

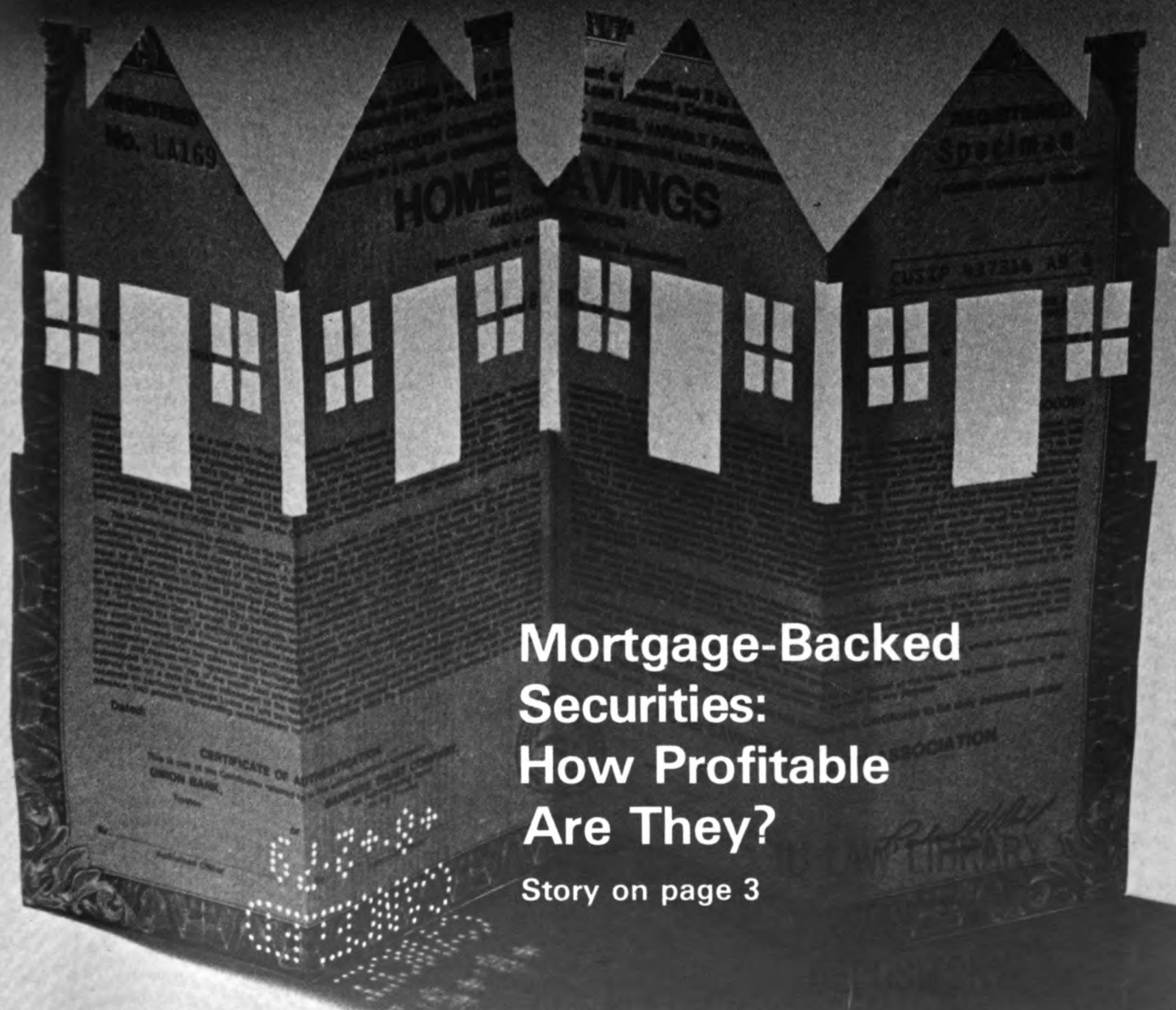
AW DOC

HL 1.27:

12/8

FEDERAL HOME LOAN BANK BOARD AUGUST

JOURNAL



Mortgage-Backed Securities: How Profitable Are They?

Story on page 3

The FEDERAL HOME LOAN BANK BOARD JOURNAL is published monthly by the Federal Home Loan Bank Board in the interests of the Federal Home Loan Bank System, the Federal Savings and Loan System, the Federal Savings and Loan Insurance Corporation, and the Federal Home Loan Mortgage Corporation. A copy is sent to member institutions without charge.

The JOURNAL is for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The domestic subscription price is \$24.50 a year. Foreign subscriptions are \$30.65. Make checks payable to the Superintendent of Documents and send orders directly to him. For your convenience, a subscription form is printed on the back of this issue.

Single copies are not available for purchase. However, a copy will be sent without charge if you write the Board at the address given below.

Complaints about nondelivery of subscriber copies should be addressed to the Service Section, Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20401. Telephone (202) 275-3050.

Complaints about nondelivery of copies sent on Board mailing lists or requests for single copies of the magazine should be addressed to the Editor, Federal Home Loan Bank Board Journal, 17th and G Streets, N.W., Washington, D.C. 20552. Telephone (202) 377-6680.

Contents may be reprinted without permission, but credit to the JOURNAL would be appreciated.

Please send the address label from the JOURNAL when requesting a change in your mailing address.

**Federal Home Loan
Bank Board**

Acting Chairman
Anita Miller

Member
Andrew A. DiPrete

Communications Office

Director
Frank Bolling

Deputy Director
Robert S. Marshall

Associate Director/MIC
Troy Kelley

Assistant Director/Publications
Watson Fenimore

Administrative Assistant
Brigid C. McMurrrough

FHLBB JOURNAL

Editor
Watson Fenimore

Associate Editor
Mark J. Lomery

Art Director
Mary Jo Campbell

Assistant Editor
Peggy Walch

Editorial Assistants
Kim Baker
Elizabeth B. Vaughn

Graphics
Harry A. Gardner
Amy Lippman

Photography
Raymond C. Chick
Robert Lange

JOURNAL

August 1979 • Volume 12, No. 8

In This Issue

- 2 Jay Janis Nominated to Be New
Chairman of the Bank Board**

- 3 Mortgage-Backed Securities**
How Profitable Are They?
William D. Bradford, J. David Hakman,
and Andrew H. Field

- 8 New Directions for Minority-
Managed Associations**
Percy Duran

- 12 Hiring the Handicapped**
*Coast Federal's Positive Program
Wins Wide Public Interest*

- 18 Research Working Papers**
Catherine D. Svelkauskas

- 23 Changes in S&L Deposit Structure**
October 1978-March 1979
Stephen T. Zabrenski

- 28 Housing and Economic Developments**
A Quarterly Review
Marshall A. Kaplan

- 31 News**

- 35 Regulations, Rulings, and Opinions**

- 37 Statistical Series**

Jay Janis Nominated To Be New Chairman Of the Bank Board

President Carter last month nominated Jay Janis, Undersecretary of the Department of Housing and Urban Development, to be new Chairman of the Federal Home Loan Bank Board, succeeding former Chairman Robert H. McKinney, who resigned to return to private life and left the Bank Board in June.

In a White House announcement July 31, Mr. Carter said he planned to name Mr. Janis as a Member of the Federal Home Loan Bank Board and, upon his confirmation by the Senate, would designate him as Chairman of the agency. Senate confirmation hearings are expected to be held in September.

Mr. Janis would also succeed Acting Bank Board Chairman Anita Miller, who was appointed to that post by Mr. Carter on July 7 to serve until a permanent Chairman was designated. Mrs. Miller has announced that she would return to her status as a Member of the Bank Board and serve out her full, 4-year term which expires June 30, 1981.

"I congratulate Jay Janis on his being nominated Chairman of the Federal Home Loan Bank Board," Acting Chairman Miller said following the President's announcement.

"I've known and worked with Jay Janis over the past several years and it is clear that his dedication to excellence and the public interest will enable the Bank Board to continue its important initiatives in assisting savers, homebuyers, our Nation's



communities, and the housing and thrift industries.

"The Bank Board has a talented and dedicated staff. I am confident that it will give full support as well."

Former Builder

Mr. Janis was nominated to be Undersecretary of Housing and Urban Development by President Carter on March 3, 1977, and was confirmed by the Senate on March 23, 1977. His career combines private building and development experience with government service and university administration.

He was born in Los Angeles, Calif., on December 22, 1932, and received an A.B. degree with high

honors from Yale University in 1954. He served with U.S. Army Intelligence from 1954 to 1956.

From 1956 to 1964, Mr. Janis was a businessman, community developer, and co-owner of Janis Corporation and related companies in the private building industry in Miami and Coral Gables, Fla. In 1964, he began his Federal service with the Department of Commerce in Washington D.C., where he held several responsible positions, including that of executive director of the National Citizens Committee, Community Relations Service. He also was director of the Office of Equal Opportunity and special assistant to the Undersecretary of Commerce, Leroy Collins.

From October 1966 to January 1969, Mr. Janis was executive assistant to HUD's first Secretary, Robert C. Weaver, and was responsible for developing many of the national housing goals HUD now pursues. After leaving HUD in 1969, he returned to his business interests until joining the University of Massachusetts in 1976, where he was senior vice president for management and business affairs until his appointment as HUD Undersecretary.

Housing Advisor

Mr. Janis' civic and other activities include serving as principal housing advisor to Florida Governor Reubin Askew; and serving as director of the National Association of Home Builders; director of the National Committee against Discrimination in Housing; president of the board of trustees of Florida International University Foundation; and chairman of the Dade County Community Relations Board. He also has been an active mediator in labor disputes in the construction industry.

Mr. Janis is married to the former Juel Mendelsohn, of California. They have a son, Jeffrey, and a daughter, Laura, and make their home in Washington, D.C. ■

Mortgage-Backed Securities:

How Profitable Are They?

by William D. Bradford,
Graduate School of Business,
Stanford University, and
J. David Hakman and
Andrew H. Field,
Hakman, Field and Co.

In their continuing quest for alternative sources with which to fund lending operations, savings and loan associations and commercial banks have turned increasingly to mortgage-backed bonds and passthrough certificates. As an alternative to the secondary market and government programs, these new mortgage securities have reached the billion-dollar-a-year level. Most significantly, those securities have tapped a new source of capital, principally pension funds.

The key to success of mortgage securities has been their ability to achieve Standard & Poor's ratings of AA or AAA. The historically insignificant loss ratio in residential lending, with the assistance of indenture provisions and mortgage pool insurance, has made mortgage securities competitive with the best premium blue-chip corporate bonds.

Financing at market interest rates is not always profitable,

however. The decision as to whether to go with an issue of mortgage securities at a particular time requires sophisticated forecasting and analytical abilities.

The purpose of this article is to discuss, in theoretical and practical terms, how the profitability of mortgage securities can be measured. As will be shown, the factors to be considered, and their interrelationships, are more numerous and subtle than would first appear.

EDITOR'S NOTE: William D. Bradford is an Associate Professor of Finance at Stanford University. J. David Hakman and Andrew H. Field, the principals of Hakman, Field & Company, serve as consultants and advisors to S&L's and banks on the issuance of mortgage-backed bonds and conventional mortgage passthroughs. The authors acknowledge the computer programming assistance of Brian Rush.



although they lend themselves readily to computer-based systems analysis.

The factors to be considered in determining the present and future profitability of issuing mortgage securities go well beyond their current interest rates and origination costs and the investments made with their proceeds. For instance, what will be the effect upon profitability of changes in mortgage interest rates which may occur during the life of the bonds or certificates? What is the value of the float created by the time difference between collections and payments? What happens if the mortgages in a pass-through pool have an increased average term to maturity? What is the sensitivity of profitability to the spread between the mortgage yield and the cost of the bonds?

Flow charts of the sources of income accruing from issuing mort-

gage securities will be presented, as well as the results of computer programs which measure the profitability of issuing mortgage securities.

Mortgage-Backed Bonds

A mortgage-backed bond is a long-term promissory note against which the issuer has pledged mortgages as security. MBB's typically carry a fixed coupon interest rate which is paid semiannually. Repayment of the bond principal can be in a lump sum at maturity, or by means of periodic sinking fund payments initiated several years after the bond is issued. Under ordinary circumstances, the net proceeds of the MBB's are used to purchase mortgages. The earnings from mortgages are used to pay interest and other costs involved with the MBB issue and the difference is added to net income.

The change in net income result-

ing from issuing a mortgage-backed bond is the net operating earnings on the proceeds of the bond less the total costs of selling and servicing the bonds. If the change in net income is sufficiently positive, then using mortgage-backed bonds is economically more desirable than not doing so. Of course, the issuer must decide at what point it is most desirable to use mortgage-backed bonds, since they may be issued in some future period at a greater spread between cost and origination rates.

Assume that an S&L has decided to issue MBB's. A description of the process is as follows:

1. The S&L must pay advisory, legal, accounting, rating, and trustee fees, as well as printing costs. These are incurred before or upon the actual floating of the securities and are origination costs.

2. The actual distribution of MMB's may involve fees to middlemen for distributing the securities to purchasers. These fees are distribution costs. Typically, origination and distribution costs are amortized over the life of the issue.

3. Upon receipt of the gross proceeds of the sale, the issuer pays the origination and distribution costs and invests the net proceeds in liquid securities on which he receives interest until the proceeds can be invested in new loans. The size of the interest income depends on both the interest yield on the liquid securities and the speed at which the net proceeds are invested in mortgages.

4. When the net proceeds are invested in new loans, the issuer receives income from loan fees based upon the current rate charged to borrowers.

5. Loan amortization payments begin 30 days after the mortgages have been made. The size of the loan payments and their distribution between interest and principal are based upon the interest yield and maturity of the underlying mortgages.

6. Loan amortization payments and loan fees are reinvested in mortgages, yielding additional loan fees and subsequent loan amortization payments. It is important to understand that future loan amortization payments and loan fees are reinvested at the mortgage interest rates and loan fees then prevailing. These future rates influence the compounding effect of income from mortgage-backed bonds.

7. Interest is collected on new mortgage loans monthly, but typically is paid semiannually to the bondholders. The interest collected accumulates over 6 months and

earns interest from reinvestment in mortgages.

Throughout the life of an MBB, there are costs which reduce the compounding effects and reinvestment income. The issuer must pay interest on the MBB's. Also, there are servicing costs on the new mortgages and costs to administer the MBB indenture. Finally, the income taxes on the earnings of the net proceeds, less relevant expenses, must be paid.

Thus the net effect on the income of an S&L from issuing an MBB can be expressed as follows:

| | | | |
|--|---------------------------------|--------------------------------------|----------------------------|
| Total net income from issuing MBB's | = Income from liquid securities | + Interest income on new loans | |
| | + Fee income on new loans | — Origination and distribution costs | — New loan servicing costs |
| | — MBB administrative costs | | |
| | — MBB interest expenses | — Income taxes | |

Profitability of MBB's

How much would net income change if one of the major factors affecting the profitability of MBB's changed? The authors designed a computer program to simulate all of the income and cost factors of an MBB issue and made different runs of the model to determine the sensitivity of net income to changes in the factors affecting profitability.

Suppose an S&L plans to raise \$10 million through MBB's at 9.75 percent, with origination, distribution, and annual servicing costs of \$35,000, \$45,000 and \$25,000 respectively. The association has a 33-percent income tax rate, and the cost of money used to repay the MBB's is 9 percent. The proceeds will be invested in 30-year mortgages at 10.75 percent, and the subsequent cash flows will be reinvested at rates declining to 9.5 percent in year 4, and thereafter. Mortgage

loan origination fees are expected to be 1.5 percent for each of the 9 years. The net proceeds will be fully invested into mortgages at the end of the first month after issuance, and the bonds will be paid off in payments of $\frac{1}{3}$ of the principal at the end of years 7, 8, and 9.

By using the model, we determined that the issue would result in an increase in net income to the S&L of \$118,100 by the end of the first year, and \$1,060,900 by the end of the ninth year when the bonds are retired.

What happens to the profits of a MBB issue if the assumptions change?

1. Because of compounding effects, an increase in the spread between the current mortgage rate and the bond rate has different effects, depending upon whether the increase is due to a rise in the mortgage rate or a decrease in the

bond rate. An increase in the spread caused by an increase in the current mortgage yield has a greater effect on income than a spread increase caused by a decrease in the bond yield.

For example, a jump of 25 basis points in the current and expected mortgage yield results in a net income increase of 21.6 percent from the base case over the 9-year period. A decrease in the bond yield of 25 basis points (to 9.5 percent) results in a net income increase of 17.5 percent over the base case.

2. When mortgage rates are expected to fall from current levels, the decline in profits is greater, the lower the maturity of the mortgages in the mortgage portfolio. This is caused by the quicker turnover of mortgages into the lower yielding future rates. In addition, this relationship indicates that a high current spread has less effect, the lower the maturity of the mortgages. That is, the current spread is not all that should be considered when defining the profitability of MBB's. The future spread can also be important. Simulation shows that a decline from a 30-year to 6-year maturity of mortgages results in a drop in expected profitability of 26.7 percent from the base case.

Conventional Passthroughs

A conventional mortgage passthrough certificate is an undivided interest in a pool of conventional residential mortgages. The mortgages are originated by the issuing institution, which also services the pool underlying the passthrough certificate. Under the pooling and servicing agreement used for a passthrough transaction, the issuer collects interest and principal monthly and passes through all interest payments, less a fixed service fee, plus all scheduled principal payments and prepayments.

The issuer of a passthrough is, in essence, changing the form of the assets which he holds. This contrasts with the issuer of a mort-

gage-backed bond, who is issuing another form of liability. Thus, the question of net income from passthroughs relates to the effect of exchanging portfolio assets for new investments compared with not doing so. Specifically, the change in net income resulting from issuing conventional passthroughs is the total net income resulting from issuing the passthroughs less the total net income if they were not issued. In essence, should the association have sold the mortgages or held on to them?

Assume that an S&L has decided to use conventional passthroughs. As in the case of MBB's, he first incurs expenses for advisory, legal, accounting, rating, and trustee fees, as well as printing and distribution costs. It is here, however, that much of the similarity between MBB's and passthroughs ends. This is because instead of one source of income, passthroughs have two sources of income.

First, there is the basic income, which is the difference between the contract rate on the loans in the passthrough pool and the rate on the passthrough certificates, less costs incurred in servicing the mortgages. The originator of the passthroughs services the loans, for which he is paid the difference between the interest rates on the underlying mortgages and the passthrough rate. Servicing involves not only distributing the interest and principal, but also providing monthly reports to certificate holders. A unique feature in servicing passthrough certificates is the maintenance of a mortgage pool and hazard insurance coverage.

Second, a passthrough issuer also earns income by investing the principal and interest payments from the mortgages in the pool. Payments of principal and interest from the mortgages to the security holders are delayed for some time, typically 55 days, because the issuer must collect the mortgage payments from the mortgagees, compute the

amounts due to each security holder, and send out checks. Meanwhile, the issuer can invest the accumulated mortgage payments and prepayments in liquid securities to earn additional income.

Thus the net income from issuing passthroughs can be expressed as follows:

| | | |
|---|--------------------------------------|-------------------------------------|
| Total net income from issuing passthroughs | = Income from new loans | + Passthrough servicing income |
| | — Origination and distribution costs | — Potential income on old mortgages |
| | | — Income taxes |

Profitability of Passthroughs

How much does net income change if one of the major factors affecting the profitability of passthroughs changes? Consider the following as describing a passthrough issue:

An issue size of \$10 million; origination and distribution costs of \$35,000 and \$45,000 respectively; a passthrough yield to investors of 10.35 percent; a contract rate on passthrough mortgages of 10.75 percent; passthrough servicing and mortgage pool insurance costs of 25 basis points; an issuer's income tax rate of 33 percent; and a payment delay of 55 days. The passthroughs and new mortgages have maturities of 30 years, and both have average lives of 10 years. The current new mortgage rate is 10.75 percent, and this will decline to 9.5 percent in years 4 through 10. Loan origination fees are currently 1.5 percent and are expected to remain at that level. The yield on float is 10.2 percent in year 1 and will decline to 9 percent in years 4 through 10.

As in the case of MBB's, the authors developed a computer program for the numerical analysis of

passthroughs. Given the above example, the program showed that by the end of the 5th year, passthroughs, would have produced a cumulative net income \$367,400 greater than if no passthroughs were issued. By the end of the 10th year, net income increases to \$756,900.

Of course, the advantage of issuing the passthroughs is based upon the assumptions which were put into the analysis. What happens to net income if these variables change? We will discuss the changes in the advantage of issuing passthroughs given changes in the average prepayment year of mortgages, the coupon yield on new mortgages, the float period, and the certificate price of the passthroughs.

1. For the base case analysis, we assumed that the certificates are purchased at par (100). As a practical matter, last-minute changes in bond market yields often result in higher or, more often, lower price. Certificate prices of 99.5 and 99 result in declines of 5.8 percent and 11.6 percent in profits from the base case in 5 years, and declines of 6.6 percent and 13.4 percent in 10 years.



The rather dramatic drop in the passthrough advantage, especially over the longer term, emphasizes the need for setting a realistic yield on the certificates. Otherwise, an issuer who has been proceeding on one set of profitability assumptions may be unpleasantly surprised when the transaction closes.

2. As Ginnie Mae investors became more sophisticated, one of the variables which came to their attention was the different prepayment experience found in different pools of mortgages. Certain parts of the country, for instance, have very different average prepayment experience. In our example, simulation shows that a decline in the average year of prepayment from 10 years to 6 years increases profits from the base case by 3.1 percent in 5 years and 6.2 percent in 10 years.

3. The change of a few basis points in the assumed rate level of new mortgages or in the negotiated passthrough rate has significant effects on profitability. For example, an increase of 25 basis points in the level of new mortgage rates increases the profits by over 17 percent in 5 years and 18 percent in 10 years. Correspondingly, a decline in

the levels of new mortgage rates of 25 basis points decreases profits by 36 percent in 5 years and 39 percent in 10 years.

Similarly, a decline of 25 basis points in the passthrough rate results in a profit increase of 15 percent in 5 years and 19 percent in 10 years. An increase of the same amount reduces profits by 34 percent in 5 years and 37 percent in 10 years.

One of the considerations highlighted by these relationships is the importance of the issuer's plans for reinvesting certificate proceeds. They will, immediately after closing, be invested in liquid securities. The longer it takes for transfer into funding loan originations, the longer the issuer bears the risk of changes in mortgage rates.

Mortgage-backed bonds and passthrough certificates have become established channels in raising billions of dollars for residential lending. Because their 5- to 12-year terms approximate the average life of a home loan, mortgage securities can mean an assured spread between the cost of funds and their yield. Unlike new forms of savings certificates, mortgage securities do


not attract money out of existing savings.

Most people who discuss the profitability of mortgage securities focus their attention upon a comparison of the relative interest rates for corporate bonds with current mortgage interest rates. While these factors cannot be ignored, the variables which should be considered are more numerous and subtle, suggesting computer analysis as the best measure of profitability, as this article has pointed out. With the use of two computer programs, the authors have simulated such variables as future loan origination rates, prepayment experience, and bond market yields for both MBB's and passthroughs.

With millions of dollars involved in a mortgage security issue, tiny fluctuations in these and other factors can mean major swings in profitability. Associations which have developed the profitable opportunity presented by mortgage securities have added to their other sources of funds the vast capital pools of public and private enterprise. ■

New Directions for Minority-Managed Associations

by Percy Duran, Supervisor,
Minority Association
Development Division,
Office of Industry Development



Minority-owned and -managed savings and loan associations play an important role in the savings and loan industry. They help to provide for the thrift and credit needs of a significant portion of the Nation's population. By directing their operations towards socially or economically disadvantaged Americans, they have made major contributions toward meeting the credit and savings requirements of the Nation's urban and rural populations. Through the services they have provided in these areas, minority-managed associations have furthered the revitalization and development of our Nation's communities.

Recognizing these contributions, the Bank Board, in the summer of 1978, established as one of its major goals the development and implementation of a program to encourage the growth, expansion, safety, and soundness of minority-owned

and -managed savings and loan associations. Today, the outlines of the program are evident. A division of the Office of Industry Development—the Minority Association Development Division—has taken primary responsibility for this multifaceted venture and will play a significant role in putting it into effect.

The impetus for development of the program came from a 1978 Bank Board study conducted to determine why a large number of minority-managed associations were experiencing financial difficulties. The findings of the study mirrored those of earlier Bank Board surveys which showed that minority-managed savings and loans generally suffer from the problems experienced by all small associations.

However, the study also identified a number of other problem areas that are peculiar to minority-

managed associations. For example, it revealed that most minority-managed S&L's experience exceptionally high operating expenses. This appears to be a function of a number of unique problems, such as unusually low account balances, coupled with high transaction activity and above-average expenses for the lease of office quarters. Poor growth potential of their market areas and limited customer bases were also identified as major problems of these associations.

While it was conducting this study, the Minority Division also was holding meetings with and obtaining input from the management of individual minority-managed savings and loans, various industry organizations, and certain government agencies. Through these efforts, the Division received two clear messages. First, minority-managed associations are eager to improve and expand their operations, but they need a boost to help them overcome some of their unusual problems. Second, there were industry and government sources ready and willing to help the Minority Division establish an assistance program.

With these thoughts in mind and with the aid of various government and industry sources, the Minority Division proceeded to develop a number of assistance projects based

on the concept of self-help. Improvement of an association's operations can have a solid foundation only if the drive for improvement originates with the association's management. The assistance programs, therefore, are structured as tools minority associations can use to better their operations. The programs, through the joint efforts of the business and public sectors, will provide concrete, practical assistance to minority savings and loans.

One of the first steps towards implementation of the Bank Board's minority assistance effort was the negotiation of a contract with the Department of Commerce for \$70,000 to fund four initial assistance projects. Transfer of the Commerce funds to the Bank Board and the initiation of the first four assistance programs was announced by the Bank Board on April 25, 1979, at a signing ceremony attended by representatives of the White House, the Department of Commerce, the Federal Home Loan Banks, various trade groups, and the savings and loan industry.

The MESBIC Program

The first project, and the one that will form the foundation of the Bank Board's minority association assistance activities, is the organization of a Minority Enterprise Small Business Investment Company. The

MESBIC program has been allotted the largest portion of the Commerce grant—\$50,000—to cover organizational and initial operating expenses.

MESBIC was originally conceived of as a vehicle for channeling funds into minority associations to bolster their capital base. Of equal importance, however, it also was seen as a means of providing the long-term source of funds needed to implement other assistance programs that prove successful. The Commerce grant will furnish the money needed to develop and test three such programs specified in the grant.

MESBIC will be a private corporation chartered under the laws of one of the 50 States and licensed by the Small Business Administration. The SBA license will entitle the company to receive SBA funds at a discounted rate totaling up to four times the amount of its equity capital. Thus, with equity capital of \$5 million, SBA funding of the MESBIC could reach a total of \$20 million.

It is anticipated that the Federal Home Loan Banks will take the lead in the development and operation of the MESBIC program. Their role will be to organize MESBIC, invest \$5 million in equity shares of the company, and supervise its operation. The 12 District



Banks would be the controlling stockholders of the company and thus would be responsible for electing its directors and appointing its management. Structuring MESBIC in this way will allow the Banks, which are familiar with the needs and problems of individual minority-managed associations in their Districts, to identify associations in need of aid and to determine how those associations could best be assisted.

MESBIC will have two ways of channeling funds into a minority-managed association. One will be to provide the association with equity capital by purchasing its stock or subordinated debentures. The other will be to make long-term loans to the association. Since MESBIC's cost of funds will be low, it can invest and lend money at comparatively low rates.

MESBIC resources will be spent on correcting specific deficiencies of individual associations, with the District Banks closely supervising how the funds are used. Examples of some diverse ways in which MESBIC money can be applied are to assist in the relocation of poorly situated offices; to train management personnel, and to provide technical assistance in various aspects of savings and loan operations. The District Banks, through MESBIC directors, would establish

guidelines and policies for determining eligibility, amounts to be loaned or invested, interest rates, repayment, etc.

Technical Assistance Programs

Meanwhile, the Bank Board is putting into effect three other innovative programs that will provide minority-managed associations with a new form of help—direct technical and management training by specialized consulting firms.

One program involves the development by a major accounting firm of a manual designed to aid the directors of minority-managed associations in the execution of their duties. The same firm is also working on a second project to develop a model operations review program for use by auditors and accountants of minority-managed associations. The third proposal will provide for on-site technical assistance for the management of these associations by a savings and loan management consulting firm. It is anticipated that once MESBIC is operating, those programs which prove successful will be funded through the company.

The manual, which is being developed by Deloitte, Haskins and Sells, will be designed to help directors of minority-managed associations better understand the savings and loan industry and their respon-

sibilities and duties. It will cover such broad areas as the nature and purpose of the industry, the functions of a board of directors, the organization and selection of a board of directors, and the role of external reviews by examiners and independent auditors.

The operations review program will contain detailed operating procedures and a standard work program. The latter will be tested in the field on one minority association. It is expected to be used as a guide to be followed in operation reviews and will be made available to the accounting firms that represent minority-managed associations. The concept of establishing official guidelines for operation reviews has been gaining acceptance among various government agencies, including the Department of Housing and Urban Development and the Federal Deposit Insurance Corporation. The operations review program will ensure that certain review procedures are performed by minority associations.

On-site management consulting services will be sponsored by Financial Consulting Services, Inc., a service corporation of First Southern Federal Savings and Loan Association, of Mobile, Ala. Minority-managed associations participating in the program will receive complete evaluations of their operations for the past year, as well as evalua-



tion of their current operations. These assessments will cover a variety of areas such as lending, property management, short- and long-range goal setting, organizational structure, personnel policies, internal audit, and all aspects of marketing. If this program proves successful, it will be expanded and made available to more associations.

Additional Programs

In addition to MESBIC and the technical assistance programs described above, the Bank Board has been working on two more programs that can be put into effect "in-house." The first, sponsored by the Federal Home Loan Mortgage Corporation, currently is now being put into operation. The second, which is in the planning stage, will be developed in conjunction with the Federal Savings and Loan Insurance Corporation.

Mortgage Corporation Program

The Federal Home Loan Mortgage Corporation, in cooperation with the Minority Division and the American Savings and Loan League, has developed an educational program on the secondary mortgage market for minority-managed associations. The program was established after a survey by the Corporation revealed that most minor-

ity-managed associations are interested in participating in the secondary mortgage market, but are reluctant to do so because they are not familiar with it.

The Mortgage Corporation is planning a number of seminars on the secondary market to be held this fall. They will cover all aspects of the market, including the Mortgage Corporation's role in it and how the market can be tapped for mortgage funds. The Corporation will conduct the seminars at various locations throughout the country.

FSLIC Early Alert Program

The FSLIC program involves an "early alert system" which will be designed to alert the Bank Board when a minority-managed association is beginning to experience serious financial difficulties. The system will enable the FSLIC and the Minority Division to work with a minority-managed association to resolve its problems before the association's financial condition deteriorates too badly. The goal is to reduce the number of minority associations that require FSLIC assistance.

Conclusion

These programs are the foundation of the Bank Board's minority-managed association assistance ef-

fort. They will enable the Bank Board to help improve the growth, expansion, safety, and soundness of minority-owned and -managed savings and loan associations. They also will help the Bank Board meet another of its goals: strengthening the S&L industry as a whole.

In addition, by strengthening minority-managed associations, many of which serve low- or moderate-income areas, the programs will further encourage and expand community investment and development. The strengthening of minority-managed associations also will contribute to the Bank Board's goal of promoting equal employment opportunity in the savings and loan industry.

These programs are the way to a meaningful minority assistance effort. The benefits that can accrue from the programs are not limited to minority associations, however. Much of what is learned can be used to benefit all small associations.

Looking ahead, the Minority Division is continuing to explore novel ideas for new development proposals. The existing programs were developed with the assistance of a variety of government and industry sources, as has been noted. The Minority Division encourages such joint efforts. ■



Wendy Crawshaw is partially deaf. She also has a speech impediment . . . Art Carreon has cerebral palsy . . . Francis Whalen and Zbigniew Kurkowski can neither hear nor speak . . . Erik Drew is partially incapacitated on one side. Despite their handicaps, Coast Federal Savings and Loan Association, Los Angeles, counts on them to move the corporate mail . . . to keep supply room activities hum-

ming. . . and to work in the microfilm section and print shop.

Coast Federal calls it mainstreaming the handicapped. They work side-by-side with unhandicapped staffers in the association's corporate facility in downtown Los Angeles.

"They're dependable, very much so, in terms of being on the job and the performance of their assigned duties. They seek no special consid-

erations. Nor do we view them other than as any normal, regular employee. We're happy to have them," says Terry Crow, vice president-administrative services. The physically disadvantaged employees were hired under the association's policy of equal consideration/equal pay for the handicapped, now in its seventh year. Coast Federal receives no government funding for the program.

Hiring the Handicapped

Coast Federal's Positive Program Wins Wide Public Interest





One of Wendy Crawshaw's tasks in the communications/services department of Coast Federal is to file the thousands of cancelled checks that pour into the corporate headquarters.

Coast Federal's program of hiring the handicapped is traced, literally, to Luck—Dorothy Luck, that is. She's an 18-year career employee who, as administrative chief clerk, supervises the corporate mail, records, microfilm, and related operations. She began working in the 1960's with the loan records section and recalls an employee with tunnel vision working for her. Later, she helped arrange a job for an immigrant from Greece who was deaf and faced deportation unless he got work. As Miss Luck advanced in responsibility, she added handicapped workers to her staff—at first on a friend-refers-a-friend basis and then through the referral of applicants by organizations helping the disabled.

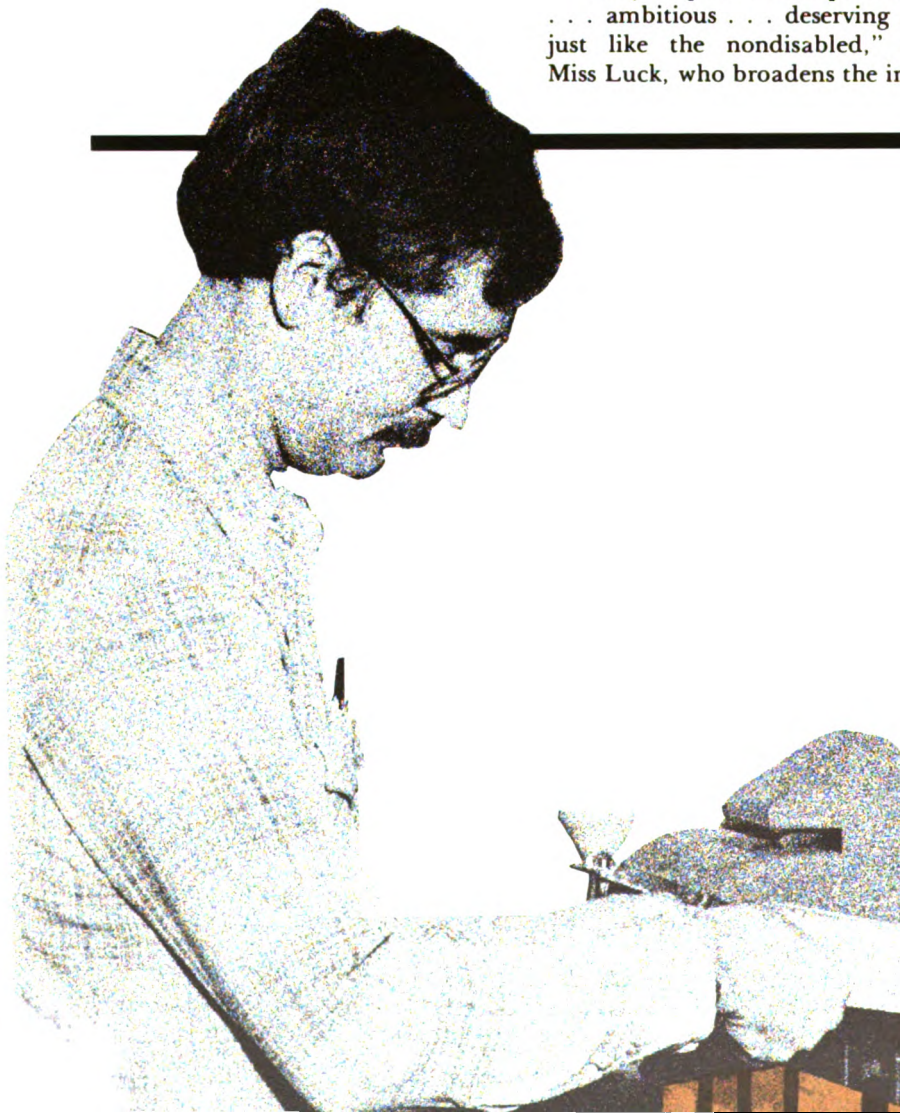
"They're proud and productive . . . ambitious . . . deserving . . . just like the nondisabled," says Miss Luck, who broadens the inter-

est and work of staffers by moving them from section to section.

More over, when someone who is handicapped joins a section, Miss Luck says she has detected an improved attitude in some nondisabled workers who had not been so efficient in performing their own duties.

"Their own efforts are accelerated as they try to be helpful as they can in the mainstreaming of the disadvantaged employee," she adds.

She believes the program's merits dawned on Coast Federal because of what she calls the "Cranmer" fund. In the 1940's, senior management established this fund for an employee—Bob Cranmer—who had suffered paralysis. When he recovered, Cranmer returned to work and the association installed an access ramp for him at its Tarzana office. Now he sits daily in his wheel



Erik Drew runs an inserting machine in the communications/services department.

chair at his desk in the accounting department.

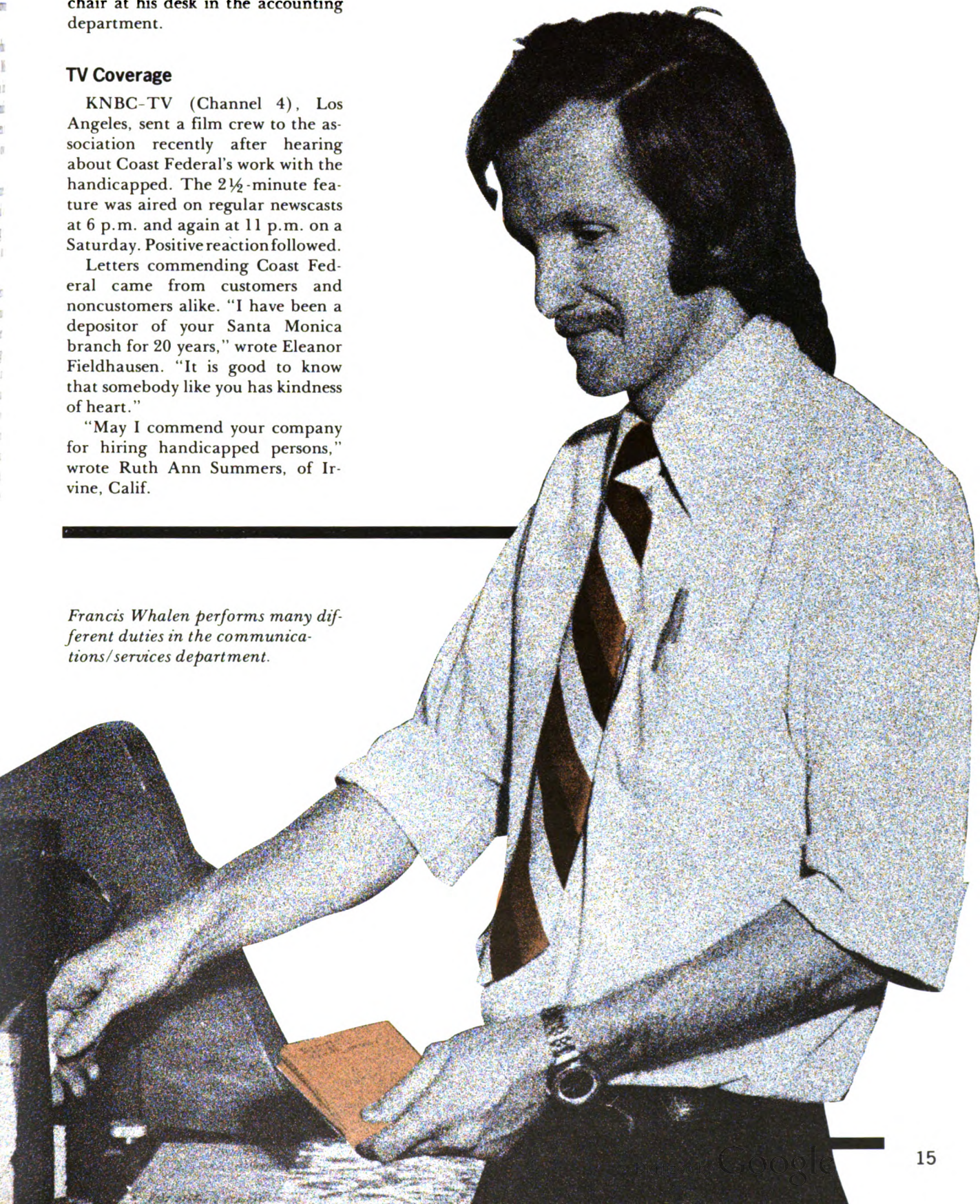
TV Coverage

KNBC-TV (Channel 4), Los Angeles, sent a film crew to the association recently after hearing about Coast Federal's work with the handicapped. The 2½-minute feature was aired on regular newscasts at 6 p.m. and again at 11 p.m. on a Saturday. Positive reaction followed.

Letters commending Coast Federal came from customers and noncustomers alike. "I have been a depositor of your Santa Monica branch for 20 years," wrote Eleanor Fieldhausen. "It is good to know that somebody like you has kindness of heart."

"May I commend your company for hiring handicapped persons," wrote Ruth Ann Summers, of Irvine, Calif.

Francis Whalen performs many different duties in the communications/services department.



Job inquiries came in, as did commendation from the State of California and from the Beverly Hills Mayor's Committee for Employment of the Handicapped. Other companies wrote in to inquire about Coast Federal's and its handicapped employees.

The reaction was a surprise to David A. Blaney, vice president and director of Human Resources Management for the association.

"Frankly, we've been mildly startled by all the attention to Coast Federal's hiring of the handicapped," Mr. Blaney said. "Other than our natural expansion of the activity along with the company's growth in the 1970's, we haven't really targeted any major new approach to it. We're certainly not in the big league in this respect with DuPont, Crown Zellerbach, and certain leaders of the insurance, telephone, and utility industries.

"We employ just over 1,000 people, most of whom are nondisabled. Many of our employees interface

with the public in our California branching network of 47 offices, which tends to impede our efforts in integrating more of the handicapped into our regular work force. But it is fair to say our attitude has been strongly positive and our overall approach somewhat aggressive in comparison to other medium-sized companies. Nearly 5 percent of our work force is now comprised of disadvantaged employees."

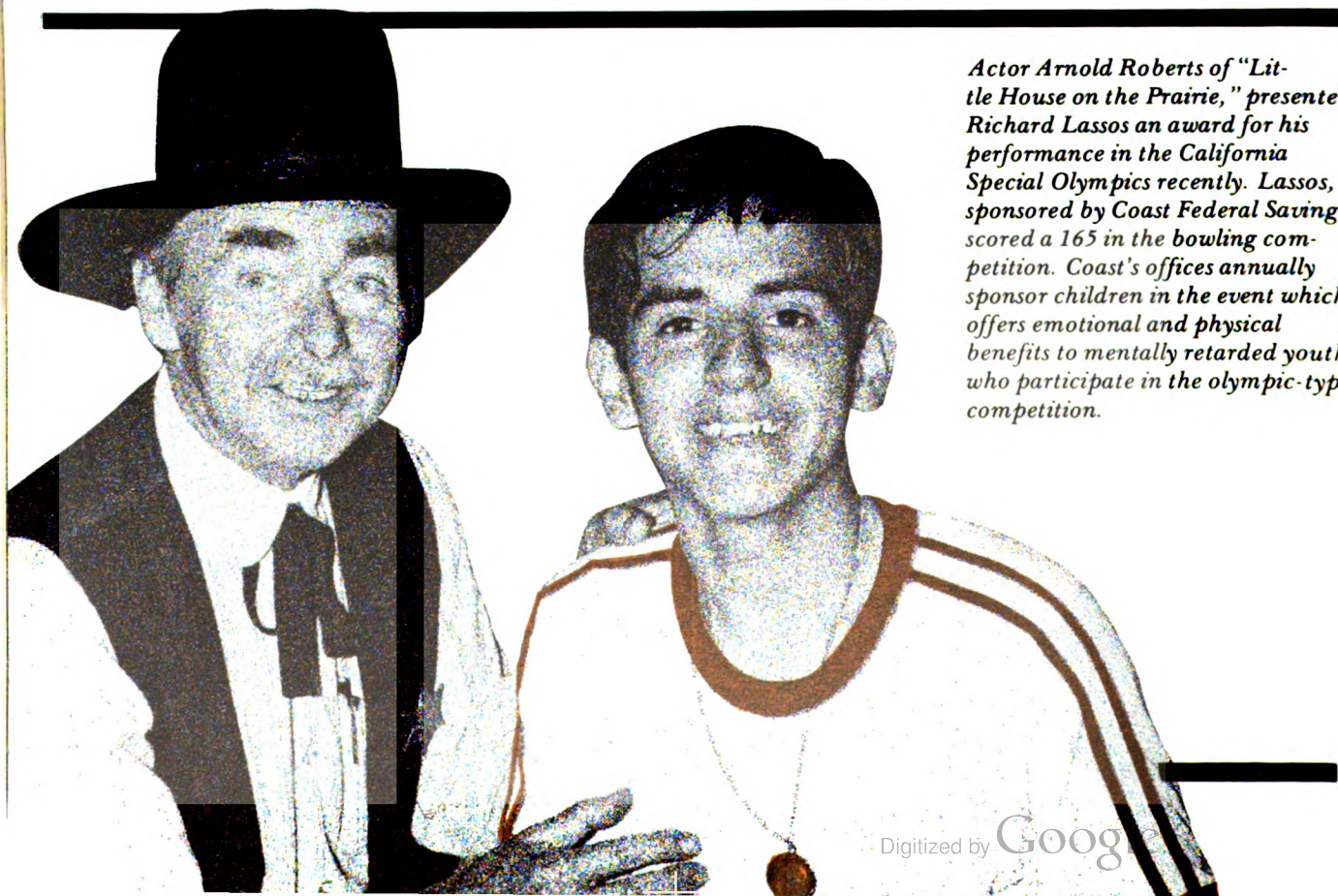
Hollywood actor Lour Carrela teamed up recently as a consultant with producer Fern Field on the film, "A Different Approach," which deals with the problem of hiring the handicapped. Carrela and Field showed the film some weeks ago to a conference for employers sponsored by the Beverly Hills Mayor's Committee for Employment of the Handicapped. After a panel discussion and the speeches came the awards. One was billed as a "surprise" to Coast Federal Savings, the only private employer standing for recognition.

The association received the Mayor's Committee's Certificate of Merit—an award that was immediately followed by one from the California Governor's Committee, doubling Coast Federal's honors for "promoting expanded opportunities for handicapped persons."

Other Activities

In a special effort to aid the handicapped, Coast Federal soon will print a guide to assist handicapped individuals in finding employment and housing. The guide is now being prepared by the office of Los Angeles city attorney Burt Prines and will be distributed widely to the disabled and to employers in the Los Angeles area this fall. It also will be distributed through the association's offices elsewhere in California.

Coast Federal, moreover, can take a bow for reaching outside of the savings and loan business to help the disadvantaged. It's an ardent fan and sponsor of the Califor-



Actor Arnold Roberts of "Little House on the Prairie," presented Richard Lassos an award for his performance in the California Special Olympics recently. Lassos, sponsored by Coast Federal Savings, scored a 165 in the bowling competition. Coast's offices annually sponsor children in the event which offers emotional and physical benefits to mentally retarded youths who participate in the olympic-type competition.

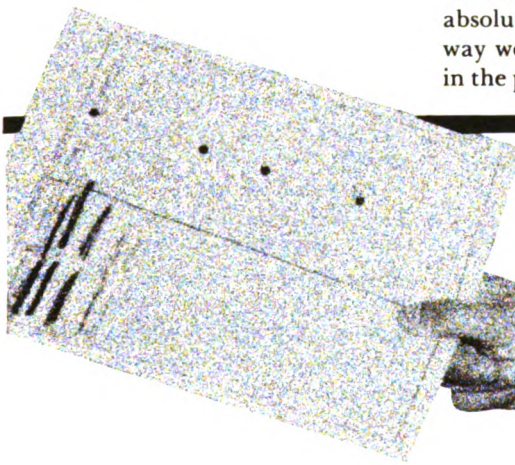
nia Special Olympics, now in its 11th year. Locally, statewide, and nationally, the group provides olympic-type competition for mentally retarded children. The goal of individual participants, says a spokesman, "is not simply to win, but to be able to participate. The personal benefits derived from being part of the team are quite often emotionally and physically therapeutic." At Easter, the association is a major sponsor of the Easter Seal telethon benefiting crippled children on KTTV (13), Los Angeles. It also supports the annual telethon over KTLA (5) that fights leukemia for the City of Hope, Duarte, Calif. Other foundations receiving

Coast Federal's help include Exceptional Children's, Spastic Children's KARE Youth, Autistic Children's—plus various groups dedicated to the support of exceptional adults in communities served by the association.

"Coast Federal's program of hiring the handicapped long has been a source of quiet pride to our association," says board chairman and president Ross M. Blakely.

"It is also a source of pride to those who are being 'mainstreamed' into normal business life and to our nondisabled workers, as well. It is rewarding in many ways.

"In the 47 communities we serve in California, we are fortunate to be able to help many who are recovering from disabling illnesses and are trying to return to normal lives. The guiding spirit of all our efforts is to give a hand, not a handout. We're just doing what we feel is an absolutely necessary job the best way we know how and our pride is in the program's quality." ■



Zbigniew Kurkowski distributes mail to department boxes in Coast Federal's corporate headquarters.



Research Working Papers

by Catherine D. Sveikauskas
Economist
Office of Economic Research

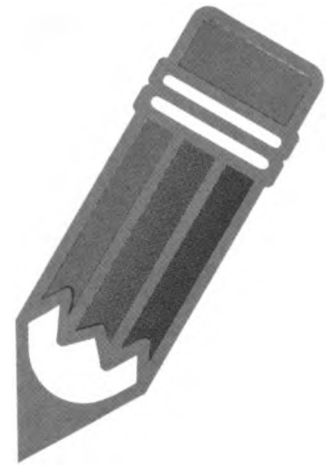
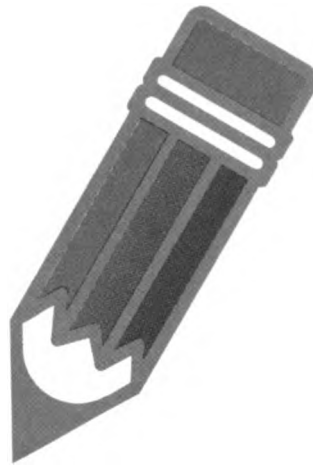
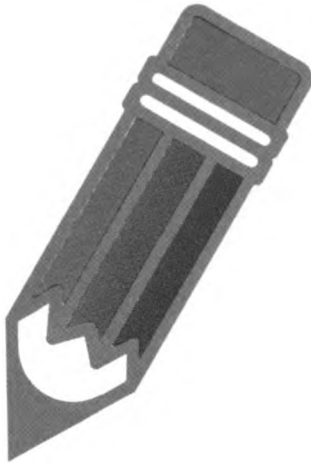
The Office of Economic Research conducts studies for the Federal Home Loan Bank Board on subjects related to savings and loan associations, other financial institutions, and the mortgage and housing markets. These studies are issued as Research Working Papers.

As papers become available, abstracts are published in the Journal or, on occasion, may be printed in the Journal in part or in full.

Research Working Papers are usually preliminary in nature and are intended for review to stimulate further research. They do not necessarily represent the policy of the Federal Home Loan Bank Board. Readers' comments are welcomed.

Requests for papers will be honored free of charge. Address all requests to Working Paper Series, Office of Economic Research, Federal Home Loan Bank Board, 1700 G Street, N.W., Washington, D.C. 20552.

Recent Working Papers are summarized as follows:



Research Working Paper No. 80, "Withdrawal Penalties, Deposit Composition, and Disintermediation," by Jerry Hartzog.

Early withdrawal penalties are intended to deter disintermediation, but excessively severe penalties, in fact, may be counterproductive. This paper shows that penalties reduce the expected return on certificates and, hence, lead to a deposit mix with relatively more passbook balances. Because passbook balances are not subject to early withdrawal penalties, excessive penalties may actually increase overall S&L susceptibility to disintermediation. This paper concludes with suggested strategies to reduce susceptibility to disintermediation.

Research Working Paper No. 81, "A Computer Model to Estimate the Value of a Converting S&L," by Henry J. Cassidy and Donald M. Kaplan.

The Federal Home Loan Bank Board has the responsibility of approving or denying applications for conversion from mutual to stock form of organization. This paper describes the model used by the Office of Economic Research to estimate the value of a converting association. It describes the basic analytic equations comprising the model, a users' guide to the computer program, and the results of numerous sensitivity tests. This paper emphasizes that the model must be considered as only one of many inputs into the pricing decision.

Research Working Paper No. 82, "Redlining: A Critical Review of the Literature with Suggested Research," by A. Thomas King.

Redlining is alleged to cause the decline and deterioration of neighborhoods which would otherwise be viable. This paper reviews and evaluates a number of studies of redlining and concludes with suggestions for further research.



Research Working Paper No. 83, "A Critical Analysis of Asset-Based Risk-Related Capital Requirements for Savings and Loan Association," by Joseph Horton.

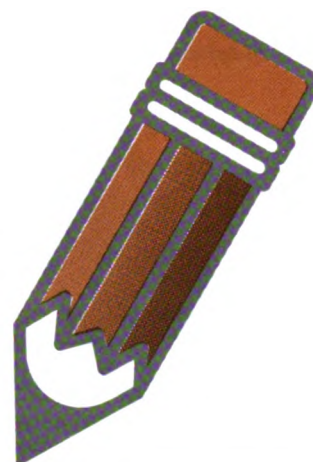
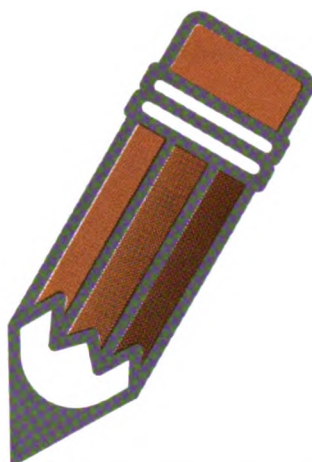
This paper is a critique of asset-based, risk-related capital requirements. The general conclusion is that S&L's present little risk to the Federal Savings and Loan Insurance Corporation under current institutional arrangements. The highly regulated nature of the industry has reduced the probability of failure to an extremely low level. In fact, the author states, there is so little risk to the FSLIC that S&L's may not be taking socially optional amounts of risks; hence, there is no need for the added safety of a risk-related capital requirement. Less restrictive regulation, greater freedom of entry and exit, and greater reliance on the insuring agencies rather than on capital requirements to offset the costs of failure would promote efficiency, competition, and innovation, the author concludes.

Research Working Paper No. 84, "A Yield Curve Approach to Pricing Variable Rate Mortgages," by Henry Cassidy.

This paper analyzes the hypotheses that variable rate mortgages are initially priced according to a "mortgage yield curve." Under normal conditions of a positively sloped yield curve, the VRM will be priced below the standard, fixed-payment mortgage. This holds both for no-call mortgages and for mortgages with a borrower call option. The analysis concludes that a VRM will have a higher initial contract rate (1) the less often the rate is adjusted, (2) the more binding the constraints on VRM rate movements, and (3) the more slowly moving or "sticky" the index rate. The latter two factors are perhaps the most important reasons why VRM's in California—at least up to the spring of 1979—have been priced the same as standard, fixed-rate mortgages and why New England VRM's have been priced at a 0.5-percentage point discount.

Invited Working Paper Number 19, "A Critical Review of the Alternative Mortgage Instruments Research Study," edited by Gerald S. Album and George G. Kaufman, University of Oregon.

This working paper includes three papers which review the Bank Board's Alternative Mortgage Instruments Research Study. The first paper, by Henry Cassidy and Richard Marcis, summarizes the major findings of the AMIRS report. In the second paper, University of Minnesota professor Craig Swan questions the report's objectivity. He states that the more popular alternative instruments, such as the graduated payment mortgage, are being used to "convoy" the less popular, such as the VRM, to a safe harbor. University of Pennsylvania professor Robert Edelstein takes the study to task for not developing a framework for describing an "optimal mortgage." Dr. Edelstein also addresses one of the study's central assumptions—whether increased homeownership is socially desirable in the first place.



Invited Working Paper No. 20, "The Introduction of New Mortgages to New England: An Examination of Recent Evidence," by Maurice Weinrobe, of Clark University.

This paper describes the introduction of new mortgage instruments in New England. It explores the question as to whether VRM's benefit or hurt borrowers. The conventional wisdom is that VRM's principally benefit lenders because they shift risk from lenders to borrowers. This paper concludes borrowers are well served with the introduction of the new instruments.

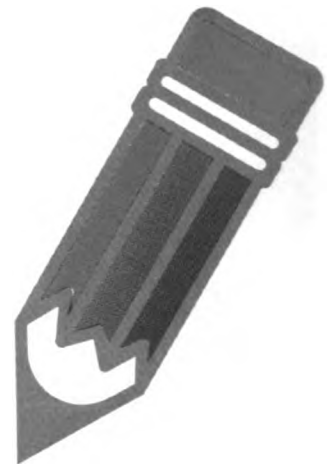
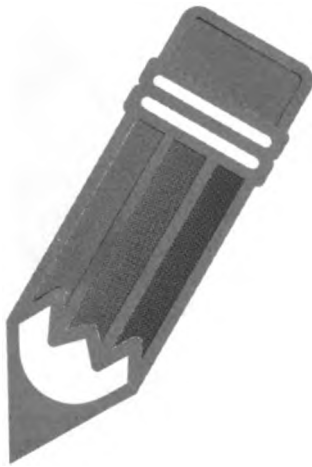
Invited Working Paper No. 21, "A Reexamination of the Problem of State Usury Ceilings: The Impact in the Mortgage Market," by James E. McNulty, Federal Home Loan Bank of Atlanta.

Most previous econometric studies of the impact of State usury ceiling suggest that usury ceilings are restrictive only when the ceilings is below average market rates. Using data for savings and loan associations in Georgia, this paper demonstrates that a given ceiling may be restrictive even before the average market rate reaches the ceiling rate. Because there were approximately 17 States with 10-percent usury ceilings in mid-1978, when average market rates were in the $9\frac{1}{2}$ - to $9\frac{3}{4}$ -range, the usury ceilings may be much more restrictive than generally is considered the case. The evidence developed here also suggests that the movement toward floating usury ceilings in many States in recent years may not be a welcome development, since these ceilings would tend to discourage higher risk loans even when the general availability of mortgage credit is good.

Invited Working Paper No. 22, "The Disintermediation Function," by Kenneth Rosen, Princeton University.

This paper develops a model of gross flows of savings to S&L's. It includes a number of innovations, including use of a large vector of interest rate spreads and nonlinear interest rate spreads as independent variables. One major empirical finding is that the unemployment rate affects both savings received, through a precautionary savings motive, and savings withdrawn, through a drawn-down effect, with the precautionary motive dominant.

The model has very stable simulation properties, which indicates it may be useful for forecasting applications.



Invited Working Paper No. 23, "A Functional Cost Analysis of Selected Operations of Savings and Loan Associations," by David Schulze, University of Nebraska at Omaha, and Donald Kaplan, Kaplan, Smith & Associates, Inc.

This paper reports the results of a functional cost analysis based on 1973 data for 20 savings and loan associations. It estimates costs of loan origination, loan servicing, and savings, and compares cost behavior in this sample with the results of previous cost studies.

The study provides some basic cost data not available previously, reveals wide divergence of operations, and yields some new evidence of economies of scale in the savings and loan industry.

Invited Working Paper No. 24, "Functional Cost Programs: An Investigation into their Feasibility and Usefulness for Regulatory and Management Purposes," by R. Richardson Pettit, University of Houston.

This is a preliminary investigation into the feasibility of setting up a functional cost program for savings and loan associations. It develops the scope and methodology to be employed, discusses conditions necessary to ensuring a viable, ongoing functional cost program, and spells out the kind of information to be collected from individual S&L's.

Invited Research Working Paper No. 25 "Prepayment Expectations for GNMA Securities: Their Impact on Yield Calculations," by Susan Neary Cirillo

This paper examines apparent inefficiencies in the GNMA securities market. It shows that the use of the standard 12-year prepayment assumption results in a misstatement of yields on most securities. Although published yields indicated significant variations among securities with different coupons, it was shown that a correction for prepayment assumptions would make yields converge. The hypothesis that correction for prepayment assumptions would bring yields on GNMA securities, which are backed by the full faith and credit of the U.S. Treasury, into the range of yields on U.S. Treasury securities was not upheld, for even after the correction was made, yields on GNMA's were higher than Treasury yields. Applications of findings to the market were also explored and market strategies for trading in GNMA's discussed.

Changes in S&L Deposit Structure: October 1978-March 1979

by Stephen T. Zabrenski,
Economist
Office of Economic Research

From last October to March, the deposit structure of associations continued to shift significantly in response to the initial authorization of the 6-month money market certificate in June 1978.

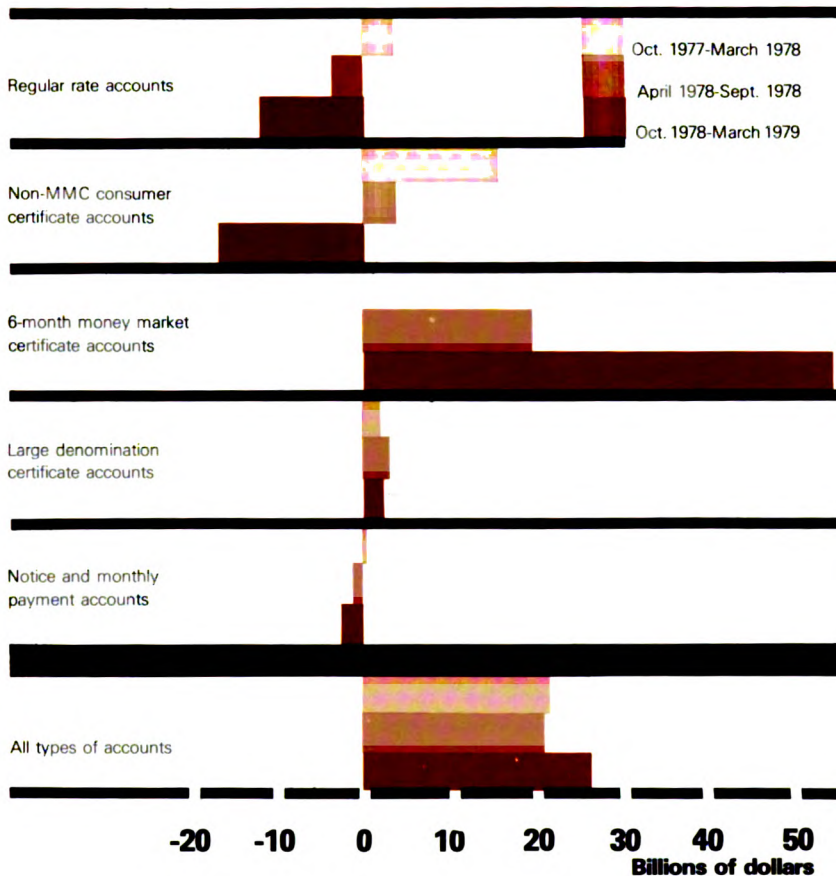
However, before examining these changes, several additional major regulatory modifications made subsequent to the reporting period should be noted. For one, the regulations governing the ceiling rate payable by associations on MMC's was changed in mid-March. Secondly, effective July 1, a new 4-year certificate was authorized, the passbook ceiling rate was increased, and the minimum balance and early withdrawal penalty provisions on certificate accounts were relaxed.

The impact of these changes will be analyzed when the April-September 1979 period is examined. Preliminary information through June, however, indicates that the mid-March MMC rate change has significantly reduced MMC growth with a consequent adverse impact on total deposit flows at associations.

Savings Cost Soars

The average cost of savings at savings and loan associations increased by a record amount during the 6 months ending March 31, 1979. This rise reflected concentration of deposit growth in high-cost, flexibly priced accounts, especially 6-month money market certificates, and further attrition from lower yielding, fixed-rate passbook and

Chart 1.—Net Change in Deposit Balances at FSLIC-Insured S&L's Classified by Type of Account



certificate accounts during a period when market interest rates rose further. In this environment, associations were actively bidding for funds as an increasing number of institutions offered most types of accounts at regulatory ceiling rates.

The weighted average cost of the savings portfolio of FSLIC-insured savings and loan associations, excluding the effects of compounding, was 7.15 percent on March 31, 1979. This was a 54-basis-point increase from last September, about four times the rise during the prior semiannual period, and probably more than twice the initial impacts of the 1970 and 1973 increases in deposit rate ceilings.

These cost increases reflected the concentration of savings growth almost entirely in MMC's. Such balances increased by \$53.9 billion during the 6 months ending in March, or slightly more than twice the growth in all accounts combined during the period, and almost three times the MMC gain from June 1 to September 30. (See table 1 and chart 1.) Large denomination—\$100,000 or more—certificate balances also rose, but at a slightly slower pace than in the prior semiannual period.

Balances in all other account categories registered declines. Regular rate (primarily passbook) account balances decreased by \$11.9 billion,

Table 1.—Deposit Balances at FSLIC-Insured S&L's Classified by Type and Interest Rate
(Dollar amounts in millions)

| Type of account/interest rate | Net change in amount outstanding | | | | Outstanding March 31, 1979 | | |
|--|----------------------------------|------------------------------|-------------------------------|------------------------------|----------------------------|-------------------|---------------------|
| | Apr. 1977 to Sept. 1977 | Oct. 1977 to Mar. 1978 | Apr. 1978 to Sept. 1978 | Oct. 1978 to Mar. 1979 | Amount | Percent of: | |
| | | | | | | Total Deposits | Account Deposits |
| Regular accounts ¹ , total | 5,644 | 3,795 | -4,191 | -11,861 | 130,200 | 29.7 | 0 |
| Certificates ² , total | 19,281 | 17,613 | 25,968 | 32,192 | 301,936 | 69.0 | 0 |
| Money Market Certificates, total | 0 | 0 | 19,337 | 53,877 | 73,214 | 16.7 | 100.0 |
| 8.50% or less | 0 | 0 | 19,337 | -18,706 | 631 | 0.1 | 0.9 |
| 8.51-9.00% | 0 | 0 | 0 | 8,011 | 8,011 | 1.8 | 10.9 |
| 9.01-9.50% | 0 | 0 | 0 | 10,247 | 10,247 | 2.3 | 14.0 |
| 9.51-10.00% | 0 | 0 | 0 | 54,326 | 54,326 | 12.4 | 74.2 |
| Other certificates in denominations of less than \$100,000 ³ , total | 17,650 | 15,364 | 3,814 | -24,130 | 212,662 | 48.6 | 100.0 |
| 5.75% or less | -30 | -526 | -1,795 | -1,528 | 3,377 | 0.8 | 1.6 |
| 5.76-6.00% | -994 | -922 | -870 | -851 | 3,187 | 0.7 | 1.5 |
| 6.01-6.25% | 458 | -460 | -167 | -319 | 497 | 0.1 | 0.2 |
| 6.26-6.50% | 2,314 | 1,352 | -3,350 | -9,863 | 28,134 | 6.4 | 13.2 |
| 6.51-6.75% | 501 | 387 | -297 | -1,669 | 12,983 | 3.0 | 6.1 |
| 6.76-7.00% | -1,389 | -1,450 | -540 | -222 | 2,662 | 0.6 | 1.3 |
| 7.01-7.25% | -422 | -826 | -224 | -635 | 2,607 | 0.6 | 1.2 |
| 7.26-7.50% | 10,431 | 5,193 | -1,409 | -8,496 | 94,977 | 21.7 | 44.7 |
| 7.51-7.75% | 7,774 | 12,787 | 3,989 | 1,169 | 50,435 | 11.5 | 23.7 |
| 7.76-8.00% | -737 | -136 | 8,460 | 4,975 | 13,629 | 3.1 | 6.4 |
| Over 8.00% | -253 | -35 | 19 | 121 | 175 | (⁴) | 0.1 |
| Certificates in denominations of \$100,000 or more, total | 1,631 | 2,249 | 2,817 | 2,445 | 16,060 | 3.7 | 100.0 |
| 8.00% or less | 1,664 | 1,908 | -2,999 | -4,417 | 2,852 | 0.7 | 17.8 |
| 8.01-9.00% | -32 | 340 | 5,528 | -2,860 | 3,190 | 0.7 | 19.9 |
| 9.01-10.00% | -2 | -1 | 287 | 2,911 | 3,205 | 0.7 | 20.0 |
| 10.01-11.00% | 1 | 0 | 0 | 5,286 | 5,287 | 1.2 | 32.9 |
| Over 11.00% | (⁴) | (⁴) | 1 | 1,525 | 1,526 | 0.3 | 9.5 |
| Other accounts ⁴ , total | 199 | 98 | -809 | -1,277 | 5,680 | 1.3 | 0 |
| All types | 25,125 | 21,505 | 20,968 | 26,068 | 437,817 | 100.0 | 0 |

¹ Includes passbook (regular) accounts, transaction accounts (NOW, demand and NINOW), club accounts, and miscellaneous other accounts earning an association's regular rate or less.

² Accounts with a specific maturity or qualifying period earning more than an association's regular rate.

³ Includes IRA, Keogh, and governmental unit certificate accounts.

⁴ Accounts other than certificates earning more than an association's regular rate including 90-day notice and consecutive monthly payment accounts.

⁵ Less than \$0.5 million or less than 0.05 percent.

NOTE: Data are based on reports from associations holding substantially all of the savings held by FSLIC-insured associations. The minor difference in the breakdown of savings balance between accounts earning the regular rate or less and more than the regular rate shown in this table and the similar data published monthly reflect reporting inconsistencies. Detail may not add to totals because of rounding.

sharply more than the \$4.2 billion drop during the April-September 1978 period. Small denomination (less than \$100,000) certificate balances (excluding MMC's) declined by \$17.1 billion versus a \$3.8 billion increase during the previous period. Finally, other accounts earning more than the regular rate, primarily 90-day notice accounts, showed a \$1.3-billion drop in balances, compared with a \$0.8-billion decline during April-September 1978.

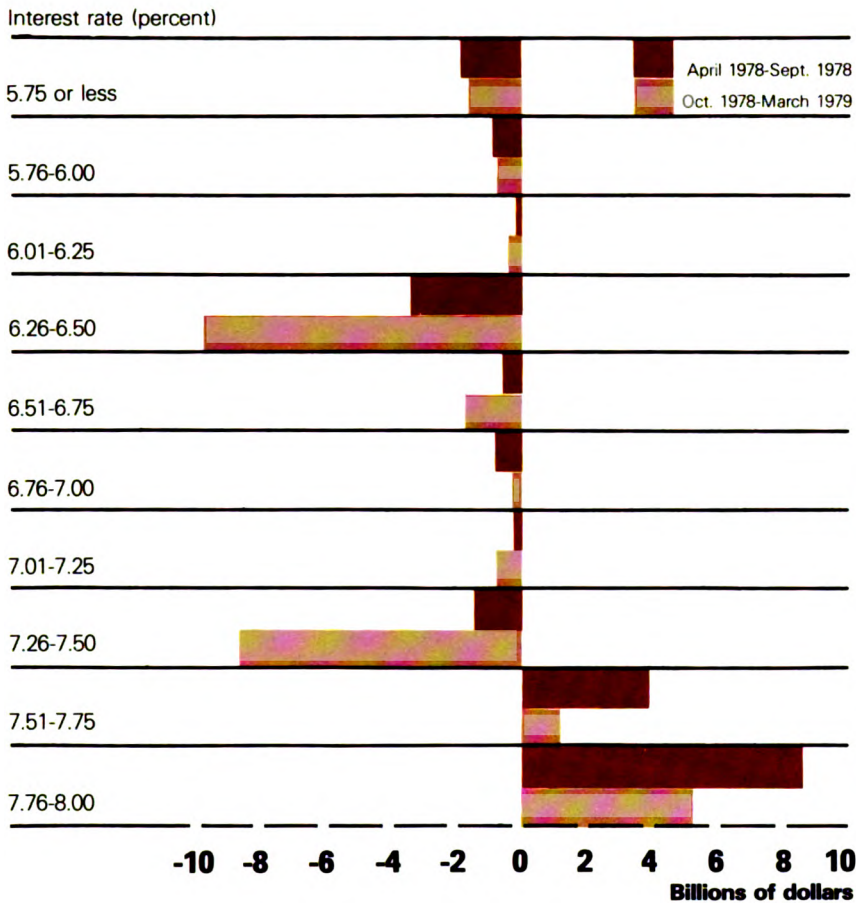
Record Growth in MMCs

The \$53.9-billion expansion in MMC balances since last September was the largest semiannual gain on

record for an individual type of account. The latest rise lifted total MMC balances at insured associations to \$73.2 billion on March 31, 1979, or 16.7 percent of all deposits at these institutions. Six months earlier, these balances totaled \$19.4 billion, or 4.7 percent of all deposits. Reflective of the breadth of this growth, the proportion of associations with MMC balances increased from 85 percent last September to 96 percent at the end of March.

The distribution of MMC balances by rate earned at the end of March reflected increases in market interest rates during the period and provides the principal explanation

Chart 2—Net Change in Consumer Certificate Account Balances at FSLIC-Insured S&L's Classified by Interest Rate Earned



of the record increase in average cost experienced. Thus, some \$54.3 billion (74 percent) of all MMC balances were earning between 9½ and 10 percent at the end of March. Six months earlier, virtually all MMC balances were earning less than 8½ percent. Consequently, the average cost of MMC's increased from approximately 7.75 percent last September to 9.56 percent in March.

Large CD's Expand

Balances of large denomination (\$100,000 or more) certificates increased by \$2.4 billion during the most recent period, only slightly less than the record \$2.8 billion in-

crease during April-September 1978. Nonetheless, the \$16.1 billion of such accounts outstanding, representing 3.7 percent of total savings, were both record levels.

As with MMC's, flexibly priced, large CD's were obtained only at higher cost during the period. Consequently, over two-fifths of all outstanding large CD's were earning in excess of 10 percent at the end of March. Virtually no outstanding balances were reported for this rate category on September 30, 1978. As a result of this change in distribution, the average cost of large CD's increased from about 8 percent in September 1978 to 9.47 percent in March.

Small Denomination CD Trends

Balances in small denomination certificates—those requiring a minimum initial deposit of less than \$100,000 and excluding MMC's—declined by \$17.1 billion during the latest semiannual period, compared with a \$3.8-billion drop during April-September 1978. Contributing to the larger decline were higher market interest rates, a higher volume of maturing accounts, and the increased availability of MMC's.

It appears that only the 8-percent rate category, the regulatory ceiling on 8-year consumer certificates, and IRA, Keogh, and governmental unit certificates, definitely registered an increase in balances. Even so, the gain was only \$5 billion versus \$8.7 billion last period. Balances earning 7¾ percent, the maximum rate on 6-year accounts, are shown in table 1 to have increased by \$1.2 billion during the latest semiannual period. (The March 1979 balance, however, includes \$2.2 billion in IRA, Keogh, and government unit certificate accounts only reported as earning less than 8 percent. It is likely that some unknown portion was earning less than 7¾ percent.) The increase for this rate category was \$4 billion during April-September 1978.

Balances in all other rate categories declined, with the combined dropoff totaling \$23.4 billion, or almost three times the combined decline during the previous period. The largest declines were \$9.9 billion in the 6½-percent category (the regulatory ceiling for 1-year accounts) and \$8.5 billion in the 7½-percent category (the maximum rate for 4-year certificates). Declines ranged from \$0.2 to \$1.7 billion in other rate categories. See table 1 and chart 2 for further detail.

At March 31, non-MMC, small-denomination CD balances totaled \$212.7 billion, or 48.6 percent of total deposit balances. Six months earlier, this balance was \$229.8 billion, or 55.8 percent. Moreover,

Table 2.—Certificate Account Balances at FSLIC-Insured S&L's Classified by Period of Maturity
(Dollar amounts in millions)

| Period of Maturity | September 30, 1978 | | | March 31, 1979 | | |
|-------------------------|--------------------|------------------|--------------------|------------------|------------------|--------------------|
| | Amount | Percent of: | | Amount | Percent of: | |
| | | Total Deposits | Total Certificates | | Total Deposits | Total Certificates |
| 1978—Oct.-Dec. | 32,951 | 8.0 | 12.5 | (¹) | (¹) | (¹) |
| 1979—Jan.-Mar. | 40,749 | 9.9 | 15.5 | (¹) | (¹) | (¹) |
| Apr.-June | 18,827 | 4.6 | 7.2 | 54,024 | 12.3 | 17.9 |
| July-Sept. | 15,511 | 3.8 | 5.9 | 62,195 | 14.2 | 20.6 |
| Oct.-Dec. | (¹) | (¹) | (¹) | 12,068 | 2.8 | 4.0 |
| 1980—Jan.-Mar. | (¹) | (¹) | (¹) | 16,441 | 3.8 | 5.4 |
| After Sept. 1979 | 154,693 | 37.6 | 58.9 | (¹) | (¹) | (¹) |
| After Mar. 1980. | (¹) | (¹) | (¹) | 157,209 | 35.9 | 47.9 |
| All periods—total | 262,731 | 63.8 | 100.0 | 301,937 | 69.0 | 100.0 |

¹ Not reported separately.

Table 3.—FSLIC-Insured S&L's Offering Selected Classes of Accounts at Regulatory Ceiling Rate¹
(Percent of reporting associations)

| Account Class | 1976 | | 1977 | | 1978 | | 1979 |
|--|-------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | Early April | Early October | Early April | Early October | Early April | Early October | Early April |
| Regular passbook | 94.7 | 95.3 | 94.9 | 95.7 | 96.8 | 97.3 | 97.3 |
| Six-month money market certificates | — | — | — | — | — | 70.4 | 77.7 |
| Non-money market certificates in denominations of less than \$100,000: | | | | | | | |
| 3-month maturity | 41.1 | 41.2 | 37.4 | 40.0 | 43.3 | 44.7 | 50.1 |
| 1-year maturity | 83.8 | 84.8 | 80.3 | 84.7 | 88.3 | 90.3 | 91.0 |
| 2½-year maturity | 85.2 | 85.4 | 81.2 | 84.3 | 87.2 | 88.3 | 91.2 |
| 4-year maturity | 87.7 | 85.7 | 72.3 | 84.7 | 93.6 | 96.5 | 97.2 |
| 6-year maturity | 59.2 | 56.1 | 44.7 | 55.1 | 77.7 | 91.2 | 94.9 |
| 8-year maturity | — | — | — | — | — | 88.0 | 95.6 |

¹ See Table S.4.12 in Statistical Series section for listing of applicable regulatory ceiling rates.

as a result of these shifts, some three-fourths of all small CD's, excluding MMC's, were earning 7½ percent or more on March 31, 1979, compared with 70 percent at the end of September 1978. The effect on average cost of non-MMC, small denomination CD's was only a 6-basis-point increase to 7.34 percent because of the initial heavy concentration in higher earning accounts.

Further Decline in Regular Accounts

Balances in accounts earning the regular rate or less dropped by \$11.9 billion during the most recent 6-month period, dropping to \$130.2 billion on March 31, 1979. This represented 29.7 percent of total savings on this date, down

from 34.5 percent at the end of September 1978. As with small denomination certificates, the attrition partially reflected additional transfers into higher yielding MMC's.

The average weighted cost of regular rate accounts dipped a basis point to 5.23 percent, probably reflecting growth in lower- or non-yielding transaction accounts included in this category.

Term Structure of Accounts

With growth concentrated in MMC and large CD accounts, the term structure of accounts shortened measurably. Thus, at March 31, 1979, some \$144.7 billion, or 34 percent of all deposits, was scheduled to mature within one year. This was up from 26 percent 6

months earlier and the highest fraction since at least 1973.

The largest concentration of maturities is in the third quarter, when \$62.2 billion (14.2 percent of total deposits) is scheduled to mature, followed by the second quarter of this year when \$54 billion (12.3 percent of all deposits) will close. (See table 2.) Of the \$116.2 billion of certificates maturing between April and September, 63 percent are MMC's.

Account Offering Rates

As market interest rates continued to climb during the period, associations more actively bid for available funds. As a result, the proportion of associations offering the regulatory ceiling rate was at new highs for each account type in

early April 1979.

As shown in table 3, over 90 percent of all associations were offering the maximum permissible rate on passbook accounts and certificates with a maturity of at least 1 year. Some 78 percent of all associations were offering MMC's at the 9.496 percent ceiling, compared with 70 percent at the 8.627 percent ceiling

six months earlier. Three-month certificates were being offered at the maximum rate by one-half of all associations, up from 45 percent in early October 1978.

In the large CD sector, where rates are unrestrained, some 19 percent of all associations were bidding for 1-month money, 26 percent for 3-month money, 32 percent for 6-

month, and 35 percent for 1-year funds. Offering rates generally were 10 percent or higher, with some further concentration in the 9½- to 10-percent range for the 1-month maturity.

IRA and Keogh Accounts

IRA and Keogh account balances (included in the type and rate cate-

Table 4.—IRA and Keogh Account Balances at FSLIC-Insured S&L's

| Item | IRA Accounts | | Keogh Accounts | |
|--|----------------|------------|----------------|------------|
| | September 1978 | March 1979 | September 1978 | March 1979 |
| Account balances outstanding: | | | | |
| Dollar amount (millions) | \$3,783 | \$4,886 | \$1,741 | \$2,070 |
| Percent of total deposits | 0.92 | 1.12 | 0.42 | 0.47 |
| Associations with no account balances outstanding: | | | | |
| Percent of all associations | 16.6 | 15.0 | 47.6 | 47.1 |
| Average deposits held (millions) | \$30.2 | \$31.2 | \$39.6 | \$40.9 |
| Associations with account balances outstanding: | | | | |
| Percent of all associations | 83.4 | 85.0 | 52.4 | 52.9 |
| Average deposits held (millions) | \$116.0 | \$122.1 | \$158.2 | \$168.6 |
| Percent of deposits in account | 0.97 | 1.17 | 0.51 | 0.57 |
| Percentage distribution of associations by ratio of account deposits to total deposits: | | | | |
| 0.01-0.20% | 7.9 | 6.4 | 37.6 | 33.5 |
| 0.21-0.40% | 14.2 | 9.5 | 26.4 | 24.2 |
| 0.41-0.60% | 16.4 | 12.3 | 13.8 | 12.9 |
| 0.61-0.80% | 17.4 | 13.6 | 8.2 | 8.5 |
| 0.81-1.00% | 14.2 | 13.9 | 4.8 | 5.5 |
| 1.01-1.20% | | 11.6 | | 3.4 |
| 1.21-1.40% | | 8.5 | | 2.3 |
| 1.41-1.60% | | 5.8 | | 1.2 |
| 1.61-1.80% | } 29.9 | 4.1 | } 9.2 | 1.1 |
| 1.81-2.00% | | 3.5 | | 0.9 |
| Over 2.00% | | 10.8 | | 6.6 |

gories listed in table 1) continued to expand during the period.

Balances in IRA accounts rose by \$1.1 billion during the 6 months ending in March, or \$0.5 billion more than in the previous semiannual period, and \$0.1 billion more than in the year-ago period. IRA balances totaled \$4.9 billion (1.12 percent of all deposits) at March 31, 1979. Of this amount, some 66 percent was in the form of certificates earning 8 percent, another 30 percent in lower-yielding certificates, and the remainder in other accounts, presumably passbooks. In early April, some 69 percent of all associations were offering IRA certificate accounts at the 8-percent ceiling rate.

Keogh account balances expanded by \$0.3 billion during the

most recent period, equal to the advance during each of the prior two periods. At the end of March, Keogh balances were \$2.1 billion (0.47 percent of total deposits). Of this amount, about 66 percent was in the form of certificates earning 8 percent, another 29 percent in lower-earning certificates, and the remainder in other accounts. In early April, approximately 45 percent of all associations were offering Keogh certificate accounts at the 8-percent ceiling. Additional detail is presented in table 4.

Government Unit Accounts

At the end of March, some 32 percent of all associations held non-MMC certificate balances owned by governmental units totaling \$0.3 billion. A larger, but

unknown, amount of funds was in MMC's, since the maximum rate on non-MMC certificate accounts, 8 percent, was below the regulatory ceiling on MMC's during the entire period. In early April, only 6 percent of all associations were offering 6-month governmental unit accounts at 8 percent.

Transaction Accounts

Transaction-type accounts are currently authorized in only a small number of States—principally those in New England and New York. Accordingly, only 111 associations reported holding a total of \$92 million of non-interest earning NOW or demand deposit accounts, while 116 associations held \$246 million of interest-earning NOW account balances at the end of March. ■

Housing and Economic Developments:

A Quarterly Review

by Marshall A. Kaplan, Director
Special Studies Division
Office of Economic Research

Housing starts recovered to a seasonally adjusted annual rate of 1.84 million units in the second quarter from the adverse weather-affected 1.62 million units in the first quarter. The second quarter ended on an especially strong note in June, with starts at a preliminary estimate of 1.94 million units. Nonetheless, in the second quarter, they were, at best, only moderately strong given the catch-up element that one would have expected because of weather conditions in the first part of the year. Even with these catch-up conditions, starts were significantly below their level in 1978, with almost all of the decline centered in single-family housing.

In my review last quarter, I noted that "looking beyond the middle of the year, cyclical prospects for housing are becoming more pessimistic." This appears even more the case at this time because of a combination of the worst of all possible worlds. This includes the apparent development of an economic recession combined with a continued

high rate of inflation and a resumption of the upward trend in interest rates as of this writing. In addition, savings flows at depository institutions generally continue to be weak, in part because of the lower maximum interest rate allowed on 6-month money market certificates. While the flow of funds improved temporarily for savings and loan associations during the period, when the 6-month bill rate dipped below 9 percent and S&L's once again obtained a rate differential on money market certificates, the prospects for association savings flows turned more pessimistic when the 6-month Treasury bill rate once again rose above 9 percent.

During the first half of this year, housing starts have averaged a seasonally adjusted annual rate of 1.73 million compared with 2.02 million in 1978. It appears likely that they will drop significantly again during the second half of 1979 and are likely to average 1.65 million units for the year. Although fast-changing and uncertain economic developments make forecasting difficult, it would not be surprising if starts de-

clined to at least a quarterly average of 1.45 million units during the fourth quarter. Prospects for a recovery in starts next year hinge very crucially on the length and duration of the economic recession and the timing and degree of any future decline in interest rates.

Single-family Housing Market

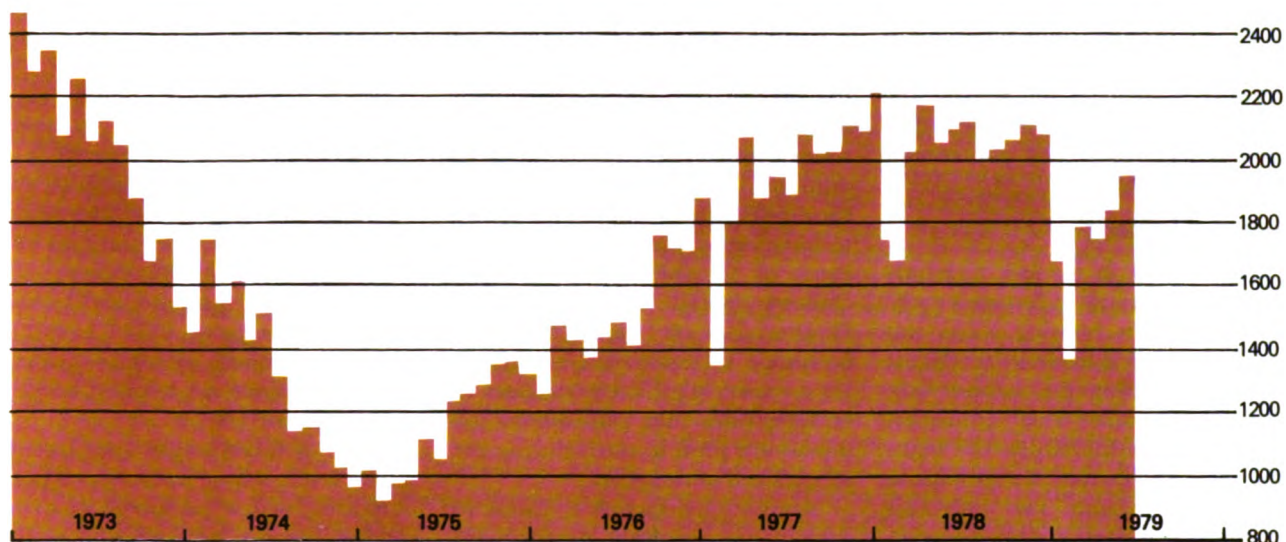
New home sales were down to a seasonally adjusted annual rate of 725,000 units in May from over 800,000 in late 1978 and the 817,000 in 1978 as a whole.

Sales during the first five months of this year were still good, even though off from the torrid pace of 1978. Regionally, the South has been doing better over recent months than last year, while sales in other regions have been down. Housing sales for June were still not available at this writing. This is the month when the gasoline shortage should have had its most adverse impact on housing purchases in major urban areas.

Data on sales by builders, incidentally, are only a partial indicator of housing demand. About

Private Housing Starts 1973-1979

In thousands of units; monthly at seasonally adjusted rates



40 percent of single-family housing starts are for custom-built homes or homes which the owner either is building or acting as contractor for. It still is not widely recognized that a large percentage of housing activity is outside major urban areas where sales by builders are not nearly as common as in urban areas.

While we have no up-to-date statistics on demand for the single-family market not covered by sales, it is likely that this segment of the market would have more problems in obtaining financing currently, especially construction financing.

Unlike the new housing market, the resale market has shown more strength recently, with the seasonally adjusted annual rate of existing home sales in May at 3.86 million and up for three successive months despite high mortgage interest rates. The rate of existing homes is still below the peak rate of 4.35 million units of November 1978, however. A weaker resale market has a negative impact on new homes sales since the bulk of new home purchases in recent years has

been accounted for by sellers of existing homes who use their accumulated equity to buy new houses.

A significant rise in the inventory of unsold homes occurred in May to a 7.2-month supply. However, this was in homes under construction, with a decline in completed unsold dwellings. So far this year, the overhang of unsold homes has been averaging moderately above that of last year. This reflects, primarily, a weaker rate of sales, rather than a rise in unsold homes.

Multifamily Housing Market

The high volume of multifamily starts in June reflected a strong level of activity in the section 8 federally subsidized housing assistance program and apparently a strong condominium market in some areas, particularly Florida. Multifamily starts were at their highest level, except for April 1978, since the multifamily boom of the early 1970's, but the volatile behavior of apartment starts on a month-to-month basis makes it unlikely that this signals an upward trend in this segment of housing.

The multifamily market continued tight nationally in the second quarter, with the rental vacancy rate down to 5 percent, close to the lowest reported nationally since the statistics began to be compiled 20 years ago. Another indicator of tightness in the apartment market is the market absorption rate of rental multifamily units for those completed in the fourth quarter of 1978. This rate, measured on the basis of absorption within 3 months of completion, was 85 percent, even greater than the high rate that has persisted for some time now. The sales rate within 3 months of completions of multifamily condominium and cooperative apartments completed in the fourth quarter was 77 percent, indicating continued strength in this market where the large overhang of unsold units from the early 1970's has disappeared.

As repeatedly noted, the tightness in the rental market has not stimulated unsubsidized rental construction in most market areas. The basic reason is that average rent increases nationally continue to lag well behind construction and main-

tenance costs and are running substantially below the increase in the overall consumer price index. However, the tightness in condominium markets may be having a more stimulative impact on multifamily construction because of the inflation hedge motivation for condominium purchases.

Housing Outlook

As I noted in my last quarterly review, I continue to foresee a cyclical decline in housing starts this year, and this is likely to accelerate sometime during the second half. The economic and financial framework within which the housing markets operate are so adverse that they swamp the favorable demographic factors and the stimulus to housing demand arising from inflation hedge psychology.

During the second quarter, the drop in real Gross National Product was quite substantial and it is likely that this may continue to decline perhaps through the end of this year without, however, a really significant decline in the rate of inflation. Consumer spending is likely to remain weak throughout the remainder of 1979 because of a slump in real disposable income as well as an adverse turn in consumer psychology. Any economic recession is still unlikely to be nearly as serious as that of 1974-75 unless international financial developments and inflation take a turn for the worse. However, given a still high rate of inflation and a probable significant delay before interest rates begin to decline, the impact on housing credit markets and on the consumer demand for housing is almost certain to be adverse.

We sometimes neglect the importance of time lags in our economy. Thus, the much weaker savings flows that developed since April probably had not affected housing starts adversely by the end of the second quarter. It takes time for a slowdown in savings flows and higher mortgage interest rates to influ-

ence forward loan commitments adversely and for the latter, in turn, to hit housing.

On the basis of past experience, it could take up to 6 months before the adverse turn in mortgage credit market conditions has its maximum adverse impact on housing starts. In addition, the adverse influence of the economic recession that appears to have begun was also delayed because of the inflation hedge psychology behind housing demand. However, it is likely that the economic recession will contribute to a more significant decline in housing sales that will add to the downward push in starts during the second half of this year.

International factors continue to remain an important determinant of interest rates and, hence, housing activity. The renewed weakness in the U.S. dollar in the international markets at this writing has been a major reason for the recent uptrend in interest rates and the Federal Reserve Board's increase in the discount rate and Fed funds target rate. The future of the dollar will have to be watched carefully by all those interested in gauging trends in the housing markets.

Despite my generally pessimistic housing outlook, I still foresee a cyclical decline in starts that is not really sharp when account is taken of the extremely adverse economic and financial framework in which the housing market is operating.

The reasons why I am not even more pessimistic, are: (1) investment psychology holding up the single-family market to some degree and muting the impact of high mortgage interest rates (although not high in real terms); (2) a lack of overbuilding before new housing sales begin to fall off, so that any likely overhang in unsold housing is going to be significantly less than in 1974-1975; (3) some support to the housing market by lenders who have not been investing in single-family mortgages in recent years, such as life insurance companies

and many pension funds, either through direct purchases or mortgages or through purchases of pass-through or mortgage-backed securities.

While housing starts have remained relatively strong in the South, as noted, they have weakened perceptibly in the North Central and Western states. Housing starts in the South rose to a level in June that, except for December 1977, surpassed any month of the housing recovery of 1977-78 and, with the 1-month exception, was the highest since the housing boom of the early 1970's.

Much of this strength appears to reflect a very strong housing market in Florida, which has spread now to condominium construction as well as to single-family units. It is also possible that the lagged impact of usury law changes has held up housing starts in the South and may continue to do so for at least a short while. However, this will not prevent a further weakening of housing starts sometime during the second half of this year.

The unusual and conflicting combination of economic and financial developments in the economy makes it particularly difficult to forecast housing for the first half of 1980. If inflation remains high in the face of an economic recession during the remainder of this year and interest rates fail to decline, housing starts could weaken even further early next year.

On the other hand, if interest rates begin to decline toward the end of 1979, a substantial rebound in starts could occur during 1980 because of the underlying strong demand for homes resulting from demographic and inflation hedge factors.

It is unlikely, however, that a rebound in starts can be expected to the levels of 1977-1978 until sometime later in 1980 unless economic events take a dramatic and unexpected change. ■



Liberalization of Section 8 Housing Investments Proposed

Federal Home Loan Bank Board Acting Chairman Anita Miller, in cooperation with the Department of Housing and Urban Development, this month announced proposed regulations that would liberalize authority for federally insured savings and loan associations to invest in HUD Section 8 Housing Assistance Payments. Joining in the announcement was Assistant Secretary for Housing-Federal Housing Commissioner, Lawrence B. Simons.

"Today's action," Mrs. Miller said, "is yet another step to assure maximum S&L participation in programs that seek to provide safe and affordable housing to all Americans."

The Section 8 Housing Assistance Payments program was created by the Housing and Community Development Act of 1974. It changed the thrust of national housing policy by making long-term Federal rent subsidies to low-income persons the primary means of meeting their housing needs. Under HUD's regulations, a rent subsidy is available to public or private owners of new, existing, or rehabilitated units occupied by eligible tenants. The subsidy covers the difference between the rent for the unit and 15 to 25 percent of the tenant's gross income. This difference is then paid through a HUD Housing Assistance Payment contract which can be made for up to 30 years.

The Bank Board's proposed regulations would authorize federally insured savings institutions to increase their loan-to-value ratio on Section 8 housing from 80 to 90 percent and would specifically cover rehabilitation loans in addition to loans for existing, new, remodeled, or renovated low-income housing.

"Nearly 50 S&L's are already actively involved in funding

the construction or permanent financing of Section 8 developments for low- and moderate-income persons," Mrs. Miller said. "From their experience, it became apparent that a review of the Bank Board's regulations and procedures was necessary in order to remove regulatory impediments and allow for wider industry participation in this important HUD program.

"As a result of this need, a special task force under my direction was established to develop recommendations that could significantly expand S&L financing as well as ensure that the safety and soundness of associations are maintained," Mrs. Miller continued. "The task force, which was comprised of Bank Board staff, worked closely with representatives from the S&L industry and HUD Assistant Secretary Lawrence Simons and his staff to identify and clarify many of the issues facing associations participating in Section 8 housing.

"The substantial input and cooperation received from participating institutions," Mrs. Miller concluded, "was invaluable to the task force's work. Not only have these institutions demonstrated their commitment to meeting their respective communities' total housing needs, but in the process have proved the viability of the Section 8 program as a safe, sound, and profitable investment."

Commenting on the Bank Board's proposal, Mr. Simons said, "the proposed changes will accomplish the original goal . . . to support government housing programs with conventional financing. Such public/private partnerships are central to the Administration's urban policy, which concentrates on leveraging with the private sector to maximize the impact of Federal resources. I commend the Bank Board for its continued commitment to the housing needs of low- and moderate-income families."



Acting Chairman Anita Miller introduces HUD officials at Bank Board meeting on Section 8 liberalization. At right is Lawrence B. Simons, HUD Assistant Secretary for the Housing-Federal Housing Commissioner. Left is Walter G. Farr, Jr., HUD Deputy Assistant Secretary for Community Planning and Development. At far left is Alvin Hirshen, Director of the Office of Community Investment for the FHLBB.



Bank Board Acts to Increase S&L's Investment Authority

Federal Home Loan Bank Board Acting Chairman Anita Miller this month announced Bank Board approval of previously proposed regulations that will significantly increase the investment authority of member savings and loan associations.

The new regulations, which become effective 30 days after being published in the Federal Register, were authorized by Congress at the Bank Board's request under Title XVII of the Financial Institutions Regulatory and Interest Rate Control Act of 1978.

"These new regulations," Mrs. Miller said, "are one more example of the Bank Board's program to increase the involvement of the private sector in improving our Nation's housing stock and preserving its existing neighborhoods and communities. Today's action broadens key lending powers and provides our member savings and loans with the authority to participate more effectively with localities seeking to use dollars to leverage the funds of private lenders.

Major features of the final regulations are as follows:

Loans for Individual Co-op Housing Units

Co-op unit loans would be treated as single-family dwelling loans, including a maximum 95 percent loan-to-value ratio if other qualifications are met. Previously, savings and loans lacked authority to make loans secured by shares in a co-op development.

Cooperative housing project ("blanket") loans, which are currently treated as a group of single-family dwelling loans with regard to loan-to-value ratios and other loan terms, would be removed from the multifamily dwelling regulation and redesignated, along with co-op unit loans, as a separate "co-op loan" section;

Primary residence and multifamily dwelling restrictions on co-op owners would be eliminated to equalize treatment with other home loans.

Investment in Areas Receiving Concentrated Development Assistance

Federal associations may invest in areas receiving concentrated development assistance under the Housing and Community Development Act of 1974. Under this authority, Federal associations will be able to invest up to 5 percent of assets in real estate or liens thereon (2 percent of assets may be used for direct investment) in such areas. Previous statutory authority allowed similar investment in locales designated as urban renewal areas.

Loans for Alteration, Improvement, and Repair

Federal associations may invest in alteration, home improvement, and repair loans. The regulation removes the

\$15,000 ceiling on loans for residential property alteration, improvement, or repair and extends the maximum loan term for 15 to 20 years.

Insured Investment in State Housing Corporations

Federal associations are allowed to invest up to 30 percent of their assets in obligations of or loans to State housing corporations, where the obligations or loans were backed by Federal insurance under the National Housing Act. Subject to that limitation, a Federal association could use this authority to invest up to 10 percent of its assets in out-of-state housing corporations. Investment in State housing corporation obligations not involving Federal insurance would be governed by the regulations concerning investment in State and local government obligations generally. Conforming amendments also would extend this expanded authority, where otherwise permitted under State law, to State institutions. Furthermore, under the conforming amendments, State savings and loans institutions, if authorized by State law, would also be able to make State housing corporation investments not backed by insurance on basically the terms available to Federal associations.

Under the prior statutory authority, a Federal association having general reserves, surplus, and undivided profits aggregating more than 5 percent of its withdrawable accounts could invest an amount to exceed 5 percent of its net worth in State housing corporations, regardless of the existence of insurance.

Investment in State, Local Government Obligations

Federal associations are granted expanded authority to invest in State or local government obligations. An association having general reserves, surplus, and undivided profits in excess of 5 percent of its withdrawable accounts will be allowed to invest in obligations of or issued by its home State or local political subdivisions (including any agency, corporation or instrumentality), provided that the proceeds of the obligations were used for the rehabilitation, financing, or construction of residential real estate.

In accordance with the statutory mandate given the Bank Board to restrict these investments to such items as the Bank Board regards as prudent investment, the obligations, if rated, would have to fall within one of the four highest grades as shown by the most recently published rating made of them by a nationally recognized investment rating service. Unrated obligations would have to be approved by the Bank Board to be investment-eligible. Also, the aggregate investment in obligations under the regulation could not exceed the amount of the association's general reserves, surplus and undivided profits. Not more than 25 percent of that sum could be invested in any one issuer's obligations.

Details of the final regulations were published in the Federal Register during the week of August 6, 1979.



Board Member Andrew A. DiPrete Sworn in at Ceremony in Capitol

A ceremonial swearing-in was held for new Republican Bank Board Member Andrew A. DiPrete, Providence lawyer and former director of the Rhode Island Department of Business Regulation, at the Capitol in Washington July 23.

U. S. Senator John H. Chaffee (R.-R.I.) administered the oath of office. Others attending the ceremony included Senator Claiborne Pell (D.-R.I.); Rep. Fernand J. St Germaine (D.-R.I.), chairman of the Financial Institutions Supervision, Regulation and Insurance Subcommittee of the House Banking, Finance and Urban Affairs Committee; Mr. DiPrete's wife, Carol; a stepdaughter, Karen Egermeier; sons Andrew A. DiPrete, Jr., and David M. DiPrete; and his mother, Mrs. Frank DiPrete.

Mr. DiPrete was nominated by President Carter on June 1 to serve a Bank Board term ending June 30 and was renominated to serve a full, 4-year term expiring June 30, 1983. He was confirmed by the Senate on June 27 and was formally sworn in in his Providence law offices on June 29.

Community Investment Conference Postponed to January 7-9 in D. C.

Reaching Out—a Community Investment Conference which was scheduled to be held in Washington, October 3-5—has been rescheduled for January 7-9, 1980.

Initial response to the conference announcement indicated that a greater number of participants than had been originally expected were interested in attending the sessions. The conference will be sponsored by the Federal Home Loan Bank System.

The conference is now to be held in the Sheraton Washington Hotel in Washington. Further details will be announced by conference organizers shortly.

Interest Payment Amendments Approved

Federal Home Loan Bank Board Acting Chairman Anita Miller this month announced Bank Board approval of five amendments to the regulations governing payment of interest which became effective immediately. The amendments are in conjunction with similar actions taken recently by the Federal Reserve Board and the Federal Deposit Insurance Corporation.

The regulatory changes include:

1. An amendment modifying Bank Board policies, that will permit member institutions to issue repurchase type agreements (RP's) of less than \$100,000. They must have maturities of less than 90 days and cannot be renewed or extended by either the institution or the entity purchasing the RP. These RP's are not insured by the FSLIC and are not subject to interest rate ceilings.

Uniformity among federally regulated financial institutions in regard to this amendment is expected to broaden the outside borrowing opportunities of thrift institutions while recognizing the usefulness of RP's to small businesses and governmental units as a vehicle for short-term investment of idle funds.

2. An amendment which makes mandatory the waiver of penalties for early withdrawal from an account in the event of a depositor's death. The waiver will apply to all time deposit accounts, regardless of original issue date.

3. An amendment which makes mandatory the waiver of penalties for early withdrawal when a depositor has been adjudicated or declared mentally incompetent.

4. An amendment authorizing member institutions, with the consent of the depositor, to apply the new early withdrawal penalty that became effective July 1, 1979, to all certificate accounts. The minimum penalty is 3 months loss of interest if the deposit matures in one year or less and 6 months loss of interest if the deposit matures in more than one year.

5. An amendment prohibiting additions to existing variable ceiling accounts. Although the changes adopted by the FRB and FDIC specify that funds added to an existing certificate account are subject to the ceiling rate of interest in effect at the time the additional deposit is made, a similar effect is anticipated.

The National Credit Union Administration is expected to consider a similar matter.



Management Interlock Regulations Announced by Financial Regulators

The government agencies that supervise federally insured depository institutions last month announced joint regulations to carry out the provisions of the new Depository Institution Management Interlocks Act.

The general purpose of the Interlocks Act, and the regulations adopted by the Federal agencies to implement it, is to foster competition among depository institutions (banks, savings and loan associations, mutual savings banks, and credit unions) and depository holding companies (bank holding companies and savings and loan holding companies) and their affiliates. To this end, the act, which became effective March 10, 1979, prohibits certain interlocking relationships of management officials among nonaffiliated depository organizations.

The agencies also asked for public comment on four pro-

posals for amendments to the final regulations they adopted. These concern which existing management interlocks should be "grandfathered;" provisions for termination of interlocks that become prohibited by changes in circumstances; criteria for determining whether an individual serving as a management official is a representative or nominee of a principal shareholder; and whether the term "person" should include corporations and other businesses as well as natural persons.

The final regulations are effective immediately. However, the agencies will receive written views or arguments concerning them as well as comment on proposed amendments through September 17, 1979.

The full texts of the final regulations and proposals may be obtained from the Office of the General Counsel, Federal Home Loan Bank Board, 1700 G St., N. W., Washington, D.C. 20552.

3 Promoted at Atlanta Bank

Three officials of the Federal Home Loan Bank of Atlanta have received promotions, Bank President Carl O. Kamp, Jr., announced last month. Elected to new positions by the Bank's board of directors were: Robert E. Showfety to Executive Vice President-Bank Operations; Thurman C. Connell to Senior Vice President; and Carolyn R. Steele to Vice President-Secretary.

Mr. Showfety moves up from the position of Senior Vice President that he has held since 1973. He joined the Atlanta Bank in 1956 after graduating from the University of North Carolina at Chapel Hill. He was elected Assistant Vice President in 1963, Treasurer in 1968, and Vice President-Treasurer in 1972.

Mr. Connell, who joined the Bank in 1964, has been promoted from the position of Vice President that he has held since 1974. Late last year, he assumed senior management responsibility for the Bank's Supervisory Division and, in his new position, he will also direct the activities of the Bank's Applications Division. Connell is a graduate of Emory University, Atlanta, and did post-graduate work at the University of Florida, Gainesville.



Mr. Showfety



Mr. Connell



Mrs. Steele

In addition to her duties as Corporate Secretary, Mrs. Steele assumes responsibility for the Bank's member and public relations activities. She has been with the Bank for 26 years, and, when elected Assistant Secretary in 1973, she was the first woman to hold an official position at the Atlanta Bank. She was promoted to Corporate Secretary in 1976. Mrs. Steele attended the University of North Carolina in her hometown of Greensboro.

Regulations, Rulings, and Opinions

AMENDMENTS ADOPTED

Mobile Home Lending

The Federal Home Loan Bank Board last month adopted a number of final amendments to existing Federal mobile home lending regulations that will significantly enhance the opportunities for homeownership among low- and moderate-income homebuyers.

"By today's action," Acting Bank Board Chairman Anita Miller said, "we're recognizing that mobile homes have become not only a viable and attractive alternative to homebuyers, but, more importantly, in many instances, represent the only hope for those who desire to purchase their own home. The significant improvements in the qualities of design, construction, and durability of these homes in recent years have dramatized the need for liberalizing our regulations.

"These amendments," Mrs. Miller explained, "will cut by one-third the downpayment requirements for new purchases and markedly reduce monthly mortgage payments through extended terms of maturity. Furthermore, the lending authority for mobile homes will be doubled for thrift institutions and, through lowered marketing requirements, also will enable them to more actively participate in the purchase and sale of participation interests."

Acting Chairman Miller outlined these major features of the new mobile home regulations:

Federal associations can make loans up to 90 percent of

the total cost of new and used mobile homes, including freight, itemized set-up charges, sales and other taxes, and fees imposed by law. The inclusion of these costs in the original financing agreement will, in effect, reduce the minimum downpayment from approximately 15 to 10 percent of the total cost.

Maximum terms of maturity will be extended to 20 years, consequently lowering monthly mortgage payments. Present regulations set maximum maturity terms of 12 years for new mobile homes with an area of under 900 square feet and 15 years for larger mobile homes. The 20-year limit will also apply to used mobile home purchases which are presently subject to a complex table of maximum maturities.

Thrift institutions will be able to extend their mobile home mortgage financing from 10 percent to 20 percent of their total assets and to more actively participate in the purchase and sale of participation interests—mobile home chattel paper. The retention requirements for the seller of chattel paper would be reduced from 50 to 25 percent, thereby, in conjunction with the increased lending authority, considerably expanding the potential flow of funds to areas where mobile homes are most popular.

The new mobile home regulations became effective as of the Board's date of approval, July 26, 1979.

Regulation: 12 CFR Part 545.7-6, 7-7, 7-8. FHLBB Resolution No. 79-402. Published in the Federal Register 8/1/79.

Cease and Desist Action

The Federal Home Loan Bank Board has issued a cease and desist order which prohibits a State-chartered mutual savings and loan association from violating various disclosure requirements of Regulation Z, issued by the Board of Governors of the Federal Reserve System pursuant to the Truth-in-Lending Act and the Consumer Credit Protection Act.

The order also requires the institution to take affirmative action to correct the conditions resulting from those violations by reviewing all loans consummated since October 28,

1974, to which Truth-in-Lending statements were required, but not provided, and to reimburse affected borrowers to the extent that they were or would be charged total finance charges in excess of their contract rate of interest.

Such reimbursements are to be determined in accordance with the Joint Statement of Truth-in-Lending Enforcement Policy, 44 Fed. Reg. 1222 (1979), and Bank Board T-Memorandum 45-19.

Res. 79-379: Notice of Charges. Order to Cease and Desist. Stipulation and Comment to Entry of Order to Cease and Desist. — Board Meeting 7-12-79.

PROPOSED AMENDMENTS

Waiver of Penalties for Liquidity Deficiencies

The Bank Board proposes to amend its rule for calculation of liquidity deficiency penalties to moderate the adverse impact of net savings withdrawals on member institutions. The current rule waives liquidity penalties related to net

withdrawals that occur only during a relatively limited number of days during a calendar quarter. The proposed rule would waive the liquidity penalties related to all net withdrawals occurring during a given month. Comments must be received by September 17, 1979.

Regulation: 12 CFR Part 523. FHLBB Resolution No. 79-380. Published in the Federal Register 7/18/79.

Eurodollar Collateralized CD's

The Federal Home Loan Bank Board last month proposed to amend its regulations to permit federally chartered and FSLIC-insured institutions to issue Eurodollar collateralized certificates of deposit to foreign investors.

"Today's action, if finalized," Acting Bank Board Chairman Anita Miller said, "would lead to an opening of the Eurodollar market to the savings and loan industry at times when additional sources of financing are needed to support housing. The certificates would be marketed at current long-term European financing rates. They would assist associations to reduce their cost of funds when Eurodollar market rates are favorable.

"The proposal has the potential positive effect of providing savings and loan associations with an alternative, cost-competitive source of financing during a period of high interest rates and tight money.

"The proposed amendments," Mrs. Miller concluded, "represent a continuing commitment on the part of the Bank Board to developing new markets to assist the S&L industry in meeting its capital needs on a more competitive footing with other financial institutions."

The proposed amendments would:

Permit the sale of collateralized deposits of at least \$100,000 to foreign investors;

Allow the utilization of foreign trusts which would market minimum participations of \$10,000 in the underlying CCD's to foreign investors; and

Restrict the total amount of collateral which issuing associations could pledge in connection with all deposits and borrowings to 20 percent of assets.

Public comments on the proposal will be received for a 60-day period.

Regulation: 12 CFR Part 545. FHLBB Resolution No. 79-401. Published in the Federal Register 8/3/79.

Resolution

Executive Order 12044

The Federal Home Loan Bank Board is issuing a resolution responding to Executive Order 12044 ("Improving Government Regulations"). In doing so, the Bank Board believes it can: continue to improve the quality of its regulations and achieve statutory goals effectively and promptly; remove restrictions and reporting requirements in a manner beneficial to federally-insured institutions without under-

mining their safety and soundness; and enhance public understanding of and public participation in the regulatory process by promulgating regulations that are as simple and clear as possible, using procedures that invite early public participation in the development of new regulations. This Regulation is effective immediately.

Resolution No. 79-364: Published in the Federal Register 6/27/79.

Statistical Series

| Contents | Series No. | Page |
|---|------------|------|
| S.1. — General Financial Data | | 37 |
| S.2. — Federal Home Loan Mortgage Corporation | | 39 |
| S.3. — Federal Home Loan Banks | | 40 |
| S.4. — Savings and Loan Associations | | 46 |
| S.5. — Mortgage Markets | | 52 |
| S.6. — Housing Markets | | 56 |

General Financial Data

Table S.1.1.—Security Yields and Rates
(Percent)

| Period | Short-term | | | Intermediate- and long-term | | | | | | |
|-------------|--|---------------|--------------|------------------------------|---------|---|----------------------------|--------------------------|---------------------------|----------------|
| | U.S. Government obligations ¹ | | | Bonds and notes ¹ | | | | Mortgages | | |
| | 3-month bills | 6-month bills | 1-year bills | U.S. Government ² | | Aaa ³ State and local government | Aaa ³ corporate | FHA-insured ⁴ | Conventional ¹ | |
| | | | | 5-year | 20-year | | | | New homes | Existing homes |
| 1975 | 5.77 | 6.01 | 6.75 | 7.77 | 8.19 | 6.42 | 8.83 | 9.20 | 9.01 | 9.21 |
| 1976 | 4.97 | 5.25 | 5.87 | 7.18 | 7.86 | 5.66 | 8.43 | 8.82 | 8.99 | 9.11 |
| 1977 | 5.27 | 5.53 | 5.71 | 6.99 | 7.67 | 5.20 | 8.02 | 8.68 | 9.01 | 9.02 |
| 1978 | 7.19 | 7.58 | 7.74 | 8.32 | 8.48 | 5.52 | 8.73 | 9.70 | 9.54 | 9.58 |
| 1978 | | | | | | | | | | |
| June | 6.73 | 7.23 | 7.53 | 8.36 | 8.53 | 5.73 | 8.72 | (⁵) | 9.46 | 9.48 |
| July | 7.01 | 7.44 | 7.79 | 8.54 | 8.69 | 5.80 | 8.88 | 9.92 | 9.57 | 9.63 |
| Aug. | 7.25 | 7.46 | 7.79 | 8.33 | 8.45 | 5.60 | 8.69 | 9.78 | 9.70 | 9.77 |
| Sept. | 7.85 | 7.99 | 8.01 | 8.43 | 8.47 | 5.50 | 8.56 | 9.78 | 9.73 | 9.84 |
| Oct. | 7.99 | 8.55 | 8.45 | 8.61 | 8.69 | 5.53 | 8.99 | 9.93 | 9.83 | 9.90 |
| Nov. | 8.64 | 9.24 | 9.20 | 8.84 | 8.75 | 5.55 | 9.03 | 9.99 | 9.87 | 9.97 |
| Dec. | 9.08 | 9.36 | 9.44 | 9.08 | 8.90 | 5.91 | 9.16 | 10.16 | 10.02 | 10.08 |
| 1979 | | | | | | | | | | |
| Jan. | 9.35 | 9.47 | 9.54 | 9.20 | 8.98 | 5.95 | 9.25 | 10.17 | 10.18 | 10.33 |
| Feb. | 9.32 | 9.41 | 9.39 | 9.13 | 9.03 | 5.66 | 9.26 | 10.17 | 10.20 | 10.39 |
| Mar. | 9.48 | 9.47 | 9.38 | 9.20 | 9.08 | 5.82 | 9.37 | 10.19 | 10.30 | 10.47 |
| Apr. | 9.46 | 9.49 | 9.28 | 9.25 | 9.12 | 5.80 | 9.38 | (⁵) | 10.36 | 10.54 |
| May. | 9.61 | 9.54 | 9.27 | 9.24 | 9.21 | 5.81 | 9.50 | 10.61 | 10.47 | 10.60 |
| June. | 9.06 | 9.06 | 8.81 | 8.85 | 8.91 | 5.54 | 9.29 | 10.49 | 10.66 | 10.71 |

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. For bills, averages are based on market yields quoted on a bank-discount basis.

² Yields on most actively traded issued adjusted to constant maturities by U.S. Treasury.

³ Aaa is the highest quality rating given by Moody's Investors Service.

⁴ 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.

⁵ Average effective interest rates: data prior to 1973 not completely comparable with later periods due to revision in series effective January 1973.

⁶ Not available.

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.

Table S.1.2.—Measures of Money Stock and Time and Savings Accounts

| Period | Measures of the money stock (Seasonally adjusted data, in billions of dollars) | | | Time and savings accounts (in millions of dollars) | | | | |
|-----------------|--|---|--|---|--|----------------------------|-----------------------------------|-------------------------------|
| | M ₁ | M ₂ | M ₃ | Total | Type of institution | | | |
| | (Currency plus demand deposits) ¹ | (M ₁ plus time deposits at commercial banks other than large time CD's) ² | (M ₂ plus deposits at nonbank thrift institutions) ³ | | Savings and loan associations ⁴ | Credit unions ⁵ | Mutual Savings banks ⁶ | Commercial banks ⁷ |
| December | | | | | | | | |
| 1975 | 295.2 | 664.7 | 1,092.5 | 875,204 | 286,043 | 33,048 | 109,873 | 446,240 |
| 1976 | 313.8 | 740.6 | 1,235.6 | 986,372 | 333,912 | 38,968 | 122,802 | 488,690 |
| 1977 | 338.7 | 809.4 | 1,374.3 | 1,118,354 | 386,875 | 46,832 | 134,017 | 550,630 |
| 1978 | | | | | | | | |
| June | 352.5 | 842.6 | 1,433.1 | 1,189,953 | 408,586 | 51,658 | 138,709 | 591,000 |
| July | 354.5 | 848.7 | 1,444.6 | 1,194,505 | 411,660 | 51,217 | 139,128 | 592,500 |
| Aug. | 357.0 | 856.9 | 1,458.4 | 1,204,036 | 413,972 | 51,456 | 139,308 | 599,300 |
| Sept. | 361.1 | 866.2 | 1,474.7 | 1,215,967 | 420,405 | 52,394 | 139,068 | 604,100 |
| Oct. | 361.6 | 870.9 | 1,485.6 | 1,223,473 | 423,050 | 52,240 | 139,683 | 608,500 |
| Nov. | 361.0 | 874.3 | 1,493.9 | 1,236,683 | 425,207 | 52,418 | 139,958 | 619,100 |
| Dec. | 361.5 | 876.3 | 1,500.9 | 1,249,140 | 431,009 | 53,048 | 141,383 | 623,700 |
| 1979 | | | | | | | | |
| Jan. | 359.7 | 875.0 | 1,503.7 | 1,259,647 | 435,752 | 51,916 | 142,879 | 629,100 |
| Feb. | 358.6 | 876.7 | 1,509.7 | 1,267,156 | 438,633 | 52,484 | 143,539 | 632,500 |
| Mar. | 359.0 | 879.5 | 1,517.5 | 1,282,074 | 446,981 | 54,243 | 145,650 | 635,200 |
| Apr. | 364.3 | 889.8 | 1,530.9 | 1,278,272 | 445,831 | 53,745 | 145,096 | 633,600 |
| May | 364.5 | 893.8 | 1,537.0 | 1,282,966 | 447,872 | 54,638 | 145,056 | 635,400 |
| June | 368.9 | 904.3 | 1,552.0 | 1,293,022 | 454,718 | 55,948 | 145,956 | 636,400 |

¹ Average of daily figures for (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 F.R. float; (2) foreign demand balances at F.R. Banks; and (3) currency outside the Treasury, F.R. Banks, and vaults of all commercial banks. Federal Reserve data.

² Includes, in addition to currency and demand deposits, an average of daily figures for savings deposits, time deposits open account, and time certificates of deposits other than negotiable time certificates of deposit issued in denominations of \$100,000 or more by large weekly reporting commercial banks. Federal Reserve data.

³ Includes M₂ plus the average of the beginning and end of month deposits of mutual savings banks, savings and loan associations, and credit unions. Federal Reserve data.

⁴ FHLBB estimates for all operating associations described in the notes to table S.4.1.

⁵ National Credit Union Administration 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.

⁶ National Association of Mutual Savings Banks data for all mutual savings banks. Figures include a small amount of demand deposits.

⁷ Federal Reserve estimates for the last Wednesday of the month of all commercial bank holdings of time and savings deposits except (1) interbank, (2) U.S. Treasurer's open account, and commercial banks.

⁸ Not available.

⁹ Revised

Table S.1.3.—Selected Types of Savings
(In millions of dollars)

| Month | Net increase in deposits at FSLIC-insured savings and loan associations ¹ | | Net increase in regular deposits at mutual savings banks ² | | Net increase in shares at credit unions ³ | Net increase in time and savings deposits other than large CD's at commercial banks ⁴ | Net purchase of U.S. savings bonds ⁵ |
|-------------|--|-----------------------------|---|-----------------------------|--|--|---|
| | Excluding interest credited | Including interest credited | Excluding interest credited | Including interest credited | | | |
| 1978 | | | | | | | |
| June | 1,744 | 6,545 | -90 | 1,393 | 1,090 | 7,955 | 136 |
| July | 2,812 | 3,019 | 38 | 303 | -441 | 1,573 | 99 |
| Aug. | 2,069 | 2,274 | -75 | 335 | 239 | 4,979 | 95 |
| Sept. | 1,606 | 6,349 | -41 | 1,396 | 938 | 3,071 | 73 |
| Oct. | 2,434 | 2,755 | 48 | 615 | -154 | 3,128 | 86 |
| Nov. | 1,897 | 2,116 | -59 | 334 | 178 | 5,201 | 57 |
| Dec. | 710 | 5,811 | -405 | 1,750 | 630 | 2,461 | (⁶) |
| 1979 | | | | | | | |
| Jan. | 4,377 | 4,661 | -118 | 218 | -1,132 | 86 | -253 |
| Feb. | 2,580 | 2,834 | 342 | 682 | 568 | 9,587 | -71 |
| Mar. | 3,146 | 8,210 | 463 | 1,971 | 1,759 | 5,157 | -128 |
| Apr. | -1,490 | -1,130 | -1,192 | -818 | -498 | 4,124 | -79 |
| May | 1,627 | 2,007 | -341 | 61 | 893 | 5,752 | -86 |
| June | 1,455 | 6,731 | -600 | 900 | 1,310 | 2,708 | -84 |

¹ FHLBB data as described in notes to table S.4.2

² National Association of Mutual Savings Banks data for all mutual savings banks. Excluded are a small amount of school, club, and other special deposits included in figures shown in table S.1.2.

³ National Credit Union Administration estimates as described in note to table S.1.2

⁴ Based on Federal Reserve data for last Wednesday of month for time and sav-

ings accounts as described in note to table S.1.2 minus negotiable time certificates of deposit issued in denominations of \$100,000 or more by large weekly reporting commercial banks. Includes interest credited to accounts.

⁵ Sales of Series E and H bonds minus redemptions at sale price (i.e., exclusive of accrued discount) as reported by U.S. Treasury Department.

⁶ Preliminary

⁷ Not available.

Federal Home Loan Mortgage Corporation

Table S.2.1.—Federal Home Loan Mortgage Corporation: Operational Data
(In millions of dollars)

| Period | Mortgage | | | | | | | | Commitments FHA/VA and conventional | |
|-------------------|--------------------------|---------------------|---------------------------|------------------------------|---------------------------|---------|---------------------------|----------------------|-------------------------------------|-------|
| | Holdings (end of period) | | | Transactions (during period) | | | | Made (during period) | Outstanding (end of period) | |
| | Total | FHA/VA ¹ | Conventional ² | Purchases | | Sales | | | | |
| | | | | FHA/VA | Conventional ² | FHA/VA | Conventional ² | | | |
| | | | | PC's* | | GMC's** | | | | |
| 1970 ³ | 325 | 325 | ..... | 325 | ..... | ..... | ..... | ..... | 518 | 193 |
| 1971 | 968 | 821 | 147 | 564 | 214 | 48 | 65 | ..... | 801 | 182 |
| 1972 | 1,788 | 1,502 | 286 | 833 | 464 | 90 | 317 | ..... | 1,606 | 198 |
| 1973 | 2,604 | 1,800 | 804 | 335 | 999 | ..... | 409 | ..... | 1,629 | 186 |
| 1974 | 4,586 | 1,961 | 2,625 | 261 | 1,929 | ..... | 53 | ..... | 4,553 | 2,390 |
| 1975 | 4,987 | 1,881 | 3,106 | 119 | 1,594 | 70 | 951 | 500 | 982 | 111 |
| 1976 | 4,269 | 1,675 | 2,594 | 20 | 1,107 | 35 | 1,362 | 400 | 1,478 | 333 |
| 1977 | 3,267 | 1,450 | 1,817 | 20 | 4,104 | 7 | 4,033 | 600 | 5,501 | 1,063 |
| 1978 | | | | | | | | | | |
| January | 3,134 | 1,437 | 1,697 | 2 | 398 | ..... | 503 | ..... | 337 | 961 |
| February | 3,001 | 1,436 | 1,565 | 13 | 350 | ..... | 470 | ..... | 451 | 1,021 |
| March | 3,202 | 1,443 | 1,759 | 21 | 323 | ..... | 127 | ..... | 593 | 1,234 |
| April | 3,061 | 1,428 | 1,633 | 4 | 352 | ..... | 465 | ..... | 512 | 1,347 |
| May | 2,863 | 1,411 | 1,452 | ..... | 479 | ..... | 651 | ..... | 811 | 1,640 |
| June | 2,246 | 1,393 | 853 | ..... | 500 | ..... | 793 | ..... | 762 | 1,870 |
| July | 2,019 | 1,376 | 643 | ..... | 520 | ..... | 725 | ..... | 738 | 2,055 |
| August | 2,441 | 1,359 | 1,082 | ..... | 742 | ..... | 299 | ..... | 838 | 2,142 |
| September | 2,496 | 1,343 | 1,153 | ..... | 670 | ..... | 402 | ..... | 760 | 2,130 |
| October | 2,902 | 1,329 | 1,573 | ..... | 791 | ..... | 370 | ..... | 547 | 1,716 |
| November | 3,060 | 1,313 | 1,747 | ..... | 765 | ..... | 581 | ..... | 706 | 1,617 |
| December | 3,091 | 1,299 | 1,792 | ..... | 596 | ..... | 340 | 700 | 455 | 1,410 |
| 1979 | | | | | | | | | | |
| January | 3,253 | 1,287 | 1,966 | ..... | 498 | ..... | 321 | ..... | 374 | 1,248 |
| February | 3,143 | 1,277 | 1,866 | ..... | 400 | ..... | 291 | 200 | 357 | 1,177 |
| March | 3,358 | 1,267 | 2,091 | ..... | 350 | ..... | 116 | ..... | 547 | 1,342 |
| April | 3,332 | 1,254 | 2,078 | ..... | 358 | ..... | 363 | ..... | 540 | 1,487 |
| May | 3,299 | 1,242 | 2,057 | ..... | 560 | ..... | 572 | ..... | 652 | 1,541 |
| June | 3,340 | 1,227 | 2,113 | ..... | 447 | ..... | 182 | 200 | 528 | 1,590 |

¹ Include loans used to back bond issues guaranteed by GNMA.

² Include participations as well as whole loans.

* Participation certificates

** Guaranteed mortgage certificates

³ Data for 1970 include only the period beginning November 26 when the FHLMC first became operational.

Table S.2.2.—Federal Home Loan Mortgage Corporation: Weekly Market Survey
(In percent, data for the week ending August 3, 1979)

| Item | U.S. average | FHLMC Regional Office | | | | |
|--|--------------|-----------------------|---------|---------|--------|-------------|
| | | Northeast | Atlanta | Chicago | Dallas | Los Angeles |
| Single-family conventionals: | | | | | | |
| 80-percent loans: | | | | | | |
| Average quoted rate | 11.075 | 10.875 | 11.000 | 11.000 | 11.000 | 11.500 |
| Fees or points charged | 1.6 | 1.0 | 2.0 | 2.0 | 1.5 | 1.5 |
| 95-percent loans: | | | | | | |
| Average quoted rate | 11.350 | 11.250 | 11.250 | 11.250 | 11.250 | 11.750 |
| Fees or points charged | 2.0 | 1.5 | 2.5 | 2.5 | 1.5 | 2.0 |
| Multifamily conventionals, average quoted rate | 11.450 | 11.500 | 11.000 | 11.50 | 11.250 | 12.00 |

Note: FHLMC market data are obtained weekly through its "sample of 125." Each FHLMC Area Office contacts 25 of its seller/servicers for this information. No attempt is made to determine statistical accuracy. Rather, we seek quick information to determine tone of the market. This survey is used for informational purposes

and is not intended for any other use. Any other purposes for which it may be used are entirely at the discretion of the user.

Note: Dallas has stopped reporting the FHA/VA quote.

Federal Home Loan Banks

Table S.3.1.—Federal Home Loan Banks: Combined Statement of Condition
(In millions of dollars)

| End of period | Assets | | | | Total assets: total liabilities and capital accounts ¹ | Liabilities | | | Capital accounts | |
|---------------|--------|-------------|----------|-------|---|-------------------------|---------------------------------------|-------|------------------|-------------------|
| | Cash | Investments | Advances | Other | | Deposits and borrowings | Consolidated obligations ¹ | Other | Capital stock | Retained earnings |
| 1974 | 144 | 3,097 | 21,804 | 453 | 25,498 | 2,484 | 19,445 | 406 | 2,624 | 539 |
| 1975 | 108 | 4,376 | 17,845 | 383 | 22,712 | 2,700 | 16,383 | 334 | 2,705 | 590 |
| 1976 | 164 | 6,079 | 15,862 | 376 | 22,481 | 4,024 | 14,620 | 313 | 2,889 | 635 |
| 1977 | 134 | 3,749 | 20,173 | 510 | 24,566 | 4,286 | 16,009 | 296 | 3,295 | 680 |
| 1978 | 201 | 3,414 | 32,670 | 482 | 36,767 | 6,243 | 25,109 | 459 | 4,120 | 836 |
| 1978 | | | | | | | | | | |
| June | 188 | 4,121 | 25,274 | 471 | 30,054 | 5,099 | 19,953 | 331 | 3,818 | 853 |
| July | 187 | 4,383 | 26,605 | 469 | 31,644 | 5,378 | 21,060 | 463 | 3,855 | 888 |
| Aug. | 169 | 3,944 | 27,869 | 466 | 32,448 | 5,366 | 22,002 | 267 | 3,889 | 924 |
| Sept. | 127 | 3,808 | 29,158 | 521 | 33,614 | 5,684 | 22,652 | 392 | 3,925 | 961 |
| Oct. | 106 | 3,425 | 30,104 | 485 | 34,120 | 5,633 | 23,004 | 524 | 3,959 | 1,000 |
| Nov. | 124 | 3,672 | 30,975 | 502 | 35,273 | 5,611 | 24,341 | 272 | 4,008 | 1,041 |
| Dec. | 201 | 3,414 | 32,670 | 482 | 36,767 | 6,243 | 25,109 | 459 | 4,120 | 836 |
| 1979 | | | | | | | | | | |
| Jan. | 153 | 4,134 | 32,489 | 490 | 37,266 | 6,306 | 25,166 | 549 | 4,366 | 879 |
| Feb. | 136 | 5,631 | 31,738 | 450 | 37,955 | 6,676 | 25,642 | 314 | 4,407 | 916 |
| Mar. | 146 | 5,583 | 31,881 | 478 | 38,088 | 6,711 | 25,479 | 472 | 4,470 | 956 |
| Apr. | 258 | 4,292 | 33,149 | 479 | 38,178 | 6,717 | 25,343 | 610 | 4,511 | 997 |
| May | 186 | 4,492 | 33,802 | 453 | 38,933 | 7,311 | 25,705 | 320 | 4,555 | 1,042 |
| June | 213 | 4,271 | 35,071 | 476 | 40,031 | 7,994 | 25,882 | 474 | 4,597 | 1,084 |

¹ Represents Banks' participation exclusive of pass-throughs to the Federal Home Loan Mortgage Corporation.
² Figures may vary from other published data on the Banks due to rounding and other reclassification of accounts.

NOTE: FHLBB data.

Table S.3.2.—Federal Home Loan Banks: Selected Operating Factors

| Month | Number of borrowers (end of month) | Average cost ¹ consolidated obligations—bonds | | Average rate on FHLB advances ¹ | | Month | Number of borrowers (end of month) | Average cost ¹ consolidated obligations—bonds | | Average rate on FHLB advances ¹ | |
|-------------------|------------------------------------|--|------------------------------------|--|----------------------------------|-------------------|------------------------------------|--|------------------------------------|--|----------------------------------|
| | | Out-standing ² (end of month) | Issued ³ (during month) | Out-standing ² (end of month) | Made ² (during month) | | | Out-standing ² (end of month) | Issued ³ (during month) | Out-standing ² (end of month) | Made ² (during month) |
| Percent per annum | | | | | | Percent per annum | | | | | |
| December | | | | | | Oct. | 3,110 | 7.96 | (*) | 8.20 | 8.70 |
| 1974 | 2,607 | 8.17 | 7.54 | 8.33 | 8.40 | Nov. | 3,142 | 8.03 | 9.42 | 8.38 | 9.90 |
| 1975 | 2,542 | 8.31 | (*) | 7.81 | 7.30 | Dec. | 3,139 | 8.08 | 9.61 | 8.56 | 10.20 |
| 1976 | 2,549 | 8.09 | (*) | 7.63 | 6.60 | 1979 | | | | | |
| 1977 | 2,820 | 7.88 | (*) | 7.64 | 7.50 | Jan. | 3,097 | 8.08 | (*) | 8.61 | 10.30 |
| 1978 | 3,139 | 8.08 | 9.61 | 8.56 | 10.20 | Feb. | 3,043 | 8.15 | 9.45 | 8.59 | 10.10 |
| 1978 | | | | | | Mar. | 2,995 | 8.15 | (*) | 8.62 | 10.00 |
| June | 2,961 | 7.91 | (*) | 7.91 | 8.04 | Apr. | 2,996 | 8.14 | (*) | 8.69 | 10.10 |
| July | 2,989 | 7.93 | 8.68 | 7.99 | 8.60 | May | 2,988 | 8.31 | 9.71 | 8.77 | 10.30 |
| Aug. | 3,040 | 7.93 | 8.47 | 8.04 | 8.60 | June | 3,003 | 8.31 | (*) | 8.90 | 10.40 |
| Sept. | 3,080 | 7.96 | (*) | 8.10 | 8.70 | | | | | | |

¹ Includes selling costs and pass-throughs to the Federal Home Loan Mortgage Corporation.
² Weighted by amount outstanding at each rate.
³ Weighted by the amount issued or made at each rate. Advances made exclude renewals and conversions and the averages shown reflect changes in the types of

advances being made as well as changes in rates on specific types of advances.
⁴ No obligations issued.
⁵ Excludes advances to the Federal Home Loan Mortgage Corporation.
Note: FHLBB data.

Table S.3.3.—Federal Home Loan Banks: Number of Members, by Type
(June 30, 1979)

| District Bank | Total number of members | Savings and loan associations | | | | | Savings banks | Insurance companies |
|---------------|-------------------------|-------------------------------|----------|-----------------|-------|----|---------------|---------------------|
| | | All S&LA's | Federals | State chartered | | | | |
| | | | | FSLIC insured | Other | | | |
| All Banks | 4,237 | 4,140 | 1,997 | 2,044 | 99 | 95 | 2 | |
| Boston | 216 | 157 | 69 | 49 | 39 | 59 | | |
| New York | 330 | 312 | 103 | 208 | 1 | 18 | | |
| Pittsburgh | 321 | 319 | 139 | 158 | 22 | 2 | | |
| Atlanta | 677 | 677 | 459 | 217 | 1 | | | |
| Cincinnati | 532 | 531 | 300 | 199 | 32 | | 1 | |
| Indianapolis | 217 | 216 | 132 | 83 | 1 | | 1 | |
| Chicago | 500 | 497 | 182 | 315 | | 3 | | |
| Des Moines | 268 | 267 | 146 | 119 | 2 | 1 | | |
| Little Rock | 603 | 603 | 199 | 404 | | | | |
| Topeka | 221 | 221 | 104 | 116 | 1 | | | |
| San Francisco | 198 | 198 | 78 | 120 | | | | |
| Seattle | 154 | 142 | 86 | 56 | | 12 | | |

Table S.3.4.—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 | Atlanta | Cincinnati | Indianapolis | Chicago | Des Moines | Little Rock | Topeka | San Francisco | Seattle |
| 1974 | 21,804 | 901 | 1,910 | 974 | 3,478 | 1,379 | 555 | 1,727 | 1,252 | 1,219 | 1,270 | 6,187 | 951 |
| 1975 | 17,845 | 659 | 1,700 | 899 | 2,537 | 1,236 | 412 | 1,424 | 1,214 | 1,079 | 1,104 | 4,744 | 837 |
| 1976 | 15,862 | 470 | 1,215 | 731 | 1,913 | 1,232 | 371 | 1,279 | 1,101 | 1,109 | 1,179 | 4,345 | 917 |
| 1977 | 20,173 | 493 | 1,508 | 902 | 2,513 | 1,597 | 567 | 1,764 | 1,457 | 1,479 | 1,524 | 4,935 | 1,434 |
| 1978 | 32,670 | 842 | 2,578 | 1,283 | 4,223 | 2,574 | 1,105 | 2,807 | 2,537 | 2,345 | 2,060 | 7,972 | 2,344 |
| 1978 | | | | | | | | | | | | | |
| June | 25,273 | 563 | 1,979 | 986 | 3,248 | 2,012 | 793 | 2,294 | 1,849 | 1,858 | 1,796 | 5,997 | 1,898 |
| July | 26,605 | 626 | 2,039 | 1,016 | 3,382 | 2,159 | 874 | 2,418 | 2,108 | 1,912 | 1,891 | 6,175 | 2,005 |
| Aug. | 27,869 | 671 | 2,107 | 1,101 | 3,605 | 2,293 | 921 | 2,521 | 2,212 | 1,998 | 1,945 | 6,430 | 2,065 |
| Sept. | 29,158 | 690 | 2,138 | 1,200 | 3,776 | 2,383 | 972 | 2,637 | 2,294 | 2,092 | 1,972 | 6,825 | 2,179 |
| Oct. | 30,104 | 755 | 2,320 | 1,238 | 3,881 | 2,452 | 1,003 | 2,727 | 2,381 | 2,155 | 2,022 | 6,972 | 2,198 |
| Nov. | 30,975 | 787 | 2,484 | 1,290 | 4,018 | 2,515 | 1,039 | 2,743 | 2,393 | 2,211 | 2,030 | 7,172 | 2,294 |
| Dec. | 32,670 | 842 | 2,578 | 1,283 | 4,223 | 2,574 | 1,105 | 2,807 | 2,537 | 2,345 | 2,060 | 7,972 | 2,344 |
| 1979 | | | | | | | | | | | | | |
| Jan. | 32,489 | 836 | 2,572 | 1,280 | 4,138 | 2,550 | 1,072 | 2,777 | 2,563 | 2,360 | 2,064 | 7,972 | 2,305 |
| Feb. | 31,738 | 823 | 2,552 | 1,167 | 4,007 | 2,495 | 1,046 | 2,661 | 2,557 | 2,361 | 2,024 | 7,766 | 2,279 |
| Mar. | 31,881 | 833 | 2,501 | 1,140 | 4,067 | 2,450 | 1,047 | 2,712 | 2,580 | 2,410 | 2,044 | 7,825 | 2,272 |
| Apr. | 33,149 | 885 | 2,580 | 1,198 | 4,290 | 2,501 | 1,120 | 2,756 | 2,601 | 2,459 | 2,060 | 8,331 | 2,368 |
| May | 33,802 | 952 | 2,582 | 1,217 | 4,378 | 2,597 | 1,142 | 2,786 | 2,581 | 2,551 | 2,121 | 8,454 | 2,441 |
| June | 35,071 | 968 | 2,588 | 1,266 | 4,656 | 2,680 | 1,195 | 2,879 | 2,694 | 2,654 | 2,230 | 8,755 | 2,506 |

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

Table S.3.5.—Federal Home Loan Bank Advances Made and Repaid
(In millions of dollars)

| Period | Made | Repaid | Net change | Period | Made | Repaid | Net change |
|--------|--------|--------|------------|--------|-------|--------|------------|
| 1974 | 12,763 | 6,106 | 6,657 | Oct. | 2,047 | 1,101 | 946 |
| 1975 | 5,468 | 9,425 | -3,957 | Nov. | 2,306 | 1,435 | 871 |
| 1976 | 8,114 | 10,097 | -1,983 | Dec. | 2,819 | 1,124 | 1,696 |
| 1977 | 13,756 | 9,445 | 4,311 | 1979 | | | |
| 1978 | 25,297 | 12,800 | 12,497 | Jan. | 1,468 | 1,652 | -184 |
| 1978 | | | | Feb. | 1,526 | 2,277 | -751 |
| June | 2,606 | 997 | 1,609 | Mar. | 1,561 | 1,418 | 143 |
| July | 2,440 | 1,109 | 1,331 | Apr. | 2,338 | 1,070 | 1,268 |
| Aug. | 2,213 | 949 | 1,264 | May | 2,630 | 1,977 | 653 |
| Sept. | 2,013 | 724 | 1,289 | June | 2,792 | 1,523 | 1,269 |

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

Table S.3.6.—Consolidated Federal Home Loan Bank Obligations Outstanding—Bonds
(June 30, 1979)

| Date of maturity | Date of issue | Amount (millions) | Coupon rate (percent) | Date of maturity | Date of issue | Amount (millions) | Coupon rate (percent) |
|------------------|---------------|-------------------|-----------------------|----------------------------|---------------|-------------------|-----------------------|
| Aug. 27, 1979 | July 25, 1974 | 485 | 9½ | Feb. 25, 1982 | Feb. 27, 1978 | 800 | 7.95 |
| Aug. 27, 1979 | Nov. 25, 1977 | 900 | 7.20 | May 25, 1982 | Nov. 25, 1977 | 700 | 7.45 |
| Nov. 26, 1979 | Nov. 25, 1974 | 480 | 8.15 | Nov. 26, 1982 | May 25, 1978 | 800 | 8¼ |
| Nov. 26, 1979 | Dec. 23, 1974 | 467 | 7½ | Feb. 25, 1983 | Nov. 27, 1978 | 700 | 9.0 |
| Nov. 26, 1979 | July 25, 1978 | 700 | 8.60 | May 25, 1983 | Apr. 12, 1973 | 161 | 7.30 |
| Feb. 25, 1980 | Mar. 25, 1970 | 350 | 7¼ | Aug. 25, 1983 | Feb. 26, 1979 | 800 | 9.30 |
| Feb. 25, 1980 | Feb. 25, 1974 | 300 | 7.05 | Nov. 25, 1983 | Feb. 25, 1975 | 300 | 7¾ |
| Feb. 25, 1980 | May 25, 1978 | 1,200 | 8.10 | Nov. 25, 1983 | May 25, 1979 | 1,000 | 9.50 |
| May 27, 1980 | May 25, 1977 | 500 | 6.65 | May 25, 1984 | May 28, 1974 | 300 | 8¼ |
| May 27, 1980 | Aug. 25, 1978 | 1,000 | 8.40 | May 25, 1984 | May 25, 1976 | 300 | 7¾ |
| Aug. 25, 1980 | Aug. 25, 1976 | 700 | 7.30 | Aug. 27, 1984 | Aug. 25, 1976 | 500 | 7.85 |
| Aug. 25, 1980 | Nov. 27, 1978 | 900 | 9¼ | Nov. 26, 1984 | Nov. 26, 1976 | 300 | 7¾ |
| Oct. 15, 1980 | Oct. 15, 1970 | 200 | 7.80 | Feb. 25, 1985 | Feb. 25, 1977 | 500 | 7¾ |
| Nov. 25, 1980 | Nov. 25, 1975 | 600 | 7¼ | May 28, 1985 | Feb. 27, 1978 | 500 | 8¼ |
| Nov. 25, 1980 | Nov. 26, 1976 | 500 | 6.70 | Aug. 26, 1985 | Feb. 26, 1979 | 400 | 9.35 |
| Feb. 25, 1981 | Feb. 25, 1976 | 500 | 7.60 | Nov. 25, 1985 | Nov. 25, 1975 | 400 | 8.10 |
| Feb. 25, 1981 | May 25, 1979 | 1,000 | 10.00 | Feb. 25, 1986 | May 25, 1979 | 400 | 9.55 |
| May 26, 1981 | Dec. 26, 1978 | 600 | 9.55 | May 26, 1987 | May 25, 1977 | 300 | 7.65 |
| May 26, 1981 | Feb. 26, 1979 | 800 | 9.65 | Aug. 25, 1987 | Aug. 25, 1977 | 400 | 7.60 |
| Aug. 25, 1981 | Aug. 25, 1977 | 800 | 7.05 | Nov. 26, 1993 | Oct. 25, 1977 | 400 | 7¾ |
| Nov. 25, 1981 | Oct. 25, 1974 | 400 | 8.65 | Nov. 27, 1995 ¹ | Nov. 19, 1970 | 140 | 8.60 |
| Nov. 27, 1981 | Oct. 27, 1971 | 200 | 6.60 | Aug. 26, 1996 ¹ | Aug. 2, 1971 | 150 | 7¼ |
| Feb. 25, 1982 | Aug. 25, 1975 | 500 | 8¼ | Feb. 25, 1997 | Feb. 25, 1977 | 300 | 7¾ |
| | | | | May 26, 1997 ¹ | May 25, 1972 | 150 | 7.15 |

¹ These issues represent bonds issued by the Federal Home Loan Mortgage Corporation and guaranteed by the Government National Mortgage Association.

Note: FHLBB data.

Table S.3.7.—Federal Home Loan Banks: Combined Statement of Condition, June 30, 1979, and June 30, 1978

(In thousands)

| Statement of condition | Combined | | Boston | | New York | | Pittsburgh | | Atlanta | | Cinci |
|---|-------------|-------------|-----------|---------|-------------|-------------|------------|-----------|-----------|-----------|-----------|
| | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 |
| ASSETS | | | | | | | | | | | |
| Cash | \$213,310 | \$188,304 | \$4,264 | \$2,978 | \$19,890 | \$27,804 | \$16,028 | \$17,159 | \$10,399 | \$3,918 | \$8,094 |
| Investments, at cost | 4,270,531 | 4,121,305 | 156,665 | 213,830 | 522,528 | 153,763 | 283,720 | 261,301 | 494,015 | 504,237 | 392,216 |
| Advances to members | 35,070,664 | 25,273,563 | 968,142 | 562,757 | 2,588,251 | 1,978,871 | 1,265,457 | 986,311 | 4,656,190 | 3,248,345 | 2,679,675 |
| Other loans: | | | | | | | | | | | |
| Guaranteed by AID, net | 89,185 | 74,009 | 33,594 | 34,467 | 55,591 | 39,542 | | | | | |
| Other FHL Banks | 6,000 | 88,900 | | 2,000 | | | | | | 20,000 | |
| Total other loans | 95,185 | 162,909 | 33,594 | 36,467 | 55,591 | 39,542 | | | | 20,000 | |
| Accrued interest receivable | 202,053 | 123,690 | 6,162 | 3,244 | 20,796 | 13,064 | 9,596 | 6,253 | 594 | 595 | 18,627 |
| Bank premises and equipment | 18,142 | 24,812 | 332 | 367 | 2,079 | 1,985 | 589 | 1,582 | 668 | 632 | 2,172 |
| Less: depreciation and amortization | (6,266) | (8,965) | (159) | (147) | (596) | (468) | (365) | (1,163) | (413) | (351) | (1,374) |
| Net book value | 11,876 | 15,847 | 173 | 220 | 1,483 | 1,517 | 224 | 419 | 255 | 281 | 798 |
| Other assets: | | | | | | | | | | | |
| Investment in FHLMC | 100,000 | 100,000 | 4,900 | 4,900 | 11,700 | 11,700 | 6,100 | 6,100 | 14,200 | 14,200 | 9,300 |
| Concessions and discount on C/O—Bonds | 21,904 | 20,711 | 322 | 313 | 1,376 | 1,346 | 787 | 662 | 2,458 | 2,302 | 1,900 |
| Deferred charges—FHLBB cost of quarters | 41,416 | 42,826 | 1,646 | 1,701 | 4,617 | 4,772 | 1,969 | 2,038 | 6,579 | 6,803 | 3,429 |
| Assessment—FHLBB operating expenses | | | | | | | | | | | |
| Assessment—FHLBB capital expenditures | 1,276 | 1,639 | 57 | 74 | 152 | 196 | 61 | 78 | 198 | 255 | 106 |
| Other | 2,433 | 3,145 | 166 | 52 | 203 | 110 | 106 | 366 | 101 | 73 | 185 |
| Total other assets | 167,029 | 168,321 | 7,091 | 7,040 | 18,048 | 18,124 | 9,023 | 9,244 | 23,536 | 23,633 | 14,920 |
| Total assets | 40,030,648 | 30,053,939 | 1,176,091 | 826,536 | 3,226,587 | 2,232,685 | 1,584,048 | 1,280,687 | 5,184,989 | 3,801,009 | 3,114,330 |
| LIABILITIES AND CAPITAL | | | | | | | | | | | |
| Liabilities | | | | | | | | | | | |
| Deposits and borrowings: | | | | | | | | | | | |
| Members—time | 7,174,512 | 4,177,526 | 407,096 | 242,484 | 582,557 | 123,212 | 371,437 | 275,563 | 849,500 | 477,161 | 548,547 |
| Members—demand | 772,602 | 832,490 | | 63 | 92,945 | 90,438 | 77,729 | 77,052 | 84,944 | 75,301 | 79,965 |
| Other FHL Banks | 6,000 | 88,900 | | | | | | | | | |
| Other borrowings | 40,848 | | | | | | | | | | |
| Total deposits and borrowings | 7,993,962 | 5,098,916 | 407,096 | 242,547 | 675,502 | 213,650 | 449,166 | 352,615 | 934,444 | 552,462 | 628,512 |
| Accrued interest payable | 462,985 | 309,871 | 10,586 | 7,329 | 36,439 | 20,861 | 15,946 | 9,628 | 49,265 | 33,858 | 36,001 |
| Consolidated obligations: | | | | | | | | | | | |
| Bonds | 24,342,660 | 19,880,360 | 376,560 | 339,230 | 4,150,330 | 3,486,815 | 836,840 | 671,485 | 2,603,960 | 2,170,930 | 1,865,435 |
| Discount notes | 4,267,488 | 2,374,828 | 172,871 | 54,821 | 342,174 | 179,814 | 18,6993 | 30,609 | 875,457 | 433,431 | 116,899 |
| Less: pass-throughs to FHLMC | (2,728,550) | (2,301,900) | | | (2,590,000) | (2,190,000) | | | (138,550) | (111,900) | |
| FHLB's participations | 25,881,598 | 19,953,288 | 549,431 | 394,051 | 1,902,504 | 1,476,629 | 855,539 | 702,094 | 3,340,867 | 2,492,461 | 1,982,334 |
| Total consolidated obligations | 27,882,696 | 19,956,176 | 1,098,462 | 588,102 | 3,562,938 | 2,567,639 | 1,690,672 | 1,404,183 | 6,820,774 | 5,177,822 | 3,974,668 |
| Other liabilities: | | | | | | | | | | | |
| Accounts payable | 708 | 1,661 | 54 | 69 | 87 | 205 | (105) | 4 | 27 | 18 | 51 |
| Accounts payable—FHLBB operating expenses | 1,285 | 767 | 51 | 33 | 141 | 88 | 61 | 37 | 197 | 119 | 100 |
| Other | 9,170 | 18,139 | 934 | 1,843 | 3,559 | 10,134 | 160 | 279 | 583 | 717 | 274 |
| Total other liabilities | 11,163 | 20,567 | 1,039 | 1,945 | 3,787 | 10,427 | 116 | 320 | 807 | 854 | 425 |
| Total liabilities | 34,349,708 | 25,382,642 | 968,152 | 645,872 | 2,618,232 | 1,721,567 | 1,320,767 | 1,064,657 | 4,325,383 | 3,079,635 | 2,647,272 |
| Capital | | | | | | | | | | | |
| Capital stock outstanding | 4,596,924 | 3,818,268 | 175,242 | 151,164 | 491,047 | 419,352 | 204,751 | 174,976 | 706,708 | 597,953 | 373,113 |
| Retained earnings: | | | | | | | | | | | |
| Legal reserve | 545,163 | 450,181 | 20,087 | 17,644 | 63,309 | 53,009 | 29,968 | 24,236 | 75,441 | 62,432 | 50,504 |
| Dividend stabilization reserve | 27,976 | 445 | | | 2,775 | | 2,583 | 4,233 | 3,831 | | 2,283 |
| Undivided profits | 510,877 | 402,848 | 12,165 | 11,856 | 51,224 | 38,757 | 25,979 | 16,818 | 73,224 | 60,989 | 41,158 |
| Total retained earnings | 1,084,016 | 853,029 | 32,697 | 29,500 | 117,308 | 91,766 | 58,530 | 41,054 | 152,898 | 123,421 | 93,945 |
| Total capital | 5,680,940 | 4,671,297 | 207,939 | 180,664 | 608,355 | 511,118 | 263,281 | 216,030 | 859,606 | 721,374 | 467,058 |
| Total liabilities and capital | 40,030,648 | 30,053,939 | 1,176,091 | 826,536 | 3,226,587 | 2,232,685 | 1,584,048 | 1,280,687 | 5,184,989 | 3,801,009 | 3,114,330 |
| Contractual commitments for advances | 2,669,878 | 3,046,019 | 10,000 | 140,250 | 70,200 | 27,080 | 5,046 | | 186,200 | 290,300 | 223,546 |

| Statement of condition | Indianapolis | | Chicago | | Des Moines | | Little Rock | | Topeka | | San Francisco | | Seattle | |
|---|--------------|-----------|-----------|-----------|------------|-----------|-------------|-----------|-----------|-----------|---------------|------------|-----------|-----------|
| | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 |
| Cash | \$10,769 | (\$3,571) | \$3,810 | \$3,601 | \$7,496 | \$71,102 | \$52,563 | \$11,114 | \$5,488 | \$15,146 | \$12,767 | \$21,541 | \$15,908 | \$35,702 |
| Investments, at cost | 364,566 | 265,733 | 259,500 | 289,048 | 337,872 | 349,586 | 498,191 | 290,592 | 353,756 | 109,410 | 226,425 | 892,476 | 783,313 | 224,542 |
| Advances to members | 2,011,628 | 1,195,326 | 793,365 | 2,878,589 | 2,294,420 | 2,694,000 | 1,849,198 | 2,654,306 | 1,857,625 | 2,230,095 | 1,796,350 | 8,755,144 | 5,997,140 | 2,505,489 |
| Other loans: | | | | | | | | | | | | | | |
| Guaranteed by AID, net | | | | | | | | | | | | | | |
| Other FHL Banks | 7,000 | | | | 12,700 | | | | | 6,000 | 25,200 | | | 22,000 |
| Total other loans | 7,000 | | | | 12,700 | | | | | 6,000 | 25,200 | | | 22,000 |
| Accrued interest receivable | 12,716 | 4,301 | 2,589 | 20,640 | 15,141 | 143 | 158 | 19,049 | 11,821 | 13,980 | 362 | 70,003 | 46,002 | 18,162 |
| Bank premises and equipment | 2,118 | 446 | 459 | 842 | 4,296 | 2,220 | 4,745 | 374 | 354 | 113 | 109 | 7,399 | 7,281 | 908 |
| Less: depreciation and amortization | (1,164) | (273) | (211) | (545) | (1,860) | (1,101) | (2,451) | (234) | (204) | (36) | (25) | (812) | (666) | (358) |
| Net book value | 954 | 173 | 248 | 297 | 2,436 | 1,119 | 2,294 | 140 | 150 | 77 | 84 | 6,587 | 6,615 | 550 |
| Other assets: | | | | | | | | | | | | | | |
| Investment in FHLMC | 9,300 | 4,900 | 4,900 | 10,300 | 10,300 | 6,100 | 6,100 | 6,800 | 6,800 | 3,900 | 3,900 | 17,900 | 17,900 | 3,900 |
| Concessions and discount on C/O—Bonds | 1,789 | 566 | 491 | 1,692 | 1,625 | 1,674 | 1,716 | 1,604 | 1,529 | 1,662 | 1,710 | 6,110 | 5,419 | 1,753 |
| Deferred charges—FHLBB cost of quarters | 3,545 | 1,803 | 1,864 | 3,985 | 4,121 | 2,535 | 2,620 | 2,670 | 2,758 | 1,999 | 2,068 | 8,529 | 8,824 | 1,655 |
| Assessment—FHLBB operating expenses | | | | | | | | | | | | | | |
| Assessment—FHLBB capital expenditures | 136 | 57 | 73 | 121 | 154 | 79 | 102 | 88 | 114 | 60 | 77 | 240 | 308 | 57 |
| Other | 472 | 178 | 189 | 159 | 558 | 725 | 614 | 74 | 75 | 303 | 326 | 179 | 265 | 54 |
| Total other assets | 15,242 | 7,504 | 7,517 | 16,257 | 16,758 | 11,113 | 11,152 | 11,236 | 11,276 | 7,924 | 8,081 | 32,958 | 32,716 | 7,419 |
| Total assets | 2,422,875 | 1,469,466 | 1,067,029 | 3,208,432 | 2,686,823 | 3,127,063 | 2,413,556 | 2,986,437 | 2,240,116 | 2,382,632 | 2,069,269 | 9,778,709 | 6,903,694 | 2,791,864 |
| LIABILITIES AND CAPITAL | | | | | | | | | | | | | | |
| Liabilities | | | | | | | | | | | | | | |
| Deposits and borrowings: | | | | | | | | | | | | | | |
| Members—time | 340,888 | 362,022 | 233,340 | 481,899 | 348,803 | 566,949 | 260,201 | 469,706 | 266,994 | 167,525 | 178,425 | 1,984,225 | 1,203,325 | 383,049 |
| Members—demand | 90,268 | 45,863 | 44,710 | 53,356 | 48,203 | 96,109 | 153,422 | 51,670 | 62,907 | 50,384 | 59,596 | 113,206 | 99,176 | 26,431 |
| Other FHL Banks | | | | | | | | | | | | 42,000 | 6,000 | 46,900 |
| Other borrowings | | | | | | 40,000 | | | | | | | | 848 |
| Total deposits and borrowings | 431,156 | 407,885 | 278,050 | 535,255 | 397,006 | 703,058 | 413,623 | 521,376 | 329,901 | 217,909 | 280,021 | 2,103,431 | 1,349,401 | 410,328 |
| Accrued interest payable | 24,715 | 19,495 | 12,051 | 42,233 | 29,524 | 41,716 | 23,560 | 34,701 | 23,588 | 26,937 | 22,805 | 118,210 | 80,331 | 31,456 |
| Consolidated obligations: | | | | | | | | | | | | | | |
| Bonds | 1,477,670 | 679,025 | 525,875 | 1,930,345 | 1,589,115 | 1,713,720 | 1,382,660 | 1,651,700 | 1,380,190 | 1,610,605 | 1,355,960 | 5,261,360 | 4,144,650 | 1,662,780 |
| Discount notes | 99,170 | 102,106 | 30,246 | 168,298 | 218,491 | 304,668 | 301,062 | 358,534 | 167,905 | 256,173 | 183,972 | 1,167,403 | 435,993 | 384,206 |
| Less: pass-throughs to FHLMC | | | | | | | | | | | | | | |
| FHLB's participations | 1,576,840 | 781,131 | 556,121 | 2,098,643 | 1,807,606 | 2,018,388 | 1,683,722 | 2,010,234 | 1,548,095 | 1,866,778 | 1,539,932 | 6,428,763 | 4,580,643 | 2,046,986 |
| Total consolidated obligations | 3,173,680 | 1,462,262 | 1,112,242 | 4,197,286 | 3,615,212 | 3,736,776 | 3,367,444 | 3,620,468 | 3,096,190 | 3,477,756 | 3,179,864 | 12,817,926 | 9,169,286 | 3,774,172 |
| Other liabilities: | | | | | | | | | | | | | | |

Table S.3.8.—Federal Home Loan Banks: Combined Statement of Income for the Six Months Ending June 30, 1979 and June 30, 1978
(In thousands)

| Statement of Income | Combined | | Boston | | New York | | Pittsburgh | | Atlanta | | Cinci |
|---|------------------|------------------|---------------|---------------|----------------|---------------|---------------|---------------|----------------|----------------|----------------|
| | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 |
| INCOME | | | | | | | | | | | |
| Interest on advances to members | \$1,415,419 | \$844,528 | \$37,358 | \$19,508 | \$110,816 | \$64,892 | \$54,910 | \$35,226 | \$182,382 | \$103,764 | \$105,385 |
| Income from investments | 242,584 | 153,678 | 9,626 | 7,210 | 31,515 | 10,236 | 16,187 | 10,021 | 26,065 | 15,522 | 27,471 |
| Interest and fees on AID loans | 4,322 | 2,872 | 1,881 | 1,326 | 2,351 | 1,545 | | | | | |
| Earned commitment fees | 6,328 | 14,379 | 111 | 232 | | | | | 256 | 377 | 1,064 |
| Income from data processing services | | 7,949 | | | | | | 1,395 | | | |
| Other income | 2,641 | 5,654 | 5 | 54 | 320 | 366 | 29 | 13 | 730 | 1,061 | 97 |
| Total income | 1,671,204 | 1,029,060 | 48,981 | 28,330 | 145,002 | 77,039 | 71,126 | 46,655 | 209,433 | 120,724 | 134,017 |
| EXPENSES | | | | | | | | | | | |
| Interest and other costs: | | | | | | | | | | | |
| Interest and concessions—consolidated obligations | 1,061,415 | 678,879 | 23,584 | 14,197 | 88,166 | 53,664 | 36,662 | 24,327 | 130,214 | 83,169 | 85,834 |
| Assessments—FHLB Board: | | | | | | | | | | | |
| Operating expenses | 3,886 | 3,717 | 151 | 162 | 422 | 429 | 181 | 176 | 594 | 575 | 317 |
| Amortization of capital expenditures | 179 | 170 | 8 | 8 | 22 | 20 | 6 | 10 | 28 | 27 | 15 |
| Amortization of cost of quarters | 883 | 870 | 36 | 35 | 98 | 96 | 43 | 43 | 140 | 138 | 73 |
| Assessments—Office of Finance | 1,194 | 1,352 | 64 | 79 | 131 | 114 | 74 | 84 | 147 | 180 | 103 |
| Interest on deposits | 333,005 | 144,063 | 18,332 | 7,442 | 25,156 | 2,533 | 17,226 | 10,734 | 39,945 | 11,447 | 25,295 |
| Other interest | 77 | 19 | | | | | | | 38 | 1 | |
| Total interest and other costs | 1,400,639 | 829,070 | 42,175 | 21,923 | 113,995 | 56,856 | 54,192 | 35,374 | 171,106 | 95,537 | 111,637 |
| Other operating expenses: | | | | | | | | | | | |
| Salaries and benefits | 12,820 | 14,266 | 532 | 457 | 1,715 | 1,502 | 966 | 1,409 | 1,367 | 1,291 | 1,368 |
| Fees and professional services | 900 | 965 | 58 | 47 | 101 | 64 | 50 | 60 | 108 | 60 | 67 |
| Travel expense | 716 | 720 | 47 | 39 | 84 | 61 | 43 | 48 | 68 | 68 | 68 |
| Telephone and transmission costs | 512 | 1,781 | 16 | 13 | 40 | 41 | 35 | 204 | 62 | 52 | 52 |
| Stationery and supplies | 2,398 | 2,373 | 34 | 25 | 382 | 323 | 248 | 279 | 180 | 137 | 315 |
| Cost of quarters | 1,840 | 2,233 | 121 | 125 | 293 | 269 | 136 | 225 | 203 | 196 | 205 |
| Depreciation—furniture and equipment | 274 | 699 | 13 | 14 | 26 | 25 | 18 | 70 | 28 | 26 | 24 |
| Equipment rental and expense | 2,258 | 3,343 | 51 | 34 | 206 | 144 | 246 | 391 | 160 | 145 | 225 |
| Other | 1,045 | 1,000 | 67 | 49 | 105 | 79 | 54 | 67 | 112 | 87 | 95 |
| Total other operating expenses | 22,763 | 27,380 | 939 | 803 | 2,952 | 2,508 | 1,796 | 2,753 | 2,288 | 2,062 | 2,419 |
| Total expenses | 1,423,402 | 856,450 | 43,114 | 22,726 | 116,947 | 59,364 | 55,988 | 38,127 | 173,394 | 97,599 | 114,056 |
| Net income | 247,802 | 172,610 | 5,867 | 5,604 | 28,055 | 17,675 | 15,138 | 8,528 | 36,039 | 23,125 | 19,961 |

Table S.3.9.—Federal Home Loan Banks: Combined Statement of Changes in Financial Position for the Six Months Ending June 30, 1979 and June 30, 1978
(In thousands)

| | Combined | | Boston | | New York | | Pittsburgh | | Atlanta | | Cinci |
|---|-------------------|-------------------|----------------|----------------|------------------|----------------|----------------|----------------|------------------|------------------|------------------|
| | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 |
| FINANCIAL RESOURCES WERE PROVIDED FROM: | | | | | | | | | | | |
| Operations: | | | | | | | | | | | |
| Net income | \$247,802 | \$172,610 | \$5,867 | \$5,604 | \$28,055 | \$17,675 | \$15,138 | \$8,528 | \$36,039 | \$23,125 | \$19,961 |
| Noncash charges/(credit) to income: | | | | | | | | | | | |
| Depreciation and amortization of fixed assets | 584 | 1,246 | 19 | 21 | 71 | 60 | 26 | 81 | 31 | 28 | 115 |
| Amortization of concessions on C/O bonds | 5,271 | 3,577 | 101 | 74 | 435 | 368 | 205 | 147 | 658 | 438 | 450 |
| Amortization of FHLBB assessments | 1,062 | 994 | 44 | 43 | 119 | 116 | 49 | 53 | 168 | 164 | 88 |
| Other | (675) | (146) | (567) | (38) | | 1 | (1) | | | (1) | |
| Total from operations | 254,044 | 178,281 | 5,464 | 5,704 | 28,680 | 18,220 | 15,417 | 8,809 | 36,896 | 23,754 | 20,614 |
| Net proceeds from issuance of C/O Bonds | 3,794,153 | 4,293,501 | 54,923 | 81,877 | 149,771 | 251,625 | 196,700 | 170,742 | 499,234 | 681,965 | 372,434 |
| Discount notes | 3,732,798 | 3,473,761 | 159,487 | 61,996 | 309,384 | 283,412 | 759 | 42,999 | 694,100 | 480,919 | 96,164 |
| Advances repaid | 9,978,330 | 6,358,328 | 329,573 | 280,842 | 681,868 | 254,454 | 546,058 | 292,898 | 720,610 | 360,376 | 474,709 |
| Proceeds from sale of capital stock | 510,908 | 549,521 | 20,645 | 13,899 | 55,482 | 42,214 | 22,031 | 21,017 | 93,420 | 92,333 | 25,399 |
| Net deposits (advances) between other FHL Banks | | | (2,000) | 11,500 | 50,000 | | | | 20,000 | | |
| Increase (decrease) in deposits | 1,742,403 | 857,469 | 122,510 | 57,189 | 142,499 | 67,689 | 126,300 | 17,015 | 252,114 | 201,650 | 204,458 |
| Increase (decrease) in securities sold under agreements to repurchase | | | | | | | | | | | |
| Increase (decrease) in accrued interest payable | 71,505 | 48,991 | 875 | 749 | 6,927 | 2,247 | 3,556 | 1,212 | 4,078 | 4,192 | 6,462 |
| Amortization of discount on C/O discount notes | 190,333 | 55,369 | 6,993 | 724 | 21,542 | 4,122 | 3,835 | 410 | (13,499) | 8,602 | 11,539 |
| Increase (decrease) in other liabilities | (14,022) | (13,429) | 738 | 1,079 | (6,404) | 7,785 | (355) | 28 | 379 | 265 | (44) |
| Total | 20,260,452 | 15,801,792 | 701,208 | 502,059 | 1,401,249 | 981,768 | 914,301 | 555,130 | 2,307,332 | 1,854,056 | 1,211,735 |
| FINANCIAL RESOURCES WERE USED FOR: | | | | | | | | | | | |
| Payments on maturing C/O Bonds | 3,144,585 | 1,404,515 | 85,685 | 64,160 | 272,985 | 235,000 | 150,875 | 91,000 | 451,720 | 276,810 | 263,770 |
| Discount notes | 3,806,400 | 2,480,441 | 93,600 | 7,900 | 309,400 | 219,840 | 111,700 | 12,800 | 490,050 | 331,200 | 323,050 |
| Advances made | 12,378,872 | 11,458,957 | 455,879 | 350,460 | 692,389 | 724,991 | 528,557 | 376,878 | 1,153,403 | 1,096,291 | 579,644 |
| Redemption of capital stock | 34,438 | 26,342 | 2,545 | 4,963 | 2,309 | 1,039 | 3,789 | 3,282 | 2,002 | 1,925 | 8,509 |
| Dividends on capital stock | | | | | | | | | | | |
| Net additions to Bank premises and equipment | 261 | 1,621 | 9 | 9 | 51 | 39 | 11 | 8 | 9 | 48 | 33,216 |
| Increase (decrease) in investments | 856,158 | 372,787 | 61,669 | 70,765 | 131,411 | (213,795) | 119,622 | 70,382 | 211,595 | 163,914 | |
| Increase (decrease) in accrued interest receivable | 29,927 | (9,930) | 461 | 228 | 1,090 | 3,274 | (188) | 585 | (131) | (15,202) | (175) |
| Increase (decrease) in other assets | (2,351) | 12,584 | (257) | 3,230 | (2,487) | 7,946 | (51) | 78 | 62 | 342 | 126 |
| Increase (decrease) in cash | 12,162 | 54,475 | 1,626 | 344 | (5,899) | 3,434 | (14) | 117 | (1,378) | (1,272) | 3,595 |
| Total | 20,260,452 | 15,801,792 | 701,208 | 502,059 | 1,401,249 | 981,768 | 914,301 | 555,130 | 2,307,332 | 1,854,056 | 1,211,735 |

Note: Because of rounding, minor differences may occur in some totals.

| nnati | Indianapolis | | Chicago | | Des Moines | | Little Rock | | Topeka | | San Francisco | | Seattle | |
|-------|--------------|----------|----------|-----------|------------|-----------|-------------|-----------|----------|----------|---------------|-----------|-----------|-----------|
| | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 |
| | \$65,655 | \$46,291 | \$23,661 | \$116,625 | \$76,449 | \$108,890 | \$61,335 | \$104,343 | \$63,690 | \$83,219 | \$59,666 | \$363,718 | \$208,642 | \$101,482 |
| | 15,434 | 12,613 | 9,719 | 18,664 | 12,882 | 12,541 | 9,669 | 21,250 | 13,067 | 4,965 | 7,220 | 50,922 | 34,657 | 10,765 |
| | | | | | 1 | | | | | | | | | |
| | 2,121 | 26 | 2,864 | 417 | 1,152 | 1,119 | 2,539 | 1,091 | 1,083 | 545 | 767 | 1,699 | 3,244 | |
| | 1,651 | | | | 1,910 | | 2,993 | | | | | | | |
| | 265 | 40 | 132 | 175 | 933 | 50 | 314 | 375 | 350 | 183 | 1,115 | 583 | 960 | 54 |
| | 85,126 | 58,970 | 36,376 | 135,881 | 93,327 | 122,600 | 76,850 | 127,059 | 78,190 | 88,912 | 68,768 | 416,922 | 247,503 | 112,301 |
| | 54,748 | 30,551 | 19,982 | 88,005 | 61,162 | 78,788 | 53,051 | 85,197 | 50,504 | 67,962 | 51,527 | 266,561 | 161,950 | 79,891 |
| | 309 | 172 | 167 | 360 | 349 | 248 | 234 | 280 | 265 | 194 | 181 | 752 | 692 | 215 |
| | 14 | 8 | 8 | 17 | 15 | 11 | 11 | 13 | 12 | 9 | 8 | 34 | 30 | 8 |
| | 72 | 38 | 38 | 85 | 83 | 54 | 53 | 57 | 56 | 42 | 42 | 181 | 178 | 36 |
| | 115 | 74 | 87 | 100 | 103 | 77 | 96 | 96 | 112 | 71 | 87 | 182 | 211 | 75 |
| | 12,104 | 16,527 | 5,717 | 22,571 | 10,978 | 27,445 | 6,113 | 20,630 | 11,840 | 9,581 | 8,131 | 94,342 | 47,634 | 15,955 |
| | | | | | 1 | | | | | 1 | | 7 | 15 | 31 |
| | 67,362 | 47,370 | 25,999 | 111,138 | 72,691 | 106,623 | 59,558 | 106,273 | 62,789 | 77,860 | 59,976 | 362,059 | 210,710 | 96,211 |
| | 1,850 | 757 | 785 | 945 | 1,364 | 768 | 1,432 | 910 | 864 | 360 | 329 | 2,636 | 2,503 | 496 |
| | 186 | 75 | 66 | 63 | 89 | 50 | 65 | 55 | 31 | 46 | 40 | 178 | 213 | 49 |
| | 100 | 45 | 48 | 53 | 74 | 49 | 73 | 87 | 65 | 38 | 27 | 92 | 81 | 42 |
| | 385 | 24 | 24 | 35 | 305 | 33 | 571 | 86 | 63 | 21 | 17 | 82 | 89 | 26 |
| | 330 | 168 | 118 | 128 | 198 | 284 | 393 | 226 | 176 | 115 | 94 | 199 | 212 | 119 |
| | 292 | 116 | 119 | 177 | 316 | 173 | 257 | 55 | 51 | 37 | 34 | 227 | 256 | 97 |
| | 29 | 13 | 13 | 19 | 237 | 43 | 198 | 14 | 4 | 4 | 35 | 34 | 34 | 37 |
| | 524 | 140 | 152 | 224 | 521 | 63 | 522 | 99 | 85 | 116 | 105 | 704 | 698 | 24 |
| | 89 | 31 | 36 | 97 | 170 | 67 | 135 | 101 | 40 | 39 | 16 | 207 | | |

Savings and Loan Associations

Table S.4.1.—All Operating Savings and Loan Associations: Balance Sheet Data and Commitments
(In millions of dollars)

| End of period | Assets | | | Total assets: total liabilities, and net worth | Liabilities and reserves | | | | | Loan commitments outstanding ¹ |
|-------------------|---|----------------|--------------|--|--------------------------|-------------------------------------|------------------|-------------------|------------------------|---|
| | Cash and investment securities ¹ | Mortgage loans | Other assets | | Savings capital | FHLB advances, other borrowed money | Loans in process | Other liabilities | Net worth ² | |
| 1975 ⁴ | 30,853 | 278,590 | 28,790 | 338,233 | 286,043 | 20,634 | 5,128 | 6,949 | 19,779 | 10,673 |
| 1976 | 35,724 | 323,005 | 33,179 | 391,907 | 333,912 | 19,083 | 6,840 | 8,074 | 21,998 | 14,826 |
| 1977 | 39,150 | 381,163 | 38,928 | 459,241 | 386,800 | 27,840 | 9,911 | 9,506 | 25,184 | 19,875 |
| 1978 | | | | | | | | | | |
| June | 41,505 | 407,965 | 42,106 | 491,576 | 408,586 | 34,270 | 11,632 | 10,046 | 27,042 | 22,927 |
| July | 43,627 | 411,956 | 42,718 | 498,301 | 411,660 | 35,730 | 11,540 | 11,972 | 27,399 | 22,393 |
| Aug. | 44,188 | 416,677 | 43,433 | 504,298 | 413,972 | 37,219 | 11,422 | 13,906 | 27,779 | 22,047 |
| Sept. | 43,987 | 420,971 | 44,019 | 508,977 | 420,405 | 38,595 | 11,222 | 10,676 | 28,079 | 21,648 |
| Oct. | 45,577 | 425,236 | 44,539 | 515,352 | 423,050 | 39,873 | 11,165 | 12,832 | 28,432 | 21,503 |
| Nov. | 45,869 | 429,420 | 45,388 | 520,677 | 425,207 | 40,981 | 11,015 | 14,666 | 28,808 | 20,738 |
| Dec. | 44,955 | 432,858 | 45,936 | 523,649 | 431,009 | 42,960 | 10,737 | 9,918 | 29,025 | 18,911 |
| 1979 | | | | | | | | | | |
| Jan. | 47,653 | 435,460 | 46,707 | 529,820 | 435,752 | 42,368 | 10,445 | 11,971 | 29,284 | 18,053 |
| Feb. | 49,018 | 437,905 | 47,245 | 534,168 | 438,633 | 41,368 | 10,287 | 14,252 | 29,630 | 19,038 |
| Mar. | 50,130 | 441,420 | 48,165 | 539,715 | 446,981 | 41,592 | 10,346 | 10,919 | 29,871 | 21,085 |
| Apr. | 48,674 | 445,705 | 49,080 | 543,459 | 445,831 | 43,765 | 10,706 | 12,971 | 30,186 | 22,923 |
| May | 48,257 | 451,054 | 49,870 | 549,181 | 447,872 | 44,380 | 11,136 | 15,283 | 30,510 | 23,569 |
| June ¹ | 48,133 | 456,502 | 50,703 | 555,338 | 454,718 | 46,865 | 11,259 | 11,707 | 30,789 | 22,766 |

¹ Includes cash and demand deposits, U.S. Government and Federal Agency securities, bankers' acceptances and miscellaneous securities other than FHLB stock.

² Includes net undistributed income accrued by most, but not all associations.

³ Not a balance sheet item.

⁴ Data for the period specified reflect an increase in savings and mortgage balances of the indicated amount caused by addition of newly organized associations or a decrease (—) caused by conversion or merger into mutual savings and commercial banks or by liquidation.

| Period | Mortgages | Savings |
|-----------|--------------|--------------|
| 1975 | 35 million | 35 million |
| 1976—July | —281 million | —342 million |
| Dec | —56 million | —80 million |
| 1977—Jan | —33 million | —37 million |
| June | 2 million | 4 million |
| Oct | —87 million | —97 million |

| Period | Mortgages | Savings |
|----------|--------------|--------------|
| 1978—Jan | —299 million | —378 million |
| Apr | —61 million | —56 million |
| July | 3 million | 4 million |
| Sept | —20 million | —23 million |
| Oct | —176 million | —156 million |
| Nov | 1 million | 6 million |
| Dec | —95 million | —107 million |
| 1979—Jan | 0 | 4 million |

¹ Preliminary data based on incomplete reporting.

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 become available.

Table S.4.2.—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 | |
| | | | | Interest/dividends credited | New savings received | Total | | | | |
| 1975 | 154,644 | 111,838 | 42,806 | 12,752 | 138,354 | 151,106 | 109,054 | 42,051 | 29,298 | |
| 1976 | 184,210 | 133,625 | 50,585 | 15,360 | 165,434 | 180,794 | 131,064 | 49,728 | 34,369 | |
| 1977 | 218,250 | 167,234 | 51,016 | 18,189 | 196,315 | 214,504 | 164,312 | 50,192 | 32,033 | |
| 1978 | 270,897 | 225,977 | 44,920 | 20,713 | 245,701 | 266,414 | 222,239 | 44,175 | 23,462 | |
| 1978 | | | | | | | | | | |
| June | 27,151 | 20,496 | 6,655 | 4,801 | 21,902 | 26,703 | 20,157 | 6,545 | 1,744 | |
| July | 24,408 | 21,338 | 3,070 | 207 | 23,803 | 24,010 | 20,991 | 3,020 | 2,812 | |
| Aug. | 21,108 | 18,796 | 2,312 | 205 | 20,556 | 20,761 | 18,487 | 2,274 | 2,069 | |
| Sept. | 24,168 | 17,712 | 6,456 | 4,743 | 19,025 | 23,768 | 17,418 | 6,349 | 1,606 | |
| Oct. | 24,145 | 21,343 | 2,802 | 221 | 23,519 | 23,740 | 20,985 | 2,755 | 2,534 | |
| Nov. | 21,837 | 19,686 | 2,151 | 219 | 21,262 | 21,481 | 19,365 | 2,116 | 1,897 | |
| Dec. | 27,545 | 21,636 | 5,909 | 5,101 | 21,987 | 27,088 | 21,277 | 5,811 | 710 | |
| 1979 | | | | | | | | | | |
| Jan. | 33,441 | 28,702 | 4,739 | 284 | 32,607 | 32,891 | 28,230 | 4,661 | 4,377 | |
| Feb. | 20,546 | 17,665 | 2,881 | 254 | 19,957 | 20,211 | 17,377 | 2,834 | 2,580 | |
| Mar. | 30,108 | 21,761 | 8,347 | 5,064 | 24,551 | 29,615 | 21,404 | 8,210 | 3,146 | |
| Apr. | 26,535 | 27,685 | —1,150 | 360 | 25,715 | 26,075 | 27,204 | —1,130 | —1,490 | |
| May | 25,752 | 23,711 | 2,041 | 379 | 24,943 | 25,322 | 23,316 | 2,007 | 1,627 | |
| June ¹ | 30,957 | 24,113 | 6,844 | 5,275 | 25,171 | 30,446 | 23,715 | 6,731 | 1,455 | |

¹ Gross savings receipts less withdrawals.

² New savings received less withdrawals.

³ Preliminary data based on incomplete reporting.

Note: FHLBB data. All operating association data are estimates as described in the note to table S.4.1. Gross receipts and withdrawals for some months are overstated because of the inclusion of transfers among accounts at some associations.

Table S.4.3.—Net Savings Inflow at Savings and Loan Associations
(In millions of dollars)

| Period | All operating associations | FSLIC-insured associations | | | | | | | | | | | | |
|-------------------|----------------------------|----------------------------|---------------------------------|----------|------------|---------|------------|--------------|---------|------------|-------------|--------|---------------|---------|
| | | United States | Federal Home Loan Bank District | | | | | | | | | | | |
| | | | Boston | New York | Pittsburgh | Atlanta | Cincinnati | Indianapolis | Chicago | Des Moines | Little Rock | Topeka | San Francisco | Seattle |
| 1975 | 43,121 | 42,051 | 767 | 3,924 | 1,949 | 7,851 | 3,351 | 1,950 | 3,765 | 2,603 | 3,601 | 1,891 | 8,375 | 2,025 |
| 1976 | 50,703 | 49,728 | 795 | 4,006 | 2,219 | 9,053 | 4,003 | 2,362 | 4,809 | 2,988 | 4,535 | 2,105 | 10,511 | 2,343 |
| 1977 | 51,016 | 50,192 | 730 | 4,093 | 2,082 | 9,392 | 3,948 | 2,411 | 4,877 | 2,876 | 4,747 | 2,074 | 10,577 | 2,386 |
| 1978 | 44,920 | 44,175 | 579 | 2,995 | 1,710 | 8,927 | 3,534 | 2,236 | 4,290 | 2,584 | 4,466 | 2,098 | 8,707 | 2,049 |
| 1978 | | | | | | | | | | | | | | |
| June | 6,655 | 6,545 | 78 | 493 | 300 | 1,084 | 548 | 383 | 638 | 396 | 602 | 293 | 1,431 | 298 |
| July | 3,070 | 3,020 | 60 | 141 | 103 | 676 | 189 | 141 | 245 | 145 | 380 | 136 | 665 | 138 |
| Aug. | 2,312 | 2,274 | 56 | 140 | 75 | 522 | 185 | 101 | 139 | 135 | 217 | 118 | 468 | 119 |
| Sept. | 6,456 | 6,349 | 77 | 471 | 246 | 1,138 | 560 | 351 | 626 | 385 | 579 | 285 | 1,324 | 307 |
| Oct. | 2,802 | 2,755 | 36 | 20 | 66 | 670 | 186 | 133 | 267 | 151 | 304 | 163 | 615 | 144 |
| Nov. | 2,151 | 2,116 | 18 | 106 | 55 | 445 | 196 | 98 | 275 | 136 | 257 | 119 | 360 | 50 |
| Dec. | 5,909 | 5,811 | 35 | 456 | 291 | 1,140 | 524 | 295 | 644 | 354 | 473 | 260 | 1,024 | 315 |
| 1979 | | | | | | | | | | | | | | |
| Jan. | 4,739 | 4,661 | 44 | 334 | 132 | 1,099 | 258 | 248 | 419 | 266 | 516 | 236 | 866 | 244 |
| Feb. | 2,881 | 2,834 | 51 | 262 | 135 | 556 | 194 | 135 | 280 | 125 | 307 | 137 | 508 | 144 |
| Mar. | 8,347 | 8,210 | 93 | 725 | 312 | 1,345 | 671 | 431 | 841 | 468 | 713 | 387 | 1,839 | 384 |
| Apr. | -1,150 | -1,130 | -5 | -74 | -76 | -150 | -110 | -47 | -60 | -89 | -103 | -12 | -307 | -98 |
| May | 2,041 | 2,007 | 25 | 199 | 47 | 236 | 109 | 65 | 133 | 43 | 171 | 63 | 818 | 98 |
| June ¹ | 6,844 | 6,731 | 48 | 553 | 259 | 911 | 472 | 296 | 547 | 312 | 475 | 256 | 2,244 | 359 |

¹ Preliminary data based on incomplete reporting.
Note: FHLBB data. All operating association data are estimates as described in the note to table S.491. Detail may not add to total because of rounding.

Table S.4.4.—Net New Savings Received by FSLIC-Insured Savings and Loan Associations
(In millions of dollars)

| Period | United States | Federal Home Loan Bank District | | | | | | | | | | | | |
|-------------------|---------------|---------------------------------|----------|------------|---------|------------|--------------|---------|------------|-------------|--------|---------------|---------|--|
| | | Boston | New York | Pittsburgh | Atlanta | Cincinnati | Indianapolis | Chicago | Des Moines | Little Rock | Topeka | San Francisco | Seattle | |
| 1975 | 29,298 | 449 | 2,464 | 1,383 | 5,609 | 2,208 | 1,273 | 2,538 | 1,851 | 2,716 | 1,401 | 6,015 | 1,415 | |
| 1976 | 34,369 | 429 | 2,284 | 1,523 | 6,371 | 2,650 | 1,568 | 3,331 | 2,088 | 3,427 | 1,509 | 7,580 | 1,607 | |
| 1977 | 32,033 | 315 | 2,134 | 1,277 | 6,193 | 2,379 | 1,469 | 3,130 | 1,822 | 3,384 | 1,372 | 7,013 | 1,515 | |
| 1978 | 23,462 | 133 | 862 | 812 | 5,219 | 1,744 | 1,179 | 2,303 | 1,385 | 2,859 | 1,284 | 4,645 | 1,038 | |
| 1978 | | | | | | | | | | | | | | |
| June | 1,744 | 25 | 15 | 63 | 260 | 115 | 121 | 193 | 116 | 224 | 106 | 449 | 57 | |
| July | 2,812 | 31 | 111 | 94 | 634 | 171 | 135 | 214 | 135 | 366 | 129 | 660 | 132 | |
| Aug. | 2,069 | 27 | 109 | 67 | 472 | 170 | 95 | 113 | 127 | 205 | 111 | 461 | 112 | |
| Sept. | 1,606 | 27 | -1 | 71 | 293 | 158 | 104 | 179 | 106 | 204 | 95 | 305 | 64 | |
| Oct. | 2,534 | 6 | -12 | 56 | 624 | 168 | 125 | 232 | 141 | 289 | 155 | 610 | 139 | |
| Nov. | 1,897 | -16 | 75 | 47 | 391 | 181 | 91 | 248 | 127 | 245 | 111 | 351 | 44 | |
| Dec. | 710 | -18 | -46 | 37 | 249 | 67 | 28 | 195 | 50 | 68 | 58 | -34 | 55 | |
| 1979 | | | | | | | | | | | | | | |
| Jan. | 4,377 | 12 | 298 | 119 | 1,039 | 235 | 234 | 379 | 253 | 497 | 225 | 851 | 236 | |
| Feb. | 2,580 | 17 | 229 | 126 | 495 | 176 | 119 | 251 | 114 | 293 | 128 | 495 | 137 | |
| Mar. | 3,146 | 42 | 231 | 131 | 437 | 252 | 191 | 389 | 171 | 295 | 180 | 697 | 130 | |
| Apr. | -1,490 | -36 | -113 | -90 | -263 | -137 | -62 | -105 | -104 | -123 | -25 | -323 | -108 | |
| May | 1,627 | -11 | 152 | 31 | 143 | 80 | 47 | 88 | 28 | 151 | 48 | 789 | 82 | |
| June ¹ | 1,455 | -8 | 25 | 14 | 7 | 16 | 31 | 70 | 11 | 55 | 44 | 1,097 | 92 | |

¹ Preliminary data based on incomplete reporting.
Note: FHLBB data. Net new savings received equal new savings (exclusive of interest/dividends credited) less withdrawals. Detail may not add to total because of rounding.

Table S.4.5.—Mortgage Loan Activity of Savings and Loan Associations
(In millions of dollars)

| Period | All operating associations total loans closed | FSLIC-insured associations | | | | | | | | | | | Loans and participations purchased | Loans and participations sold | Net loan repayments ¹ |
|-------------------|---|----------------------------|----------------------|----------------------|------------------|---------------------|----------------------|----------------------------|--------|-------|-------------|--------|------------------------------------|-------------------------------|----------------------------------|
| | | Loans closed | | | | | | | | | Refinancing | Other | | | |
| | | Total | Construction of— | | | Purchase of— | | | | | | | | | |
| | | | 1- to 4-family homes | Other dwelling units | Other structures | 1 to 4-family homes | Other dwelling units | Other improved real estate | | | | | | | |
| 1975 | 55,040 | 53,799 | 8,492 | 1,376 | 1,737 | 30,024 | 1,360 | 1,515 | 6,101 | 3,194 | 8,554 | 5,206 | 28,230 | | |
| 1976 | 78,776 | 71,103 | 12,686 | 1,816 | 2,049 | 44,752 | 2,463 | 1,786 | 7,980 | 3,571 | 12,799 | 8,447 | 37,335 | | |
| 1977 | 107,368 | 105,287 | 17,845 | 2,472 | 2,252 | 61,313 | 3,470 | 1,908 | 11,370 | 4,657 | 14,497 | 13,846 | 48,467 | | |
| 1978 | 110,294 | 108,273 | 19,767 | 2,316 | 2,168 | 64,384 | 2,743 | 1,676 | 10,724 | 4,495 | 10,984 | 15,485 | 52,196 | | |
| 1978 | | | | | | | | | | | | | | | |
| June | 11,472 | 11,262 | 1,990 | 234 | 225 | 6,968 | 256 | 181 | 967 | 441 | 950 | 1,281 | 5,356 | | |
| July | 9,031 | 8,866 | 1,610 | 168 | 148 | 5,468 | 183 | 130 | 780 | 379 | 859 | 1,129 | 4,566 | | |
| Aug | 10,398 | 10,208 | 1,750 | 196 | 191 | 6,480 | 225 | 116 | 887 | 334 | 974 | 1,449 | 5,073 | | |
| Sept | 9,305 | 9,135 | 1,571 | 202 | 191 | 5,760 | 179 | 114 | 784 | 333 | 865 | 1,329 | 4,415 | | |
| Oct | 9,674 | 9,497 | 1,728 | 252 | 155 | 5,753 | 213 | 125 | 874 | 397 | 967 | 1,563 | 4,532 | | |
| Nov | 9,165 | 8,998 | 1,587 | 174 | 203 | 5,481 | 189 | 118 | 904 | 343 | 842 | 1,464 | 4,253 | | |
| Dec | 8,426 | 8,272 | 1,507 | 155 | 166 | 4,823 | 200 | 149 | 895 | 377 | 904 | 1,575 | 4,121 | | |
| 1979 | | | | | | | | | | | | | | | |
| Jan | 6,679 | 6,556 | 1,254 | 139 | 154 | 3,708 | 179 | 117 | 688 | 315 | 791 | 1,084 | 3,689 | | |
| Feb | 5,691 | 5,587 | 1,089 | 160 | 120 | 3,123 | 138 | 95 | 571 | 290 | 776 | 1,071 | 2,878 | | |
| Mar | 7,707 | 7,566 | 1,545 | 126 | 143 | 4,372 | 163 | 114 | 769 | 334 | 1,083 | 1,313 | 3,871 | | |
| Apr | 8,650 | 8,491 | 1,673 | 170 | 154 | 5,020 | 162 | 105 | 848 | 359 | 965 | 1,279 | 3,951 | | |
| May | 10,401 | 10,211 | 1,913 | 200 | 203 | 6,201 | 227 | 122 | 963 | 382 | 989 | 1,400 | 4,530 | | |
| June ² | 10,844 | 10,646 | 1,867 | 203 | 197 | 6,667 | 203 | 152 | 939 | 417 | 905 | 1,339 | 4,845 | | |

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.4.1.

Table S.4.6.—Mortgage Loans Closed by Savings and Loan Associations
(In millions of dollars)

| Period | All operating associations | FSLIC-insured associations | | | | | | | | | | | | |
|-------------------|----------------------------|----------------------------|---------------------------------|----------|------------|---------|------------|--------------|---------|------------|-------------|--------|---------------|---------|
| | | United States | Federal Home Loan Bank District | | | | | | | | | | | |
| | | | Boston | New York | Pittsburgh | Atlanta | Cincinnati | Indianapolis | Chicago | Des Moines | Little Rock | Topeka | San Francisco | Seattle |
| 1975 | 55,040 | 53,798 | 1,022 | 3,062 | 2,433 | 9,033 | 5,283 | 2,365 | 5,164 | 2,944 | 5,225 | 2,716 | 11,424 | 3,133 |
| 1976 | 78,776 | 78,776 | 1,192 | 3,680 | 3,012 | 11,712 | 6,943 | 3,423 | 7,730 | 4,240 | 7,661 | 3,867 | 19,067 | 4,577 |
| 1977 | 107,368 | 105,287 | 1,473 | 4,199 | 3,903 | 15,399 | 9,387 | 4,624 | 10,675 | 5,859 | 10,918 | 5,597 | 26,603 | 6,648 |
| 1978 | 110,294 | 108,273 | 1,504 | 4,147 | 4,116 | 16,876 | 9,582 | 5,098 | 10,572 | 6,011 | 10,972 | 5,975 | 26,362 | 7,059 |
| 1978 | | | | | | | | | | | | | | |
| June | 11,472 | 11,262 | 185 | 483 | 511 | 1,762 | 1,098 | 552 | 1,129 | 663 | 1,076 | 594 | 2,537 | 673 |
| July | 9,031 | 8,866 | 140 | 407 | 404 | 1,436 | 881 | 479 | 842 | 505 | 868 | 485 | 1,873 | 548 |
| Aug | 10,398 | 10,208 | 159 | 431 | 428 | 1,527 | 970 | 540 | 1,005 | 604 | 1,035 | 556 | 2,347 | 606 |
| Sept | 9,305 | 9,135 | 142 | 346 | 364 | 1,295 | 849 | 471 | 903 | 556 | 890 | 497 | 2,283 | 540 |
| Oct | 9,674 | 9,497 | 146 | 327 | 350 | 1,370 | 795 | 454 | 935 | 522 | 959 | 534 | 2,498 | 607 |
| Nov | 9,165 | 8,998 | 133 | 324 | 301 | 1,362 | 737 | 431 | 830 | 492 | 840 | 511 | 2,493 | 534 |
| Dec | 8,426 | 8,272 | 115 | 335 | 271 | 1,387 | 635 | 391 | 753 | 461 | 804 | 472 | 2,122 | 526 |
| 1979 | | | | | | | | | | | | | | |
| Jan | 6,679 | 6,556 | 79 | 253 | 216 | 1,172 | 471 | 267 | 545 | 327 | 661 | 361 | 1,739 | 467 |
| Feb | 5,691 | 5,587 | 59 | 176 | 151 | 1,023 | 402 | 223 | 476 | 254 | 556 | 316 | 1,562 | 390 |
| Mar | 7,707 | 7,566 | 79 | 215 | 229 | 1,277 | 617 | 325 | 642 | 339 | 727 | 448 | 2,142 | 526 |
| Apr | 8,650 | 8,491 | 110 | 224 | 281 | 1,283 | 766 | 376 | 772 | 411 | 735 | 521 | 2,464 | 548 |
| May | 10,401 | 10,211 | 132 | 242 | 342 | 1,526 | 933 | 476 | 1,018 | 511 | 815 | 589 | 2,961 | 667 |
| June ¹ | 10,844 | 10,646 | 166 | 316 | 397 | 1,604 | 926 | 521 | 1,136 | 561 | 757 | 610 | 2,962 | 689 |

¹ Preliminary data based on incomplete reporting.

Note: FHLBB data. All operating association data are estimates as described in the note to table S.4.1. Detail may not add to total because of rounding.

Table S.4.7.—Mortgage Debt Held by All Operating Savings and Loan Associations by Type of Property and Mortgage ¹
(In millions of dollars)

| End of year and quarter | Total | 1- to 4-family homes | | | Residential property with 5 or more dwelling units | | | Nonresidential | | | |
|-------------------------|---------|----------------------|--------|--------|--|--------|-------|----------------|--------|-------|--------|
| | | Total | FHA | VA | Conventional | Total | FHA | Conventional | Total | Land | Other |
| 1972 ² | 206,182 | 166,410 | 14,057 | 13,474 | 138,879 | 21,051 | 1,343 | 19,708 | 18,721 | 1,814 | 16,907 |
| 1973 ² | 231,733 | 187,078 | 13,813 | 14,604 | 158,661 | 22,779 | 1,321 | 21,458 | 21,876 | 2,294 | 19,582 |
| 1974 ² | 249,301 | 200,987 | 13,472 | 15,166 | 172,349 | 23,808 | 1,246 | 22,562 | 24,506 | 2,643 | 21,863 |
| 1975 | 278,590 | 223,903 | 13,450 | 15,968 | 194,485 | 25,547 | 1,172 | 24,375 | 29,140 | 3,064 | 26,076 |
| 1976 | | | | | | | | | | | |
| Mar ³ | 286,296 | 230,395 | 13,598 | 16,318 | 200,479 | 25,937 | 1,231 | 24,706 | 29,944 | 3,120 | 26,824 |
| June ² | 299,238 | 240,976 | 13,645 | 16,578 | 210,753 | 26,812 | 1,287 | 25,525 | 31,450 | 3,202 | 28,248 |
| Sept ² | 311,753 | 251,553 | 13,561 | 16,648 | 221,344 | 27,497 | 1,341 | 26,156 | 32,703 | 3,305 | 29,398 |
| Dec ² | 323,005 | 260,794 | 13,372 | 16,602 | 230,820 | 28,425 | 1,357 | 27,068 | 33,786 | 3,392 | 30,394 |
| 1977 ⁴ | | | | | | | | | | | |
| Mar | 333,565 | 269,821 | 13,109 | 16,411 | 240,301 | 29,187 | 1,401 | 27,786 | 34,557 | 3,502 | 31,055 |
| June | 350,609 | 284,414 | 13,008 | 16,479 | 254,927 | 30,503 | 1,437 | 29,066 | 35,692 | 3,646 | 32,046 |
| Sept | 366,800 | 298,429 | 12,801 | 16,433 | 269,195 | 31,581 | 1,467 | 30,114 | 36,790 | 3,815 | 32,975 |
| Dec | 381,163 | 310,686 | 12,426 | 16,238 | 282,022 | 32,513 | 1,487 | 31,026 | 37,964 | 4,002 | 33,962 |
| 1978 ⁵ | | | | | | | | | | | |
| Mar | 392,428 | 320,064 | 12,205 | 16,050 | 291,809 | 33,592 | 1,452 | 32,140 | 32,772 | 4,120 | 34,652 |
| June | 407,965 | 334,164 | 12,076 | 15,992 | 306,096 | 34,351 | 1,428 | 32,923 | 39,450 | 4,324 | 35,126 |
| Sept | 420,971 | 345,617 | 11,956 | 15,913 | 317,748 | 35,362 | 1,431 | 33,931 | 39,992 | 4,420 | 35,572 |
| Dec | 432,858 | 356,156 | 11,817 | 15,799 | 328,540 | 36,057 | 1,428 | 34,629 | 40,645 | 4,458 | 36,187 |

¹ Distribution is estimated primarily on the basis of data reported semiannually by FSLIC-insured associations.
² Data for the indicated period reflect an increase in total mortgage balances caused by an addition of newly organized associations, or a decrease caused by conversion or merges into mutual savings banks or by liquidation in the following amounts: 1972, \$—78 million; 1973, \$—35 million; 1974, \$—63 million; 1975—

1st, \$—17 million; 2d, \$—18 million; 1976—3d, \$—281 million; 4th, \$—56 million; 1977—1st, \$—37 million.
³ Correction of misclassified assets reduced total mortgage balances by \$250 million in 1976—3d and by \$100 million in 1976—1st.
⁴ Revised. ⁵ Preliminary.
 Note: FHLBB data.

Table S.4.8.—Average Cost of Funds ¹ to FSLIC-Insured Savings and Loan Associations, by Bank District
(Percent)

| Year half year | All Districts | Boston | New York | Pittsburgh | Atlanta | Cincinnati | Indianapolis | Chicago | Des Moines | Little Rock | Topeka | San Francisco | Seattle |
|-----------------|---------------|--------|----------|------------|---------|------------|--------------|---------|------------|-------------|--------|---------------|---------|
| 1974 | 6.14 | 6.04 | 5.95 | 6.04 | 6.17 | 6.08 | 5.92 | 6.11 | 6.17 | 6.27 | 6.23 | 6.27 | 6.15 |
| 1975 | 6.32 | 6.23 | 6.06 | 6.20 | 6.33 | 6.26 | 6.16 | 6.29 | 6.41 | 6.53 | 6.50 | 6.44 | 6.30 |
| 1976 | 6.38 | 6.22 | 6.12 | 6.27 | 6.37 | 6.35 | 6.24 | 6.39 | 6.49 | 6.61 | 6.57 | 6.45 | 6.35 |
| 1977 | 6.44 | 6.22 | 6.16 | 6.32 | 6.42 | 6.41 | 6.34 | 6.49 | 6.54 | 6.67 | 6.63 | 6.48 | 6.40 |
| 1978 | 6.67 | 6.37 | 6.37 | 6.53 | 6.61 | 6.64 | 6.54 | 6.71 | 6.73 | 6.87 | 6.79 | 6.80 | 6.66 |
| 1975 | | | | | | | | | | | | | |
| Jan.-June | 6.31 | 6.21 | 6.05 | 6.15 | 6.34 | 6.22 | 6.13 | 6.29 | 6.37 | 6.51 | 6.47 | 6.41 | 6.26 |
| July-Dec. | 6.34 | 6.25 | 6.10 | 6.24 | 6.34 | 6.30 | 6.19 | 6.31 | 6.44 | 6.55 | 6.52 | 6.42 | 6.34 |
| 1976 | | | | | | | | | | | | | |
| Jan.-June | 6.35 | 6.20 | 6.08 | 6.23 | 6.35 | 6.31 | 6.21 | 6.35 | 6.47 | 6.59 | 6.55 | 6.44 | 6.31 |
| July-Dec. | 6.40 | 6.24 | 6.15 | 6.31 | 6.39 | 6.38 | 6.26 | 6.43 | 6.51 | 6.62 | 6.59 | 6.45 | 6.39 |
| 1977 | | | | | | | | | | | | | |
| Jan.-June | 6.39 | 6.20 | 6.09 | 6.27 | 6.38 | 6.37 | 6.29 | 6.44 | 6.50 | 6.65 | 6.61 | 6.43 | 6.33 |
| July-Dec. | 6.48 | 6.23 | 6.22 | 6.37 | 6.45 | 6.45 | 6.39 | 6.54 | 6.57 | 6.69 | 6.65 | 6.53 | 6.46 |
| 1978 | | | | | | | | | | | | | |
| Jan.-June | 6.54 | 6.28 | 6.21 | 6.38 | 6.50 | 6.54 | 6.43 | 6.58 | 6.64 | 6.80 | 6.70 | 6.63 | 6.50 |
| July-Dec. | 6.79 | 6.46 | 6.52 | 6.67 | 6.71 | 6.73 | 6.65 | 6.84 | 6.81 | 6.93 | 6.88 | 6.97 | 6.82 |

¹ Interest and dividends paid on savings, FHLB advances and other borrowed money during period as a percent of average savings and borrowings. (Averages

based on 7 monthend figures for half years and 13 monthends for years; half-year data have been annualized by doubling.)

Table S.4.9.—Effective Interest/Dividend Rates Paid ¹ by FSLIC-Insured Savings and Loan Associations, by Bank District (Percent)

| Year or half year | All Districts | Boston | New York | Pitts-burgh | Atlanta | Cincinnati | Indian-apolis | Chicago | Des Moines | Little Rock | Topeka | San Francisco | Seattle |
|-------------------|---------------|--------|----------|-------------|---------|------------|---------------|---------|------------|-------------|--------|---------------|---------|
| 1974 | 5.96 | 5.82 | 5.77 | 5.85 | 5.99 | 5.94 | 5.83 | 5.93 | 6.02 | 6.14 | 6.08 | 6.01 | 5.92 |
| 1975 | 6.21 | 6.05 | 5.94 | 6.07 | 6.23 | 6.17 | 6.12 | 6.18 | 6.31 | 6.44 | 6.38 | 6.28 | 6.18 |
| 1976 | 6.31 | 6.11 | 6.05 | 6.19 | 6.32 | 6.29 | 6.25 | 6.33 | 6.43 | 6.55 | 6.48 | 6.35 | 6.27 |
| 1977 | 6.39 | 6.15 | 6.11 | 6.27 | 6.38 | 6.37 | 6.38 | 6.45 | 6.49 | 6.64 | 6.56 | 6.42 | 6.33 |
| 1978 | 6.56 | 6.25 | 6.25 | 6.41 | 6.53 | 6.55 | 6.55 | 6.61 | 6.62 | 6.79 | 6.69 | 6.64 | 6.50 |
| 1975 | | | | | | | | | | | | | |
| Jan.-June | 6.16 | 5.99 | 5.91 | 5.99 | 6.20 | 6.11 | 6.05 | 6.15 | 6.26 | 6.40 | 6.35 | 6.23 | 6.10 |
| July-Dec..... | 6.24 | 6.08 | 6.00 | 6.13 | 6.26 | 6.22 | 6.18 | 6.21 | 6.35 | 6.47 | 6.41 | 6.27 | 6.24 |
| 1976 | | | | | | | | | | | | | |
| Jan.-June | 6.28 | 6.08 | 6.00 | 6.15 | 6.30 | 6.25 | 6.21 | 6.28 | 6.40 | 6.53 | 6.46 | 6.33 | 6.23 |
| July-Dec..... | 6.34 | 6.13 | 6.09 | 6.23 | 6.34 | 6.32 | 6.29 | 6.37 | 6.45 | 6.59 | 6.50 | 6.36 | 6.31 |
| 1977 | | | | | | | | | | | | | |
| Jan.-June | 6.35 | 6.13 | 6.05 | 6.21 | 6.34 | 6.33 | 6.32 | 6.40 | 6.46 | 6.62 | 6.54 | 6.39 | 6.26 |
| July-Dec..... | 6.42 | 6.16 | 6.17 | 6.32 | 6.42 | 6.40 | 6.44 | 6.49 | 6.52 | 6.65 | 6.58 | 6.45 | 6.39 |
| 1978 | | | | | | | | | | | | | |
| Jan.-June | 6.46 | 6.18 | 6.13 | 6.30 | 6.45 | 6.47 | 6.46 | 6.50 | 6.56 | 6.73 | 6.62 | 6.51 | 6.37 |
| July-Dec..... | 6.65 | 6.31 | 6.36 | 6.52 | 6.61 | 6.62 | 6.64 | 6.71 | 6.68 | 6.84 | 6.75 | 6.77 | 6.62 |

¹ Interest/dividends paid on savings during period as a percent of average savings balances. (Averages based on 7 monthends for half years and 13 monthends for years; half-year ratios have been annualized by doubling.)

Table S.4.10.—Interest Return on Mortgages Held ¹ by FSLIC-Insured Savings and Loan Associations, by Bank District (Percent)

| Year or half year | All Districts | Boston | New York | Pitts-burgh | Atlanta | Cincinnati | Indian-apolis | Chicago | Des Moines | Little Rock | Topeka | San Francisco | Seattle |
|-------------------|---------------|--------|----------|-------------|---------|------------|---------------|---------|------------|-------------|--------|---------------|---------|
| 1974 | 7.43 | 7.33 | 7.03 | 7.32 | 7.53 | 7.47 | 7.47 | 7.25 | 7.41 | 7.63 | 7.54 | 7.51 | 7.69 |
| 1975 | 7.66 | 7.60 | 7.19 | 7.54 | 7.69 | 7.70 | 7.68 | 7.47 | 7.63 | 7.84 | 7.77 | 7.85 | 7.97 |
| 1976 | 7.95 | 7.80 | 7.46 | 7.83 | 7.94 | 7.98 | 7.96 | 7.83 | 7.91 | 8.15 | 8.06 | 8.11 | 8.32 |
| 1977 | 8.21 | 8.01 | 7.68 | 8.05 | 8.14 | 8.24 | 8.21 | 8.13 | 8.15 | 8.38 | 8.32 | 8.45 | 8.60 |
| 1978 | 8.47 | 8.17 | 7.88 | 8.28 | 8.37 | 8.43 | 8.44 | 8.41 | 8.40 | 8.64 | 8.56 | 8.75 | 8.88 |
| 1975 | | | | | | | | | | | | | |
| Jan.-June | 7.59 | 7.48 | 7.17 | 7.45 | 7.65 | 7.61 | 7.59 | 7.42 | 7.55 | 7.75 | 7.70 | 7.74 | 7.86 |
| July-Dec..... | 7.74 | 7.72 | 7.23 | 7.61 | 7.75 | 7.80 | 7.76 | 7.55 | 7.71 | 7.93 | 7.86 | 7.91 | 8.08 |
| 1976 | | | | | | | | | | | | | |
| Jan.-June | 7.87 | 7.72 | 7.39 | 7.76 | 7.87 | 7.90 | 7.88 | 7.73 | 7.82 | 8.06 | 7.98 | 8.03 | 8.21 |
| July-Dec..... | 8.03 | 7.87 | 7.52 | 7.89 | 8.00 | 8.06 | 8.04 | 7.92 | 8.00 | 8.24 | 8.13 | 8.18 | 8.43 |
| 1977 | | | | | | | | | | | | | |
| Jan.-June | 8.14 | 7.96 | 7.63 | 8.02 | 8.07 | 8.17 | 8.12 | 8.06 | 8.09 | 8.32 | 8.26 | 8.35 | 8.53 |
| July-Dec..... | 8.28 | 8.05 | 7.73 | 8.08 | 8.21 | 8.30 | 8.29 | 8.19 | 8.21 | 8.44 | 8.37 | 8.54 | 8.67 |
| 1978 | | | | | | | | | | | | | |
| Jan.-June | 8.39 | 8.12 | 7.83 | 8.20 | 8.30 | 8.40 | 8.35 | 8.31 | 8.34 | 8.58 | 8.47 | 8.63 | 8.80 |
| July-Dec..... | 8.54 | 8.22 | 7.92 | 8.35 | 8.43 | 8.46 | 8.52 | 8.50 | 8.46 | 8.69 | 8.65 | 8.87 | 8.96 |

¹ Interest earned on mortgages as a percent of average mortgage balances, net of loans in process. (Averages based on 7 monthends for half years and 13 monthends for years; half-year ratios have been annualized by doubling.)

Table S.4.11.—Minimum Ratio ¹ of Liquid Assets ² to Liquidity Base ³ Required of Members of the Federal Home Loan Bank System (Percent)

| Effective date | All liquid assets | Short-term liquid assets ⁴ | Effective date | All liquid assets | Short-term liquid assets ⁴ | Effective date | All liquid assets | Short-term liquid assets ⁴ |
|---------------------------|-------------------|---------------------------------------|----------------------------|-------------------|---------------------------------------|----------------|-------------------|---------------------------------------|
| Dec. 1950 | 6 | (⁵) | May 1, 1971 | 7½ | (⁶) | Apr. 1, 1975 | 5½ | 1½ |
| Mar. 1, 1961 ¹ | 7 | (⁵) | Aug. 1, 1971 | 7 | (⁶) | June 1, 1975 | 6 | 2 |
| Aug. 1, 1968 | 6½ | (⁵) | Jan. 1, 1972 | 7 | 3 | Sept. 1, 1975 | 6½ | 2½ |
| June 12, 1969 | 6 | (⁶) | May 1, 1973 | 6½ | 2½ | Mar. 1, 1976 | 7 | 3 |
| Dec. 1, 1969 | 5½ | (⁶) | Aug. 1, 1973 ⁷ | 5½ | 1½ | May 1, 1978 | 6½ | 2½ |
| Apr. 1, 1971 | 6½ | (⁶) | Sept. 1, 1974 ⁷ | 5 | 1 | Jan. 1, 1979 | 6 | 2 |

¹ Before Dec. 22, 1969, the indicated minimum was required on each day a member closed loans. Beginning Dec. 22, 1969, compliance has been monthly, on the basis of an average of daily liquid asset balances to an average of the liquidity base for the preceding month, or, in the case of members with less than \$25 million in assets, to the liquidity base at the end of the preceding month. Special provision is made in the case of deficiencies resulting from the withdrawal of savings.

² Liquid assets consisted of unpledged cash, deposits, and U.S. Government securities through June 10, 1969. Federal agency securities with 5 or less years to maturity were added June 11, 1969. Effective Dec. 22, 1969, and subject to some additional restrictions, the following were made eligible liquid assets: (a) time deposits at commercial banks with a maturity of 1 year or less, or a notice period of 90 days or less; (b) bankers' acceptances with a maturity of 6 months or less; (c) general obligations of State and local governments with a maturity of 2 years or less; (d) eligible liquid assets held subject to a repurchase agreement; and (e) accrued interest on liquid assets, or assets which would so qualify except for maturity. Effective Jan. 1, 1972, the amount of U.S. Government securities with a maturity of more than 7 years that could be counted as liquid assets was limited to one-half of 1 percent of the base and mutual savings banks could elect to hold that portion of required liquidity in excess of 5 percent in Federal funds and commercial paper. Beginning Nov. 21, 1973, unsecured Federal funds loans made eligible liquid assets for member associations. Effective May 14, 1974, maximum maturity for bankers acceptances increased to 9 months. Effective April 1, 1975: (a) maximum maturity for U.S. Government securities reduced to 5 years, except such securities with a

longer term held on March 31 and eligible as liquid assets would continue as such through March 31, 1977; (b) certain public housing authority notes guaranteed by the United States with maximum maturity of 24 months made eligible liquid assets.

³ Before Nov. 1, 1970, the liquidity base consisted of a member's net withdrawable accounts (or the policy reserve required by State law, in the case of an insurance company). Beginning Nov. 1, 1970, borrowings payable on demand or due in 1 year or less were added.

⁴ Short-term liquid assets consist of the liquid assets defined in footnote 2, except: (a) U.S. Governments and Federal agency securities with a maturity longer than 18 months; (b) commercial bank time deposits with a maturity longer than 6 months; (c) State and local government obligations; and (d) bankers' acceptances with a maturity longer than 6 months. Effective April 1, 1975: (a) maximum maturity for U.S. Government and Federal agency securities reduced to 12 months, except such securities held on March 31 and eligible as short-term liquid assets would continue as such; (b) certain public housing authority notes with a maturity of 6 months or less made eligible liquid assets. The requirement is not applicable to member mutual savings banks or insurance companies.

⁵ During the period June 27-Nov. 1, 1966, members were permitted to reduce liquid asset holdings below the requirement by an amount not exceeding the smaller of (a) actual net savings withdrawn, or (b) 1 percent of withdrawable savings.

⁶ No separate requirement.

⁷ Penalties for liquidity deficiencies caused by net savings withdrawals during August through December 1973 and April through October 1974 were waived.

Table S.4.12.—Maximum Rates of Return Payable on Savings Accounts by Savings and Loan Associations that Are Members of the Federal Home Loan Bank System

| Type of account | Effective date and percentage rates | | | | | |
|---|-------------------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
| | Jan. 21, 1970 ¹ | July 6, 1973 | Nov. 1, 1973 | Dec. 23, 1974 | June 1, 1978 | July 1, 1979 |
| Regular | ² 5.00 | 5.25 | 5.25 | 5.25 | 5.25 | 5.50 |
| Transaction (NOW) | (³) | (³) | ³ 5.00 | ³ 5.00 | ³ 5.00 | ³ 5.00 |
| 90-day notice (for withdrawals) | ⁴ 5.25 | 5.75 | ⁵ 5.75 | ⁵ 5.75 | ⁵ 5.75 | ⁵ 5.75 |
| Certificate with fixed or minimum term or qualifying period: | | | | | | |
| Fixed ceiling accounts: | | | | | | |
| Balance less than \$100,000: | | | | | | |
| Owned by governmental units: | | | | | | |
| All terms | (⁶) | (⁶) | (⁶) | 7.75 | 8.00 | 8.00 |
| Owned by others: | | | | | | |
| 90 days to 6 months | 5.25 | ⁷ 5.75 | 5.75 | 5.75 | 5.75 | 5.75 |
| 6 months to 1 year | ⁷ 5.25 | ⁷ 5.75 | 5.75 | 5.75 | 5.75 | 5.75 |
| 1 year to 2 years | ⁷ 5.75 | ⁷ 6.50 | ⁷ 6.50 | ⁷ 6.50 | ⁷ 6.50 | 6.50 |
| 2 years to 2½ years | ⁸ 6.00 | ⁷ 6.50 | ⁷ 6.50 | ⁷ 6.50 | ⁷ 6.50 | 6.50 |
| 2½ years to 4 years | ⁸ 6.00 | ⁷ 6.75 | ⁷ 6.75 | ⁷ 6.75 | ⁷ 6.75 | 6.75 |
| 4 years to 6 years | ⁸ 6.00 | (¹⁰) | ⁹ 7.50 | ⁹ 7.50 | ⁹ 7.50 | 7.50 |
| 6 years to 8 years | ⁸ 6.00 | (¹⁰) | ⁹ 7.50 | ⁹ 7.75 | ⁹ 7.75 | 7.75 |
| 8 years or more | ⁸ 6.00 | (¹⁰) | ⁹ 7.50 | ⁹ 7.75 | ⁹ 8.00 | 8.00 |
| Individual retirement (IRA) or Keogh (H.R. 10) account with term of 3 or more years | (¹¹) | (¹¹) | (¹¹) | ¹¹ 7.75 | 8.00 | 8.00 |
| Balance \$100,000 ¹² or more: | | | | | | |
| All owners—all terms | (¹³) | (¹⁴) | (¹⁴) | (¹⁴) | (¹⁴) | (¹⁴) |
| Variable ceiling accounts: | | | | | | |
| Money market certificate with 26 week term and minimum balance of \$10,000 | (¹⁵) | (¹⁵) | (¹⁵) | (¹⁵) | (¹⁵) | (¹⁵) |
| 4 years or longer | (¹⁶) | (¹⁶) | (¹⁶) | (¹⁶) | (¹⁶) | (¹⁶) |

¹ See this table in the June 1973 Journal for earlier information.

² 5.25 percent in Mass.

³ Effective Jan. 1, 1974, for associations with home offices in Massachusetts and New Hampshire, on Feb. 26, 1976, for associations in other New England states, and on Nov. 10, 1978, for associations in New York State.

⁴ 5.50 percent in Mass.

⁵ Beginning Nov. 27, 1974, maximum rate for notice accounts owned by governmental units was the same as for certificate accounts owned by such units.

⁶ Before Nov. 27, 1974, maximum rate was the same as for other types of owners; from Nov. 27 through Dec. 22, 1974, maximum rate was 7.50 percent.

⁷ \$1,000 minimum balance required, except in areas where mutual savings banks were permitting lower balance.

⁸ \$5,000 minimum balance required, except in areas where mutual savings banks were permitting a lower balance.

⁹ \$1,000 minimum balance required.

¹⁰ No maximum rate with \$1,000 minimum balance; 6.75 percent maximum with lower minimum balance.

¹¹ Effective July 6, 1977; no separate category until then.

¹² \$50,000 for Puerto Rico only, beginning Sept. 3, 1970.

¹³ From Jan. 21, 1970, through May 16, 1973, maximum rate was 6.50 percent for accounts with term of 60-89 days, 6.75 percent for 90-179 day accounts, 7.00 percent for 180-364 day accounts, and 7.50 percent for longer term accounts; thereafter no maximum rate.

¹⁴ No maximum rate.

¹⁵ First authorized June 1, 1978. Maximum rate as of each Thursday was the average rate (discount basis) on 6-month U.S. Treasury bills as determined at the immediately preceding auction plus 25 basis points through March 14, 1979. Thereafter, when the Treasury bill rate is less than 8.75 percent, the maximum continues as previously, but if the bill rate is between 8.75 and 9.00 percent the maximum is 9.00 percent and if the bill rate is 9.00 percent or higher the maximum is the bill rate.

¹⁶ First authorized July 1, 1979. Maximum rate for each month is equal to 1 percent point less than the average yield on 4-year U.S. Treasury securities (as determined by the U.S. Treasury Department) for the 5 business days preceding the 3rd business day before the end of the prior month.

Mortgage Markets

Table S.5.1.—Terms on Conventional Home Mortgage Loans Made: National Averages for All Major Types of Lenders ¹

| Period | Contract interest rate ¹ (per cent) | Initial fees and charges ² (per cent) | Effective rate ³ (per cent) | Term to maturity (years) | Loan amount (thousands) | Purchase price (thousands) | Loan-to-price ratio (per cent) | Percentage distribution of estimated number of loans by loan-to-price ratio class | | | |
|--|--|--|--|--------------------------|-------------------------|----------------------------|--------------------------------|---|-------------------|-------------------|-------------------|
| | | | | | | | | 70.0 percent or less | 70.1-80.0 percent | 80.1-90.0 percent | Over 90.0 percent |
| Purchase of newly built homes | | | | | | | | | | | |
| 1975 | 8.75 | 1.54 | 9.01 | 26.8 | 33.3 | 44.6 | 76.1 | 26 | 42 | 19 | 14 |
| 1976 | 8.76 | 1.44 | 8.99 | 27.2 | 35.9 | 48.4 | 75.8 | 28 | 41 | 21 | 11 |
| 1977 | 8.80 | 1.33 | 9.01 | 27.9 | 40.5 | 54.3 | 76.3 | 26 | 43 | 21 | 11 |
| 1978 | 9.30 | 1.39 | 9.54 | 28.0 | 45.9 | 62.6 | 75.3 | 29 | 42 | 19 | 11 |
| 1978 | | | | | | | | | | | |
| June | 9.23 | 1.40 | 9.46 | 28.3 | 45.9 | 62.6 | 75.6 | 28 | 41 | 20 | 11 |
| July | 9.34 | 1.40 | 9.57 | 28.2 | 45.3 | 60.7 | 75.4 | 28 | 43 | 18 | 11 |
| Aug. | 9.45 | 1.43 | 9.70 | 28.0 | 46.4 | 63.6 | 75.3 | 28 | 42 | 17 | 13 |
| Sept. | 9.50 | 1.36 | 9.73 | 27.8 | 46.7 | 64.6 | 74.1 | 31 | 40 | 20 | 9 |
| Oct. | 9.60 | 1.37 | 9.83 | 28.0 | 48.6 | 66.8 | 74.4 | 32 | 41 | 18 | 9 |
| Nov. | 9.63 | 1.40 | 9.87 | 27.9 | 47.5 | 65.1 | 74.4 | 32 | 40 | 18 | 10 |
| Dec. | 9.76 | 1.49 | 10.02 | 28.1 | 49.6 | 68.1 | 75.1 | 29 | 43 | 17 | 12 |
| 1979 | | | | | | | | | | | |
| Jan. | 9.92 | 1.56 | 10.18 | 28.6 | 52.0 | 71.9 | 74.7 | 30 | 43 | 19 | 7 |
| Feb. | 9.94 | 1.56 | 10.20 | 28.6 | 49.5 | 68.3 | 74.5 | 29 | 45 | 18 | 8 |
| Mar. | 10.02 | 1.65 | 10.30 | 28.5 | 49.9 | 68.1 | 75.4 | 29 | 43 | 18 | 11 |
| Apr. | 10.06 | 1.75 | 10.36 | 29.0 | 54.9 | 75.4 | 75.1 | 30 | 42 | 18 | 11 |
| May. | 10.20 | 1.59 | 10.47 | 28.2 | 51.4 | 72.3 | 73.2 | 34 | 41 | 17 | 8 |
| June. | 10.39 | 1.53 | 10.66 | 28.4 | 52.5 | 73.7 | 73.5 | 35 | 39 | 17 | 10 |
| Purchase of previously occupied homes | | | | | | | | | | | |
| 1975 | 9.01 | 1.19 | 9.21 | 24.0 | 27.4 | 38.2 | 73.4 | 31 | 47 | 17 | 5 |
| 1976 | 8.92 | 1.17 | 9.11 | 24.5 | 29.8 | 41.3 | 73.8 | 30 | 47 | 18 | 5 |
| 1977 | 8.83 | 1.17 | 9.02 | 25.8 | 34.7 | 47.5 | 75.1 | 27 | 48 | 20 | 6 |
| 1978 | 9.37 | 1.26 | 9.58 | 26.4 | 39.4 | 54.2 | 75.1 | 28 | 45 | 21 | 7 |
| 1978 | | | | | | | | | | | |
| June | 9.27 | 1.21 | 9.48 | 26.5 | 39.2 | 53.9 | 74.8 | 28 | 45 | 20 | 7 |
| July | 9.41 | 1.27 | 9.63 | 26.5 | 39.2 | 53.7 | 75.1 | 28 | 46 | 20 | 7 |
| Aug. | 9.55 | 1.27 | 9.77 | 26.4 | 39.7 | 54.7 | 74.9 | 29 | 45 | 20 | 6 |
| Sept. | 9.62 | 1.26 | 9.84 | 26.6 | 41.3 | 57.5 | 74.4 | 29 | 44 | 21 | 6 |
| Oct. | 9.68 | 1.28 | 9.90 | 26.6 | 39.9 | 55.0 | 74.9 | 30 | 44 | 21 | 6 |
| Nov. | 9.74 | 1.30 | 9.97 | 26.6 | 42.6 | 59.4 | 74.8 | 29 | 45 | 21 | 6 |
| Dec. | 9.85 | 1.32 | 10.08 | 27.0 | 43.7 | 61.5 | 73.7 | 32 | 44 | 19 | 6 |
| 1979 | | | | | | | | | | | |
| Jan. | 10.08 | 1.43 | 10.33 | 27.7 | 48.7 | 66.7 | 75.3 | 28 | 46 | 21 | 5 |
| Feb. | 10.14 | 1.40 | 10.39 | 26.9 | 44.4 | 61.9 | 74.0 | 31 | 44 | 20 | 6 |
| Mar. | 10.22 | 1.43 | 10.47 | 26.8 | 44.1 | 62.2 | 73.8 | 33 | 43 | 18 | 6 |
| Apr. | 10.29 | 1.41 | 10.54 | 27.4 | 48.8 | 67.6 | 74.6 | 29 | 45 | 20 | 6 |
| May. | 10.35 | 1.41 | 10.60 | 26.8 | 43.3 | 59.8 | 74.5 | 30 | 42 | 21 | 7 |
| June. | 10.46 | 1.41 | 10.71 | 27.0 | 44.7 | 61.9 | 74.3 | 31 | 42 | 20 | 7 |
| Combined construction-purchase | | | | | | | | | | | |
| 1975 | 8.89 | 1.45 | 9.13 | 24.0 | 31.5 | 46.1 | 69.1 | 44 | 43 | 8 | 4 |
| 1976 | 8.83 | 1.41 | 9.07 | 25.2 | 34.9 | 50.4 | 70.3 | 40 | 47 | 10 | 3 |
| 1977 | 8.77 | 1.39 | 9.00 | 25.8 | 38.5 | 55.1 | 71.1 | 38 | 46 | 11 | 5 |
| 1978 | 9.17 | 1.43 | 9.42 | 26.3 | 43.9 | 64.1 | 69.9 | 42 | 44 | 10 | 5 |
| 1978 | | | | | | | | | | | |
| June | 9.04 | 1.33 | 9.26 | 26.4 | 43.6 | 63.9 | 70.0 | 46 | 40 | 9 | 5 |
| July | 9.18 | 1.46 | 9.43 | 26.5 | 43.2 | 63.0 | 70.2 | 41 | 46 | 10 | 3 |
| Aug. | 9.24 | 1.44 | 9.50 | 26.3 | 45.9 | 65.8 | 70.9 | 41 | 46 | 10 | 4 |
| Sept. | 9.33 | 1.37 | 9.57 | 26.2 | 44.1 | 67.3 | 66.9 | 52 | 34 | 10 | 4 |
| Oct. | 9.45 | 1.25 | 9.66 | 25.6 | 43.9 | 65.5 | 67.9 | 48 | 40 | 9 | 3 |
| Nov. | 9.55 | 1.70 | 9.84 | 26.8 | 46.4 | 67.2 | 71.1 | 39 | 45 | 12 | 5 |
| Dec. | 9.61 | 1.53 | 9.88 | 26.9 | 46.9 | 69.6 | 68.7 | 44 | 42 | 9 | 5 |
| 1979 | | | | | | | | | | | |
| Jan. | 9.85 | 1.64 | 10.13 | 26.4 | 46.8 | 71.4 | 67.2 | 51 | 38 | 7 | 3 |
| Feb. | 9.89 | 1.55 | 10.17 | 27.4 | 53.8 | 78.7 | 70.7 | 44 | 40 | 13 | 3 |
| Mar. | 10.02 | 1.81 | 10.34 | 26.4 | 45.7 | 67.1 | 70.8 | 45 | 38 | 10 | 7 |
| Apr. | 10.04 | 1.68 | 10.34 | 26.8 | 50.5 | 76.3 | 68.4 | 48 | 40 | 7 | 5 |
| May. | 10.24 | 1.37 | 10.48 | 25.2 | 46.9 | 72.5 | 66.3 | 44 | 45 | 7 | 4 |
| June. | 10.49 | 1.50 | 10.76 | 25.9 | 45.4 | 68.9 | 66.9 | 46 | 42 | 9 | 3 |

See footnotes at end of following table.

Table S.5.2.—Terms on Conventional Home Mortgage Loans Made: National Averages for Savings and Loan Associations ¹

| Period | Contract interest rate ² (percent) | Initial fees and charges ³ (percent) | Effective rate ⁴ (percent) | Term to maturity (years) | Loan amount (thousands) | Purchase price (thousands) | Loan-to-price ratio (percent) | Percentage distribution of estimated number of loans by loan-to-price ratio class | | | |
|--|---|---|---------------------------------------|--------------------------|-------------------------|----------------------------|-------------------------------|---|-------------------|-------------------|-------------------|
| | | | | | | | | 70.0 percent or less | 70.1-80.0 percent | 80.1-90.0 percent | Over 90.0 percent |
| Purchase of newly built homes | | | | | | | | | | | |
| 1975..... | 8.78 | 1.62 | 9.05 | 27.8 | 34.1 | 44.9 | 77.4 | 23 | 44 | 21 | 13 |
| 1976..... | 8.79 | 1.55 | 9.04 | 28.1 | 36.6 | 48.6 | 76.8 | 25 | 43 | 21 | 11 |
| 1977..... | 8.81 | 1.43 | 9.04 | 28.4 | 41.1 | 54.6 | 77.0 | 23 | 46 | 21 | 10 |
| 1978..... | 9.32 | 1.51 | 9.58 | 28.6 | 46.0 | 61.9 | 76.0 | NA | NA | NA | NA |
| 1978 | | | | | | | | | | | |
| June..... | 9.27 | 1.50 | 9.52 | 28.6 | 45.3 | 61.1 | 75.8 | 28 | 42 | 21 | 9 |
| July..... | 9.34 | 1.47 | 9.59 | 28.4 | 44.2 | 60.0 | 75.5 | NA | NA | NA | NA |
| Aug..... | 9.48 | 1.58 | 9.75 | 28.8 | 46.4 | 63.0 | 75.5 | NA | NA | NA | NA |
| Sept..... | 9.55 | 1.51 | 9.80 | 28.7 | 47.3 | 64.1 | 75.7 | NA | NA | NA | NA |
| Oct..... | 9.61 | 1.52 | 9.86 | 28.7 | 48.5 | 64.9 | 76.2 | NA | NA | NA | NA |
| Nov..... | 9.65 | 1.58 | 9.92 | 28.7 | 48.5 | 66.0 | 75.2 | NA | NA | NA | NA |
| Dec..... | 9.79 | 1.60 | 10.06 | 28.5 | 48.4 | 65.7 | 75.8 | NA | NA | NA | NA |
| 1979 | | | | | | | | | | | |
| Jan..... | 9.87 | 1.69 | 10.15 | 28.8 | 49.0 | 66.3 | 75.8 | NA | NA | NA | NA |
| Feb..... | 9.95 | 1.70 | 10.24 | 28.7 | 48.8 | 67.0 | 74.7 | NA | NA | NA | NA |
| Mar..... | 10.00 | 1.79 | 10.30 | 28.9 | 49.2 | 66.4 | 76.0 | NA | NA | NA | NA |
| Apr..... | 10.06 | 1.86 | 10.37 | 29.1 | 51.6 | 69.7 | 76.2 | NA | NA | NA | NA |
| May..... | 10.19 | 1.72 | 10.49 | 28.8 | 52.8 | 73.2 | 74.1 | NA | NA | NA | NA |
| June..... | 10.42 | 1.67 | 10.71 | 29.1 | 53.5 | 73.5 | 74.9 | NA | NA | NA | NA |
| Purchase of previously occupied homes | | | | | | | | | | | |
| 1975..... | 9.05 | 1.40 | 9.28 | 25.1 | 27.7 | 37.4 | 75.6 | 25 | 50 | 20 | 5 |
| 1976..... | 8.94 | 1.34 | 9.16 | 25.6 | 30.3 | 40.8 | 76.2 | 24 | 50 | 21 | 5 |
| 1977..... | 8.86 | 1.32 | 9.08 | 26.6 | 35.1 | 46.9 | 76.8 | 22 | 50 | 22 | 6 |
| 1978..... | 9.43 | 1.40 | 9.66 | 27.1 | 39.2 | 52.5 | 76.7 | NA | NA | NA | NA |
| 1978 | | | | | | | | | | | |
| June..... | 9.36 | 1.37 | 9.59 | 27.2 | 39.8 | 53.4 | 76.7 | 24 | 46 | 23 | 7 |
| July..... | 9.48 | 1.43 | 9.72 | 26.9 | 37.9 | 50.9 | 76.6 | NA | NA | NA | NA |
| Aug..... | 9.62 | 1.43 | 9.86 | 27.0 | 39.1 | 52.9 | 76.3 | NA | NA | NA | NA |
| Sept..... | 9.70 | 1.43 | 9.94 | 27.3 | 41.1 | 55.5 | 76.4 | NA | NA | NA | NA |
| Oct..... | 9.73 | 1.41 | 9.97 | 27.4 | 39.8 | 53.7 | 76.5 | NA | NA | NA | NA |
| Nov..... | 9.79 | 1.47 | 10.04 | 27.3 | 41.9 | 56.3 | 76.5 | NA | NA | NA | NA |
| Dec..... | 9.94 | 1.49 | 10.19 | 27.4 | 41.9 | 56.1 | 76.6 | NA | NA | NA | NA |
| 1979 | | | | | | | | | | | |
| Jan..... | 10.08 | 1.55 | 10.35 | 27.5 | 42.5 | 57.4 | 76.4 | NA | NA | NA | NA |
| Feb..... | 10.16 | 1.61 | 10.44 | 27.1 | 42.1 | 56.5 | 76.5 | NA | NA | NA | NA |
| Mar..... | 10.26 | 1.64 | 10.55 | 27.5 | 42.6 | 56.9 | 77.1 | NA | NA | NA | NA |
| Apr..... | 10.32 | 1.58 | 10.60 | 27.7 | 45.0 | 59.9 | 77.2 | NA | NA | NA | NA |
| May..... | 10.39 | 1.59 | 10.67 | 27.9 | 44.9 | 60.0 | 76.8 | NA | NA | NA | NA |
| June..... | 10.52 | 1.57 | 10.80 | 27.8 | 45.5 | 61.3 | 76.2 | NA | NA | NA | NA |

¹ Savings and loan associations, mortgage bankers, commercial banks, and mutual savings banks.

² The estimated cost of mortgage insurance has been deducted from the contract rate for the relatively small number of loans including such costs in the rate.

³ Includes any general or specific charges paid by the borrower, or seller, in order to obtain a loan, except those for mortgage, credit, life, or property insurance, for property transfer, and for title search and insurance.

⁴ Contract rate plus initial fees and charges amortized over a 10-year period, on the assumption that, on the average, loans are prepaid at the end of that time.

Note: Data are weighted averages compiled by the FHLBB in cooperation with the Federal Deposit Insurance Corporation from individual loan data reported by a sample of the indicated types of lenders on fully amortized conventional first mortgage loans secured by single-family residential property; excluded are interim construction loans, refinancing loans, junior liens, and federally underwritten loans.

Table S.5.3.—Mortgage Debt Outstanding, by Type of Property and Mortgage
(In millions of dollars)

| End of year and quarter | Total | Property type | | | | | Mortgage type ¹ | | |
|-------------------------|-----------|---------------|----------------------|-----------------|------------|---------|----------------------------|--------------|---------|
| | | Total | Nonfarm | | Commercial | Farm | FHA/VA-underwritten | Conventional | |
| | | | Total | Residential | | | | | |
| | | | 1- to 4-family homes | 5 or more units | | | | | |
| 1973 | 682,321 | 641,068 | 509,343 | 416,211 | 93,132 | 131,725 | 41,253 | 135,044 | 374,716 |
| 1974 | 742,512 | 696,224 | 549,347 | 449,371 | 99,976 | 146,877 | 46,288 | 140,212 | 409,576 |
| 1975 | 801,537 | 750,660 | 591,362 | 490,761 | 100,601 | 159,298 | 50,877 | 146,984 | 445,085 |
| 1976 | | | | | | | | | |
| 1st | 818,420 | 766,220 | 605,037 | 503,255 | 101,782 | 161,183 | 52,200 | 148,311 | 456,726 |
| 2d | 840,533 | 786,740 | 622,691 | 519,790 | 102,901 | 164,049 | 53,793 | 150,548 | 472,143 |
| 3d | 865,639 | 810,174 | 642,644 | 538,771 | 103,873 | 167,530 | 55,465 | 150,801 | 491,843 |
| 4th | 889,202 | 832,171 | 660,961 | 556,456 | 104,505 | 171,210 | 57,031 | 154,146 | 506,815 |
| 1977 ² | | | | | | | | | |
| 1st | 911,679 | 852,491 | 678,511 | 573,174 | 105,337 | 173,980 | 59,188 | 155,697 | 523,357 |
| 2d | 949,017 | 887,108 | 709,339 | 601,742 | 107,597 | 177,769 | 61,909 | 158,652 | 548,704 |
| 3d | 986,527 | 922,529 | 740,198 | 630,500 | 109,698 | 182,331 | 63,998 | 161,564 | 575,163 |
| 4th | 1,023,505 | 957,681 | 768,407 | 656,566 | 111,841 | 189,274 | 65,824 | 161,739 | 601,660 |
| 1978 ² | | | | | | | | | |
| 1st | 1,051,908 | 983,843 | 790,488 | 676,573 | 113,915 | 193,355 | 68,065 | 165,253 | 624,509 |
| 2d | 1,092,451 | 1,021,575 | 822,649 | 706,230 | 116,419 | 198,926 | 70,876 | 167,440 | 650,252 |
| 3d | 1,133,988 | 1,059,457 | 853,713 | 734,590 | 119,123 | 205,744 | 74,531 | 174,663 | 671,855 |
| 4th | 1,172,261 | 1,096,098 | 883,536 | 761,535 | 122,001 | 212,562 | 76,163 | 176,377 | 705,168 |

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

² Revised.

Note: Except as noted all data are estimates, subject to revision, made by Federal Reserve in conjunction with FHLBB and Department of Commerce from data reported by various institutional and Government sources.

Table S.5.4.—Mortgage Debt Outstanding on One- to Four-Family Nonfarm Properties by Type of Holder
(In millions of dollars)

| End of year and quarter | Total | Savings and loan associations ¹ | Life insurance companies | Mutual savings banks | Commercial banks | Federal and related agencies ² | | | Mortgage pools or trusts ³ | Other holders |
|-------------------------|---------|--|--------------------------|----------------------|------------------|---|-------|-------|---------------------------------------|---------------|
| | | | | | | FNMA ² | FHLMC | Other | | |
| | | | | | | | | | | |
| 1973 | 416,211 | 187,078 | 20,426 | 48,811 | 67,998 | 20,370 | 2,446 | 4,334 | 13,636 | 51,112 |
| 1974 | 449,371 | 200,987 | 19,026 | 49,213 | 74,758 | 23,778 | 4,217 | 5,422 | 18,639 | 53,331 |
| 1975 | 490,761 | 223,903 | 17,590 | 50,025 | 77,018 | 25,813 | 4,588 | 7,475 | 28,081 | 56,268 |
| 1976 | | | | | | | | | | |
| 1st | 503,255 | 230,395 | 17,160 | 50,553 | 78,974 | 26,262 | 4,247 | 7,454 | 30,907 | 57,301 |
| 2d | 519,790 | 240,976 | 16,855 | 51,326 | 81,281 | 26,112 | 4,166 | 5,749 | 34,322 | 59,003 |
| 3d | 538,771 | 251,553 | 16,448 | 52,250 | 83,938 | 27,030 | 3,917 | 5,542 | 37,569 | 60,524 |
| 4th | 556,456 | 260,794 | 16,088 | 53,089 | 86,234 | 26,934 | 3,889 | 4,701 | 42,084 | 62,643 |
| 1977 ⁴ | | | | | | | | | | |
| 1st | 573,174 | 269,821 | 15,699 | 53,502 | 88,691 | 26,836 | 3,200 | 4,109 | 47,123 | 64,193 |
| 2d | 601,742 | 284,414 | 15,418 | 55,000 | 94,899 | 27,933 | 2,901 | 4,403 | 50,219 | 66,555 |
| 3d | 630,500 | 298,428 | 15,022 | 56,313 | 100,474 | 28,178 | 2,818 | 4,285 | 55,634 | 69,347 |
| 4th | 656,566 | 310,686 | 14,727 | 57,637 | 105,115 | 28,504 | 2,738 | 4,471 | 60,573 | 72,115 |
| 1978 ⁴ | | | | | | | | | | |
| 1st | 676,573 | 320,064 | 14,476 | 58,747 | 108,699 | 30,208 | 2,785 | 3,426 | 63,427 | 74,741 |
| 2d | 706,230 | 334,164 | 14,129 | 59,895 | 115,389 | 32,974 | 1,856 | 3,316 | 67,054 | 77,466 |
| 3d | 734,590 | 345,617 | 14,189 | 61,104 | 121,911 | 35,437 | 1,994 | 3,849 | 70,485 | 80,004 |
| 4th | 761,535 | 356,156 | 14,449 | 62,283 | 126,896 | 37,579 | 2,407 | 3,655 | 75,789 | 82,321 |

¹ See notes to S.4.7.

² Except for balances backing securities insured or guaranteed by the agencies. Included in other, are Veterans Administration, Federal Housing Administration, Farmers Home Administration, and Federal Land Banks.

³ Balances backing securities insured or guaranteed by Government National Mortgage Association, FHLMC, and Farmers Home Administration.

⁴ Revised.

Note: Data, except for savings and loan associations, are partly estimated by Federal Reserve from data collected by Federal agencies and private organizations.

Table S.5.5.—Mortgage Debt Outstanding on Nonfarm Residential Property with Five or More Units
(In millions of dollars)

| End of year and quarter | Total | Savings and loan associations ¹ | Life insurance companies | Mutual savings banks | Commercial banks | Federal and related agencies ² | | | Mortgage pools and trusts ³ | Other holders |
|-------------------------|---------|--|--------------------------|----------------------|------------------|---|-------|-------|--|---------------|
| | | | | | | FNMA | GNMA | Other | | |
| 1973 | 93,132 | 22,779 | 18,451 | 12,343 | 6,932 | 3,805 | 2,574 | 1,650 | 616 | 23,982 |
| 1974 | 99,976 | 23,808 | 19,625 | 12,923 | 7,619 | 5,800 | 2,598 | 2,542 | 785 | 24,276 |
| 1975 | 100,601 | 25,547 | 19,629 | 13,792 | 5,915 | 6,011 | 2,710 | 3,594 | 1,263 | 22,140 |
| 1976 | | | | | | | | | | |
| 1st | 101,782 | 25,937 | 19,565 | 13,699 | 6,981 | 5,920 | 2,733 | 3,433 | 1,699 | 21,815 |
| 2d | 102,901 | 26,812 | 19,367 | 13,674 | 8,130 | 5,916 | 2,392 | 3,739 | 1,676 | 21,195 |
| 3d | 103,873 | 27,497 | 19,234 | 13,915 | 8,144 | 5,932 | 2,582 | 3,871 | 1,784 | 20,914 |
| 4th | 104,505 | 28,425 | 19,178 | 14,177 | 8,082 | 5,970 | 2,271 | 4,072 | 1,910 | 20,420 |
| 1977 | | | | | | | | | | |
| 1st | 105,337 | 29,187 | 18,921 | 14,291 | 8,115 | 5,994 | 2,343 | 5,864 | 2,314 | 20,294 |
| 2d | 107,597 | 30,503 | 18,891 | 14,602 | 8,542 | 5,985 | 2,258 | 4,132 | 2,405 | 20,279 |
| 3d | 109,698 | 31,581 | 18,831 | 14,952 | 8,815 | 5,970 | 2,077 | 4,314 | 2,682 | 20,476 |
| 4th | 111,841 | 32,513 | 18,807 | 15,304 | 9,215 | 5,865 | 2,112 | 4,398 | 3,089 | 20,538 |
| 1978 | | | | | | | | | | |
| 1st | 113,915 | 33,592 | 18,851 | 15,598 | 9,387 | 5,821 | 2,343 | 4,628 | 3,368 | 20,327 |
| 2d | 116,419 | 34,351 | 18,745 | 15,900 | 9,925 | 5,779 | 2,361 | 4,183 | 4,271 | 20,904 |
| 3d | 119,123 | 35,362 | 18,803 | 16,224 | 10,478 | 5,752 | 2,663 | 4,462 | 4,260 | 21,119 |
| 4th | 122,001 | 36,057 | 19,026 | 16,537 | 10,906 | 5,732 | 2,632 | 6,730 | 4,966 | 21,390 |

¹ See notes to table S.4.7.

² Except for balances backing securities insured or guaranteed by the agencies. Included in other are Veterans Administration, Federal Housing Administration, Farmers Home Administration, and Federal Land Banks.

³ Balances backing securities insured or guaranteed by Government National Mortgage Association, FHLMC, and Farmers Home Administration.

Note: Data, except for savings and loan associations, are partially estimated by Federal Reserve from data collected by Federal agencies and private organizations.
⁴ Revised.

Table S.5.6.—Foreclosures¹ by FSLIC-Insured Savings and Loan Associations Classified by Type of Mortgage

| Period | All types of mortgages | | | | | | Conventional mortgages | | | FHA/VA mortgages | | |
|-----------------|--------------------------------|--|-------------------------------------|----------------------|---|-------------------------|--------------------------------|--|--------------------------------|------------------|--|-------------------------|
| | Number of mortgages foreclosed | | Balance due on mortgages foreclosed | | | | Number of mortgages foreclosed | | Number of mortgages foreclosed | | | |
| | Number | Percent of average No. of mortgages held | | Amount (\$ millions) | Percent of average Mortgage balances held | | Number | Percent of average No. of mortgages held | | Number | Percent of average No. of mortgages held | |
| | | Actual | Annualized ² | | Actual | Annualized ² | | Actual | Annualized ² | | Actual | Annualized ² |
| 1973 | | | | | | | | | | | | |
| Jan.—June | 13,015 | .108 | .216 | 292.8 | .140 | .280 | 5,324 | .052 | .104 | 7,691 | .406 | .812 |
| July—Dec | 12,260 | .100 | .200 | 283.8 | .128 | .256 | 5,315 | .051 | .102 | 6,945 | .364 | .728 |
| 1974 | | | | | | | | | | | | |
| Jan.—June | 11,936 | .095 | .190 | 329.2 | .142 | .284 | 5,359 | .051 | .102 | 6,577 | .327 | .654 |
| July—Dec | 12,294 | .097 | .194 | 385.4 | .160 | .320 | 6,586 | .061 | .122 | 5,708 | .296 | .592 |
| 1975 | | | | | | | | | | | | |
| Jan.—June | 12,823 | .101 | .202 | 520.5 | .209 | .418 | 7,727 | .071 | .142 | 5,096 | .266 | .532 |
| July—Dec | 12,156 | .094 | .188 | 565.4 | .215 | .430 | 7,811 | .071 | .142 | 4,345 | .225 | .450 |
| 1976 | | | | | | | | | | | | |
| Jan.—June | 11,560 | .087 | .174 | 594.7 | .211 | .422 | 7,993 | .071 | .142 | 3,567 | .185 | .370 |
| July—Dec | 10,982 | .081 | .162 | 534.6 | .176 | .352 | 7,807 | .067 | .134 | 3,175 | .168 | .336 |
| 1977 | | | | | | | | | | | | |
| Jan.—June | 10,540 | .076 | .152 | 458.2 | .139 | .278 | 7,045 | .059 | .118 | 3,495 | .189 | .378 |
| July—Dec | 9,360 | .065 | .130 | 409.7 | .114 | .228 | 6,423 | .051 | .102 | 2,937 | .162 | .324 |
| 1978 | | | | | | | | | | | | |
| Jan.—June | 9,029 | .061 | .122 | 410.9 | .106 | .212 | 6,321 | .048 | .096 | 2,708 | .152 | .304 |
| July—Dec | 8,473 | .056 | .112 | 312.5 | .076 | .152 | 5,893 | .044 | .088 | 2,580 | .151 | .302 |

¹ Foreclosures include deeds in lieu of foreclosure and are reported as of the date the judgment is obtained, even if subject to a redemption period.

² Foreclosure rates for semiannual periods expressed at annual rates without seasonal adjustment.
Note: FHLBB data.

Housing Markets

Table S.6.1.—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 starts financed by Government home programs | | New private housing units authorized ² | New homes sold ^{1,4} | New construction put in place: total residential buildings ² |
|---------------------|--|------------|---------------|-------|-------|-------------------|-----------|-----------------|---|-------|---|-------------------------------|---|
| | U.S. total | Region | | | | Type of structure | | | FHA | VA | | | |
| | | North-east | North central | South | West | 1 unit | 2-4 units | 5 units or more | | | | | |
| 1975..... | 1,160.4 | 149.2 | 294.0 | 442.1 | 275.1 | 892.2 | 64.0 | 204.3 | 69.1 | 73.7 | 939.2 | 549 | 46,472 |
| 1976..... | 1,537.5 | 169.2 | 400.1 | 568.5 | 399.6 | 1,162.4 | 85.9 | 289.2 | 81.0 | 99.9 | 1,296.2 | 646 | 60,520 |
| 1977..... | 1,974.8 | 193.9 | 448.9 | 787.0 | 545.0 | 1,441.1 | 122.3 | 411.5 | 131.4 | 218.1 | 1,690.0 | 819 | 80,353 |
| 1978 | | | | | | | | | | | | | |
| June..... | 2,093 | 212 | 474 | 869 | 538 | 1,439 | 143 | 511 | 88 | 128 | 1,821 | 831 | 95,357 |
| July..... | 2,104 | 219 | 465 | 861 | 559 | 1,455 | 134 | 515 | 104 | 122 | 1,632 | 789 | 95,888 |
| Aug..... | 2,004 | 217 | 419 | 803 | 565 | 1,431 | 137 | 436 | 101 | 117 | 1,563 | 785 | 95,011 |
| Sept..... | 2,024 | 233 | 448 | 808 | 535 | 1,432 | 112 | 480 | 93 | 125 | 1,731 | 796 | 94,249 |
| Oct..... | 2,054 | 206 | 432 | 879 | 537 | 1,436 | 135 | 483 | 107 | 135 | 1,727 | 962 | 93,594 |
| Nov..... | 2,107 | 186 | 526 | 852 | 543 | 1,502 | 150 | 455 | 88 | 132 | 1,724 | 803 | 95,784 |
| Dec..... | 2,062 | 236 | 447 | 786 | 593 | 1,529 | 121 | 412 | 79 | 133 | 1,664 | 819 | 96,945 |
| 1979 | | | | | | | | | | | | | |
| Jan..... | 1,679 | 275 | 245 | 745 | 414 | 1,139 | 124 | 416 | 97 | 126 | 1,349 | 748 | 92,188 |
| Feb..... | 1,381 | 168 | 184 | 614 | 415 | 953 | 76 | 352 | 89 | 127 | 1,334 | 663 | 94,092 |
| Mar..... | 1,786 | 177 | 363 | 794 | 452 | 1,266 | 116 | 404 | 119 | 121 | 1,531 | (⁵) | 94,759 |
| Apr..... | 1,745 | 160 | 354 | 690 | 546 | 1,273 | 115 | 349 | 101 | 113 | 1,435 | 725 | 95,992 |
| May..... | 1,830 | 168 | 405 | 762 | 495 | 1,226 | 122 | 506 | 103 | 116 | 1,523 | 726 | 95,478 |
| June..... | 1,935 | 188 | 373 | 896 | 478 | 1,281 | 126 | 528 | 114 | 126 | 1,552 | (⁵) | 97,043 |

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, 14,000 permit-issuing places beginning 1972.

³ Bureau of the Census, Department of Commerce.

⁴ Department of Housing and Urban Development.

⁵ Not available.

⁶ Preliminary.

Table S.6.2.—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 | | | | | |
| 1975..... | 316 | 87 | 178 | 50 | NA |
| 1976..... | 358 | 87 | 215 | 56 | NA |
| 1977..... | 408 | 87 | 256 | 65 | NA |
| 1978..... | 421 | 98 | 260 | 63 | NA |
| 1978 | | | | | |
| May..... | 408 | 79 | 259 | 70 | 5.1 |
| June..... | 422 | 83 | 262 | 78 | 5.5 |
| July..... | 420 | 83 | 265 | 72 | 6.2 |
| Aug..... | 421 | 90 | 264 | 67 | 5.9 |
| Sept..... | 419 | 94 | 262 | 63 | 6.2 |
| Oct..... | 414 | 94 | 260 | 60 | 5.9 |
| Nov..... | 422 | 97 | 266 | 60 | 7.9 |
| Dec..... | 419 | 99 | 258 | 62 | 8.3 |
| 1979 | | | | | |
| Jan..... | 408 | 99 | 246 | 62 | 7.8 |
| Feb..... | 393 | 97 | 231 | 65 | 6.8 |
| Mar ¹ (old series)..... | 403 | 94 | 234 | 75 | 5.5 |
| Mar (new series)..... | 416 | 94 | 240 | 82 | 5.7 |
| Apr..... | 417 | 90 | 246 | 81 | 5.7 |
| May..... | 425 | 88 | 252 | 85 | 6.1 |

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

¹ Revised.

Table S.6.3.—Rental Vacancy Rates for the United States and Major Regions

| Year and quarter | United States | North-east | North central | South | West | | | | | |
|------------------|---------------|------------|---------------|-------|------|---------------------------|-----|-----|-----|-----|
| | | | | | | New series ^{1,2} | | | | |
| | | | | | | 1975..... | 6.0 | 4.1 | 5.7 | 7.7 | 6.2 |
| 1976..... | 5.6 | 4.7 | 5.7 | 6.4 | 5.4 | | | | | |
| 1977..... | 5.2 | 5.1 | 5.1 | 5.7 | 5.0 | | | | | |
| 1978..... | 5.0 | 5.0 | 5.0 | 6.0 | 5.2 | | | | | |
| 1978 | | | | | | | | | | |
| 1st..... | 5.0 | 4.8 | 5.3 | 5.4 | 4.4 | | | | | |
| 2nd..... | 5.1 | 5.5 | 5.7 | 7.3 | 6.7 | | | | | |
| 3d..... | 5.0 | 5.1 | 4.4 | 5.3 | 4.8 | | | | | |
| 4th..... | 5.0 | 4.5 | 4.6 | 5.8 | 4.9 | | | | | |
| 1979 | | | | | | | | | | |
| 1st..... | 4.8 | 4.0 | 5.0 | 5.5 | 4.5 | | | | | |
| 2nd..... | 5.0 | 3.9 | 4.8 | 6.1 | 5.1 | | | | | |

¹ Revised to include vacant, for-rent units classified as dilapidated.

² Average of four quarters as published by Bureau of Census.

Note: Bureau of the Census, Department of Commerce.