upon the industry before the end of this year—and in 1970—to shift a billion dollars from securities holdings into mortgage originations as a kind of price for enlisting in this fight against inflation.

Action on HUD-Subsidy Mortgages

"Next," he said, "we are announcing a new approach by the Federal Home Loan Bank System which is specifically directed at the most critical and crucial and crunching side of the housing shortage—housing for moderate- and low-income families in our urban areas.

"We are making a kind of offer to the industry today, saying: 'We will buy from you for the first time, in a new secondary mortgage market by our System, the mortgage paper which you are willing to originate on HUD-subsidy housing projects and we offer, in this new program of a secondary market for this kind of paper, to buy \$200 million as quickly as our members are able to get these projects funded and get the mortgage paper in shape to sell to our System through our 12 Regional Banks.'

"This is a new program and we think it is a program with significant potential for the 1970's. Let's begin it now! Let's give the lie to those critics of the HUD program who say you can't finance that kind of housing and to those

(See MARTIN, page 24)

Board Issues Final Regulation For Lending on Mobile Homes

Details of the Board's final mobile home lending regulation were disclosed by Board Member Thomas Hal Clarke November 18 in an address before a session of the 77th annual convention of the United States Savings and Loan League in Chicago.

Adoption of the regulation is vital, Mr. Clarke told a Topical Forum meeting of association directors, because "there is an urgent, growing need for this type of housing and because savings and loans are traditionally the institutions which provide for housing, particularly at the lower income levels.

"If associations were not permitted to engage in this business, they would be ignoring their responsibilities," he said.

Mr. Clarke told this audience the text of the final regulation, which was developed by the Board's careful process of distributing a proposed regulation to all parties concerned and weighing comments received (see Developing the Mobile Home Lending Regulation, page 10, this issue), would be printed in the Federal Register of November 19, its effective date.

Growth of Mobile Homes

"I was of the generation that tended to call mobile homes 'trailers' and mobile home parks 'trailer courts,'" Mr. Clarke said. "These two words brought mental pictures of broken down, unattractive, decrepit old-type trailers, placed usually in the most unattractive parts of an urban area. The occupants were generally considered undesirable citizens and not a stable part of the community.

"This indeed is not the picture now.

"In 1968, mobile homes constituted 90 percent of the market for new one-family homes costing less than \$15,000;

"Of every three new single-family dwellings today, regardless of cost, one is a mobile home;

"The mobile home industry predicts an an-



Mr. Clarke

nual output of 400,000 units by 1970; 318,000 were put on the market in 1968;

"More than 5.5 million people now live in mobile homes;

"Of a statistical sampling, 80 percent had not moved their homes within 5 years, and of the remaining 20 percent, approximately two-thirds had moved less than 100 miles;

"Twenty-five percent of the mobile home owners have incomes in excess of \$9,000 per year; a substantial percentage are either retired or newly married, and neither of those categories would contain numerous people earning a high yearly income, but they probably can rely on past earnings or parental assistance to afford mobile homes;

"A significant percentage of mobile home owners are college graduates and provide college education for their children;

"There is a need for the construction or

(See CLARKE, page 21)

Kamp Urges Financial Vigilance, Announces Regulation Changes

The changing business climate of the late 1960's has made it increasingly urgent for association managers to maintain vigilance concerning the financial health of their institutions and to sharpen management techniques, Board Member Carl O. Kamp, Jr. told the 77th annual convention of the United States Savings and Loan League this month.

Speaking before a management forum November 18, Mr. Kamp declared "the measure of your business health is your early warning system, your crystal ball for predicting your association's future.

"There is no magic, mystic, or miracle solution. Any manager in this room holds the keys to the fate of the association he manages. There are literally hundreds of keys and if you don't know how to use them, it would be wise to acquire the necessary expertise or seek it through someone who has mastered the science."

In the course of his talk, Mr. Kamp announced the adoption of two important regulations and their publication in the Federal Register of November 19.

Participation Loans Amendment

"The regulations pertaining to participation loans will be completely overhauled in the future," he said. "However, they have currently been amended as follows: Regardless of scheduled items percentage, participations in loans insured by FHA or guaranteed by the VA may be sold by the association which owns them. Also, associations with scheduled items in excess of 4 percent of specified assets may request permission for a purchaser to buy participations by making application to the Board.

"We also have extended until December 31, 1970, the requirement of adding 5 percent of net income to reserves semiannually instead of 10 percent. The regulation which requires the addition of 6 percent or in some cases 5 per-



Mr. Kamp

cent of the increase in specified assets to reserves in each semiannual period also has been suspended until December 31, 1970."

Commercial banks, insurance companies, mutual savings banks, and other competitors, have realized that the savings and loan industry does exist as an effective force in the competition for consumer savings, Mr. Kamp said.

"They also recognize that you and the Federal Home Loan Banks are substantial competitors in the capital markets. The sleeping giants no longer sleep and to say that you have outstripped them is an understatement. Couple this with previous unchecked fiscal extravagance, which has caused severe inflation, and your problems and those of the Federal Home Loan Bank Board become as apparent as a hernia to a weight lifter. The final results, and very necessary in my opinion, are the continu-

(See KAMP, page 21)

Examination Burden to Lessen for Small and Best-Run Associations

The Office of Examination and Supervision is moving toward some relief from audit requirements for associations under \$5 million in assets and toward examinations of reduced frequency and scope for associations with favorable financial data and satisfactory audit reports.

OES Director Eric Stattin made these and other disclosures November 19 before a Topical Forum on supervision, examination, and audit at the 77th annual convention of the United States Savings and Loan League in Chicago.

Several steps are under way, Mr. Stattin declared to improve the examination and supervision procedure "whose fundamental objective is to protect the public interest through enforcement of the policies of the Federal Home Loan Bank Board.

"Soon to be released," he said, "is a modified statement of policy on audits which will provide some relief from audit requirements for associations under \$5,000,000 in assets. This is being done in recognition of the extraordinarily high cost of auditing small associations, the aggregate assets held by those associations, and the periodic surveillance possible through the Board's early warning system.

"A revised PA-6 will be issued shortly. Long-form reporting will be clearly deemphasized except in cases where the chief examiner believes additional matters need to be covered. More emphasis will be placed on critical audit areas—specifically internal control and adequacy of valuation allowances. A footnote reconciliation of certain general ledger accounts with amounts reported in the audit report will be required.

"We are actively considering steps which will minimize or eliminate differences between regulatory accounting and generally accepted accounting principles. The first step in that direction will be a requirement that associa-

tions over a certain size adopt accrual accounting.

"We are actively involved in cease-and-desist proceedings where, in our opinion, significant transactions or conditions have been incorrectly reported to the public. This step was initiated only after very careful consideration and discussions, spanning many months, with both management and the independent auditors who primarily and secondarily, respectively, are responsible for proper financial reporting.

Supervision by Exception

"With reliable financial data readily available and with the resulting emphasis on management and operating policies by the examiner, the supervisor can concentrate on the exception. The great majority of institutions need little if any case basis supervision. Management experience, judgment and knowledge, and the written expression of Board policy are sufficient for their guidance. Inevitably the question arises, 'Why have examinations of these associations at all?'

"It is highly improbable that examinations will be eliminated in any association. Even the best financial data can be misleading and be subject to the lead-lag time factor; all of it needs some on-the-spot interpretation.

"However, there appears no reason why an examination cannot be less frequent and of reduced scope in an association with favorable financial data and satisfactory audit reports."

Reduced frequency and scope of examinations for well-run associations, Mr. Stattin said, will depend heavily on an adequate flow of information from examination, audit, and association reports.

"We have an information system under study now which will input the periodic data you pro-

(See STATTIN, page 22)

Industry Development Objectives Of Board Are Cited by Krause

The basic rationale of the Board's newly re-organized Office of Industry Development is decentralization, its Director, Derwood S. Krause, told a session of the 77th annual convention of the United States Savings and Loan League in Chicago November 19.

"A prime objective of the Office of Industry Development," Mr. Krause told the League's Committee on Branch Operations, "is to help gain control of our industry's housing-finance problems by placing greater reliance on local initiatives as exercised by these local agencies, the Regional Banks; as demonstrated by new association organizational services and facilities; and as led by newly emerging industry urban executives."

Mr. Krause said the Regional Banks will be challenged "to greater direct service to your associations as they increase staff competency; for example with new housing coordinators to

help develop housing projects and staff to provide the hoped-for new decentralized hearing process under our planned 90- to 120-day processing time schedule.

"Our Office is now finishing detailed internal processing procedures to go into effect approximately January 1," he said, "to effect this schedule.

One-Year Delays Are Out

"We believe one-year processing is intolerable in any of our application functions, be it for branches, new charters, mergers, subsidiary corporations, or whatever. So we seek to analyze functions by categories, the timing of functions, and the locations for carrying them out."

Mr. Krause said goals for various processing procedures include 90 days for branch applications and 40 days for merger applications.

(See KRAUSE, page 23)

Board's Legal Achievements Are Listed

Major contributions of the Board's Office of General Counsel during the past 7 months were cited to the Lawyers' Committee of the 77th annual convention of the United States Savings and Loan League by General Counsel Arthur W. Leibold, Jr.

Excerpts from his address follow:

The Board has placed in effect the regulation providing indemnification by associations of officers and directors. . . . I am hopeful that the end product will be to encourage more leaders of the community to shoulder the responsibilities of financial institutions as officers and directors.

The mobile home regulation was published in final form and has become effective.

The Office of General Counsel represented the Board at the hearing held October 27 and 28 on the liquidity regulation. The regulation will become effective soon.

We have devoted substantial time to drafting the new regulations and processing procedures on the handling of charter and branch applications. Comments received through November 14 have been reviewed.

The Office of General Counsel participated with various other offices in drafting the merger policy statement issued last August. I sincerely believe that the statement takes a realistic approach to the needs of the industry at this time.

Coffeyville Federal Leads Way In Inner City Housing Projects

by **GEORGE L. STOCKWELL**

**President, First Federal Savings and Loan Association
Coffeyville, Kansas**

Coffeyville, Kansas, with a population of 18,000, has a major urban renewal program underway today thanks to the efforts of First Federal Savings and Loan Association and to forward-looking citizens who have provided the city with a substantial amount of low- to moderate-income housing under section 221(d)(3) of the Housing Act.

First Federal Savings and Loan, with assets of \$68 million, was primarily responsible for the location of three low-cost housing projects within the city and for the development of 20 individual low-cost homes in depressed areas of the community.

D. A. Willbern, chairman of First Federal and chairman of the Coffeyville Urban Renewal Board since its inception, early realized that it

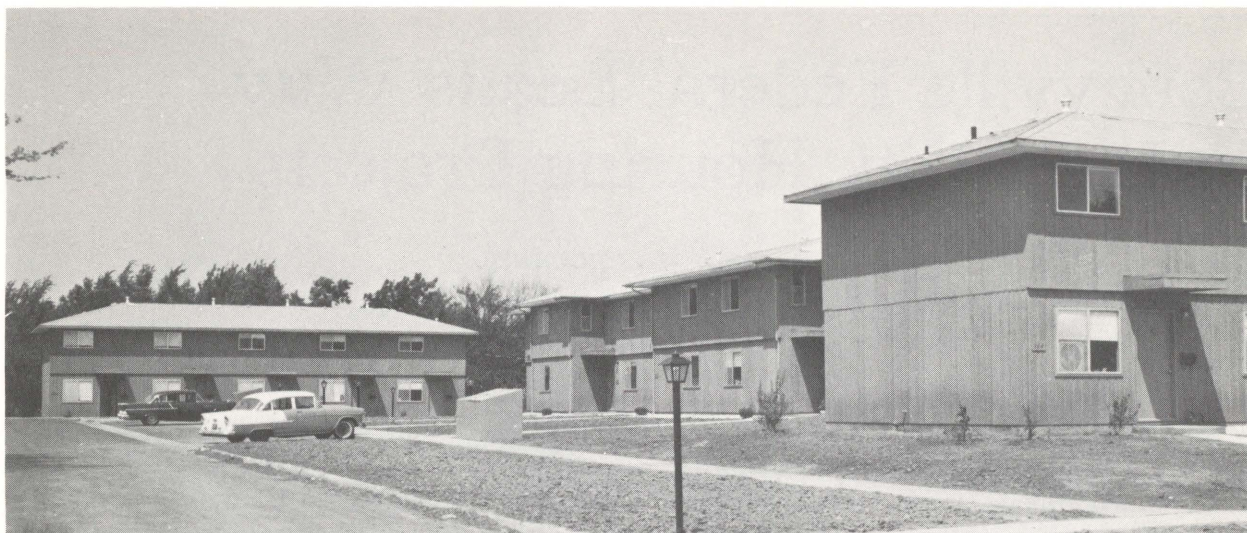
would be impossible to complete an urban renewal program on a significant scale without substantial facilities for the relocation of persons in the low- to moderate-income range who would be displaced by the urban renewal project.

Coffeyville Garden Apartments

He approached several local churches and civic groups with the result that St. Paul's Episcopal Church agreed to sponsor the first project, a \$774,500, 60-unit garden type apartment complex to be financed under the below-market interest rate program of the FHA section 221(d)(3). Rents were scaled from \$85.50 for a one-bedroom apartment to \$117.50 for a three-bedroom unit.



Coffeyville Garden Apartments, Inc., were the first project to be undertaken by Coffeyville First Federal with sponsorship of St. Paul's Episcopal Church. The 60-unit, \$774,500 development offers one- to three-bedroom apartments at rents ranging from \$85.50 to \$117.50 a month.



The Plaza Apartments, Coffeyville Federal's second low-cost housing project, now house more than 50 families in units renting for a low as \$40 a month. First Federal funded the entire \$1,024,200 cost of the project.

George Stockwell, president, and Cale Oden, vice president of the association, obtained options for the sponsor, worked out details and design of the apartment complex with Charles W. Hight, a local architect, and cooperated with the Topeka office of the Federal Housing Administration in putting the project together. At one time during the initial stages, it was necessary for officers of First Federal to develop detailed information in order to secure an increase in the allowable income limits for the city of Coffeyville to make the project feasible. The units owned by Coffeyville Garden Apartments, Inc., have now been completed and are occupied.

Second Project Completed

After approval of the Coffeyville Garden Apartments project, it was obvious that additional housing would be needed for relocation purposes because the people with very low incomes had not been taken care of. At this point, St. Paul's Church agreed to sponsor another project to be built under the rent supplement program of the same section of the Housing Act. Again, officers of First Federal worked out the details of the project with the result that the 90-unit Plaza Apartments were approved by the Federal Housing Administration. This project was designed to accommodate persons

with low incomes, including those who were welfare recipients. The Plaza Apartments are now completed at a cost of \$1,024,200 and over fifty families are occupying the units at rentals as low as \$40 per month.

Even with the completion of these two major undertakings, voids remained in the overall housing program which needed to be filled. Many elderly persons who were to be displaced by urban renewal were reluctant to move out of the core area of the city to the new housing projects.

Again, First Federal called upon St. Paul's Church, which agreed to sponsor rehabilitation of Hotel Dale, a six-story brick and masonry structure located in the center of the downtown area. This \$665,200 project was submitted to and approved by the Federal Housing Administration under the below-market interest rate program. The result will be the provision of 47 new apartments for elderly persons in the downtown area with the lower floor of the building being devoted to commercial space which, for the most part, will serve these tenants. Rents will range from \$75 to \$90 per month.

All three low- to moderate-income housing projects thus were made possible through the action of First Federal Savings and Loan Association in furnishing the interim financing

and working out substantially all of the details with the help of St. Paul's Church, the sponsoring organization; the Topeka office of the Federal Housing Administration; and the Federal Home Loan Bank of Topeka. The latter supplied inner city advances via a revolving fund to the association to finance the projects.

Promoting Homeownership

These projects, however, were not the end of First Federal's interest in improving housing conditions in the city.

The association also felt that section 235 offered a real opportunity for Coffeyville to improve some of its deteriorating areas and give low-income persons—particularly those in minority groups—an opportunity to have really decent housing and to experience the pride of owning their own homes. With this in mind, the officers of First Federal searched among local builders to find someone who would build homes under the section 235 program with First Federal furnishing the construction financing and the permanent financing.

After several weeks, the officers were unable to find a builder who was interested in complet-

ing such a project, whereupon the board of directors authorized First Federal itself to enter into a construction program under section 235.

The association obtained reservations for 20 units from the Topeka Insuring Office of FHA, went out into the city in developed areas and acquired vacant lots, many of which were located in semideteriorated neighborhoods which had some good housing. First Federal then arranged with local contractors to build the houses for the association on a turnkey basis. Some of the houses are now completed and in the hands of owner occupants. All 20 are expected to be completed by the end of 1969 when an additional 10 houses may be started. Each house contains 1,000 square feet of living area, has a carport, is centrally heated and air-conditioned, has three bedrooms and 1½ baths. Additional extras in the house are carpeting in the living room and all three bedrooms, built-in stoves and disposals, and a really functional floor plan. The houses sell for \$15,000, including the lot, with street and sewer assessments prepaid.

Construction and sale of the homes under

(See COFFEYVILLE, page 16)



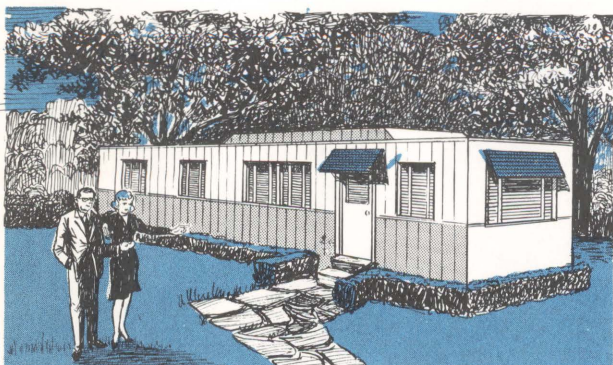
First Federal furnished both the construction and permanent financing for these low-cost homes which are located in developed areas of Coffeyville. Many of the 20 houses are located in semideteriorated neighborhoods which still had some good housing remaining.

DEVELOPING MOBILE HOME LENDING REGULATION

by MAX L. JOHNSON

Examiner, 10th District
Federal Home Loan Bank of Topeka

Development of the mobile home regulation began about the same time the Housing and Urban Development Act was passed on August 1, 1968. In order to obtain background information on mobile home financing, I was assigned to research the industry. The goal was to provide the Board with sufficient information to enable it to adopt a knowledgeable regulation that would allow associations to enter an entirely new field of financing. My instructions were very simple and very board: find out everything there is to know about the mobile home industry and prepare a report for presentation to the Board.



At the time I received the assignment, I knew very little, if anything, about mobile homes. As is the case with most of the American public, mention of mobile homes brought to my mind the image of trailer camps and migrant workers. So I set out to find the answers

to many questions I had—and to many that I didn't even know I had. My research was conducted by personal visits as well as by telephone and correspondence. I contacted mobile home dealers, manufacturers, and owners. I visited existing mobile home parks and new parks being developed. I inspected dealers' lots. By taking my wife along on several of these trips, I obtained a woman's unbiased opinion of mobile homes. Extensive reading was necessary. This included articles in newspapers, magazines, and trade publications, as well as textbooks and surveys about mobile homes. I talked with the authors and publishers of much of this material and received the benefit of their background studies. I visited lending institutions which are and have been in the mobile home financing business and I had lengthy conversations with servicing company representatives and insurers. I discussed financing and regulations with various supervisors of commercial banks and finally began preliminary work on my report, "A Study of the Mobile Home Industry."

Philosophy of Regulation

It became apparent almost at once that the philosophy of the regulation had to be considered before its mechanics could be proposed. The philosophy which evolved can be summarized in four points:

I. Associations must be given enough freedom of operation to be at least competitive with present lenders and should be given a slight advantage wherever possible. This not only is in the interest of the savings and loan

industry, but also should promote further expansion of the mobile home industry and housing in general.

2. The tight hold that existing lenders have on mobile home financing should be recognized. There is no intention on our part to take over this business, but only to become an integral part of it.

3. The primary lending function of the savings and loan industry to finance housing should be kept in mind. Thus, lending in this new field should be restricted to mobile homes to be used for housing and should not include recreational vehicles of any type.

4. The regulation should be kept simple so that associations will not become discouraged from entering this new field by a mass of intricate requirements.

These are the criteria which governed the recommendations included in "A Study of the Mobile Home Industry." That study was distributed to various offices of the Board and to industry groups. Federal Home Loan Bank Presidents also were invited to submit their recommendations.

Regulation Is Prepared

The suggestions of all interested parties were evaluated and in February 1969, I was joined by the Director and Deputy Director of the Office of Examinations and Supervision in presenting our recommendations to the Board. Our recommendations, with some modification, were next turned over to the Office of the General Counsel to be written in regulation form.

The regulation next appeared on July 31, 1969, as Board Resolution No. 23,087, (see p. 16, August 1969 issue of the JOURNAL). The Board then published the proposal and established a notice period ending September 15, during which interested parties could submit comments. These comments were evaluated and the regulation was prepared in final form.

The regulation, in accordance with the philosophy expressed in point 4, above, has been kept a simple one. It covers only the critical areas of amount, term, and purpose of mobile home loans; location of the security, and aggregate of the association's portfolio.

This does leave, however, an unresolved problem of coping with what may seem to be

a mass of complexities in this new field of finance.

Guidelines to be Published

For this reason, guidelines will shortly be published in an R Memorandum from the Director of the Office of Examinations and Supervision. The guidelines will relate almost entirely to safety factors, including some matters the examiners will review in their work.

Emphasis will be placed on an association's investigation of individual dealers. Since most loans actually will be purchased from a dealer, it will be difficult to build a sound portfolio

Guideline emphasis will be placed on thorough investigation of individual mobile home dealers since sound dealerships are basic to sound portfolios.

unless the originating dealership is sound. The guidelines will recommend that an association make a thorough investigation of each dealer on the basis of:

(1) An application for dealer approval to be acted on by an association's directors. This should contain general information about the dealership—who owns it; where the business is conducted; what products are marketed; and similar information. The application should state whether or not the manufacturers represented subscribe to the Uniform Invoicing Code of the Mobile Home Manufacturers Association. It also should indicate the dealer's willingness to sign recourse and repurchase agreements in favor of the association.

(2) A financial statement not more than one month old. This statement should be certified and signed by the dealer.

(3) An operating statement or profit and loss statement for the last fully completed semiannual period, supplemented by the current accounting period up to the date of the financial statement.

(4) A written credit report on the dealer, submitted by a recognized credit reporting company.

Those are some of the things the examiner will expect to find. The financial statement will give him some insight into the stability

of the dealership, particularly the dealer's ability to fulfill recourse and repurchase agreements. The operating statement will be even more important in that it will enable the examiner to relate the ratio of such items as cost of goods, gross margin, total expense, and net profit before tax, to net sales. Further, the association will be expected to obtain financial and operating statements at 6-month intervals so that its directors and the examiners can review the operating trends of each dealership.

Register to be Maintained

As an association's mobile home loan department goes into operation, it will be expected to maintain a register of each loan made or purchased. The examiner will want to review this register. Just as in the case of mortgage loans, unsecured loans, or even share loans, the examiner is not going to scrutinize the document file for every individual mobile home loan on the books.

A review of the register will help him determine where his analysis should be concentrated. He may select for analysis loans based on dealership, or amount, or term. He may use other factors or a combination of factors for selection, but the loan register will be his starting point.

Associations will be expected to make an unannounced physical inventory on the dealer's lot of all merchandise that is covered by a floor plan loan at intervals of not more than 30 days. The purpose of the inventory will be to determine that floor planned items are not sold out of trust, and the examiner will want to review the inventory records.

Normal Precautions Expected

In making or purchasing retail loans, associations will be expected to take the precautions normal to any prudent lending operation. These will include obtaining a fully completed credit application and a credit report. Each loan must be documented with the original of the manufacturer's invoice. An association is expected to establish its standards relating to the quality of the borrower and the security. It must also establish its own operating procedures relating to loan approval, inspection of the security, and disbursement of proceeds,

as well as collection practices. Once those policies and procedures are established, they must be maintained notwithstanding any pressures from outside sources. The examiner will want to review lending policy and procedures, and then test selected individual loans to determine the extent of the association's compliance with its rules.



Regarding floor plan loans, the association will be expected to control the disbursement of loan proceeds. This can be done by paying loan proceeds either to the manufacturer individually, or to the dealer and the manufacturer jointly. This is not too different from the control of construction loan proceeds, and the examiner will probably test floor plan payouts to see that the funds are controlled in that manner.

Recourse and repurchase provisions may be used, even though those provisions have been frowned on in other areas. These will give the association the authority to hold the dealer liable for a defaulted loan. It is not expected that this authority will be exercised in every case, but the provision should be there. Finally, associations are authorized to contract to do business with a servicing company. The finances and performance record of the servicing company, however, should be carefully examined, and contracts which require the investment of a specified sum of money in a given period of time will not be approved.

At this point it would be easy for the industry to assume that it will be required to keep another mass of records for the sole benefit of the examiner. But the proponents of these guidelines don't look at it that way. We feel that management is responsible for maintain-

(See JOHNSON, page 16)

3d QUARTER DEVELOPMENTS IN SAVINGS AND LOAN FIELD

by CHARLES LEE THIEMANN

Vice President and Director of Research
Federal Home Loan Bank of Cincinnati

Savings and loan developments in the July-September quarter were highlighted by a net outflow of savings dollars, a further contraction in cash and Government security holdings, and a sharp expansion in Federal Home Loan Bank advances. As the period progressed and adverse savings flows persisted, mortgage lending activity, which had been maintained at a relatively high level in the second quarter, commenced to slide. Loan commitments declined throughout the period and mortgage interest rates continued to spiral upward.

3d Quarter Savings Loss

FSLIC-insured savings and loan associations experienced a net savings loss of \$232 million (table 1) in the third quarter, compared with a gain of \$924 million during the same period last year. Although five of the Districts—New York, Greensboro, Indianapolis, Des Moines, and Spokane—reported a savings gain during the quarter, in each case the gain was only marginal.

Associations reported a net loss of \$1,073 million in July, nearly double the 1968 loss. There was a further loss of \$8 million in August as heavy withdrawals more than canceled out new receipts. In September associations received \$3,256 million of new savings and credited interest and dividends totaling \$951 million. However, heavier than normal withdrawals held the month's gain in savings to \$849 million.

Savers Chose Securities

The July-September savings experience was dominated by historically high rates on marketable securities. Shorter term Treasury obligations were available at yields ranging up to $7\frac{3}{4}$ percent, while Federal Agency securities could be purchased to yield 8.40 percent. Within this climate, rates paid by savings and loan associations and other financial intermediaries were not competitive. The result was that savers bypassed these institutions in favor of direct investment in securities.

There were two major offsets to the third quarter's very poor savings experience. The first was a substantial reduction in cash balances and a liquidation of Government security

Table 1.—Net Savings Inflow at FSLIC-Insured Savings and Loan Associations, Third Quarter

[in millions]

PHLB District	1969	1968	1967	1966	1965	1964
All Districts ¹	-\$232	\$924	\$1,875	-\$721	\$1,146	\$1,832
Boston -----	-32	14	30	-13	9	24
New York ----	95	208	262	-128	167	204
Pittsburgh ----	-45	-18	35	-104	18	20
Greensboro ----	76	225	290	-142	162	221
Cincinnati ----	-45	17	104	-97	-4	54
Indianapolis ----	10	36	87	-50	34	75
Chicago -----	-74	16	139	-63	95	139
Des Moines ----	12	54	63	-83	39	62
Little Rock ----	-9	14	95	-71	103	128
Topeka -----	-3	55	100	-34	25	42
San Francisco ----	-245	245	554	+81	476	793
Spokane -----	29	57	114	-19	23	69

¹ Detail may not add to total because of rounding.

THE JOURNAL OF THE FEDERAL HOME LOAN BANK BOARD

Table 2.—Change in Cash and Government Securities at FSLIC-Insured Savings and Loan Associations, Third Quarter

[In thousands]

FHLB District	1969	1968	1967	1966	1965	1964
All Districts ¹	-\$1,008,209	-\$746,012	\$111,176	-\$582,464	-\$349,128	-\$302,953
Boston	-28,945	-15,982	-244	-11,622	+2,565	+38
New York	-120,885	-52,139	+12,336	-63,106	-16,824	+6,427
Pittsburgh	-90,144	-98,208	-50,037	-72,796	-40,646	-33,872
Greensboro	-228,795	-114,467	+1,065	-140,177	-56,982	-23,807
Cincinnati	-134,409	-118,252	-25,242	-91,795	-82,812	-66,843
Indianapolis	-45,456	-53,149	-13,988	-36,480	-37,973	-25,946
Chicago	-142,189	-138,310	-4,654	-69,827	-32,319	-23,937
Des Moines	-68,595	-44,828	-15,246	-34,046	-49,543	-31,105
Little Rock	-59,963	-72,327	-20,827	-77,333	-21,721	-18,831
Topeka	-13,064	-13,553	+20,923	+3,004	-8,589	-4,459
San Francisco	-60,844	+476	+185,163	+10,110	+11,618	-72,035
Spokane	-14,916	-25,274	+21,930	+1,604	-15,902	-8,583

¹ Detail may not add to total because of rounding.

holdings. Together these two sources of funds provided associations with over \$1 billion (table 2). During the comparable period last year \$746 million was made available from these two sources.

The other major offset was a sharp expansion in Federal Home Loan Bank advances. Outstanding advances increased by \$1,494 million (table 3) during the July-September period, compared with an increase of only \$158 million last year. This quarterly expansion was the largest in the history of the Bank System.

In order to provide these funds the Bank System borrowed a total of \$2,651 million dur-

ing the third quarter. After paying off maturities of \$1,100 million, \$1,551 million was available for new lending.

Mortgage loan repayments, generally the largest single source of loanable funds, amounted to \$3,952 million during the quarter. This brought the total dollars available from the major sources of loanable funds to \$6,223 million, 115 percent of the year-earlier total (table 4). Increases in five Districts—New York, Pittsburgh, Greensboro, Indianapolis, and Des Moines—exceeded the national average. In each case this was the result of a somewhat better than average savings experience.

Table 3.—Changes in FHLB Advances at FSLIC-Insured Savings and Loan Associations, Third Quarter

[In thousands]

FHLB District	1969	1968	1967	1966	1965	1964
All Districts ¹	\$1,494,428	\$158,219	-\$184,523	\$432,350	\$199,671	\$52,380
Boston	44,905	21,920	730	2,481	42,917	9,320
New York	100,015	8,252	-22,708	89,291	29,441	-506
Pittsburgh	78,400	32,655	20,798	31,963	40,837	26,792
Greensboro	173,801	-746	-56,952	74,069	51,810	49,339
Cincinnati	132,835	38,906	25,375	35,537	47,360	17,865
Indianapolis	61,889	-8,582	8,101	21,548	20,817	-9,814
Chicago	195,093	48,919	15,441	10,368	21,819	-25,016
Des Moines	73,092	-6,508	-608	41,549	-25,387	-14,927
Little Rock	93,887	26,631	-17,067	36,327	13,775	3,978
Topeka	79,160	16,432	-2,845	35,431	13,433	-16,342
San Francisco	421,767	-7,351	-121,858	28,612	-69,109	16,088
Spokane	39,583	-12,307	-32,929	25,174	11,958	-4,397

¹ Detail may not add to total because of rounding.

Table 4.—Sources of Funds at FSLIC-Insured Savings and Loan Associations,¹ Third Quarter

[In millions]

FHLB District	1969	1968	1967	1966	1965	1964
All Districts ²	\$6,223	\$5,417	\$5,304	\$3,549	\$5,778	\$5,990
Boston -----	171	162	148	102	169	148
New York ----	710	581	557	350	590	522
Pittsburgh ---	389	304	296	163	286	246
Greensboro ---	1,138	821	721	508	807	767
Cincinnati ---	698	635	612	436	580	551
Indianapolis ---	327	274	316	176	298	266
Chicago -----	769	682	651	413	623	556
Des Moines ---	393	299	297	185	306	309
Little Rock ---	400	360	344	266	402	376
Topeka -----	230	220	216	118	204	184
San Francisco -	785	877	943	716	1,306	1,841
Spokane -----	212	201	203	115	208	223

¹ Sources include net savings inflow, net loan repayments, changes in outstanding Federal Home Loan Bank advances and in holdings of cash and Government securities.

² Detail may not add to total because of rounding.

Mortgage loans closed by associations totaled \$5,448 million (table 5) in the third quarter, only slightly lower than last year's volume. On a monthly basis, however, loans closed were up 6 percent in July, but then declined by 4 percent in August and 6 percent in September. This obviously reflected the persistence of poor savings flows and the inability of associations to foresee any improvement over the near term.

Association lending programs continued to emphasize the single-family market during the July-September period. Over 72 percent of the dollar volume of all loans closed during this period were for the construction or purchase of single-family homes. This was an improvement over the single-family market share of 66 percent in the first quarter and 69 percent in the second quarter.

Outstanding loan commitments at the end of September were \$3,528 million, off some 19 percent from midyear level. The decline during the quarter was more than seasonal and gave further evidence that associations expect the current squeeze on loanable funds to continue.

Reaction to Interest Rates

The recent trend in both lending activity and commitments is also partly a result of the reaction of prospective home buyers to historic-

ally high mortgage interest rates. The effective interest rate on conventional mortgage loans for the purchase of newly built homes averaged 8.08 percent in September, 32 basis points above the June average and 84 basis points above the September 1968 average. Other mortgage terms changed very little during the quarter.

Although mortgage rates have risen appreciably during the past year, they have not kept pace with rates on many competing investments. During the 12-month period ending in September 1969, the effective mortgage rate increased by 12 percent. At the same time, the yield on long-term U.S. Government bonds increased by 24 percent, on high-grade municipal bonds by 42 percent, on AAA corporate bonds by 20 percent, and on BBB corporate bonds by 19 percent. It is clear that mortgage interest rates have become relatively less attractive to investors over the past year.

Outlook for Future

As to future developments, savings flows cannot be expected to improve much unless yields on competing investments decline. Moreover, associations will not be able to rely on a further substantial reduction in cash and Government security holdings. During the past 6 months associations have reduced such holdings

Table 5.—Total Mortgage Loans Closed by FSLIC-Insured Savings and Loan Associations, Third Quarter

[In millions]

FHLB District	1969	1968	1967	1966	1965	1964
All Districts ¹	\$5,448	\$5,520	\$5,921	\$3,566	\$6,298	\$6,428
Boston -----	132	148	154	106	155	136
New York ----	488	427	499	369	550	526
Pittsburgh ---	270	295	319	175	308	268
Greensboro ---	893	823	784	514	877	872
Cincinnati ---	621	661	700	468	660	610
Indianapolis ---	296	290	339	188	325	290
Chicago -----	583	660	775	463	710	617
Des Moines ---	361	337	346	231	339	346
Little Rock ---	402	428	386	318	453	438
Topeka -----	238	233	242	128	235	217
San Francisco -	955	1,001	1,107	490	1,446	1,877
Spokane -----	207	215	269	117	240	231

¹ Detail may not add to total because of rounding.

by \$1,692 million. At the same time the ratio of cash and Government securities to savings capital declined from 9.5 percent to 8.1 percent (table 6). The obvious conclusion is that as far as sources of funds are concerned, associations will have to rely almost exclusively on loan repayments and Federal Home Loan Bank advances during the period immediately ahead.

Table 6.—Ratio: Cash and Government Securities to Savings Capital at FSLIC-Insured Savings and Loan Associations

[Percent]

FHLB District	Sept. 1969	June 1969	Mar. 1969	Dec. 1968
All Districts -----	8.1	8.9	9.5	9.5
Boston -----	7.9	8.6	8.8	8.6
New York -----	7.5	8.4	8.8	9.2
Pittsburgh -----	8.0	9.4	10.1	9.9
Greensboro -----	7.8	9.0	9.5	9.4
Cincinnati -----	8.7	9.7	10.5	10.6
Indianapolis -----	9.1	9.8	10.4	10.3
Chicago -----	8.3	9.3	10.2	10.4
Des Moines -----	8.1	8.9	9.8	9.3
Little Rock -----	8.1	8.7	9.0	9.2
Topeka -----	8.1	8.3	9.1	9.3
San Francisco -----	8.0	8.1	8.8	8.7
Spokane -----	8.4	8.8	9.2	9.0

(JOHNSON, continued from page 12)

ing a sound loan portfolio, and we don't see how this can be accomplished without appropriate records. So, although the examiner will use those records in his work, their primary purpose is to assist management.

This is by no means a complete chronicle of the development of section 545.7-1, nor a complete list of the supplemental guidelines, but it does give an insight into what might be expected in this new endeavor. The examining procedures for mobile home loans have not been fully developed at this time, but we can expect that the examiner will not be required, or even permitted, to do more analysis than is necessary to determine the extent and quality of the loan portfolio.

No doubt each of us knows some association that has had an unfortunate loss in unsecured lending. If one examines that loss closely, I think it will be found that the association had placed an unwarranted trust in a dealer or

had failed to follow its own safeguards or perhaps had become a little too ambitious in expanding its portfolio.

We recognize the difference in unsecured lending and mobile home financing, but there is a strong similarity, also, and the opportunity to make some of the same mistakes is there. These are the things we want to avoid if we can, and we think that we can with the cooperation of everyone involved.

This is a totally new field which can be a successful one if each of us, examiners as well as operators, take the time necessary to obtain the knowledge required to enter it and exercise appropriate care in doing so.

(COFFEYVILLE, continued from page 9)

section 235 was undertaken by First Federal under section 545.6-18 of the Federal Savings and Loan regulations which allow such activity in designated urban renewal areas. First Federal has made great strides in the past 2 years toward solving some of the housing needs for the city of Coffeyville, and the employees and directors are pleased to have this opportunity to improve the city.

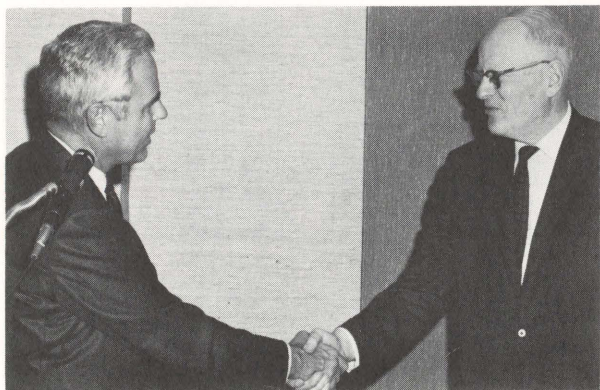
In addition, numerous groups and individuals from Kansas, Oklahoma, and Missouri have contacted First Federal for help in organizing housing projects in their respective cities. First Federal is presently working with several and recently closed a \$1,351,000 loan for a 106-unit project in Miami, Oklahoma, sponsored by the local Presbyterian Church with financing arranged under the below-market interest rate program of section 221 (d) (3).

Also pending are applications for two substantial projects, totaling 300 units, under section 236 of the Housing Act. The association made the first FHA-insured nursing home loan in the area and has always been a leader in new innovation to better house the citizens of the region.

All of the projects undertaken by First Federal have been 100 percent financed by the association, with those constructed under the below-market interest rate program either bought or being bought by the Government National Mortgage Association.

NEWS SECTION

Advisory Council Meets



Michael Greenebaum, former Board Member and now Consultant to the Board (right), receives a congratulatory handshake from Junius F. Baxter, Chairman of the Federal Savings and Loan Advisory Council.

Michael Greenebaum, retired former Member of the Federal Home Loan Bank Board now serving as a Consultant, was honored by the Federal Savings and Loan Advisory Council at a meeting held on October 27-29. A Resolution adopted by the Council stated that Mr. Greenebaum "has capably promoted the cause of the savings and loan movement" and contributed to improving "the conditions of shelter in this country and in other countries throughout the world."

The Council was briefed by Board staff members on matters such as plans for decentralization of authority, Bank advances for inner city projects, and the proposed liquidity regulations. Eugene A. Gullede, former member of the Council and now Assistant Secretary for Housing Production and Mortgage Credit and FHA Commissioner,

addressed the meeting on the associations' responsibilities for financing housing for low- and moderate-income groups.

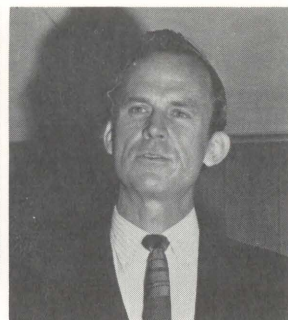
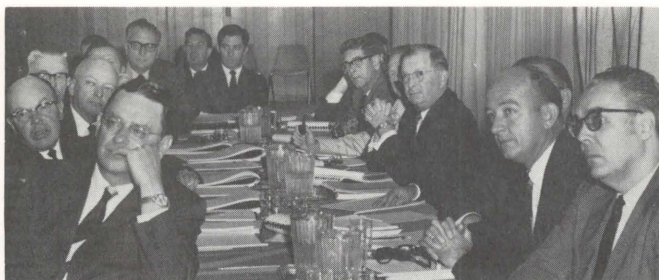
Shown seated (l. to r.) are: Charles C. Donovan, Chicago Heights, Ill.; Board Member Carl O. Kamp, Jr.; John S. Madore, State College, Pa.; Board Chairman Preston Martin; Council Chairman Junius F. Baxter; Assistant Secretary Gullede; Board Member Thomas Hal Clarke; and Robert J. Hill, Concord, N. H.

Standing (l. to r.) are: John J. Brady, Council Executive Secretary; Charles F. Kenny, Hempstead, N. Y.; T. L. Cauthen, Midland, Tex.; A. G. Shireman, South Bend, Ind.; Arthur H. Courshon, Miami Beach, Fla.; Fred C. Stalder, San Diego, Calif.; Charles C. Horton, Providence, R. I.; Clarence P. Bryan, Cleveland, Ohio; William E. Young, Olympia, Wash.; Philip K. Rausch, Waterloo, Iowa; George B. Preston, West Palm Beach, Fla.; and M. L. Dye, Salt Lake City, Utah.



Three staff members have been appointed by Chairman Preston Martin as Acting Directors following two recent deaths and a retirement. They are (l. to r.): Charles C. Keely, Jr., Acting Director of the Office of Public Affairs; Doris L. Holt, Defense Coordinator and Acting Director of the Administrative Services Division; and William M. Gregg, Acting Director, Office of System Finance and Bank Operations.





C-E-S-A-R-S Conference Held

A combined conference of Chief Examiners, Supervisory Agents, and Regional Supervisors of the Federal Home Loan Bank Board was held October 20-24 at the Linden Hill Hotel, Bethesda, Md., to review objectives and the current status of the Office of Examinations and Supervision, propose and discuss improvements, and decide on necessary changes.

Chairman Preston Martin addressed the confer-

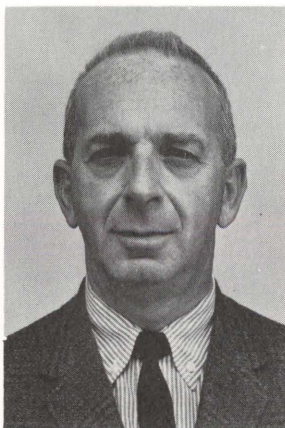
ence on "The Savings and Loan Environment for the 1970's—Implications for the Office of Examinations and Supervision." Director Eric L. Stattin, Jr., of the Office of Examinations and Supervision and Deputy Director Walter J. Brown moderated most of the general sessions held during the 5-day conference. Shown at left and right, respectively, of one of the conference groups are Director Stattin and Chairman Martin.

Arthur F. Hermann

Arthur F. Hermann, 57, Director of Public Affairs of the Federal Home Loan Bank Board, died at his home on October 28 of an apparent heart attack.

Chairman Preston Martin expressed the profound shock and regrets of the Board at his passing. Mr. Hermann had guided the agency's public affairs since April 1965.

He came to the Board from the Washington Bureau of McGraw-Hill Magazines, where, since 1961, he had been a news and feature writer for Business Week and other



Mr. Hermann

magazines of the

McGraw-Hill group. He specialized in articles on banking, money, credit, and housing.

He joined the Washington Bureau of the International News Service in 1941 and covered the White House, the Congress, the Pentagon, and financial agencies including the Federal Home Loan Bank Board. From 1949 to 1958, he was executive editor in charge of the Washington news operations of INS, which subsequently combined with the United Press to form United Press International (UPI). From 1958 to 1961, he was a reporter-editor with the Washington Bureau of the Gannett Newspapers.

He was born in Providence, R. I., on October 16, 1912, and raised in Canastota, N. Y. He was a member of Sigma Delta Chi, national journalism fraternity, and served as treasurer and a member of the Board of Governors of The National Press Club.

Mr. Hermann is survived by his widow, Mary, and a son, Arthur F. Hermann, Jr., of Silver Spring, Md. Burial was at Canastota, N. Y.

REGULATIONS, RULINGS, AND OPINIONS

Amendments Adopted

Policy on Mergers

The Board has amended its statement of policy on mergers to permit a temporary increase in the number of directors of a surviving Federal savings and loan association in connection with a merger. A proposal to increase the directors to a number beyond that permitted by charter may be made by a surviving Federal association. The Board will entertain an application for a charter amendment permitting such an increase, provided the maximum number of directors does not exceed 25 and no subsequent vacancies on the board are filled until the number of directors has been reduced to less than 15.

The amendment was adopted by the Board as Resolution No. 23,440 on October 8, filed in the Office of the Federal Register on October 16, and published in the Federal Register of October 17, 1969.

Proposed Amendments

Application Procedures

The Federal Home Loan Bank Board on October 29 proposed regulations amending the procedures relating to applications to organize Federal savings and loan associations and to establish branch offices or mobile facilities of these institutions.

Chairman Preston Martin said the Board's aim in proposing the amended regulations is to simplify the procedures for processing such applications to expedite the decisional process. "This will be accomplished," Chairman Martin said, "by decentralizing the applications process to the 12 Federal Home Loan Banks, a form of 'The New Federalism' put forward by President Richard Nixon."

Under existing procedures, hearings in Washington, D.C., at which evidence was taken pro and con as to the merits of applications, have been held in a substantial number of cases. The proposed regulations do not provide for such hearings. Applicants and protestants will submit written data in connection with the merits of the applications.

The new procedure does include provision for oral argument to be held in the field before the Board's Supervisory Agent in the Bank District in which the applicant association is located. Whether to schedule such oral argument is at the discretion of the Supervisory Agent, but the final decisions on all applications will continue to be made by the Federal Home Loan Bank Board itself.

The Board at the same time issued comparable proposals which would apply to applications for insurance of accounts by the Federal Savings and Loan Insurance Corporation and to applications by District of Columbia savings and loan associations for branch offices.

The proposed regulations were adopted as Resolution Nos. 23,455, 23,456, and 23,457 on October 21 and published in the October 29, 1969, issue of the Federal Register. Interested persons are invited to submit written comments to the Federal Home Loan Bank Board by no later than November 28, 1969.

General Counsel Opinions

Copies of the opinions digested below may be obtained on request from:

Manual and Information Compliance Division
Office of the General Counsel
Federal Home Loan Bank Board
101 Indiana Ave, NW.
Washington, D.C. 20552

The opinions requested should be identified by Public Index number. Normally, no more than one copy will be supplied. The opinions furnished may have deletions.

The staff of the Division is not equipped to provide whole sets of opinions in the manner of a publishing house that issues reports of decisions or rulings. Please do not make a blanket request for all of the opinions digested in an issue of the Journal. We will be unable to comply with such requests.

Subject: (A) Savings and loan holding companies; (B) Section 408(a)(1)(C), NHA.

Reference: Public Index No. 1806

The fact that a voting trust agreement has not been enforced by the parties to it and does not give rise to a "trust" under local law is not determinative of whether such agreement creates a "company" under section 408(a)(1)(C) of the National Housing Act, as amended. It is sufficient that the agreement creates an entity properly classifiable as a "similar organization" to a "trust" for such entity to come within the section 408(a)(1)(C) definition. 5/27/69

Subject: (A) Section 408(d)(4); (B) Section 408(d)(6).

Reference: Public Index No. 1807

1. The transfer of real estate from a savings and loan holding company to its insured subsidiary (which held a prior first mortgage) by means

(see REGULATIONS, page 25)

APPLICATIONS APPROVED IN OCTOBER

New Bank System Members Insured by FSLIC

First Federal Savings and Loan Association of Fulton County, Canton, Ill.

Federal Charters Granted¹

Home Federal Savings and Loan Association of Elgin, Elgin, Ill.

Henderson Home Federal Savings and Loan Association, Henderson, Ky., from Henderson Building and Loan Association.

New Branches²

Home Federal Savings and Loan Association, Birmingham, Ala. (Birmingham)

First Federal Savings and Loan Association of Kansas City, Kansas City, Mo. (Independence)

Superior Federal Savings and Loan Association of Fort Smith, Fort Smith, Ark. (Fort Smith)

Dollar Federal Savings and Loan Association of Hamilton, Hamilton, Ohio. (Hamilton)

First Federal Savings and Loan Association of Texarkana, Texarkana, Ark. (Ashdown)

First Federal Savings and Loan Association of Warren, Warren, Ohio. (Warren)

Civic Federal Savings and Loan Association, San Francisco, Calif. (Daly City)

Phoenix Federal Savings and Loan Association, Muskogee, Okla. (Sallisaw)

Tucker Federal Savings and Loan Association, Tucker, Ga. (DeKalb County)

Home Federal Savings and Loan Association of Tulsa, Tulsa, Okla. (Tulsa)

First Federal Savings and Loan Association of Frankfort, Frankfort, Ky. (Frankfort)

First Federal Savings and Loan Association of Madison, Madison, Wis. (Madison)

Mergers

Metropolitan Savings and Loan Association, Los Angeles, Calif., into Allstate Savings and Loan Association, North Hollywood, Calif.

Peoples Building Loan and Savings Association, Hammond, Ind., into First Federal Savings and Loan Association of Hammond, Hammond, Ind.

Ventura Savings and Loan Association, Ventura, Calif., into Huntington Savings and Loan Association, Huntington Park, Calif.

Pinnacle Savings and Loan Association, Rochester, N.Y., into Columbia Banking Savings and Loan Association, Rochester, N.Y.

Citizens Federal Savings and Loan Association of Georgetown, Washington, D.C., into Interstate Building Association, Washington, D.C.

Monarch Building and Loan Association Company, Cincinnati, Ohio, into North Cincinnati Loan and Building Company, Cincinnati, Ohio.

Jefferson Savings and Loan Company, Jefferson, Ohio, into The Ashtabula County Savings and Loan Company of Ashtabula, Ohio, Ashtabula, Ohio.

¹ Converted from State-chartered association.

² Branch location in parentheses.

(CLARKE, continued from page 3)

rehabilitation of 26 million housing units during the next 10 years to meet the estimated population growth in the United States."

For these reasons, Mr. Clarke said, the Board was convinced that savings and loans must get into this vital part of the housing field or be charged with neglecting a very significant portion of the housing needs of the country.

Details of Regulation

In announcing details of the new regulation, Mr. Clarke said that "it is designed to:

"1. Permit your association, if it sees fit, to participate in this growing, low-cost housing field.

"2. Provide for the public another source of financing of this type housing—at institutions which are known to be specialists in the housing field and known to be sensitive to the needs of the people who are attracted to this kind of housing.

"3. Provide a plan suitable to the abilities of this class of citizen to own his own home—thus creating a more stable society for the ensuing seventies.

"Since this is new to savings and loans, and management does not have the experience initially to know the limits and dangers," he added, "a limitation is imposed on the amounts of this sort of financing a particular savings and loan association can engage in.

"A 'mobile home' is defined as a movable dwelling constructed to be towed on its own chassis and undercarriage, having minimum dimensions of 40 feet in length and 10 feet in width, and containing living facilities suitable for year-round occupancy by one family, including permanent provisions for eating, sleeping, cooking, and sanitation.

"Of course, the lender must have a first lien and can loan only up to 5 percent of its assets on such paper.

"We provided for inventory financing if such inventory is held for sale in the ordinary course of business by the dealer within the association's regular lending area.

"The dealer's obligation cannot exceed 100 percent of the manufacturer's invoice price and equipment, excluding freight, on new mobile homes and not over 90 percent of the wholesale value on used mobile homes.

"For retail obligations, the mobile home must be maintained as a residence of the purchaser, or a relative of the purchaser. The mobile home must be located in a park within the lender's regular lending area.

"The amount loaned on new homes cannot exceed 100 percent of manufacturer's invoice price and installed equipment, excluding freight plus 10 percent up to \$500, plus sales tax.

"The amount loaned on used homes cannot exceed 100 percent of wholesale value and sales tax.

"The paper must provide for repayment on new homes within 12 years and 8 years on used homes."

Board Can Make Changes

If these regulations prove to be inadequate, Mr. Clarke added, the Board will make such changes as are necessary for the savings and loan industry to provide the necessary financing competitively in the market.

"We appreciated the comments and recommendations sent in," he commented. "Many were used and others had to be rejected.

"The view of this Board Member is that we have a great business, vital to the well being of our changing Nation. We have increasingly competent managers and directors, but we are going to need the imagination, work, loyalty, integrity, and determination of us all, if we are to continue the high place this business deserves in the affairs of our country. The Board is aware of this and we trust you are too."

(KAMP, continued from page 4)

ous tightening of money, and increasing yields in the market place caused by a vigorous monetary policy committed to restrain inflation."

It would be unfair, however, to overlook the tremendous accomplishments of the savings and loan industry under severe handicaps, Mr. Kamp added.

"Unlike your awakened competitors, you have continued to serve in accordance with congressional mandates," he said. "While other financial intermediaries have abandoned, or given only token attention to, the housing market and sought the greener pastures of higher yielding investments producing higher profits, your efforts have provided a continuously increasing percentage of money available for financing the unit production of housing.

"One example of your ever-increasing importance in housing America is that in 1950, savings and loan associations accounted for 29 percent of all mortgage loans outstanding on one- to four-family nonfarm homes. At the close of 1968, this figure was almost 44 percent, an increase of 15 percent.

"Conversely, the same comparison shows commercial banks at 21 percent at the close of 1950 and 15.4 percent at the close of 1968, a decrease of 5.6 percent; life insurance companies at 18.8 percent at the close of 1950 and 11.8 percent at the close of 1968, a decrease of 7 percent.

Market Share Nears 60 Percent

"Even more significant, during the first quarter of 1969, savings and loan associations increased their share of the market 47.4 percent, banks 20.9 percent, and insurance companies dropped 4 percent. The second quarter shows savings and loan associations at 57.5 percent, banks 20.2 percent, and insurance companies off 3.85 percent.

"As housing starts continue to decline and the building industry and resale market continue to bear an overly large proportion of the burden of two credit crunches only 2 years apart, no one can say that the savings and loan industry has failed in its responsibilities to help house America.

"We, at the Federal Home Loan Bank Board, under the great leadership of Chairman Preston Martin, are striving hard to improve and increase the tools. These are, as I said earlier, the keys available to you in fulfilling your responsibilities to promote thrift and homeownership.

"We are vigorously striving to improve the Federal Home Loan Bank Board and the Federal Home Loan Bank System. We have adopted and continue to apply the most modern methods of management skills available. Following is a sample of the format: Management by objectives, with objectives measurable by present goals; management by exception using the team concept of problem solving; delegation of responsibility;

vide and departmental reorganization; decentralization of certain functions to the District Federal Home Loan Banks; and continual planning and training sessions.

"We are constantly employing the skills of new and old staff members alike. We are in the process of building a Management Information System which we are confident will provide a breakthrough of tremendous magnitude for you, as managers, and for the Board and the Bank System.

"We are convinced that the Management Information System will provide the absolute information, derived from people and computers, necessary to guide all of us in the future."

(STATTIN, continued from page 5)

generate all kinds of comparative ratios and trends which will be helpful to you," he said. "It will give various forms of summary data designed to show where your association stands in relation to others; in relation to local, regional, or national trends, and, in some respects, in relation to itself over time.

"With periodic inputs of statistical data, supervisors will be able to spot those associations which, in one way or another, deviate from at least a relative standard and need attention. The system can tell us in a very short time which associations are steadily losing savings, which are not making new loans, which are overcommitted in terms of liquidity, and which have sudden increases in scheduled items.

"This information may or may not have supervisory significance. It may or may not show an exception which supervision must watch. At least in the foreseeable future, the information system will not replace examinations and audits.

"Clearly, the examination and audit activities remain essential steps in the process of interpretation of data and for the provision of additional information necessary to come to a realistic supervisory position."

If examiners find a satisfactory degree of consistency between the reports received and the internal affairs of the association, they will so inform their superiors, Mr. Stattin said.

Report May Not Be Needed

"If all is well with the association, there may not even be an examination report," he said. "A letter might suffice to confirm the performance of the examination and to inform you that no unresolved matters of substance were found. Presumably, whatever discrepancies or irregularities were observed were disposed of by agreement between the examiners and management. Thus the association's affairs do not constitute an exception and the supervisor has no need for followup.

"Is all this just pie-in-the-sky conjecture? I think not. It is the logical development of supervisory and examination changes that began 5 years ago with the modified examination procedures and the change from reporting mere data. It will take time to develop and refine the information system on which so much reliance will be placed; it will take time to develop the confidence in such a system that both supervision and management will need; it will take time to reach our objective of a change in the laws, both State and Federal, to permit such flexibility of examination procedures as we hope to achieve."

Mr. Stattin said a major objective of the information system under development is to permit supervision by exception.

"There will not be the necessity for an examiner to supply statistics in examination reports on which to judge performance except to the extent that they are not otherwise available," he added. "The information required will be basic to any and all associations and therefore necessary to each; the ratios and trends developed will be useful to all.

"A further objective is the development of an early warning system. This would provide the supervisors with an opportunity to get to the problems—the exceptions—early enough to do something besides handwringing and berating. Early detection of adverse trends or unsound practice is possible. The examiners and supervisors can spend the time necessary for a thorough analysis of the exception and, working with the association, find a solution. This is the whole theory of management by exception and is equally applicable to supervision."

Flexible Merger Policy

In another forum address on the Board's more flexible merger policy, Mr. Stattin said the goal is to "place savings and loans in a more effective competitive position through lower costs, a wider range of consumer services, a broader geographical flow of funds, and an ability to participate in the larger projects of the 1970's.

"Chairman Martin has repeatedly sought to assure the smaller associations that they need not fear the new policy. Many hundreds of one-institution communities are served best by the distinctly locally oriented management. This does not mean, however, that they should not be attuned to the changing needs of their communities.

"The Chairman also has said that we can no longer live with 10- to 20-month waiting periods in merger processing. To achieve more expeditious action, the Board has given greater discretionary powers to Supervisory Agents by authorizing them to dispense with certain data bearing on anticompetitive effects which are not relevant.

"In addition, a new merger application form is being prepared which will not only dispense with certain types of data in particular circumstances, but will set out in more specific terms the types of data needed, the absence of which in the past has led to delays and even disapprovals. We expect that these steps will facilitate more timely Board action on most mergers."

The Board also is going to take a more realistic view with respect to merger-acquired branches, the carry-over of directors and officers, and advisory boards, he added, although the so-called "enrichment contracts" will continue to be scrutinized carefully.

"Similarly, in the matter of the size of the directorate and advisory boards," Mr. Stattin continued, "many people question the fairness of requiring men who have spent 30 or 40 years with a small association in a small town to step down or disappear. We will not question directors' fees so long as the aggregate cost is reasonable and related to the services rendered. Nor will we any longer quibble over the previously exacting numbers governing the memberships of the directorate or the advisory board. In fact, the Board recently acted to

raise the limit on the number of directors of a resulting association to 25."

Mr. Stattin said that to the extent that examinations show appraised or indicated losses, "we will insist that they be booked to insure that the loan and real estate portfolios are properly valued. We would hope that you would make your own analysis of the portfolios to determine whether sufficient valuation allowances have been established. I would hope that you would also review the disappearing association's independent audit reports. The auditor's opinion particularly may provide clues to 'soft spot.' A so-called 'acquisition investigation' by your own independent auditing firm might be appropriate in many cases.

"If there are unresolved supervisory problems between your association and the Supervisory Agent, it will almost certainly be an obstacle to your application. In such cases the Board will probably deny the application and furnish you the specific grounds for the denial. Then everyone can go back to the drawing boards, settle the supervisory problems, and consider reapplying.

"The Board has stated that additional authority will be delegated to the District Banks, so that when we get the application at the Board it will be complete and ready for expeditious processing."

During 1967 and 1968 combined, the Board acted on 105 mergers, approving 92 and disapproving 13, Mr. Stattin said, adding that in the first 10 months of 1969 alone, the Board acted on 75 mergers, approving 71 and disapproving only 4.

"As you can see," he said, "the odds for merger approval were 8 to 1 during those 2 years. During 1969 the odds have increased to almost 20 to 1."

(KRAUSE, continued from page 6)

As an example of processing speedup, he cited the case of several emergency applications related to low-income housing which his Office had recently received.

"These are being processed in a matter of days," he said. "They include three turnkey projects aggregating \$6 million and funded by the new special 10-year advances.

"Evidencing the Chairman's concern for the development of low- to moderate-income housing, new Board policy has been adopted whereby any matter involving inner city and low-income housing—whether for project approvals, changes in regulations, or new facilities—will receive priority treatment."

Mr. Krause added that Chairman Martin has just announced the appointment of two minority housing specialists, McClinton Ford and Al Hampton, as members of the Office of Industry Development.

"Their responsibility," he said, "will be for:

- "1. Minority management and staffing program (savings and loan, property, and special project management).
- "2. Financial support programs for minority associations serving inner city.
- "3. Urban development through inner city housing project development and community support programs.
- "4. Urban leadership programs.
- "5. Coordinative relationships with Federal and local agencies."

In matching a more modern organization with new goals, Mr. Krause said, the Board takes some risk, "but

changes will be neither capricious nor precipitous." Nor will valued people or traditions be discarded.

"We have a most superior and loyal staff which, because of these characteristics, will be able to adapt to the necessary changes," he said.

As an example of crucial matters being studied at Board headquarters, Mr. Krause cited the use of savings flow data.

"The staff is completing a program with the Board's Data Management Division wherein all member associations will be asked to report quarterly on the dollar volume of savings in each office and at each location of a mobile facility," he said.

"This data will be furnished on a confidential basis and will be available only to Board Members and staff and to Supervisory Agents. Once this program is computerized, those processing applications will be able to analyze the savings trend of all offices in an SMSA, a county, a city, or community, or the data can be made available on a postal zip-code basis.

"In the analysis of a branch application or for permission to organize, a merger, or an insurance application, it is important to review the savings performance of existing facilities in a particular market area. This information can be indicative as to whether facilities are dominating an area and whether established offices are attracting sufficient savings. Further, an evaluation of performance of existing facilities in a market area will give us a comparison of these facilities with the volume of savings an applicant has in the area along with his projection for attracting new savings through the first 3 years of operation of the proposed branch. Also, we should be able to analyze the savings performance trend of an applicant's existing branch offices.

"So as not to overburden association personnel, the quarterly periods will be November, February, May, and August.

"These worthy topics have all been considered in the past 4 months on agendas of the Bank Presidents Conference, the Advisory Council, a special Washington Conference of Supervisory Agents, a blue ribbon ad hoc committee of the League, and through widespread communication with the industry. Our policies will continue to be developed and refined for a long time to come in response to further comment from the industry.

Stronger Client Relationship

"All these discussions and studies have an objective: to orient attitudes and procedures toward the proper development of the savings and loan industry through its facilities and services and—in so doing—incidentally to bring about a stronger and closer client relationship between industry and agency. Restated, the name of this objective is—Modern Organization and The Needs of the Client.

"This follows the ideal which prevails in our society of 'Service to the Public'. But 'ideology' does not answer the empirical question of the degree to which this public agency is actually tuned to the needs of its industry clients. Nor how these client needs—that is, for new services and facilities—are expressed and recognized.

"The question is, to what degree service to the industry remains an ideology or becomes an organization reality.

"I suggest that the best expression of real and realized service by this public organization, the Board,

is through a modern organization using a greatly strengthened Bank System using decentralized processing, analysis, and control.

"How are the industry's facility needs best expressed? One way is by the filing of the most complete and thorough applications in the first instance at the local level.

"How are these industry client needs best recognized by the agency? One way is by use of more complete and consistent data gathering techniques, more complete analyses on the Bank level, and better evaluative and review techniques at the Board.

"In summary, we are operating in frustrating, changing environments—both economic and physical. Unless we innovate and adapt we lag behind both business competition and social need.

"We ask the question, is the Board and Bank System solely a financial institution, or is it a housing agency? Our agency must be viewed as a housing agency, a national institution to develop economically and socially satisfactory communities.

"In view of this rather patent premise, we see a basis for reorganizing and groping for new goals."

(MARTIN, continued from page 2)

lenders who have not participated in this approach to moderate- and low-income housing."

Mr. Martin said his next point related to inner city housing and to a new plan for the first Federal Home Loan Bank-Government National Mortgage Association security issue against a pool of "new" HUD-subsidy mortgages. Mr. Martin declared:

"We are saying to the industry, 'sell us your HUD-subsidy mortgages and we will, ourselves, issue a GNMA-Federal Home Loan Bank inner city security in 1970 and we will be back to you again for additional purchases of HUD-subsidy mortgages.'

"This will be a new financing technique and it suggests great potential in tapping enormous funds for the housing market, particularly the moderate- and low-income housing market which has yet gone unsolicited and untapped.

"Another announcement today goes to the same sector of the housing market. We are issuing for the first time authority to permit and, indeed, to facilitate the financing of mobile homes by Federal savings and loan associations across this Nation.

"The Federal Home Loan Bank Board is aware of the controversial nature of this kind of financing in a housing credit crisis, but the Board, after careful analysis, has concluded that the mobile home is too vital to

the housing of the moderate-income families of this Nation to be deferred any longer by the principal mortgage lending institution in the country.

"And, so, we are issuing these regulations and calling upon the industry to embark wherever possible on a program of financing mobile homes with emphasis upon those homes meeting the housing needs as I have described them."

Secondary Mortgage Market

In announcing the eighth point of his program, Chairman Martin declared that the 1970's appear to be a decade which will be characterized by an almost continual capital shortage. He then revealed that the Board is exploring the possibility of developing a secondary market for conventional mortgages to supplement and broaden various private secondary markets that are slowly evolving.

"Isn't it time," he asked, "that the savings and loan industry consider with us the feasibility of the Federal Home Loan Bank System's acting as a secondary mortgage market for conventional loans—the kind of loans that are not subsidy projects and are not insured or guaranteed?"

"Isn't it time we added to the conventional mortgage the kind of market that competing investments have in the capital and money markets of this country?"

"We are asking for the response of this great industry in this area and if we get favorable response today and in the days to come we are prepared to go to the Congress and ask for the authority to establish a nationwide secondary mortgage market for the conventional loan, the prevailing kind of mortgage loan in the Nation."

Advances Maturities Restructured

In his talks to convention sessions, Mr. Martin revealed that Federal Home Loan Banks now have been given discretionary authority to restructure the maturity of more than \$8 billion in outstanding advances coming due in 1970 so that up to 25 percent can be extended to a maximum maturity of 10 years. The action is expected to increase cash flows and mortgage originations by as much as \$500 million.

He also announced that District Bank Presidents on November 8 endorsed the concept of Liquidity Transfer Orders, or LTO's, to facilitate the transfer of funds from one member institution to another.

He revealed also that, as a result of the first 9 months of operation, the special 10-year inner city advances covering HUD-subsidy project loans now total, including commitments, slightly less than \$170 million.

(REGULATIONS, continued from page 19)

of deed in lieu of foreclosure without consideration was not a sale under section 408(d)(6) of the National Housing Act, as amended.

2. The subsequent sale of said real estate to a third party by means of a loan to facilitate made by the insured subsidiary was not a violation of section 408(d)(4). 5/29/69

Subject: Section 545.6-15.

Reference: Public Index No. 1808

A "business development credit corporation" pursuant to section 545.6-15 of the Regulations is a corporation intended to be a vehicle to promote industry and business in the State of its incorporation. While a Federal savings and loan association is only specifically empowered to buy stock in and make loans to such corporations, if such corporations charge annual dues, a savings and loan association may pay such dues if properly deemed a legitimate expense to foster good community relations. 5/29/69

Subject: (A) Savings and loan holding companies; (B) Section 408(a), NHA.

Reference: Public Index No. 1809

Whether a corporation "acts in concert with" an individual who is its president and one of its directors with respect to stock which each owns in an insured institution is a mixed question of fact and law. However, the fiduciary duties which such an individual owes to the corporation of which he is an officer and director are reasonably indicative, in the absence of contrary evidence, of an understanding between them that they will "act in concert" with respect to the stock which each owns in a given institution. Therefore, where their combined holdings equal more than 25 percent of the insured institution's voting shares, the corporation shall be deemed to "control" the institution within the meaning of section 408(a)(2) and hence be a savings and loan holding company as defined by section 408(a)(1)(D) of the Act. 6/25/69

Subject: Insurance Regulation 561.18.

Reference: Public Index No. 1810

Funds which an association has on deposit with FNMA or GNMA are neither cash on hand nor unpledged, demand deposits in domestic banks. Therefore, they do not constitute "cash" within the meaning of section 561.18 of the Insurance Regulations.

Where agents collect advance payment by borrowers for taxes and insurance in connection with loans serviced for an association, the funds are deposited in an account of the servicing agent in

trust for the association, and the deposits are not fully under the control of the association, such deposits are not demand deposits of the association and, hence, do not constitute "cash" within the meaning of section 561.18. 6/27/69

Subject: (A) GNMA guaranteed securities; (B) Section 5(c), HOLA.

Reference: Public Index No. 1811

A group of Federal savings and loan associations may pool FHA and VA mortgages and thereby jointly issue GNMA guaranteed securities under section 5(c) of the Home Owners' Loan Act. 7/3/69

Subject: Section 564.4, Insurance Regulations.

Reference: Public Index No. 1813

Revocable trust accounts which meet the requirements of section 564.4(a) continue to qualify for separate insurance coverage even though the "beneficiary" has been given a revocable power of attorney. If he exercises the power to withdraw funds from the account, he would be doing so as a representative of and on behalf of the owner. Therefore, the beneficiary has no ownership interest to preclude insurance coverage under this section. 7/24/69

Subject: (A) Section 545.1-2(b)(3); (B) Priority of claims.

Reference: Public Index No. 1814

Claims of depositors in a deposit association have the same priority as the claims of general creditors upon dissolution. 8/7/69

Subject: (A) Secondary reserves; (B) Prepaid premiums; (C) Section 563.16-2; (D) Section 404(f), NHA.

Reference: Public Index No. 1815

Upon the termination of an institution's insurance through conversion to a savings bank which is not insured by the FSLIC, the Corporation will refund the institution's pro rata share in the secondary reserve to the institution or its successor. 8/7/69

Subject: Section 408(d), NHA.

Reference: Public Index No. 1816

1. Whether a demand deposit by a subsidiary insured institution in an affiliated bank would be a violation of section 408(d) of the National Housing Act, depends on whether the deposit was intended to be a loan, such as in the case of a deposit far in excess of the current cash needs.

2. Any interest-bearing deposit by an insured institution in an affiliated bank would be an "investment" and therefore prohibited by section 408(d)(1) of the Act. 8/13/69

STATISTICAL SERIES

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General Financial Data

Table S.1.1.—Security Yields and Rates

[Percent]

Period	Short-term			Long-term					
	U.S. Government obligations ¹			Bonds ¹			Mortgages		
	3-month bills	6-month bills	3- to 5-year issues	U.S. Government	Aaa ² State and local government	Aaa ² corporate	FHA-insured ³	Conventional ⁴	
								New homes	Existing homes
1964 -----	3.54	3.68	4.06	4.15	3.09	4.40	5.45	(⁵)	(⁵)
1965 -----	3.95	4.05	4.22	4.21	3.16	4.49	5.47	5.81	5.95
1966 -----	4.85	5.06	5.16	4.66	3.67	5.13	6.38	6.25	6.41
1967 -----	4.30	4.61	5.07	4.85	3.74	5.51	6.55	6.46	6.52
1968 -----	5.33	5.48	5.59	5.25	4.20	6.18	7.19	6.97	7.03
1968									
Oct -----	5.35	5.41	5.42	5.24	4.21	6.09	7.29	7.23	7.22
Nov -----	5.45	5.59	5.47	5.36	4.33	6.19	7.36	7.21	7.21
Dec -----	5.94	6.05	5.99	5.65	4.50	6.45	7.50	7.23	7.23
1969									
Jan -----	6.13	6.28	6.04	5.74	4.58	6.59	(⁵)	7.30	7.32
Feb -----	6.12	6.30	6.16	5.86	4.74	6.66	7.99	7.39	7.42
Mar -----	6.01	6.16	6.33	6.05	4.97	6.85	8.05	7.47	7.49
Apr -----	6.11	6.13	6.15	5.84	5.00	6.89	8.06	7.62	7.60
May -----	6.03	6.15	6.33	5.85	5.19	6.79	8.06	7.65	7.68
June -----	6.43	6.75	6.64	6.06	5.58	6.98	8.35	7.76	7.79
July -----	6.98	7.23	7.02	6.07	5.61	7.08	8.36	7.91	7.94
Aug -----	6.97	7.19	7.08	6.02	5.74	6.97	8.36	8.00	8.05
Sept -----	7.08	7.31	7.58	6.32	5.83	7.14	8.40	⁶ 8.05	8.08
Oct -----	6.99	7.29	7.47	6.27	5.80	7.33	8.48	8.12	8.13

¹ Monthly data are averages of daily secondary market quotations, except for State and local government bonds, which are based on Thursday quotations only. Except for bills, the quotations are for a limited number of suitable issues of the indicated type, including only general obligations for State and local government bonds.

² Aaa is the highest quality rating given by Moody's Investors Service.

³ Monthly data are based on opinion reports of FHA field offices on prevailing conditions in their localities as of the first of the succeeding month. Yields are derived from secondary market prices for Sec. 203, 30-year mortgages with minimum downpayment and an assumed prepayment at the end of 15 years. Gaps in monthly data are because of periods of adjustment to changes in maximum

permissible contract interest rate. Data represent gross yield to the investor—i.e., the yield to the purchaser before deduction of serving costs.

⁴ Data are averages of effective interest rates and represent average cost to the borrower. See table S.4.1 for further description.

⁵ Not available.

⁶ Revised.

Note: Annual data are averages of monthly data. Figures for U.S. Government obligations are from the Board of Governors of the Federal Reserve System, for corporate and State and local government bonds from Moody's Investors Service, for FHA mortgages from the Federal Housing Administration, and for conventional mortgages from the Federal Home Loan Bank Board.

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Table S.1.2.—Money Supply and Time and Savings Accounts

[In millions of dollars]

Period ¹	Money supply ²		Time and savings accounts					Time and savings accounts at large commercial banks ⁷				
	Seasonally adjusted	Not seasonally adjusted	Total	Type of institution				Total	Savings	Type of account		
				Savings and loan associations ³	Credit unions ⁴	Mutual savings banks ⁵	Commercial banks ⁶			Total	Large certificates ⁸	Other ⁹
December												
1966 -----	170,400	175,800	337,846	113,969	10,071	55,006	158,800	88,957	47,213	41,744	15,642	26,102
1967 -----	181,700	187,500	¹² 378,317	¹² 124,493	11,103	60,121	182,600	101,997	48,781	53,216	20,330	32,886
1968												
Sept -----	191,400	190,100	¹² 400,724	¹² 128,812	11,831	63,381	196,700	107,503	48,354	59,149	22,260	36,889
Oct -----	191,800	192,000	¹² 405,244	¹² 129,316	11,978	63,550	200,400	109,692	48,522	61,170	23,303	37,867
Nov -----	193,600	195,300	¹² 407,705	¹² 129,972	12,133	63,800	201,800	110,919	48,672	62,247	24,307	37,940
Dec -----	194,800	201,000	¹² 411,489	¹² 131,618	12,264	64,507	203,100	111,112	49,161	61,951	22,820	39,131
1969												
Jan -----	195,800	201,700	¹² 410,136	¹² 131,527	12,362	64,747	¹⁰ 201,500	109,165	48,340	60,825	21,031	39,794
Feb -----	196,300	194,800	¹² 411,595	¹² 132,132	12,476	65,087	¹⁰ 201,900	108,391	48,335	60,056	19,968	40,088
Mar -----	196,800	195,000	¹² 413,991	¹² 133,502	12,630	65,759	¹⁰ 202,100	107,601	48,667	58,934	18,792	40,142
Apr -----	198,100	199,200	¹² 412,257	¹² 132,986	12,696	65,575	¹⁰ 201,000	106,197	47,737	58,460	17,622	40,838
May -----	198,300	194,400	¹² 413,041	¹² 133,480	12,873	65,888	¹⁰ 200,800	105,445	47,691	57,754	16,973	40,781
June -----	199,000	197,000	¹² 412,989	¹² 134,839	13,007	66,243	¹⁰ 198,900	103,258	47,550	55,708	15,274	40,434
July -----	199,300	197,800	¹² 407,743	¹² 133,729	13,023	66,091	¹⁰ 194,900	99,931	46,953	52,978	13,538	39,440
Aug -----	¹² 199,000	¹² 195,900	¹² 406,295	¹² 133,721	13,081	66,193	¹⁰ 193,300	98,365	46,688	51,677	12,610	39,067
Sept -----	199,000	197,600	¹² 406,728	¹² 134,600	13,205	66,523	¹⁰ 192,400	97,286	46,533	50,753	11,747	39,006
Oct ¹⁰ -----	199,200	199,400	(¹¹)	134,221	(¹¹)	(¹¹)	193,900	96,580	46,376	50,204	11,524	38,680

¹ Money supply data are averages of daily figures; commercial bank data are for the last Wednesday of the month, except June and December figures for all commercial banks which are for the end of the month; and data for savings and loan associations, credit unions, and mutual savings banks are for end of period.

² Money supply consists of (1) demand deposits at all commercial banks other than those due to domestic commercial banks and the U.S. Government, less cash items in process of collection and Federal Reserve float; (2) foreign demand balances at Federal Reserve Banks; and (3) currency outside the U.S. Treasury, Federal Reserve Banks and vaults of all commercial banks. Data are Federal Reserve estimates subject to revisions based on periodic benchmark data for nonmember commercial banks rounded to the nearest \$100 million.

³ FHLBB estimates for all operating associations described in the notes to table S.3.1.

⁴ Bureau of Federal Credit Unions estimates for all credit unions based on reports submitted by a sample of credit unions holding more than one-fifth of total assets. Data are revised annually to reflect benchmark data.

⁵ National Association of Mutual Savings Banks data for all mutual savings banks. Figures include a small amount of demand deposits.

⁶ Federal Reserve estimates for all commercial bank holdings of time and savings deposits except (1) domestic interbank, (2) U.S. Treasurer's open account, and (3) postal savings redeposited in commercial banks. Data for 1965 include balances accumulated for payment of personal loans excluded from later figures; these amounted to \$1,150 million for all banks, and \$400 million for large banks in June 1966.

⁷ Federal Reserve data with the same exclusions noted in footnote 6. December figures include adjustments originally made to offset the effect of mergers during the year. These amounted to \$114 million for savings deposits, \$9 million for large certificates, and \$20 million for other time deposits in 1966, \$134 million for savings deposits and \$48 million for other time deposits in 1967, and to \$145 million for savings deposits, \$1 million less for large certificates, and \$59 million for other time deposits in 1968.

⁸ Negotiable certificates of deposit issued in denominations of \$100,000 or more.

⁹ Time deposits, open account, and certificates of deposit except large certificates as defined in footnote 8.

¹⁰ Preliminary.

¹¹ Not available.

¹² Revised.

Federal Home Loan Banks

Table S.2.1.—Federal Home Loan Banks: Consolidated Statement of Condition

[In millions of dollars]

End of period	Assets				Total assets; total liabilities, and capital accounts	Liabilities			Capital accounts	
	Cash and deposits	U.S. Government securities ¹	Advances	Other		Deposits	Consolidated obligations	Other	Paid in on capital stock	Retained earnings
1964 -----	141	1,523	5,325	30	7,019	1,199	4,369	86	1,227	138
1965 -----	129	1,640	5,997	40	7,806	1,045	5,221	105	1,277	158
1966 -----	113	2,523	6,935	78	9,649	1,037	6,859	197	1,369	187
1967 -----	127	2,598	4,386	75	7,186	1,432	4,060	100	1,395	199
1968										
Oct -----	97	2,300	5,035	65	7,773	1,287	4,501	70	1,401	238
Nov -----	81	2,581	5,040	71	7,497	1,322	4,701	104	1,402	244
Dec -----	126	2,375	5,259	48	7,808	1,383	4,701	102	1,403	219
1969										
Jan -----	82	2,049	5,357	64	7,552	1,111	4,701	106	1,408	226
Feb -----	82	2,069	5,298	45	7,494	1,131	4,601	97	1,434	231
Mar -----	97	2,181	5,331	55	7,664	1,244	4,647	90	1,443	240
Apr -----	100	2,051	5,764	70	7,985	1,179	5,021	91	1,447	247
May -----	73	2,394	5,971	89	8,527	1,202	5,521	99	1,449	256
June -----	141	1,964	6,413	61	8,579	1,278	5,521	100	1,451	229
July -----	88	1,496	7,053	85	8,722	928	6,021	101	1,435	237
Aug -----	56	1,543	7,544	75	9,218	848	6,572	115	1,438	245
Sept -----	97	1,657	7,940	81	9,775	891	7,072	115	1,444	253
Oct -----	90	1,654	8,439	107	10,290	865	7,572	135	1,457	261

¹ Includes Federal agency securities.

Note: FHLBB data.

Table S.2.2.—Federal Home Loan Bank Advances Outstanding, by Bank

[In millions of dollars]

End of period	All Districts	Federal Home Loan Bank											
		Boston	New York	Pittsburgh	Greensboro	Cincinnati	Indianapolis	Chicago	Des Moines	Little Rock	Topeka	San Francisco	Spokane
1964 -----	5,325	229	345	275	536	214	129	542	321	319	212	1,996	206
1965 -----	5,997	255	471	238	619	236	169	547	320	350	220	2,311	261
1966 -----	6,934	197	581	240	749	237	197	530	330	407	230	2,980	256
1967 -----	4,386	147	335	138	420	153	126	327	229	259	143	1,970	138
1968													
Oct -----	5,035	182	357	145	412	211	135	429	220	330	179	2,271	165
Nov -----	5,040	187	365	146	411	209	141	420	212	334	179	2,259	175
Dec -----	5,259	201	375	148	426	221	149	423	222	353	193	2,367	179
1969													
Jan -----	5,357	207	382	144	430	223	155	419	225	360	195	2,430	187
Feb -----	5,298	204	380	140	420	221	148	412	219	374	197	2,400	182
Mar -----	5,331	198	361	138	412	222	142	412	229	383	204	2,447	184
Apr -----	5,764	207	372	143	448	238	149	430	243	403	226	2,695	210
May -----	5,971	211	386	149	458	245	153	450	255	408	234	2,792	229
June -----	6,413	234	415	164	521	274	168	503	288	426	265	2,903	252
July -----	7,053	263	462	194	576	336	197	597	320	470	295	3,073	269
Aug -----	7,544	275	502	222	627	375	221	644	345	507	328	3,210	287
Sept -----	7,940	285	535	249	692	409	230	696	357	520	344	3,328	296
Oct -----	8,439	325	575	255	751	435	247	734	416	554	370	3,466	311

Note: FHLBB data. Detail may not add to total because of rounding.

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Table S.2.3.—Federal Home Loan Bank Rates on Short-term Advances¹

[Percent]

End of period	Federal Home Loan Bank of											
	Boston	New York	Pittsburgh	Greensboro	Cincinnati	Indianapolis	Chicago	Des moines	Little Rock	Topeka	San Francisco	Spokane
1964 -----	4 1/4	4 1/8	4 1/8	4 1/4	4 1/4	4 1/4	4 1/4	4	4 1/8	4 1/4	4 1/4	4 1/4
1965 -----	4 3/4	4 5/8	4 3/4	4 1/2	4 5/8	4 1/2	4 3/4	4 5/8	4 5/8	4 5/8	4 5/8	4 5/8
1966 -----	6	6	6	6	6	6	6	6	6	6	6	6
1967 -----	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 3/4	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
1968												
Oct -----	5 3/4	5 3/4	5 3/4	5 3/4	5 3/4	6	5 3/4	6	6	5 3/4	5 3/4	6
Nov -----	5 3/4	5 3/4	5 3/4	5 3/4	5 3/4	5 3/4	5 3/4	6	6	5 3/4	5 3/4	6
Dec -----	5 3/4	6	5 3/4	6	6	5 3/4	5 3/4	6	6	5 3/4	5 3/4	6
1969												
Jan -----	6 1/8	6	5 3/4	6	6	5 3/4	6	6	6	6 1/8	6	6
Feb -----	6 1/8	6	6	6	6 1/4	6	6 1/8	6	6	6 1/4	6	6 1/4
Mar -----	6 1/8	6	6	6 1/4	6 1/4	6 1/4	6 1/4	6	6	6 1/4	6 1/4	6 1/4
Apr -----	6 3/8	6 1/4	6 1/4	6 1/2	6 1/4	6 1/4	6 1/4	6	6 1/4	6 1/2	6 3/4	6 1/4
May -----	6 3/8	6 1/4	6 1/4	6 1/2	6 1/4	6 1/4	6 1/4	6 1/4	6 1/2	6 1/2	6 3/4	6 1/4
June -----	6 1/2	6 1/4	6 3/4	6 1/2	6 3/4	6 3/4	6 1/2	6 1/2	6 1/2	6 3/4	6 1/4	6 1/2
July -----	6 3/4	6 5/8	6 3/4	6 3/4	6 3/4	7	6 3/4	6 1/2	6 1/2	7	6 1/2	6 3/4
Aug -----	7	6 7/8	6 3/4	6 3/4	6 3/4	7 1/4	6 3/4	7	6 3/4	7	6 3/4	7
Sept -----	7	7 1/8	6 3/4	7	6 3/4	7 1/4	7 1/8	7	7	7 1/8	7	7
Oct -----	7 1/2	7 1/4	6 3/4	7	7 1/4	7 1/4	7 1/8	7	7	7 1/4	7 1/4	7 1/4

¹ Rates shown are those in effect at the end of the specified period on new and outstanding secured advances with original maturity of 1 year or less. Rates in effect for short-term unsecured advances were identical except for Boston, where the rate

was 1/8 of 1 percent higher for the entire period shown, and at Pittsburgh, where the rate was 1/4 of 1 percent higher through July 1966.

Note: FHLBB data.

Table S.2.4.—Federal Home Loan Bank Advances Made and Repaid

[In millions of dollars]

Period	Made	Repaid	Net change
1964 -----	5,563	5,023	540
1965 -----	5,007	4,335	672
1966 -----	3,804	2,866	938
1967 -----	1,527	4,076	-2,549
1968 -----	2,734	1,861	873
1968			
Oct -----	173	164	9
Nov -----	155	150	5
Dec -----	301	82	219
1969			
Jan -----	277	179	98
Feb -----	120	178	-58
Mar -----	155	122	33
Apr -----	545	113	432
May -----	327	120	207
June -----	514	72	442
July -----	759	118	641
Aug -----	630	139	491
Sept -----	451	55	396
Oct -----	637	138	499

Note: FHLBB data. Advances made and repaid exclude renewals.

Table S.2.5.—Consolidated Federal Home Loan Bank Obligations Outstanding

Date of issue	Date of maturity	Amount (millions)	Type of issue	Coupon rate (percent)
Jan. 25, 1968 ----	Feb. 25, 1970	200	Bond	6.00
Feb. 26, 1968 ----	Mar. 25, 1970	200	Bond	6.00
Apr. 25, 1968 ----	Apr. 27, 1970	225	Bond	6.00
Oct. 25, 1968 ----	May 25, 1970	300	Bond	5.80
Feb. 25, 1969 ----	Feb. 25, 1971	200	Bond	6.60
Mar. 25, 1969 ---- Mar. 25, 1970 346 Bond 6.85				
Apr. 25, 1969 ---- Jan. 26, 1970 500 Note 6.75				
Apr. 25, 1969 ---- Aug. 25, 1970 200 Bond 6.70				
May 26, 1969 ---- Feb. 25, 1970 450 Note 7.00				
May 26, 1969 ---- May 25, 1971 350 Bond 7.00				
June 25, 1969 ---- June 26, 1970 550 Bond 8.00				
July 25, 1969 ---- May 25, 1970 500 Note 8.00				
July 25, 1969 ---- Feb. 25, 1971 400 Bond 8.00				
Aug. 25, 1969 ---- Aug. 25, 1970 650 Bond 8.20				
Aug. 25, 1969 ---- Aug. 25, 1974 201 Bond 7.65				
Sept. 25, 1969 ---- July 27, 1970 650 Note 8.40				
Sept. 25, 1969 ---- Apr. 26, 1971 250 Bond 8 3/8				
Oct. 27, 1969 ---- Oct. 27, 1970 650 Bond 8 1/4				
Oct. 27, 1969 ---- Nov. 26, 1971 250 Bond 8.20				
Nov. 25, 1969 ---- Sept. 25, 1970 650 Note 8 3/8				
Nov. 25, 1969 ---- Feb. 25, 1972 200 Bond 8.20				
Nov. 25, 1969 ---- Nov. 25, 1974 250 Bond 8.00				

Note: FHLBB data.

Savings and Loan Associations

Table S.3.1.—All Operating Savings and Loan Associations: Balance Sheet Data and Commitments

[In millions of dollars]

End of period	Assets				Total assets; total liabilities, reserves and surplus	Liabilities and reserves					Loan commitments outstanding ¹
	Cash	U.S. Government securities	Mortgage loans	Other assets		Savings capital	FHLB advances, other borrowed money	Loans in process	Other liabilities	Reserves and surplus	
1964 ²	4,015	6,966	101,333	7,041	119,355	101,887	5,601	2,239	1,729	7,899	2,590
1965 ³	3,900	7,414	110,306	7,960	129,580	110,385	6,444	2,198	1,849	8,704	2,751
1966 ⁴	3,366	7,762	114,427	8,378	133,933	113,969	7,462	1,270	2,136	9,096	1,517
1967 ⁵	3,442	9,180	121,805	9,107	143,534	⁶ 124,493	⁶ 4,775	2,257	⁶ 2,463	9,546	3,042
1968											
Oct	2,568	⁷ 9,629	⁸ 129,164	⁹ 9,701	⁸ 151,062	⁸ 129,316	⁸ 5,373	⁸ 2,422	⁸ 4,118	⁹ 9,833	3,856
Nov	2,693	⁸ 9,696	⁸ 129,899	⁹ 9,942	⁸ 152,230	⁸ 129,972	⁸ 5,371	⁸ 2,398	⁸ 4,651	⁹ 9,838	3,837
Dec	⁸ 2,962	⁸ 9,555	⁸ 130,802	⁹ 9,571	⁸ 152,890	⁸ 131,618	⁸ 5,705	⁸ 2,449	⁸ 2,803	⁹ 10,315	3,631
1969											
Jan	2,372	⁸ 9,944	⁸ 131,424	⁹ 9,548	⁸ 153,288	⁸ 131,527	⁸ 5,702	⁸ 2,408	⁸ 3,329	⁹ 10,322	3,769
Feb	⁸ 2,517	⁸ 10,143	⁸ 132,095	⁹ 9,735	⁸ 154,490	⁸ 132,132	⁸ 5,624	⁸ 2,475	⁸ 3,952	⁹ 10,307	4,089
Mar	⁸ 2,548	⁸ 10,160	⁸ 133,012	⁹ 10,042	⁸ 155,762	⁸ 133,502	⁸ 5,651	⁸ 2,649	⁸ 3,662	⁹ 10,298	4,445
Apr	⁸ 2,378	⁸ 9,892	⁸ 134,038	⁹ 10,050	⁸ 156,358	⁸ 132,986	⁸ 6,095	⁸ 2,805	⁸ 4,176	⁹ 10,296	4,680
May ⁶	⁸ 2,421	⁸ 9,892	⁸ 135,026	⁹ 10,487	⁸ 157,826	⁸ 133,480	⁸ 6,283	⁸ 2,916	⁸ 4,862	⁹ 10,285	4,686
June	⁸ 2,529	⁸ 9,467	⁸ 136,242	⁹ 10,389	⁸ 158,627	⁸ 134,839	⁸ 6,768	⁸ 3,007	⁸ 3,339	⁹ 10,674	4,443
Aug	⁸ 1,902	⁸ 9,142	⁸ 137,951	⁹ 10,635	⁸ 159,630	⁸ 133,721	⁸ 7,895	⁸ 2,874	⁸ 4,471	⁹ 10,669	3,824
July	⁸ 1,957	⁸ 9,199	⁸ 137,107	⁹ 10,371	⁸ 158,634	⁸ 133,729	⁸ 7,392	⁸ 2,978	⁸ 3,864	⁹ 10,671	4,207
Sept	1,931	9,007	138,618	10,723	160,279	134,600	8,295	2,749	3,972	10,663	3,569
Oct ⁷	1,901	8,888	139,213	10,849	160,851	134,221	8,772	2,639	4,533	10,686	3,319

¹ Not a balance sheet item.

² Data reflect exclusion of a savings and loan association with \$11 million in savings and \$9 million in mortgages that converted to a mutual savings bank.

³ Data reflect exclusion of a savings and loan association with \$15 million in savings and \$13 million in mortgages that converted to a mutual savings bank.

⁴ Beginning in 1966, mortgage loans include real estate sold on contract included in other assets in prior years, and paid-in surplus of stock associations and specific reserves of all associations that had been included in reserves and surplus in prior years are included in other liabilities. The effect of these definitional changes was to increase mortgages, and to reduce other assets, by \$360 million, and to reduce reserves and surplus, and increase other liabilities, by \$210 million. Data also reflect exclusion of a savings and loan association with \$31 million in savings and \$29 million in mortgages that converted to a commercial bank.

⁵ 1967 data reflect exclusion of 4 associations in process of liquidation or dissolution which held \$142 million in mortgages and \$125 million in savings.

⁶ Data reflect exclusion of a savings and loan association holding \$131 million in mortgages and \$148 million in savings that converted to a commercial bank.

⁷ Preliminary data based on incomplete reporting.

⁸ Revised.

Note: FHLBB estimates based on reported monthly data for FSLIC-insured associations and periodic benchmark data for other associations. Estimates are subject to revision as benchmark data

Table S.3.2—Savings Activity at Savings and Loan Associations

[In millions of dollars]

Period	All operating associations			FSLIC-insured associations					
	Gross savings receipts	Withdrawals	Net inflow ¹	Gross savings receipts			Withdrawals	Net inflow ¹	Net new savings received ²
				Dividends credited	New savings received	Total			
1967	48,002	37,278	10,724	4,338	42,277	46,615	36,148	10,467	6,129
1968	47,471	39,993	7,478	4,518	41,890	46,408	39,151	7,256	2,738
1968									
Oct	4,041	3,537	504	36	3,910	3,946	3,464	482	446
Nov	2,843	2,187	656	16	2,757	2,773	2,139	634	618
Dec	4,467	2,827	1,646	1,426	2,940	4,366	2,762	1,604	178
1969									
Jan	6,224	6,315	-91	41	5,975	6,016	6,105	-89	-130
Feb	3,189	2,584	605	16	3,067	3,083	2,498	585	569
Mar	4,145	2,775	1,370	846	3,161	4,007	2,683	1,324	479
Apr	4,519	5,035	-516	43	4,324	4,368	4,867	-499	-543
May	3,334	2,692	642	19	3,202	3,222	2,602	620	601
June	5,041	3,682	1,359	1,429	3,443	4,873	3,559	1,313	-116
July	6,031	7,141	-1,110	49	5,778	5,827	6,900	-1,073	-1,122
Aug	3,370	3,378	-8	17	3,239	3,257	3,264	-8	-25
Sept	4,333	3,454	879	949	3,233	4,182	3,337	845	104
Oct	4,497	4,876	-379	39	4,305	4,344	4,710	-366	-405

¹ Gross savings receipts less withdrawals.

² New savings received less withdrawals.

³ Preliminary data based on incomplete reporting.

⁴ Revised

Note: FHLBB data. All operating association data are estimates as described in the note to table S.3.1.

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Table S.3.3.—Net Savings Inflow at Savings and Loan Associations

[In millions of dollars]

Period	All operating associations	United States	FSLIC-insured associations											
			Federal Home Loan Bank District											
			Boston	New York	Pittsburgh	Greensboro	Cincinnati	Indianapolis	Chicago	Des Moines	Little Rock	Topeka	San Francisco	Spokane
1965 -----	8,513	8,203	177	867	428	1,189	676	331	907	478	782	337	1,765	267
1966 -----	3,615	3,533	170	235	134	556	471	182	578	288	423	166	153	177
1967 -----	² 10,724	10,467	222	1,198	455	1,565	871	518	1,059	552	768	462	2,339	458
1968 -----	² 7,478	7,256	187	1,038	362	1,387	694	315	713	493	514	361	856	335
1968														
Oct -----	² 504	482	11	42	35	104	42	15	60	44	36	37	35	21
Nov -----	² 656	634	17	58	28	109	73	33	81	55	57	36	66	22
Dec -----	² 1,646	1,604	48	199	114	253	197	93	170	103	128	65	164	68
1969														
Jan -----	² -91	-89	-15	20	-13	70	-16	-23	-13	-8	-35	-3	-51	-3
Feb -----	605	585	12	83	22	125	45	24	52	35	38	23	103	22
Mar -----	² 1,370	1,324	34	180	42	229	102	73	120	70	84	48	294	50
Apr -----	-516	-499	-13	-20	6	-44	-13	-15	-19	8	-9	-9	-352	-21
May -----	642	620	16	93	33	112	69	33	44	47	54	31	68	20
June -----	1,359	1,313	38	164	90	199	166	83	100	97	106	47	160	64
July -----	-1,110	-1,073	-45	-55	-54	-93	-129	-54	-109	-65	-95	-43	-308	-21
Aug -----	-8	-8	-3	22	-11	28	6	6	-26	21	12	7	-79	9
Sept -----	879	845	13	126	19	138	74	59	61	60	76	32	146	40
Oct ¹ -----	-379	-366	-24	-13	13	-19	-3	-8	-39	3	-21	-2	-250	-5

¹ Preliminary data based on incomplete reporting.
² Revised.

Note: FHLBB data. All operating association data are estimates as described in the notes to table S.3.1. Detail may not add to total because of rounding.

Table S.3.4.—Mortgage Loan Activity of Savings and Loan Associations

[In millions of dollars]

Period	All operating associations, total loans closed	Total	FSLIC-insured association										Loans and participations purchased	Loans and participations sold	Net loan repayments ¹
			Loans closed												
			Purpose of loan												
			Construction of—			Purchase of—			Refinancing	Other					
1- to 4-family homes	Other dwelling units	Other structures	1- to 4-family homes	Other dwelling units	Other improved real estate										
1967 -----	20,122	19,448	4,100	959	594	9,284	466	282	2,259	1,504	2,112	877	13,281		
1968 -----	21,983	21,298	4,762	1,166	620	10,861	483	282	1,809	1,315	2,332	690	13,798		
1968															
Oct -----	1,949	1,889	452	104	42	964	37	22	154	114	237	63	1,232		
Nov -----	1,724	1,671	380	100	45	841	35	21	144	105	216	62	1,096		
Dec -----	1,886	1,827	394	128	59	842	70	39	167	128	261	63	1,167		
1969															
Jan -----	1,592	1,543	337	77	51	759	42	32	144	100	224	37	1,127		
Feb -----	1,580	1,532	353	95	57	744	31	27	128	97	210	34	1,045		
Mar -----	1,870	1,813	426	127	64	869	31	41	144	111	226	38	1,107		
Apr -----	2,073	2,010	470	122	62	992	36	32	150	145	226	33	1,205		
May -----	2,146	2,080	467	126	90	1,080	41	23	142	112	236	41	1,186		
June -----	2,415	2,341	480	152	84	1,304	25	39	134	113	212	50	1,319		
July -----	1,974	1,914	408	109	84	1,058	29	24	98	103	180	33	1,217		
Aug -----	1,918	1,860	381	105	74	1,056	23	26	100	94	167	40	1,150		
Sept -----	1,728	1,676	366	87	61	908	24	29	101	101	165	44	1,129		
Oct ² -----	1,686	1,636	357	114	71	837	29	18	109	101	158	51	1,118		

¹ Principal payments plus miscellaneous credits less debits for interest, taxes, etc.

² Preliminary data based on incomplete reporting.

Note: FHLBB data. All operating association data are estimates as described in note to table S.3.1.

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Table S.3.5.—Mortgage Loans Closed by Savings and Loan Associations

Period	All operating associations	FSLIC-insured associations												
		United States	Federal Home Loan Bank District											
			Boston	New York	Pittsburgh	Greensboro	Cincinnati	Indianapolis	Chicago	Des Moines	Little Rock	Topeka	San Francisco	Spokane
1965 -----	24,192	23,309	518	1,918	1,059	3,284	2,285	1,088	2,432	1,199	1,696	830	6,099	900
1966 -----	16,924	16,323	402	1,468	769	2,401	1,892	812	1,945	972	1,331	583	3,103	644
1967 -----	20,122	19,448	482	1,470	968	2,782	2,283	1,060	2,443	1,092	1,370	784	3,796	918
1968 -----	21,983	21,298	539	1,543	1,042	3,816	2,432	1,049	2,619	1,248	1,611	867	4,102	930
1968														
Oct -----	1,949	1,889	50	142	91	296	217	99	216	130	138	71	363	76
Nov -----	1,724	1,671	43	118	82	266	194	86	196	103	124	59	334	66
Dec -----	1,886	1,827	39	130	74	313	178	82	187	104	132	75	443	70
1969														
Jan -----	1,592	1,543	35	122	61	260	152	73	176	86	128	66	319	65
Feb -----	1,580	1,532	29	103	66	279	166	78	175	76	131	70	290	69
Mar -----	1,870	1,813	36	113	90	293	218	87	238	100	146	73	338	80
Apr -----	2,073	2,010	42	122	93	315	231	109	246	114	149	81	414	93
May -----	2,146	2,080	46	149	102	328	247	102	261	136	154	83	383	89
June -----	2,415	2,341	63	199	130	366	250	117	261	150	160	99	451	94
July -----	1,974	1,914	49	173	99	308	216	100	214	123	138	82	342	72
Aug -----	1,918	1,860	44	165	97	307	211	103	197	126	135	82	321	74
Sept -----	1,728	1,676	38	150	75	278	194	95	172	108	129	74	301	62
Oct ¹ -----	1,686	1,636	47	146	74	261	182	97	157	109	120	69	297	79

¹ Preliminary data based on incomplete reporting.

Note: FHLBB data. All operating association data are estimates as described in the notes to table S.3.1. Detail may not add to total because of rounding.

Table S.3.6.—Mortgage Debt Held by All Operating Savings and Loan Associations, by Type of Property and Mortgage

[In millions of dollars]

End of year and quarter	Total	Type of property ¹			Mortgage type ²		
		1- to 4-family homes	Residential property with 5 or more units	Commercial and other	FHA-insured	VA-guaranteed	Conventional
1965 ³ -----	110,306	94,225	8,122	7,959	5,145	6,398	98,763
1966 ⁴ -----	114,427	97,423	8,605	8,399	5,269	6,157	103,001
1967							
4th -----	121,805	103,327	9,477	9,001	5,791	6,351	109,663
1968							
1st ⁵ -----	123,337	104,460	9,700	9,177	5,900	6,476	110,961
2d ⁶ -----	125,900	106,466	9,992	9,442	6,079	6,593	113,228
3d ⁷ -----	128,302	108,340	10,264	9,698	6,370	6,753	115,179
4th -----	130,782	110,275	10,544	9,963	6,658	7,012	117,112
1969							
1st -----	132,992	111,977	10,805	10,210	6,972	7,194	118,826
2d ⁸ -----	136,222	114,535	11,143	10,544	7,402	7,408	121,412

¹ Type of property distribution is estimated on the basis of data reported semiannually by FSLIC-insured associations and annually by noninsured FHLB member associations.

² Estimated as described in the notes to table S.3.1.

³ Data reflect exclusion of a savings and loan association with \$13 million in mortgages that converted to a mutual savings bank.

⁴ Beginning in 1966, includes real estate sold on contract excluded in prior years. The effect of this change increased mortgages to \$360 million. Data also reflect exclusion of a savings and loan association with \$29 million in mortgages that converted to a commercial bank.

⁵ Data reflect exclusion of a savings and loan association which

held \$179 million in mortgages that converted to a mutual savings bank.

⁶ Data reflect exclusion of three associations in process of liquidation which held \$174 million in mortgages.

⁷ Data reflect exclusion of a savings and loan association which held \$17 million in mortgages that converted to a mutual savings bank.

⁸ Data reflect exclusion of a savings and loan association which held \$131 million in mortgages that converted to a commercial bank.

Note: FHLBB data.

Mortgage Markets

Table S.4.1.—Interest Rates and Other Characteristics of Conventional First Mortgage Loans Originated by Major Types of Lender on Single-Family Homes

Period	Loan made for purchase of—											
	New homes						Existing homes					
	Contract interest rate (percent)	Initial fees and charges ¹ (percent)	Effective rate ² (percent)	Term to maturity (years)	Loan-to-price ratio (percent)	Purchase price (thousands)	Contract interest rate (percent)	Initial fees and charges ¹ (percent)	Effective rate ² (percent)	Term to maturity (years)	Loan-to-price ratio (percent)	Purchase price (thousands)
	Major lenders ³											
1966 -----	6.14	0.71	6.25	24.7	73.0	\$26.6	6.30	0.72	6.41	21.7	72.0	\$22.2
1967 -----	6.33	0.81	6.46	25.2	73.6	28.0	6.40	0.76	6.52	22.5	72.7	24.1
1968 -----	6.83	0.89	6.97	25.5	73.9	30.7	6.90	0.83	7.03	22.7	73.0	25.6
1968												
Oct -----	7.09	0.88	7.23	25.6	74.5	31.0	7.09	0.84	7.22	22.5	72.4	25.5
Nov -----	7.07	0.84	7.21	25.4	74.1	30.7	7.07	0.82	7.21	22.7	72.9	26.2
Dec -----	7.09	0.89	7.23	25.9	74.0	33.7	7.09	0.85	7.23	23.3	73.2	28.1
1969												
Jan -----	7.16	0.84	7.30	25.6	73.6	33.2	7.18	0.86	7.32	22.8	72.6	27.9
Feb -----	7.26	0.81	7.39	25.6	73.3	32.4	7.28	0.86	7.42	22.9	72.8	27.2
Mar -----	7.32	0.93	7.47	25.8	73.8	33.0	7.35	0.84	7.49	23.0	72.7	28.2
Apr -----	7.47	0.96	7.62	25.4	72.6	34.4	7.46	0.85	7.60	23.0	71.8	28.2
May -----	7.50	0.88	7.65	25.8	73.2	34.7	7.54	0.83	7.68	22.7	71.9	27.8
June -----	7.62	0.84	7.76	25.6	73.0	34.8	7.64	0.86	7.79	22.8	71.4	28.5
July -----	7.76	0.92	7.91	25.5	72.0	34.6	7.79	0.91	7.94	22.8	71.7	28.5
Aug -----	7.86	0.86	8.00	25.2	72.3	34.0	7.90	0.93	8.05	22.6	71.2	28.4
Sept -----	7.89	0.92	8.05	25.3	72.4	34.3	7.92	0.92	8.08	22.2	70.7	27.5
Oct ⁴ -----	7.97	0.89	8.12	25.4	73.1	34.6	7.98	0.91	8.13	22.3	70.3	28.2
	Savings and loan associations											
1966 -----	6.20	0.95	6.35	25.0	75.7	25.0	6.40	0.94	6.56	22.2	74.5	20.7
1967 -----	6.36	1.07	6.53	25.4	75.8	26.7	6.47	0.97	6.63	23.1	75.2	22.6
1968 -----	6.84	1.15	7.02	25.6	76.0	29.0	6.94	1.07	7.11	23.3	75.3	24.0
1968												
Oct -----	7.09	1.12	7.27	25.7	75.9	29.4	7.09	1.09	7.27	23.0	74.1	24.3
Nov -----	7.06	1.08	7.23	25.3	75.7	29.2	7.08	1.07	7.25	23.3	74.9	24.6
Dec -----	7.07	1.13	7.25	25.9	75.8	31.7	7.09	1.10	7.27	24.1	75.5	26.5
1969												
Jan -----	7.11	1.06	7.28	25.7	74.9	31.3	7.19	1.11	7.37	23.5	74.9	25.9
Feb -----	7.25	1.07	7.42	25.7	75.2	30.5	7.30	1.13	7.48	23.5	74.8	25.6
Mar -----	7.32	1.15	7.51	25.9	75.8	31.0	7.35	1.12	7.54	23.4	74.8	25.9
Apr -----	7.43	1.17	7.62	25.8	74.0	31.4	7.46	1.12	7.65	23.6	73.9	26.2
May -----	7.50	1.06	7.68	26.1	75.3	31.8	7.55	1.10	7.74	23.3	74.5	25.8
June -----	7.62	1.07	7.79	26.0	75.3	32.7	7.68	1.13	7.87	23.5	73.9	26.3
July -----	7.76	1.20	7.95	25.8	74.1	32.8	7.85	1.20	8.05	23.6	74.1	26.4
Aug -----	7.86	1.20	8.06	25.9	75.0	32.4	7.95	1.24	8.16	23.3	73.2	26.3
Sept -----	7.90	1.25	8.11	25.7	75.1	32.1	7.99	1.20	8.19	22.9	73.2	25.7
Oct ⁴ -----	7.96	1.21	8.16	25.7	74.8	32.5	8.05	1.20	8.25	23.1	72.6	26.4

¹ Includes only discounts and initial fees paid by the borrower that provide additional income to the lender expressed as a percent of mortgage principal. Reimbursable closing costs are excluded.

² Contract interest rate plus initial fees and charges amortized over 10 years, on the basis of an assumed prepayment at the end of that time.

³ Savings and loan associations, life insurance companies, mortgage companies, mutual savings banks, and commercial banks.

⁴ Preliminary.

Note: Data compiled by FHLBB in cooperation with the Federal Deposit Insurance Corporation on the basis of information reported by a sample of the indicated types of lender. Averages exclude loans for refinancing, construction loans to builders, permanent loans to home buyers if coupled with a construction loan, junior liens and federally underwritten loans. The average for major lenders is a fixed-weight average of the averages for each type of lender; weights are based on the number of loans reported by each lender-type in the period August-December 1962. Annual data are averages of monthly figures.

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Table S.4.2.—Mortgage Debt Outstanding, by Holder

[In millions of dollars]

End of period	All holders ¹	Major private financial institutions					Government and Federal National Mortgage Associations ⁷	Other holders ¹
		Total ²	Savings and loan associations ³	Mutual savings banks ⁴	Commercial banks ⁵	Life insurance companies ⁶		
1964 -----	300,100	241,000	101,333	40,328	43,976	55,197	4,412	54,700
1965 -----	325,800	264,600	110,306	44,433	49,675	60,057	4,731	56,500
1966 -----	347,400	280,800	114,427	47,193	54,380	64,661	7,063	59,500
1967 -----	370,200	298,800	121,805	50,311	59,019	67,575	8,870	62,500
1968								
March -----	375,800	302,600	⁹ 123,338	51,039	60,119	68,035	9,800	63,400
April -----	(⁸)	(⁸)	⁹ 124,218	51,199	(⁸)	68,112	10,046	(⁸)
May -----	(⁸)	(⁸)	⁹ 125,176	51,402	(⁸)	68,317	10,282	(⁸)
June -----	382,900	308,100	⁹ 125,906	51,621	61,967	68,483	10,503	64,300
July -----	(⁸)	(⁸)	⁹ 126,626	51,869	(⁸)	68,683	10,656	(⁸)
August -----	(⁸)	(⁸)	⁹ 127,503	52,102	(⁸)	⁹ 68,881	10,798	(⁸)
September -----	389,800	313,500	⁹ 128,315	52,323	63,779	69,024	10,907	65,400
October -----	(⁸)	(⁸)	⁹ 129,164	52,636	(⁸)	69,212	11,068	(⁸)
November -----	(⁸)	(⁸)	⁹ 129,899	52,946	(⁸)	69,407	11,214	(⁸)
December -----	397,500	319,900	⁹ 130,802	53,286	65,696	70,071	11,387	66,200
1969								
January -----	(⁸)	(⁸)	⁹ 131,424	53,579	(⁸)	70,205	11,589	(⁸)
February -----	(⁸)	(⁸)	⁹ 132,095	53,807	(⁸)	70,355	11,812	(⁸)
March -----	403,700	324,700	⁹ 133,012	54,005	67,146	70,480	12,017	67,000
April -----	(⁸)	(⁸)	⁹ 134,038	54,209	(⁸)	70,661	12,208	(⁸)
May -----	(⁸)	(⁸)	⁹ 135,026	54,442	(⁸)	70,820	12,394	(⁸)
June -----	411,700	331,000	⁹ 136,242	54,672	69,079	70,964	12,618	68,100
July -----	(⁸)	(⁸)	⁹ 137,107	54,887	(⁸)	71,079	12,910	(⁸)
Aug -----	(⁸)	(⁸)	⁹ 137,951	55,068	(⁸)	71,250	13,439	(⁸)
Sept -----	(⁸)	(⁸)	138,618	55,185	(⁸)	(⁸)	13,940	(⁸)

¹ Figures are rounded to the nearest \$100 million.
² Components will not add to this total because the latter is rounded to the nearest \$100 million and includes valuation and other technical adjustment not reflected in some components.
³ For description see table S.3.1.
⁴ Data are for all savings banks in the United States from the National Association of Mutual Savings Banks and are net of valuation reserves.
⁵ June and December figures are reported data; March and September data are Federal Reserve estimates.
⁶ Book value of ledger assets of all legal reserve life insurance companies in the United States as estimated by the Institute of

Life Insurance.
⁷ Data are from the Federal National Mortgage Association and Government National Mortgage Association. They include mortgages subject to participation pool or Government Mortgage Liquidation Trust, but exclude conventional loans acquired from the RFC Mortgage Co., the Defense Homes Corp., the Federal Housing Admin., and Community Facilities Admin.
⁸ Not available.
⁹ Revised.
 Note: Except as noted all figures are estimates, those for end of year by Department of Commerce and those for March, June, and September by Federal Reserve, and are subject to revision.

Table S.4.3.—Mortgage Debt Outstanding, by Type of Property and Mortgage

[In billions of dollars]

End of year and quarter	Total	Property type					Mortgage type ¹		
		Nonfarm					FHA- VA-underwritten	Conventional	
		Total	Residential		Commercial	Farm			
			Total	1- to 4-family homes					5 or more units
1964 -----	300.1	281.2	231.1	197.6	33.6	50.0	18.9	77.2	222.9
1965 -----	325.8	304.6	250.1	212.9	37.2	54.5	21.2	81.2	244.6
1966 -----	347.4	324.1	264.0	223.6	40.3	60.1	23.3	84.1	263.3
1967 -----	370.2	344.8	280.0	236.1	43.9	64.8	25.5	88.2	282.0
1968									
1st -----	375.8	349.8	283.7	239.1	44.6	66.1	26.0	89.4	286.4
2d -----	382.9	356.1	288.5	243.2	45.3	67.6	26.7	90.7	292.2
3d -----	389.8	362.6	293.3	247.0	46.2	69.3	27.2	92.0	297.8
4th -----	397.5	370.0	298.6	251.2	47.3	71.4	27.5	92.8	304.7
1969									
1st -----	403.7	375.7	303.0	254.8	48.2	72.7	28.1	94.5	309.2
2d -----	411.7	382.9	308.8	259.5	49.3	74.1	28.8	96.6	315.1

¹ FHA- VA-figures are from Federal Housing Administration and Veterans Administration. Conventional data include all farm mortgages regardless of mortgage type.

Note: Except as noted all data are estimates and subject to revision. For further description see notes to table S.4.2.

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Table S.A.4—Mortgage Debt Outstanding on One- to Four-Family Nonfarm Properties, by Holder and Mortgage Type

[In millions of dollars]

End of year and quarter	Total	Type of holder						Mortgage type ¹	
		Savings and loan associations ²	Life insurance companies	Mutual savings banks	Commercial banks	U.S. agencies ³	Other holders	FHA- VA-underwritten	Conventional
1964 -----	197,577	87,172	28,525	27,394	27,220	6,001	21,265	69,239	128,338
1965 -----	212,937	94,225	29,589	30,064	30,401	6,396	22,262	73,127	139,810
1966 -----	223,645	97,423	30,233	31,673	32,803	8,876	22,637	76,082	147,563
1967 -----	236,060	103,327	29,763	33,467	35,275	10,730	23,498	79,930	156,130
1968									
1st -----	239,117	104,460	29,644	33,865	35,753	11,641	23,754	81,027	158,090
2d -----	243,195	106,466	29,450	34,164	36,649	12,341	24,125	82,100	161,095
3d -----	247,034	108,340	29,182	34,524	37,695	12,753	24,540	83,223	163,811
4th -----	251,241	110,275	29,030	35,047	38,765	13,200	24,924	83,823	167,418
1969									
1st -----	254,807	111,977	28,887	35,446	39,510	13,793	25,194	85,257	169,550
2d -----	259,480	114,535	28,707	35,816	40,583	14,265	25,574	87,146	172,334

¹ FHA and VA data are as reported by Federal Housing Administration and Veterans Administration; conventional includes all other mortgage types.

² See note to table S.3.6.

³ Includes holdings of Federal National Mortgage Association, Federal Housing Administration, Veterans Administration, and Farmers Home Administration.

Note: All figures are FHLBB estimates (except for commercial banks which are Federal Reserve estimates) based on the sources cited in the notes to table S.4.2, and supplementary information. Data are subject to revision and the reliability of the last two digits is highly questionable in most instances.

Table S.4.5.—Mortgage Foreclosures¹

Year and quarter	Total on all property ²		Reported by FSLIC-insured savings and loan associations					
	Number	Rate ³ (percent of loans held)	All mortgage types		Mortgage type			
			Number	Rate ³ (percent of loans held)	Conventional		FHA- VA-underwritten	
					Number	Rate ³ (percent of loans held)	Number	Rate ³ (percent of loans held)
Old series ²								
1964 -----	108,620	.479	49,076	.544	36,483	.471	12,593	.989
1965 -----	116,664	.493	53,788	.570	41,817	.512	11,971	.947
1966 -----	117,473	.481	55,729	.576	44,184	.523	11,545	.929
1967 -----	110,541	.438	47,435	.483	38,310	.447	9,125	.739
1968 -----	90,941	.347	32,512	.324	25,436	.289	7,076	.555
New series ²								
1967 -----	134,203	.505	47,435	.483	38,310	.447	9,125	.739
1968 -----	110,404	.401	32,512	.324	25,436	.289	7,076	.555
1968								
2d -----	29,435	.435	8,802	.352	6,939	.316	1,863	.588
3d -----	26,330	.387	7,555	.300	5,891	.268	1,664	.520
4th -----	25,062	.364	6,686	.264	5,082	.228	1,604	.492
1969								
1st -----	24,238	.349	5,930	.232	4,421	.200	1,509	.456
2d -----	24,900	.356	5,789	.224	4,258	.192	1,531	.448

¹ Foreclosures on all property exclude, while savings and loan foreclosures include, deeds in lieu of foreclosure.

² The old nonfarm foreclosure estimates which were published through the fourth quarter of 1968 have been discontinued. The new estimates on all property published for the first time with release of first quarter 1969 data are based on a new 1967 benchmark, and to a minor degree, also differ conceptually from the old series, because they include farm foreclosures and data for

Alaska and Hawaii. The lower level of the old nonfarm series, however, was almost entirely due to improper reporting and underestimation rather than to the conceptual differences.

³ Quarterly data are expressed as annual rates without any adjustment for seasonal variation.

Note: FHLBB data. Foreclosures on all property are estimates. Association foreclosures are reported figures.

Housing Markets

Table S.5.1.—Indicators of Housing Activity

[In thousands of units except for last column which is in millions of dollars]

Period ¹	Private housing units started ²								Private nonfarm housing units started ²			New private housing units authorized ²	New homes sold ⁴	New construction put in place: nonfarm residential buildings ⁵
	U.S. total	Region				Type of structure			Type of financing ³					
		North-east	North central	South	West	1 unit	2-4 units	5 units or more	U.S. total	Conventional	Federally under-written			
1964 -----	1,529.3	253.6	339.2	581.6	354.9	971.5	108.0	450.0	1,502.3	1,238.5	263.8	1,285.8	565	\$26,258
1965 -----	1,472.9	270.2	361.5	574.8	266.4	963.8	86.6	422.4	1,450.6	1,204.6	246.0	1,239.8	575	26,268
1966 -----	1,165.0	206.6	288.3	472.6	197.6	778.5	61.3	325.1	1,141.5	946.3	195.2	971.9	461	23,971
1967 -----	1,291.6	214.9	337.1	519.5	220.1	843.9	71.6	376.1	1,268.4	1,035.9	232.5	1,141.0	487	23,786
1968 -----	1,507.7	226.8	368.7	618.5	293.7	899.5	80.9	527.3	1,483.6	1,200.5	283.1	1,330.3	490	28,823
1968														
Oct -----	1,570	217	398	628	327	965	81	524	1,541	-----	-----	1,378	495	29,823
Nov -----	1,733	193	396	810	334	905	86	742	1,705	-----	-----	1,425	490	30,152
Dec -----	1,507	196	345	659	307	922	69	516	1,492	-----	-----	1,463	523	30,937
1969														
Jan -----	1,878	316	564	760	238	1,066	88	724	1,845	-----	-----	1,403	484	31,247
Feb -----	1,686	216	578	662	230	975	112	599	1,664	-----	-----	1,477	529	31,502
Mar -----	1,584	265	430	554	335	828	92	664	1,567	-----	-----	1,421	451	32,080
Apr -----	1,563	255	358	582	368	797	86	680	1,548	-----	-----	1,502	445	31,288
May -----	1,509	243	345	587	334	883	84	542	1,495	-----	-----	1,323	436	30,764
June -----	1,469	236	288	604	341	808	76	585	1,446	-----	-----	1,340	488	30,223
July -----	1,371	193	285	551	342	765	65	541	1,349	-----	-----	1,228	⁶ 440	⁷ 29,639
Aug -----	1,384	189	388	529	278	723	69	592	1,370	-----	-----	1,245	⁶ 437	29,115
Sept ⁶ -----	1,533	154	376	618	385	843	88	602	1,513	-----	-----	1,201	409	29,224
Oct ⁶ -----	1,342	167	284	523	368	765	95	482	1,329	-----	-----	1,119	(⁵)	(⁵)

¹ Monthly data are seasonally adjusted annual rates.

² Bureau of the Census, Department of Commerce; figures are based on 13,000 permit-issuing places beginning 1967, 12,000 for 1963-66. For 1967 new private housing units authorized in 12,000 permit-issuing places totaled 1,104.6 compared to the 1,141.0 units in the 13,000 permit-issuing places.

³ Monthly seasonally adjusted data are not available for total nonfarm conventional or federally financed starts; monthly data on a seasonally adjusted annual basis are available for FHA 1- to

4-family starts and total VA starts and may be obtained in "Housing and Urban Development Trends," published monthly by the Department of Housing and Urban Development.

⁴ Bureau of the Census, Department of Commerce, and Department of Housing and Urban Development.

⁵ Not available.

⁶ Preliminary.

⁷ Revised.

Table S.5.2.—Inventory of Unsold Homes

End of month	New homes for sale (in thousands of units)				
	Total	Stage of construction			As ratio of new homes sold during month
		Completed	Under construction	Not started	
December					
1964 -----	250	114	120	16	7.6
1965 -----	227	94	117	16	6.1
1966 -----	195	93	84	19	8.5
1967 -----	189	61	105	24	6.1
1968 -----	219	44	142	33	6.8
1968					
Sept -----	202	43	133	26	5.0
Oct -----	212	42	141	29	5.3
Nov -----	219	43	145	31	6.6
Dec -----	219	44	142	33	6.8
1969					
Jan -----	213	45	138	31	6.3
Feb -----	209	42	134	33	5.2
Mar -----	213	44	135	34	5.0
Apr -----	220	42	144	35	5.1
May -----	224	45	147	32	5.1
June -----	223	43	147	33	5.1
July -----	221	41	146	33	5.5
Aug -----	215	41	143	31	5.4
Sept -----	219	44	145	31	6.6

¹ Preliminary.

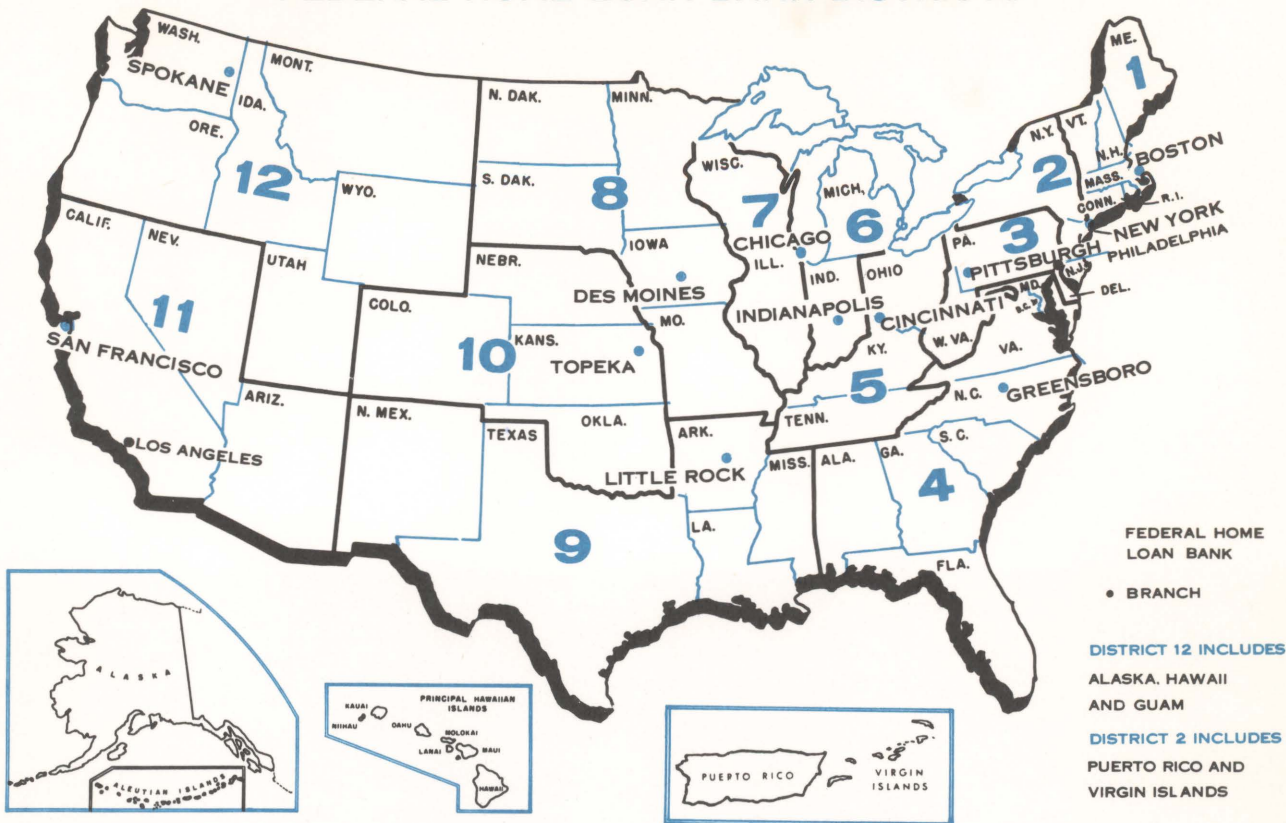
Note: Bureau of the Census, Department of Commerce, and Department of Housing and Urban Development. Detail may not add to total because of rounding.

Table S.5.3.—Rental Vacancy Rates for the United States and Major Regions

Year and quarter	United States	North-east	North central	South	West
1964 -----	7.5	4.7	7.3	8.2	10.5
1965 -----	7.5	5.0	6.7	8.1	11.3
1966 -----	7.0	4.8	6.0	7.7	10.4
1967 -----	6.2	4.3	5.3	7.2	8.5
1968 -----	5.4	3.3	5.0	6.7	6.8
1968					
2d -----	5.7	3.5	4.8	7.2	7.6
3d -----	5.4	3.4	5.4	6.8	6.2
4th -----	4.9	3.1	4.7	6.2	6.1
1969					
1st -----	5.0	2.9	4.9	6.6	5.9
2d -----	5.1	2.9	4.8	6.4	6.4

Note: Bureau of the Census, Department of Commerce.

FEDERAL HOME LOAN BANK DISTRICTS



1. FEDERAL HOME LOAN BANK OF BOSTON

Joseph T. Benedict, President
10 Post Office Square
Boston, Massachusetts 02109
Connecticut, Maine, Massachusetts, New Hampshire,
Rhode Island, and Vermont
District Chief Examiner: Allan C. Taylor

2. FEDERAL HOME LOAN BANK OF NEW YORK

Bryce Curry, President
60 Broad Street
New York, New York 10004
New Jersey, New York, Puerto Rico, and Virgin Islands
District Chief Examiner: Richard W. Hamilton

3. FEDERAL HOME LOAN BANK OF PITTSBURGH*

Raymond J. Strecker, President
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