Fifth Annual Report

HOUSING AND HOME FINANCE AGENCY

★

Office of the Administrator
Home Loan Bank Board
Federal Housing Administration
Public Housing Administration

Calendar Year

1951

THE HOUSING AND HOME FINANCE AGENCY

1626 K Street NW.

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THE HOME LOAN BANK BOARD

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1626 K Street NW.

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Chairman, Home Loan Bank Board
Federal Housing Commissioner
Public Housing Commissioner
Secretary of Agriculture (or his designee)
Administrator of Veterans' Affairs (or his designee)
Secretary of Commerce (or his designee)
Secretary of Labor (or his designee)
Federal Security Administrator (or his designee)
Secretary of Defense (or his designee)

Fifth Annual Report

HOUSING AND HOME FINANCE AGENCY

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LETTER OF TRANSMITTAL

SIRS: I have the honor to transmit herewith the Fifth Annual Report of the Housing and Home Finance Agency covering the housing activities of the Federal Government for the calendar year 1951.

In this Fifth Annual Report, the Housing and Home Finance Agency records the activities and accomplishments of the Office of the Administrator and the three constituents of the Agency—the Home Loan Bank Board, the Federal Housing Administration, and the Public Housing Administration, as well as the National Housing Council.

Sincerely,

RAYMOND M. FOLEY,
Administrator.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington 25, D. C.

PRESIDENT, UNITED STATES SENATE,
Washington 25, D. C.

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INTRODUCTION TO PART I

In Part I of the Fifth Annual Report of HHFA, the Housing and Home Finance Administrator, as the Government's chief housing officer and Chairman of the National Housing Council, presents summary data on the Government's role in housing as well as information on housing activities in general. This part of the report includes data on the over-all activities of HHFA, as well as details on the activities of the Office of the Administrator. Specific detail on the programs and activities of the Home Loan Bank Board, the Federal Housing Administration, and the Public Housing Administration will be found in Parts II, III, and IV, respectively, of this report. The material presented in Part I deals with both the housing economy in 1951 and HHFA programs and activities. It is preceded by a chronology of significant events in housing in 1951 and is followed by three appendixes: Appendix A contains various statistical and fiscal tables—in addition pertinent statistical tables are included in the text; Appendix B lists Executive messages and Federal and State legislation affecting housing in 1951; Appendix C lists HHFA publications.

CHRONOLOGY OF SIGNIFICANT EVENTS IN HOUSING, 1951

1–12 Regulation X and regulations of FHA and VA amended to bring multiunit dwellings and three- and four-family residences under credit controls.

1–13 National Production Authority amends Order M–4 to prohibit the commencement of additional types of commercial construction without authorization.

2–8 HHFA Administrator appointed member of Defense Manpower Commission, for problems involving housing and community services.

2–9 Office of Defense Mobilization creates Regional Defense Mobilization Committees with HHFA represented on each Committee.

3–6 HHFA issues: Regulation CR 1 providing policy and procedure for processing and approval of exceptions from residential credit restrictions for areas affected by the Savannah River and Paducah installations of the Atomic Energy Commission; and

Regulation CR 2 prescribing the provisions under which houses may be constructed, sold, or rented under relaxed credit restrictions in areas affected by the Savannah River and Paducah installations of the AEC, and stating the manner in which eligibility will be determined for the occupancy or purchase of such houses.

3–16 HHFA appointed member of interagency Critical Areas Committee by Director of Defense Mobilization.

5–2 Administrator issues Regulation CR 3 which defines and lists critical defense housing areas; prescribes the provisions under which houses may be constructed, sold, or rented under relaxed credit restrictions; and states the manner in which eligibility will be determined for the occupancy or purchase of such houses.

5–3 NPA amends Construction Order M–4 to require authorization for construction of: multiunit housing in excess of three stories, one-family housing costing more than $35,000, and all building projects requiring the use of more than 25 tons of steel.

5–24 HHFA Administrator designated as claimant agent by Defense Production Administration, with respect to housing construction and alteration except housing and community facilities on federally owned property under the control of AEC, housing on military reservations, farmstead housing, educational institutional housing, hospital and health facility housing, and military housing under Public Law 211, Eighty-first Congress (Maybank-Wherry Act), whether on or off military bases and reservations.

6–7 NPA delegates authority to HHFA to process applications for authorization to commence construction pursuant to NPA Order M–4 with respect to housing construction for which HHFA is the claimant agency.

6–20 Supreme Court of Ohio rules that tax exemption on low-rent public housing projects is constitutional in the State of Ohio.

6–22 Philadelphia becomes first city to receive approval of a project loan and grant assistance for slum clearance under the provisions of Title I of the Housing Act of 1949.

6–29 FNMA announces it has set aside $350 million for mortgages on housing programed prior to September 1, 1951, by HHFA in critical defense areas and eligible military housing mortgages insured pursuant to Section 803 of the National Housing Act, and on which FHA commitmitment to insure was issued on or after March 1, 1951, but prior to September 1, 1951.

6–30 President signs Public Law 68, extending to August 15, the date for terminating new admissions in federally owned Lanham Act temporary housing.

7–1 Federal Home Loan Banks make final payment and retire in full their Government-owned capital stock, the original subscription for which totaled $124,741,000.

NPA amends construction order M–4 to require authorization for construction of residential housing, for multiunit residential building in excess of three stories, and for one-family houses with a floor area in excess of 2,500 square feet.

7–17 President declares State of Kansas a flood disaster area.

7–19 President declares State of Missouri a flood disaster area.

7–21 President declares State of Oklahoma a flood disaster area.

7–24 Federal Savings and Loan Insurance Corporation makes initial payment of $6,716,000 to the Treasury toward retirement of its $100,000,000 capital stock, as required by legislation enacted June 27, 1950.

7–30 FNMA announces it has set aside $50 million for mortgages on housing provided for victims of catastrophes in major disaster areas.

7–31 President signs Public Law 96, Defense Production Act Amendments of 1951, which authorizes the establishment of emergency rent control in critical defense areas, provides for the termination of the Office of the Housing Expediter and the administration of rent control by the Economic Stabilization Agency, and authorizes exceptions from the veterans' preference provisions of the Housing and Rent Act of 1947 for defense workers in the sale and rental of new housing.

8–3 Controlled Materials Plan made applicable to housing construction, beginning with October 1, 1951. Under CMP Regulation 6, construction of multiunit residential structures cannot be commenced after September 30, 1951, without specific authorization. Direction 1 to CMP Regulation 6 establishes self-authorization procedure to obtain controlled materials for one- through four-family residential structures for specified types and quantities of materials.

NPA revokes Order M–4 and issues Order M–4A which prohibits commencement of construction after September 30, 1951, without an authorization, of all types of buildings, structures, or projects requiring more than specified quantities of controlled materials.

HHFA Administrator delegated authority by NPA to grant construction authorization and related allotments of controlled materials under CMP Regulation 6 for residential construction for which it is the claimant agency.

Administrator redelegates to PHA authority under CMP Regulation 6 with respect to construction of multiunit residential structures by Federal, State, and local public agencies.

Administrator redelegates to FHA authority under Regulation 6 with respect to all other construction of multiunit residential structures.

9–1 President signs Public Law 139, Defense Housing and Community Facilities and Services Act of 1951.

Regulation X and FHA and VA regulations revised to conform with the provisions of the new Defense Housing and Community Facilities and Services Act, with respect to down payments and terms of maturity and related restrictions on housing credit affecting one- to four-family housing.

9–15 Public Law 148 provides that examination and supervision of building and loan associations organized in or doing business in the District of Columbia be transferred to the Home Loan Bank Board from the Comptroller of the Currency.

9–21 FNMA sets aside an additional $200 million for the purchase of mortgages on housing programed by HHFA on or after September 1, 1951, but prior to November 1, 1951, in critical defense housing areas and for military housing financed under the provisions of Section 803 of the National Housing Act and on which FHA commitment to insure was issued on or after September 1, 1951, but prior to November 1, 1951.

10–2 President issues Executive Order 10296, assigning to the HHFA Administrator, functions of land acquisition, site selection, and the financing and supervision of construction of certain community facilities in critical defense areas.

10–20 Section 313 of the Revenue Act of 1951 terminates tax-free status of savings and loan associations and mutual savings banks, effective with taxable year beginning after December 31, 1951.

10–31 HHFA's first project under the Point Four Program undertaken in Liberia.

11–1 President signs Public Law 254, Second Supplemental Appropriation Act, containing appropriations for HHFA and FSA to implement the Defense Housing and Community Facilities and Services Act.

11–18 FSLIC announces that the number of home-finance institutions carrying insurance of savers' accounts has passed the 3,000 mark.

11–21 Administrator appointed by Director of Defense Mobilization as his Assistant for Housing and Community Facilities.

Mayaguez, Puerto Rico, becomes first city to execute contract for loan and grant assistance for slum clearance under provisions of Title I of the Housing Act of 1949.

12–4 Administrator authorizes PHA Commissioner to administer provisions with respect to programed public defense housing under Title III, Public Law 139.

12–31 Home Owners' Loan Corporation completes its accelerated liquidation program and, by close of 1951, had disposed of all its assets.

SECTION 1. HOUSING IN 1951

Chapter I

THE HOUSING ECONOMY, 1951—A SUMMARY

In the seven brief years since the cessation of hostilities with Germany and Japan extensive changes have taken place in housing in America. Not only are our people better housed than ever before but there has developed significantly wider agreement on the nature of our housing problems and on the best methods for handling them; and, in these years, we have set firmly as our goal the policy enunciated in the Housing Act of 1949: "The realization as soon as feasible . . . of a decent home and a suitable living environment for every American family." A vast and productive industry has been evolving, making possible production levels far in excess of anything hitherto attained, with nearly 6 million new dwelling units built during these years. And there has been increasingly fruitful coordination of our housing resources and Government housing programs through a central housing agency, the Housing and Home Finance Agency.

Although many difficult problems persisted in these years—of cost and of distribution of housing to meet special needs of low- and middle-income families and of minorities—nevertheless, in this time, we had attained basic production levels and had started other activities representing substantial advances toward bringing the goal of an opportunity for decent housing for everybody within reach in the foreseeable future.

Throughout 1951 this Nation was again engaged in a great military production effort. Despite the importance that improving our housing conditions bears to our national well-being, this effort had to be tempered by defense needs. While we had not changed our goals, progress on long-range problems was necessarily slower than it might otherwise have been, and it was necessary to recast various aspects of our housing activity in the context of the partial mobilization now required by the defense effort. 1951 was the first full year in which the restrictions had been in effect. Despite these restrictions and the diverting of much effort in the housing field in support of our defense program, it was still possible to report significant progress for the year as a whole toward our over-all housing objectives.

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A. Progress in 1951

Volumewise, the year showed a decline of 300,000 new starts from the 1950 all-time high. However, the 1.1 million new units started in 1951 was the second highest total on record. While this one-fifth decline was not so great as had originally been anticipated when credit restrictions were first imposed in the last quarter of 1950, nevertheless it appears that this volume was achieved without contributing unduly either to inflationary tendencies or strain on the materials supply—the basic reasons for instituting such restrictions.

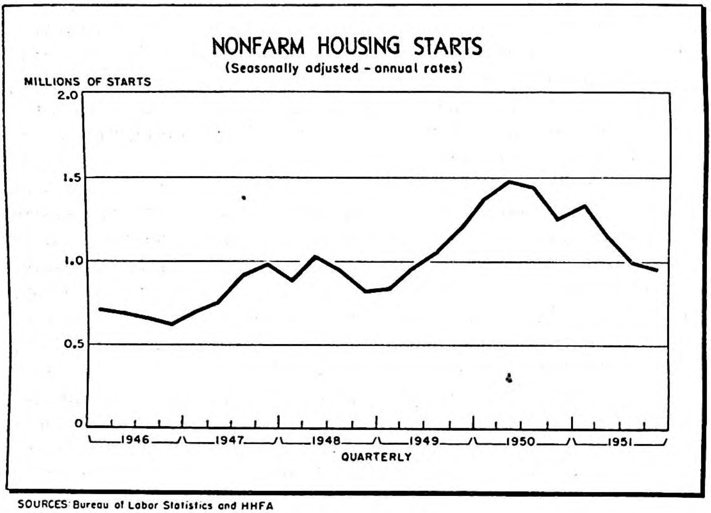


CHART 1.

In the first quarter of 1951, home building was at near-record levels as the high starts volume reflected the overhang of prerestriction commitments. However, the building rate declined, and by the last quarter of the year starts activity was at the lowest annual rate in 3 years. With the exception of certain critically scarce metal items needed for the defense effort, the over-all supply of building materials was satisfactory during 1951.

During the year the dollar volume of mortgage recordings set an all-time high, reflecting both the completion of housing started months earlier and an increase in the average mortgage amount to $5,701, the highest on record. By the year's end the total nonfarm mortgage debt on one- to four-family homes had increased to $53 billion; however, the increase of $6 billion was one-fifth less than the 1950 increase, as the volume of repayments during the year reached nearly $10 billion.

Although recordings were at a peak, many borrowers had difficulty in obtaining new mortgage commitments, particularly in the second and third quarters. This tightness reflected the heavy backlog of outstanding commitments already on lenders' books, plus the effects of the Federal Reserve-Treasury actions tightening the general money market. After the third quarter the supply of mortgage money eased, although there were still areas with serious financing difficulties. This easing was due to the working down of the commitment backlog, the increase in personal savings, and the lessening demand for home financing which in turn reflected credit restraints.

Government Aids for Private Financing

The declining volume of over-all housing activity was also sharply reflected in the Government-aided sector of new private home financing. Applications for FHA insurance were at the lowest total in the past 5 years, with total insurance written on both new and existing housing at $3.2 billion, a fourth less than in 1950. Similarly there was a decline in activity in the VA-program of home loan guarantees, with applications two-fifths lower than the 1950 total. Starts under the VA and FHA programs together amounted to 41 percent of total private starts in 1951, compared with 51 percent in 1950.

Considerable secondary support for private home building was provided through the Federal National Mortgage Association, which for the year as a whole purchased $677 million in mortgages. Such secondary financing support was also of considerable significance in getting the programs for defense housing and disaster housing under way, with $600 million set aside for such purposes and with $200 million in advance commitments authorized late in the year and issued by the end of 1951.

Under the leadership of the Home Loan Bank Board, the nearly 4,000 member savings and loan associations (having 93 percent of total savings and loan association assets) participated fully in 1951 home financing, including the effort to restrict credit for home building. In addition to Regulation X, the associations participated in the Federal Reserve Board's Voluntary Credit Restraint program. These associations constitute the largest single lending group in the home mortgage field. While their total lending in 1951 was higher than in 1950, this reflected the large volume of prior commitments, and in the last half of 1951 their lending volume was down, although savings in the associations continued to rise.

Of more than passing interest during the year was the liquidation of the Home Owners' Loan Corporation. This agency aided more than a million depression victims to retain their houses and invested nearly $3.5 billion of Government funds. Contrary to initial forecasts of heavy losses, the program has resulted in a return to the Treasury of all funds borrowed, plus a surplus of $14 million after payment of all administration expenses.

Other Government Programs

In line with the general policy of coordinating housing with the defense effort, a continuing reexamination of Government housing and community development programs went on during the year, resulting in many modifications in previously planned activity. In the low-rent public housing program, for example, activity was restricted to levels sharply below the 135,000-dwelling-unit annual rate permitted by law, with some 70,000 units started during the year. A continuing large volume of work was done in earlier stages of the program, since these stages are not considered to have any direct impact on the defense program. Thus by year's end, there were reservations for over 1,000 communities in all, covering requests for more than 500,000 units.

And in the slum clearance program, while few projects had advanced to the stage of actual demolition, capital grant reservations by the end of 1951 had been made for some 238 communities. Of these, 146 were engaged in program operations and 32 had already delineated 54 project areas.

Housing research activity initiated during the year concentrated heavily on defense-related projects, while at the same time many projects started in 1950, which had considerable long-range importance, were being completed. The 39 research projects started brought the 2-years' total to date to 97, covering a wide sweep of activity in technological, economic, and finance fields, as well as eight projects designed to provide data necessary for administration of the defense program.

In the program of loans for prefabricated housing, six new loans were made during the year, totaling $4.6 million, bringing the outstanding loans and commitment total to $35 million, with $25 million still available. In Public Law 139, the Congress provided authorization for assisting in maintaining the facilities of the industry and utilizing its potential in support of the defense effort. Funds for this purpose were not available until late in the year.

Also, a considerable start was evident before year's end on programs aiding educational activity. Nearly 5,000 units of housing for educational institutions were approved under the college housing loan program, although this program was restricted during the year to meeting only those needs arising in connection with defense activities. Also, in a program in cooperation with the Office of Education in the Federal Security Agency, more than 700 applications for school construction were examined, about 300 were approved, and 150 put under construction. These projects are expected to provide additional primary and secondary school facilities for about 118,000 pupils in areas where Federal activity has increased the burden on local schools.

Results were also beginning to be evident from the program of special aids for housing in Alaska. Since the inception of this program in 1949, nearly 6,000 additional units have been started in Alaska under programs involving FHA, FNMA, the Alaska Housing Authority operating with federally provided revolving funds, and PHA.

On October 13, 1951, the Second Advance Planning program, authorized 2 years earlier, was terminated. Under the two advance planning programs a reserve of non-Federal public works of more than 5,000 projects was established with an estimated cost of $2.6 billion.

One of the more dramatic aspects of HHFA's activities during the year was in connection with providing relief for disaster victims in the Kansas-Missouri flood area. The HHFA Administrator, acting as the Government's Emergency Disaster Relief Coordinator, distributed $18 million of emergency funds allotted by the President for use in this area, providing for removal of debris and temporary repairs of such community facilities as water lines, sewer systems, roads, etc., and also provided units of stop-gap trailer housing in the area. In addition, the Agency authorized a program of special aids to provide 2,400 permanent new homes for eligible disaster victims.

Costs and Prices

The necessity for stabilizing prices was a continuing problem throughout the year, for the economy in general as well as housing. The Defense Production Act of 1950 provided for an over-all program of wage and price stabilization as well as a basis for a program of credit restrictions in home building, aimed at reducing inflationary pressures. Prices and costs, which had risen sharply throughout much of 1950, particularly after Korea, began to level off shortly after the beginning of 1951. Wholesale prices of building materials, at an all-time peak in March, were 152 percent above 1939 and 15 percent above the pre-Korean level. Thereafter, prices remained relatively stable, even declining slightly, so that by year's end, building materials prices were at about the same levels as at the beginning of the year. Home-building costs followed a somewhat similar pattern, and by the end of 1951 were close to the level early in the year, but were 11 percent above pre-Korean levels and 135 percent above 1939.

The current high level emphasizes the importance of reducing costs and prices. This is an area where, unfortunately, dramatic and immediate results cannot be expected, and where unremitting pressure over an extended period on all phases of possible saving offers the best hope of cost reductions. HHFA again directed the attention of the public, as well as all segments of the industry, to the ramifications of the cost problem and the significance of cost reduction to the national housing goal.

Available Government resources were utilized to the fullest extent possible during 1951 in various aspects of the cost and price problem. Different methods of cost reduction were under careful examination through the housing research program, and measures authorized by the Congress in 1950 to provide more middle-income housing were effectively used. Under the cooperative housing provisions of the Housing Act of 1950, applications covering 62,500 units had been received by the end of 1951; encouragement was given for the construction of lower-priced housing in outlying areas, with 17,500 units applied for under the new Section 8, Title I, of the National Housing Act, which permits 95-percent mortgages up to $4,750.

B. Housing and the Defense Program in 1951

Activities arising directly out of the defense needs included not only the program modifications already mentioned and continuance of the program of credit restrictions but also programs for housing in-migrant defense workers in designated critical defense housing areas and participation in the Controlled Materials Plan. The value of the coordinated approach in housing was particularly evident in the current crisis, for HHFA participated fully in defense planning affecting housing, as well as administering and coordinating the housing aspects of the defense program. In addition, the Housing and Home Finance Administrator was appointed as Assistant to the Defense Mobilizer for housing and community facilities, and the Agency maintained close relations not only with the newly created defense production agencies but also with the Federal Reserve Board and the Federal Security Agency with whom it shared responsibility for administering certain defense-related activity affecting housing.

Credit restrictions, instituted in late 1950, had no seriously retarding effect on new-home starts in the early part of 1951, since most starts were exempt from the regulation, having had prior financing commitments. As a matter of fact, it is estimated that almost half of the year's starts was not subject to credit restrictions. After the first quarter of the year, the impact of these restrictions was more fully felt and, in the last quarter of the year, housing starts were at a level not far from the original annual target rate of 850,000. Since there were indications that the reduction in housing volume was greater for moderate- and low-priced homes, HHFA and the FRB were considering in late summer a revision in the down-payment schedule. Inasmuch as the Congress was also then considering the matter, administrative change was deemed inappropriate.

In September of 1951 the Congress provided new down-payment maxima for veterans' and lower-priced housing by amending the Defense Production Act of 1950. The removal of administrative flexibility in determining the down-payment schedule made more complex the already difficult task of utilizing credit restrictions as a device to limit housing volume.

The Defense Housing and Community Facilities and Services Act

The Defense Housing and Community Facilities and Services Act of 1951 was the most important legislative enactment of the year in housing and provided the basis for a whole series of aids for defense housing and community facilities. It was signed by the President on September 1, 1951, although appropriations for administering it were not available until November 1.

It had been evident early in the defense program that there would be major problems in providing the housing and appurtenant community facilities needed for in-migrant workers at defense installations. In January 1951 the HHFA Administrator called the attention of the Congress to this situation and proposed a comprehensive program, including a special FHA insuring program and special FNMA aids for private defense housing; limited authority for the Government to provide temporary housing or to provide permanent housing directly, if private enterprise were unable to do so; authority to assist communities to provide facilities and services in critical areas, or to provide them directly if necessary; and authority to provide funds for needed facilities and site acquisitions in isolated areas and loans to enable prefabricated housing producers to maintain their capacity to produce and distribute housing to serve defense needs. These proposals in line with the Agency's policies placed primary reliance for defense housing on private enterprise and on local governments, with direct Federal construction to be undertaken only in exceptional cases.

As eventually enacted, the legislation provided most of the measures requested, although the publicly sponsored segments were reduced considerably below the levels originally proposed. With the passage of the new legislation and the provision of operating funds in November, the entire defense housing and community facilities program was recast in the remaining months of the year, and vigorous measures were undertaken to assure the fullest possible use of the new aids. The response from potential builders was excellent, and applications received more than doubled the 60,000 units programed through December. However, it was evident that there were serious financing problems hampering the provision of defense housing. While no final applications had been received for defense community facilities, the situation was being carefully studied and applications were in progress for a number of areas where lack of adequate facilities was hampering the provision of needed housing.

Military Housing

Also, aid was provided for housing at military installations through Title VIII of the National Housing Act, the so-called Maybank-Wherry Act which provided a special program of FHA insurance. During 1951, applications involving 22,000 units were received. This program has gone along at relatively high levels in the past 2 years, and by the end of 1951 total units in applications amounted to nearly 55,000, of which 21,000 had already been reported as completed.

C. Housing Problems—The Challenge and the Outlook

At the close of 1951 there were two broad aspects to the housing problem. One related to the immediate future and the need for utilizing our housing resources in support of the defense effort. The other, directly affected by this, concerned the long-range problems and how to progress toward the national housing goal during a period of partial mobilization.

For the immediate present the outlook was for continued restriction on housing activity to levels which would not interfere with the needs of our defense economy.

The reduced volume in prospect for 1952 allows little if any leeway for improvement in our over-all housing conditions. It makes more difficult, as well as more necessary, every effort to assure an equitable distribution of the housing along the lines suggested by the Congress in its various legislative enactments in housing in recent years.

There are, however, some encouraging factors in the 1952 outlook. For one thing, insofar as the permanent defense housing is well built, it will make a useful addition to the housing supply. Moreover, for a number of important programs, it will still be possible to continue the improvement in the use made of available aids and to make continuing progress in phases which may not involve a direct impact on the defense program; this is particularly true in the earlier stages of slum clearance and in progress on the program of public housing, as well as research and community development planning. Moreover, despite the severity of defense demands on the housing economy, it is obvious that housing is in far better shape to make its contribution to our defense than in 1940. We have a better organized, equipped, and financed industry than that in existence at the close of the depression of the thirties. The industry has acquired in these years a much more stable structure and a vast amount of know-how. There has been developed a more adequate series of governmental programs to aid housing than before, and there is much better coordination of our housing resources, both governmental and otherwise.

The Long-Run Problems

The necessary retarding of effective action for major improvements in our housing supply strongly heightens the critical nature of the long-range problems. Preeminent among these long-range problems is the fact that although we have made huge strides in volume-production of housing, much of the housing produced in many areas was not well enough adapted to the needs of many families seeking better housing. This is particularly true of lower- and middle-income groups, as well as for the above-average-size family of modest income. Important aspects of this problem of production are strikingly evident in the hitherto largely neglected area of new housing for minorities, as well as in the area of special problems now emerging for the aged as medical science lengthens the human span.

The housing of migrant workers and their families is another area of housing need that has come to the fore in the past year. Along with other Government agencies concerned with the problem, HHFA has participated in a review of the housing situation of migrants and, at the request of the Subcommittee on Labor and Labor Management Relations of the Senate Committee on Labor and Public Welfare, furnished data with respect to measures to meet the needs of migrants.

One of the major areas of concern is in developing more adequate financing techniques intended to aid in the production of housing for those in our population now not adequately served. As an aspect of the financing problem, there is a necessity for a larger entry by private capital into the secondary mortgage market.

A tremendous challenge lies ahead in improving our blighted areas in our cities and in the corollary problem of relocating families now living in such areas. The problems of better neighborhood planning and site development loom importantly for the future, along with the necessity of improving local building regulations, which in many communities impede progress toward better housing. The provision of adequate utilities and facilities—schools, hospitals, sewers, water supply, as well as shopping and transportation facilities—is a must in our housing future.

Certainly part of the challenge ahead will involve further development of the possibilities inherent in prefabrication and large-scale site construction, as well as in using new materials.

On close examination, behind much of the maldistribution and the impediments to improving our housing supply is the basic problem of costs. Over the years, the high cost of housing has been a major handicap in achieving a more adequate distribution of housing, particularly for families with average or less-than-average incomes. So long as costs remain high, they pose a serious threat to the future prospect of maintaining the high level of production which the industry has proved capable of achieving. The defense crisis interrupted the postwar building boom. However, at current costs and price levels, there is reason to doubt the continuance of an adequate market. If the price and cost problem can be solved, thereby opening new markets for the industry in the middle- and lower-income groups and in housing replacement, there is reason to believe that we can look forward to achieving a stabilized production at very high levels, after the objectives of the national defense program have been attained.

The Outlook

The catalog of problems is large. But many of them have been identified and the ever-increasing understanding and the consequent widening area of agreement on methods for resolving our housing problems exemplify a growing maturity in the American approach to housing.

For the immediate future, then, progress on the basic long-range problems is necessarily limited both by the resources that can be made available for housing after first satisfying defense requirements and by the extent to which developments under the defense program can be related to housing needs. So long, however, as we do not go beyond the partial mobilization now contemplated, past experience provides a sound basis for believing that some improvement will continue. Despite the ravages of a world war and the tremendous problems of postwar conversion—and now a reconversion to a defense effort—our housing situation has improved greatly. If we apply ourselves to this problem with the ingenuity and the high degree of cooperation that has stood us in such good stead in the past, the combination of an enlightened approach plus the tremendous resources—economic, technical, and social—that have been developed in housing offer us the opportunity to do more than merely hold our own in the period ahead.

Chapter II

HOUSING SUPPLY AND NEEDS

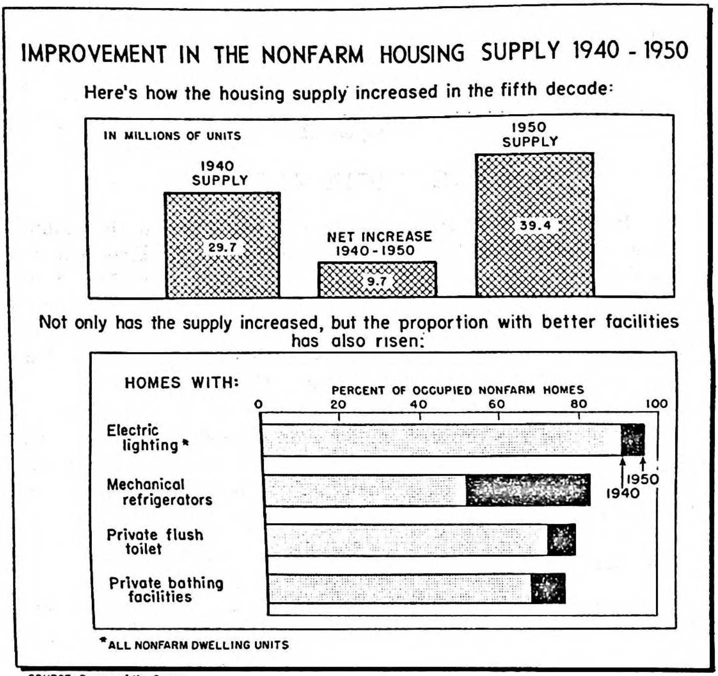
The Housing Act of 1948, as amended, requires that the Administrator of HHFA shall "prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs."

Last year when new data became available from the 1950 Census of Housing a report made in fulfillment of this requirement presented a detailed analysis of the housing situation in nonfarm areas and a description of the progress made over the decade 1940–50. The present report supplements and amplifies this account, placing particular emphasis upon such segments of the problem as housing for minority groups, the aged, and defense workers.

A. We Are Now Better Housed

From the end of the war to the beginning of 1952, about 6,000,000 new nonfarm dwelling units were built. Since this is about 15 percent of the entire nonfarm housing stock, it is clear that tremendous progress has been made during this postwar period in providing new housing to relieve the housing shortage caused by war and depression. Also, it is estimated that during this period additions to the usable housing supply through conversions have been about a million or more, and many other units have been retained in the housing supply through renovation and rehabilitation. While in many instances these may represent units of minimum adequacy, nevertheless in a period of shortage, they played an important part in relieving housing pressures.

The changes resulting from new construction, conversion, and rehabilitation are reflected in reports from the 1950 census which indicate that the American people are better housed today than ever before, in terms not only of supply in relation to need but also of the facilities for good living that their homes possess. Larger percentages have private indoor toilets, private bathing facilities, running water inside the structure, electric lighting, mechanical refrigerators, gas or electric cooking ranges, and oil- or gas-fired heating equipment. Fifty-three percent of household heads own their own homes, the first time on record that the proportion of homeowners has been as much



SOURCE: Bureau of the Census

CHART 2.

as half. In spite of the large increase in homeowners during the forties—71 percent—the proportion of mortgaged to all owner-occupied homes was about the same at the end of the decade as at the beginning.

The year 1951 witnessed a continuation of the progress of the postwar period, with 1,100,000 new nonfarm units placed under construction.

B. Meeting Defense Housing Needs

The need for defense housing will, of course, depend on developments in the defense mobilization program and the extent to which it will be necessary to supply additional housing for in-migrant workers and military personnel needed in defense areas. At the beginning of 1952 some 116 areas had been designated as critical defense housing areas, and over 65,000 units had already been programed. In order to meet the special requirements of workers migrating into such areas, about two-thirds of the units already programed were rental units. In terms of incomes, most in-migrant workers and military personnel will probably fall in the middle-income group. Although some were at lower costs and rentals, most of the housing already programed was in the $60 to $80 rental range and the $8,500 to $10,000 sales-price range—figures based on the expected capacity-to-pay of defense workers and service personnel.

C. Looking Ahead During This Decade

Despite the substantial postwar progress described above and the prospect of preserving the *status quo* during 1952 with the resources available, the *status quo* is nothing to be complacent about. For, in 1950 there still were over 7 million nonfarm families without a private flush toilet, more than 8 million without private bathing facilities, over 3½ million without piped running water inside the structure, and 2½ million living in dilapidated structures.

Since units that are deficient in one respect are frequently deficient also in others, we cannot add together these figures in order to get the total number of substandard homes. Counting as substandard only those nonfarm units that the Census Bureau has classified as dilapidated, or those in urban areas which even if not dilapidated lack either a private inside flush toilet or private bathing facilities, we obtain a figure of about 6,300,000 substandard nonfarm units. This excludes

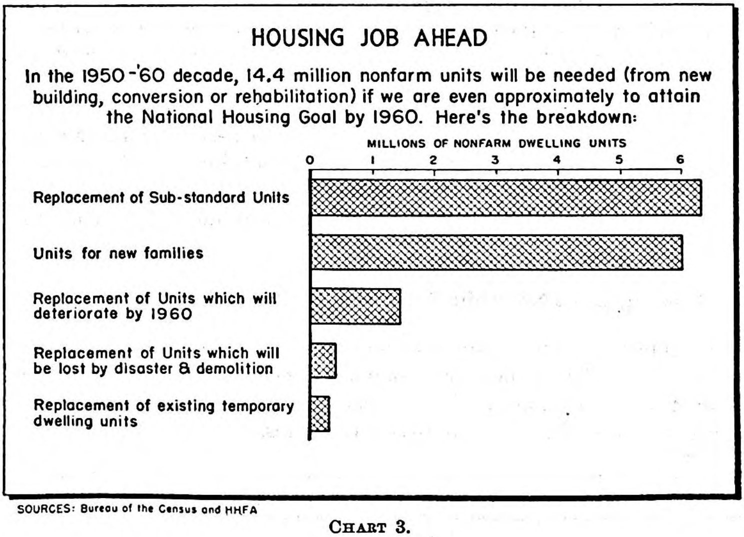


CHART 3.

rural nonfarm units which lack toilet or bathing facilities, since there is a lack of general agreement that such a deficiency warrants branding a unit "substandard."

Bringing our deficient units up to standard either by replacement or rehabilitation is only part of the job to be accomplished, however. We must also provide for our growing population. On the basis of census population estimates for 1960, is is estimated that we shall need 6,000,000 additional dwelling units just to provide homes for the net increase in the number of families between 1950 and 1960. Also in this period we shall need to replace the approximately 400,000 units that will be lost through demolition and disaster and the 300,000 units of temporary war housing that the Congress has determined must come down as soon as conditions permit. Finally, it is estimated that there are some 1,400,000 units that are now regarded as standard, which will require major work to be done upon them to prevent their becoming substandard by 1960. Adding up all these figures—6,300,000 substandard units, 6,000,000 for new families, 400,000 for replacement of demolition and disaster losses, 300,000 to replace temporary war housing, and the 1,400,000 units that will need to be replaced or extensively rehabilitated between 1950 and 1960—we get a measure of the total job ahead. In all, there are or will be 14,400,000 nonfarm families for which we shall in the course of the present decade either have to provide new housing or bring the units they now occupy up to an acceptable standard if we are even approximately to attain the national housing goal by 1960.

To achieve this goal does not mean that we shall have to build 14,400,000 new units. Many substandard units can be modernized and rehabilitated. Conversions of large old houses into multidwelling-unit structures will also satisfy some of the need. On the other hand, not all substandard units can be rehabilitated because many are too far gone or are located in undesirable places and should be demolished. Hence, major reliance will have to be placed on new construction to expand and replenish the supply of standard housing during the decade.

D. Housing of the Nonwhite Population

Despite the genuine advances made in housing during the decade of the forties for the nonfarm population generally, the supply available to nonwhites has barely kept pace with population changes, and the quality is still far inferior to that of whites.[1]

[1] An extended discussion of the housing for nonwhites is to be found in a study planned for issuance early in 1952, *Housing of the Nonwhite Population, 1940–50,* prepared by the Division of Housing Research, Housing and Home Finance Agency.

Between 1940 and 1950 there was considerable migration of nonwhites away from the farm, the total number of farms having declined by 1,400,000 persons during the decade. The nonwhite population in nonfarm areas on the other hand increased by 40 percent, and the proportion of all nonwhites living in such areas increased from 65 percent in 1940 to 78 percent in 1950. While the nonwhite population increased by 40 percent in nonfarm areas, the number of dwelling units occupied by nonwhites increased by only 37 percent. In contrast, the increase in the nonfarm white population was 24 percent and the increase in dwelling units occupied by whites was 31 percent.

These demand and supply relationships are reflected in data on size of household, overcrowding, and doubling up of families, all of which reinforce the conclusion that the supply of housing available to nonwhites in nonfarm areas has barely kept pace with the increased need as the nonwhite population has grown and been augmented by migration from farms. Whatever easing there has been in the nonfarm housing supply generally between 1940 and 1950, it has not appreciably affected the situation of the nonwhite population.

With respect to quality there is reason to believe that homes of nonwhites in nonfarm areas have improved substantially between 1940 and 1950. Nevertheless, they are still far inferior on the whole to those of whites. This is illustrated by the following summary from the 1950 census:

Nonfarm families, April 1950	Percent of families in group					
	Total		Urban		Rural nonfarm	
	White	Non-white	White	Non-white	White	Non-white
Living in dilapidated homes	5.4	26.6	4.1	23.9	9.6	37.3
With no piped running water inside structure	8.0	33.0	2.3	19.3	26.5	85.7
With no private inside flush toilet	17.6	52.1	10.4	41.6	40.7	92.8
With no private bathing facilities	19.9	58.2	13.2	49.3	41.7	93.5
Living more than 1.5 persons per room	4.4	18.2	3.6	16.7	7.0	23.8

According to each of these indexes, a very much larger percentage of nonwhites than whites lacks homes that provide a minimum standard of safety and comfort. This is equally true in urban and rural nonfarm areas.

A change worthy of note in the housing circumstances of the nonwhite population in rural nonfarm areas is the tremendous growth in home ownership. In 1950 the proportion of nonwhite homes occupied by their owners was about half again as high as in 1940, having increased from 24 to 35 percent of all nonwhite homes. While the proportion in 1950 was still substantially below that for white homes, the decennial increase was far higher among nonwhites—93 percent—than among whites, where the increase was 70 percent. Whether this increase in home ownership resulted primarily from a desire on the part of nonwhites to own their homes or from inability to find suitable rental quarters, it does imply both a desire to improve the quality of their housing, as well as increased financial ability to do so. It also suggests that there may be a potential demand for new housing, which private enterprise has overlooked.

E. Housing for the Aged

A problem just emerging above the threshold of the national consciousness is that of housing for the aged.[2] One reason for this growing interest in the aged is the sheer increase in their numbers. Since 1900 the number of persons 65 years of age and over has increased fourfold—from 3,080,000 to 12,322,000. Their proportion to the total population during this period has doubled, increasing from 4.1 to 8.2 percent. Population experts foresee a continuation of this trend over the next half century, so that with the passage of time the problems of the aged may be expected to make greater claims on our attention and, if neglected, to become more acute.

A second factor contributing to the problem of housing the aged is the gradual change that has taken place in living arrangements. In 1790 the average household had about seven persons. In 1950 it was only half as large. The average dwelling unit is getting smaller, too, though here we have to depend for evidence on only the last two censuses. Between 1940 and 1950 the median number of rooms per household in nonfarm areas has decreased from 4.8 to 4.6. In 1940 about 16 percent of homes had seven or more rooms, in 1950 only 13 percent had that many. In the larger household and larger dwelling unit of yesterday the old folks usually had a place and responsibilities suited to their needs and abilities. In the smaller household of today this is less true.

The extent to which the aged live apart from larger family groups is indicated by 1950 census data. Thus we find 25 percent of nonfarm households, with heads 65 years of age or over, to consist of just one person each. In the nonfarm population generally the proportion of one-person households is only 10 percent. The proportion of nonfarm households of two or less among the aged is 69 percent, compared to 38 percent for all ages. In all there are 1,405,000 persons 65 years or older living alone in nonfarm homes, and 2,402,000 more who are living with one other person.

Doctors, engineers, and architects have for some time been studying the needs of the aged and developing basic data on their housing

[2] See *Housing Research*, Winter Issue, 1951–52, *How Our Aged Families Are Housed*, for a more detailed presentation of census data relating to the aged.

requirements. The aged are best served by small, single-level, apartment-type units so equipped as to eliminate the need for bending or climbing on chairs to gain access to storage areas, with good lighting, somewhat wider doorways and, ideally, special types of bathing equipment designed to minimize the risk of injury from falls. It is desirable that they be close to transportation and to stores and other facilities, including recreation. Many of these things, it is obvious, would improve the housing of other age groups, especially families with young children.

It is interesting to note that the housing of the aged tends to depart from many of these requirements to a greater extent than do homes of younger families. Thus we find that among the aged in nonfarm areas 11 percent have homes of eight rooms or more compared to 6 percent for all ages, and 39 percent have homes of six or more rooms compared to 30 percent for all ages. Conversely, 82 percent of homes of the aged have a density of 0.75 persons or less per room, whereas only 60 percent of all households have a density that low.

On the other hand, a larger proportion of the aged own their homes—67 percent, compared to 53 percent for the nonfarm population in general. The median value of the homes owned is only $6,400, however, compared to a median of $7,400 in nonfarm areas for all ages.

Also the incomes of the aged are in general lower than those of younger persons. In 1949, 46 percent of families with heads 65 years of age or over had annual incomes of less than $1,000, compared to 12 percent for families with younger heads. This may indicate certain limitations that will be encountered in attempting to deal with the problem.

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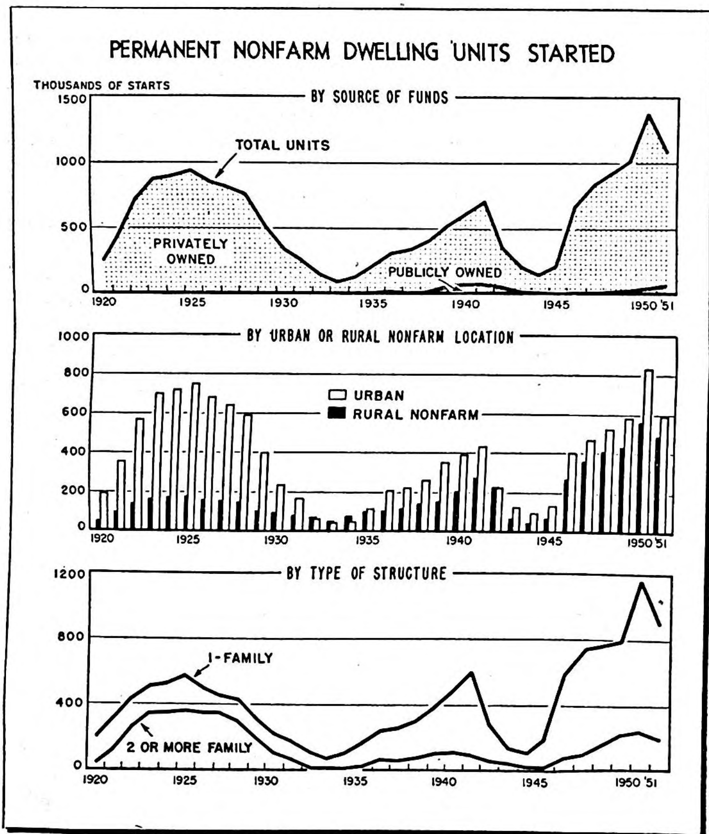
Chapter III

HOME BUILDING IN 1951

A. Housing Production

Starts Volume

The past year was a banner year for the construction industry despite a decline of 300,000 units in the number of new homes started. The 1.1 million nonfarm units put under construction made 1951 the second highest on record, 22 percent below the 1950 peak. A decline



SOURCE: Bureau of Labor Statistics

CHART 4.

from the 1950 level had been planned in order to conserve building materials and labor for the defense effort and to curb inflationary forces. Though the 1951 total was higher than the original target of 850,000 units for the year, the decline represented a substantial drop from the previous year and reflected a reversal of the upward trend in home building in the postwar years. Year by year since VJ-day, starts have been increasing as the accompanying chart shows.

The decline is all the more noteworthy in that most of it took place in the last half of the year, as the following table shows:

Nonfarm housing starts

[000 units]

Month	Total		Private		Public	
	1951	1950	1951	1950	1951	1950
January	85.9	78.7	82.2	77.8	3.7	.9
February	80.6	82.9	76.5	82.3	4.1	.6
March	93.8	117.3	90.1	116.0	3.7	1.3
April	96.2	133.4	92.3	131.3	3.9	2.1
May	101.0	149.1	97.6	145.7	3.4	3.4
June	132.5	144.3	90.2	143.4	42.3	.9
July	90.5	144.4	86.8	139.7	3.7	4.7
August	89.1	141.9	88.3	137.8	.8	4.1
September	96.4	120.6	95.3	116.1	1.1	4.5
October	90.0	102.5	89.0	100.8	1.0	1.7
November	76.0	87.3	73.7	82.7	2.3	4.6
December	62.0	93.6	60.9	78.6	1.1	15.0
Total	1,094.0	1,396.0	1,022.9	1,352.2	71.1	43.8

Also of significance in the decline of starts in 1951 was the severe tightening of mortgage money during much of the year, details of which are discussed more fully in the pages which follow. The total of 71,000 public housing units started was the largest yearly total on record except for the peak years 1940 and 1951.

Location

Since VJ-day, a marked increase has occurred in the proportion of homes built in rural nonfarm areas—areas outside incorporated communities of 2,500 or more. In the 1920's, about 20 percent of all new homes were in rural nonfarm areas. In the 1930's, this proportion increased to 36 percent, with a corresponding decrease in the proportion of new urban homes. In each year since 1945, more than 40 percent of the homes built have been in rural nonfarm areas, the 1951 ratio being the highest on record, 45 percent.

Sales and Rental Housing

Another change that has been quite noticeable during the past three decades is the increase in the proportion of single-family dwellings. During the 1920's, single-family houses comprised 60 percent of all nonfarm starts. In the 1930's, this proportion had increased to 79 percent and, during the war years, to nearly 84 percent. In each of the postwar years with the exception of 1949, well over 80 percent of all new nonfarm homes built were one-family houses. In 1951 the proportion was 83 percent, equaling the average over the five previous years.

Rental-type starts totaled 189,700 in 1951, a decrease of 22 percent from 1950 but the same proportion of the total nonfarm starts. Nearly four-fifths of the rental starts, 149,000, were of the multifamily group—three or more dwelling units.

The increase in the proportion of one-family units, with a corresponding decrease in two-family and multifamily units, is reflected in the ownership of homes. The proportion of occupants owning their homes has increased from 40 percent to more than half during the past decade.

Dollar Volume of Construction Activity

The value of all new construction put in place reached a peak in 1951, totaling nearly $30 billion—a 7 percent increase over 1950. Residential building declined from the all-time high of $12.9 billion in 1950 to $11.5 billion in 1951; but nonresidential building construction increased from $6.2 billion to $8.2 billion, and other construction from $8.8 billion to $10.1 billion as the following table shows:

New construction

[Value put in place]

Item	1951		1950		1949	
	Amount ($000,000)	Percent of total	Amount ($000,000)	Percent of total	Amount ($000,000)	Percent of total
Total	29,863	100.0	27,902	100.0	22,584	100.0
Residential	11,515	38.6	12,945	46.4	8,626	38.2
Nonresidential building	8,225	27.5	6,179	22.1	5,296	23.4
Industrial	2,855	9.6	1,286	4.6	1,149	5.1
Commercial	1,312	4.4	1,288	4.6	1,027	4.5
Educational	1,825	6.1	1,457	5.2	1,203	5.3
Hospitals and institutional	914	3.1	820	2.9	679	3.0
Religious	429	1.4	409	1.5	360	1.6
Other	890	2.9	919	3.3	878	3.9
Other construction	10,123	33.9	8,778	31.5	8,662	38.4
Public utilities	3,685	12.3	3,130	11.2	3,316	14.7
Farm construction	1,250	4.2	1,170	4.2	1,292	5.7
Military and naval	1,045	3.5	177	.6	137	.6
Highway	2,225	7.5	2,350	8.5 0	2,129	9.5
All other [1]	1,918	6.4	1,951	7.	1,788	7.9

[1] Includes sewer and water, conservation and development, and miscellaneous construction.

Sources: U. S. Departments of Commerce and Labor.

Of the total valuation of all construction, 30 percent was publicly owned, as compared with 25 percent in 1950. The increased proportion to some extent represents increased public construction work in connection with the defense effort.

The 7-percent increase in the value of total new construction reflects very closely the increased cost of labor and building materials. Wholesale prices of building materials were about 8 percent higher in 1951 than in 1950; and the Boeckh indexes showed an 8-percent increase in the cost of building for residences and 8 percent for apartments and hotels.

B. Materials and Labor Supply

Production of the principal building materials used in housing construction continued in 1951 at about the same level as that of the previous year. While the score is not complete for all materials as this summary is being written, the Department of Commerce composite index of construction-materials production for 1951 stands tentatively at 163.4, a 2-percent advance over 1950.

There were variations of course in individual materials—5 percent less softwood lumber was produced than in 1950, 3 percent less hardwood flooring, 10 percent less asphalt roofing, 10 percent less cast-iron soil pipe. Production of wood doors was down 25 percent, and shipments of warm-air furnaces fell off by one-fifth. On the other hand, brick production rose 2 percent, cement output 9 percent, and the output of gypsum board, softwood plywood, wood window sash, and some plumbing fixtures increased in ratios that ranged from 4 percent to 11 percent.

Despite the necessary concentration of steel production facilities on heavy plate and steel for forgings, the steel industry was able to increase its shipments of reinforcing bars by 14 percent and to hold the decrease in nails shipments to within 1 percent of the 1950 quantity.

The accompanying table shows the 1951 production records for the materials most important in residential building:

Material	Unit	1951	1950	Percent change, 1951 from 1950
Softwood lumber	Million board feet	29, 188	[1] 30, 577	−5
Hardwood flooring	do	1, 048	1, 077	−3
Softwood plywood	Million square feet	2, 987	[1] 2, 676	+12
Doors	Thousand	11, 289	15, 050	−25
Window sash	Thousand pairs	10, 424	9, 414	+11
Door and window frames	Thousand	4, 543	4, 644	−2
Brick	Million	6, 471	[1] 6, 333	+2
Portland cement	Thousand barrels	246, 064	226, 035	+9
Gypsum board [2]	Million square feet	3, 360	[1] 3, 016	+11
Gypsum lath [2]	do	2, 762	[1] 2, 794	−1
Asphalt roofing [2]	Thousand squares	58, 384	[1] 65, 024	−10
Nails [2]	Thousand tons	865	[1] 874	−1
Reinforcing bars [2]	do	1, 900	1, 674	+14
Cast-iron soil pipe and fittings	do	688	761	−10
Bathtubs	Thousand	2, 051	[1] 2, 264	−9
Lavatories	do	3, 588	3, 447	+4
Sinks	do	2, 817	[1] 2, 860	−2
Water-closet bowls	do	865	3, 792	+6
Water-closet tanks	do	3, 379	3, 412	−1
Warm-air furnaces [2]	do	4, 029	1, 100	−21

[1] Revised (i. e., differs from figure in HHFA 1950 Annual Report). [2] Shipments.

Bottleneck shortages of essential building materials, principally of steel, iron, and copper but also including cement, gypsum products, and plumbing fixtures, increased in number and severity during the first quarter of 1951. With the second quarter, however, they began a rapid drop, reaching a low point in August and September. In the fourth quarter the situation again grew tighter, but the pinch was virtually confined to steel and copper products and, with the decreased rate of housing construction, did not seem to be as severe as at the beginning of the year.

Copper for flashings, copper tubing, copper wire, reinforcing steel, and galvanized sheets, ducts and gutters, were the items that builders found it most difficult to get in sufficient quantity. Aluminum, as well as steel and copper, was tightly regulated under the Controlled Materials Plan, but home builders in 1951 were successful in finding substitutes for aluminum building products to an extent considerably greater than for either copper or steel.

Employment by construction contractors increased notably during 1951. The monthly average employment as reported by the Bureau of Labor Statistics rose to 2,567,000 workers, an increase of nearly 11 percent over 1950. August set a new record of 2,809,000 workers employed by all contractors (2,241,000 employed by contractors principally engaged in building construction), easily topping the pre-1951 high figure of 2,631,000 recorded in October 1950.

C. Costs and Prices

Home-Building Costs

Home-building costs were relatively stable during 1951, such increases as occurred taking place in the first few months of the year. However, the average for the entire year 1951 was 8 percent higher than the average for 1950, reflecting both the sharp increase in costs, which began after Korea and continued through the first part of 1951, and the resultant high cost plateau during the remainder of the year. From March 1951 through the end of the year the Boeckh Index of Residential Costs rose only 1 percent, as the following table shows:

Indexes of construction cost of residences and apartments, 1950 and 1951

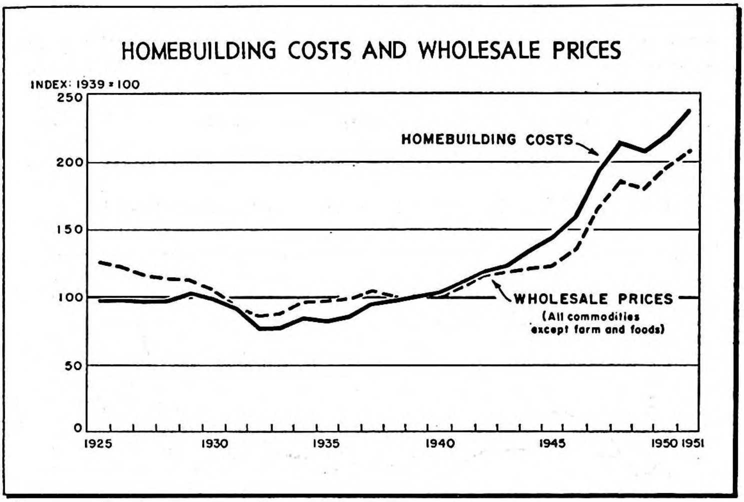
[Base 1939=100]

Month	Residences		Apartments, hotels, and office buildings	
	1950	1951	1950	1951
January	206.7	232.9	194.3	214.8
February	208.8	235.4	195.6	216.5
March	210.4	235.9	196.5	217.3
April	211.3	236.1	197.1	217.5
May	217.9	237.3	201.1	219.0
June	220.6	237.2	202.6	219.3
July	224.2	236.5	205.3	219.1
August	228.3	236.7	207.6	219.2
September	227.8	238.0	208.0	220.1
October	226.6	[1] 239.3	208.0	[1] 221.0
November	226.7	[1] 239.3	209.3	[1] 221.0
December	229.8	239.2	211.7	221.5

[1] All-time high.

Source: E. H. Boeckh and Associates.

The Boeckh index of construction costs is a combination of costs of building materials and of labor. Inasmuch as building materials prices actually showed downward tendencies during 1951, the increase in home-building costs was actually a reflection of increasing labor costs.



SOURCES: E. H. Boeckh and Associates and Bureau of Labor Statistics

CHART 5.

Prices of Building Materials

Within 6 months after the outbreak of hostilities in Korea, wholesale prices of building materials rose 10 percent. By March 1951, however, the increase had stopped, with prices in a slow decline for the balance of the year. By the end of 1951, wholesale prices of building materials were 2 percent below the all-time high in March.

Lumber is the most important single item of building materials. The movement of the wholesale price index of lumber differed from the composite index in that the all-time high was reached in September 1950. Following the Korean outbreak, the index rose from 322.6 to 371.5, an increase of 15 percent in 3 months (1926=100). However, military demand was not as great as anticipated, and by the end of 1950 the price index had dropped to 348.4.

This decline was followed by an 8-point rise in January 1951; and by March the index had climbed to 361.2, reflecting the continuation of the high building rate in the first quarter. The seasonal increase in building in the second quarter was much lower than in 1950; and production of lumber in the first half of 1951 was the highest on record. The result was a decline in prices which began in April and continued through August, when the index stood at 342.8, a 5-percent decrease from March. In the last 4 months of the year, price fluctuations were very small, amounting to a fraction of 1 percent. At the end of 1951, the wholesale price index for lumber was 1 percent below the year-end figure in 1950.

Other building material items were subject to much smaller price fluctuations than in the case of lumber. Prices of structural steel were frozen under the General Ceiling Price Regulation, issued January 27, 1951, and the wholesale price index remained at the all-time high

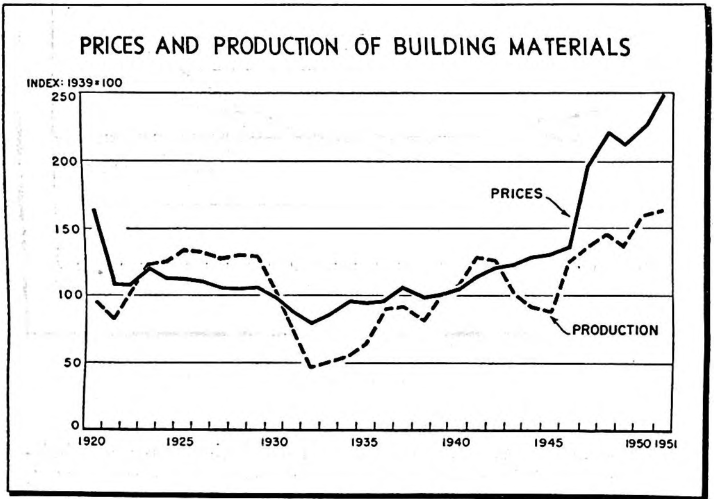


CHART 6.

of 204.3 throughout the year. Brick and tile also showed very little fluctuation. The index remained at the all-time high of 180.8 through June, but during the remainder of the year it dropped a fraction of 1 percent, reflecting to a small extent the decrease in home building. After a 4-percent increase in January, ceiling prices of cement were frozen at 147.2, and there was virtually no change during the 12 months.

In the two previous years, prices of paints and paint materials had fluctuated from month to month, dropping 16 percent in 1949 but rising 11 percent in 1950. Sharp increases occurred in December 1950 and January 1951, and the peak was reached in April when the index was 164.7. Gradual decreases were registered during the next 6 months, but following the issuance of SR6 to CPR 22, paint prices increased about 3 percent.

Plumbing supplies are subject to CPR 22, and slight price increases were permitted because of increased cost of production. Very little price fluctuation occurred during the year; but the all-time high was reached in August when the index was 184.6.

Average Earnings and Hours of Work in Construction

Average hourly earnings in building increased in every month from June 1950 to the end of 1951. The individual increases were relatively small, the largest in a single month being in September 1950—4.6 cents per hour, or 2.3 percent. However, in aggregate they resulted in a rise from $1.995 per hour in June 1950 to $2.120 at the end of 1950 and the all-time high of $2.260 in December 1951. Percentagewise, the increase in the entire year 1951 virtually equaled that in the last half of 1950, slightly more than 6 percent.

Average weekly hours in building construction in 1951 followed the seasonal trend. The low point was in February, 35.3 hours per week. From that month on they increased steadily through October, when workers in building construction averaged 38.6 hours per week. At the year end, average hours were down slightly, reflecting normal seasonal declines in building.

With the exception of February, average weekly earnings in 1951 increased month by month through October, when building workers averaged $86.43 per week, 9 percent above the year-end wages in 1950 and an all-time high. The declines in November and December reflected the seasonal drop in hours per week.

Sales Prices of Housing

Despite the considerable interest in the sales prices of housing, such data have not been generally available in the past, primarily because of the difficulty and expense of measuring the prices at which residential properties change hands. However, through the Division of Housing Research, HHFA has developed rough measures of the relative changes in the prices at which existing single-family homes are offered for sale in selected cities throughout the United States. These measures, it should be pointed out, reflect price developments on the seller's side of the market only. They show that between April–June 1947 and December 1951 asking prices of other-than-new houses for the country as a whole advanced nearly one-third. In the year 1951, asking prices of houses increased between 7 and 8 percent.

The upward course of asking prices for the entire country throughout 1951 was quite generally consistent. Two downward movements of moderate proportions were recorded for July and December. The decline for December was almost entirely recovered by the advance registered in January 1952.

On a regional basis, asking prices in 1951 followed the same general pattern in each of the three broad regions. Prices for the West were lower, relative to April–June 1947, than prices for the other two regions. This difference may possibly be explained by an earlier advance of prices in that region placing them at a somewhat higher level in the base period. In December 1951 asking prices for the Western Region were slightly less than one-fourth above their base-period level, whereas in the other two regions these prices had advanced about one-third. During the year these prices advanced about 5 percent for the Western Region, as compared with about 6 and 11 percent for the Northern and Southern Regions, respectively.

Asking prices for the Southern Region were characterized by wider fluctuations than obtained for either the Northern or Western Regions. Although prices for the Southern Region advanced relatively almost twice as much in the 12 months ending with December 1951 as did prices in the other two regions, they declined in 5 of those 12 months. These were January, March, April, August, and December.

D. Home Financing in 1951

The Mortgage Market Situation

The dollar volume of home-mortgage lending was at an all-time high in 1951. Nonfarm mortgage recordings of $20,000 or less reached a peak of $16.4 billion—a gain of 1 percent over 1950. However, a marked change in trend was evident during the year. Thus, in the first 5 months of 1951, mortgage recordings were persistently above the same months of the previous year, but in the last 7 months, recordings were under the corresponding months of 1950.

Mortgage lending during the year reflected four major influences: (*a*) The heavy volume of loan commitments outstanding at the beginning of the year; (*b*) the tightening of the money market beginning in mid-April; (*c*) the high rate of personal savings; and (*d*) the growing impact of credit restrictions after the early part of the year.

At the outset of 1951, most mortgage lenders had large mortgage loan commitments outstanding. This carryover was the result of the record year of home building just behind, plus the fact that many lenders had commitments on their books before the effective date of Regulation X and companion restrictions. Until this high backlog was worked down, the effects of credit restrictions were not fully evident.

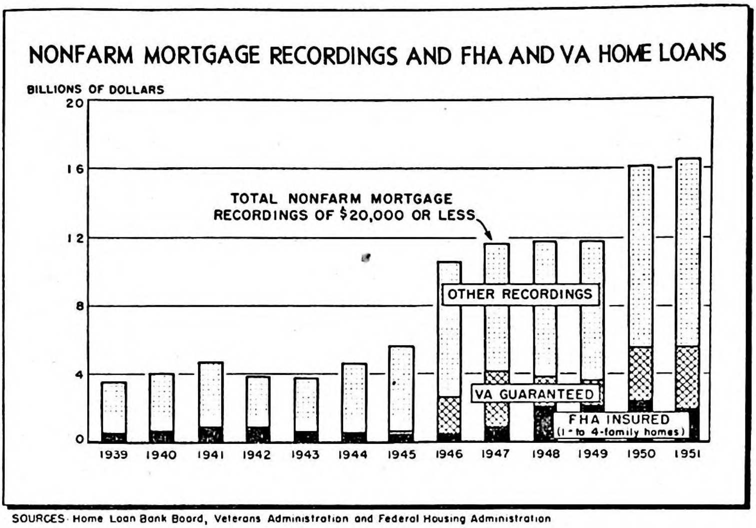


CHART 7.

Home building felt the pinch of the defense mobilization needs at an early stage. In July 1950 counterinflation measures were taken on Government-aided home financing. In October the more stringent controls of Regulation X and companion restrictions were announced. Then, in March 1951 the Federal Reserve Board and the Treasury took joint action to tighten up on lending generally. These actions consisted of the removal of FRB supports from United States Government bond prices at par or better and the issuance by the Treasury of $13.5 billion in new nonmarketable bonds at higher interest rates in exchange for certain outstanding marketable bonds. As a result, there was a tightening in the money market in mid-April. Leaders who had counted on liquidation of Government bonds to finance their mortgage commitments found that this might now entail taking a capital loss. Throughout most of the summer the shortage of mortgage money was a serious problem to home builders and buyers. Then, in the last half of the year, the mortgage money situation eased as commitments were worked off and the flow of personal savings increased.

Income was at record highs in 1951, and spending—after a first-quarter buying spree—was relatively slow. Federal cash transactions seconded this trend. In the first quarter of calendar year 1951, Federal cash income exceeded payments by $7 billion, but, in each succeeding quarter, there was a growing deficit. By the fourth quarter, the Government was making net cash payments to the public of $4 billion.

As a result of these influences, personal savings increased sharply in 1951, as was evident in figures on bank deposits, savings and loan accounts, and insurance company assets.

Toward the end of the year the effects of the credit restrictions were evident in declining housing starts volume. Fourth-quarter housing starts were one-fifth below a year ago, while home-building costs had shown little change over the year. An HHFA analysis of the incidence of the housing credit restrictions (made prior to the September modifications) indicated that the greatest curtailment was on homes in the lower and middle price groups. Although the down-payment requirements were graduated according to sale prices, prospective buyers of higher-priced homes were generally better prepared to meet the payments than were prospective buyers of low-cost homes. Reflecting this, as well as rising construction costs, between mid-1950 and mid-1951 there had been an upward shift in the sales price distribution of new homes for which FHA had received applications for mortgage insurance. Continuous study of these problems is being made by HHFA in carrying out its responsibilities of administering credit regulations.

Mortgage Lending Volume[1]

Nonfarm mortgage recordings of $20,000 or less in 1951—$16.4 billion—were at a peak despite the fact that the number of such mortgages was 5 percent less than in 1950. Offsetting this was a slight increase in the average recorded mortgage amount.

The various influences on mortgage lending during the year affected the principal types of lending institutions differently. S & L's were not directly affected by the changes in the bond market, while the record-high net savings inflow enabled them to increase their mortgage lending over the previous year's level. Home mortgage recordings by S & L's of $5.3 billion were the largest in history, topping the 1950 total by 5 percent.

Mutual savings banks had been affected by the reduced rate of personal savings in mid-1950 and the opening months of 1951. In addition, they had previously liquidated United States Government bonds to help finance mortgage investments. However, their lending remained at a high rate throughout 1951, although it dipped below the previous year in the second half. For the year as a whole, mortgage recordings by savings banks totaled $1.0 billion—down 5 percent from 1950.

Mortgage investments by insurance companies started the year at a high level, then dropped off after midyear. Mortgage loans made in

[1] All data in this section are based on nonfarm mortgage recordings of $20,000 or less. These reflect primarily one- to four-family residential mortgages, although they also include some commercial and other types of mortgages.

the second half of the year were 11 percent less than those in the first half. However, total recordings for the year—$1.6 billion—were approximately the same as in 1950.

Mortgage lending by commercial banks also dropped below year-ago levels in the second half of 1951. In addition to feeling the change in the bond market, many commercial banks were also being called on to finance the defense effort. As a result, mortgage lending in the second half of the year was 10 percent below the same 1950 period. For 1951 as a whole, however, commercial bank mortgage recordings of $3.4 billion were slightly above the preceding year.

Mortgage recordings by individuals ran above 1950 levels throughout 1951. It is probable that these recordings received a boost in the fourth quarter by the modification in September of the capital gains tax on home sales. The 1951 total of mortgage recordings by individuals amounted to a record-high $2.5 billion—up 10 percent from the previous year.

In summary, home mortgage lending set a new peak in 1951, reflecting mainly the record-high first half. Also, increases in lending by S & L's and individuals offset decreases in other segments, as can be seen in the following table:

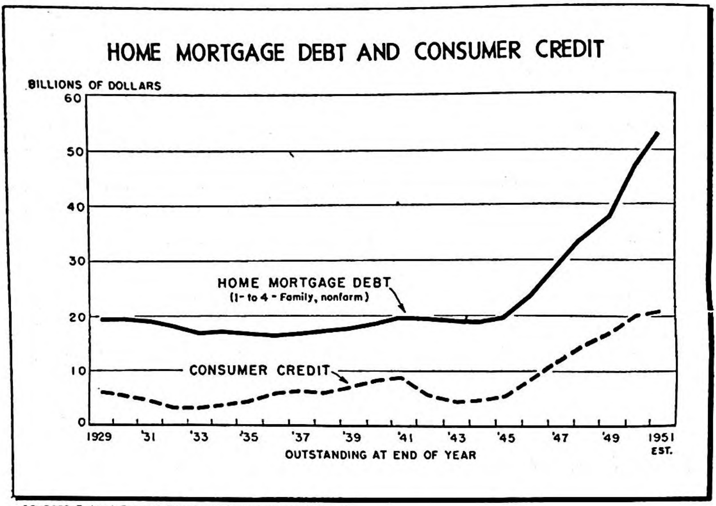
Nonfarm mortgage recordings of $20,000 or less

	Millions of dollars				Percent distribution			
	1939	1949	1950	1951	1939	1949	1950	1951
Total	3. 506	11, 828	16, 179	16, 405	100. 0	100. 0	100. 0	100. 0
Savings and loans	1, 058	3, 646	5, 060	5, 295	30. 1	30. 8	31. 3	32. 3
Insurance companies	287	1, 046	1, 618	1, 615	8. 2	8. 8	10. 0	9. 8
Commercial banks	891	2, 446	3, 365	3, 370	25. 4	20. 7	20. 8	20. 5
Mutual savings banks	143	750	1, 064	1, 013	4. 1	6. 3	6. 6	6. 2
Individuals	588	2, 039	2, 299	2, 539	16. 8	17. 3	14. 2	15. 5
All other	539	1, 902	2, 774	2, 572	15. 4	16. 1	17. 1	15. 7

NOTE.—To the extent that institutions buy or sell mortgages originally recorded by others, these data do not show their relative importance in mortgage lending. This is especially significant in the cases of insurance companies and mutual savings banks, which are large purchasers of mortgages.

Mortgage Debt Outstanding

The outstanding debt on one- to four-family homes also rose to a new peak in 1951. At the end of the year, it amounted to an estimated $53 billion, an increase of 13 percent over the preceding year. Home mortgage loans were slightly higher than the year before; estimated repayments rose even more. As a result, the net increase in debt was less than in the previous year—$6 billion against $7 billion in 1950. However, this increase was more than in any other earlier year on record.



SOURCES: Federal Reserve Board and Home Loan Bank Board

CHART 8.

Nonfarm Foreclosures

Nonfarm mortgage foreclosures, at very low levels in recent years, showed a persistent uptrend from 1948 to mid-1950. Then, after Korea, foreclosures declined. Each month of 1951 was below the comparable month of the previous year. The 1951 total—18,141 foreclosures—was 16 percent less than in the year before, though still 74 percent above the low 1946 level.

SECTION 2. HOUSING PROGRAMS AND FEDERAL AGENCIES

Chapter IV

THE HOUSING AND HOME FINANCE AGENCY

A. Development and Structure

The onset of the current emergency—unlike the situation at the beginning of World War II—found this country with a coordination of housing resources through a central Government housing agency and an appreciation of the significance of housing problems in the economy. This reflects the basic soundness of the approach to housing inherent in Reorganization Plan No. 3 of 1947, which established the Housing and Home Finance Agency, and subsequent legislation which provided a framework and a blueprint for its activities.

While the passage of time has seen some changes in the missions of the four basic operating units of HHFA—HLBB, FHA, PHA, and OA—the pattern of organization originally developed is still the fundamental structure for the Agency's present programs. The accompanying chart reflects the over-all organization pattern of the Housing and Home Finance Agency.

No major changes in HHFA's long-term programs or organization, apart from defense-connected modifications, took place during 1951. Organizationally and structurewise, it was a year of continuing refinement and consolidation of basic structure and functions and the integration therein of the important changes made in the past year. In the previous year (1950) in line with the policy of bringing activities related to housing within the central agency, the Congress had approved three reorganization plans. These brought to HHFA the program of loans for prefabricated housing, previously administered by the Reconstruction Finance Corporation; the Federal secondary mortgage market provided by the Federal National Mortgage Association, previously in RFC; and the program of advance planning of public works and other community facilities functions of the Bureau of Community Facilities, previously a part of the General Services Administration.

B. HHFA Programs

The many programs in the housing field administered through HHFA and its constituents are described in some detail in the appropriate pages of this report. Briefly, they may be described as follows:

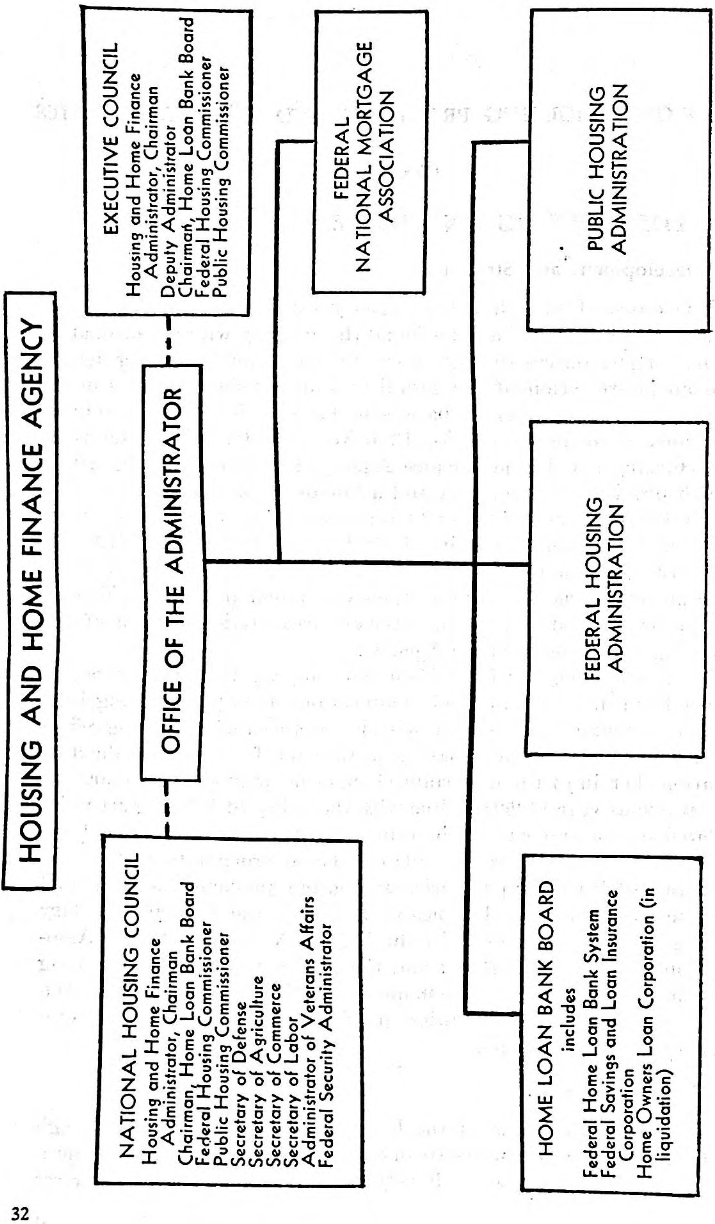

HOUSING AND HOME FINANCE AGENCY
EXECUTIVE COUNCIL
Housing and Home Finance Administrator, Chairman
Deputy Administrator
Chairman, Home Loan Bank Board
Federal Housing Commissioner
Public Housing Commissioner
OFFICE OF THE ADMINISTRATOR
NATIONAL HOUSING COUNCIL
Housing and Home Finance Administrator, Chairman
Chairman, Home Loan Bank Board
Federal Housing Commissioner
Public Housing Commissioner
Secretary of Defense
Secretary of Agriculture
Secretary of Commerce
Secretary of Labor
Administrator of Veterans Affairs
Federal Security Administrator
FEDERAL NATIONAL MORTGAGE ASSOCIATION
PUBLIC HOUSING ADMINISTRATION
FEDERAL HOUSING ADMINISTRATION
HOME LOAN BANK BOARD
includes
Federal Home Loan Bank System
Federal Savings and Loan Insurance Corporation
Home Owners Loan Corporation (in liquidation)

CHART 9.

1. Aids to Private Housing

This category involves a broad area of Government aids, primarily in the financial field, with a direct impact on half or more of all home loans made. It includes the central reserve, provided through the Home Loan Bank Board, for privately operated savings and loan institutions and the encouragement of thrift and investment in these institutions through investment insurance. These institutions provide the largest single source of lending for home building—about one-third of the total. It also includes the insurance programs of FHA, which have been of such great assistance since 1934 in the development of private home building in our country during the past decade and a half. Another program of aids for private housing is in the Government-financed secondary mortgage market provided by FNMA for FHA-insured and VA-guaranteed home loans.

2. Aids to Local Communities

This classification covers the broad fields of community development and public housing. It includes the program, administered by the Public Housing Administration, of aiding communities to provide low-rent housing for low-income families. Also, it deals with the broad problems involved in aiding the development of cities for modern living through clearance of slums and blighted areas and preparation of sites for redevelopment. It includes assistance by the Federal Government, administered by OA's Division of Community Facilities and Special Operations, to communities in the development of the facilities needed by them for their expanding populations; among programs of this nature are planning advances for the public works reserve, the program of defense community facilities and, in cooperation with the Office of Education, the construction of school facilities in areas where Federal activities have created a need for additional schools. Finally, we may include in this category, the program of disaster relief operations designed to bring aid to communities stricken by disasters.

3. Housing Research

This category covers comprehensive programs administered by the OA Division of Housing Research. It is designed to aid all components of the housing economy—builders, producers, lenders, communities; and through all of them, the consumer—by means of comprehensive studies and research in technology and in the economic, fiscal, and social aspects of housing.

4. Speceial Purpose Housing Loans

This includes a series of special purpose programs designed to aid specific sectors of the housing economy where there is a special need not otherwise provided for. It includes a program of loans to aid in the development of our strategic northern outpost, Alaska; there is also a program of loans for housing at educational institutions having special problems because of rapidly expanding enrollments; another special program involves loans designed to aid in the maintenance of the home prefabrication industry.

5. War and Emergency Housing Management and Disposition

This includes the management and disposition of housing and other types of projects constructed to meet special World War II and postwar emergency needs. These programs, which were conceived of as temporary in nature and which have been scheduled for expedited disposition, have been continued and their disposition delayed as a result of the current emergency.

6. Defense Related Activities

While the impact of the defense program has been felt on all Agency programs, the Agency has also specific additional responsibilities resulting from the defense effort. This includes administration of a program of credit restrictions and a program of defense housing, including special aids for builders of defense housing, community facilities, and site acquisition. Also, HHFA serves as claimant agency for housing under the Controlled Materials Plan.

C. The National Housing Council

The National Housing Council, which was created within HHFA in 1947, functions as the coordinating body for all Government agencies which conduct housing activities. The HHFA Administrator serves as Chairman of the National Housing Council, and the three constituent agencies of HHFA are represented on the Council. Other members are the Secretaries of Commerce, Agriculture, Labor, and Defense—or their designees—and representatives of the Veterans' Administration and the Federal Security Agency.

A change in the Council's membership was made during the year, when the Secretary of Defense, or his designee, was added to the Council by the passage of Public Law 139. By this same legislation, the Reconstruction Finance Corporation was dropped from representation on the Council. This action was taken in recognition of the fact that RFC's housing functions had been transferred to HHFA by previous Reorganization Plans.

During 1951 the activities of the National Housing Council were primarily directed toward the defense effort and its impact on the national housing picture. Results of the Council's activities were manifested in the operating programs of the member agencies rather than by direct Council action. The Council discussed different phases of the defense housing program, including the procedures for the designation of critical areas and the programing of defense housing. Shortages of materials and measures needed for the conservation of critical materials were under surveillance by the Council. The members also considered the shortages of mortgage funds which developed during the year, the operations of the Voluntary Credit Restraint Committee, and general mortgage market trends.

During the 1951 Kansas-Missouri flood disaster, member agencies of the Council cooperated in alleviating flood damage. The various programs of advance planning, slum clearance and urban redevelopment, and college housing were also reviewed in relation to their changed status during the mobilization effort.

Weekly statistical reports were prepared for Council members during the year. These reports served as a guide for measuring the impact of credit restraint programs on the housing economy. They also gave the Council members an up-to-date picture of the defense housing program and its progress.

D. HHFA Budget and Expenditures

Effect on Budgetary Expenditures of the United States Government

The purpose of the budget process is to prepare a plan for Government operations which strikes a balance between the benefits and costs of various activities and services. Cost has been traditionally measured in terms of the net disbursements from the United States Treasury, although this method of determining cost often does not give proper recognition to funds invested by the Government in various types of property.

Net budgetary expenditures of the Government were $44.6 billion in the 1951 fiscal year and are estimated at $70.4 billion for 1952. Table 19 shows the part of these expenditures—$461.3 million and $664.3 million in the respective years—attributable to HHFA programs. These data are presented on a fiscal rather than a calendar year basis in order to conform to Government budget practice. The table is divided into two sections showing the expenditures in two different ways: (1) Expenditures classified by principal purposes, which exceed in the 2 years the special program sources of funds, such as insurance fees and interest earnings and (2) the financing transactions involving the Treasury, which comprise the other side of the picture; i. e., the adverse balance of funds provided by appropriations, borrowings, and decreases in Treasury cash over payments to Treasury and increases in cash balances of other funds. The table excludes the mutual mortgage insurance fund of FHA, which is classified as a trust fund, and also certain cash collections of loans or sales proceeds from property, which are credited solely to miscellaneous receipts of the Treasury rather than to the Agency.

The following comments may be helpful:

1. *Expenditures Versus Special Sources of Funds*

(*a*) The Government-insured guaranteed mortgages purchased by FNMA and the loans made (principally to finance the construction of low-rent housing by local housing authorities) can be conservatively classified as investments. The total of these two amounts exceeds the net budgetary expenditure for the Agency by a considerable margin in both years but will be reflected under current practice as reductions in such expenditures in future years as the mortgages and loans are repaid or sold. The net mortgage purchases of $573.4 million in the 1952 fiscal year, under the assumption that $150 million of mortgages can be sold, is the largest single item in the Agency's estimates for the year.

(*b*) Acquisition of collateral on insurance claims—real estate and notes taken over by FHA—have risen roughly in proportion to the total insurance in force. If economic conditions continue to be generally favorable, net receipts from the disposition of property will show a similar increase in the next few years.

(*c*) Other expenditures are composed of a miscellany from virtually every program of HHFA. The largest components are mortgage-servicing fees paid by FNMA, interest-free advances under the public works advance planning programs (repayable when construction of the planned projects begins but credited directly to Treasury miscellaneous receipts rather than to this tabulation), nonadministrative expenses of FHA, and increases in working capital of FNMA, the United States Housing Act program, and FHA.

(*d*) Although 11 different programs receive interest earnings, about three-quarters of the total is derived from the FNMA mortgage portfolio.

(*e*) Housing constructed during the war under the Lanham Act accounts for most of the receipts from the management of real estate. Disposition activity has been almost at a standstill since Korea, and some projects then inactive have been reopened. Unlike the immediately preceding years, therefore, disposition receipts in the period covered by this table come most importantly from the sale of properties acquired by FHA on insurance claims, plus a substantial amount in 1952 from the projected disposition of federally owned low-rent projects.

2. *Financing Transactions Involving the United States Treasury*

(*a*) In the period covered by this report, borrowings are the most important source of funds for the Agency, far outranking appropriations and the charges for services and properties shown under *Special Sources of Funds.* Over 70 percent of the borrowings support the FNMA mortgage-purchase program, and around 15 percent the low-rent housing program under the United States Housing Act. Guaranteed debentures issued by FHA in settlement of insurance claims are third in order of importance.

(*b*) Appropriations in the 2 years include those for administrative expenses of the Office of the Administrator and of the low-rent housing program of the Public Housing Administration, for interest-free advances under the public works advance planning program, for subsidies to low-rent housing, and in 1952 for the construction of public defense housing under Public Law 139.

(*c*) During the 1951 fiscal year, HOLC retired the remaining $74 million of capital then outstanding and turned over to the Treasury surplus funds of nearly $14 million. About $69 million in appropriations originally expended for the construction of emergency public housing is being repaid in 1951 and 1952. In the current year FNMA has declared a dividend of $29 million above the regular payments of interest on Treasury borrowings. Retirement of Government capital invested in the 11 Federal Home Loan Banks was completed during the current year, and FSLIC made its initial payment to the Treasury toward retirement of its capital stock.

E. HHFA Personnel

During the calendar year 1951 HHFA operated with an average staff of slightly over 12,000 employees. The following table shows actual full-time employment within HHFA at the beginning and end of the calendar year.

	Jan. 1, 1951	Dec. 31, 1951
Office of the Administrator	1,645	1,457
Home Loan Bank Board	680	441
Federal Housing Administration	6,378	5,230
Public Housing Administration	5,340	5,103
Total	14,043	12,231

The staff employees of HLBB at the end of the year were distributed as follows: 67 with the Federal Savings and Loan Insurance Corporation, 249 with the Examining Division, and 125 on the immediate staff of the Board, including the employees concerned with the Federal Home Loan Banks. HOLC was liquidated in June 1951.

The employment in the Office of the Administrator and the constituent agencies decreased during the year.

The staff of PHA at the end of the year included 3,099 employees on directly operated Lanham Act war housing projects.

Chapter V

THE OFFICE OF THE ADMINISTRATOR

A. Nature and Scope

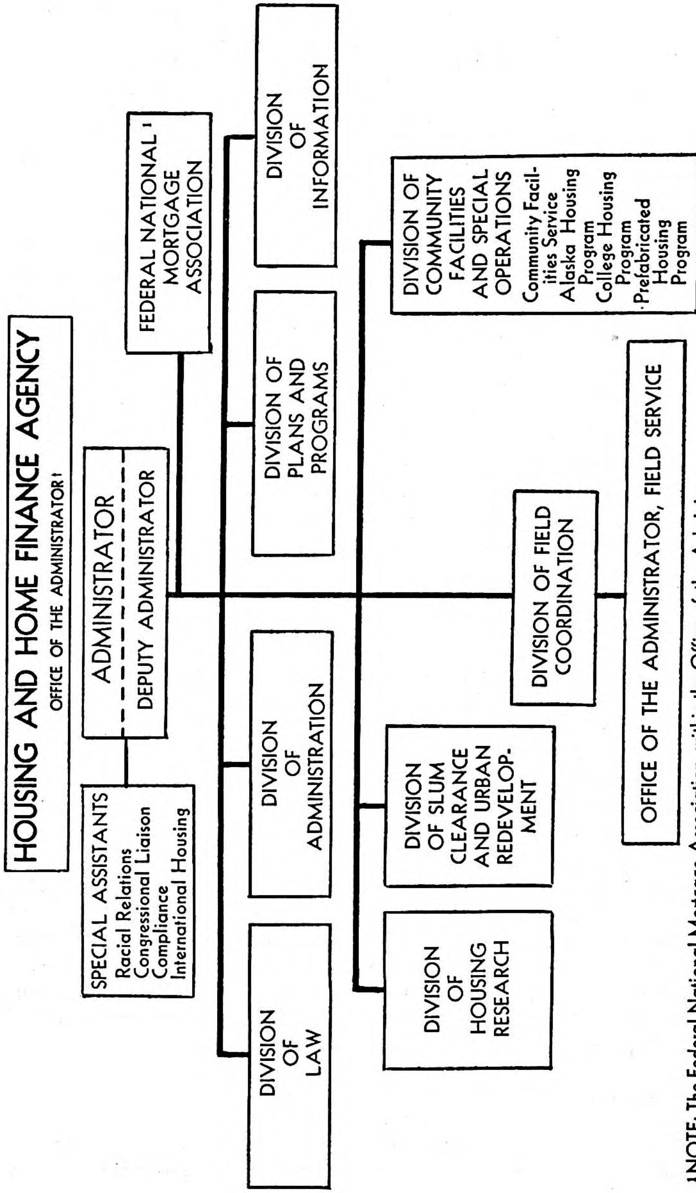
The nature and scope of OA reflect the many important responsibilities assigned by the Congress and the President to the Administrator in his role as head of HHFA and as the Government's principal official in the field of housing and community development. There are two major aspects to these responsibilities. One involves functions primarily of a supervisory and coordinating nature, including the Administrator's role as Chairman of the National Housing Council. The other aspect involves the operation of a number of specific and important programs in the housing and community development field.

The OA, which provides a central point of contact on matters relating to Government housing activities, is the staff organization which supplies the personnel and the assistance required by the Administrator in carrying out his many complex responsibilities. OA is also one of the four major units of HHFA.

B. Supervisory and Coordinating Functions

These activities of OA are directed toward the most effective utilization of all Federal housing resources to meet the housing and community development needs of the country in accordance with basic policies established by the President and the Congress. During 1951 the expanding mobilization program brought many new problems of supervision and coordination, as well as intensifying the already complex and diverse problems in this area.

The most careful type of planning and execution is required in developing the coordinated policies and the programs necessary to meet current housing needs. For example, in the past year, in order to develop and recommend to the President and the Congress policies keyed both to the national housing objective and the defense emergency, it has been necessary to evaluate new home construction in terms of materials and labor availability, of possible inflationary effect, and finally in terms of the necessity of maintaining and improving the housing supply for our expanding population. With respect to HHFA programs alone, these factors must be related to the insurance programs of FHA, the secondary market activity of FNMA,



[1] NOTE: The Federal National Mortgage Association, within the Office of the Administrator, is headed by a Board of Directors of which the Administrator is chairman. It has staff and administrative facilities separate from those of the over-all office.

CHART 10.

the low-rent public housing programs of PHA, and the credit policies of HLBB; moreover, all other Agency programs, including slum clearance, research, and the loan programs for housing in Alaska, at educational institutions, and for prefabrication, were carefully restudied and reshaped in the light of existing conditions. In addition, these developments had to be keyed in with the programs of other Government agencies in the housing and community development field, such as the Veterans' Administration and the Farmers' Home Administration.

The institution of credit restrictions under the Defense Production and Community Services Act of 1950 and programs resulting from the Defense Housing and Community Facilities Act of 1951 intensified these problems of coordination with other Government agencies. They have made necessary a continuing liaison, both on the highest policy levels and on working levels with staffs of other Government agencies, such as the Federal Reserve Board, the Federal Security Agency, the Office of Defense Mobilization, and other agencies with responsibilities in these areas. Problems involved in such coordination range from the broader aspects of determining materials and manpower requirements for housing and the volume of housing possible in the light of the defense programs to the housing aspects of specific local defense installations, such as those of the Atomic Energy Commission in South Carolina and at various military installations.

Another aspect of these supervisory and coordinating functions is evident in the continuous review and coordination of Agency programs with respect to minority group interests and in congressional liaison, as well as in maintaining liaison with other Nations on the international aspects of housing. Within HHFA specifically, a number of OA supervisory and coordination functions are concerned with services to constituent agencies on problems involving legislation, budget, personnel, compliance activities, and other management and administrative matters.

A very important part of OA's responsibilities is in serving as a central point of reference where the public, the Congress, local and State officials, and the housing industry may secure information about housing and housing programs. An aspect of this involves supplying the Congress with the statistical, technical, and other information needed by it in its consideration of the many items of legislation which may involve housing.

C. Operating Programs

An important part of OA's workload is concerned with aiding the Administrator in the direct operation of certain significant housing and community development programs. With the exception of the management and disposition of emergency housing provided under the Lanham and related acts (operation of which has been delegated to PHA) these programs are carried on by OA personnel. All these programs were under careful examination in 1951 to bring them into line with the requirements of the defense effort. In addition, the defense effort has added a number of specific operating programs to the OA workload. One other significant change arose in connection with the responsibilities assigned the Administrator by the President in connection with disaster relief.

These operating programs are described in detail in appropriate sections of this report. At the close of 1951 they included:

1. Slum clearance and urban redevelopment.
2. Housing research.
3. Secondary mortgage market.
4. Alaska housing.
5. Housing loans to educational institutions.
6. Loans for prefabricated housing.
7. Management and disposition of World War II and postwar emergency housing.
8. Public works advance planning.
9. Disaster relief.
10. Maintenance and disposition of war public works.
11. Participation in a program of aid for school construction in areas affected by Federal activity.
12. Defense-connected programs.
    (*a*) Program of credit restrictions.
    (*b*) Defense housing.
    (*c*) Defense community facilities.
    (*d*) Participation in Controlled Materials Plan as claimant agency.

D. Organization and Structure

As the chart on page 39 indicates, OA's organization reflects both its supervisory and coordinating functions and its operating programs. The Deputy Administrator assists the Administrator generally in his supervisory and coordinating responsibilities and also directs small staffs in the fields of compliance, congressional liaison, racial relations, and international housing. A considerable portion of the workloads of the Division of Plans and Programs, Field Coordination, Law, Administration, Research, and Information involves assisting the Administrator with these supervisory and coordinating responsibilities.

The newly formed Division of Plans and Programs, apart from its activities in the supervisory and coordinating area, also provides a focal point within the Agency for defense-related programs. Operating on the divisional level within the Agency are various organizational units concerned with special operating programs, such as the Divisions of Slum Clearance and Urban Redevelopment, Research, and Community Facilities and Special Operations.

OA-wide legal and administrative services are provided for all units within the Agency by the staffs of the Divisions of Law and Administration.

The Federal National Mortgage Association, while organizationally within OA, operates as a separate Government corporation having its own administrative services and operating staff.

E. Changes in Functions and Organization

OA functions and organizations are under continuous administrative review in order to provide the most effective type of administration for carrying out the intent of the Congress in the housing field. A number of organizational changes took place in 1951, reflecting, among other things, the continuing integration of new functions assigned the Agency in 1950 under three of the President's Reorganization Plans—No. 17, No. 22, and No. 23. These transferred to OA the advance planning program, FNMA, and the prefabricated housing loan program. While these transfers took place in 1950, the full effect of the necessary realigning of OA structure and functions was not evident until 1951.

Four major organizational changes took place in 1951, reflecting primarily new defense functions plus the functions added by the transfers made under the President's Reorganization Plans in 1950. These changes were the establishment of:

1. An OA Field service, composed of eight Regional Offices, using field offices of the former Community Facilities Service as a nucleus. Each office is headed by a Regional Representative who, in addition to his operating responsibilities, represents the Administrator at the field level in interagency or intraagency matters and with the public. These offices are now responsible for all field functions of OA except for FNMA and slum clearance and urban redevelopment. They provide the regional facilities needed to carry out the Agency's responsibilities in the defense program, including major operating functions of OA under Public Law 139. A Division of Field Coordination was established in the central office to assist the Administrator in the administration and supervision of field activities.

2. A Division of Community Facilities and Special Operations headed by a Commissioner. In this were incorporated the functions

of the former Community Facilities Service, including the first and second advance planning programs, the program of housing loans to educational institutions, cooperation with FSA in the school construction program, liquidation of war public works, and the disaster relief program; in addition, this Division was also assigned functions connected with the construction or supervision of construction of defense community facilities, the Alaska housing program, and the prefabricated loan program.

3. A Division of Plans and Programs with responsibility for analyzing Agency-wide program activities, developing recommendations on major policy problems, and providing the Administrator with the necessary staff assistance to carry out his responsibilities connected with Agency supervision and coordination. A significant part of its functions is concerned with responsibility for coordinating Agency defense program plans and policies, such as materials requirements and controls for housing, the designation of critical defense housing areas, and the programing of private and public defense housing and community facilities. The Operations Analysis Staff became a unit of this new division.

4. A Compliance Staff in the office of the Deputy Administrator responsible for investigative work throughout the Agency as requested by the Administrator or by the respective heads of the constituent agencies. It also assists the Attorney General and other Federal officials in developing evidence in cases and maintains liaison with State and local law-enforcement bodies.

F. Personnel

The realignment and consolidation of programs within the Office of the Administrator continued through 1951. In January the Office had 1,645 employees, including those with FNMA. The process of regrouping functions and offices, which was to lead to the elimination of several offices and a reduction in personnel, despite the addition of substantial defense responsibilities, was already under way. By the close of the year OA, including FNMA, had 1,457 employees.

During 1950, separate field staffs for the Community Facilities Service and the prefabricated housing loan program had been transferred to OA from the General Services Administration and the Reconstruction Finance Corporation by Presidential Reorganization Plans. These staffs were consolidated and set up as the nucleus of a regional organization responsible for all of the decentralized programs of the Office of the Administrator, including the programing of defense housing. Regional offices were established in New York, Philadelphia, Atlanta, Chicago, Kansas City, Fort Worth, San Francisco, and Seattle; area offices were established in Paducah, Ky., and Aiken, S. C., to serve the needs of the Atomic Energy program and at Los Angeles.

Executive staff and top technicians were selected for the field organization, largely from within HHFA. The field organization of FNMA, maintained apart from the regional offices, was reduced from 16 to 6 offices during the year; in September 1950 when FNMA became a part of the Office of the Administrator, it transacted business in the 31 field offices maintained by RFC.

In the last quarter of 1951 the OA concentrated on the staffing of both field and central office organizations concerned with the operation of the new defense housing act (P. L. 139). Again the staffing emphasis was on the utilization of personnel already in HHFA; 31 of 39 defense positions in the central office were filled by the reassignment of agency personnel.

During the year OA recruited and sent abroad its first overseas employees under the Technical Cooperation or Point IV program of the Department of State. Employees were sent to Liberia and Lebanon, and recruiting for many other underdeveloped areas was under way.

Chapter VI

HOUSING AND DEFENSE MOBILIZATION

In housing, the mobilization effort involved the realignment of all programs of HHFA in light of the changed situation and the addition of new activities such as housing credit restrictions, the program of defense housing and community facilities in critical defense areas, and the program of controlled materials (CMP).

A. Credit Restrictions

Restrictions on credit were placed on the purchase of new and existing homes through the VA and FHA programs in July 1950, within a month of the Korean invasion. The purpose of the restriction was the reduction of the volume of home building, which was proceeding at a record rate, in order to conserve building materials and labor and to aid in stemming the inflationary tide. In September 1950, the Defense Production Act of that year provided a broader base for restricting housing credit. On October 12, 1950, Regulation X was issued by the Federal Reserve Board with the concurrence of the HHFA Administrator as provided by Executive Order 10161; at the same time, revised regulations were announced by the HHFA Administrator for FHA, VA, and the Farmers' Home Administration programs. Regulation X, in effect, set the minimum down payment necessary for the purchase of new homes, while the accompanying regulations of the HHFA Administrator applied to Government-aided financing for both new and existing homes, still maintaining the relative preference for veterans. In addition, the regulations shortened the repayment period of the loan. The regulations were broadened on January 12, 1951, to include mortgage financing for multifamily structures.

There were indications that reduction in housing volume in 1951 fell more heavily on moderate- and low-priced homes. Consequently, in the summer of 1951, HHFA and FRB were considering revisions in the regulations easing the restrictions for such housing. Inasmuch as the Congress was then also considering the matter, administrative action was deemed inappropriate. In September 1951, in Title VI of Public Law 139, the Congress limited administrative discretion on down-payment requirements for homes priced at $12,000 or less.

The credit restrictions had little discernible effect on home-building starts during the first half of 1951, reflecting the large volume of commitments in effect prior to the credit restrictions, though there is little doubt that the existence of the regulations created the conditions for the downturn occurring later in the year in housing starts. Also affecting the rate of home-building starts in 1951, undoubtedly, was the tightness of mortgage funds during the first three quarters of 1951.

B. Defense Housing

1. The Early Phase—Relaxation of Credit Restrictions

By the beginning of 1951 the mobilization effort had begun to stimulate substantial movements of workers and military personnel into areas where the supply of housing was inadequate. Such areas included those around reactivated or expanding military posts, and industrial communities with concentrations of defense production.

In such situations it became necessary to channel housing into specific areas in order to assist defense workers and military personnel. In this connection, this Agency developed a program of relaxation of controls on a selective basis. This program was not a suspension of controls but an exception specifying the number, size, and price levels of the units on which controls were to be relaxed in areas designated as critical for housing by the interagency Critical Areas Committee. This Committee was created by the Director of Defense Mobilization on March 13 to coordinate the activities of the Federal agencies concerned with areas presenting defense problems. The Committee functioned within DPA, and included representatives of the Departments of Defense and Labor, HHFA, DPA, and FSA. Its housing function was to analyze and designate areas in need of housing and community facilities for defense purposes. HHFA used this certification of areas as the basis for relaxing credit controls. The housing surveys made for the Committee by HHFA also formed the basis for determining the extent to which credit relaxation was necessary.

On June 29 FNMA set aside $350 million to be used for the purchase of mortgages on defense and eligible military housing. Thus, up to September, the major aids for defense housing were the relaxation of controls on a selective basis and the FNMA set-aside. The recommendations made by the Administrator in January for additional aids were under study by congressional committees during the early phase of defense housing, and action by the Congress was not completed until late August.

Until September 1, 1951, the designation of critical defense housing areas and the relaxation of housing credit restrictions continued on this basis. By then, there were some 42 areas which had been certified as critical, and credit restrictions had been relaxed for construction of 26,720 units.

2. The Later Phase—Public Law 139

On September 1, Public Law 139, the Defense Housing and Community Facilities and Services Act, was approved, authorizing Federal assistance in providing housing and community facilities in critical defense housing areas, although the availability of its special aids had to await appropriations which came 2 months later.

Public Law 139 represents a comprehensive approach to the defense housing problem. (See appendix B, p. 136.)

A few weeks after the passage of Public Law 139, the Critical Areas Committee was reorganized as the Advisory Committee on Defense Areas. Under the present procedures, an area may first come to the attention of the Advisory Committee on the initiative of its staff, agency representatives on the Committee, other agencies of the Federal Government, Members of the Congress, officials of State or local communities, or industrial or civic organizations. When information received warrants consideration of an area by the Committee, a survey is made to ascertain all pertinent facts. This survey is carried out by the agencies represented on the Committee, each acting in the field of its specialized knowledge. Also, the appropriate Regional Defense Mobilization Committee, which provides a means of coordinating defense activities in the field, is advised so that it may submit such information and advice as it deems appropriate. The Committee staff assembles all findings relating to an area and prepares the case for consideration by the Committee. The Committee meets regularly to consider cases that are ready for its action. When the Committee has transmitted its recommendation to the Defense Production Administrator, its part in the determination of a critical defense housing area has been completed. The actual certification of an area under Public Law 139 is issued by the Director of Defense Mobilization.

Following its reorganization, the speed with which the Committee's decisions could be reached was substantially increased, and the programing of privately financed defense housing was correspondingly accelerated. By the end of the year, there were 116 areas which had been certified as critical defense housing areas under Public Law 139. With one exception, the certifications included all the areas in which credit restrictions had been relaxed before the passage of this legislation. The programs issued for these areas authorized a total of 46,869 rental and 18,606 sales units to be constructed with private financing under relaxed credit restrictions.

a. Private Defense Housing

The number of programed units started in 1951 was relatively small. For one thing, until the passage of the defense housing act, there was no provision for special FHA assistance or FNMA advance commitments. The only assistance provided was the relaxation of credit controls and the administrative set aside of FNMA funds for purchase of mortgages on defense housing. Even after the passage of Public Law 139 there was no sharp increase in applications by builders, since funds for operating under the law were not available until November. Thereafter the program gained momentum. Thus, in the first 7 months of the program—to November 5, 1951—applications by builders totaled 61,000 units. But during November and December, after funds had been appropriated for Title IX, builders' applications rose by more than 100,000 units. By the end of 1951 nearly 170,000 units had been applied for by builders.

The following table summarizes the programing and construction of private defense housing as of December 31, 1951, by rental and sales units:

Status of Defense Housing programed for private construction under P. L. 139 as of December 31, 1951

Item	Number of dwelling units [1]		
	Total	Rental	Sales
Programed	65,475	46,869	18,606
In applications	169,034	125,827	43,207
Approved	40,877	30,723	10,154
Started	1,979	515	1,464
Completed	189	128	61

[1] Included in 131 programs in effect in 116 critical defense areas.

b. Federally Provided Defense Housing

While under Public Law 139, permanent public housing can only be constructed after it has been demonstrated that private industry cannot accomplish the necessary results, temporary public housing may be provided immediately in critical defense housing areas where the Administrator determines that there appears to be no need for the housing after the defense period. Public Law 139 authorized up to $50 million for this purpose and an appropriation of $25 million was provided in November under Public Law 254. By agreement with the Secretary of Defense, $20 million of these funds were allotted to military installations as recommended by him. The appropriation was virtually exhausted by the end of the year. There were 21 assignments to PHA for construction of public housing, involving approximately 4,325 units. Of these units, 2,600 were to be trailers and 1,725 were to be prefabricated units.

An additional supply of public housing for defense workers was made available when occupancy restrictions for Lanham projects were relaxed in critical defense housing areas to permit occupancy by distressed in-migrant defense workers. By the end of 1951 such adaptations had been approved for 165 projects, and more than 2,000 defense workers and their families had already been housed in such projects.

C. Defense Community Facilities and Services

Section 313 (a) of Public Law 139 authorized up to $60 million for Federal assistance in the provision of defense-connected community facilities in "critical defense housing areas" where the community cannot provide from other sources community facilities necessary to support new housing or defense activities. Such Federal assistance may be given, under specified circumstances, by way of loan and/or grant and, in exceptional cases, by the direct Federal construction of the required facility.

Under the Act and Executive Order 10296 dated October 2, 1951, primary responsibility for assistance in providing the various types of community facilities and services, as defined in subsections 315 (c) and 315 (d) of the Act, respectively, is divided among the Housing and Home Finance Administrator, the Federal Security Administrator, and the Surgeon General of the Public Health Service, as follows:

Housing and Home Finance Administrator: Water supply and distribution systems (except purification), sewer lines, streets and roads, police protection, and fire protection.

Federal Security Administrator: Recreation and child day-care centers.

Surgeon General: Refuse disposal, water purification and sewage treatment, hospitals, and health centers.

The first funds made available for carrying out the purposes of Public Law 139 were appropriated by the Second Supplemental Appropriation Act of 1952, Public Law 254, approved November 1, 1951. This Act appropriated, for community facilities and services, $11,250,000 to the Housing and Home Finance Agency and $4,250,000 to the Federal Security Agency, a total of $15,500,000.

In achieving the high degree of coordination required in such a joint operation, numerous conferences were held between HHFA and FSA representatives at almost all levels of authority for the purposes of developing: coordinated policies for administration of the Act; legal interpretations; information for affected communities; joint application forms; identical interest rates on loans; joint surveys of community needs; procedures for examining, processing, and acting upon applications for assistance; and the establishment of priorities for localities and projects to govern the allocation of the limited funds made available.

Joint surveys of community needs conducted by the Regional Offices of the Housing and Home Finance Agency and the Federal

Security Agency disclose that as of December 31, 1951, of the 110 designated "Critical Defense Housing Areas," there were 96 eligible communities requiring assistance amounting to an estimated $78,773,800 in Federal funds. The vast majority of projects included in that estimate are water and sewer facilities. Many communities appeared to require comparatively little assistance, whereas others, where the defense impact is great and the tax burden already heavy, appeared to require, individually, major portions of the funds currently appropriated.

The initial appropriation appeared to be sufficient to provide assistance to only those communities in which the need is directly related to the importance and urgency of defense activities in the area. To distribute assistance piecemeal over a large number of areas would defeat the purpose of such assistance. For example, it would be of no avail to provide additional sewer facilities and pass over necessary water facilities, and *vice versa*, or to provide only a portion of the water and sewer facilities necessary to place the defense plant or installation in operation.

Due to the work involved in preparing detailed data necessary for complete applications, the extremely limited funds, and the fact that requirements and the cost and availability of materials are subject to rapid change, applicants were in general not encouraged to file complete applications until eligibility, priorities, and availability of funds become more definite. However, basic data reflecting general eligibility and requirements were being collected and analyzed on all communities which have indicated that Federal assistance is required.

Although no complete applications had been filed as of December 31, 1951, applications were in process of preparation by communities in seven areas: those near the atomic energy plants in the Savannah River and Paducah areas, Jacksonville (N. C.), Hampton Roads (Va.), Florence—Killeen (Tex.), San Diego, (Calif.), and Inyokern (Calif.).

Field surveys, the collection and analyses of data, and the establishment of priorities were going forward in all areas as rapidly as possible.

D. Coordination of Defense Housing

Critical defense housing areas present problems requiring a variety of actions by several Federal agencies, including the Department of Defense (or other defense agencies), the Office of Rent Stabilization of the Economic Stabilization Agency, the Federal Security Agency, and others. Shortly after the approval of Public Law 139, following Public Law 96 extending the Federal rent control law and providing for rent control in critical areas, it became necessary to establish central authority to coordinate all activities of Federal agencies with respect to housing and rents in critical areas. This function is distinct from that of the Advisory Committee on Defense Areas in that the Committee function is a fact-finding and advisory one only, whereas the coordinating authority involves supervision and responsibility for the housing activities of the several interested agencies, including the Committee itself, in the certification of critical areas and the execution of the consequent programs administered by the agencies. The Housing and Home Finance Administrator, who was appointed Assistant to the Director of Defense Mobilization for housing and community facilities in November, also serves as a member of the Mobilization Executive Committee.

E. CMP: HHFA as Claimant Agency for Materials for Housing

Late in 1950 it had become apparent that certain scarce materials could not be permitted to flow into 1951 housing at anything like the record-breaking 1950 rate without endangering urgent defense needs. Accordingly, and in response to a request from the National Security Resources Board, the Administrator early in January transmitted estimates of the requirements for these critical materials for a 1951 housing program, representing a substantial cut-back from the 1950 peak total. This request was a part of a comprehensive survey which, in effect, amounted to a trial balance of national requirements for steel, copper, and aluminum. It was the forerunner of, and represented an initial "dry-run" for, the Controlled Materials Plan which was soon to be instituted much after the pattern so successfully employed during World War II.

Under authority of the Defense Production Act of 1950, Executive Order 10161, and Department Order No. 127 of the U. S. Department of Commerce issued pursuant thereto, the HHFA Administrator, with approval of the National Security Resources Board, was designated by the Secretary of Commerce as claimant for controlled materials with respect to all new nonfarm housing construction.

To implement this activity, the HHFA Administrator established a Defense Liaison Staff in the Division of Plans and Programs to discharge the responsibilities reposed in him under the Controlled Materials Plan insofar as they relate to new housing construction.

Though CMP became generally effective on July 1, 1951, it was not until October 1, 1951, that housing construction became subject to its provisions; its direct controls applied more to multifamily housing than to single-family homes. Builders of multifamily housing were required to apply for authorization on NPA Form CMP–4C and to supply pertinent data, including a proposed construction schedule, project costs, and a statement of controlled material needs for the project. Builders of the one- to four-family dwelling units on the other hand were permitted to purchase controlled materials within the maximum limits and to "self-authorize" within these limits as provided by NPA Regulation M4A.

At the close of 1951, allotments had proved adequate to maintain materials supplies for housing generally, while meeting necessary priority demands of defense production. CMP furnished a continuing method, coupled with credit restrictions, of assuring supplies for defense and still maintaining home building at as high a level as materials availability would permit. As a result it was possible to avoid more direct controls of home building and other civilian production during the period of defense build-up.

Chapter VII

SLUM CLEARANCE AND URBAN REDEVELOPMENT

A. Policy and Operations in 1951

Program operations during 1951 in the Slum Clearance and Urban Redevelopment program authorized by Title I of the Housing Act of 1949 reflected continuing community interest and steady local progress. During 1950 preliminary phases of organizing and staffing were completed, necessary initial procedures were evolved, many local public agencies were established, and other steps taken to lay the groundwork for program accomplishments discussed in the following pages.

At the end of 1951 some 238 localities had active reservations of capital grant funds—the first step for community participation—and a total of 178 advances of planning funds for program activity had been approved. In addition, 32 of these communities operating under such advances or prior approval agreements had already delineated 54 specific project areas. Another indication of local interest in the program is evident in the fact that, as of the end of the year, 34 States, the District of Columbia, and 4 Territories had already enacted legislation enabling their communities to participate in this program and that at least 5 other States were actively considering such legislation.

The Program and Defense Policy

These program operations were carried out in the context of the realignment of all Agency programs made necessary by the defense effort. On August 4, 1950, shortly after the Korean outbreak, the Administrator announced that the program would proceed as planned, subject to such later adjustments as the international situation might require. This was amplified on April 25, 1951, by a fuller statement of policy, shaped in accordance with the view enunciated by the President in his Budget Message for fiscal year 1952, transmitted to the Congress on January 15, 1951. This policy included these four salient points:

1. Reservations of capital grant funds will continue to be made for communities as at present on the basis of requests by their local governing bodies.
2. Federal financial aid will continue to be made available to local public agencies for surveying and planning work and for land acquisition for eligible and feasible slum clearance and redevelopment projects.

3. Federal financial aid will be made available for site clearance, for the installation of streets, utilities, and other site improvements, and for the disposition of land, when the project is found to be consistent with defense requirements and within Federal budgetary limitations. Otherwise, Federal aid for these activities will be deferred until such time as national defense considerations will permit such projects to be completed.

4. To the extent consistent with the requirements and objectives of Title I, local public agencies are urged to give preference to projects which (*a*) will aid present and future defense production and (*b*) will serve civil defense needs in their localities.

The policy evolved from continuous study of the program, along with other programs of the Housing and Home Finance Agency, in the light of the Nation's expanding defense needs and international obligations. It is based on national defense requirements as now visualized and, as indicated previously, is subject to change in line with further developments in the international situation. So far it has not been necessary to halt any project because of interference with the defense effort.

Following the 1950 pattern, program operations during 1951 continued to show a wide variety of redevelopment activity. Of the communities now engaged in planning phases of the program, many are expected to reach the stage of actual project undertaking in the near future. As was predicted from earlier indications, projects involved in the program offer a large variety of new land uses, including housing, community facilities, public buildings and improvements, and industrial and commercial installations. As the Congress expected when it passed the Housing Act of 1949, private enterprise is playing a major role in the program, as is apparent from the project characteristics discussed later in this chapter.

Planning Advances

Funds involved in the 178 approved planning advances total $5,824,-061. These advances are intended to cover all necessary local expenditures in connection with identifying eligible projects, determining project costs, preparing redevelopment and relocation plans, and other work prerequisite to the signing of a loan and grant contract, the last step before actual project undertaking. Table 13c on page 121 lists the amount of such advances by localities.

Program Reservations

In the 2 years in which the program has been in operation 283 localities in 33 States, the District of Columbia, Puerto Rico, the Virgin Islands, and Hawaii obtained initial reservations of capital grant funds, the first step for community participation in the program. Reservations were terminated for 45 localities which did not find it feasible to attempt program operations under existing circumstances. Funds involved in the 238 initial reservations outstanding on December 31 total $183,102,223. Table 13c on page 121 furnishes a detailed listing of these reservations.

Initial reservations are made, when requested by local governing bodies, up to $70 per substandard dwelling unit in the locality as indicated in the 1940 United States Census of Housing. Increases in initial reservations are authorized when localities need additional capital grant funds to undertake specific projects. These increased reservations are made, as needed, up to a maximum of $150 per substandard dwelling unit. It is apparent, therefore, on the basis of the $150 maximum, that reservations for communities participating in the program on December 31 may ultimately reach more than $375 million, contrasting with the $183,102,223 now reserved.

A reservation sets aside, for a community, capital grant funds which it may subsequently use to absorb up to two-thirds of the write-down representing the difference between the resale value of the land involved and the cost of acquiring, clearing, and preparing it for new uses. Federal financial assistance, authorized in the Act, is available only to communities for which capital grant reservations have been made. The Housing Act of 1949 authorizes $1 billion in loans outstanding at any one time and $500 million for capital grants.

The 238 localities for which capital grant reservations were outstanding on December 31 represent all sections of the Nation and all population classes. Included are all 18 of the cities in the United States with a population of more than 500,000. The same number of reservations, however, are held by localities with populations of less than 10,000. Approximately one-half of the 238 localities have populations of less than 50,000, while about two-thirds are under the 100,000 mark. These figures add continuing emphasis to the fact that interest in the program—far from being confined to large cities alone—extends to all sizes of American communities.

Philadelphia, Pa., became the first locality to receive approval for loan and grant assistance, when allocations of $368,271 for a temporary loan and $274,697 for a capital grant were approved in June by the Administrator. Next to receive similar approval was Mayaguez, Puerto Rico, in August. Its allocations amounted to $282,369 for the temporary loan and $127,623 for the capital grant. Taking into consideration the long periods of planning and survey work which must elapse before most communities are ready to begin actual project undertaking, indications were on December 31 that many more localities would be ready to submit applications for loan and grant assistance early in 1952.

Four localities—Baltimore, Chicago, Detroit, and Indianapolis—which had not obtained Federal financial assistance by the end of the year, were proceeding with work in preparation for slum clearance and redevelopment projects by expending local funds under prior approval of the Administrator. Local funds so expended may later be included under gross project costs.

In making funds available, Title I stipulates that the Housing and Home Finance Agency may enter into loan and grant contracts only with duly authorized local public agencies empowered by State and local law to carry out slum clearance and redevelopment projects. A local public agency under the act is "any State, county, municipality or other governmental entity or public body which is authorized to undertake the project for which assistance is sought."

B. Project Characteristics

A survey of 32 cities and towns which had made most progress under the program and had actually delineated project areas by the end of the year indicates a strong trend toward reuse of cleared areas for residential purposes, principally through privately built sales and rental dwellings but with some public housing projects.

Survey figures, through December 31, 1951, are based on data—some of which are estimated—submitted by the communities involved. The 32 localities covered by the survey have delineated 54 areas as projects which involve clearance of slum and blighted areas and incorporate redevelopment patterns selected to conform with master plans aimed at bettering the communities in entirety.

The 54 slum and blighted areas range from 4 to 178 acres, with a median size of 35 acres. In these areas are approximately 43,000 dwelling units housing about 45,000 families. The survey describes the present character of the 54 delineated areas as: 47 predominantly residential; 2 mixed residential, commercial, and industrial; and 5 predominantly open.

The accent on residential reuse is indicated by the fact that the major part of 38 areas will be given over to private residential sales or rental construction. A total of 41 areas includes some private residential redevelopment. In addition, there are 4 areas where low-rent public housing units will be erected. Two of these will be devoted predominantly to such use.

It is apparent from information developed in this survey that the matter of relocation—as had been expected—is a core problem in the program. Title I requires that all families displaced by slum clearance operations be relocated in "decent, safe, and sanitary" housing. In many cities the problem is particularly pressing in the clearance of areas occupied by families of minority races, many of whom have incomes exceeding the eligibility requirements for low-rent public housing. To aid in solving the problem, the Division of Slum Clearance and Urban Redevelopment is coordinating its efforts closely with FHA and PHA. FHA is actively undertaking to encourage and assist private builders in a program of developing both sales and rental housing available to displaced middle-income families. It also is assisting in and encouraging the development of vacant land areas for housing available to minority groups. PHA, in approving low-rent projects built on slum sites, considers the adequacy of rehousing provisions—particularly where minority groups are involved—and the attention given locally to the use of vacant sites to minimize rehousing hardships and the assurance of an adequate supply of housing for displaced families. The Housing Act of 1949 requires, of course, that displaced low-income families be given first preference in federally assisted low-rent public housing projects. All Federal aids are predicated on a concerted approach to the problem by communities, their appropriate public bodies, and local civic groups and individuals.

In nonhousing redevelopment, 39 areas are scheduled to include some commercial installations. Six of these will be reused predominantly for commercial purposes. Present plans contemplate some industrial reuse in 14 areas. Major industrial reuse is expected in 8 of these.

A total of 26 areas are marked for public use—parks, schools, playgrounds, etc. One of these will show predominant public-use redevelopment.

In dwelling units, project areas presently run from a low of 2 for a predominantly open area in Chicago, Ill., to a high of 3,292 in New York City's Williamsburg area. The median number of existing dwelling units per project is 384. The estimated numbers of families occupying the area range from 2 in the same Chicago project cited above to 3,628 in New York's congested Manhattantown project. The median of these estimates is 395 families per area. Data for individual projects are presented in table 13b on page 119.

Estimates of gross project costs—the total outlay involved in carrying a project to the disposition stage—vary, in the 53 projects for which data are available, from $228,000 to $32,252,000. The median cost per project is approximately $2.5 million. The total for all 53 projects is approximately $255 million.

Estimated net project costs—the write-off reflecting the difference between gross project costs and proceeds from land disposition—show a low of $107,000 and a high of $26,905,000. The median is approximately $1.7 million. The total for these projects is approximately $171 million.

C. Organization

In early May a new organization was established for the Division. Through this realignment, the Division was placed on a basis calculated most efficient to handle effectively the constantly increasing workload of the program. The reorganization was based directly on operating experience gathered since the beginning of the program, progress made in formulating and testing operating policies and procedures, and best utilization of staff resources in the light of program requirements. The move abolished the Field Operations Branch, as such, and placed direct responsibility for principal operating relationships with local agencies in the offices of four newly created Area Supervisors, each in charge of one of four sections of the Nation, delineated along geographic lines. These operating relationships are based on Division policies, procedures, and standards recommended by the four technical branches, which retained, generally, their previous form.

Liaison Activities

The Division, during the year, as it had in 1950, obtained much help from the Slum Clearance Advisory Committee. This 21-member group, appointed especially for the program by the Administrator and the Director of the Division in January 1950, consists of city and housing officials, representatives of labor and private enterprise, and others interested in urban redevelopment and city planning activities. The Committee, which met in May and December, contributed advice on many phases of the program.

The Division also maintained constant liaison with such organizations as the National Association of Housing Officials—with whose Redevelopment Section staff members of the Division met frequently—the American Municipal Association, the Conference of Mayors, the American Society of Planning Officials, and the American Institute of Planners. Contact was also maintained with diversified public interest and minority groups.

Local Public Agency Manual

The first several chapters of the *Local Public Agency Manual*—the basic program handbook for local public agencies—were distributed in May. Of the 21 chapters projected for the complete manual, 18 had been printed by the end of the year. The Manual will contain all definitive instructions, requirements, and other information necessary to carry out local programs.

D. State Legislation

By the end of 1951 a total of 34 States along with the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands, had enacted enabling legislation authorizing local public agencies to undertake slum clearance and urban redevelopment programs. These States include Alabama, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Virginia, West Virginia, and Wisconsin.

Seven States including Delaware, Kansas, Maine, Missouri, Nebraska, North Carolina, and West Virginia, and the Territory of Alaska enacted enabling legislation during the year. However, the Kansas statute was declared unconstitutional by the State Supreme Court in October 1951 for technical reasons not related to slum clearance and urban redevelopment powers. Eleven other States including California, Connecticut, Florida, Georgia, Illinois, Indiana, Minnesota, New Jersey, Oregon, Pennsylvania, South Carolina, and the Territory of Hawaii enacted legislation which amended existing laws. In the absence of enabling legislation in Texas, the city of San Antonio adopted, under its constitutional home rule authority, a new city charter which specifically includes the undertaking of redevelopment projects among its regular municipal powers.

Other States have indicated an interest in the slum clearance and urban redevelopment program and will consider necessary enabling legislation in future legislative sessions.

Chapter VIII

HOUSING RESEARCH IN 1951

A. Introduction

The Division of Housing Research which is responsible for the Government's program of research in housing was authorized by Title IV of the Housing Act of 1949.

The purpose of the research program is to identify, develop, and promote the acceptance (and application) of methods and activities which will permit progressive reductions in the costs of housing construction and maintenance which will stimulate a sustained production of housing.

It is aimed at providing maximum assistance through research in achieving the national housing goal of providing an opportunity to every American family for a decent home in a suitable environment. In line with this, the basic objectives of HHFA's research program are:

1. To provide leadership and coordination in identifying current obstacles to efficiency and productivity in the housing industry.

2. To encourage the industry, schools, and research institutions to undertake needed research in housing.

3. Where important problems cannot otherwise be dealt with, to undertake necessary research itself, with the advice and participation of the industry.

In general the end sought through research is to reduce costs (without sacrificing quality) through the most efficient use of labor and materials. Efficiency in the use of these resources also means their conservation—a highly urgent matter in a defense economy. Also, the channeling of scarce materials into defense needs results in supply shortages for home building. This situation requires developing methods for the most effective use of the remaining civilian supply and identifying and promoting the use of alternate materials and construction methods that maintain quality.

Following the Korean outbreak, the research program of HHFA took on new significance in supporting housing aspects of the defense effort. During 1951 the Division of Housing Research recast its going contract program, as well as staff activities, to relate research results to the particular needs of defense to the greatest practicable extent. Also, of major significance in research program activities during the year was the decision by the Congress, in its consideration of the research budget for fiscal year 1952, limiting funds for new research activities.

Despite changing conditions, it was not necessary to deviate from basic objectives in 1951 research activities, although the focus of the program was narrowed to concentrate upon those areas promising more immediate aid in the defense effort.

Thus, during the year, emphasis was first laid upon the utilization of already known and available materials to perform functions in construction usually consuming scarce critical materials and to encourage the acceptance of such alternates by all concerned with home building. Next, work to identify and disseminate design principles and assembly methods, which would reduce cost and conserve materials, was strongly stressed. Finally, in the economic field, efforts were intensified to identify and resolve defense-connected problems, such as, those dealing with housing credit and critical materials allocations, the maintenance of proper balance between housing and defense production, the adaptability of the home building industry for meeting emergency requirements, the production and availability of building materials, and the development of planning criteria for evaluating needs in defense plant dispersal areas.

The use of alternate materials, planning criteria, and construction methods which will alleviate defense-created shortages are all fully consistent with the long-range objectives of the research program. Thus, data developed in these areas, while of special significance for emergency needs, will be valuable in long-range research. In carrying out contract research, staff work on completed projects was concentrated upon utilizing those results which could be used in solving emergency problems. Contracts still under way were guided, to the fullest extent possible, into paths believed to yield the maximum results for aiding the emergency.

During the first half year, when funds were yet available for obligation from the 1951 fiscal year appropriations, 31 contracts totaling nearly $656,000 were negotiated for the prosecution of projects for further research and nine of the projects begun in 1950 were given supplementary funds of about $50,000 to broaden the area of investigation to obtain additional current data to bear upon defense problems. Eight other projects were contracted for with four Federal agencies to provide information necessary in the administration of the Government's housing programs during the emergency period. The majority of these were short-term contracts designed to produce results quickly.

In addition to the contract research program, the Division engaged in numerous staff activities and projects principally directed to the assembly, evaluation, and dissemination of research results for application during the emergency.

B. Organization and Staffing

Reflecting the deep cut in funds appropriated for research for fiscal year 1952, the Division's staff was reduced sharply from 121 positions on June 30 to 81 by year's end. The major impact of this reduction fell on staff units concerned primarily with research functions, which were reduced by nearly half, rather than on those units concerned with general agency functions.

This reduction in personnel also made necessary a reorganization of the Division's staff to ensure fullest possible use of remaining personnel in providing professional and technical services to aid in the Agency's defense-connected activities, to undertake necessary staff research, and to administer and utilize the results of 89 research projects, involving $2,100,000 in obligations. Thus, functions formerly performed by the Urban Studies Branch were made the responsibility of the Housing Economics Branch, and those previously carried on by the Local Housing Regulations Branch were consolidated with the work being performed on technical standards in the Housing Technology Branch. Also the Statistical Research and Development program was suspended during the period when no new contract operations were to be undertaken.

C. Advisory Committee Operations

In addition to the committees formed during 1950 in accordance with HHFA policy to obtain information and advice wherever possible from experts in appropriate fields, there were established three new groups during 1951 as follows:

1. Advisory Committee on Resources Conservation in Dwelling Construction

Its work is aimed at identifying the areas where there is the greatest possibility of developing methods for the conservation of manpower and materials, particularly those most critical in the defense effort, through the most effective use of alternate materials and improved techniques; development of housing standards for the emergency period as well as the special conditions of use. The first meeting of this committee was held April 12 and 13, 1951.

2. Advisory Committee on the Administration of Local Housing Regulations

This committee was formed to obtain advice in the ways in which the experience of the local building official can best be used in the administration of controls and to obtain assistance in the identification and cooperative solution of the administrative and legal obstacles which may exist locally. Two meetings were held—on March 20 and on July 27, 1951.

3. Advisory Committee on Modular Coordination

This committee was established to aid the Division of Housing Research in its continuing program of education and promotion of understanding of the principles of modular coordination in housing construction. Advice was sought first on work under way under contract with the Illinois Institute of Technology in the development of a guide, for the use of manufacturers of building products, to achieve practical standardization of sizes for materials and products in which the 4-inch module is of subordinate concern to a larger unit of measure. This committee met twice in 1951—on May 23 and again on September 12.

4. Meetings of Other Advisory Committees

During the year the following meetings were held of the committees formed in 1950:

Advisory Committee for Urban Research met for the third time on June 12, 1951.

Advisory Committee on Credit and Production Statistics held three meetings—January 15, March 14, and July 10, 1951.

In addition, the Division was represented by staff members at the majority of important industry and professional society meetings held during the year, such as the National Association of Home Builders, the American Society for Testing Materials, American Standards Association, Joint Committee of the American Institute of Architects, and the Producers' Council, Housing Research Council, etc.

D. Major Program Activities 1951

As has been noted, the major activities of the Division during 1951 were centered around defense-related problems. To this end a vigorous attack was launched on unnecessary waste and inefficiency in the production of homes by striving for greater uniformity in local building regulations and administrative procedures; by assisting the industry in understanding and applying the principles of standardization in design and constructon practices; by providing simple and workable cost-data systems and accurate estimating procedures; and by developing current information with respect to techniques for the use of alternate materials and assembly methods to conserve supplies of critical items and the available labor potential.

Among the more important research accomplishments during the year were:

1. Building Regulation

The tardiness of local building regulations and administrative procedures in adjusting to new developments in materials and construction methods, and the lack of uniformity in building codes from locality to locality throughout the Nation, has long been recognized by the building industry and public agencies concerned with housing as one of the major road blocks to progress. This condition, by preventing uniform local acceptance of new materials, products, components and methods, has to a large extent inhibited the undertaking of needed public and private research to develop less costly and more efficient materials and techniques. It also has acted as an effective deterrent to the production of materials and components by modern industrial methods for distribution to mass markets in a manner which would promote efficiency and reduce waste and costs.

During 1951 the Division has given active support and provided technical assistance to the Joint Committee for the Unification of Building Codes, as the most promising means for developing and gaining local acceptance of more uniform administrative practices and technical requirements in building regulations. Upon the death of the Committee Secretary, HHFA was elected permanent Secretary; a staff member of the Division now serves as permanent secretary. This committee, formed in 1949, is composed of representatives of three of the regional code-writing organizations in the United States, representatives of standard-setting bodies such as American Standards Association, National Fire Protective Association, the National Bureau of Standards, and HHFA. The committee was organized as a result of industry recognition of the urgent need for improved and uniform building regulations to study and obtain agreement and mutual acceptance of revised administrative and technical provisions of codes which would incorporate the best of current knowledge. The Division has provided the committee with comparative tabulations of some 350 technical items common to most codes for use as a basis for its work; facilities for stenographic recording; technical analysis of minutes of the discussions held at committee meetings; and coordination of the committee's functions. In developing the technical data for the use of the committee, the Division, in cooperation with the National Bureau of Standards, Department of Commerce, has worked closely with representative industry groups, such as the American Iron and Steel Institute, the American Institute of Steel Construction, the American Standards Association, the American Society for Testing Materials, the National Gypsum Association, the Portland Cement Association, the National Lumber Manufacturers Association, etc. As a result of the accelerated pace of the committee's work, due in considerable measure to the staff efforts of the Division and the

National Bureau of Standards during 1951, it has reached tentative agreement on four sections of code materials dealing with definitions, occupancy classifications, types of construction, and design loads.

In June of 1951 the Division issued, jointly with the Department of Commerce, the Report of the Coordinating Committee for a National Plumbing Code. This report is basically a uniform standard for plumbing installations, developed with the advice of a committee broadly representative of local regulatory officials, engineering societies, and master and journeymen plumbers. Its development has established a working pattern for attaining acceptable uniform standards in other areas of dwelling construction. The standards provided in this document, if adopted broadly by local code authorities, can result in considerable economy in the use of cast iron, galvanized steel, and copper in home construction in the United States, while at the same time providing adequate standards for health, safety, comfort, and convenience at lower cost.

Another significant result of the Division's work during 1951 was the publication in August of a Model Emergency Building Ordinance. The ordinance was developed with the advice of the HHFA Advisory Committee on Administration of Building Regulations, a group of key building officials and representatives from the major regional code-writing organizations in the United States. The model ordinance, when adopted locally, permits the local building official to approve the use of alternate materials and construction methods which the local code does not explicitly recognize. It was designed to permit the use of proven noncritical materials and labor-saving techniques developed by responsible research as an emergency measure during a period of shortages when materials usually used were not obtainable and skilled labor was not available in large supply. This ordinance has been indorsed by the Building Officials Conference of America and the Pacific Coast Building Officials Conference, organizations whose members cover geographically about two-thirds of the United States. Approximately 2,000 copies of the document have been distributed by HHFA to building officials, and the National Association of Home Builders is planning in the near future to produce a printing of its contents for distribution to its members.

The Division has received data from a contract research project which, for the first time, provides a realistic basis for determining design roof load factors for various climatic regions. These data have been analyzed and evaluated by staff technicians and furnished to responsible standard-setting organizations for their use. General distribution of the data will be made early in 1952.

Other significant data received as a result of research cosponsored by the Division and the United States Public Health Service will permit the development of design standards for more efficient and less costly septic tanks and disposal fields. Partial results have been published and specific design recommendations are being prepared.

2. Resources Conservation and Cost Reduction in Dwelling Construction

Lack of standardization in dimensions of products and methods of assembly is another major problem preventing rapid progress in the modernization of the building industry. During 1951 the Division continued its active program of education in this area, which will permit the reduction of waste and inefficiency. This action consisted of the following steps:

(*a*) The publication in May, and distribution in collaboration with the Producers' Council, the American Institute of Architects, and the National Association of Home Builders of over 20,000 copies, of a manual *The Modular Design in Dwelling Construction* for architects and designers.

(*b*) The award of a contract for the preparation of visual and textual material for the development of another manual on modular coordination directed to the builders.

(*c*) The award of a contract for the development of visual and textual material on modular coordination to form the basis for a curriculum to be utilized by engineering schools and colleges in teaching courses in construction and architecture.

(*d*) The award of a contract for the development of a guide for materials manufacturers for dimensional sizing of materials in which the 4-inch flexibility of the modular method is of secondary consideration to a larger "over-module" for space planning and assembly of components.

(*e*) The award of three contracts for the practical demonstration of the modular method integrated with sound, engineering practices. These contracts represent a cooperative effort by the Government and industry to promote wide application of resources conservation and cost-reduction practices. The Division and its contractors are responsible for the planning, drawings and specifications, recording costs of materials and construction labor, and the preparation of educational material in the form of reports and motion pictures. Land, materials, construction, and all costs associated therewith are the responsibility of local builders who have volunteered to cooperate in this undertaking.

All of the contract projects listed above were planned to produce concrete results which might be disseminated by the Division beginning early in 1952.

3. Builder-Management Aids

The Division during the year undertook to meet a long-standing need of builders, especially those with small organizations, for a specially tailored record-keeping system to enable them to estimate accurately and to minimize their cost of operation through a recognition of the points at which waste and inefficiency could be prevented. Late in the year there was completed special record-keeping forms and a manual describing the use of such system under the title *Record Keeping for the Small Home Builder*. The manual is written in layman's language and is unique in that it avoids complicated conventional accounting terminology and procedures. It is simple enough for the small-volume home builder to set up and keep a set of books by its aid alone without formal bookkeeping or accounting training.

Work was also under way during the year on three of a series of publications on construction aids for use during an emergency period when alternate materials and methods of assembly other than those in common use must be employed in order to meet both military and civilian needs. Each of the series deals with a specific phase of dwelling design or construction in which the possibility for conservation exists. Recommendations for the use of alternate materials and construction methods will be illustrated and accompanied by specifications. Carried out as a staff project by the Division, the series will present effective and proven solutions to problems of materials shortages as an aid to the designer and builder. Publication of the three booklets upon which work was completed during December is expected early in 1952.

In addition to these efforts in the areas of conservation and cost reduction, the Division worked closely with the HHFA Advisory Committee on Resources Conservation in Dwelling Construction to explore the practical economy of other opportunities for conservation in all phases of the housing process from space planning and engineering, through fabrication and erection, to use and maintenance. Results to December 31, 1951, appear promising.

4. Development of Information for Administration of the Housing Programs

The Division completed early in the year a survey of the kinds and quantities of materials used in single-family dwellings in the United States. The results of this survey formed the basis for decisions with respect to materials consumption during the current emergency. In addition, this knowledge made possible the procedure of self-authorization by builders, thus saving a substantial sum in administrative costs to the Federal Government. Other surveys during 1951 have furnished accurate data with respect to the organization and ability of the trailer, demountable, and prefabricated housing industries to furnish facilities for defense housing in critical areas and for emergency disaster use.

Work was also completed during the year on the development of criteria and techniques for the conduct of intercensal housing inventories in order to assure better quality of data than was developed under surveys made during World War II. Along these lines work was also carried out on a project under contract with the Bureau of Labor Statistics, Department of Labor, to develop methods through which, on a local basis, it should be possible to obtain a measure of the number of units added to the housing supply by conversions as well as the number removed by demolition.

Investigations were also initiated to develop simplified data-gathering procedures for (*a*) the local conduct of vacancy and occupancy information in small and medium-sized cities as a basis for determining the annual market for housing and (*b*) the development of facts necessary to the determination of the defense housing problem in an individual community.

Two contracts were awarded, early in the year, to obtain data on the extent and character of the problems which result from rapid industrial expansion, both in rural areas and in those which are already highly industrialized, to form a basis for policy judgment in Washington and the field during the period of defense mobilization of industry.

E. Contract Results

An important project in the field of general research coordination, completed during the year, assembled data on housing research activities and facilities carried on by 1,089 educational institutions, research foundations, trade associations, professional societies, and commercial laboratories in the United States. The results of the survey, classified both by institutions and organizations and by type of activity, will be made available in published form during 1952 and should be of benefit to all groups engaged in housing research.

During 1951, results were also received in the form of final reports from 19 other contract research projects initiated in 1950 and three of those started during the current year. These projects represented an original investment in research of $393,250 or slightly less than one-fifth of the Division's total 1950–51 contract research program obligations. Of this group, technological investigations were in the majority, with five projects devoted to the properties of building materials, one to dwelling equipment, two to structural components, one to construction methods and four in composite physical research requiring the investigation in two or more fields—for a total of 13 projects completed, costing $193,100. Projects completed in the economics field included three in market analysis, one in organization and operation of the home-building industry, one in urban planning and one devoted to the assembly of data on the usage of materials in dwelling structures. Results were received on three projects which dealt with construction financing practices and mortgage markets.

F. Publications

From these reports received on contract projects there resulted five publications during 1951, and staff action was begun to analyze and evaluate the remainder preparatory to publishing them during 1952. In addition to the five resulting directly from the project reports, material was prepared for 18 publications resulting either from staff studies alone or from a combination of staff and contract work. Of these, 11 were issued during 1951 and the remainder scheduled for publication early in 1952.

During 1951 a new approach was taken by the Division to its periodical, the *Technical Bulletin.* The Bulletin was broadened in scope and developed for a wide range of interest under the new title *Housing Research* issued on a quarterly basis, the first issue appearing late in the year. The new quarterly, made necessary by the comprehensive nature of the research program being carried out by the Division, contained material in all fields of housing research (i. e., economic, financial, urban planning, etc.) instead of being limited solely to articles of technological content. During the year the staff prepared 21 articles based upon current research activities of the Division for publication in the *Technical Bulletin* and in *Housing Research.*

Chapter IX

THE SECONDARY MORTGAGE MARKET: FNMA

A. FNMA—Origin and Role

The Federal National Mortgage Association (FNMA), which operates the Government's secondary market for the purchase and sale of home mortgages, was chartered on February 10, 1938, by the Federal Housing Commissioner pursuant to Title III of the National Housing Act, as amended. Originally under the jurisdiction of the Reconstruction Finance Corporation, FNMA was transferred to the Housing and Home Finance Agency on September 7, 1950, as provided by Reorganization Plan No. 22 of 1950. This transfer placed the Government-financed secondary mortgage market in the agency primarily responsible for housing and home finance.

In recent years, FNMA, in providing a secondary mortgage market for certain FHA-insured and VA-guaranteed mortgages, has played a highly significant role in providing aid to meet the financing needs of our expanding home-building economy. During the period of its existence from 1938 through 1951, FNMA has purchased from original lenders 419,903 housing mortgages with aggregate principal balances of $2,863 million, thereby supporting programs intended to aid in meeting home-building financing needs. This assistance was particularly important in connection with the effort to meet the demand for veterans' housing. With respect to VA housing, FNMA during the 3½-year period ending December 31, 1951, indirectly aided in the financing of 278,081 VA home purchases involving an aggregate investment of $2,029 million by purchasing the mortgages covering such housing through its secondary mortgage operation.

To meet changing conditions in the housing economy resulting from the defense mobilization effort, FNMA has adopted procedures that will enable it to participate in a broad program to provide urgently needed defense, disaster, and military housing, as will be described later.

B. Policy Orientation in 1951

During 1951 FNMA directed a large part of its purchasing power toward aiding in providing more quickly the financing required for the production of adequate housing facilities urgently needed for in-

FEDERAL NATIONAL MORTGAGE ASSOCIATION

Chartered on February 10, 1938, under Title III of the National Housing Act, as amended. Provides a Government financed market for the purchase and sale of eligible FHA-insured and VA-guaranteed mortgages

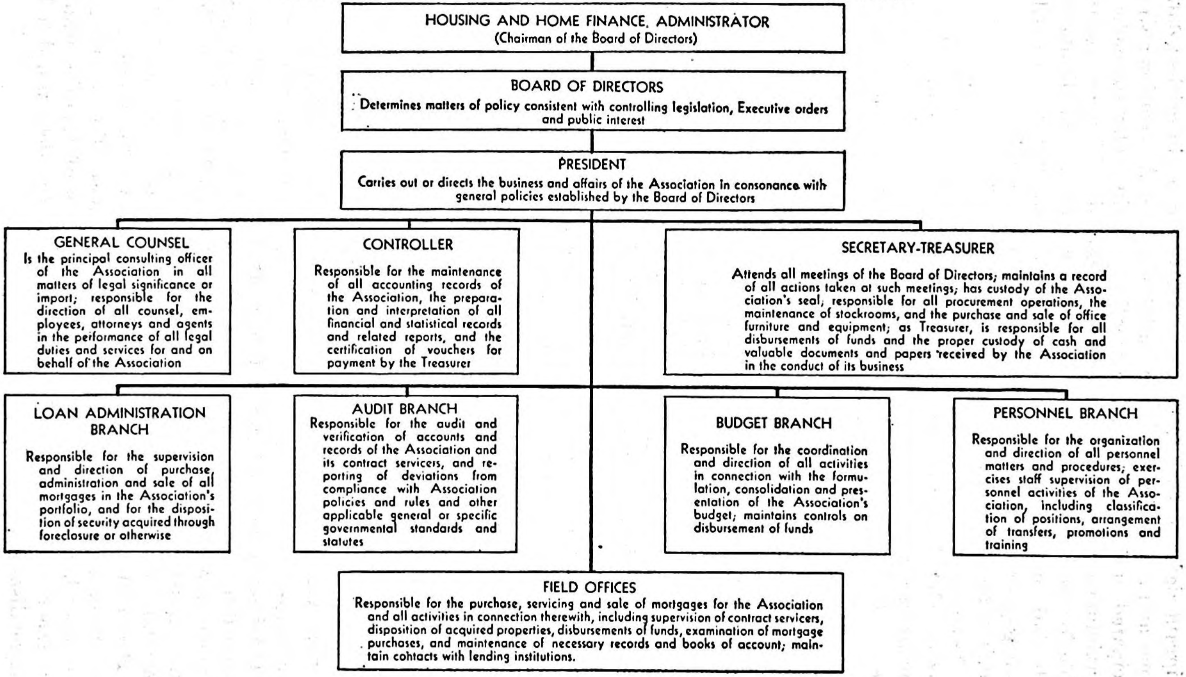


CHART 11.

migrant defense workers and military personnel in critical defense areas and at certain military installations. The Association also participated during the year, on a smaller scale, in a plan to render the maximum amount of assistance possible toward making housing available for victims of the disastrous midyear floods in the Middle West. The full impact of these programs will not, however, be felt until the mortgages covering such housing are delivered to FNMA for purchase during calendar years 1952 and 1953.

As a means of conserving its funds for both defense and nondefense needs, FNMA in June 1951 adopted an eligibility requirement that mortgages (except as to VA-guaranteed Section 505 (a) second mortgages) to be eligible for purchase must have been insured or guaranteed on or after March 1, 1951.

C. 1951 Purchasing Program

Types of Mortgages Purchased

At the beginning of the year, the Association purchased eligible mortgages insured by FHA under Sections 8, 203, 603, and 803 of the National Housing Act, as amended, or guaranteed by VA under Sections 501, 502, or 505 (a) of the Servicemen's Readjustment Act, as amended. The Association also purchased FHA-insured Sections 207 and 608 mortgages covered by commitment contracts entered into prior to March 21, 1950. During the year, in addition to the mortgages previously described, the Association made eligible for purchase qualified FHA-insured Sections 207 and 611 (individual type) mortgages if they covered programed defense housing or nonprogramed disaster housing and FHA-insured Sections 213, 903, and 908 mortgages. FNMA also made some direct FHA-insured loans covering housing in Alaska under the provisions of the Alaska Housing Act (Public Law 52, approved April 23, 1949).

Purchases From Set-Aside Funds

The Association during the year set aside $600 million of its uncommitted funds to be available for the purchase of (1) those eligible FHA-insured and VA-guaranteed mortgages covering housing programed by the Housing and Home Finance Administrator in critical defense areas prior to November 21, 1951 (HHFA Program Nos. 1 through 94), (2) those eligible military housing mortgages insured pursuant to Title VIII of the National Housing Act as to which the FHA commitments to insure were issued on or after March 1, 1951, but prior to November 21, 1951, and (3) those eligible mortgages covering housing intended to meet the needs of families who are victims of a catastrophe which the President has determined to be a major disaster.

The setting aside of funds by FNMA for the purchase of military, disaster, and programed defense-housing mortgages, while not constituting a contractual undertaking by the Association to purchase mortgages, represented reasonable assurance that funds would be available when the mortgages were presented.

To qualify for purchase from the set-aside funds, eligible mortgages covering defense, military, and disaster housing must be presented to FNMA for purchase within 4 months following the date of the VA guaranty or FHA final insurance endorsement; as to mortgages covering disaster housing, there was the additional requirement that they must be delivered to FNMA on or before December 31, 1952. If defense, military, and disaster-housing mortgages are not delivered within the required 4-month period and they are otherwise eligible, they may be purchased from other available funds.

As a further aid in encouraging the production of defense, military, and disaster housing, the Association waived the 2-months' waiting period which would otherwise be applicable to the purchase by FNMA of these types of mortgages. This waiting period, however, is still applicable to all other mortgages that are eligible for purchase by FNMA.

Purchases Pursuant to Commitment Authority

1. *Defense, Military, and Disaster Housing*

In the Housing Act of 1950 (P. L. 475, approved April 20, 1950), the Congress directed FNMA to discontinue issuing advance commitments for the purchase of mortgages. However, as a means of accelerating the construction of urgently needed defense and military housing and housing for victims of a major disaster, the Congress, in the Defense Housing and Community Facilities and Services Act of 1951 (P. L. 139, approved September 1, 1951), authorized FNMA to make commitments prior to December 31, 1951, not to exceed $200 million outstanding at any one time, for the purchase of eligible FHA-insured and VA-guaranteed mortgages:

(*a*) Covering defense housing programed by the Housing and Home Finance Administrator in an area determined by the President or his designee to be a critical defense housing area;

(*b*) On military housing with respect to which the Federal Housing Commissioner has issued a commitment to insure pursuant to Title VIII of the National Housing Act, as amended; or

(*c*) Covering housing intended to be made available primarily for families who are victims of a catastrophe which the President has determined to be a major disaster.

The total authorization was apportioned for commitment purposes among defense housing—AEC, defense housing—excluding AEC, military housing, and disaster housing. At the end of December, commitment contracts had been entered into for the purchase of mortgages aggregating $199.6 million representing approximately 25,400 housing units, leaving $0.4 million uncommitted for use in making necessary adjustments. There were on hand, but unexecuted when the commitment authority expired, applications for contracts amounting to $45 million representing approximately 5,600 housing units.

The following tables summarize the extent of the use of the commitment procedure authorized by Public Law 139 covering defense, military, and disaster housing:

FNMA Commitment Authority Operations—types of housing, amounts committed and approximate number of housing units covered

[Dollars in millions]

Type of housing	Initial apportionment	Commitment contracts executed	Approximate housing units	Unexecuted contracts	Approximate housing units
Defense, excluding AEC	$105.0	$119.1	14,905	$35.5	4,425
Defense, AEC	20.0	20.1	2,270	2.5	315
Military (Wherry Act)	50.0	52.8	7,242	7.4	895
Disaster	25.0	7.6	1,000		
Total	200.0	199.6	25,417	45.4	5,635

FNMA Commitment Authority Operations by sections of acts and amounts committed as to each section

[Dollars in millions]

Section of Act	Defense, AEC	Defense, excluding AEC	Military	Disaster	Total
Sec. 8, NHA				$4.1	$4.1
Sec. 203, NHA	$0.3	$3.9		3.5	7.7
Sec. 207, NHA		6.5			6.5
Sec. 803, NHA			$52.8		52.8
Sec. 903, NHA	18.8	66.2			85.0
Sec. 908, NHA	1.0	24.0			25.0
Sec. 501, SRA		18.5			18.5
Total	20.1	119.1	52.8	7.6	199.6

2. *Cooperative Housing*

In October, the Congress also authorized FNMA, under Public Law 243 (approved October 30, 1951), to make advance commitment contracts not to exceed $30 million outstanding at any one time for the purchase of cooperative housing mortgages as to which the Federal Housing Commissioner had issued prior to June 29, 1951, either a commitment to insure or a statement of eligibility pursuant to Section 213 of the National Housing Act. Not more than $3.5 million of this authorization could be made available for commitments in any one State. At the end of 1951, seven contracts aggregating $6.2 million and covering 651 housing units had been entered into pursuant to this authorization.

Summary of Mortgage Purchases

During 1951 the Association purchased 86,244 mortgages totaling $677 million. Of these, 9,067 were FHA-insured mortgages amounting to $74 million and the remainder, 77,177, were VA-guaranteed mortgages involving an investment of $603 million. Dollarwise, 1951 purchases were 65 percent of the 1950 volume. Eighty-nine percent of FNMA's dollar volume of 1951 purchases were represented by VA-guaranteed mortgages, as compared with 95 percent in 1950 and 62 percent in 1949. During the first half of the year, the ratio between the dollar-volume purchases of VA-guaranteed and FHA-insured mortgages was about 19 to 1; during the second half of the year, this ratio was less than 5 to 1. Of the total purchases during the year, $208 million were made pursuant to commitment contracts previously entered into and the remainder, $469 million, were made on an over-the-counter basis.

On December 31, 1951, outstanding commitment contracts of all types aggregated $239 million, which included $33 million in commitments covering FHA Sections 207 and 608 mortgages that were made under the former commitment procedure, and commitments issued in connection with Alaska housing mortgages.

D. Mortgage Sales

Policy and General Conditions

It is the Association's policy to dispose of its portfolio of mortgages to eligible investors as rapidly as economic conditions permit their absorption by institutional or other long-term investors.

At the beginning of 1951 it was estimated that FNMA mortgage sales would during the course of the year compare favorably with, or even exceed, 1950 mortgage sales which had reached an all-time high of $469 million. Options to purchase FNMA mortgages increased from $159 million on December 31, 1950, to $453 million on March 23, 1951. Purchasing interest was active, and several sales involving substantial numbers of mortgages were being negotiated. However, during the second and succeeding quarters of the year, sales were drastically reduced, due to changes in the mortgage market; viz:

1. Absorption of available private mortgage investment funds to fulfill contracts on backlogs of mortgage purchase commitments made by institutional investors during the fall of 1950 to finance new construction before credit and other defense restrictions took effect;
2. The effect of the Treasury and Federal Reserve action, in March 1951, in revising the bond support program, thus discouraging the liquidation of Federal bonds for mortgage investments;
3. An increase in the interest rates on conventional mortgage loans.

Sales Prices

During the first half of the calendar year 1951 FNMA offered to sell its VA-guaranteed and FHA-insured one- to four-family home mortgages at prices which included the principal balances thereof plus accrued interest to the date of payment and, in addition, a premium computed on the unpaid principal balances of one-half of 1 percent for each VA-guaranteed mortgage and of a varying range, depending upon the type of mortgage, from three-fourths of 1 percent to 2¼ percent on the FHA-insured mortgages. Beginning in July 1951, however, the Association offered to sell all of its mortgages, except those which were insured by FHA under Sections 207 and 608, for an amount equal to their unpaid principal balances plus accrued interest to the date of payment. These revised prices were more in line with the prices charged by other institutions which were offering to sell similar types of mortgages. In the sale of Sections 207 or 608 mortgages the price was determined by negotiation.

1951 Mortgage Sales

During 1951 the Association sold a total of 16,286 mortgages with unpaid principal balances aggregating $111.1 million. Of these mortgages, 25 percent, representing $28.1 million, were FHA-insured mortgages and 75 percent, aggregating $83.0 million, were VA-guaranteed mortgages. Sales amounting to $92 million during the first 5 months of the year represented four-fifths of the total sales during the year. During the first half of the year the dollar volume of VA mortgage sales was about four times that of FHA mortgages; during the second half, sales of FHA mortgages slightly exceeded VA sales. In dollar totals, about 57 percent of all the FHA-insured mortgages purchased by FNMA from February 1938 through 1951 have been sold, while only 14 percent of the VA-guaranteed mortgages have been sold.

The following table shows the relationship between purchases and sales from 1938 through 1951:

FNMA purchases and sales, 1938–51

[Dollars in millions]

Agency and Section of Act	Mortgage purchases	Mortgage sales	Sales as percent of purchases
FHA	$834.8	$474.6	56.9
Sec. 8	5.5	(1)	
Sec. 203	428.6	244.1	57.0
Sec. 207	5.8	.3	5.2
Sec. 210	.3		
Sec. 213	.5		
Sec. 603	339.5	207.2	61.0
Sec. 608	54.6	23.0	42.1
VA	2,028.6	291.3	14.4
Sec. 501 (homes)	1,996.9	276.9	13.9
Sec. 501 (multifamily)	7.9	.7	8.9
Sec. 502	1.6		
Sec. 505 (a)	22.2	13.7	61.7
Total	2,863.4	765.9	26.7

1 Less than $0.05 million.

E. Other Liquidation

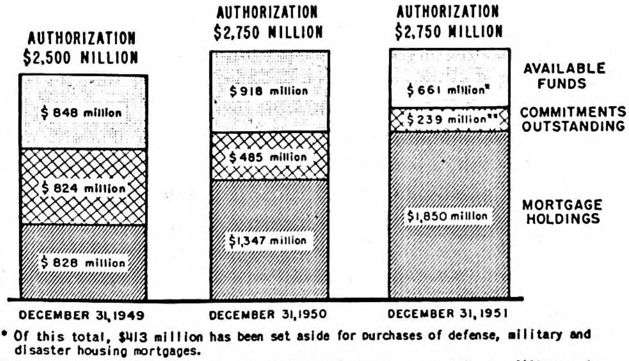
During the calendar year 1951, foreclosure proceedings were completed on 751 mortgages with unpaid principal balances of $8 million. Repayments aggregated $55.5 million which included final repayment on 1,005 mortgages.

Thirty-five percent of FNMA's total mortgage investments have been liquidated through sales, repayments, and other credits. From 1938 through 1951, the FHA ratio of liquidation was 76 percent, while the VA ratio from midyear 1948 (when FNMA was authorized to purchase VA-guaranteed mortgages) through 1951 was 19 percent.

F. Status of Purchasing Authority

The total amount of investments, loans, purchases, and commitments made by FNMA may not exceed $2,750 million outstanding at any one time. At the end of 1951, mortgage holdings of FNMA amounted to $1,850 million, an increase of 37 percent during the year. Holdings of FHA-insured mortgages amounted to $204 million, while VA-guaranteed mortgages amounted to $1,646 million. Outstanding commitments to purchase mortgages, on December 31, 1951, totaled $239 million, as compared with $485 million a year earlier. The amount of unused authorization available for the purchase of additional mort-

STATUS OF FNMA AUTHORIZATION



* Of this total, $413 million has been set aside for purchases of defense, military and disaster housing mortgages.

** Of this total, $200 million has been committed for mortgages on defense, military and disaster housing.

SOURCE: Federal National Mortgage Association

CHART 12.

gages was $661 million at the end of 1951. Of this, $412 million had been set aside and was still available for the purchase of qualified military-, defense-, and disaster-housing mortgages on an over-the-counter basis. This left $249 million available for over-the-counter purchases of other eligible mortgages.

The status of FNMA's purchasing authority on December 31, 1950, and December 31, 1951, is shown in the following table:

Status of Federal National Mortgage Association authorization

[Dollars in millions]

Item	Dec. 31, 1951	Dec. 31, 1950
Total authorization	$2,750.0	$2,750.0
Mortgage balance outstanding	1,849.5	1,340.7
Commitments outstanding	239.1	485.1
Available for new purchases	661.4	918.2
(a) Programed military and defense	396.3	
(b) Disaster housing	16.2	
(c) Other eligible mortgages	248.9	

G. Administration

On December 31, 1950, the Association's activities were administered locally through 16 field offices maintained by the Association. During 1951, 10 of these were consolidated into other offices. In addition to the remaining 6 field offices, the Association maintains a small branch office in Puerto Rico, a mortgage sales office in New York City, and an administrative office in Washington, D. C. At the time of the transfer to HHFA, FNMA's activities were conducted in the 31 offices of the Reconstruction Finance Corporation. The personnel of the Association, which at the end of 1950 totaled 869, was reduced during the year to 616 as of December 31, 1951. This compares with the 954 positions the Association had on September 7, 1950, at the time the office was transferred from RFC to HHFA.

Under HHFA, the policies of the Association, consistent with controlling legislation, executive orders, and the public interest, are determined by a six-member Board of Directors, the Chairman of which is the Housing and Home Finance Administrator. In addition to the Chairman, the Board consists of four members appointed by the Administrator from among the officers and employees of the Housing and Home Finance Agency, including its constituent agencies, and one member appointed by the Administrator of Veterans' Affairs. The business affairs of the Association, which possesses corporate status, were administered by its President as chief executive officer.

The Association is a wholly owned and self-supporting agency of the Government; it receives no direct appropriation for the payment of administrative or other expenses. During the period of its existence, FNMA has paid (or has authorized the payment of) dividends in the amount of $60 million, of which $29.2 million were authorized during the last half of 1951. During 1951 FNMA's net income was $26 million, and cumulatively through December 31, 1951, it aggregated $79 million.

Chapter X

HOUSING LOAN PROGRAMS

A. Prefabricated Housing Loan Program

During 1951 the principal activities of the prefabricated housing loan program, transferred to the Housing and Home Finance Administrator from RFC under the President's Reorganization Plan No. 23 of 1950, were the taking of such actions as appeared advisable to: (1) assist borrowers to gear their operations to conditions arising out of the national defense effort; (2) recast outstanding loans to simplify their administration and to expedite the handling of funds and documents; and (3) take steps to liquidate in an orderly manner the distressed loans which offered no promise of a basis for continuing financing by the Government. The nature and extent of the authority in the program transferred from RFC was explained in detail in the annual report for the 1950 calendar year.

During the year six new loans aggregating $4,582,000 were approved to four borrowers. Total disbursements on these and outstanding loans aggregated $6,583,586, and collections totaled $2,762,123 principal and $627,097 interest. These disbursements and collections were exclusive of millions of dollars in some of the outstanding loan authorizations with revolving loan provisions. The collections included final repayments on 13 loans in which the original authorizations totaled approximately $3 million. Definitive action was taken to liquidate the Government's investment in seven loans to four borrowers in which the original authorizations amounted to $10 million. The Independent Offices Appropriation Act, 1952, restricted the authority of the Administrator to commit funds, under the program transferred from RFC, to those cases where in the opinion of the Administrator the proposed financing is necessary in the interests of existing investments of Government funds.

Section 502 of Public Law 139, Eighty-second Congress, authorizes the Administrator to make loans and purchase the obligations of business enterprises or financial institutions to "assure the maintenance of industrial capacity for the production of prefabricated houses and housing components so that it may be available for purposes of national defense." Loans may be made upon such terms and conditions as the Housing Administrator may determine; however, the total amount of commitments may not exceed $15 million at any one time and no financial assistance may be extended unless it is not otherwise available on reasonable terms.

A review of the problems of manufacturers and builders indicates that the most constructive use of the $15 million authorization can be made by providing interim financing for the cost of the house package, including the cost of erection, when it cannot be financed otherwise. Applicants were encouraged to endeavor to work out arrangements with local banks under which the bank would make and service the loan and HHFA would purchase a participation of up to three-fourths of each disbursement made.

As administrative funds were not made available for handling the new loan program until after the close of the normal building season, there was very little positive activity in the program during the year. One loan in the amount of $325,000 was authorized to finance on- and off-site utilities in a 250-house project, where the purchase price and erection cost of the prefabricated houses involved were financed from private sources. This project was located in the Kansas-Missouri flood area and was also in a critical defense housing area. Another application in the amount of $12 million to finance the cost and installation of trailers at an atomic energy project was declined.

Both of the prefabricated housing loan programs are being administered by the Special Operations Branch of the Division of Community Facilities and Special Operations.

B. Alaska Housing Program

The Alaska Housing Act was passed on April 23, 1949, having as its purpose the relief of the serious housing shortage in Alaska, which was being aggravated by the establishment of new defense activities involving considerable military and civilian personnel and related service facilities. The Act provided for using special FHA aids, FNMA direct loans, and a federally provided revolving fund for the Alaska Housing Authority.

The key to the program is the more liberal basis on which FHA may insure mortgages on Alaskan properties. The authorities given the Federal National Mortgage Association and the Administrator are assurances that the objectives of the program will be carried out. The effectiveness of the program is demonstrated by its results. In the 3 years prior to the passage of the Alaska Housing Act, FHA issued insurance commitments on 185 dwelling units and insured mortgages involving 148 units. In less than 3 years following passage of the legislation, FHA had issued commitments on 3,450 multiple-family dwelling units and on 1,195 one- to four-family units through December 31, 1951.

Although the revolving fund program had a relatively minor effect on the number of multiple dwelling units financed (273 as compared with 1,890 with FNMA and 1,034 with private financing), it provided the means of financing 360 one- to four-family dwelling units. Also, secondary financing was committed to assure completion of 258 of the FNMA and privately financed multiple-family units. Generally, the need for multiple-family units has been filled, and it may be anticipated that the revolving fund will have a greater effect upon future housing financing in Alaska, which will primarily involve one- to four-family units.

During the calendar year 1951, commitments were made from the revolving fund for primary financing for 235 single-family and duplex units and for secondary financing for 258 additional units. Also, during the year, funds were provided for the improvement of 430 units in native villages in the remote Bering Sea area. All of the units for which financing was committed in the calendar year 1951 were completed or under construction at the close of the year. Geographically, the area of operations was expanded to include the Fairbanks area, where financing for 150 single-family dwellings was approved and secondary financing was provided for a 210-unit structure; and to the Juneau area, where funds were provided to finance the direct construction by the Alaska Housing Authority of 10 units on Douglas Island. With the exception of 25 single-family houses at Palmer and 5 at Ketchikan, all of the housing provided through the revolving fund in 1950 was located in Anchorage.

C. Program of Housing Loans for Educational Institutions

Title IV of the Housing Act of 1950

Title IV of the Housing Act of 1950 authorized direct Federal loans at low rates of interest to aid institutions of higher learning in developing housing facilities for students and faculty. The act provided a borrowing authorization for a total of $300 million. Loans are to be repaid within a period of not more than 40 years and are to bear interest at a rate equal to one-quarter of 1 percent above that on the most recently issued Government bonds having a maturity of 10 years or more, which makes the current rate of interest 2¾ percent.

The Program Reactivated

Before Title IV could be placed in operation, the outbreak in Korea occurred and the President instructed the Administrator to hold the program in abeyance. The program was reactivated 6 months later, when the President released $40 million of the $300 million for projects having a direct connection with the defense effort.

Responsibility for the college housing program is vested in the HHFA Administrator who, in turn, delegated responsibility for the general operation of the program to the Commissioner of the Community Facilities Service. The Division of Community Facilities and Special Operations proceeded to develop the necessary policies and procedures and to inform interested institutions of higher learning that the program had been reactivated on a limited basis.

Defense Relationship

Institutions otherwise eligible under the Act were required to show that the housing for which the loans were requested was needed because of the expansion of defense training programs, such as ROTC units, or because of research contracts with Federal agencies, such as the Army, Navy, Air Force, or Atomic Energy Commission. Applications which did not meet this requirement were deferred.

Activity Under the Program

During the calendar year 1951, 53 applications totaling $40,482,171 were received from institutions in 28 States and the Territory of Hawaii. The applications covered loans for the construction of housing for 9,888 male students, 2,106 women students, and 153 faculty members. The proposed facilities ranged from a small dormitory for 30 students to a large quadrangle for 1,220 students. In addition, two of these applications covered loans for faculty housing.

As of December 31, 1951, 17 applications, totaling $16,895,000, and providing housing for 4,073 men, 855 women, and 87 faculty members, had been approved by the Administrator.

Applications which are otherwise eligible but do not meet the immediate defense requirements are deferred for action until the defense restriction can be lifted. At the end of the year, 18 applications, totaling $8,406,767 and covering housing for 2,411 men, 350 women, and 53 faculty members, had been placed in this category.

Another 18 applications, totaling $15,180,404, to provide housing for 3,605 men, 700 women, and 12 faculty members, were under review at the year's end in the regional and central offices of the Agency.

Applications receive a legal review for compliance with the terms of the Act and other legal aspects, an engineering review, and a financial review to determine the acceptability of the application as to estimated income to be derived from the proposed facility and the security offered for the loan.

The United States Office of Education is the claimant agency for critical materials for all school construction, including housing on college campuses. Because projects approved under the college housing program have established a direct defense relationship, they were given a high priority in the allocation of critical materials.

Title IV of the Housing Act of 1950 provides that the Administrator may consult with, and secure the advice and recommendation of, the United States Office of Education. Procedures were set up to receive this advice and recommendation on all projects, and the United States Office of Education has been most cooperative and helpful in advising the Agency on the educational aspects of the program.

Chapter XI

SPECIAL PROGRAMS AND ACTIVITIES

A. Lanham Act Housing

Under the provisions of the Lanham Act, approved October 1940, and subsequent related acts and amendments, the Federal Government provided about a million dwelling units for war workers and veterans of World War II. Since the housing was intended to meet emergency needs only, it was planned from the beginning that the Federal Government would dispose of it as soon as possible after the emergency was over. Under the provisions of the President's Reorganization Plan No. 3, 1947, responsibility for the management and disposition of the Lanham Act housing was assigned to the HHFA Administrator. The Administrator established a small staff in OA to carry out the instructions of the Congress with regard to the policy determinations and supervising responsibilities related to this housing. Actual management and disposition activities are delegated to PHA.

By the end of 1951 about two-thirds of these dwelling units (662,000) had been disposed of under the provisions of several legislative acts. During 1951 about 17,000 units were removed from PHA's workload, as compared with about 65,000 units during 1950. Under the provisions of Title VI of the Lanham Act—included in the Housing Act of 1950—the Congress established a comprehensive plan for disposition of the remaining Lanham Act housing. This plan was suspended by HHFA following the Korean crisis until it could be determined to what extent this housing could serve the national defense effort. It was decided that a large proportion of these projects could be removed from the jurisdiction of the Administrator with no adverse effect upon the defense program. Accordingly, after consultation with the Secretary of Defense and other interested defense agencies, it was decided to resume the disposition of the Lanham Act projects to the extent consistent with defense needs as determined on an individual project basis. At the time disposition activities were suspended, PHA was authorized to relax the occupancy requirements for Lanham Act housing on a selective project basis to permit the admission of in-migrant defense workers and military personnel. The relaxation authority must specify whether vacant Lanham Act units are to be made available by exclusive reservation, on a priority basis, or on a parity with veterans and servicemen. By the end of

1951 relaxations for approximately 165 projects had been approved, and approvals of additional relaxations were expected early in 1952. As a result of the relaxations, some 2,000 families of defense workers located in more than 100 critical defense areas had already moved into Lanham Act dwelling units.

Also, plans for the disposition of permanent Lanham projects to the low-rent housing program were assisted through certain provisions of Public Law 139 which extended several deadline dates affecting the transfer of permanent projects to low-rent use.

B. Meeting Special Housing Difficulties Confronting Minorities

It is generally recognized that, in acquiring decent housing for their families, Negroes and other minorities encounter special difficulties beyond those generally experienced by other groups. Restrictive practices—involving residential land use, lending policies, community attitudes, and related market factors—have operated generally to stratify and differentiate local housing markets on the basis of race, thereby thwarting the free play of competitive market forces. The consequences have been to constrict the supply and quality of housing available to racial minorities of all income levels, and thus to induce disproportionate overcrowding of these groups, mainly into older and more dilapidated residential areas and often under deteriorating slum conditions. Such conditions are discussed in some detail in Chapter II.

These factors and their consequences are compounded and intensified when housing is generally in short supply and especially in a period of national defense mobilization. Both the emergency housing programs required for national defense mobilization and the long-range housing programs, such as slum clearance and urban redevelopment, must envisage and provide full opportunity for minority group participation. To do so involves both surmounting of discriminatory practices against racial minorities and adjustment within the extremely difficult sphere of complex and delicately poised intergroup relations. In the emergency program, for example, employment practices often shift under defense mobilization pressures, and thus render it extremely difficult at the time of programing defense housing to foresee the extent of racial minority need that will later appear for such housing by the time it is ready for occupancy. In the long-range program, for example, Negroes and other racial minorities usually constitute a higher proportion of the families to be relocated from the slum redevelopment project areas, and usually there is inadequate housing available to them elsewhere in the community.

Concerted effort to expand the volume and improve the quality of housing available to racial minorities has increasingly become recognized as a major area of housing stress during the past decade. A prime objective of this stress is more nearly to equalize housing opportunities to all groups by securing more extensive effort on the part of private capital and enterprise in expanding and improving the supply of housing available to minority groups—an area of the market most generally neglected in the past—and thus increasingly to enlarge the sound financing and production of decent housing available to such groups at prices and rents more nearly suited to their family needs and ability to pay.

A Racial Relations Service, with a small staff headed by an Assistant to the HHFA Administrator, is responsible for advising on racial implications and considerations in the development and execution of Agency policies and programs and for maintaining liaison with minority and other group leadership and organizations interested in minority group aspects of the Agency's programs and operations. This Service is maintained to provide specific assistance to the Agency and its constituents in carrying out the Federal policy of nondiscrimination in employment and in mobilizing private and public planning, financing, and construction resources at local, State, and national levels to overcome the added housing difficulties faced by racial minorities and provide expanding opportunity for racial minority groups to attain standard housing in accordance with their needs and ability to pay.

This responsibility is discharged principally by (1) planning approaches and devising methods for specific assistance to private developers, lenders, local officials, and community leaders; (2) advice and assistance to the Administrator, his principal staff, the National Housing Council, and the Commissioners and staffs of the constituent administrations, including close liaison with the counterpart Service in constituent units, regarding the racial minority implications of their policies and procedures; and (3) cooperating with minority group and other interested organizations and leadership in gaining the active assistance of all elements of the community in improving and expanding the housing supply available to minorities. The consistent objectives are to assist in defining the problems accurately and objectively, devising practical techniques to meet these problems, reviewing and evaluating Agency operations, effecting helpful adaptations of policy and procedure, anticipating and forestalling the rise of racial problems and overcoming them when they do arise, to the end of opening local housing markets to free bidding by racial minorities.

During 1951 the more accurate definition and appraisal of problems and experience incident to the relocation and rehousing of racial minorities displaced by local redevelopment projects were largely responsible for two major steps forward in Agency coordination. The *first* was improved coordination between urban redevelopment and the low-rent public housing programs, specifically in respect to closer uniformity of their relocation policies and requirements. The *second* was the announcement and application of a new coordinated method for *The Use of Federal Aids in Relocating Families Displaced by the Clearance of Slums.* These two steps—involving all the legislative authorizations, Federal aids, and constituent units under the purview of HHFA—were first applied to programs in Chicago and Detroit and are in the process of being applied to other localities across the country.

The difficulties of providing defense housing needed in support of national mobilization are compounded and intensified where racial minorities are involved. To assure that defense housing is programed and made available on an equitable basis to meet the needs of eligible racial minorities among defense in-migrants, HHFA has devised appropriate procedures as set forth in its *Statement of Defense Housing Policy.*

Meanwhile, the Agency's research project contract to New York University for a *Survey of Interracial Housing* was nearing completion at the end of the year, as was the revision of the Agency publication, *Housing of the Nonwhite Population*, to incorporate the latest 1950 census data available.

Improvement in the housing situation among racial minorities may parallel the continuing improvement in the level and stability of income among nonwhite families only insofar as the opportunity to satisfy the intense hunger and need among them for decent housing is equalized. This result can be achieved only if traditional obstructions in the housing market are removed or at least adjusted to permit free access by racial minorities to adequate living space and home financing.

C. International Cooperation in Housing

During 1951 world housing problems continued to demand an increasing amount of attention from national governments and international organizations. Although housing production and improvement have been stepped up in almost all countries, the increase has not yet been sufficient to meet the needs resulting from production lags and destruction and deterioration during the depression and war years. Moreover housing problems have continued to grow since World War II because of population increases, migration of millions of people from rural to urban centers, political and economic instability, shortages of building materials, and lack of technical know-how in housing construction. The fact that hundreds of millions of people have come to desire better homes as one of their principal objectives not only adds a high degree of urgency to the business of seeking a solution to these problems but also furnishes grounds for believing that in the aided self-help approach may be found the principal means for such a solution on a global scale.

HHFA, working through its International Housing Activities Staff, has increased its participation in international housing work, particularly in the fields of technical cooperation with underdeveloped countries and of services to United States citizens and agencies and to international organizations.

The State Department's Technical Cooperation Administration (Point Four) Program began actual field operations in 1951, and HHFA, as the United States technical agency responsible for the housing and community development phases of Point Four work, came to have a rapidly increasing share in this activity. During the year HHFA supervised and provided technical backstopping services to the following contract projects: A cooperative arrangement between Puerto Rico and Antigua for training Antiguan personnel in aided self-help housing methods; a study of native building materials for low-cost housing and the development of improved techniques for their production and utilization in Egypt; a study of housing conditions and needs in Costa Rica; a study and recommendations for city development and port facilities for Kandla, India; a plan for the development of water supply and sewage disposal systems for Karachi, Pakistan. In addition to these contract projects, HHFA recruited and assigned personnel to the Liberia TCA Mission for the development of basic housing designs and construction techniques in that country. Also considerable development work was done with TCA in connection with the housing phases of Point Four work in Ecuador, Chile, Brazil, India, Pakistan, Iran, Lebanon, Colombia, and the Caribbean Islands. Several Point Four leaders visited the United States under TCA auspices and were given assistance by HHFA in planning their tours of observation in this country. HHFA planned and supervised the training programs for two Point Four trainees who were in the United States for the purpose of studying housing and city planning. During the year HHFA representatives participated (as members) in the monthly meetings of the Interdepartmental Advisory Council on Technical Cooperation. This body advises on policy and procedural matters pertaining to the operation of TCA.

HHFA participated during the year in the housing aspects of the work of the Economic Cooperation Administration (now Mutual Security Agency). This included advice and assistance in: recruiting and briefing the five American members of a German-American team to judge design and bid submissions for the 15-project demonstration housing program in Germany; selecting two Americans to advise Denmark on construction of dock facilities and low-cost housing; staffing ECA housing missions in Burma, the Philippines, and Indochina;

housing demonstration activities in France, Greece, and Italy; and in making arrangements for visiting technical assistance teams from France, Denmark, and Norway.

HHFA work with other United States agencies included consultation with the Export-Import Bank with reference to its programs in Ecuador, Chile, and Israel, with NSRB on its study of the interests of all United States Government agencies in international housing activities, with the Department of Defense with reference to housing of United States personnel overseas, with the Department of Commerce concerning the export and import controls of building materials, and with the Department of State on briefing and scheduling visits for Americans who are interested in studying housing during visits to other countries. Also included was the planning of programs of housing observation for foreign missions and visitors who came to this country in 1951 at an average rate of eight per month.

HHFA's work, through the Department of State, with international organizations increased considerably during the year. Included were United Nations activities in building documentation and building research in Europe, a housing survey mission to South Asia, the multilateral Technical Assistance Program involving housing construction and demonstration work in a number of countries such as Israel, Pakistan, and El Salvador, refugee housing in some of the Arab countries, and the publication of a manual of *Aided Self-Help Housing Techniques*, all of which involved numerous consultations with HHFA officials. HHFA also cooperated with the UN on the planning of its over-all program of Housing and Town Planning, and assumed responsibility for planning and supervising the program of study and observation of United States housing and community planning methods for UN Fellows from France, Finland, Israel, Egypt, and India. The Pan American Union housing reconstruction work in Ecuador, and the establishment of PAU, Inter-American Housing Research and Training Center at Bogota, Colombia, required advice and assistance from HHFA, as did the International Bank activities in Iraq, Costa Rica, and Guatemala.

HHFA continued to service the many requests of governmental and private organizations of both the United States and foreign countries for various types of information and publications relative to housing. The International Housing Activities Staff utilizes the assistance of the OA Library in the research performed in answering these inquiries.

In the past year the Agency has established many new relationships for the exchange of housing publications with housing and research organizations in foreign countries. The routine exchange of information on housing between the United States and other countries increased markedly during 1951. During the year a total of approximately 2,400 documents was received and catalogued. About 600 of these documents were United States Embassy or Legation or other official reports, from countries all over the world, containing information on housing.

All of these foreign publications on housing were reviewed, the more important ones being abstracted and made available in the form of a monthly bulletin to the Agency's technicians in the United States and to the United States housing missions abroad.

Catalogs have also been kept and reviews made of foreign films depicting various house construction techniques practiced in other countries.

D. Disaster Relief

1. The Background

Historically, the Federal Government made no specific provisions for disaster relief, each disaster being handled on an emergency basis. The greater part of disaster relief activities has been handled for many years by the American Red Cross.

In the midthirties, effective use was made of WPA and PWA programs in disaster relief. For example, through the resources of these agencies rescue and repair work was undertaken in areas flooded by the Ohio and Mississippi Rivers and in the New England hurricane.

During the war years, with the termination of WPA and PWA, the situation was again as it had been earlier. However, in 1946 the Seventy-ninth Congress, by Public Law 694, authorized a program using Federal funds for disaster relief and reconstruction in Hawaii to repair damages caused by earthquake. This program was administered by the Bureau of Community Facilities, then a part of the Federal Works Agency.

2. Public Law 233, Eightieth Congress

In 1947, Congress enacted the first, planned disaster relief legislation under Public Law 233, Eightieth Congress, making possible the use of surplus personal property from the War Assets Administration in case of disaster. This property could be transferred to State or local governments. The Bureau of Community Facilities of FWA was responsible for administering the program. With the gradual depletion of the surplus property, this program was seriously handicapped, and in June 1948 it became necessary, as a result of the Columbia River floods, for the President to allocate money from his emergency fund to be used in providing aid. The Eightieth Congress later set up a specific fund (available to the President) for specific disaster relief operations. Allocations from this emergency fund were resorted to a number of times, and the Eighty-first Congress made various appropriations for such operations. This was the forerunner of the current legislation, Public Law 875, Eighty-first Congress.

3. The Federal Disaster Relief Act of 1950

This law, Public Law 875, Eighty-first Congress, provides a coordinated program of emergency disaster relief operations by the Federal Government; supplements efforts of State and local governments in alleviating suffering and hardship resulting from major disasters, such as flood, drought, fire, hurricane, etc.; assists, when necessary, in providing emergency repairs to, and temporary replacement of, public facilities damaged in major disasters, and in fostering the development of State and local organizations and plans to cope with such disasters. This law was amended by Public Law 107, Eighty-second Congress, to include, among other factors, the provision of temporary emergency housing for disaster victims.

Two major prerequisites of the law are:

(*a*) that the Governor of the State involved must request the President to declare the area as a "major disaster" area and pledge the maximum use of the resources of the State and local governments; and

(*b*) that the President must make a determination that the disaster is of sufficient severity and magnitude to warrant Federal assistance to supplement State and local efforts.

The President, by Executive Order 10221, dated March 2, 1951, delegated the responsibility for administering the disaster relief assistance program of the Federal Government to the HHFA Administrator with authority to redelegate. The Administrator redelegated such authority to the Commissioner, Community Facilities Service and Special Operations.

A close, constant watch is maintained over potential disaster situations and, as the occasion requires, local conditions are investigated. In particular situations the Administrator recommends to the President whether or not the provisions of the law should be invoked and to what degree. Upon declaration of the area as "major disaster" by the President, the machinery necessary to provide Federal aid expeditiously is put in motion. Activities of other Federal agencies, which have already been alerted on the situation, are immediately coordinated, thereby providing the most effective means of Federal aid with a minimum of delay. Authority to coordinate field activities, and sufficient responsibility to carry it through, is immediately vested in an official of HHFA in the immediate area of the disaster. The net result of the pattern of operation and organization, through a direct Federal employee "chain of command," is expeditious Federal aid when needed rather than after the emergency has terminated.

OA maintains constant liaison with other Federal agencies, the

White House, the Bureau of the Budget, the American National Red Cross, and State and local officials, in order to step up activity when necessary.

4. 1951 Developments

Under authority of Public Law 875, Eighty-first Congress, and from emergency funds made available to the President by authority of the Independent Offices Appropriation Act, 1950, as supplemented by the Deficiency Appropriation Act, 1950, the President made the following allocations in 1951:

May 21, 1951—Area of the Minnesota River Watershed in the State of Minnesota—$50,000—Flood—To be used mostly for reimbursement to State for purchase of materials and payment for repairs made under contract.

June 6, 1951—Hays, Kans.—$25,000—Flood—To be used for emergency repair and clean-up sanitary sewers, storm sewers, street-grade wash-out, and miscellaneous clean-up jobs, and silt removal from basement of auditorium building used as National Guard Headquarters.

Under authority of Public Law 875, Eighty-first Congress, the Eighty-second Congress has appropriated a total of $30,800,000 in three separate acts: $800,000 by Public Law 137; $25,000,000 by Public Law 80; and $5,000,000 by Public Law 202.

The Congress also amended Public Law 875 to authorize the provision of temporary emergency housing (Public Law 107) and also authorized FHA to insure 100 percent on mortgages up to $7,000 to provide housing for disaster victims.

During the first two quarters of fiscal year 1952 the President made allocation to HHFA totaling $18,368,000 to be expended in providing Federal assistance in the flood-damaged areas of Kansas, Missouri, and Oklahoma. During July these areas were declared emergency disaster areas by the President. The break-down of this allocation is as follows:

Kansas		$10, 333, 500	To be used for emergency repairs to, and emergency replacements of, public facilities, on a temporary basis.
Missouri		2, 474, 500	
Oklahoma		245, 000	
Administrative and travel		265, 000	
Temporary housing:			
Purchase	$4, 055, 000		
Site development	590, 000		
Reserve for disposition	310, 250		
Administrative and travel (including expenses of PHA) and reserve for future use	94, 750		
Total temporary housing		5, 050, 000	
Total allocated		18, 368, 000	

As of December 31, 1951, the President had an unallocated balance in his Emergency Fund of $12,432,000.

During disaster operations in the flood area, it was necessary for certain other Federal agencies to expend funds available to them considered reimbursable under Public Law 875. Federal agencies in this category were: (1) the Federal Security Agency, which, through its United States Public Health Service and the Food and Drug Administration, performed notable service in the fields of water purification, immunization, inoculation, food testing, rodent control, and various other measures to control disease and prevent epidemic; (2) the Corps of Engineers which performed, among other phases of work, emergency first-aid repair of flood-damaged areas, including emergency first-aid restoration of facilities essential to public welfare. These items of work covered dewatering highways, industrial areas, urban areas, wells and cisterns, basements and cellars; cleaning mud and debris from streets; emergency repair of water, sewerage, electrical and storm sewer systems; temporary emergency repairs to bridges and highways (excluding Federal aid bridges); clean-up of school yards and buildings; and other miscellaneous items; (3) the Department of Agriculture, which performed outstanding service in effecting the emergency livestock-feed assistance program in the stricken areas; and (4) the Naval Air Station at Olathe, Kans., which performed certain items of emergency work considered eligible for reimbursement.

The following tabulation shows funds covering reimbursements as of December 31, 1951, totaling $3,965,484, which were reserved from the unallocated balance available to the President:

Corps of Engineers	$2,710,864
Department of Agriculture	1,000,000
Federal Security Agency	228,600
Department of the Navy	26,020
Total reservation	3,965,484

Including funds reserved, the potential balance available to the President for further allocation for this or other disasters is $8,466,516.

The following tabulation shows the status of funds allocated by the President and redistributed by the Administrator (excluding administrative and travel expenses and necessary reserves) as of December 31, 1951:

Item	Allocation available to State	Expenditures	Obligated but not expended	Unobligated balance
Kansas	$10,333,500	$3,905,368.20	$6,428,131.80	0
Missouri	2,474,500	702,662.67	1,771,837.33	0
Oklahoma	245,000	100,000.00	0	$145,000.00
Temporary Housing:				
Purchase	4,055,000	3,136,241.20	683,538.37	235,220.43
Site preparation	590,000	393,726.91	189,753.09	6,520.00
Disposition costs	310,250	0	0	310,250.00
Total	18,008,250	8,237,998.98	9,073,260.59	696,990.43

E. Flood Disaster Housing

In order to provide homes for flood-distressed families in the Kansas flood area as rapidly as possible, HHFA made available a number of types of Federal assistance designed to ease credit restrictions and aid private home builders in obtaining necessary financing. Special care was taken to assure that benefits were made equally available to eligible disaster victims among minorities, particularly Negroes and Mexicans.

The first step was to exempt all eligible flood victims from Regulation X, which restricts conventional building credit, and from companion regulations that restrict financing insured by FHA or guaranteed by VA. Both FHA and VA were allowed to insure or guarantee up to 100 percent of home loans where the value of the home was not more than $7,000, or $8,000 in high-cost areas.

In addition, Regulation W, which limits the terms of installment credit and home loans for repair and rehabilitation amounting to less than $2,500, was suspended for all eligible applicants. The corresponding down-payment requirement in connection with FHA Title I loans for repair and rehabilitation was rescinded.

Finally, to help increase private funds for FHA-insured and VA-guaranteed home loans to flood victims, FNMA set aside $50 million of its available funds for the purchase from private lenders of such mortgages. Furthermore, these mortgages could be purchased as soon as made instead of after the usual 60-day waiting period.

Housing programs involving 2,400 dwelling units to aid eligible flood-disaster victims in 14 designated flood areas in Kansas were originally announced in August, but by the end of the year these areas had been reduced to 12 by the elimination of Chanute and Council Grove, where there was evidently no demand for disaster housing. The dwelling units programed for these two areas were reallocated among the 12 remaining areas and, as of December 31, 1951, 2,320 of the 2,400 programed units had been approved. The following table shows the status of the disaster housing program as of December 31, 1951:

Area	Number of sales dwelling units			
	Programed	In applications received	Approved	Started
Total	2,400	4,023	2,320	306
Abilene-Herington	3	40	3	0
Florence-Marion	25	53	25	2
Iola-Humboldt	32	32	32	0
Junction City	70	130	70	44
Kansas City	1,402	2,443	1,402	178
Lawrence	1	100	1	0
Manhattan	65	65	65	44
Ossawatomie	100	100	100	1
Ottawa	40	40	40	9
Salina	12	50	12	3
Topeka	557	956	557	24
Saint Mary's-Potwin (all others)	93	14	13	1

At the year's end FNMA had made advance commitments totaling $7.6 million, the Veterans' Administration had approved 80 applications totaling $632,575 and, through November 30, FHA reported a total of 711 commitments issued in the amount of $4.8 million—the great majority under Section 8 of Title I, Housing Act of 1950.

F. School Construction

Need for Program

In the decade following Pearl Harbor, there was a sharp increase in the number of children in defense areas and other areas affected by Federal activities.

To relieve this overcrowded condition, the Congress passed Public Law 815 on September 23, 1950, which authorizes Federal assistance for the construction of educational facilities in areas affected by Federal activities. The major authority for administration of the program is vested in the United States Commissioner of Education. Certain supplementary administrative responsibilities have been delegated to the Commissioner, Community Facilities Service, and were carried out by the Office of the Administrator, through its Division of Community Facilities and Special Operations and its field service.

To carry out the purposes of the legislation, appropriations of $146.5 millions have been made.

Non-Federal Construction

Under Section 202 of the Act, the Commissioner of Education determines an entitlement of each applicant school district for Federal assistance. Where Federal funds have assisted the school district since 1939 in providing educational facilities, this entitlement is reduced by the amount certified by the Commissioner, CFS, as the equitable deductions under the Act.

By the end of calendar year 1951, requests for entitlement under the fiscal year 1951 program had been received from 795 applicants and, under the 1952 fiscal year program, from 644 school districts. By December 31, 1951, HHFA had searched all Federal construction records, completed on-site inspections where Federal funds had been used for school construction, and forwarded required certifications to the Office of Education on 786 of the 795 requests received under the 1951 program and on 616 of the 644 requests received under the 1952 program.

Through delegation from the Office of Education to the Commissioner, CFS, the legal, financial, and engineering review of the construction application is made by HHFA. Upon approval of the application, OA, as construction agent for the Office of Education, supervises contract award and inspects construction progress.

Such supervision includes recommendations for payments of approved amounts to the local school district. The school district assumes responsibility for contract award and is, in fact, owner of the completed facilities.

Under the fiscal year 1951 program, 661 school districts submitted 972 construction applications. Some 605 of these were given legal, financial, and engineering review in the OA Regional Offices, and recommendations for approval on 333 of the applications were forwarded to the Commissioner of Education. By the end of 1951 some 728 construction applications had been submitted by 513 school districts under the 1952 fiscal year program. Reviews had been completed at that time on only two of the applications in the Regional Offices, and no recommendations for approval had been forwarded to the Office of Education.

From the construction applications favorably recommended by HHFA, the Commissioner of Education approved, from 1951 fiscal year funds, 238 projects estimated to cost $82,893,299. Such costs will include $65,030,148 Federal and $17,863,151 State and local funds. As of December 31, 1951, contracts had been awarded on some 122 of the approved projects, construction on 28 of them was over 50 percent complete, and 3 projects were entirely complete. The 238 projects will provide adequate school accommodations for over 87,000 children and cover in excess of 5,669,000 square feet of floor space. From the $50 million fiscal year 1952 appropriation, it is estimated that some 130 additional projects in this category will be approved and, when constructed, will accommodate an additional 33,000 children.

Section 203 Projects

Under Section 203 of the Act, when the Commissioner of Education determines that the school enrollment impact on a local school due to Federal activity will be temporary, he is authorized to provide for temporary facilities. He may do this by reimbursing a local school district, which makes the temporary facilities available, or by Federal construction. Under either case in 1951, OA acted as his agent in surveying the local situation.

Upon request of the Commissioner of Education, 18 locations, where he had determined the impact would be temporary, were investigated in the 1951 calendar year.

Section 204 Projects

Where the educational facilities are to be constructed on a Federal reservation, the Commissioner of Education may authorize the Commissioner, CFS, to prepare for him estimates of cost of the required facilities. Upon his approval of such estimates, he delegates the authority to prepare plans and specifications, award contracts, and supervise construction.

As of December 31, 1951, the planning and construction of 49 schools estimated to cost $24,471,161 had been delegated. Plans had been prepared and approved and construction contracts awarded on 33 of the projects, and construction was actually under way on 23.

Disposal of Federally Constructed Lanham Act Schools

Section 202 (g) (2) of Public Law 815 requires that any schools constructed with Federal funds under the Lanham Act and for which title was still vested in the United States Government at the time the Act was approved shall be transferred to the appropriate local educational agency without reimbursement. The required transfer of title had been completed by December 31, 1951, on all except 21 projects. Of the 21, the local school district involved had refused to accept title in 2 cases; in 6 additional cases the schools were located on Federal reservations with no local school district having jurisdiction; and on the remaining 13 projects, Federal leases or other questions of title were holding up final transfer. A total of 158 school projects involving $20,573,012 in construction costs had been disposed of pursuant to this provision of the Act as of the end of the year.

G. Advance Planning of Public Works

Summary

The primary purpose of the advance planning program was to assist State and local governments in the creation of a reserve or "shelf" of properly planned, useful public works ready to go under construction as circumstances warranted. The First Advance Planning program was authorized toward the end of World War II. The Congress later authorized a second program in order to replenish the depleted public works reserve. The program is now in a stage of liquidation. The program at its inception was assigned to the Bureau of Community Facilities, at that time a part of the Federal Works Agency; the function together with the staff was transferred to HHFA under the President's Reorganization Plan No. 17 of 1950.

First Advance Planning Program

The First Advance Planning program was authorized by the Congress under Title V of the War Mobilization and Reconversion Act of 1944.

The statutory authorization for the approval of advances expired June 30, 1947. During the time the program was in operation, 11,216 applications were received for advances to be used in the planning of non-Federal projects.

As of December 1951, there was a net of 6,566 approved applications with an estimated cost of construction at $2.6 billion. Many applications which had been approved and allotted prior to the expiration of the authorization have been canceled because of nonperformance by the applicants. Advances to State and local governments totaled $48 million. Planning was completed on 93 percent of the advances; and repayments to the United States Treasury amounted to $15.5 million, or 32 percent of the advances.

During 1951 planning was completed on 120 projects, for which advances totaled $2.0 million. Repayments to the United States Treasury amounted to $2.6 million.

Second Advance Planning Program

Public Law 352 was approved on October 13, 1949, authorizing the Second Advance Planning program covering a period of 2 years. The provisions of the law were very similar to those under the First Advance Planning Program. However, it granted greater discretionary power to the HHFA Administrator, as it specified that 75 percent of the advance funds was to be allotted in accordance with population of States; the remaining 25 percent was left to the Administrator's discretion.

During the first 9 months of the program, operations were conducted along the same lines as in the First Advance Planning program. After the outbreak in Korea, however, new standards of eligibility were established in order to increase the program's contribution to the defense effort. Approval of advances was limited to projects which were definitely connected with defense and with those required to meet essential civilian needs. For this purpose revised instructions were issued on October 30, 1950.

During 1951, activity under this program involved redetermination of the eligibility of applications received prior to the establishment of the new standards, processing new applications, insuring completion of planning of approved projects, and the handling of repayment of advances.

Applications were classified under two categories—"normal program," consisting of applications processed prior to the establishment of the new critera, and "restricted program," those processed after October 31, 1950. At the end of 1950 a total of 823 applications were on hand awaiting review and, during the current year, 409 new applications were received.

In anticipation of the expiration of the authority to grant new advances, a directive was issued on June 6, 1951, forbidding the acceptance of new applications by Regional Engineers after June 29, 1951. Authority for the granting of advances under the Second Advance Planning program expired on October 13, 1951.

The following table indicates the status of applications and advances as of December 31, 1951:

Status of Applications	Entire program		1951	
	Number of applications	Advances requested ($000)	Number of applications	Advances requested ($000)
Total received by regional offices	2,753	$58,976	409	$9,346
Revisions, withdrawals, cancellations, and disapprovals	670	15,336	308	8,666
Deferred due to program restrictions	526	12,225	450	11,096
Approved	1,317	24,334	234	5,396
Under review at expiration of authority	240	7,081		

On October 13, 1951, the date on which the authority expired, 240 applications involving $7 million in advances remained "under review." No advances may be granted on these applications unless the program is reactivated at some future date.

The estimated construction cost of the 1,317 projects approved since the beginning of the program through December 31, 1951, was $1,075 million, and the cost of the 234 projects approved in 1951 is estimated to total $416 million.

Completion of plans for which advances had been approved progressed rapidly during 1951. Of the 1,317 applications approved since the beginning of the program, blueprinting had been completed on 634 projects as of December 31, 1951. The construction cost of these projects is estimated to be $328 million. Of these projects, 534 completions in 1951 represent a total estimated cost of $298 million. At the end of 1951, blueprinting had been completed on more than 30 percent of the estimated cost of approved projects.

By December 31, 1951, State and local authorities had repaid to the United States Treasury $1.4 million in advances—$1.3 million of it during 1951—because actual construction had begun on projects.

The tightened standards of eligibility resulted in a much lower ratio of approvals in 1951 than in the first 15 months of the program. Up to the end of 1950, approvals represented more than 70 percent of the advances requested. During 1951, however, less than 22 percent of the advances requested were approved, while 34 percent were revised, withdrawn, canceled, or disapproved, and 44 percent were deferred due to program restrictions.

Another important change resulting from the tightened standards was in the type of projects approved. From the beginning of the program, approvals of projects for sewer facilities, school facilities, and water facilities have predominated. The new criteria, established in October 1950, resulted in a sharp increase in approvals of water facilities, with a corresponding decrease in all other types of projects. Under the "normal program," water facilities comprised

7.4 percent of the estimated cost of all projects approved, but under the "restricted program" the ratio was 33.6 percent.

The following table shows the estimated cost of public works and advances approved under both the "normal" and "restricted" programs, giving a breakdown by type of project:

Type of project	Cost of public works			Advances approved	
	Number	Total estimated cost ($000)	Percent distribution	Amount ($000)	Percent distribution
All projects	1,317	$1,075,410	100.0	$24,334	100.0
Sewer facilities	513	375,595	34.9	9,102	37.4
Schools and other educational facilities	396	241,779	22.5	6,860	28.2
Water facilities	187	181,295	16.9	3,101	12.7
Other public buildings	57	73,491	6.8	1,957	8.0
Hospitals and health facilities	18	34,031	3.2	800	3.3
Bridges, viaducts, and grade separations	25	26,205	2.4	533	2.2
Highways, roads, and streets	50	14,594	1.4	431	1.8
Sanitary facilities	11	12,084	1.1	177	.7
Parks and other recreational facilities	28	8,291	.8	228	.9
Airports	6	5,908	.5	159	.7
Miscellaneous public works (n. e. c.)	26	102,137	9.5	986	4.1

Status of Funds

Public Law 430, approved October 28, 1949, appropriated $25 million to start the program during the remainder of fiscal year 1950. Of this amount, $24,250,000 was earmarked for planning advances. In addition, Public Law 759, approved September 6, 1950, provided nearly $33 million, of which $31,196,000 was intended for planning advances. Of the total amount, $55,446,000, the Bureau of the Budget withheld $15 million under Section 1214 of the General Appropriation Act of 1951; and an additional $13,100,000 was rescinded by the Congress in the Independent Offices Appropriation Act of 1952. Therefore, the total amount available for planning advances was $27,346,000.

Of this amount, applications had been approved for $24,333,841 in planning advances through December 31, 1951, leaving an unexpended balance of $3,012,159.

Reserve of Non-Federal Public Works

As a result of the work of the two advance planning programs, State and local authorities at the end of 1951 had available an actual and potential reserve or "shelf" of non-Federal public works totaling nearly 5,000 projects, with an estimated cost of $2.6 billion.

These figures do not include nearly 3,000 projects fully planned and actually under construction, with an estimated cost of over $1 billion.

The following table shows the status of approved projects under the First and Second Advance Planning programs as of December 31, 1951:

Status	Total	First Advance Planning Program	Second Advance Planning Program		
			Total	Restricted	Normal
	Number of projects				
Approved, total	7,883	6,566	1,317	357	960
In process of planning	855	172	683	301	382
Planned but not under construction	4,072	3,668	404	39	365
Constructed or under construction	2,956	2,726	230	17	213
	Estimated cost of public works, in millions of dollars				
Approved, total	$3,681	$2,606	$1,075	$459	$646
In process of planning	853	106	747	411	336
Planned but not under construction	1,752	1,527	225	44	181
Constructed or under construction	1,076	973	103	4	99

H. Maintenance and Disposition of War Public Works

During World War II the Federal Government had undertaken directly the construction of some 1,500 urgently needed public works in war-congested areas where the local governments were unable to meet the need. These projects provided schools, hospitals, recreation centers, and other facilities. In the years since the end of the war, every effort has been made to dispose of these projects, and nearly 95 percent of them have been removed from Federal ownership. The Division of Community Facilities and Special Operations in OA has been charged with the responsibility for this disposition program.

At the outset of calendar year 1951, 139 projects, having a total estimated cost of $24 million, remained for disposal. At the end of the calendar year, only 97 projects, representing $15 million in cost, remained for disposal. Of these, 66 projects, which had originally cost $6 million, were being held either for transfer to other Federal agencies or pending determination as to the disposition of related housing units. Negotiations were proceeding for the sale of the remaining 31 projects estimated to have cost $9 million.

Appendix A

STATISTICAL AND FISCAL TABLES

TABLE 1.—*New permanent nonfarm dwelling units started, by type of ownership: Annually, 1920–51*

Year	Total nonfarm dwelling units	Type of ownership						Type of structure		
		Private			Public					
		Total nonfarm	Urban	Rural nonfarm	Total nonfarm	Urban	Rural nonfarm	1-family	2-family	Multifamily
1920	247,000	247,000	196,000	51,000	-----	-----	-----	202,000	24,000	21,000
1921	449,000	449,000	359,000	90,000	-----	-----	-----	316,000	70,000	63,000
1922	716,000	716,000	574,000	142,000	-----	-----	-----	437,000	146,000	133,000
1923	871,000	871,000	698,000	173,000	-----	-----	-----	513,000	[1] 175,000	183,000
1924	893,000	893,000	716,000	177,000	-----	-----	-----	534,000	173,000	186,000
1925	937,000	937,000	752,000	185,000	-----	-----	-----	572,000	157,000	208,000
1926	849,000	849,000	681,000	168,000	-----	-----	-----	491,000	117,000	241,000
1927	810,000	810,000	643,000	167,000	-----	-----	-----	454,000	99,000	257,000
1928	753,000	753,000	594,000	159,000	-----	-----	-----	436,000	78,000	239,000
1929	509,000	509,000	400,000	109,000	-----	-----	-----	316,000	51,000	142,000
1930	330,000	330,000	236,000	94,000	-----	-----	-----	227,000	29,000	74,000
1931	254,000	254,000	174,000	80,000	-----	-----	-----	187,000	22,000	45,000
1932	134,000	134,000	64,000	70,000	-----	-----	-----	118,000	7,000	9,000
1933	93,000	93,000	45,000	48,000	-----	-----	-----	76,000	5,000	12,000
1934	126,000	126,000	49,000	77,000	-----	-----	-----	109,000	5,000	12,000
1935	221,000	215,700	112,600	103,100	5,300	4,400	900	183,000	8,000	30,000
1936	319,000	304,200	197,600	106,600	14,800	13,400	1,400	244,000	14,000	61,000
1937	336,000	332,400	214,400	118,000	3,600	3,600	0	267,000	16,000	53,000
1938	406,000	399,300	255,300	144,000	6,700	6,700	0	317,000	18,000	71,000
1939	515,000	458,500	303,600	154,900	56,500	55,400	1,100	399,000	29,000	87,000
1940	602,600	529,600	333,200	196,400	73,000	63,400	9,600	485,700	37,300	79,600
1941	706,100	619,500	369,500	250,000	[1] 86,600	[1] 64,800	[1] 21,800	603,500	34,300	68,300
1942	356,000	301,200	184,900	116,300	54,800	42,500	12,300	292,800	20,100	43,100
1943	191,000	183,700	119,700	64,000	7,300	4,700	2,600	143,600	17,800	29,600
1944	141,800	138,700	93,200	45,500	3,100	3,000	100	117,700	10,600	13,500
1945	209,300	208,100	132,700	75,400	1,200	1,200	0	184,600	8,800	15,900
1946	670,500	662,500	395,700	266,800	8,000	8,000	0	590,000	24,300	56,200
1947	849,000	845,600	476,400	369,200	3,400	3,400	0	740,200	33,900	74,900
1948	931,600	913,500	510,000	403,500	18,100	14,900	3,200	766,600	49,900	118,100
1949	1,025,100	988,800	556,600	432,200	36,300	32,200	4,100	794,300	36,500	194,300
1950	[1] 1,396,000	[1] 1,352,200	[1] 785,600	[1] 566,600	43,800	42,200	1,600	[1] 1,154,100	44,800	[1] 197,100
1951 [2]	1,094,000	1,022,900	530,200	492,700	71,100	64,600	6,500	904,300	40,700	149,000
	Percent change 1951 from—									
1950	−21.6	−24.4	−32.5	−13.0	+62.3	+53.1	+306.2	−21.6	−9.2	−24.4

[1] All-time high.

[2] Preliminary and includes a small amount of estimates made by HHFA.

Source: U. S. Department of Labor.

Table 2.—*New permanent privately owned nonfarm dwelling units started, by type of structure: Annually, 1935–51*

Year [1]	Private starts, all types	Number of starts in—			Percentage of total starts in—			
		1-family structures	2-family structures	Multi-family structures	Sales-type structures, 1-family	Rental-type structures		
						Total	2-family	Multi-family
1935	215,700	182,200	7,700	25,800	84	16	4	12
1936	304,200	238,500	13,300	52,400	78	22	4	17
1937	332,400	265,800	15,300	51,300	80	20	5	15
1938	399,300	316,400	18,000	64,900	79	21	5	16
1939	458,400	373,000	19,700	65,700	81	19	4	14
1940	529,600	447,600	25,600	56,400	85	15	5	11
1941	619,500	533,200	28,400	57,900	86	14	5	9
1942	301,200	252,300	17,500	31,400	84	16	6	10
1943	183,700	136,300	17,800	29,600	74	26	10	16
1944	138,700	114,600	10,600	13,500	83	17	8	10
1945	208,100	184,600	8,800	14,700	89	11	4	7
1946	662,500	590,000	24,300	48,200	89	11	4	7
1947	845,600	740,200	33,900	71,500	88	12	4	8
1948	913,500	763,200	[3] 46,300	104,000	84	16	5	11
1949	988,800	792,400	34,700	[3] 161,700	80	20	4	16
1950	[3] 1,352,200	[3] 1,150,700	42,200	159,300	85	15	3	12
1951 [2]	1,022,900	897,400	40,400	85,100	88	12	4	8
	Percent change 1951 from—							
1950	−24.4	−22.0	−4.3	−46.6				

[1] Data for 1920–34 are given in Table 1 of this report.
[2] Preliminary.
[3] All-time high.

Source: U. S. Department of Labor.

TABLE 3.—*FHA and VA starts compared with total private nonfarm starts: Annually, 1935–51*

Year	Units in FHA starts [1]			Units in VA starts family homes [3]	Units in BLS private starts			As a percent of BLS total private starts	
	Total	1- to 4-family homes	Project housing [2]		Total	1- to 2-family homes	Multifamily housing	FHA starts	VA starts
	Cumulative data								
1935–51	2,945,813	2,397,186	548,627	856,000	9,477,000	8,383,000	1,094,000	31	
	Annual data								
1935	13,964	13,226	738		216,000	190,000	26,000	6	
1936	49,376	48,752	624		304,000	252,000	52,000	16	
1937	60,003	56,980	3,023		332,000	281,000	51,000	18	
1938	118,741	106,811	11,930		399,000	334,000	65,000	30	
1939	158,119	144,657	13,462		458,000	392,000	66,000	35	
1940	180,091	176,645	3,446		530,000	474,000	56,000	34	
1941	220,387	217,091	3,296		620,000	562,000	58,000	36	
1942	165,662	160,204	5,458		301,000	270,000	31,000	55	
1943	146,154	126,119	20,035		184,000	154,000	30,000	[4] 79	
1944	93,259	83,604	9,655		139,000	125,000	14,000	67	
1945	41,159	38,897	2,262	6,000	208,000	193,000	15,000	20	3
1946	69,033	67,122	1,911	83,000	662,000	614,000	48,000	10	13
1947	228,818	178,052	50,766	[4] 211,000	846,000	774,000	72,000	27	[4] 25
1948	291,053	213,443	77,610	102,000	914,000	810,000	104,000	32	11
1949	360,538	249,465	111,073	105,000	989,000	827,000	[4] 162,000	36	11
1950	[4] 485,933	[4] 327,866	158,067	200,000	[4] 1,352,000	[4] 1,193,000	159,000	36	15
1951 [5]	263,523	188,252	75,271	149,000	1,023,000	938,000	85,000	26	15
	Percent change 1951 from—								
1950	−45.8	−42.6	−52.4	−25.5	−24.3	−21.4	−46.5		
1949	−26.9	−24.5	−32.2	+41.9	+3.4	+13.4	−47.5		
1945	+540.3	+384.0	([6])	([6])	+391.8	+386.0	+466.7		
1939	+66.7	+30.1	+459.1		+123.4	+139.3	+28.8		

[1] Based on FHA first compliance inspection.
[2] Includes rental projects, co-ops and military housing (Secs. 207, 213, and 803).
[3] Estimated on basis loans closed prior to June 1950, since then based on VA first compliance inspection.
[4] All-time high.
[5] Preliminary.
[6] Greater than +999.9 percent.

Source: Federal Housing Administration, Veterans' Administration, and U. S. Department of Labor.

TABLE 4.—*Dollar volume of new construction and nonfarm residential repairs: Annually, 1920–51*

Year	Total new construction activity ($000,000)	Nonfarm buildings						All other construction [1]		Maintenance and repairs nonfarm residential ($000,000)
		Residential		Nonresidential						
				Private		Public				
		Private ($000,000)	Public ($000,000)	Industrial ($000,000)	Other ($000,000)	Industrial ($000,000)	Other ($000,000)	Private ($000,000)	Public ($000,000)	
	Annual data									
1920	6,749	2,015	----------	1,099	865	[2]	283	1,418	1,069	625
1921	6,004	2,105	----------	574	860	[2]	387	901	1,177	670
1922	7,047	3,360	----------	467	990	[2]	481	1,146	1,203	714
1923	9,332	4,400	----------	549	1,148	[2]	481	1,613	1,141	759
1924	10,407	5,060	----------	460	1,215	[2]	494	1,771	1,407	833
1925	11,439	5,515	----------	513	1,547	[2]	573	1,726	1,565	908
1926	12,082	5,600	----------	727	1,786	[2]	603	1,825	1,541	982
1927	12,034	5,160	----------	696	1,838	[2]	596	1,931	1,813	1,056
1928	11,641	4,770	----------	802	1,771	[2]	638	1,813	1,847	1,131
1929	10,793	3,625	----------	949	1,745	[2]	659	1,988	1,827	1,222
1930	8,741	2,075	----------	532	1,471	[2]	660	1,805	2,198	1,111
1931	6,427	1,565	----------	221	878	[2]	612	1,104	2,047	959
1932	3,538	630	----------	74	428	[2]	415	544	1,447	752
1933	2,879	470	----------	176	230	2	228	355	1,418	728
1934	3,720	625	1	191	265	11	352	428	1,847	837
1935	4,232	1,010	9	158	314	2	326	517	1,896	909
1936	6,497	1,565	61	266	447	4	697	703	2,754	1,066
1937	6,999	1,875	93	492	593	2	548	943	2,453	1,154
1938	6,980	1,990	35	232	532	12	660	806	2,713	1,068
1939	8,198	2,680	65	254	532	23	947	923	2,774	1,154
1940	8,682	2,985	200	442	583	164	451	1,044	2,813	1,256
1941	11,957	3,510	430	801	681	1,280	366	1,214	3,675	1,333
1942	14,075	1,715	545	346	289	[3] 3,437	248	1,065	[3] 6,430	1,232
1943	8,301	885	[3] 739	156	77	1,870	140	861	3,573	1,111
1944	5,259	815	211	208	143	1,230	131	1,020	1,501	1,105
1945	5,633	1,100	80	642	378	755	182	1,115	1,381	1,188
1946	12,000	4,015	374	1,689	1,652	113	241	2,282	1,634	1,561
1947	16,627	6,310	200	1,702	1,440	96	503	3,679	2,697	2,200
1948	21,572	8,580	156	1,397	2,224	196	1,105	4,464	3,450	2,500
1949	22,584	8,267	359	972	2,256	177	1,891	4,686	3,976	2,700
1950	27,902	[3] 12,600	345	1,062	2,715	224	2,178	4,412	4,366	[3] 2,900
1951	[3] 29,863	10,915	600	[3] 1,975	[3] 2,932	880	[3] 2,438	[3] 5,001	5,122	[3] [4] 2,900
	Percent change 1951 from—									
1950	+7.0	−13.4	+73.9	+86.0	+8.0	+292.9	+11.9	+13.3	+17.3	0

[1] Includes public utilities, highways, sewer and water systems, conservation, farm structures, etc.
[2] Amount negligible included in private industrial building. [3] All-time high. [4] Estimated.

Source: U. S. Department of Commerce and Labor.

TABLE 5.—*Boeckh indexes of construction cost—Residences and apartments, hotels and office buildings: Annually, 1920–51*

[Base: 1939=100]

Year	Residences	Apts., etc.	Year	Residences	Apts., etc.	Year	Residences	Apts., etc.
1920	121.1	113.6	1931	91.7	87.0	1942	118.1	112.5
1921	97.3	91.3	1932	77.6	74.2	1943	123.6	116.8
1922	89.5	85.7	1933	77.7	76.2	1944	134.7	125.0
1923	100.3	94.7	1934	84.6	84.1	1945	143.7	132.7
1924	98.8	93.0	1935	82.1	82.4	1946	159.2	146.3
1925	98.1	93.7	1936	85.9	85.7	1947	193.0	172.3
1926	98.8	94.5	1937	95.0	95.3	1948	214.7	192.7
1927	97.5	93.2	1938	98.2	98.9	1949	208.4	194.3
1928	97.8	93.6	1939	100.0	100.0	1950	219.9	203.1
1929	102.0	95.8	1940	103.7	101.8	1951	[1] 237.0	[1] 218.9
1930	99.5	94.3	1941	111.8	106.6			

[1] All-time high.

Source: U. S. Department of Commerce (E. H. Boeckh and Associates).

TABLE 6.—*Indexes of production of construction materials: Annually, 1920–51*

[Base: 1939=100]

Year	Composite index [1]	Lumber	Hardwood flooring	Brick	Cement	Wire nails [2]	Cast iron soil pipe and fittings	Softwood plywood	Gypsum board [2]	Gypsum lath [3]	Asphalt prepared roofing [2]	Warm air furnaces [3]
1920	95.0	121.7	32.5	119.3	81.8	122.0	67.2	(4)	(4)	(4)	(4)	(4)
1921	82.2	100.9	37.8	112.6	80.8	88.2	61.8	(4)	(4)	(4)	(4)	(4)
1922	104.7	122.6	70.1	154.8	93.9	111.7	90.0	(4)	(4)	(4)	(4)	(4)
1923	123.8	[5] 142.6	90.2	194.9	112.4	[5] 131.1	116.4	(4)	(4)	(4)	(4)	(4)
1924	125.4	137.4	112.2	194.4	122.2	112.0	128.0	(4)	(4)	(4)	(4)	(4)
1925	134.0	[5] 142.6	138.9	[5] 212.4	132.2	114.7	137.1	(4)	(4)	(4)	(4)	(4)
1926	133.3	138.2	147.2	210.7	134.6	110.3	126.1	(4)	(4)	(4)	(4)	(4)
1927	128.9	129.5	135.8	200.5	141.7	106.8	129.6	(4)	(4)	(4)	(4)	(4)
1928	120.5	127.8	142.4	186.7	144.2	105.6	134.7	27.6	147.4	35.7	107.0	(4)
1929	120.2	134.7	111.8	161.7	139.6	97.2	96.0	35.8	162.3	36.2	116.7	(4)
1930	102.4	102.1	94.4	108.2	131.8	70.0	67.2	30.5	109.5	30.0	81.6	(4)
1931	73.4	69.5	61.2	68.1	102.6	56.3	49.5	23.5	80.3	20.0	66.1	(4)
1932	46.2	42.8	34.2	29.6	62.8	40.0	31.7	20.0	51.3	11.3	66.7	(4)
1933	50.9	57.1	31.9	27.3	51.9	66.2	33.0	39.0	50.6	10.3	72.4	(4)
1934	55.2	59.8	32.0	29.7	63.6	45.9	29.8	38.4	51.6	11.2	70.3	(4)
1935	65.0	75.9	52.3	48.3	62.8	65.8	48.4	48.0	63.3	22.2	76.3	(4)
1936	91.0	96.1	88.4	80.7	92.3	88.4	83.1	70.0	83.9	42.1	94.4	(4)
1937	93.8	100.9	93.6	88.7	95.0	80.6	84.9	72.5	93.9	65.0	87.7	89.3
1938	82.2	81.4	88.8	74.8	86.2	71.5	66.1	65.0	90.5	71.2	101.4	79.7
1939	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1940	106.4	108.4	117.4	86.3	106.5	96.2	106.7	120.0	141.4	127.5	95.5	121.0
1941	120.2	127.1	127.6	104.5	134.2	113.2	110.5	160.0	227.0	162.2	124.1	129.4
1942	126.9	126.4	84.9	71.7	149.5	122.5	76.1	184.0	357.4	84.3	158.8	64.0
1943	101.3	119.2	46.1	40.5	109.1	114.4	40.3	140.5	407.3	55.5	150.4	45.1
1944	92.1	114.5	45.1	39.7	74.4	91.1	44.4	148.5	362.5	55.1	143.2	70.0
1945	89.8	97.8	45.6	48.4	84.1	86.5	54.3	122.2	365.9	52.7	144.0	83.1
1946	125.1	121.9	58.3	103.0	134.0	89.6	108.3	144.1	486.1	101.1	178.3	160.8
1947	137.7	123.1	111.0	106.3	152.6	118.6	155.2	169.9	521.9	150.1	[5] 204.5	201.8
1948	146.3	128.1	146.6	123.6	168.0	127.5	171.9	195.4	659.4	220.1	175.6	182.6
1949	137.2	119.7	136.1	116.8	171.6	108.5	151.6	197.7	616.5	177.1	153.4	159.8
1950	160.3	137.0	[5] 174.0	130.6	184.9	129.8	[5] 204.9	[5] 259.8	732.6	245.7	187.5	[5] 260.0
1951	[5] 163.4	136.6	169.3	136.9	[5] 201.4	128.2	184.8	238.7	[5] 832.1	[5] 245.8	171.0	210.6
	Percent change 1951 from—											
1950	+1.9	−0.3	−2.7	+4.8	+8.9	−1.2	−9.8	−8.1	+13.6	(6)	−8.8	−19.0

[1] Covers 15 materials in addition to the 11 listed. [2] Shipments. [3] Production estimate.
[4] Not available. [5] All-time high. [6] Less than +0.05 percent.

Source: U. S. Department of Commerce.

TABLE 7.—*Indexes of selected wholesale prices: Annually, 1920–51*

[Base: 1926=100]

Year	Commodities other than farm products and foods	Building materials: Total	Brick and tile	Cement	Lumber	Paint and paint materials	Plumbing and heating	Structural steel	Other
1920	161.3	150.1	118.4	117.2	165.2	148.1	(1)	144.4	135.0
1921	104.9	97.4	105.7	110.8	88.9	83.9	(1)	104.4	111.1
1922	102.4	97.3	99.4	103.5	99.1	93.8	(1)	88.5	95.3
1923	104.3	108.7	103.6	107.9	111.8	101.3	(1)	123.7	105.5
1924	99.7	102.3	103.4	105.7	99.3	99.7	(1)	114.2	104.0
1925	102.6	101.7	100.1	102.6	100.6	109.3	(1)	102.2	100.4
1926	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1927	94.0	94.7	95.7	95.4	93.1	96.3	92.0	94.7	95.4
1928	92.9	94.1	95.6	92.5	90.5	93.1	95.1	95.2	96.7
1929	91.6	95.4	94.3	89.0	93.8	94.9	95.0	98.1	97.7
1930	85.2	89.9	89.8	89.8	85.8	90.5	88.6	87.3	93.3
1931	75.0	79.2	83.6	74.8	69.5	79.4	84.7	83.1	84.8
1932	70.2	71.4	77.3	74.3	58.5	71.1	66.8	80.9	79.5
1933	71.2	77.0	79.2	88.1	70.7	73.3	67.1	83.1	82.7
1934	78.4	86.2	90.2	93.1	84.5	79.5	72.6	90.8	90.3
1935	77.9	85.3	89.4	92.7	81.8	79.8	68.9	92.0	90.1
1936	79.6	86.7	88.7	92.2	87.0	80.1	75.0	95.0	90.2
1937	85.3	95.2	93.5	89.0	99.7	83.4	78.8	113.2	99.1
1938	81.7	90.3	91.0	90.2	87.4	81.3	78.5	111.0	92.7
1939	81.3	90.5	91.4	91.3	93.2	82.8	79.2	107.3	90.3
1940	83.0	94.8	90.5	90.8	102.9	85.7	80.4	107.3	93.3
1941	89.0	103.2	93.7	92.0	122.5	91.4	84.8	107.3	98.3
1942	95.5	110.2	98.0	94.0	132.8	100.3	95.4	107.3	103.5
1943	96.9	111.4	99.1	93.8	141.4	102.3	90.7	107.3	102.0
1944	98.5	115.5	101.7	95.8	153.3	105.2	92.2	107.3	103.1
1945	99.7	117.8	112.4	99.4	155.1	106.9	93.4	107.3	104.4
1946	109.5	132.6	122.9	104.1	178.4	118.5	103.8	118.4	118.6
1947	135.2	179.7	140.0	115.7	277.6	[2] 162.6	125.4	134.5	147.4
1948	151.0	199.1	156.3	130.4	313.0	159.6	147.8	163.7	167.6
1949	147.3	193.4	161.7	133.8	286.0	151.3	154.8	179.3	171.7
1950	153.2	206.0	168.2	136.6	327.4	142.0	162.6	192.6	178.4
1951	[2] 169.4	[2] 225.5	[2] 179.9	[2] 147.2	[2] 351.4	162.2	[2] 183.9	[2] 204.3	[2] 198.1
	Percent change 1951 from								
1950	+10.6	+9.5	+7.0	+7.8	+7.3	+14.2	+13.1	+6.1	+11.0

[1] Not available.
[2] All-time high.

Source: U. S. Department of Labor.

TABLE 8.—*Nonfarm real estate foreclosures: Annually, 1926–51*

Year	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Number (000)	68	91	116	135	150	194	249	252	230	229	185	151	118
Year	**1939**	**1940**	**1941**	**1942**	**1943**	**1944**	**1945**	**1946**	**1947**	**1948**	**1949**	**1950**	**1951**
Number (000)	100	76	59	42	25	17	13	10	11	13	18	22	[1] 18

[1] Preliminary.

Source: Home Loan Bank Board.

TABLE 9.—*Estimated mortgage debt on 1- to 4-family nonfarm homes*

Year	Loans held at end of year, by type of mortgagee							Transactions during the year			
								Loans made		Reductions in debt	
	Total all mortgages ($000,000)	Savings and loan associations ($000,000)	Life insurance companies ($000,000)	Mutual savings banks ($000,000)	Commercial banks ($000,000)	Home Owners' Loan Corp. ($000,000)	Individuals and others ($000,000)	Amount ($000,000)	As percent of [1]	Amount [2] ($000,000)	As percent of [1]
1925	12,964	4,204	837	1,547	1,376	----------	5,000	4,240	39	2,276	21
1926	14,881	4,810	1,062	1,713	1,796	----------	5,500	4,863	38	2,946	23
1927	16,591	5,488	1,254	1,922	1,927	----------	6,000	4,857	33	3,147	21
1928	18,389	6,060	1,415	2,139	2,145	----------	6,600	4,947	30	3,149	19
1929	19,726	6,507	1,626	2,286	2,207	----------	7,100	4,442	24	3,105	17
1930	19,874	6,402	1,732	2,341	2,199	----------	7,200	3,189	16	3,011	15
1931	19,286	5,800	1,775	2,436	2,085	----------	7,100	2,232	11	2,820	14
1932	18,105	5,148	1,724	2,446	1,887	----------	6,900	1,408	7	2,589	13
1933	16,929	4,437	1,599	2,354	1,707	132	6,700	1,093	6	2,269	13
1934	17,208	3,710	1,379	2,190	1,450	2,379	6,100	3,170	19	2,891	17
1935	17,101	3,293	1,281	2,089	1,541	[3] 2,897	6,000	2,259	13	2,366	14
1936	16,961	3,237	1,245	2,082	1,634	2,763	6,000	2,302	13	2,442	14
1937	17,131	3,410	1,246	2,111	1,786	2,398	6,180	2,588	15	2,423	14
1938	17,403	3,555	1,320	2,119	1,910	2,169	6,330	2,437	14	2,165	13
1939	17,948	3,758	1,490	2,128	2,094	2,038	6,440	2,912	17	2,367	14
1940	18,914	4,084	1,758	2,162	2,444	1,956	6,510	3,510	20	2,544	14
1941	19,754	4,552	1,976	2,189	2,670	1,777	6,590	3,931	21	3,091	16
1942	19,606	4,556	2,255	2,128	2,750	1,567	6,350	3,319	17	3,467	18
1943	19,170	4,584	2,410	2,033	2,705	1,338	6,100	3,362	17	3,798	19
1944	19,186	4,799	2,458	1,937	2,701	1,091	6,200	4,004	21	3,988	21
1945	19,653	5,376	2,258	1,894	2,873	852	6,400	4,867	25	4,400	23
1946	24,452	7,140	2,570	2,033	4,573	636	7,500	10,011	51	5,212	28
1947	29,880	8,856	3,459	2,237	6,292	486	8,550	11,207	46	5,779	23
1948	35,131	10,305	4,925	2,742	7,380	369	9,410	11,357	38	6,106	20
1949	39,108	11,616	5,970	3,190	7,941	231	10,160	11,069	32	7,092	20
1950	46,941	13,725	8,392	3,850	9,464	10	11,500	16,008	41	8,175	21
1951 [4]	[3] 53,000	(5)	(5)	(5)	(5)	(5)	(5)	(5)	----------	(5)	----------

[1] Balance at beginning of same year or balance at end of previous year.
[2] Data were derived; reductions include payments by borrowers and terminations arising from refinancing, foreclosures and voluntary surrender of titles to properties.
[3] All-time high.
[4] Preliminary tentative estimate, $52 to $53 billion.
[5] Not available.

Source: Home Loan Bank Board.

TABLE 10.—*FHA and VA home loans compared with total recordings: Annually, 1939–51*

Year	Estimated amount nonfarm mortgage recordings of $20,000 or less ($000)	Federal Housing Administration and Veterans Administration						Other recordings of $20,000 or less	
		Total home loans insured and guaranteed		FHA home loans insured [1]		VA home loans guaranteed			
		Amount ($000)	Percent of total recordings	Face amount ($000)	Percent of total recordings	Principal amount ($000)	Percent of total recordings	Amount ($000)	Percent of total recordings
1939	3,506,563	669,416	19	669,416	19	----------	----------	2,837,147	81
1940	4,031,368	736,490	18	736,490	18	----------	----------	3,294,878	82
1941	4,731,960	890,139	19	890,139	19	----------	----------	3,841,821	81
1942	3,942,613	958,461	24	958,461	[2] 24	----------	----------	2,984,152	76
1943	3,861,401	762,170	20	762,170	20	----------	----------	3,099,231	80
1944	4,605,931	707,437	15	707,437	15	----------	----------	3,898,494	85
1945	5,649,819	666,584	12	474,344	8	192,240	3	4,983,235	[2] 88
1946	10,589,168	2,724,316	26	422,009	4	2,302,307	22	7,864,852	74
1947	11,728,677	4,180,881	[2] 36	894,716	8	3,286,166	[2] 28	7,547,796	64
1948	11,882,114	3,991,508	34	2,110,542	18	1,880,967	16	7,890,606	66
1949	11,828,001	3,623,269	31	2,199,678	19	1,423,591	12	8,204,732	69
1950	16,179,196	[2] 5,562,658	34	[2] 2,489,319	15	3,073,309	19	10,616,538	66
1951	[2] 16,405,367	5,549,413	34	1,934,933	12	[2] 3,614,480	22	[2] 10,855,954	66

[1] Excludes class 3 home loans; includes section 8 home mortgages and section 609 manufactured housing loans.
[2] All-time high.

Sources: Home Loan Bank Board, Federal Housing Administration, Veterans Administration.

TABLE 11a.—*Dollar volume of FNMA authorizations and commitments to purchase mortgages, commitments canceled, undisbursed commitments, purchases, repayments, sales, and other credits, by sections of acts, 1951*

[In millions of dollars]

National Housing Act and Servicemen's Readjustment Act by Section of law	Advance commitments and purchase authorizations	Commitments canceled	Purchases	Repayments	Sales	Other credits	Undisbursed commitments at Dec. 31, 1951	Mortgage portfolio at Dec. 31, 1951
	During calendar year 1951							
FHA-insured mortgages—Total	256.3	86.1	74.4	6.8	28.1	5.0	-----	-----
Sec. 8, NHA	9.6	-----	5.5	-----	(1)	-----	-----	-----
Sec. 203, NHA	60.7	7.7	54.0	2.4	12.8	.3	-----	-----
Sec. 207, NHA	15.8	-----	.5	-----	-----	-----	-----	-----
Sec. 213, NHA	6.7	-----	.5	-----	-----	-----	-----	-----
Sec. 603, NHA	.2	.1	.2	4.3	14.1	1.6	-----	-----
Sec. 608, NHA	.5	78.3	13.7	.1	1.2	3.1	-----	-----
Sec. 803, NHA	52.8	-----	-----	-----	-----	-----	-----	-----
Sec. 903, NHA	85.0	-----	-----	-----	-----	-----	-----	-----
Sec. 908, NHA	25.0	-----	-----	-----	-----	-----	-----	-----
VA-guaranteed mortgages—Total	427.8	166.7	602.9	48.7	83.0	2.9	-----	-----
Sec. 501, SRA (home)	425.5	165.5	599.0	48.0	80.4	2.8	-----	-----
Sec. 501, SRA (multiple dwelling)	.8	.2	2.0	.2	-----	-----	-----	-----
Sec. 502, SRA	.8	-----	.9	.1	-----	-----	-----	-----
Sec. 505 (a), SRA	.7	1.0	1.0	.4	2.6	.1	-----	-----
Total	684.1	252.8	677.3	55.5	111.1	7.9	-----	-----
	Cumulative (Feb. 10, 1938–Dec. 31, 1951)							
FHA-insured mortgages—Total	1,449.5	394.1	834.8	136.2	474.6	20.3	220.6	203.7
Sec. 8, NHA	9.6	-----	5.5	-----	(1)	-----	4.1	5.5
Sec. 203, NHA	556.5	120.2	428.6	102.2	244.1	3.5	7.7	78.8
Sec. 207, NHA	22.3	1.1	5.8	4.8	.3	.1	15.4	.6
Sec. 210, NHA	.9	.6	.3	.2	-----	.1	-----	-----
Sec. 213, NHA	6.7	-----	.5	-----	-----	-----	6.2	.5
Sec. 603, NHA	367.1	27.6	339.5	28.8	207.2	7.7	-----	95.8
Sec. 608, NHA	323.6	244.6	54.6	.2	23.0	8.9	24.4	22.5
Sec. 803, NHA	52.8	-----	-----	-----	-----	-----	52.8	-----
Sec. 903, NHA	85.0	-----	-----	-----	-----	-----	85.0	-----
Sec. 908, NHA	25.0	-----	-----	-----	-----	-----	25.0	-----
VA-guaranteed mortgages—Total	2,378.6	331.5	2,028.6	86.5	291.3	5.0	18.5	1,645.8
Sec. 501, SRA (home)	2,337.1	321.7	1,996.9	84.6	276.9	4.8	18.5	1,630.6
Sec. 501, SRA (multiple dwelling)	9.8	1.9	7.9	.3	.7	-----	-----	6.9
Sec. 502, SRA	1.7	.1	1.6	.1	-----	-----	-----	1.5
Sec. 505 (a) SRA	30.0	7.8	22.2	1.5	13.7	.2	-----	6.8
Total	3,828.1	725.6	2,863.4	222.7	765.9	25.3	239.1	1,849.5

[1] Less than $0.05 million.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 11b.—*Dollar volume of FNMA authorizations to purchase mortgages, commitments canceled, undisbursed commitments, purchases, repayments, sales, other credits, and mortgage portfolio, by months, calendar year 1951*

[In millions of dollars]

Month	Advance commitments and purchase authorizations made	Commitments canceled	Undisbursed commitments at end of month	Purchases	Repayments	Sales	Other credits	Mortgage portfolio at end of month
January	20.7	35.8	388.8	81.2	4.1	19.0	1.3	1403.5
February	17.0	43.9	286.0	75.9	3.9	11.0	.7	1463.8
March	19.5	132.6	81.8	91.1	7.6	21.0	1.6	1524.7
April	24.6	5.3	71.7	29.4	2.0	24.5	.5	1527.1
May	30.7	17.6	53.1	31.7	4.6	16.0	.1	1538.1
June	57.6	7.6	53.9	49.2	4.8	3.0	.6	1578.9
July	56.3	.1	51.8	58.3	3.8	1.2	.5	1631.7
August	60.4	3.0	47.4	61.8	4.5	4.5	.8	1683.7
September	37.8	(1)	47.0	38.2	4.5	2.0	.3	1715.1
October	84.0	5.7	74.1	51.2	5.2	2.8	.4	1757.9
November	66.3	1.1	90.1	49.2	5.2	3.4	.4	1798.1
December	209.2	.1	239.1	60.1	5.3	2.7	.7	1849.5
Total	684.1	252.8		677.3	55.5	111.1	7.9	

1 Less than $0.05 million.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 11c.—*Dollar volume of FNMA authorizations to purchase mortgages, cancellations, commitments, purchases, sales, repayments, and other credits and unpaid mortgage balances, by calendar year: 1938–51*

[In millions of dollars]

Year	Advance commitments and purchase authorizations made	Cancellations	Outstanding commitments (at year end)	Purchases	Sales	Repayments and other credits	Unpaid mortgage balance (at year end)
1938	102.2	2.5	17.6	82.2	----------	1.9	80.3
1939	69.9	5.5	7.8	74.1	0.4	7.2	146.8
1940	51.1	2.5	8.4	48.0	(1)	13.7	181.1
1941	42.3	2.1	6.3	42.3	(1)	16.6	206.8
1942	18.4	1.1	.4	23.2	----------	19.1	210.9
1943	1.2	.1	(1)	1.5	126.6	21.3	64.5
1944	.2	(1)	----------	.2	(1)	12.3	52.4
1945	.1	----------	(1)	.1	38.6	6.4	7.4
1946	.1	----------	(1)	(1)	(1)	1.9	5.6
1947	.8	(1)	.8	.1	----------	1.2	4.4
1948	431.9	8.0	226.7	197.9	----------	3.1	199.3
1949	1356.1	86.5	824.1	672.2	19.8	23.4	828.4
1950	1069.7	364.4	485.1	1044.3	469.4	56.6	1346.7
1951	684.1	252.8	239.1	677.3	111.1	63.4	1849.5

[1] Less than $0.05 million.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 11d.—*Dollar valume of FNMA sales and purchases by months: 1950–51*

[Thousands of dollars]

Year and month	FNMA total	Federal Housing Administration							Veterans' Administration			
		Total	Sec. 8	Sec. 203	Sec. 207	Sec. 213	Sec. 603	Sec. 608	Total	Sec. 501	Sec. 502	Sec. 505 (a)
	Purchases by month											
1950												
January	89,065	11,942	--------	7,193	--------	--------	3,254	1,495	77,123	76,001	82	1,040
February	80,609	5,598	--------	4,789	--------	--------	677	132	75,011	74,300	46	665
March	100,185	5,488	--------	4,460	--------	--------	428	600	94,697	93,902	131	664
April	91,879	3,912	--------	3,451	--------	--------	230	231	87,967	87,094	59	814
May	95,227	5,330	--------	4,112	--------	--------	319	899	89,897	89,394	58	445
June	90,189	3,996	--------	2,350	--------	--------	16	1,630	86,193	85,819	57	317
July	80,853	4,420	--------	1,835	--------	--------	7	2,578	76,433	76,214	32	187
August	81,239	2,352	--------	1,071	--------	--------	111	1,079	78,887	78,751	38	98
September	66,093	1,516	--------	610	--------	--------	--------	906	64,577	64,478	13	86
October	103,985	1,889	--------	846	--------	--------	--------	1,043	102,096	101,963	31	102
November	86,213	1,636	--------	672	--------	--------	114	850	84,577	94,510	--------	67
December	78,758	1,175	--------	611	--------	--------	11	553	77,583	77,518	--------	65
1951												
January	81,213	1,232	--------	770	--------	--------	--------	462	79,981	79,857	46	78
February	75,901	944	--------	708	--------	--------	32	204	74,957	74,845	28	84
March	91,119	4,012	5	1,311	--------	--------	57	2,639	87,107	86,953	61	93
April	29,354	1,493	28	1,150	--------	--------	18	297	27,861	27,741	13	107
May	31,772	3,137	32	2,651	--------	216	32	206	28,635	28,486	29	120
June	49,192	7,045	139	6,720	--------	24	--------	162	42,147	41,864	57	226
July	58,328	8,766	266	6,529	136	--------	--------	1,835	49,562	49,387	84	91
August	61,776	9,921	387	8,012	46	146	--------	1,330	51,855	51,686	62	107
September	38,188	6,547	404	5,722	109	--------	35	277	31,641	31,494	59	88
October	51,221	12,446	709	5,759	100	--------	5	5,873	38,775	38,507	223	45
November	49,148	8,855	1,323	6,080	75	7	43	427	40,294	40,161	116	18
December	60,097	10,054	2,229	7,723	--------	86	16	--------	50,043	49,949	83	11
	Sales by month											
1950												
January	20,821	19,823	--------	2,972	--------	--------	10,889	5,962	998	574	--------	424
February	27,630	26,267	--------	2,766	--------	--------	22,222	1,279	1,363	855	--------	508
March	50,600	44,124	--------	9,291	--------	--------	31,239	3,594	6,476	5,114	--------	1,362
April	60,862	43,204	--------	10,281	--------	--------	32,646	277	17,568	16,088	--------	1,570
May	61,002	24,174	--------	8,340	--------	--------	15,272	562	36,828	35,779	--------	1,049
June	70,624	29,082	--------	8,955	--------	--------	19,563	564	41,542	40,286	--------	1,256

TABLE 11d.—*Dollar volume of FNMA sales and purchases by months: 1950–51*— Continued

[Thousands of dollars]

Year and month	FNMA Total	Federal Housing Administration							Veterans' Administration			
		Total	Sec. 8	Sec. 203	Sec. 207	Sec. 213	Sec. 603	Sec. 608	Total	Sec. 501	Sec. 502	Sec. 505(a)
	Sales by Month											
1950												
July	51,593	27,525	....	7,000	....	....	20,525	....	24,068	22,413	....	1,655
August	28,582	10,793	....	1,418	....	....	9,375	....	17,780	17,556	....	233
September	19,181	10,594	....	2,313	....	....	8,281	....	8,587	7,938	....	649
October	29,692	10,756	....	2,667	....	....	7,528	561	18,936	18,392	....	544
November	24,297	7,623	....	3,636	....	....	3,700	287	16,674	15,785	....	889
December	24,409	7,426	....	1,288	....	....	6,138	....	17,073	16,293	....	780
1951												
January	18,983	9,184	....	1,912	....	....	6,932	340	9,799	8,778	....	1,021
February	11,031	1,938	....	751	....	....	1,187	....	9,093	8,801	....	292
March	20,998	4,451	....	1,301	....	....	3,150	....	16,547	16,276	....	271
April	24,533	2,369	....	620	....	....	1,749	....	22,164	21,790	....	374
May	16,038	1,231	....	402	....	....	10	819	14,807	14,755	....	52
June	2,977	....	....	....	....	....	....	....	2,977	2,977	....	....
July	1,201	219	....	205	....	....	14	....	982	955	....	27
August	4,438	1,643	....	690	....	....	953	....	2,795	2,601	....	194
September	2,018	431	....	445	....	....	(14)	....	1,587	1,587	....	....
October	2,783	2,007	....	1,860	....	....	147	....	776	725	....	51
November	3,425	2,622	....	2,622	....	....	....	....	803	640	....	163
December	2,690	2,049	9	2,040	....	....	....	....	641	511	....	130

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 12.—*Summary of prefabricated housing loan program: At end of 1951 and 1950*

Summary of operations, by lending authority	At end of— December 31, 1951 ($000)	At end of— December 31, 1950 ($000)
1. Lending limitation	74,136	59,330
a. Revolving amount:		
(1) Section 102 PL 901	50,000	50,000
(2) Section 102a PL 139	[1] 15,000	----------
(3) Section 4 (a) 1 [2]	6,903	6,903
b. Nonrevolving amount [3]		
(1) Section 5 (d) 2	1,973	2,009
(2) VEHA 1946	260	419
2. Outstanding principal balance	30,425	21,917
a. Section 102	22,775	18,513
b. Section 102a	38	----------
c. Section 4 (a) 1	5,379	977
d. Section 5 (d) 2	1,973	2,009
e. VEHA 1946	260	419
3. Undisbursed loan authorization	4,680	11,795
a. Section 102	3,412	6,070
b. Section 102a	287	----------
c. Section 4 (a) 1	981	5,725
4. Balance of loan authorization	39,031	25,618
a. Section 102 [4]	23,812	25,417
b. Section 102a	14,675	----------
c. Section 4 (a) 1	543	201

[1] Authorized Sept. 1, 1951, under PL 139 for defense housing.
[2] Sum of outstanding principal balance and undisbursed loan authorization at end of Sept. 6, 1950.
[3] Always is equal to the outstanding principal balance.
[4] Includes $12 million authorized and disbursed by the Reconstruction Finance Corporation to Lustron Corporation, Columbus, Ohio. Although no longer outstanding, this amount is not at this time considered available for relending.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 13a.—*Slum clearance and urban redevelopment: Title I capital grant reservations and planning advances, at end of December 1951*

Period	Capital grant reservations			Preliminary planning advances			Final planning advances		
	Outstanding (cumulative)	Approved (net increase)	Terminated (net increase)	Approved	Contracts executed	Disbursements [1]	Approved	Contracts executed	Disbursements [1]
	Number								
	Cumulative data								
July 15, 1949 to Dec. 31, 1951	238	283	45	133	121	112	45	28	26
	Annual data								
1951	238	48	32	65	78	85	31	21	22
1950 [2]	222	235	13	68	43	27	14	7	4
	Quarterly data								
1951—4th	238	16	5	5	11	16	11	8	8
3d	227	6	11	19	20	23	10	7	7
2d	232	19	8	20	12	18	6	6	5
1st	221	7	8	21	35	28	4	0	2
1950—4th	222	17	11	30	20	14	0	4	3
3d	216	23	2	21	22	12	3	3	1
2d	195	119	0	17	1	1	11	0	0
1st	76	76	0	0	0	0	0	0	0
	Amount in thousands of dollars								
	Cumulative data								
July 15, 1949 to Dec. 31, 1951	183, 102	187, 226	4, 124	3, 989	3, 622	2, 458	1, 835	1, 405	1, 012
	Annual data								
1951	183, 102	12, 902	2, 696	1, 656	2, 082	1, 902	1, 102	672	686
1950 [2]	172, 896	174, 324	1, 428	2, 333	1, 540	556	733	733	326
	Quarterly data								
1951—4th	183, 102	3, 428	406	403	369	335	444	223	179
3d	180, 081	1, 625	1, 174	450	441	547	312	319	298
2d	179, 630	5, 156	773	472	294	447	187	130	89
1st	175, 246	2, 693	343	331	978	573	159	0	120
1950—4th	172, 896	4, 979	528	876	653	261	0	326	270
3d	168, 445	8, 905	900	764	826	279	328	407	56
2d	160, 440	46, 953	0	693	61	16	405	0	0
1st	113, 487	113, 487	0	0	0	0	0	0	0

[1] Number of disbursements reflects payments on first requisitions only; amount of disbursements reflects payments on all requisitions.
[2] Includes 1949 activity.

TABLE 13b.—*Slum clearance and urban redevelopment: Status and characteristics of 54 delineated project areas approved for final planning or redevelopment at end of December 31, 1951*

Projects by locality	Character of project area	Acres of land	Estimated number of dwelling units	Estimated number of families	Estimated project cost ($000)		Probable new uses [1]					Local program status					
					Gross	Net	Private housing	Public housing	Commercial	Industrial	Public	Final planning	Land acquisition	Relocation	Demolition and clearance	Site improvement	Land disposition
United States, total		2,391	42,561	44,819	254,899	171,476	41	4	39	14	26	45	9	7	5	1	2
Alabama:																	
Mobile, Broad-Beauregard.	Residential	35	388	388	2,011	1,255			#	x	x	√					
Montgomery, North area	Residential	51	242	242	538	452				#		√					
Arkansas:																	
Little Rock, Central Area	Residential	33	211	226	1,548	1,139	#		x		x	√					
Granite Mountain.	Pred. Open	121	182	182	930	380	#		x	x	x	√					
Florida:																	
Daytona Beach, No. 1	Residential	6	70	81	287	189			x	#		√					
Lakeland, Moorehead	Residential	110	217	275	1,567	1,142	#				x	√					
Illinois:																	
Chicago, Lake Meadows	Residential	101	2,782	3,600	15,886	13,764	#		x		x		√	√	√		
79th-Western	Pred. Open	40	2	2	685	308	#					√					
West Side Ind'l	Residential	53	428	360	7,074	4,757				#		√					
Robbins, No. 1	Pred. Open	38	142	98	855	600	#					√					
Waukegan, No. 1 [2]	Residential	4	79	73	228	195	#				x	√					
Indiana:																	
Indianapolis, Project A	Residential	178	441	456	NA	NA	#						√	√	√	√	√
Project B	Residential	7	114	121	266	134	#						√				
Maryland:																	
Baltimore, Broadway	Residential	39	1,062	1,110	5,197	4,533	#		x				√	√			
Waverly	Residential	21	197	187	1,738	1,438	#		x				√	√	√		
Michigan: Detroit, Gratiot	Residential	120	1,500	1,953	8,950	7,025	#		x	x	x		√	√	√		√
Minnesota:																	
St. Paul, Eastern	Residential	55	603	639	3,478	2,919	#		x		x	√					
Western	Residential	75	880	926	5,628	4,415	#		x		x	√					
Missouri:																	
Kansas City, Attucks	Residential	43	800	771	3,157	2,287	#		x		x	√					
St. Louis, Area A	Pred. Non-Res.	15	41	65	4,948	3,729	#		x			√					
New Jersey:																	
Jersey City, Gregory	Residential	13	180	180	1,847	1,747	#	x	x			√					
St. John's	Residential	18	319	319	2,039	1,939	#		x		x	√					
Newark, Project No. 1	Residential	7	386	401	1,875	1,449	#					√					

Paterson, Middle Income.	Residential	9	354	334	903	730	#	-----	-----	-----	-----	✓	-----	-----	-----	-----	-----
Perth Amboy, Forbesdale	Pred. Open	50	40	40	761	440	#	-----	x	-----	x	✓	-----	-----	-----	-----	-----
Willocks	Residential	9	49	51	326	270	#	-----	-----	-----	x	✓	-----	-----	-----	-----	-----
New York:																	
Albany, Project A	Residential	14	381	340	781	510	-----	-----	#	-----	x	✓	-----	-----	-----	-----	-----
New York City:																	
Delancey Street	Residential	13	1,569	1,569	7,063	2,003	#	-----	x	-----	x	✓	-----	-----	-----	-----	-----
Corlears Hook	Pred. Non-Res.	24	718	718	5,356	3,691	#	-----	x	-----	-----	✓	-----	-----	-----	-----	-----
Fort Greene	Residential	38	464	466	7,089	2,912	#	-----	x	-----	-----	✓	-----	-----	-----	-----	-----
Harlem	Residential	15	1,683	1,683	6,562	5,005	#	-----	x	-----	-----	✓	-----	-----	-----	-----	-----
Manhattantown	Residential	24	3,209	3,628	15,029	10,872	#	-----	x	-----	-----	✓	-----	-----	-----	-----	-----
Morningside-Manhattanville.	Residential	10	1,584	1,584	5,416	3,115	#	-----	x	-----	-----	✓	-----	-----	-----	-----	-----
North Harlem	Residential	13	920	920	6,201	4,583	#	-----	x	-----	-----	✓	-----	-----	-----	-----	-----
South Village	Residential	15	1,680	1,680	8,861	5,881	#	-----	x	-----	-----	✓	-----	-----	-----	-----	-----
Washington Square	Residential	40	2,461	2,464	32,252	20,905	#	-----	x	-----	x	✓	-----	-----	-----	-----	-----
Williamsburg	Residential	45	3,202	3,292	14,967	9,624	#	-----	x	-----	x	✓	-----	-----	-----	-----	-----
Schenectady, Project No. 1.	Residential	12	287	260	2,010	1,480	x	-----	#	-----	-----	✓	-----	-----	-----	-----	-----
Pennsylvania:																	
Beaver Falls, Project No. 1.	Residential	10	91	100	462	324	-----	-----	x	#	-----	✓	-----	-----	-----	-----	-----
Philadelphia:																	
East Poplar	Residential	19	998	998	2,397	1,740	#	x	-----	-----	x	-----	✓	✓	-----	-----	-----
S. W. Temple	Residential	50	2,094	2,094	7,200	5,270	#	-----	x	-----	x	✓	-----	-----	-----	-----	-----
University	Residential	25	528	528	5,444	2,847	#	-----	-----	-----	x	✓	-----	-----	-----	-----	-----
Pittsburgh, Lower Hill	Residential	100	2,775	3,000	17,824	9,824	x	-----	#	-----	x	✓	-----	-----	-----	-----	-----
Tennessee:																	
Chattanooga, Main Street.	Residential	50	287	312	2,028	500	-----	-----	x	#	-----	✓	-----	-----	-----	-----	-----
Knoxville:																	
Magnolia	Residential	35	324	179	653	107	-----	-----	x	#	x	✓	-----	-----	-----	-----	-----
Riverfront	Residential	76	255	249	2,631	1,653	-----	-----	x	-----	#	✓	-----	-----	-----	-----	-----
Memphis:																	
Railroad Avenue	Residential	54	362	570	2,449	1,630	-----	#	x	x	-----	✓	-----	-----	-----	-----	-----
Thomas Street	Residential	128	689	980	4,554	2,754	#	-----	x	x	-----	✓	-----	-----	-----	-----	-----
Murfreesboro, Bottoms	Residential	52	180	187	2,258	458	-----	-----	#	x	-----	✓	-----	-----	-----	-----	-----
Nashville, Capitol Hill	Residential	67	622	421	8,927	2,861	x	-----	#	-----	x	✓	-----	-----	-----	-----	-----
Virginia: Norfolk, Project No. 1.	Residential	127	2,850	2,930	7,198	5,551	-----	#	x	x	x	-----	✓	✓	✓	-----	-----
Hawaii:																	
Honolulu:																	
Project No. 1	Residential	31	349	447	5,183	1,601	#	-----	x	-----	x	✓	-----	-----	-----	-----	-----
Project No. 2	Pred. Open	30	23	31	1,021	228	#	-----	-----	-----	-----	✓	-----	-----	-----	-----	-----
Puerto Rico:																	
Mayaguez, Malecon	Residential	8	114	103	361	155	-----	-----	-----	#	-----	-----	✓	-----	-----	-----	-----

[1] # = predominant new use; x = other new use.
[2] Project suspended by local government.

TABLE 13c.—*Slum clearance and urban redevelopment: Outstanding capital grant reservations and planning advances: At end of December 1951*

Locality	Organization of local [1] public agency	Capital grant reservation	Planning advances: Approved: Preliminary	Planning advances: Approved: Final	Planning advances: Contracts executed	Planning advances: Disbursements
Alabama	-----	$4,377,750	$85,200	$48,700	$133,900	$98,279
Birmingham	LHA	2,500,000	28,550	-----	28,550	13,660
Florence	LHA	180,250	10,600	-----	10,600	10,600
Huntsville	LHA	124,110	8,000	-----	8,000	6,839
Mobile	LHA	635,180	22,000	33,250	55,250	47,655
Montgomery	LHA	938,210	16,050	15,450	31,500	19,525
Arkansas	-----	659,680	29,075	92,710	121,785	96,970
Little Rock	LHA	659,680	29,075	92,710	121,785	96,970
California	-----	7,076,030	537,890	-----	537,890	365,966
Colton	LRA	35,210	-----	-----	-----	-----
Los Angeles	LRA	4,089,330	191,135	-----	191,135	59,692
National City	LRA	36,820	36,000	-----	36,000	35,751
Redlands	LRA	73,570	-----	-----	-----	-----
Richmond	LRA	107,730	54,076	-----	54,076	52,598
Sacramento	LRA	364,630	62,127	-----	62,127	46,586
San Bernardino	LRA	179,340	-----	-----	-----	-----
San Francisco	LRA	2,154,330	194,552	-----	194,552	171,339
Upland	LRA	35,070	-----	-----	-----	-----
Colorado	-----	2,248,540	20,000	-----	20,000	19,343
Denver	MUN	2,248,540	20,000	-----	20,000	19,343
Connecticut	-----	3,035,113	186,390	-----	153,920	106,562
Bridgeport	MUN	656,880	17,850	-----	17,850	11,595
Bristol	MUN	68,810	6,200	-----	6,200	-----
East Haven	MUN	58,800	15,000	-----	15,000	10,498
Hartford	MUN	388,360	21,500	-----	21,500	19,224
Meriden	MUN	94,780	11,210	-----	11,210	5,470
Milford	MUN	65,380	-----	-----	-----	-----
New Haven	MUN	465,640	16,650	-----	16,650	14,250
New London	MUN	123,060	12,300	-----	-----	-----
Norwalk	MUN	163,660	11,745	-----	11,745	11,745
Norwich City	MUN	79,520	11,580	-----	11,580	7,085
Norwich Town	MUN	84,653	8,660	-----	-----	-----
Shelton	MUN	56,240	5,500	-----	5,500	4,850
Stamford	MUN	399,770	20,365	-----	20,365	15,840
Waterbury	MUN	259,140	16,320	-----	16,320	6,005
Willimantic	MUN	70,420	11,510	-----	-----	-----
District of Columbia	-----	2,250,000	170,185	-----	170,185	100,694
Washington	LRA	2,250,000	170,185	-----	170,185	100,694
Florida	-----	3,781,840	96,105	50,320	146,425	106,543
Daytona Beach	LHA	161,140	6,240	11,000	17,240	13,045
Jacksonville	LHA	1,157,080	-----	-----	-----	-----
Lakeland	LHA	203,070	9,660	39,320	48,980	22,645
Miami	LHA	666,610	19,300	-----	19,300	18,236
Orlando	LHA	211,610	22,200	-----	22,200	22,200
Panama City	LHA	128,000	7,705	-----	7,705	5,790
Pensacola	LHA	359,100	-----	-----	-----	-----
Tampa	LHA	699,650	20,000	-----	20,000	18,900
West Palm Beach	LHA	195,580	11,000	-----	11,000	5,727
Georgia	-----	4,535,720	177,361	-----	177,361	104,759
Albany	LHA	200,830	8,560	-----	8,560	-----
Athens	LHA	235,550	14,150	-----	14,150	9,150
Atlanta	LHA	2,705,710	124,326	-----	124,326	80,309
Griffin	LHA	164,430	6,325	-----	6,325	-----
LaGrange	LHA	286,090	-----	-----	-----	-----
Savannah	LHA	943,110	24,000	-----	24,000	15,300
Illinois	-----	20,203,110	97,628	14,077	102,180	62,507
Alton	LHA	250,950	-----	-----	-----	-----
Aurora	LRA	186,410	-----	-----	-----	-----
Bartonville	LHA	17,920	2,215	-----	-----	-----
Champaign	LHA	155,470	-----	-----	-----	-----
Chicago	LRA	14,420,910	-----	-----	-----	-----

See footnote at end of table.

TABLE 13c.—*Slum clearance and urban redevelopment: Outstanding capital grant reservations and planning advances, at end of December 1951*—Continued

Locality	Organization of local [1] public agency	Capital grant reservation	Planning advances			
			Approved		Contracts executed	Disbursements
			Preliminary	Final		
Illinois—Continued						
Chicago Heights	LHA	$132,860	$11,195		$11,195	$11,195
Chillicothe	LHA	15,960	2,710			
Collinsville	LHA	122,920				
Cook County	LHA	500,000				
Danville	LHA	333,970	16,400		16,400	6,255
East St. Louis	LHA	629,370				
Effingham	LHA	58,520				
Galesburg	LHA	182,140	6,420		6,420	2,810
Granite City	LHA	241,780	9,150		9,150	7,300
Harvey	LHA	78,540				
Joliet	LHA	273,350				
Kankakee	LHA	102,830	6,850		6,850	3,000
Lincoln	LHA	88,200	3,816		3,816	
Mount Vernon	LHA	170,800				
Peoria	LHA	700,000	15,700		15,700	10,100
Robbins	LHA	26,110		$4,000	4,000	4,000
Rock Falls	LHA	51,240	4,840		4,840	4,460
Rockford	LHA	401,520				
Sparta	LHA	49,280				
Springfield	LHA	528,640				
Streator	LHA	91,140	4,600			
Urbana	LHA	90,400				
Venice	LHA	80,710				
Villa Grove	LHA	29,890	2,250		2,250	1,905
Waukegan	LHA	182,280	11,482	10,077	21,559	11,482
Indiana		2,676,730				
Indianapolis	LRA	2,676,730				
Kansas		1,102,570	66,300		66,300	52,218
Kansas City	ND	1,102,570	66,300		66,300	52,218
Kentucky		1,577,440	26,665		26,665	13,940
Henderson	LHA	150,000				
Lexington	LRA	448,700	14,665		14,665	7,590
Middlesborough	LHA	128,030				
Newport	LHA	212,100				
Owensboro	LHA	249,270	12,000		12,000	6,350
Paducah	ND	389,340				
Louisiana		4,064,690	137,386		137,386	87,637
Monroe	LHA	326,760				
New Orleans	LHA	2,897,930	117,386		117,386	70,376
Shreveport	LHA	840,000	20,000		20,000	17,261
Maine		395,000				
Portland	LRA	395,000				
Maryland		4,312,700				
Baltimore	MUN	4,312,700				
Massachusetts		6,860,840	274,991		262,991	158,646
Beverly	LHA	53,340				
Boston	LHA	2,982,770	120,000		120,000	51,738
Brookline	LHA	82,810	12,000			
Cambridge	LHA	450,000	23,650		23,650	15,200
Chicopee	LHA	107,800	9,820		9,820	9,275
Clinton (town)	LHA	81,550	10,350		10,350	
Fall River	LHA	670,110	17,000		17,000	15,400
Lawrence	LHA	214,550				
Lowell	LHA	436,380				
Lynn	LHA	329,910				
Medford	LHA	80,920				
Plymouth (Town)	LHA	124,740				
Revere	LHA	81,900	10,000		10,000	5,220
Somerville	LHA	369,320	21,700		21,700	20,370
Taunton	LHA	180,000	11,050		11,050	5,432
Waltham	LHA	154,700				
Woburn	LHA	79,030	10,100		10,100	8,305
Worcester	LHA	381,010	29,321		29,321	27,706

See footnote at end of table.

TABLE 13c.—*Slum clearance and urban redevelopment: Outstanding capital grant reservations and planning advances, at end of December 1951*—Continued

Locality	Organization of local [1] public agency	Capital grant reservation	Planning advances			
			Approved		Contracts executed	Disbursements
			Preliminary	Final		
Michigan		$4,825,450	$13,450			
Albion	MUN	58,240				
Battle Creek	MUN	291,480				
Detroit	MUN	4,311,440				
Port Huron	MUN	164,290	13,450			
Minnesota		3,845,280	39,972	$41,440	$81,412	$69,877
Chisholm	LHA	77,630				
Hibbing	LHA	115,780				
Minneapolis	LHA	2,375,000	39,972		39,972	38,617
St. Paul	LHA	1,276,870		41,440	41,440	31,260
Missouri		8,461,290	111,697	73,645	111,697	82,925
Columbia	ND	147,350				
Kansas City	MUN	2,490,180	56,512	52,181	56,512	44,360
St. Joseph	ND	627,760				
St. Louis	MUN	5,196,000	55,185	21,464	55,185	38.565
Nebraska		1,195,320				
Omaha	LHA	1,195,320				
New Hampshire		369,000	24,000		24,000	17,058
Dover	LHA	102,000	10,000		10,000	10,000
Manchester	LHA	267,000	14,000		14,000	7,058
New Jersey		6,796,180	190,890	141,604	258,892	187,156
Asbury Park	LHA	48,370	4,550		4,550	3,550
Atlantic City	LHA	260,000				
Elizabeth	LRA	409,850				
Harrison	LHA	72,240				
Hoboken	LHA	430,780	28,620			
Jersey City	LRA	1,402,800	29,800	47,300	77,100	72,266
Long Branch	LHA	71,750	2,825		2,825	2,525
Newark	LHA	2,212,980	37,675	27,417	37,675	37,675
New Brunswick	LHA	141,540	11,200		11,200	10,800
Orange	ND	177,870				
Passaic	LRA	276,990	15,565		15,565	9,900
Paterson	LHA	577,500	20,650	17,565	20,650	17,650
Perth Amboy	LHA	177,170	24,700	49,322	74,022	32,790
Plainfield	ND	21,000				
Trenton	LHA	515,340	15,305		15,305	
New York		20,263,360	61,960	278,440	306,350	277.587
Albany	MUN	516,300	10,500	26,950	10,500	10,500
Binghamton	MUN	253,140				
Buffalo	MUN	1,574,040				
New York	MUN	16,000,000	7,500	227,000	234,500	234,450
Port Chester	MUN	82,980	4,800		4,800	3,650
Schenectady	MUN	210,240		24,490	24,490	10,887
Syracuse	MUN	633,300	9,960		9,960	
Troy	MUN	293,820	7,100			
Tuckahoe	MUN	20,280				
Utica	MUN	317,460				
Yonkers	MUN	361,800	22,100		22,100	18,100
North Carolina		2,149,910				
Charlotte	LRA	747,810				
Fayetteville	LRA	172,760				
Greensboro	LRA	427,140				
Winston-Salem	LRA	802,200				
Ohio		13,685,970	376,775		376,775	167,741
Akron	MUN	1,250,000				
Cincinnati	MUN	3,742,830	141,000		141,000	95,227
Cleveland	MUN	3,000,000	49,850		49,850	28,070
Columbus	MUN	1,304,170	45,000		45,000	
Dayton	MUN	1,347,080	26,775		26,775	12,352
Hamilton	MUN	423,500	13,870		13,870	10,197
Springfield	MUN	495,000	26,750		26,750	7,235

See footnote at end of table.

TABLE 13c.—*Slum clearance and urban redevelopment: Outstanding capital grant reservations and planning advances, at end of December 1951*—Continued

Locality	Organization of local [1] public agency	Capital grant reservation	Planning advances			
			Approved		Contracts executed	Disbursements
			Preliminary	Final		
Ohio—Continued						
Steubenville	MUN	$200,000				
Toledo	MUN	1,100,610	$38,650		$38,650	$9,605
Youngstown	MUN	822,780	34,880		34,880	5,055
Oregon		1,412,880	69,960		69,960	51,354
Portland	LHA	1,412,880	69,960		69,960	51,354
Pennsylvania		18,221,960	371,637	$357,191	462,154	326,242
Allegheny County	LRA	1,795,150				
Ambridge	LRA	155,190	7,562		7,562	7,562
Baden	LRA	9,730				
Beaver County	LRA	385,350				
Beaver Falls	LRA	84,560		12,757	12,757	2,200
Braddock	LRA	195,720	22,920		22,920	19,343
Chester	LRA	304,010				
Clairton	LRA	111,510	9,359		9,359	6,889
Dauphin County	LRA	222,250				
Duquesne	LRA	186,620				
Easton	LRA	203,490	10,725		10,725	4,140
East Pittsburgh	LRA	28,420				
East Rochester	LRA	7,420				
Farrell	LRA	74,600				
Harrisburg	LRA	404,250	22,600		22,600	19,150
Homestead	LRA	176,540				
Johnstown	LRA	511,210	22,470		22,470	10,425
McKeesport	LRA	538,300				
McKees Rocks	LRA	148,400	21,300		21,300	18,193
New Kensington	LRA	181,510	7,200		7,200	4,641
Philadelphia	LRA	6,300,000	194,974	272,734	272,734	194,177
Pittsburgh	LRA	5,000,000		71,700		
Rankin	LRA	75,880				
Reading	LRA	425,000	22,527		22,527	20,557
Rochester	LRA	33,040				
Sharon	LRA	146,020				
Sharpsburg	LRA	77,770				
Turtle Creek	LRA	65,450	19,100		19,100	8,565
York	LRA	374,570	10,900		10,900	10,400
Rhode Island		1,268,960	108,869		108,869	85,095
Newport	LRDA	103,390	10,400		10,400	10,400
Providence	LRDA	1,165,570	98,469		98,469	74,695
South Carolina		402,430	17,818		17,818	13,754
Greenville	LHA	402,430	17,818		17,818	13,754
Tennessee		7,195,510	86,515	393,038	393,765	240,888
Chattanooga	LHA	1,054,830	17,400	40,682	58,082	40,088
Johnson City	LHA	192,290	11,685		11,685	6,415
Knoxville	LHA	1,025,710	24,400	61,140	85,540	53,070
Memphis	LHA	2,942,660	25,100	79,075	57,757	38,365
Murfeesboro	LHA	118,790	7,930	39,370	7,930	5,950
Nashville	LHA	1,861,230		172,771	172,771	97,000
Texas		8,049,790	60,950		60,950	30,006
Austin	ND	558,250				
Corpus Christi	ND	506,800				
Dallas	ND	1,758,400	60,950		60,950	30,006
Galveston	ND	582,330				
Houston	ND	2,206,470				
San Antonio	MUN	1,970,360				
Waco	ND	467,180				
Virginia		3,702,090	108,753	216,825	321,076	271,663
Alexandria	LHA	159,950	12,165		12,165	11,590
Bristol	LHA	74,200	5,850		5,850	5,850
Newport News	LHA	280,000	15,100		15,100	
Norfolk	LHA	1,000,000		216,825	216,825	196,300
Portsmouth	LHA	490,280	18,700		18,700	15,845
Richmond	LHA	1,312,080	35,502		31,000	31,000
Roanoke	LHA	475,580	21,436		21,436	11,078

See footnote at end of table.

TABLE 13c.—*Slum clearance and urban redevelopment: Outstanding capital grant reservations and planning advances, at end of December 1951*—Continued

Locality	Organization of local[1] public agency	Capital grant reservation	Planning advances			
			Approved		Contracts executed	Disbursements
			Preliminary	Final		
West Virginia		$2,539,100				
Boone County	ND	175,350				
Charleston	ND	419,860				
Clay County	ND	25,690				
Fayette County	ND	76,650				
Greenbrier County	ND	92,960				
Kanawha County	ND	773,000				
Lincoln County	ND	29,260				
Logan County	ND	271,390				
McDowell County	ND	257,110				
Monroe County	ND	22,680				
Point Pleasant	ND	46,550				
Putnam County	ND	39,620				
Raleigh County	ND	137,830				
Summers County	ND	38,290				
Wayne County	ND	132,860				
Wisconsin		2,498,440	$35,010			
Milwaukee	MUN	2,498,440	35,010			
Hawaii		472,360	52,802	$126,931	$52,802	$21,230
Honolulu	LRA	472,360	52,802	126,931	52,802	21,230
Puerto Rico		6,232,840	326,066		296,216	243,568
Mayaguez	LHA	565,110	79,366		64,016	64,016
Ponce	LHA	1,057,600	60,500		46,000	46,000
San Juan	LHA	1,152,060	61,000		61,000	44,134
Puerto Rico Housing Authority	LHA	3,458,070	125,200		125,200	89,418
Virgin Islands		266,350	26,840		26,840	10,274
St. Johns; St. Thomas; St. Croix	LHA	266,350	26,840		26,840	10,274

[1] LHA=Local Housing Authority; LRA=Local Redevelopment Agency; MUN=Municipal or County Government; and ND=no legislation, or Local Public Agency not designated on Dec. 31, 1951.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 14.—*Status of college housing program: As of Dec. 31, 1951*

Item	Number of contracts	Amount ($000)	Number of units
Amount released by President [1]		$40,000	
Applications received	53	40,482	12,147
Applications approved (commitments)	17	16,895	5,016
Disbursements [2]	1	85	(3)
Available for approval of additional applications		23,105	

[1] Loan program authorized under PL 475, approved Apr. 20, 1950. Program was suspended by Presidential request on July 18, 1950. Program was reactivated in January 1951, with the release of $40 million of the original $300 million borrowing authorization.
[2] Included in applications approved.
[3] Not available.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 15.—*Aids for housing in Alaska,*[1] *Lending activity by Alaska Housing Authority*

[By the end of 1951 the Alaska Housing Authority had provided financial assistance covering 865 dwelling units, 607 with first mortgage loans and 258 with second liens. Loans disbursed totaled $5.3 million and commitments undisbursed amounted to nearly $3.5 million, while funds available for additional home financing totaled almost $5.2 million]

At end of December	Lending limitation		Undisbursed commitments		Loan disbursements		Available funds ($000)	Dwelling units financed
	Authority[2]	Amount ($000)	Number of borrowers	Amount ($000)	Number of borrowers	Amount ($000)		
	Cumulative data							
1951	PL 253 and 343	13,875	12	3,461	19	5,336	5,167	865
1950	PL343	10,000	12	2,972	12	1,594	5,434	(3)
1949	PL343	10,000	(3)	(3)	(3)	(3)	(3)	(3)

Insuring activity by FHA

[From the approval of PL 52 to the end of 1951 FHA insured 3,605 dwelling units, 3,197 in projects, 151 new home units and 257 existing home units; 2,895 of these units had been started and 1,391 were approved for occupancy]

At end of December	Dwelling units insured				Dwelling units started		Units approved for occupancy	
	Total	Home		Project	Home	Project	Home	Project
		New	Existing					
	Cumulative data							
1951	3,605	151	257	3,197	385	2,510	258	1,133
1950	2,349	36	133	2,180	138	2,180	62	68
1949[5]	792	8	35	749	22	749	16	----------

Authorizations by FNMA

[Authorizations made by FNMA to purchase FHA mortgages aggregated nearly $28 million by the end of 1951. More than one-third of this total represented activity during the year 1951 when authorizations made amounted to $10 million]

At end of December	Total		Section 608		Section 207		Section 203	
	Number	Amount ($000)	Number	Amount ($000)	Number	Amount ($000)	Number	Amount ($000)
	Cumulative data							
1951	220	27,833	13	16,943	6	9,322	201	1,563
1950	160	17,705	13	16,806	----------	----------	147	900
1949[4]	138	11,142	7	10,402	----------	----------	131	473

[1] Approved April 23, 1949, under PL 52.
[2] PL 343 made available the initial $10,000,000 as of July 10, 1949; the authorized appropriation under PL 52 was not to exceed $15,000,000; PL 253 made available an additional $3,875,000 as of November 1, 1951.
[3] Not available.
[4] Data shown at end of 1949 began May 1, 1949; however, prior to that date FHA had insured 553 home units.
[5] Includes authorizations to October 1, 1947, plus authorizations through December 31, 1949.

Sources: Office of the Administrator, Federal Housing Administration, and Federal National Mortgage Association.

TABLE 16a.—*Community Facilities Service: First advance planning program for nonfederal public works, as of Dec. 31, 1951, and 1950* [1]

[During 1951 advances repaid totaled $2.6 million for 314 applications. This was the lowest level of repayments since 1947 and compared with $4 million for 532 applications in 1950. By the end of 1951 advances repaid totaled $15.5 million for 2,726 applications]

Status of plan preparation	Number of applications	Estimated cost: Total ($000)	Land and right-of-way ($000)	Construction ($000)	Equipment ($000)	Plan preparation ($000)	Other ($000)	Advances approved ($000)
	At the end of December 1951							
Approved	6,566	2,605,498	63,105	2,231,404	122,288	76,488	112,212	47,618
Not yet completed	172	105,635	4,790	86,593	6,388	3,484	4,379	3,012
Completed, not repaid	3,668	1,526,846	40,441	1,315,679	63,493	42,055	65,177	29,080
Repaid	[2] 2,726	973,017	17,874	829,132	52,407	30,949	42,656	[3] 15,526
	At the end of December 1950							
Approved	6,655	2,684,106	71,358	2,281,546	137,294	79,505	114,404	49,835
Not yet completed [4]	292	210,782	8,082	173,715	12,218	6,931	9,835	5,006
Completed, not repaid	3,862	1,572,964	39,361	1,358,170	63,999	43,157	68,278	29,717
Repaid	2,412	821,752	15,662	699,519	46,071	26,400	34,099	[3] 12,895
	During the year 1951							
Cancelled before completed	89	78,608	8,253	50,142	15,006	3,017	2,192	2,217
Repaid	314	151,265	2,212	129,613	6,336	4,549	8,557	[3] 2,631

[1] Program authorized Oct. 2, 1944; first applications received in May 1945; authority to approve projects expired June 30, 1947.
[2] Includes 314 applications repaid in 1951; 532, in 1950; 630, in 1949; 759, in 1948; and 491, prior to 1948.
[3] Advances repaid.
[4] Excludes 89 applications cancelled during 1951.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 16b.—*Community Facilities Service: Second advance planning program for nonfederal public works, as of Dec. 31, 1951 and 1950* [1]

[During the year 1951, 234 applications with an estimated cost of $416 million were approved under the second advance planning program, bringing the total approvals to 1,317 for an estimated cost of $1,075 million. Authority to approve applications expired Oct. 13, 1951.]

Status of plan preparation	Number of applications	Estimated cost: Total ($000)	Land and right-of-way ($000)	Construction ($000)	Equipment ($000)	Plan preparation ($000)	Other ($000)	Advances approved ($000)
	At the end of December 1951							
A. Restricted program:								
Approved	357	459,650	13,234	361,696	45,212	14,827	24,681	9,104
Completed	56	48,895	4,708	37,596	1,918	1,580	3,094	697
Repaid	17	4,421	151	3,782	131	179	178	72
B. Normal program:								
Approved	960	615,761	17,153	518,058	32,817	21,130	26,603	15,230
Completed	578	279,535	6,837	239,097	11,790	9,661	12,150	5,707
Repaid	213	99,032	3,701	82,780	4,901	3,502	4,147	1,329
C. Restricted and normal programs:								
Approved	1,317	1,075,411	30,387	879,754	78,029	35,957	51,284	24,334
Completed	634	328,431	11,545	276,693	13,708	11,241	15,244	6,404
Repaid	230	103,453	3,852	86,562	5,032	3,681	4,325	1,401
	At the end of December 1950							
A. Restricted program:								
Approved	49	30,611	949	27,120	383	1,114	1,046	761
Completed	------	------	------	------	------	------	------	------
Repaid	------	------	------	------	------	------	------	------
B. Normal program:								
Approved	1,034	628,706	17,533	529,206	32,434	21,783	27,750	18,177
Completed	100	30,920	189	27,593	523	1,073	1,542	741
Repaid	24	6,916	52	5,940	262	259	404	98
C. Restricted and normal programs:								
Approved	1,083	659,317	18,482	556,326	32,817	22,897	28,796	18,938
Completed	100	30,920	189	27,593	523	1,073	1,542	741
Repaid	24	6,916	52	5,940	262	259	404	98

[1] Authority to approve applications under the second advance planning program was given Oct. 13, 1949 (PL 352) and expired Oct. 13, 1951; the restricted program was announced by the Administrator on Sept. 25, 1950.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 16c.—*Status of school construction program under PL 815, as of Dec. 31, 1951* [1]

[At the close of Dec. 1951, 302 public school projects had been recommended by the HHFA and approved by the FSA for construction, 49 on Federal property and 253 in areas affected by Federal activity. When completed, these projects will provide accommodations for 117,757 pupils and cover 7,341,380 square feet. About half (150) of the approved projects had been placed under construction]

Status of applications	Total construction		Non-Federal construction				Federal construction	
				Estimated cost				
	Number of projects	Estimated cost ($000)	Number of projects	Total ($000)	Applicants' share ($000)	Federal share ($000)	Number of projects	Estimated cost ($000)
	Sections 204 and 205		Section 205				Section 204	
Fiscal year 1951:								
Under review [2]	648	201,506	639	195,880	77,903	117,977	9	5,626
Recommended by OA [3]	382	121,914	333	97,443	20,067	77,377	49	24,471
Approved by FSA	389	107,434	238	82,893	17,863	65,030	49	24,471
			[4] 2	[4] 70	[4] 0	[4] 70		
Fiscal year 1952:								
Under review	741	316,473	728	310,676	79,285	231,392	13	5,797
Approved by FSA [4]	13	3,819	2	63	---------	63	11	3,756
Fiscal years 1951 and 1952: [5]								
Approved by FSA	302	111,253	[6] 242	83,026	17,863	65,163	[7] 60	28,227
Under contract	160	27,892	127	17,496	7,177	10,319	33	10,396
Under construction	150	50,595	127	42,919	7,177	35,742	23	7,676
Completed	3	352	3	352	---------	352	---------	---------

[1] Authorized under PL 815, approved Sept. 23, 1950. Program provides Federal assistance for the construction of public school facilities on Federal property or in areas affected by Federal activity. The Office of Education, FSA, is authorized to direct the program with the cooperation of CFS, to which certain specific functions are delegated under the act.

[2] First Federal application put under review Dec. 20, 1950; first non-Federal applications put under review Feb. 9, 1951.

[3] Recommended to FSA for approval based on OA's review of the legal, financial, and engineering status; FSA is responsible for the educational standards review. OA recommended the first Federal construction project for approval on Feb. 1, 1951; the first non-Federal construction project on Mar 30, 1951.

[4] Approved under 203.

[5] Appropriations of $96.5 million have been made for construction purposes for fiscal year 1951 and an additional $50 million for fiscal year 1952; the combined data for fiscal years 1951 and 1952 include sections 203, 204, and 205.

[6] These projects will provide accommodations for 88,256 pupils and cover 5,701,684 square feet of floor space.

[7] These projects will provide accommodations for 29,501 pupils and cover 1,639,696 square feet of floor space.

Source: Office of the Administrator, HHFA.

TABLE 17.—*Veterans Administration guaranty of home loans: Annually, 1944–51*

Year and month	Number of home applications received: Total [1]	Number of home applications received: New and proposed homes [2]	Units in appraisal requests: proposed homes [3]	Units in appraisal assignments: proposed homes	Home loans closed: Number: Total [3]	Home loans closed: Number: First mortgages	Home loans closed: Principal amount: Total [3] (000)	Home loans closed: Principal amount: First mortgages (000)	Home loans closed: Total amount of guaranty or insurance (000)	Guaranty of first mortgages as percent of principal amount
					Cumulative data					
June 1944–Dec. 1951 [4]	2,804,542	(5)	(5)	(5)	2,567,830	2,155,774	$15,765,473	$15,189,586	$8,163,583	50
					Annual data					
1945 [4]	51,035	(5)	(5)	(5)	43,256	38,250	$192,240	$191,874	$72,740	38
1946	519,848	(5)	(5)	(5)	412,037	402,044	2,302,307	2,285,832	1,092,891	47
1947	550,320	(5)	(5)	(5)	[6] 541,922	[6] 494,423	3,286,166	3,228,053	1,558,700	46
1948	330,367	(5)	(5)	(5)	349,934	256,266	1,880,967	1,743,102	927,580	45
1949	344,947	(5)	(5)	(5)	276,793	177,889	1,423,591	1,275,881	720,004	45
1950	[6] [7] 622,924	432,330	(5)	(5)	497,596	373,906	3,073,309	2,903,163	1,663,721	[8] 51
1951	377,530	259,177	164,365	160,861	447,373	413,997	[6] 3,614,480	[6] 3,569,186	[6] 2,124,245	58
					Monthly data					
1951—January	39,075	28,350	15,650	17,402	50,415	[6] 42,481	[6] $360,573	[6] $349,993	[6] $212,313	58
February	32,436	24,202	12,127	13,905	44,873	37,448	324,755	314,761	192,408	58
March	33,478	23,955	17,587	15,121	38,665	33,810	293,236	286,749	172,733	58
April	36,517	25,487	20,884	20,006	38,493	34,358	298,950	293,534	175,958	58
May	32,493	22,017	12,696	13,298	36,052	33,960	291,906	289,035	171,323	58
June	31,228	21,235	12,034	11,101	32,444	30,795	264,153	261,838	154,810	58
July	31,699	22,024	7,742	8,264	38,551	36,350	310,365	316,240	187,751	58
August	29,329	19,997	9,410	9,086	37,686	36,526	317,047	315,324	186,583	58
September	25,975	17,467	11,281	10,660	31,365	30,784	271,148	270,292	159,441	59
October	28,624	19,866	16,554	15,314	34,090	33,479	296,748	295,845	173,888	59
November	25,768	17,043	13,895	12,697	34,653	34,147	308,639	307,934	180,120	58
December	30,908	17,534	14,505	14,007	30,086	29,859	267,958	267,640	156,909	59
					Percent change 1951 from—					
1950	−39.4	−40.1	(5)	(5)	−10.1	+10.7	+17.6	+22.9	+27.7	----------

[1] Includes applications for existing home loans and for alteration and repair, not shown separately in this table.
[2] Partially estimated. [3] Includes second mortgage loans, not shown separately in this table. [4] Program authorized in June 1944; all 1944 activity included in 1945 data. [5] Not available. [6] All-time high. [7] Under section 501b of PD 475, approved Apr. 20, 1950, maximum loan guaranty was increased from $4,000 or 50 percent of the loan to $7,500 or 60 percent of the loan. [8] Applications for second mortgage loans were terminated Oct. 20, 1950.

Source: Veterans Administration.

TABLE 18.—*Farm housing program under title V of the Housing Act of 1949: 1949–51*

[At the end of December, loans and grants obligated for farm housing under PL 171 totaled $53.5 million for assistance to 11,900 farmers. Building loans made up 96 percent of the total amount while land loans and repair grants accounted for the remaining 4 percent. During the calendar year 1951, $23.5 million was obligated to 5,000 farmers, a monthly average activity of nearly $2 million to 421 farmers. This compared with a monthly average of $2.5 million provided to 574 farmers during the year 1950]

Period	Applications		Number of individuals receiving aid					Dollar volume of loans and grants obligated				
			Total					Total				
	Received during period	On hand at end of period	Monthly average	During period	Building loans	Land loans [1]	Repair grants [2]	Monthly average ($000)	During period ($000)	Building loans ($000)	Land loans ($000)	Repair grants ($000)
July 15, 1949–December 31, 1951: 29 months	44,888	8,788	411	11,933	11,455	(439)	478(87)	1,843	53,451	52,473	716	262
1950, total [3]	29,588	9,434	574	6,886	6,624	(257)	262(51)	2,500	30,000	29,509	350	142
1st half	21,747	11,807	694	4,161	3,993	(151)	168(35)	3,024	18,146	17,865	191	90
Last half	7,841	9,434	454	2,725	2,631	(106)	94(19)	1,976	11,854	11,644	159	52
1951, total	15,300	8,788	421	5,047	4,831	(182)	216(33)	1,954	23,451	22,964	366	120
1st half	6,964	9,094	442	2,650	2,504	(83)	146(18)	2,007	12,041	11,767	194	79
Last half	8,336	8,788	400	2,397	2,327	(99)	70(15)	1,902	[4] 11,410	11,197	172	41

[1] Each individual received also a building loan.
[2] Figures shown without parentheses indicate number of individuals who received a repair grant only. Figures shown in parentheses indicate number of individuals who received both a repair grant and a building loan.
[3] The Farm Housing Program was authorized under PL 171 on July 15, 1949, but all 1949 data are included in 1950.
[4] Funds authorized for loans and grants during the fiscal year ending June 30, 1952, total $21,087,000.

Source: U. S. Department of Agriculture, Farmers Home Administration.

TABLE 19.—*Analysis of effect on budgetary expenditures from operation of housing programs* [1]

[Thousands of dollars]

	Actual 1951	Estimate 1952	Estimate 1953
Expenditures versus special sources of funds			
Funds expended:			
Purchase of mortgages (net)	523, 246	573, 400	100, 464
Loans (net)	67, 547	159, 003	−17, 211
Acquisition of collateral on insurance claims	51, 986	63, 994	62, 429
Construction of housing and community facilities	2, 315	15, 250	21, 919
Annual contributions to low-rent housing	6, 720	10, 000	36, 000
Administrative expenses	26, 027	26, 685	30, 440
Other expenses	50, 695	50, 572	40, 861
Total	728, 536	898, 904	274, 902
Special sources of funds:			
Insurance fees and premiums	57, 515	66, 188	79, 155
Interest earnings	40, 095	52, 786	61, 921
Net receipts from management of real estate	32, 841	34, 831	32, 571
Net receipts from disposition of property	21, 843	64, 503	54, 332
Other available funds	[2] 114, 908	16, 292	17, 456
Total	267, 202	234, 600	245, 435
Net budgetary expenditures	461, 334	664, 304	29, 467
Financing transactions involving the U. S. Treasury			
Funds provided by:			
Borrowings (net)	580, 799	705, 932	24, 300
Appropriations, current	52, 425	50, 671	68, 445
Decrease in Treasury cash	15, 293	20, 925	4, 562
Total	648, 517	777, 528	97, 307
Funds applied to:			
Repayment of appropriations, retirement of capital, etc.	102, 595	54, 534	38, 633
Dividends to Treasury	13, 800	31, 068	26, 757
Investment of insurance reserves in Government bonds	33, 819	24, 428	2, 450
Increase in Treasury cash	36, 969	3, 194	---------
Total	187, 183	113, 224	67, 840
Net budgetary expenditures	461, 334	664, 304	29, 467

[1] Excludes FHA Mutual Mortgage Insurance Fund which is classified as a trust fund, and amounts received directly by the Treasury such as repayments on Public Works, Advance Planning and disposition of War Public Works.

[2] Principally borrowings from RFC by FNMA prior to transfer, on September 7, 1950; repaid in purchase-type transfer of corporation.

Source: Housing and Home Finance Agency.

TABLE 20.—*Consolidated report of Lanham Act and related housing funds, Dec. 31, 1951*

Funds	Available funds	Allotments	Obligations	Expenditures	Unallotted balance
Housing and Home Finance Agency funds:					
Public Law 849—Lanham:					
Title I—Other than District of Columbia	$1,454,628,729.36	$1,454,460,785.16	$1,454,147,108.42	$1,454,116,621.57	$167,944.20
Title IV—District of Columbia	11,306,795.83	11,306,795.83	11,306,795.83	11,306,795.83	
Title V—Veterans Housing	438,684,166.26	438,684,166.26	437,861,068.54	437,601,719.47	
Public Law 256—Veterans Reuse	22,812,407.81	22,812,407.81	22,812,407.81	22,812,407.81	
Public Law 375—Temporary Housing	7,217,937.13	7,217,937.13	7,217,937.13	7,217,937.13	
Public Law 9—Temporary Shelter [1]	309,002,509.07	308,981,102.87	308,981,102.87	308,981,102.87	21,406.20
Public Law 781—Army-Navy Appropriation	54,614,892.95	54,614,892.95	54,614,892.95	54,614,892.95	
Total	2,298,267,438.41	2,298,078,088.01	2,296,941,313.55	2,296,651,477.63	189,350.40

[1] These figures contain working paper adjustments.

Source: Housing and Home Finance Agency.

Appendix B

EXECUTIVE MESSAGES AND FEDERAL AND STATE LEGISLATION AFFECTING HOUSING IN 1951

A. Executive Messages

The President's messages to Congress during 1951 were principally directed toward action necessary for mobilization for defense. Housing and community facilities and services were named as programs contributing to the national strength. Special legislation was requested for housing of defense workers and for additional aid to community facilities and services in defense production centers. Reference was made to the record production of housing in 1950, half of which was financed with Federal guarantees or insurance, and the progress made since World War II toward achieving adequate housing and community facilities for the people of the country. However, the President informed Congress that in order to conserve materials for the most urgent defense purposes and to reduce inflationary pressures on construction costs, steps had been taken to reduce residential construction sharply in 1951 and to adapt housing and community facilities programs to defense needs.

Housing of defense workers was 1 of 10 main subjects listed by the President in his State of the Union Address [1] on January 8 on which legislation would be needed for mobilization for defense.

In the Economic Report of the President [2] transmitted to the Congress on January 12, the President told the Congress that existing housing and community facilities and services programs were being modified and construction shifted to defense areas. It was clear, he said, that special legislation would be needed to provide housing and community facilities and services for defense workers in areas where adequate quarters for defense workers were not available. Encouragement of private construction of rental housing would be needed, and, where private enterprise is unable to handle the job, publicly financed construction of housing and related facilities would be needed, as well as additional aid to community facilities and services in defense production centers. The President, in discussing efforts made by the Government to stabilize the cost of living and hold down inflation, named housing credit controls as one of the controls to help hold down inflation. Multifamily housing was being brought under Regulation X which governed housing credit, he told the Congress, and, as the detailed requirements for the defense program and other vital purposes became clearer, it might be necessary to make further changes in Regulation X and other controls. He recommended that the authority to control housing credit through Regulation X should be enlarged by the Congress to include credit for the purchase of existing homes.

The President's Budget Message,[3] transmitted to Congress on January 15, 1951, named housing and community development as one of the categories of budget

[1] H. R. Doc. 1, 82d Cong., 1st sess. (1951).
[2] H. R. Doc. 30, 82d Cong., 1st sess (1951).
[3] H. R. Doc. 17, 82d Cong., 1st sess. (1951).

expenditures which contributes to the national strength. The President told Congress that in the years since World War II a good start had been made toward achieving adequate housing and community facilities. He reported the record number of 1,350,000 housing units which had been produced in 1950 and told the Congress that about half of this new housing was financed with mortgages insured or guaranteed by the Federal Government. In order to conserve materials for defense purposes and to reduce inflationary pressures on construction costs, it had been necessary to take measures designed to reduce residential construction sharply in 1951. He named the following four revisions to meet defense needs, which had been made in the Federal Government's housing and community facilities programs: (1) limitations on housing credit; (2) the giving of top priority to military and defense-related housing and community facilities; (3) subject to defense priorities, special emphasis to housing for lower-income groups in accordance with the general objectives of national housing policy; and (4) Federal financial aids to assist in the construction of shelter and other facilities in critical target areas.

In many communities, even with existing Federal aids, local communities and private builders could not be expected to meet emergency requirements for housing and community essentials. This problem would be particularly acute where large defense installations are located in small communities or isolated areas. The Federal Government should have authority, the President recommended, as in World War II, to construct housing units and to make loans and grants for community facilities and services. The budget included estimated appropriations of $150,000,000 for such purposes and the necessary expansion of defense-related private housing aids.

The Budget Message also stated that changes had been made in the administration of the Federal National Mortgage Association which had sharply curtailed new purchases of mortgages by that Association. It was planned to return the secondary mortgage market provided by the Federal National Mortgage Association to a standby status.

The President predicted that the operations of the Home Owners' Loan Corporation would be completed in fiscal year 1952, and that in addition to the return of the Federal investment in the HOLC operations, an earned surplus of $14 million would be paid to the Treasury by HOLC. The construction of public housing would be limited by executive action to 75,000 units in fiscal year 1952 instead of the authorized annual number of 135,000. In addition, to make sure that the full defense potentialities were realized, the Public Housing Administration would give preference to projects serving defense areas.

Loans to educational institutions for college housing would be limited to $40,000,000 out of the $300,000,000 authorized by the Housing Act of 1950, and loans would only be made for such housing as would contribute to defense.

The urban redevelopment and slum clearance program would continue—especially the planning stages—but local authorities would not demolish existing buildings or otherwise redevelop areas unless the redevelopment was consistent with defense requirements. In addition, advances to States and local governments for public works planning had been suspended, the President reported, except when the projects involved defense-related or essential civilian requirements.

On April 26, 1951, the President sent a message[4] to Congress recommending the extension and strengthening of the Defense Production Act of 1950. The President told Congress that a good deal had been done since June 1950 to

[4] H. R. Doc. 118, 82d Cong., 1st sess. (1951).

curtail the expansion of real-estate credit. He stated that the credit control provisions of the Defense Production Act should be continued and that authority was needed to control credit terms on the sale of existing houses, as well as new ones. He also told Congress that the existing rent control law was inadequate and that new rent legislation was needed to provide effective control over both residential and commercial rents.

The President's Midyear Economic Report[5] to the Congress in July told Congress that the safety and welfare of the country required that the country drive ahead on the course of the defense program. The President stated that the legislative authority to impose real estate credit regulations should not be impaired and that the new rent control law under consideration by the Congress should be geared to the new needs of the defense effort.

On August 20, the President sent a report[6] to the Congress relative to the flood disaster in the Middle West of the United States giving estimates among other things, that 30,000 to 40,000 homes had been flooded, many of them beyond repair. The President requested an appropriation for flood relief, including funds to make and guarantee loans on liberal terms for the building of homes and businesses to replace those destroyed.

B. The Congress and Federal Legislation

1. General Summary

Most of the Federal legislation in 1951 affecting housing was aimed at enabling the Federal Government to contribute most effectively to the provision of the housing and community facilities and services necessary for defense mobilization, and at the curtailment of nondefense housing construction in order to keep the volume of such construction within the amount of materials available. The congressional action relating to housing and community facilities during the year 1951, which will be discussed in more detail following this General Summary, can be summarized briefly as follows:

The Defense Housing and Community Facilities and Services Act of 1951 provided Federal assistance for the provision of housing and community facilities and services essential for defense workers and military personnel in critical defense areas.

The Defense Production Act Amendments of 1951 continued and modified residential credit controls and continued the priorities and allocations powers. Both residential credit controls and the Controlled Materials Plan issued pursuant to the priorities and allocations powers were utilized to curtail housing construction and channel housing construction into critical defense housing areas.

Rent control, both nationally and in the District of Columbia, was modified and continued.

Special appropriations were made for disaster relief and the disaster relief act was amended to authorize specific aid to housing in disaster areas.

The Banking and Currency Committees of both Houses of Congress continued their studies and investigations of all problems relating to housing. Substandard housing and rent gouging of military personnel were investigated by a subcommittee of the Senate Committee on Armed Services, and two reports made on the miserable conditions the subcommittee found. Federal grants-in-aid programs were reviewed by a subcommittee to Study Intergovernmental Relations of the

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[5] H. R. Doc. 190, 82d Cong., 1st sess. (1951).

[6] H. R. Doc. 228, 82d Cong., 1st sess. (1951).

Senate Committee on Expenditures in the Executive Departments. The Joint Committee on the Economic Report continued study of credit controls and economic mobilization.

2. Defense Housing and Community Facilities and Services

The Defense Housing and Community Facilities and Services Act of 1951, Public Law 139, Eighty-second Congress, was approved September 1, 1951. The Act authorized Federal assistance for the provision of defense housing and community facilities and services in areas determined to be critical defense housing areas. The authorization for Federal aid expires June 30, 1953.

Title I of the Act sets forth the criteria for the determination of critical defense housing areas and contained provisions to assure that private enterprise shall be afforded full opportunity to provide the defense housing needed in the areas.

Mortgage Insurance for Defense Housing

Title II of Public Law 139 added a new Title IX to the National Housing Act providing a liberal FHA mortgage insurance program to assist private enterprise in providing defense housing. Title IX mortgage insurance aids shall be made available in critical defense housing areas for a period of not less than 90 days before the Federal Government shall construct any permanent housing in such an area. The Federal Government shall construct only such necessary defense housing as private builders or mortgagees have not within the 90-day period indicated that they will provide.

The FHA insurance authorization was increased by $1,500,000,000 in order to provide authorization for defense housing.

The termination date of the FHA Title VIII military housing insurance authorization was extended from July 1, 1951, to July 1, 1953.

Provision of Defense Housing and Community Facilities and Services

Where housing and community facilities and services cannot be provided in any other manner, the Housing and Home Finance Administrator was authorized by Title III of Public Law 139 to provide the necessary defense housing. The President was authorized to provide essential community facilities and services. Health facilities are to be provided by the Public Health Service. In addition, Federal loans and grants were authorized to assist local communities in the provision of community facilities and services in critical defense housing areas. The appropriation of $50 million was authorized for defense housing and $60 million for community facilities and services.

Isolated Defense Sites

The Housing and Home Finance Administrator was authorized by Title IV of Public Law 139 to acquire, clear, and improve sites for development in connection with isolated defense installations. These sites would be provided when housing or community facilities needed for such installation would not otherwise be provided when and where required, or there would otherwise be speculation or uneconomic use of land resources which would impair the efficiency of defense activities at the installation. A $10,000,000 revolving fund was authorized for Title IV purposes.

Prefabricated Housing for Defense

Title V of Public Law 139 added provisions to the Housing Act of 1948 authorizing a revolving fund of $15,000,000 for loans by the Housing and Home Finance

Administrator to assure the maintenance of industrial capacity for the production of prefabricated houses and housing components so that it may be available for defense purposes.

Secondary Market for Defense Housing Mortgages

Public Law 139 assisted in the provision of credit for defense housing by authorizing the Federal National Mortgage Association, up until December 31, 1951, to make advance commitments to purchase mortgages on defense housing. The authority for making advance commitments for this purpose, and for the purchase of disaster housing mortgages, was limited to $200,000,000. Prior to this provision FNMA was limited to the purchase of eligible mortgages which were insured or guaranteed at the time of purchase.

Residential Credit Restrictions Modified

Provisions were added to the Defense Production Act of 1950 limiting the amounts of downpayments and the length of terms of certain mortgages which can be required by the Federal Government's credit restrictions where the transaction price of the home does not exceed $12,000. It was also provided in Public Law 139 that residential credit restrictions are to be suspended in critical defense housing areas as to housing to be sold at $12,000 or less per unit or to be rented at $85 or less per unit per month if the housing has been programed for defense workers or military personnel. As to all other housing, the credit restrictions are required to be relaxed in critical defense housing areas in such manner and to the extent determined necessary.

Lanham Act Housing

Certain provisions were added to the Lanham Act by Public Law 139 in order to assist in the utilization of World War II Lanham Act housing for defense housing purposes. The President was authorized to extend certain time limits in the Lanham Act which had been originally enacted as part of a schedule for vacating and either disposing of or removing Lanham Act housing. In addition, increases in land rental payments were authorized where Lanham Act housing is located on leased land.

National Housing Council

The Secretary of Defense was added to the membership of the National Housing Council and, in view of the previous transfer of certain housing functions to HHFA, the Chairman of the Reconstruction Finance Corporation was removed from membership in the Council.

3. Community Facilities for Military Housing

Public Law 155, Eighty-second Congress, approved September 28, 1951, authorized funds for use by the military departments for the acquisition of land, installation of outside utilities, and site preparation for housing projects to be constructed under the FHA Title VIII military housing mortgage insurance program.

4. Housing Preferences for Defense Workers

The Defense Production Act Amendments of 1951, Public Law 96, Eighty-second Congress, approved July 31, 1951, added a provision to the Housing and Rent Act of 1947, as amended, authorizing exceptions for persons engaged in national defense activities from the provisions of that Act requiring preference or priority to veterans in the sale or rental of housing accommodations completed after June 30, 1947.

5. Control of Real Estate Credit

The Defense Production Act Amendments of 1951 (Public Law 96, 82d Cong., approved July 31, 1951) extended the termination date of the Defense Production Act of 1950 to June 30, 1952. The Defense Production Act had previously been extended for 30 days by Public Law 69, Eighty-second Congress, approved June 30, 1951. Title VI of the Defense Production Act authorizes the regulation of real estate construction credit.

Public Law 96 provided that for areas which the Secretary of Defense and the Director of Defense Mobilization jointly certify to the President as critical defense housing areas, the President could establish maximum rents for housing accommodations in such areas not then subject to rent control. When an area is certified as a critical defense housing area under this provision, Public Law 96 provided further that real estate credit controls shall be relaxed in that area to the extent necessary to encourage construction of housing for defense workers and military personnel and that rent controls shall not be established in such areas until such credit controls have been relaxed to the extent necessary in the determination of the President.

As noted previously in the discussion of the Defense Housing and Community Facilities and Services Act of 1951, that Act added provisions to the Defense Production Act of 1950 requiring the suspension or relaxation of residential credit restrictions on certain types of housing in the critical defense housing areas designated under the defense housing act. Also provisions were added by the defense housing act limiting the amounts of downpayments and the length of terms of certain mortgages which can be required by the Federal Government's credit restrictions where the transaction price of the home does not exceed $12,000. It was provided in Public Law 139 that residential credit restrictions are to be suspended in critical defense-housing areas as to housing to be sold at $12,000 or less per unit or to be rented at $85 or less per unit per month if the housing has been programed for defense workers or military personnel. As to all other housing, the credit restrictions are required to be relaxed in critical defense housing areas in such manner and to the extent determined necessary.

6. Priorities and Allocations—Limitations on Housing Construction

The extension of the provisions of the Defense Production Act of 1950, as amended, to June 30, 1952, by Public Law 96, Eighty-second Congress, approved July 31, 1951, also had the effect of extending the authority for priorities and allocations. Under the priorities and allocations powers and the controlled materials plan promulgated pursuant to these powers, limitations have been imposed by the National Production Authority on housing and community facilities construction. A 30-day interim extension of the Defense Production Act of 1950 was made by Public Law 69, Eighty-second Congress, approved June 30, 1951.

7. Low-Rent Public Housing

The Independent Offices Appropriation Act, 1952, Public Law 137, Eighty-second Congress, approved August 31, provided that the Public Housing Administration should not authorize the commencement of construction during fiscal 1952 of more than 50,000 low-rent public housing units. In addition, this Act prohibited authorization by PHA of the construction of any projects in any locality where such projects have been or may be rejected by the governing body or by referendum unless such projects have been subsequently approved by the same procedure through which the rejection was expressed.

8. Prefabricated Housing

The Independent Offices Appropriation Act, 1952, provided that after August 31, 1951, no additional prefabricated housing loans should be made by the Housing and Home Finance Administrator under authority previously transferred to him from the Reconstruction Finance Corporation pursuant to Reorganization Plan No. 23 of 1950 unless the Administrator shall have determined that the loan is in the interest of the Government in the furtherance of any existing loan or for the refinancing of any existing loan. However, the Defense Housing and Community Facilities and Services Act of 1951, Public Law 139, approved September 1, 1951, authorized a new revolving fund of $15,000,000 for loans by the Housing and Home Finance Administrator to assure the maintenance of industrial capacity for the production of prefabricated houses and housing components. A section was added to the Housing Act of 1948 containing the foregoing additional authority. This new authorization was for the purpose of making the resources of the prefabricated housing industry available for defense housing needs. No such loans may be made after June 30, 1953, however, except pursuant to commitments issued before that date, or to refinance an existing loan.

9. Alaska Housing

The Housing and Home Finance Administrator was provided an additional $3,875,000 for Alaska housing loans pursuant to the Alaska Housing Act, Public Law 52, Eighty-first Congress. The appropriation was contained in the Supplemental Appropriation Act, 1952, Public Law 253, Eighty-second Congress, approved November 1, 1951. Under the Alaska Housing Act the Federal Housing Administration was authorized to increase the maximum mortgage amount limitations for mortgage insurance in Alaska up to one-third in order to allow for higher construction costs. The defense housing act, Public Law 139, Eighty-second Congress, amended the National Housing Act to permit increases up to one-half instead of one-third.

10. GI Loans

The home loan provisions of the Servicemen's Readjustment Act of 1944 were amended by the defense housing act (Public Law 139, 82d Cong.). First, veterans, who had availed themselves of the loan guaranty provisions of the Servicemen's Readjustment Act of 1944 prior to April 20, 1950, when the maximum amount of guaranty was raised from $4,000 to $7,500,[7] are allowed under the provisions of the defense housing act to get the benefit of the increase in guaranty for the purchase of a home. The defense housing act provided that the maximum amount of $7,500 loan guaranty shall be decreased in such an instance by the amount with which the veteran's entitlement for real estate purposes is chargeable on account of prior loans.

The Veterans' Administration's authority to make direct home loans to veterans was extended by Public Law 139 for 2 years to July 1, 1953. The appropriation of $150,000,000 for direct loans previously made available until July 1, 1951, was made a revolving fund available until July 1, 1953. In addition, direct

[7] The increase was authorized by the amendment to the Servicemen's Readjustment Act contained in the Housing Act of 1950, Public Law 475, 81st Cong.

loans made by the VA and sold to private lenders were authorized to be guaranteed upon the same terms and conditions as if they had originally been made by private lenders.

11. Advance Planning of Public Works

An appropriation of $550,000 was provided for loans or advances to local public agencies for advance planning of public works by the Independent Offices Appropriation Act, 1952, Public Law 137, Eighty-second Congress, approved August 31, 1951. The same appropriation act, however, rescinded previous contract authorizations for such loans or advances by $13,100,000. Further, pursuant to the provisions of Section 1214 of the General Appropriation Act, 1951 (Public Law 759, 81st Cong.), $15,000,000 of the contract authorization was placed in reserve as a proposed rescission. This rescission was enacted into law by the Supplemental Appropriation Act, 1952, Public Law 253, Eighty-second Congress, approved November 1, 1951.

12. Disaster Relief

The provision of temporary housing or emergency shelter in the case of major disasters was specifically authorized by an amendment to Public Law 875, Eighty-first Congress, which was contained in Public Law 107, Eighty-second Congress, approved August 3, 1951. Public Law 107 also added a provision to Section 8 (b) of the National Housing Act to assure Section 8 (b) FHA mortgage insurance for housing being constructed or reconstructed as a result of disaster damage.

Appropriations for disaster relief were contained in Public Law 80, Eighty-second Congress, approved July 18, 1951—$25,000,000; The Independent Offices Appropriation Act, 1952, Public Law 137, Eighty-second Congress, approved August 31, 1951—$800,000; and The Flood Rehabilitation Act, 1952, Public Law 202, Eighty-second Congress, approved October 24, 1951—$5,000,000.

Disaster housing credit was assisted by the authorization to the Federal National Mortgage Association contained in Public Law 139, Eighty-second Congress, approved September 1, 1951, to make advance commitments up to December 31, 1951, to purchase mortgages on housing intended to be made available to disaster victims.

13. Preferences to Veterans of the Korean Conflict

The low-rent public housing act (the United States Housing Act of 1937), the World War II housing act (the Lanham Act), Public Law 65, Eighty-first Congress (the act relating to disposal of Greentown projects), and the FHA housing credit insurance act (the National Housing Act) were each amended by Public Law 214, Eighty-second Congress, approved October 26, 1951, to include veterans of the Korean conflict among the veterans given certain preferences by the terms of the Acts.

14. Tax Exemption of Savings and Loan Associations Terminated

The exemption of Federal savings and loan associations from certain Federal taxes was terminated by the Revenue Act of 1951, Public Law 183, Eighty-second Congress, approved October 20, 1951. The 1951 Revenue Act also amended other provisions of the Internal Revenue Code with respect to taxation of building and loan and savings and loan associations.

15. Cooperative Housing—Secondary Market for Section 213 FHA Mortgages

Public Law 243, Eighty-second Congress, approved October 30, 1951, authorized the Federal National Mortgage Association to make advance commitments not exceeding $30,000,000 outstanding at any one time, to purchase mortgages on cooperative housing for which FHA has issued, prior to June 29, 1951, commitments to insure pursuant to Section 213 of the National Housing Act.

16. Disposition of Lanham Act World War II Housing

Section 604 of the Lanham Act was amended by Public Law 68, Eighty-second Congress, approved June 30, 1951, to substitute the date "August 15, 1951" for "July 1, 1951." This amendment had the effect of extending to August 15, the date beyond which, under Section 604, vacancies in certain temporary Lanham Act housing were not to be filled. The defense housing act, Public Law 139, Eighty-second Congress, approved September 1, 1951, authorized the President to extend dates prescribed in Title VI of the Lanham Act, as amended, for vacating and removing or disposing of certain temporary war and veterans' housing projects. By Executive Order 10284, issued September 1, 1951, the President, pursuant to these provisions, extended certain of these dates for 1 year.

17. Rent Control

The provisions of the Housing and Rent Act of 1947, as amended, were extended from March 31, 1951, to June 30, 1951, by Public Law 8, Eighty-second Congress, approved March 23, 1951. A further 1-month extension of rent control was made by Public Law 69, approved June 30, 1951. The Defense Production Act Amendments of 1951, Public Law 96, approved July 31, 1951, again amended and extended rent control until June 30, 1952. The Housing and Rent Act of 1947 was amended by Public Law 96 to provide that the President should administer rent control through the Economic Stabilization Agency. The Office of the Housing Expediter, previously in charge of rent control, was ordered to be terminated by the President. Public Law 96 provided further that whenever the Secretary of Defense and the Director of Defense Mobilization jointly certified to the President that any area is a critical defense housing area the President should establish maximum rents for housing accommodations not then subject to rent control in such areas as in his judgment would be fair and equitable. It was provided further that when an area is certified to be a critical defense housing area real estate credit controls should be relaxed to the extent necessary to encourage construction of housing for defense workers and military personnel and that rent controls should not be established in such areas until such credit controls have been relaxed to the extent necessary in the determination of the President.

The District of Columbia Emergency Rent Act, as amended, was extended from March 31, 1951, to June 30, 1951, by Public Law 10, approved March 23, 1951, and again extended with amendments to June 30, 1952, by Public Law 63, approved June 30, 1951.

18. Appropriations for Defense Housing and Community Facilities

The first appropriations pursuant to the authorizations contained in the Defense Housing and Community Facilities and Services Act of 1951, Public Law 139, Eighty-second Congress, were contained in the Second Supplemental Appropriation Act, 1952, Public Law 254, Eighty-second Congress, approved November 1, 1951. Public Law 254 appropriated to the Office of the Administrator of

HHFA $25,000,000 for the provision of defense housing, $11,250,000 for defense community facilities and services, and $6,250,000 as a revolving fund for the development of isolated defense sites.

Four million dollars were also appropriated by Public Law 254 to the Federal Security Agency for defense community facilities and services.

19. Administrative Expense Appropriations

Temporary appropriations were contained in Public Laws 70, 97, 132, and 156, Eighty-second Congress, approved July 1, 1951, July 31, 1951, August 29, 1951, and October 30, 1951, respectively.

The Independent Offices Appropriation Act, 1952, Public Law 137, approved August 31, 1951, contained general administrative expense appropriations for the Office of the Administrator and the constituent agencies of the Housing and Home Finance Agency.

Funds in the amount of $700,000 were provided to the Office of the Administrator, HHFA for salaries and expenses of defense production activities pursuant to the Defense Production Act of 1950 by Public Law 253, Eighty-second Congress, approved November 1, 1951, the Supplemental Appropriation Act, 1952.

The Second Supplemental Appropriation Act, 1952, Public Law 254, Eighty-second Congress, approved November 1, 1951, appropriated funds to the Office of the Administrator for salaries and expenses under Title I of the defense housing act, and increased administrative expenses of the Office of the Administrator for prefabricated housing, the Federal National Mortgage Association, and the Federal Housing Administration. Public Law 254 also provided that the National Defense Housing Insurance Fund established by the new Title IX of the National Housing Act as added by the defense housing act should be available for the administrative expenses of the Federal Housing Administration.

20. Reductions in Appropriations

The contract authorization of the Housing Administrator for advance planning of public works was reduced by $13,100,000 by the Independent Offices Appropriation Act, 1952, Public Law 137, Eighty-second Congress, approved August 31, 1951. This contract authorization was further reduced by $15,000,000 being placed in reserve by HHFA as a proposed rescission pursuant to the provisions of Section 1214 of the General Appropriation Act, 1951 (Public Law 759, 81st Cong.). This $15,000,000 rescission was enacted into law by the Supplemental Appropriation Act, 1952, Public Law 253, Eighty-second Congress, approved November 1, 1951.

In addition, the 1951 appropriations to the Housing Administrator for salaries and expenses were reduced by $100,000 and the 1951 Public Housing Administration administrative expense funds were reduced by $300,000 pursuant to Section 1214 of the 1951 General Appropriation Act. Public Law 253, Eighty-second Congress enacted these rescissions into law.

21. Housing Investigations

S. Res. 64, adopted February 19, 1951, authorized the Senate Banking and Currency Committee to study and investigate problems relating to credit generally and construction of housing in the national emergency, including permanent and temporary defense housing.

The Committee on Banking and Currency, House of Representatives, was authorized by H. Res. 436, adopted October 8, 1951, to conduct studies and investigations relating to matters within its jurisdiction, which includes housing.

The Joint Committee on the Economic Report continued its study of general credit controls, debt management, and economic mobilization. On August 15, 1951, the Committee submitted its report entitled "Inflation Still a Danger." [8]

Pursuant to S. Res. 18 the Preparedness Subcommittee of the Committee on Armed Services, United States Senate made two reports [9] on substandard housing and rent gouging of military personnel.

A report of a review of the Federal Grant-in-aid programs for the fiscal year 1950 made by the Subcommittee to Study Intergovernmental Relations of the Committee on Expenditures in the Executive Departments, United States Senate, was filed in February 1951.[10] The Subcommittee stated that Federal grants-in-aid have become an integral part of the fabric of our Government and that without them State and local governments would find it extremely difficult to render customary services to their citizens. Without Federal grants-in-aid, both State and local government would find it necessary either to further increase existing taxes, or to enter new fields of taxation, the report concluded.

A subcommittee of the Committee on Expenditures in the Executive Departments, House of Representatives, visited the flood-stricken areas of Kansas and Missouri and on August 1, 1951, the Committee made a report [11] concerning the necessity for appropriate Federal action to prevent similar disasters.

C. State and Territorial Legislation in 1951

The legislatures of 46 of the 48 States, as well as those of Alaska, Hawaii, Puerto Rico, and the Virgin Islands met in either regular or special session in 1951. Legislation affecting housing was enacted by over three-fourths of these legislatures.

Low-Rent Public Housing

Georgia, Hawaii, Minnesota, and Nevada changed their tenant eligibility requirements for admission to low-rent projects to expressly follow the recent Federal provisions as contained in the Housing Act of 1949.

The housing authorities laws in Georgia, Hawaii, Nevada, and Puerto Rico were amended to specifically authorize any housing authority having rural areas within its jurisdictions to undertake the provision of housing for persons of low income within such area.

The laws of Hawaii, Nevada, and Puerto Rico were also amended to specifically permit compliance with Federal requirements relating to the determination or payment of prevailing salaries or wage rates.

Provisions in the statutes of Alabama, Georgia, Hawaii, Minnesota, and Nevada, relating to the interest of housing authority commissioners were clarified.

New York created seven new housing authorities in Cortland, Herkimer, Little Falls, Newburgh, Plattsburg, Rensselaer, and Saratoga Springs and extended the life of another one in Freeport. New York also enacted several amendments to its Public Housing Law.

Maine specifically provided for tax exemption of housing authority property.

California codified its Housing Authorities Law as well as certain other housing laws.

Georgia, Hawaii, Maine, Minnesota, and Nevada made provision for veterans' preference in admission to low-rent housing projects.

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[8] Sen. Rept. No. 644, 82d Cong. (1951).
[9] Committee Prints.
[10] Sen. Rept. No. 94, 82d Cong. (1951).
[11] House Rept. No. 779, 82d Cong. (1951).

Slum Clearance and Urban Redevelopment

Seven States (making a total of 34 States, 4 Territories and the District of Columbia) enacted new legislation authorizing the undertaking of slum clearance and urban redevelopment projects by local public agencies. In Delaware, Missouri, and West Virginia the new enactments authorized the undertaking of such projects by newly created redevelopment agencies, local housing authorities, or by the communities themselves, at the election of the local governing bodies. The Alaska statute granted additional redevelopment powers to the Alaska housing authority and the Nebraska law, which is limited in its operations to the city of Omaha, placed redevelopment functions in the housing authority of that city. The legislation in Kansas, North Carolina, and Maine provided for redevelopment activities by newly created redevelopment agencies and in the latter State is limited in its operation to the city of Portland. The Kansas statute which was limited in its operation to cities of more than 125,000 but less than 150,000 population was held unconstitutional by the State Supreme Court by reason of this limitation which was declared to be unreasonable.

During the year California amended and codified its Community Redevelopment Law, while Oregon repealed its statute and reenacted it with several changes. A number of other States enacted technical or clarifying amendments to their enabling legislation. While Texas has no State-wide enabling legislation, it may be noted that a new charter for the city of San Antonio, which was adopted in October 1951 under the home rule provision of the State Constitution, specifically included the undertaking of redevelopment projects as a legal municipal function.

Housing for Defense Workers

Connecticut, Minnesota, Nevada, and Rhode Island enacted new laws and Georgia, Maryland, New York, and South Carolina reenacted and extended former laws to permit local housing authorities to undertake the provision of housing for persons engaged in national defense activities. California provided that housing facilities acquired for veterans housing purposes pursuant to the Temporary and Emergency Housing Law may be used to house defense workers.

Planning, Zoning, and Building Code Legislation

Connecticut passed legislation revising its Planning Enabling Law. South Carolina authorized its counties, in which heavy in-migration was expected, to establish planning commissions and to provide for the enforcement of their regulations.

Florida authorized the commissioners of counties having a population of between 60,000 and 80,000 to adopt zoning and building regulations.

In addition to municipal action with respect to local building codes, which is not included in this report, several legislatures enacted State-wide legislation in this field.

California amended its Health and Safety Code to provide in certain cases that State building codes shall not be effective in cities having codes with equal or greater standards. Iowa prescribed procedures for muncipalities in passing or revising ordinances and building codes. New York enacted a building and sanitary code for dwellings of three or more families in all towns, villages, and in cities of less than 500,000. South Carolina authorized municipalities of over 5,000 to adopt the Southern Building Code. Tennessee authorized incorporated cities and towns to adopt codes by reference.

Other Housing Legislation

California, Connecticut, Massachusetts, New Jersey, New York, Ohio, and South Dakota extended existing laws which authorize the provision of housing for veterans and servicemen and their families. Arkansas, Kansas, and New Jersey authorized the acquisition of surplus housing from the Federal Government.

California has continued the Joint Committee on Community Redevelopment and Housing Problems, created in 1949, to study such problems with particular reference to State legislation supplementing Federal statutes. Hawaii and Nebraska revised their laws on condemnation procedure and New Jersey made its eminent domain statute applicable to redevelopment authorities.

Rent Control

Minnesota enacted a State rent control law to take effect upon the termination of Federal controls, and Connecticut, New York and Maryland extended their State rent control laws to 1953. At the same time, Maryland acted to terminate Federal controls in Carroll County, while Kansas declared that Federal controls were no longer necessary in certain counties and also authorized the establishment of local rent control by municipalities with the approval of the Governor.

Summary of Laws Enacted in the States and Territories in 1951

Alabama.—Act No. 776, Acts of 1951 (S. 499), approved September 11, 1951, amended the housing authorities law to exempt banks, an officer, stockholder, or employee of which is a housing authority commissioner, from prohibitions on serving as depositories or fiscal agents of authorities; and, subject to certain conditions, to permit housing authority commissioners of cities of less than 2,500 to enter into contracts for materials or services to be furnished in connection with a project. Act No. 193, Acts of 1951 (S. 252), approved July 9, 1951, repealed Sections 13 and 39 of the Housing Laws, which required the consent of the Department of Finance for the issuance of housing authority bonds. Act No. 194, Acts of 1951 (S. 277), approved July 10, 1951, abolished the Division of Local Finance, a division of the Department of Finance. Act No. 191, Acts of 1951 (S. 119), approved July 9, 1951, excepts bonds issued by any town, city, or municipality, or any agencies, bureaus, or commissions thereof from the law requiring the Department of Finance to consent to any issue of securities by various agencies.

Alaska.—Chapter 105, Laws of 1951 (H. 44), approved March 24, 1951, authorizes the Alaska Housing Authority to undertake slum clearance and urban redevelopment projects.

Arkansas.—Act No. 132, Acts of 1951 (S. 128), approved February 23, 1951, continues indefinitely the provisions of the act authorizing acquisitions by counties and municipalities of surplus housing from Federal Government.

California.—Chapter 710, Laws of 1951 (S. 1031), approved May 28, 1951, added a new Division 24 to the Health and Safety Code to incorporate therein the Community Redevelopment Act, the Housing Authorities Law, the Housing Cooperation Law, the Limited Dividend Housing Corporation Law, and the Community Land Chest Law. Chapter 1411, Laws of 1951 (A. 634), approved July 9, 1951, amended the Community Redevelopment Law to authorize redevelopment agencies to make payments in lieu of taxes and to provide for the collection and distribution of taxes levied on taxable properties of redevelopment agencies. Chapter 1686, Laws of 1951 (S. 1474), approved July 23, 1951, amended the Community Redevelopment Law to authorize any agency owning property in a redevelopment project to make payments in lieu of taxes. Chapter 1057, Laws of 1951 (A. 2229), approved June 13, 1951, amended the Community Redevelopment Law relative to the inclusion of contiguous redevelopment areas located in more than one community in a single redevelopment agency. Chapter 1624, Laws of 1951 (A. 2727), approved July 19, 1951, amended the Community Redevelopment Law with respect to the designation of redevelopment areas and the adoption of redevelopment plans. Chapter 619, Laws of 1951 (A. 1810), approved May 24, 1951, amended the Community Redevelopment Law to specifically provide for redevelopment agencies to determine employee benefits. Resolution Chapter 199, Laws of 1951 (ACA–55), filed June 23, 1951, proposes to amend the constitution to authorize the legislature to provide for the allocation of tax proceeds on property in redevelopment projects. Chapter 675, Laws of 1951 (A. 1743), approved May 25, 1951, validates the organization, acts, and bonds of all public bodies, including housing authorities, in existence previous to the effective date of this Act. SJR 3, adopted January 23, 1951, memoralized the President and the United States Congress to declare that an acute housing shortage exists in Solano County, California, which impedes the national defense activities and which cannot be alleviated without Federal assistance. Chapter 1644, Laws of 1951 (A. 1903), approved July 20, 1951, amended the Temporary and Emergency Housing Law to extend the availability of the appropriated monies until December 31, 1953; to define "defense workers"; and to authorize the leasing of housing facilities acquired pursuant to the Act to defense workers. SCR 11, adopted March 15, 1951, continues the Joint Legislative Committee on Community Redevelopment and Housing Problems created in 1949 to study such problems with particular reference to legislation supplementary to Federal legislation. Chapter 1285, Laws of 1951 (A. 3213), approved June 30, 1951, amended the Health and Safety Code to provide that under certain conditions, the State building codes shall not apply within cities having codes with equal or greater standards. Chapter 364, Laws of 1951 (A. 2386), approved May 5, 1951, established a Financial Code in lieu of the Banking Code and certain other acts relating to finance. Provisions are included for investment in housing authority bonds. Chapter 480, Laws of 1951 (A. 898), approved May 15, 1951, amended the Financial Code relative to the investments of banks in bonds issued by local public housing agencies, and for other purposes. Chapter 174, Laws of 1951 (A. 768), approved April 27, 1951, amended the Government Code relating to exemption from filing fees to provide that the exemption shall not apply to housing authorities.

Colorado.—Chapter 195, Laws of 1951 (S. 283), approved March 28, 1951, provides for the creation of county housing authorities for the purpose of acquiring and operating Federal farm labor camps and facilities.

Connecticut.—Act No. 283, Acts of 1951 (S. 647), approved June 14, 1951, amended the Redevelopment Law to authorize the redevelopment agency to initiate redevelopment plans. Special Act No. 409, Acts of 1951 (H. 1744), approved July 10, 1951, authorizes the city of Waterbury to establish a redevelopment fund and to issue bonds for the purpose of carrying out any activities under the Redevelopment Act. Act No. 351, Acts of 1951 (S. 844), approved June 29, 1951, authorizes housing authorities to undertake the development and administration of housing projects for persons engaged in national defense activities. Act No. 366, Acts of 1951 (S. 871), approved June 29, 1951, amended the housing authorities act to provide for the power to subpoena in connection with the removal of housing commissioners. Act No. 4, Acts of 1951 (H. 1410), approved April 18, 1951, amended the act providing for temporary housing for veterans to continue the provisions of that act to May 22, 1953. S. 759, approved May 28, 1951, continues until 1953 certain provisions of Act No. 10, Special Session of March 1950, which provides for state rent control upon the termination of Federal rent control. Act No. 178, Acts of 1951 (S. 635), approved June 27, 1951, amended the housing authorities act to expand the state moderate rental program and transferred to the public works commissioner certain functions in connection with that program. Act No. 321, Acts of 1951 (S. 654), approved June 14, 1951, revised generally the Planning Enabling Law. Special Act No. 469, Acts of 1951 (H. 71), approved July 5, 1951, creates a town planning commission for Greenwich.

Delaware.—Chapter 345, Laws of 1951 (S. 378), approved June 8, 1951, creates Municipal and County Slum Clearance and Redevelopment Authorities to acquire slum and blighted areas for development or redevelopment purposes. Provides that the powers, functions, and duties defined in the Act may (upon approval of the local governing body) be exercised by the community itself or by the local housing authority. Chapter 339, Laws of 1951 (S. 328), approved June 8, 1951, amended the Housing Authority Law to authorize the State Board of Housing to extend the area of operation of a municipal housing authority beyond its corporate limits and to authorize the Governor to appoint a nonresident of the municipality as a commissioner of such housing authority. Chapter 117, Laws of 1951 (S. 329), approved May 18, 1951, amended the Housing Authority Law to define "slum" and "persons of low income," and to redefine "housing project." Chapter 338, Laws of 1951 (S. 288), approved June 8, 1951, amended the State Housing Act to change the experience qualifications of members of the State Housing Board, and to provide for the election of a secretary from among the board members.

Florida.—S. 230, which became law without approval June 11, 1951, amended the Redevelopment Law to make that law operative in municipalities having a population over 11,000 (instead of 14,000) according to the last official census. H. 1526, which became law without approval June 11, 1951, authorizes the commissioners of counties having between 60,000 and 80,000 population to adopt zoning and building regulations.

Georgia.—Governor's Act No. 443, Acts of 1951 (H. 251), approved February 21, 1951, amended the Redevelopment Law to clarify the authority of housing authorities to acquire blighted and other land for redevelopment and to clarify the status as legal investments of bonds issued under this law. Governor's Act No. 190, Acts of 1951 (H. 250), approved February 19, 1951, amended the Housing Authorities Law to redefine "area of operation," to specifically permit compliance with Federal requirements with respect to rural housing and tenant selection and preferences; to provide for agreements to secure Federal contributions; and to clarify provisions relating to interested commissioners and employees. Governor's Act No. 408, Acts of 1951 (H. 383), approved February 21, 1951, amended the Housing Authorities Law to provide that housing commissioners may be appointed by the governing body if the Mayor fails to act within 30 days. Governor's Act No. 405, Acts of 1951 (H. 549), approved February 21, 1951, amended the law authorizing housing authorities to undertake war housing projects, to authorize housing authorities to undertake housing for persons engaged in national defense activities and to authorize the development of any such housing projects during a period of war or national emergency declared by the President or the Congress. Governor's Act No. 161, Acts of 1951 (H. 249), approved February 19, 1951, amended the Housing Cooperation Law to provide for agreements of state public bodies to inure to the benefit of a public body or governmental agency holding title to or possession of a project. Governor's Act

No. 126, Acts of 1951 (H. 253), approved February 14, 1951, validated and declared legal in all respects the creation and establishment of housing authorities, and all bonds, notes, contracts, agreements, obligations and undertakings of said housing authorities. Governor's Act No. 377, Acts of 1951 (S. 170), approved February 21, 1951, establishes a metropolitan planning district for Fulton and De Kalb Counties.

Hawaii.—Act No. 244, Laws of 1951 (S. 136), approved May 28, 1951, authorizes redevelopment agencies to acquire undeveloped vacant areas by eminent domain, issue bonds and enter into agreements to secure other financial aid or contributions. Act No. 134, Laws of 1951 (H. 825), approved May 21, 1951, amended the Housing Authority Law to redefine "housing project"; to clarify provisions relating to interested commissioners; to specifically permit compliance with Federal requirements with respect to minimum wages, tenant selection and preferences, and rural housing; to provide that the bonds of any housing authority shall be legal investments and authorized security for public deposits; and to provide for agreements to secure Federal contributions. Act No. 235, Laws of 1951 (S. 457), approved May 28, 1951, repeals the authorization of 1949, which permitted the Territory to make loans to the Housing Authority in order to complete the Lanakila and Mayor Wright projects. Act No. 122, Laws of 1951 (H. 819), approved May 19, 1951, amended the cooperation law to provide that provisions of any agreement made between Territorial agencies and the Housing Authority shall inure to the benefit of any public body or governmental agency taking title to, or possession of, any housing project. Act No. 12, Laws of 1951 (S. 540), approved May 1, 1951, amends the laws relating to eminent domain generally to restate and to clarify condemnation procedure. Act No. 236, Laws of 1951 (S. 514), approved May 28, 1951, authorizes the Hawaii Housing Authority to expend up to $600,000 of the funds appropriated in 1949 for housing purposes for the Lanakila and Mayor Wright projects.

Illinois.—S. 215, approved July 9, 1951, amended the "Blighted Areas Redevelopment Act of 1947" to provide for the disposition of any funds derived from state grants held by a Land Clearance Commission in the event of the dissolution of such Commission.

Indiana.—Chapter 52, Acts of 1951 (H. 203), approved February 23, 1951, authorizes the commissioners of the redèvelopment departments created by the Redevelopment Act of 1945 to borrow money and accept aid from the Federal Government and to carry out other related functions.

Iowa.—S. 33, approved April 30, 1951, prescribes the procedure to be followed by municipal corporations in passing or revising ordinances and building codes.

Kansas.—S. 281, approved March 31, 1951, amended the Urban Redevelopment Law to create public redevelopment authorities in cities of a certain specified population. S. 129, approved March 31, 1951, declares Federal rent control no longer necessary in the State of Kansas except in certain counties, and authorizes city governments to establish rent control with the approval of the Governor. H. 186, approved March 20, 1951, authorizes any city to acquire Federal emergency housing projects and to operate or dispose of them in the best interests of the city.

Maine.—Chapter 217, Public Laws of 1951 (H. 1228), approved May 21, 1951, creates (subject to referendum on December 3, 1951) the Portland Slum Clearance and Redevelopment Authority for the purpose of clearing blighted areas and undertaking redevelopment projects. Land may not be retained for public housing. Chapter 390, Public Laws of 1951 (H. 159), approved May 19, 1951, amended the Housing Authorities Act to include tenant preference provisions as contained in the Housing Act of 1949; to provide specifically for tax exemption of property of an authority; and to prohibit housing authorities from entering contracts with the Federal Government unless approved by the governing body of the city or annual meeting of the town prior to April 1, 1951. S. 271, approved April 6, 1951, authorizes the Housing Authority of Presque Isle to acquire and maintain the housing projects known as Braden Terrace and Fairview Acres for any purpose permitted in the transfer agreement between it and the Federal Public Housing Authority.

Maryland.—Chapter 637, Laws of 1951 (H. 345), approved April 30, 1951, amended the Housing Authorities Law to extend to June 1, 1955, the time within which housing authorities may initiate defense housing projects, and to authorize housing authorities in undertaking defense housing projects to utilize all powers conferred upon them in connection with slum clearance and low rent housing projects. Chapter 572, Laws of 1951 (H. 441), approved April 27, 1951, amended the Housing Rent Control Act to continue the provisions of the Act until June 1, 1953. Chapter 351, laws of 1951 (S. 457), approved April 13, 1951, declares that Federal Rent Control is no longer necessary in Carroll County. Chapter 195, Laws of 1951 (H. 338), approved March 24, 1951, amended the Investments Law to provide that bonds and other obligations issued by a public housing authority shall be authorized security for all public deposits and fully negotiable in the State. Chapter 390, Laws of 1951 (H. 447), approved April 13, 1951, authorizes the city of Cumberland to accept an advance from HHFA for the preparation of plans for a Sewage Disposal and Treatment System for the City.

Massachusetts.—Chapter 441, Laws of 1951 (H. 2472), approved June 28, 1951, amended the Housing Authority Law and the Veteran's Housing Law (Acts of 1946, C. 372) to redefine "veteran" to include any person serving in the active military or naval forces of the United States under the flag of the United Nations on or after June 25, 1950. Chapter 322, Laws of 1951 (H. 2459), approved May 19, 1951, amended the Housing Authority Law to define the term "Mayor" for the purposes of that law. Chapter 313, Laws of 1951 (S. 618), approved May 14, 1951, amended the Housing Authority Law to authorize housing authorities in determining net income with respect to State-aided projects to exclude certain disability compensation paid to veterans by the United States. Chapter 456, Laws of 1951 (S. 672), approved June 30, 1951, amended the Housing Authority Law to require housing authorities, in connection with State-aided projects, to create and maintain reserve funds sufficient to meet the largest principal and interest payments due on bonds in any 1 year. Chapter 523, Laws of 1951 (H. 1373), approved July 21, 1951, extends for 1 year (from May 23, 1951) the period during which cities and towns may provide housing for veterans of World War II under chapter 372, of the Acts of 1946. Chapter 378, Laws of 1951 (S. 661), approved June 12, 1951, authorizes the conveyance of certain land to the Lawrence Housing Authority for veterans' housing projects. Chapter 381, Laws of 1951 (H. 847), approved June 12, 1951, redefines the period of present emergency to extend the existence of the emergency housing commission for 1 year.

Michigan.—Public Act No. 188, Acts of 1951 (H. 337), approved June 8, 1951, provides for the appropriation of $50,000 for grants in aid on a matching basis to regional planning commissions.

Minnesota.—Chapter 568, Laws of 1951 (H. 265), approved April 20, 1951, amended the Municipal Housing and Redevelopment Act to require municipal approval by resolution of any low-rent housing project and to authorize the governing body, by majority vote, to submit the question of approving the project to the voters. Any right to initiate a referendum pursuant to municipal home rule charters is not to be affected. This law also changes the tenant eligibility requirements to conform to the Housing Act of 1949; permits deposit of authority funds in a bank where a commissioner has an interest; and amends the redevelopment provisions of the law in various respects. Chapter 32, Laws of 1951 (H. 689), approved March 1, 1951, amended the Municipal Housing and Redevelopment Act to extend the definition of "Veterans" to include World War I as well as World War II veterans and to authorize local authorities to include in any contract with the Federal Government provision for tenant preferences with respect to veterans and servicemen as may be required by the Federal Government. Chapter 647, Laws of 1951 (H. 232), approved April 21, 1951, authorizes any political subdivision or local governmental body upon prior approval of the state housing commission to act as agent for and cooperate with the Federal Government in providing defense housing. Chapter 399, Laws of 1951 (H. 40), approved April 16, 1951, enacts a State emergency rent control act, effective upon the termination of Federal rent control. The Act does not apply to accommodations constructed pursuant to state or local public housing laws.

Missouri.—S. 129, approved July 11, 1951, creates Land Clearance for Redevelopment Authorities to provide for the clearance of blighted areas for development or redevelopment purposes and provides that the powers, functions and duties defined in the Act may (upon approval of the local governing body) be exercised by the community itself or by the local housing authority. Chapter 353, Laws of 1951 (S. 130), approved July 11, 1951, amended the Urban Redevelopment Law to permit redevelopment authorities to acquire property from Land Clearance for Redevelopment Authorities.

Montana.—Chapter 41, Laws of 1951 (S. 36), approved February 19, 1951, authorizes local agencies, including housing authorities, to acquire and operate (until May 1, 1955), federally owned temporary war or veterans' housing. The projects are to be used to provide housing for veterans and servicemen and not subject to the rental and tenant selection provisions of the Housing Authority Law.

Nebraska.—LB 469, approved May 29, 1951, authorizes housing authorities of metropolitan cities to plan, undertake and carry out slum clearance and redevelopment projects. LB 91, approved April 12, 1951, amended the Housing Cooperation Law to provide that a state public body may not exercise any of the powers granted by the Act to aid or cooperate with a housing authority unless the proposition of entering into housing projects has been approved by a majority vote of the electors voting thereon at a general or special election. LB 525, approved May 21, 1951, amended the Housing Authorities Law for primary and first-class cities to authorize the mayor and members of the city council to be *ex officio* members of a housing authority if the city desires to take over certain military installations for housing projects; and authorizes authorities to operate under the provisions of Title II of the Housing Act of 1950. LB 146, approved May 21, 1951, amended numerous laws including the housing authorities laws to provide a uniform procedure for the condemnation of property for public use.

Nevada.—Chapter 9, Laws of 1951 (A. 10), approved February 14, 1951, amended the Housing Authorities Law to define "veteran" and "serviceman"; to clarify provisions relating to eminent domain and to interested commissioners and employees; to specifically permit compliance with Federal requirements with respect to rural housing, tenant selection and preferences and the determination of wage rates; to provide for agreements to secure Federal contributions; and to provide that cooperation agreements shall inure to the benefit of any agency holding title to or possession of a project. Chapter 286, Laws of 1951 (S. 150), approved March 22, 1951, authorizes housing authorities to undertake the development or administration of housing projects for persons engaged in national defense activities and authorizes state public bodies to cooperate with housing authorities or with the Federal Government for such purposes.

New Jersey.—Chapter 248, Laws of 1951 (A. 529), approved June 19, 1951, amended the Blighted Area Act to redefine the term "blighted area." Chapter 301, Laws of 1951 (A. 518), approved July 13, 1951, amended the Redevelopment Agencies Law to provide for annual estimates of income and expenses in connection with redevelopment projects. Chapter 150, Laws of 1951 (S. 248), approved June 1, 1951, amended the eminent domain act to extend to redevelopment agencies the provisions now applicable to housing authorities. Chapter 86, Laws of 1951 (A. 516), approved May 18, 1951, amended the law providing for redevelopment by housing authorities with respect to the powers of housing authorities to initiate redevelopment projects and to acquire real property for such projects. Chapter 300, Laws of 1951 (A. 517), approved July 13, 1951, amended the law providing for redevelopment by housing authorities to provide for annual estimates of income and expenses in connection with redevelopment projects. Chapter 87, Laws of 1951 (A. 519), approved May 18, 1951, amended the Redevelopment Agencies Law to authorize agencies to pay a service charge to a municipality in lieu of taxes for municipal services supplied to property managed and maintained by the agency prior to actual development or redevelopment. Chapter 116, Laws of 1951 (A. 533), approved May 29, 1951, authorizes counties to acquire from the Federal Government lands and other property in use as veterans' housing projects and to maintain such projects for housing for veterans of World War II and other persons. Chapter 20, Laws of 1951 (A. 15), approved April 2, 1951, amended the Veterans' Emergency Housing Law (P. L. 1946, c. 323) to extend the period of emergency for two additional years and to authorize any municipality, public corporation or agency to purchase housing constructed under the provisions of that Act from the State and to operate the same in accordance with the purposes of the act. Chapter 235, Laws of 1951 (A. 540), approved June 14, 1951, amended the State Housing Law of 1949 to authorize the State Public Housing and Development Authority to finance the purchase of veterans' housing projects by local authorities and other groups. Chapter 27, Laws of 1951 (A. 19), approved April 12, 1951, amended the State Housing Law of 1949 to include Korean servicemen in the definition of "veteran" and to continue the act to July 1, 1954. Chapter 234, Laws of 1951 (A. 539), approved June 14, 1951, amended the Limited-dividend Housing Corporations Law to authorize such corporations to acquire veterans' housing projects.

New York.—Chapter 403, Laws of 1951 (A. 1225), approved March 31, 1951, amended the Public Housing Law to continue until December 31, 1952, the provision that the maximum income-rent ratio for veterans for occupancy in low rent projects be seven to one (or eight to one), and extends this provision to apply to persons who served in the Armed Forces any time after June 25, 1950, and the families of such persons. These provisions remain subject to any contract with a government. Chapter 718, Laws of 1951 (A. 1364), approved April 11, 1951, amended the Public Housing Law to provide that income of all minors, instead of income of gainfully employed minors, shall be included in determining aggregate annual income for tenant eligibility purposes. Chapter 800, Laws of 1951 (A. 49), approved April 13, 1951, establishes a Division of Housing to be headed by the Commissioner of Housing, appointed pursuant to the provisions of the Public Housing Law. Chapter 404, Laws of 1951 (A. 494), approved March 31, 1951, amended the Public Housing Law to extend until July 1, 1952, the provision that the 2-year time limit for repaying temporary loans shall not apply to notes of housing authorities or renewals thereof or refunding notes. Chapter 114, Laws of 1951 (A. 907), approved March 19, 1951, amended the Public Housing Law to fix at 4 percent the maximum rate of interest which a housing authority may pay on a condemnation award or upon any judgment or accrued claim against the authority. Chapter 405, Laws of 1951 (A. 2403), approved March 31, 1951, amended the Public Housing Law to authorize public housing authorities until July 1, 1953, to undertake housing projects for persons of low income engaged in national defense activities. Projects are not subject to certain limitations in the public housing law, including those relating to tenant eligibility. Chapter 36, Laws of 1951 (A. 131), approved February 21, 1951, amended the emergency housing rent control law relative to the establishment of maximum rents. Chapter 443, Laws of 1951 (A. 3277), approved April 2, 1951, amends generally and continues until June 30, 1953, the Emergency Rent Control Law. Chapter 156, Laws of 1951 (A. 1297), approved March 21, 1951, continues until July 1, 1952, the commission created in 1948 to study rents and rental conditions. Chapter 88, Laws of 1951 (S. 235), approved March 15, 1951, amended the Public Housing Law to extend to July 1, 1954, provisions suspending building restrictions for, and time for disposition of, emergency housing projects. Chapter 386, Laws of 1951 (A. 2216), approved March 30, 1951, amended the Public Housing Law to authorize the state housing commissioner, subject to approval of the budget director, to convey any part of property acquired for emergency housing projects to public corporations, municipalities, educational institutions, etc. Chapter 111, Laws of 1951 (S. 632), approved March 19, 1951, amended the public housing law to limit the tax assessment on land sites acquired for a state housing project on which construction has been delayed because of a national emergency. Chapter 433, Laws of 1951 (A. 2078), approved March 31, 1951, amended the Public Housing Law to extend the period for construction of housing company projects entitled to partial tax exemption to January 1, 1953. Chapter 145, Laws of 1951 (A. 1345), approved March 20, 1951, continues the corporate existence of the Freeport Housing Authority, and provides that if no bonds or other obligations of the authority are outstanding in connection with housing projects by February 1, 1954, its corporate existence shall thereupon terminate. Chapter 334, Laws of 1951 (A. 780), approved March 29, 1951, created the Herkimer Housing Authority. Chapter 332, Laws of 1951 (A. 2828), approved March 29, 1951, created the Little Falls Housing Authority. Chapter 8, Laws of 1951 (A. 2), approved February 2, 1951, created the Newburgh Housing Authority. Chapter 144, Laws of 1951 (A. 704), approved March 20, 1951, created the Plattsburg Housing Authority. Chapter 615, Laws of 1951 (S. 2722), approved April 6, 1951, created the Rensselaer Housing Authority. Chapter 331, Laws of 1951 (A. 2591), approved March 29, 1951, created the Saratoga Springs Housing Authority. Chapter 333, Laws of 1951 (A. 2145), approved March 29, 1951, created the Cortland Housing Authority. Chapter 532, Laws of 1951 (S. 2767), approved April 4, 1951, amended the Public Housing Law to provide that the annual income of tenants at the time of admission rather than during the period of occupancy, shall be the basis of eligibility for occupancy in housing company projects. Chapter 162, Laws of 1951 (A. 2079), approved March 21, 1951, amended the Public Housing Law to extend the provisions authorizing municipalities to acquire property for housing companies organized by or for veterans until July 1, 1952. Chapter 168, Laws of 1951 (A. 139), approved March 21, 1951, extended to July 1, 1953, the law authorizing New York City to acquire additional lands for sites for dwellings to be relocated from other sites acquired for public purposes. Chapter 190, Laws of 1951 (A. 1220), approved March 22, 1951, amended the urban redevelopment corporations law to strike out the 10-year limitation with respect to the period in which a redevelopment corporation may be created. Chapter 290, Laws of 1951 (S. 2682), approved March 24, 1951, amended the local finance law to extend the period for financing public housing projects undertaken by municipalities by 3 years for temporary financing, when long-term evidences of indebtedness are issued to the State. Chapter 220, Laws of 1951 (A. 74), approved March 24, 1951, amended the Public Housing Law to continue until March 31, 1952, the provisions relating to emergency housing for veterans and others. Chapter 580, Laws of 1951 (S. 107), approved April 6, 1951, enacted a building and sanitary code for dwellings for 3 or more families in all towns and villages and in cities of less than 500,000. Chapter 627, Laws of 1951 (A. 1588), approved April 7, 1951, amended the Personal Property Law to permit fiduciaries to invest in public housing authority obligations secured by an agreement between an authority and a government.

North Carolina.—H. 378, ratified April 14, 1951, authorizes the creation of municipal redevelopment commissions to clear blighted areas, acquire land and undertake redevelopment projects.

Ohio.—S. 167, approved April 25, 1951, extends the veterans' emergency housing act to December 31, 1953.

Oregon.—Chapter 373, Laws of 1951 (S. 353), approved April 25, 1951, repealed and reenacted the Redevelopment Law to authorize any housing authority in any county having over 70,000 population to undertake redevelopment projects (formerly limited to counties of 70,000 wherein an institution of higher learning is located). S. 169, approved March 2, 1951, amended the Housing Authorities Law to provide that four instead of five members of a seven-member authority shall constitute a quorum. H. 588, Laws of 1951, approved March 22, 1951, appropriates $4,849 for the purpose of completing and payment of obligated costs of making housing surveys. Chapter 147, Laws of 1951 (H. 381), approved March 15, 1951, provides for the assessment, for the cost of public improvements, against benefited property owned by the city, county and school districts, state or any political subdivision thereof.

Pennsylvania.—S. 103, approved May 24, 1951, amended the Redevelopment Cooperation Law to authorize the Secretary of Property and Supplies, with the approval of the Governor and the Attorney General, to execute deeds and leases on behalf of the commonwealth to redevelopment authorities, and validates conveyances previously made under the Act. H. 1557, approved September 29, 1951, amended the Urban Redevelopment Law to prohibit redevelopment authorities from purchasing real property, located outside a redevelopment area, not necessary to the corporate purposes of the authority or the successful redevelopment of a project. H. 1504, approved September 28, 1951, amended the Fiduciaries Investment Act of 1949 to make the obligations of redevelopment authorities legal investments. S. 140, approved May 9, 1951, authorizes stock insurance companies to invest surplus funds in the bonds or notes of any public instrumentality of any state or foreign country.

Puerto Rico.—Act No. 442, Laws of 1951 (S. 483), approved May 15, 1951, validates and declares legal the creation and establishment of housing authorities and all notes, bonds, contracts and undertakings of housing authorities. Act No. 441, Laws of 1951 (S. 482), approved May 15, 1951, amended the Housing Authorities Law to specifically authorize compliance with Federal requirements relating to wage rates and rural housing, and to provide for agreements to secure Federal contributions.

Rhode Island.—Chapter 2763, Laws of 1951 (S. 219), approved May 1, 1951, authorizes housing authorities to undertake the development or administration of projects to assure the availability of safe and sanitary dwellings for persons engaged in national defense activities. Chapter 2819, Laws of 1951 (H. 775), approved May 1, 1951, authorizes the Department of Agriculture and Conservation to convey certain land to the Providence Housing Authority.

South Carolina.—Act No. 462, Acts of 1951 (S. 303), approved July 31, 1951, amended the Redevelopment Law in various respects to clarify certain provisions contained therein, to permit the acquisition of undeveloped vacant land for redevelopment purposes, and to make obligations issued by housing authorities in connection with redevelopment projects, legal investments and security for public deposits. Act No. 227, Acts of 1951 (S. 100), approved April 21, 1951, validates and declares legal the creation, obligation, and acts of housing authorities. Act No. 226, Acts of 1951 (S. 99), approved April 21, 1951, continues the provisions of the defense housing act during any period of war or national emergency declared by the President or the Congress. Act No. 668, Acts of 1951 (S. 424), approved May 14, 1951, requires, prior to the construction of any low-cost public housing in Greenwood County, the approval in writing of a majority of the members of the General Assembly from Greenwood County. Act No. 146, Acts of 1951 (H. 1121), approved March 22, 1951, authorizes counties in which a large influx of population is expected to establish planning commissions and to provide penalties for violation of rules and regulations promulgated by them. Act No. 467, Acts of 1951 (S. 341), approved July 31, 1951, authorizes municipalities of 5,000 or more inhabitants to adopt the Southern Building Code.

South Dakota.—H. 114, approved February 20, 1951, extends the law relating to veterans' housing by municipalities to 1953 and extends to 1955 the time within which municipalities may operate or lease such facilities.

Tennessee.—Chapter 99, Private Acts of 1951 (S. 347), approved February 7, 1951, amended the charter of Nashville to remove the power of the city to limit the issuance of bonds and the exercise of the power of eminent domain by the housing authority. Chapter 233, Private Acts of 1951 (H. 513), approved February 21, 1951, amended the charter of the Town of Smyrna to authorize the acquisition and operation of temporary federally owned housing projects, particularly Meadow Lawn Homes, a temporary war housing project. Chapter 216, Public Acts of 1951 (S. 794), approved March 16, 1951, authorizes incorporated cities and towns to adopt codes by reference.

Texas.—Chapter 73, Laws of 1951 (S. 195), approved April 24, 1951, amended the Housing Cooperation Law to provide that an election on the question of entering into a cooperation agreement may be called on petition of 2,000 or 5 percent of the qualified voters, or by the governing body on its own motion.

Utah.—HCR 1, approved February 26, 1951, requested Congress to relax certain regulations so as to permit the construction and purchasing of low-cost housing in defense areas.

West Virginia.—H. 183, approved March 16, 1951, creates Municipal and County Slum Clearance and Redevelopment Authorities to acquire slum and blighted areas for development or redevelopment purposes. Provides that the powers, functions, and duties defined in the Act may (upon approval of the local governing body) be exercised by the community itself or by the local housing authority.

Wisconsin.—Chapter 59, Laws of 1951, (A. 622), approved April 10, 1951, amended the veterans' housing law with respect to the purchase price of property and the priority of veterans' housing loans. Chapter 559, Laws of 1951 (S. 350), approved July 6, 1951, amended the law relating to public construction and provided for escalator clauses in contracts providing for additional charges for labor and materials under certain conditions.

Appendix C

PUBLICATIONS OF HHFA

A. Office of the Administrator

Annual Report.—Fourth Annual Report of HHFA covering calendar year 1950. Available from Government Printing Office, Washington 25, D. C. $1.25.

List of Selected Publications.—January, 1951. A selected list of publications prepared by the Housing and Home Finance Agency. Available from HHFA.

Selected Publications on House Planning, Construction, Maintenance, and Repair.—July, 1951. Publications which are available from the Superintendent of Documents, which are of interest to home owners, builders, etc. Available from HHFA.

A summary of the Functions of Federal Agencies Assisting in Flood Relief and Rehabilitation.—August, 1951, HHFA and Office of Defense Mobilization. Summary describing functions and services of federal agencies as they affect disaster areas. For use of local and State officials, business groups, and others in dealing with Federal agencies. Available from HHFA.

Questions and Answers on CMP as it Affects Home Building.—September 1951, HHFA, FHA, HLBB, PHA, and National Housing Council. Questions and answers on Controlled Materials Plan as it affects home building. Available from HHFA.

Directory of Federally Assisted Flood Relief and Rehabilitation Aids.—What Aid Is Available and Where To Go To Obtain It.—A digest of the types of Federal aid available in major disaster areas; prepared as a guide for victims of major disasters. Available from HHFA.

Statement of Policy in Administering the Slum Clearance and Urban Redevelopment Program in the Light of the National Emergency.—A clarification of requirements for participation in federally assisted slum clearance and urban redevelopment and of limitations on effectuating plans during the emergency period. Available from HHFA.

Community Planning.—Outline requirements of a general community plan as needed to qualify for Federal assistance in slum clearance and urban redevelopment undertakings. Available from HHFA.

The Housing Situation—1950.—Analysis of preliminary results for nonfarm areas of 1950 Housing Census. Available from HHFA.

How Big is the Housing Job.—Explains the sources and methods utilized in the HHFA computation of size and scope of operation necessary to achieve national housing goal of a "decent home and a suitable living environment for every American family." Available from the Government Printing Office, Washington 25, D. C. 15¢.

Summaries of Slum Clearance and Public Housing Decisions, First Supplement.—Digest of cases concerning, or bearing upon, slum clearance and public low rent housing in which decisions were rendered since October 1949. Available from HHFA.

Research for Intercensal Housing Surveys.—A study of problems involved, the reliability of results, and the costs of making sample surveys of housing for intercensal purposes. Available from HHFA.

Climate and Architecture.—A comprehensive bibliography of 175 articles and other published work dealing with climatic conditions and architectural solutions for them. Available from HHFA.

The 1950 Housing Situation in Charts.—Presents analyses of preliminary results of 1950 housing census in charts. Available from Government Printing Office, Washington 25, D. C. 25¢.

The Modular Method in Dwelling Design.—Explanation of the principles of modular coordination as applied to the preparation of drawings for building construction. Available from Government Printing Office, Washington 25, D. C. 30¢.

Capsule Descriptions of Projects Started under Contract in 1950.—Describes briefly the 58 research contracts negotiated during 1950 to help achieve national housing objectives through a comprehensive research program. Available from Government Printing Office, Washington 25, D. C. 30¢.

Report of the Coordinating Committee for a National Plumbing Code.—Incorporates findings of experience and research in a number of laboratories. Available from Government Printing Office, Washington 25, D. C. 50¢.

Model Emergency Building Ordinance.—Model provisions for building codes and related ordinances which authorize building officials to permit use of available alternate materials and methods of construction during periods of shortages. Available from HHFA.

Technical Bulletin (Irregular periodical). Available from the Government Printing Office, Washington 25, D. C.

Technical Bulletin No. 17, June 1951. 15¢.

Housing Research.—(A quarterly publication replacing the Technical Bulletin.) Available from the Government Printing Office, Washington 25, D. C.

Housing Research No. 1, Fall 1951. 30¢.

Housing Research Reprint Series (Available from the Government Printing Office, Washington 25, D. C., at the prices indicated.)

No. 10. *Economies of Row Houses for Rental Properties.* 15¢

No. 11. *Prevention of Dampness in Basements.* 10¢.

No. 12. *Design for Livability.* 15¢.

No. 13. *Greater Livability at Small Additional Cost.* 15¢.

Housing Research Papers.—(Available from the Government Printing Office, Washington 25, D. C., at the price indicated.)

No. 15. *Fixture Unit Ratings as Used in Plumbing System Design.*—A report explaining the use of the terms "fixtures unit" and "fixture unit rating" in conjunction with the theory of probability to determine demand flow for the design of water piping in the plumbing systems of large buildings. 15¢.

No. 16. *Moisture and the Durability of Wood-Frame Walls.*—A report covering observations made and data collected during the first 6 months of operation of a long-range investigation to evaluate the relationship of moisture to the durability of wood-frame walls. 15¢.

No. 17. *Financing House Construction in the Northwest.*—Report on the results of a survey of the market practices of the construction loan field in the Northwest. 30¢.

No. 18. *Septic Tanks—Their Use in Sewage Disposal.*—This paper summarizes one phase of current research to meet the need for efficient, economical septic tank systems. 15¢.

B. Home Loan Bank Board

Summary of Operations for 1951.—Covers Federal Home Loan Bank System, Federal Savings and Loan System, Federal Savings and Loan Insurance Corporation, and the Home Owners' Loan Corporation (liquidated). Available from the Home Loan Bank Board.

Combined Financial Statement of Members of the Federal Home Loan Bank System.—(Including combined statement of institutions insured by the Federal Savings and Loan Insurance Corporation) as of December 31, 1949. Available from the Home Loan Bank Board.

Home Loan Bank Board—Outline of Functions.—Four-page leaflet. Available from the Home Loan Bank Board.

Answers to Questions About Insurance of Savings.—Available from the Home Loan Bank Board.

Final Report to Congress on the Home Owners Loan Corporation.—Available from the Home Loan Bank Board.

C. Federal Housing Administration

Unless otherwise indicated, these publications may be obtained, without charge, from the Federal Housing Administration, Washington 25, D. C.

Administrative Rules and Regulations for Military Housing Insurance under Title VIII of the National Housing Act.—FHA Form No. 3300, revised September 4, 1951.

Administrative Rules and Regulations under Section 8 of the National Housing Act.—FHA Form No. 2000, reprinted September 1951, to include all amendments through September 4, 1951.

Administrative Rules and Regulations under Section 903 of Title IX of the National Housing Act.—FHA Form No. 3350, issued November 5, 1951.

Administrative Rules and Regulations under Section 908 of Title IX of the National Housing Act.—FHA Form No. 3375, issued November 5, 1951.

Analysis of Residential Properties Near Airports.—Issued July 1951.

Annual Report.—Seventeenth annual report of the Federal Housing Administration; year ending December 31, 1950. Government Printing Office, Washington 25, D. C. 45¢.

Dealer Guide for FHA Title I Loans.—Form FH-30A, revised April 1951. Government Printing Office, Washington 25, D. C. 5¢.

Federal Housing Administration Digest of Insurable Loans.—Revised November 1951.

How to Test Financial Soundness of Rental Housing Properties.—FHA Form No. 2484, issued April 26, 1951.

Insured Mortgage Portfolio (issued quarterly).—Vol. 15, Nos. 3 and 4; Vol. 16, Nos. 1 and 2. Government Printing Office, Washington 25, D. C. Single copy 15¢, annual subscription 50¢.

National Housing Act As Amended.—FHA-107, revised December 1951, including all amendments to October 30, 1951. Government Printing Office, Washington 25, D. C. $1.

Section 213 Cooperative Housing Insurance.—Administrative rules and regulations under Section 213 of Title II of the National Housing Act; FHA Form No. 2076, reprinted April 6, 1951 to include all amendments through April 6, 1951.

D. Public Housing Administration

Annual Report.—Fourth annual report of the Public Housing Administration covering the calendar year 1950. Available from the Public Housing Administration.

Low-Rent Public Housing, Planning, Design, and Construction for Economy.—Results of the study of the first 100 local low-rent public housing programs and of experience in the analysis of the various components of planning, design and construction of low-rent public housing projects in relation to their costs. Available from the Public Housing Administration.

The Low-Rent Public Housing Program, What It Is—How It Works.—A brief description in question-and-answer form of the federally aided low-rent public housing program. Available from the Public Housing Administration.

What and Why Low-Rent Public Housing.—An illustrated folder on the federally aided low-rent public housing program. Available from the Public Housing Administration.

Bibliography on Public Housing and Related Subjects.—A reading list compiled for the use of students and teachers. Available from the Public Housing Administration.

Reference and Source Material.—A collection of statements on housing and housing needs; economic and social costs of good and bad housing, and who pays for public housing. Available from the Public Housing Administration.

PART II

OF THE

Fifth Annual Report

HOUSING AND HOME FINANCE AGENCY

Covering the Activities of the

HOME LOAN BANK BOARD

MARCH 28, 1952.

TRANSMITTAL

To the Congress of the United States:

Pursuant to Section 20 of the Federal Home Loan Bank Act, we are pleased to submit the Annual Report of the Home Loan Bank Board, covering the operations of the Federal Home Loan Bank System, the Federal Savings and Loan Insurance Corporation, and the Home Owners' Loan Corporation for the calendar year 1951.

Respectfully,

WILLIAM K. DIVERS,
Chairman,
J. ALSTON ADAMS,
Member,
KENNETH G. HEISLER,
Member,
Home Loan Bank Board.

ORGANIZATION AND FUNCTION CHART OF THE HOME LOAN BANK BOARD

Created pursuant to Reorganization Plan No. 3 of 1947. The Board consists of three members, appointed by the President, by and with the advice and consent of the Senate. It supervises the Federal Home Loan Bank System, the System of Federal Savings and Loan Associations, Federal Savings and Loan Insurance Corporation, and Home Owners' Loan Corporation (In liquidation).

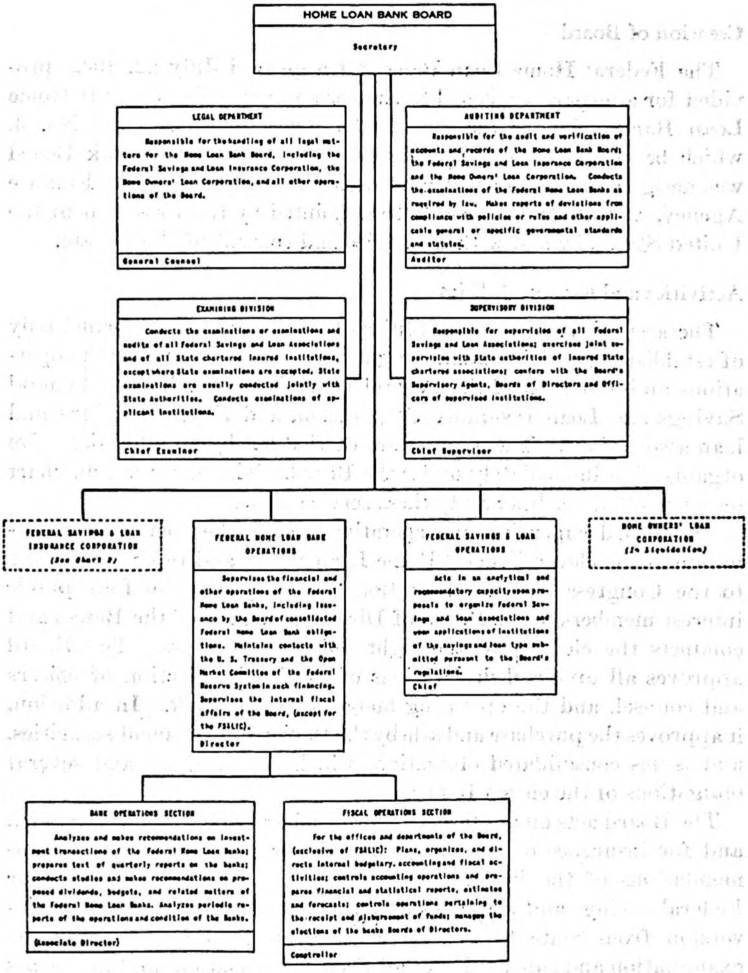


CHART A.

Section 1

HOME LOAN BANK BOARD

Creation of Board

The Federal Home Loan Bank Act approved July 22, 1932, provided for a bi-partisan board to charter and supervise Federal Home Loan Banks. Under the President's Reorganization Plan No. 3, which became effective July 27, 1947, the Home Loan Bank Board was designated a component unit of the Housing and Home Finance Agency, with three Members to be appointed by the President of the United States, by and with the advice and consent of the Senate.

Activities and Responsibilities

The activities and responsibilities of the Board consist principally of establishing policies, issuing regulations, and supervising the operations and activities of the Federal Home Loan Banks, the Federal Savings and Loan Insurance Corporation, and Federal savings and loan associations. These duties are carried out by an administrative organization immediately under the Board. The organization chart on page 163 describes briefly these service units.

The Board supervises the operations and makes periodic examination of the eleven Federal Home Loan Banks and reports annually to the Congress on their operations. It appoints the four public interest members to the Board of Directors of each of the Banks and conducts the election of the eight industry members. The Board approves all dividend declarations of the Banks, election of officers and counsel, and the operating budget of each Bank. In addition, it approves the purchase and sale by the Banks of investment securities, and issues consolidated obligations which are the joint and several obligations of the eleven Banks.

The Board acts on applications for membership in the Bank System and for insurance of accounts, after giving consideration to recommendations of the Bank. It approves the issuing of charters for Federal savings and loan associations as well as applications for conversion from State to Federal charter. It is responsible for the examination and supervision of all Federal associations and prescribes regulations relating to their lending and other activities. It also prescribes regulations applicable to insurance of accounts for all associations insured by the Federal Savings and Loan Insurance Corporation and, in cooperation with State authorities, examines, as necessary, such insured institutions.

It determines the final course of action to be taken by the Insurance Corporation in preventing default in insured institutions, or, in the event of default, determines the method of settlement. In performing these duties, the Board is assisted by the Examining Division and the Supervisory Division, whose activities are detailed below.

The *Examining Division* conducts periodic examinations of all Federal savings and loan associations and such uninsured State-chartered member institutions as are not subject to State examination and supervision. It also participates with the State supervisory authorities in making annual examinations of State-chartered institutions whose savings or share accounts are insured by the Federal Savings and Loan Insurance Corporation.

Insured savings and loan associations are required to have periodic audits as well as supervisory examinations. Such audits may be made by independent auditors or by the Board's examiners in conjunction with the supervisory examination. As a matter of fact, about 83 percent of the institutions examined during the past year requested that their audit be included with the examination.

The *Supervisory Division*, in order to assure compliance with laws and regulations and to prevent unsafe and unsound financial practices in insured institutions, reviews and analyzes the examination and other reports of insured institutions. Where instances of unsoundness are found, corrective action is initiated through correspondence or by joining with supervisory agents in conferences with the boards of directors of the institutions involved.

The immediate supervisory work in the field is performed by the Federal Home Loan Bank Presidents and other designated officers of the Banks who serve as supervisory agents for the Board in their respective Bank Districts.

Inasmuch as the institutions supervised are privately owned, the primary responsibility for their operation rests, of course, on their directors who select the management and formulate policies of operation. The attention of the Supervisory Division, on the other hand, is directed toward such fundamentals as compliance with laws and regulations; adherence to principles of trusteeship and to generally accepted competitive practices and standards; financial condition and trends; the soundness of the lending, investment, liquidity, reserve, operating, and other financial policies and practices; as well as adequacy of accounting procedure and internal controls.

The following figures indicate the magnitude of these examining and supervisory activities. On December 31, 1951, there were 3,020 insured institutions—an increase of 160 during the year—with assets of $16,204,000,000. New loans made by these associations during 1951 aggregated $4,501,000,000, or 3 percent above last year. The average size of these institutions subject to examination continued to grow during the year, and by the close of 1951 was over $5,000,000.

In addition to the responsibilities enumerated above, one of the major activities of the Board in past years has been the operation of the Home Owners' Loan Corporation and, in recent years, the liquidation of the Corporation. Since the middle of 1951 these responsibilities have been reduced almost entirely to the handling of correspondence relating to the Corporation. The Board has reviewed the operations and liquidation of the Home Owners' Loan Corporation from its inception to the close of activities in June 1951 and has presented a final report thereon to the Congress.

Federal Savings and Loan Advisory Council

In the determination of its policies, the Board is assisted by an advisory body in which each of the Bank Districts is represented and through which the Board is kept abreast of current trends and conditions in the field. This organization, known as the Federal Savings and Loan Advisory Council, was created by the Federal Home Loan Bank Act as amended. It consists of one member elected by each of the eleven boards of directors of the Federal Home Loan Banks and six members appointed by the Home Loan Bank Board. Representatives of the national trade organizations and the President of the National Association of State Savings, Building and Loan Supervisors were included among these six Board appointees in 1951 for the first time.

The Council is authorized to confer with the Board on general business conditions and on special conditions affecting the Federal Home Loan Banks, members of the Federal Home Loan Bank System, and the Federal Savings and Loan Insurance Corporation. In addition it is authorized to request information and to make recommendations with respect to matters within the jurisdiction of the Board.

The Council held two meetings in Washington during the 1951 calendar year—on May 7–8 and on December 13–14. The following members of the Council served during the calendar year 1951:

Advisory Council Members Appointed by Home Loan Bank Board

NATIONAL ASSOCIATION OF STATE SAVINGS, BUILDING AND LOAN SUPERVISORS:
L. K. Elmore, commissioner, Banking Department, State of Connecticut, Hartford, Conn.

UNITED STATES SAVINGS AND LOAN LEAGUE:
Walter J. L. Ray, president, Standard Federal Savings and Loan Association, Detroit, Mich.

NATIONAL SAVINGS AND LOAN LEAGUE:
O. W. Boswell, president, First Federal Savings and Loan Association of Paris, Paris, Tex.

ALTERNATE FOR MAY 1951 MEETING:
Raymond P. Harold, president, Worcester Federal Savings and Loan Association, Worcester, Mass.

CINCINNATI DISTRICT:
W. D. Gradison, W. D. Gradison Co., Cincinnati, Ohio.

CHICAGO DISTRICT:
John E. Stipp, vice president and secretary, the Continental Casualty Co. and the Continental Assurance Co., Chicago, Ill.

SAN FRANCISCO DISTRICT:
J. E. Hoeft, president, Glendale Federal Savings and Loan Association, Glendale, Calif.

Advisory Council Members Elected by Federal Home Loan Banks

BOSTON DISTRICT:
William J. D. Ratcliff, treasurer, the Peabody Cooperative Bank, Peabody, Mass.

NEW YORK DISTRICT:
Leon Fleischmann, president, Ninth Federal Savings and Loan Association of New York City, New York, N. Y.

ALTERNATE FOR DECEMBER 1951 MEETING:
Arthur F. Smethurst, president, Bradford Savings and Loan Association, Newark, N. J.

PITTSBURGH DISTRICT:
Francis E. McGill, president, Roxborough-Manayunk Federal Savings and Loan Association, Philadelphia, Pa.

GREENSBORO DISTRICT:
Frank Muller, Jr., president, Liberty Federal Savings and Loan Association, Baltimore, Md.

CINCINNATI DISTRICT:
John C. Mindermann, secretary, General Building, Savings and Loan Association, Inc., of Covington, Ky., Covington, Ky.

INDIANAPOLIS DISTRICT:
Walter Gehrke, president, First Federal Savings and Loan Association of Detroit, Detroit, Mich.

CHICAGO DISTRICT:
Earl S. Straight, secretary-manager, North Shore Savings and Loan Association, Milwaukee, Wis.

DES MOINES DISTRICT:
C. R. Mitchell, executive vice president, First Federal Savings and Loan Association of Kansas City, Mo., Kansas City, Mo.

LITTLE ROCK DISTRICT:
Louis D. Ross, President, St. Tammany Homestead Association, Covington, La.

TOPEKA DISTRICT:
Louis W. Grant, president, Home Federal Savings and Loan Association of Tulsa, Tulsa, Okla.

SAN FRANCISCO DISTRICT:
R. Floyd Hewitt, president, Provident Federal Savings and Loan Association, Boise, Idaho. (Elected to Council August 17, 1951.)

MEMBER ATTENDING MAY 1951 MEETING:
F. M. Donahoe, executive secretary, Capital Savings and Loan Association, Olympia, Wash. (Mr. Donahoe is now senior vice president of the Federal Home Loan Bank of San Francisco.)

Legislative Activity

Revenue Act of 1951—Of major interest to the savings and loan industry during the year were the provisions of Section 313 of the Revenue Act of 1951. This Section terminates the former tax-free status of savings and loan associations and mutual savings banks and, effective with the taxable year beginning after December 31, 1951, imposes income taxes on these institutions. Subject to the regular corporation deductions plus other specific deductions permitted in Section 313, the income of savings and loan associations and mutual savings banks is subject to the regular corporation tax. The Bureau of Internal Revenue is currently working on a draft of regulations under this tax law and it is anticipated that such regulations will be available in the early part of 1952.

H. R. 3957 (*P. L. 148*), which was approved September 15, 1951, transferred from the Comptroller of the Currency to the Home Loan Bank Board the responsibility of examination and supervision of building and loan associations organized in or doing business in the District of Columbia. The enactment of this legislation was initiated with the approval of the Comptroller of the Currency, the Commissioners of the District of Columbia, the District of Columbia Building and Loan League, and the Home Loan Bank Board.

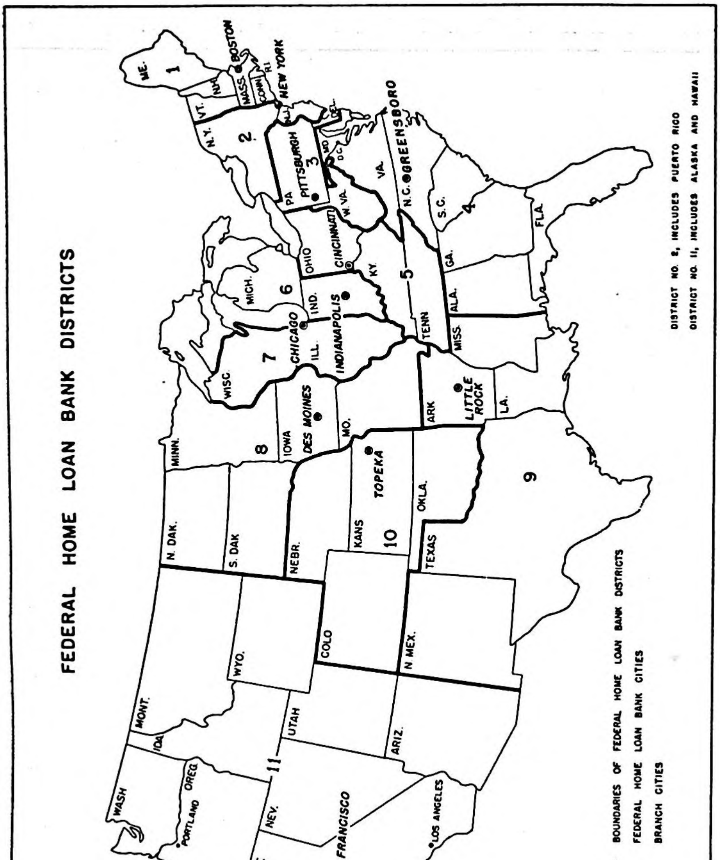
Expenses of the Board

The Board, which is entirely self-supporting, receives no appropriated funds from the United States Treasury. The Board's expenses are classified by law as administrative and nonadministrative. Administrative expenses, which are subject to an annual limitation set by the Congress, are paid from assessments made on the Federal Home Loan Banks, the Federal Savings and Loan Insurance Corporation, and the Examining Division. Nonadministrative expenses, which consist principally of the expense of making examinations, are paid from fees charged for the examinations and from reimbursements for services performed for others.

The results achieved by the Board in its management improvement program for greater economy and efficiency in operation are evidenced by the fact that in 1945 the Board had an average of 176 employees with administrative expenses of $822,900. During the fiscal year 1951 these figures had dropped to 133 employees and $731,513 administrative expenses despite a large growth in membership and insured institutions and their assets.

When expressed in relation to each million dollars of assets of member institutions, the administrative expenses of the Board reflect a steady decline since 1945 as set forth in the following tabulation:

Fiscal year	Number of employees	Administrative expenses	Cost per million dollars of members' assets
1945	176.3	$822,900	$112.23
1947	166.8	926,700	91.46
1949	148.0	811,800	63.41
1950	142.0	823,000	57.95
1951	133.4	731,513	45.16


FEDERAL HOME LOAN BANK DISTRICTS
BOUNDARIES OF FEDERAL HOME LOAN BANK DISTRICTS
FEDERAL HOME LOAN BANK CITIES
BRANCH CITIES
DISTRICT NO. 2, INCLUDES PUERTO RICO
DISTRICT NO. 11, INCLUDES ALASKA AND HAWAII
BOSTON
NEW YORK
PITTSBURGH
GREENSBORO
CINCINNATI
INDIANAPOLIS
CHICAGO
DES MOINES
LITTLE ROCK
TOPEKA
SAN FRANCISCO
PORTLAND
LOS ANGELES
1
2
3
4
5
6
7
8
9
10
11
ME.
N.H.
VT.
MASS.
CONN.
R.I.
N.Y.
N.J.
PA
DEL.
MD
D.C.
VA.
W. VA.
N.C.
S.C.
GA.
FLA.
OHIO
KY.
TENN.
ALA.
MISS.
MICH.
IND.
ILL.
WISC.
MINN.
IOWA
MO.
ARK.
LA.
N. DAK.
S. DAK.
NEBR.
KANS.
OKLA.
TEXAS
MONT.
WYO.
COLO.
N. MEX.
IDA.
UTAH
ARIZ.
WASH.
OREG.
NEV.
CALIF.

Section 2

FEDERAL HOME LOAN BANK SYSTEM

Origin and Purpose

The Federal Home Loan Banks, created by an Act of the Congress, approved July 22, 1932, were opened for business on October 15, 1932. As has been pointed out in previous annual reports, building and loan associations, savings and loan associations, homestead associations, cooperative banks, savings banks, and insurance companies are eligible for membership in the Bank System, provided the character of their management and their home financing policies are consistent with economical home financing.

Growth in Membership

At the close of 1950 there were 3,930 members of the Federal Home Loan Bank System. During the year 1951 there was a net increase of 51 members, resulting in a total membership of 3,981 at the close of the year, with estimated assets of $18,415,000,000, as follows:

Type of member	Number	Assets
Savings and loan associations:		
Federal	1,549	$9,792,000,000
State, insured	1,470	6,400,000,000
State, noninsured	931	1,708,000,000
Total savings and loan associations	3,950	17,900,000,000
Savings banks	25	425,000,000
Insurance companies	6	90,000,000
Total	3,981	18,415,000,000

The following tabulation reflects changes resulting in the net increase in membership during the year 1951:

	Associations		Savings banks	Insurance companies	Total members
	Federal	State			
Dec. 31, 1950	1,526	2,368	29	7	3,930
Admitted during year	9	66	2	0	77
Subtotal	1,535	2,434	31	7	4,007
Deducted in 1951	0	18	7	1	26
Balance	1,535	2,416	24	6	3,981
Conversions	+14	−15	+1	0	----------
Dec. 31, 1951	1,549	2,401	25	6	3,981

Lending Operations of the Federal Home Loan Banks

In line with the general credit restrictions on home building imposed to curb inflationary tendencies and conserve critical materials, the Federal Home Loan Banks continued through 1951 the restriction on credit they imposed in 1950. Notwithstanding the increased demand for mortgage financing, the Banks were able, with the aid of the credit restrictions hereinafter explained, to reduce their advances outstanding from $815,956,718 on December 31, 1950, to a balance of $805,936,767 on December 31, 1951. This reduction of $10,019,951 was the result of repayments of $432,997,025 less advances of $422,977,074. A summary of the 1951 lending operations, by Banks, is reflected by Table 1 of this report. The following tabulation reflects the number of borrowers by types and the amount of advances outstanding to each group on December 31, 1951:

Type of institution	Borrowers		Advances outstanding	
	Number	Percent	Amount	Percent
Savings and loan associations:				
Federal	908	40.9	$509,052,010	63.2
State, insured	831	37.4	241,658,205	30.0
State, noninsured [1]	481	21.7	50,039,677	6.2
Total savings and loan associations	2,220	100.0	800,749,892	99.4
Insurance company	1	----------	5,186,875	0.6
Total	2,221	100.0	805,936,767	100.0

[1] Includes 1 nonmember borrower with advances of $42,500.

The amount of secured advances outstanding on December 31, 1951, aggregated $596,622,190, a new month-end high, representing the borrowings of 1,479 members and 1 nonmember mortgagee. $298,260,163 of these outstanding secured advances represented amortized loans for terms of more than one year, $39,956,959 of which were due within one year. The $596,622,190 of secured advances outstanding on December 31, 1951, were collateralized by 196,515 home mortgages, the unpaid balances of which aggregated $1,027,582,081, U. S. Government obligations having a par value of $118,597,500, and other eligible collateral having a face value of $2,250,000. The face value of all such collateral amounted to $1,148,429,581, or 192 percent of the secured advances outstanding, to which collateral the Banks had assigned a value of $835,272,601. In addition the Banks held a statutory lien on $171,564,100 par value of Federal Home Loan Bank stock owned by the borrowing members referred to.

On December 31, 1951, the unsecured advances outstanding totaled $209,314,577, or 26 percent of the total advances outstanding on that date. These advances were held by 978 member institutions. In spite of the high dollar volume of advances outstanding as of various dates, it is interesting to note from the following chart that at no time has such total exceeded 5 percent of the combined assets of member institutions:

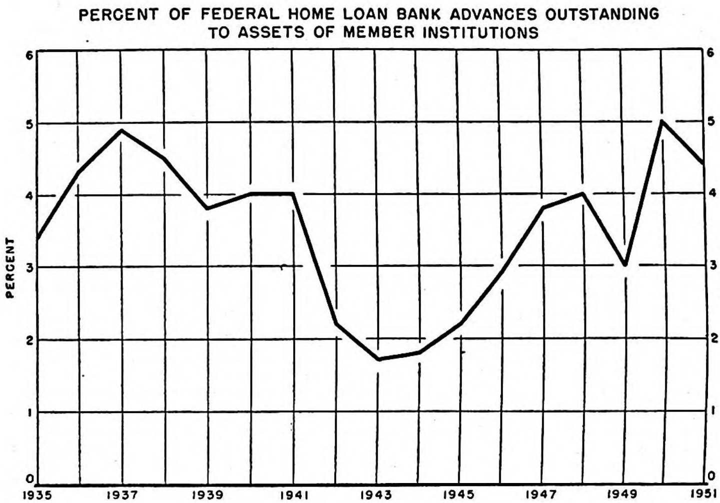


CHART 1.

Credit Restrictions

During the year 1951 the Federal Home Loan Banks continued to restrict granting credit for expansion purposes pursuant to a request of the Home Loan Bank Board in July 1950. This was in accord with the general credit restriction policies in the home building field instituted at the President's request and developed cooperatively by the Housing and Home Finance Agency and the Federal Reserve Board. These restrictions were applied for the purpose of assisting in reducing credit available for home financing, particularly the financing of new construction, with a view to reducing the demand for materials and labor and relieving inflationary pressures which were forcing prices upward. The directors of each Federal Home Loan Bank cooperated fully in this program by taking prompt action to restrict advances to member institutions for use in making new loan commitments or for loan expansion purposes.

During the year the member institutions, recognizing the desirability of restricting the over-all supply of credit, cooperated wholeheartedly with the Voluntary Credit Restraint Program of the Federal Reserve

Board. This was a demonstration of the knowledge that some restrictions were necessary. Two representatives of the savings and loan industry served on the Voluntary Credit Restraint Program Committee. Local committees consisting of savings and loan officials were appointed in the various Federal Reserve Bank districts. In addition, the members of the Bank System have cooperated with the requirements of Regulation X and allied credit controls in an effort to further reduce inflationary pressures.

On October 3, 1951, each Federal Home Loan Bank was advised that it might, if it so wished, remove to the extent it deemed necessary, its existing restrictions on the lines of credit for member institutions operating in duly designated critical defense areas, as well as such areas as might be similarly designated in the future.

Delinquent Advances

With the exception of advances totaling $6,300,000 due from the Long Beach Federal Savings and Loan Association, Long Beach, California, none of the $805,936,767 advances outstanding on December 31, 1951, was more than thirty days past due. The Long Beach Federal Savings and Loan Association is withholding payment of both principal and interest on its indebtedness to the Federal Home Loan Bank of San Francisco pending settlement or adjudication of two suits, now joined, arising out of the consolidation of the Federal Home Loan Bank of Los Angeles and the Federal Home Loan Bank of Portland into the Federal Home Loan Bank of San Francisco and the appointment of a conservator for the Long Beach Federal Savings and Loan Association, which are pending in the United States District Court for the Southern District of California, Central Division, against the Federal Home Loan Bank of San Francisco and others, and include claims for damages on behalf of the Long Beach Federal Savings and Loan Association. In the opinion of the Bank's counsel, the General Counsel of the Home Loan Bank Board, and Department of Justice attorneys assigned to the case, the action and claims have no validity, and the suit is being defended.

Interest Rates on Advances

The Federal Home Loan Banks are authorized by the Board to establish interest rates on advances within the maximum limit prescribed by the Board. At the present time the Banks may provide for a contract interest rate not exceeding 4 percent per annum. During the year covered by this report, several of the Banks increased the collectible rate of interest charged by them on advances in order to meet the rising costs of borrowed money, and also with a view to further curtailing the use of credit by their members. Table 2 accompanying this report reflects the collectible interest rates on advances by the Banks which were in effect on January 1, 1952.

Consolidated Federal Home Loan Bank Obligations

During the year 1951, eleven issues of consolidated Federal Home Loan Bank obligations totaling $843,500,000 were sold to the public and nine issues aggregating $875,000,000 were retired, resulting in a decrease of $31,500,000 from the record high of $561,000,000 outstanding at the beginning of the year.

The first public offering of consolidated Federal Home Loan Bank obligations was made in May 1937, from which date, through December 31, 1951, such obligations were issued in the total amount of $3,447,200,000, and $2,917,700,000 had been retired, leaving a balance outstanding on December 31, 1951, of $529,500,000, of which $5,000,000 had been purchased in the open market and was held by some of the Banks. The following tabulation contains pertinent data with respect to the consolidated Federal Home Loan Bank obligations outstanding on December 31, 1951, including amounts purchased in the open market and held by some of the Banks:

Series	Dated	Rate	Maturity	Amount
A-1952	May 15, 1951	2¼	Feb. 15, 1952	$50,000,000
C-1952	Aug. 15, 1951	2.20	do	73,000,000
E-1952	Oct. 15, 1951	2.10	Mar. 14, 1952	63,000,000
B-1952	June 15, 1951	2⅜	Apr. 15, 1952	67,500,000
D-1952	Sept. 14, 1951	2.20	May 15, 1952	92,500,000
F-1952	Oct. 15, 1951	2.20	June 13, 1952	63,000,000
G-1952	Nov. 15, 1951	2.20	Aug. 15, 1952	120,500,000
Total				529,500,000

An amendment to the Federal Home Loan Bank Act approved by the Congress on June 27, 1950, authorized the Secretary of the Treasury in his discretion to purchase obligations of the Federal Home Loan Banks to a total not exceeding $1,000,000,000 outstanding at any one time. No emergency has so far arisen to necessitate any request for such purchases.

Deposits of Members

The downward trend in members' deposits which began in July 1950 was reversed during the early part of 1951, and on December 31, 1951, such deposits totaled $261,706,880. Of this total, $43,979,691 were in the form of demand deposits on which no interest is paid and $217,258,089 were time deposits bearing interest at rates ranging from 1 to 1¾ percent per annum.

As in the case of interest on advances, the Boards of Directors of the Federal Home Loan Banks may establish the interest rates paid by them on members' time deposits, within the ceiling specified by the Board. On July 1, 1951, the ceiling was raised to 2 percent, but, as stated above, the maximum rate being paid as of December 31, 1951, was 1¾ percent per annum.

Interbank Deposits

Interbank deposits, the medium by which excess funds in a Federal Home Loan Bank are transferred to another Federal Home Loan Bank in need thereof, were negligible in amount during 1951, only $9,500,000 of such deposits having been made and $9,000,000 repaid. A balance of $1,500,000 of such deposits was outstanding on December 31, 1951. Interest rates on interbank deposits, which are likewise fixed by the Board, are usually based on the average annual cost to the Banks of outstanding consolidated Federal Home Loan Bank obligations.

Government Investment in Capital Stock of the Federal Home Loan Banks

The Secretary of the Treasury, in behalf of the United States, originally subscribed to $124,741,000 of stock in the Federal Home Loan Banks, payments on which subscriptions were made as the funds were required by the Banks, final payment having been made in November 1937. Beginning in January 1945 and continuing to July 1951, the Banks gradually repaid the Government holdings of stock by repurchase of same at par. During the calendar year 1951 the Banks thus repurchased a total of $56,021,900 of Government-owned stock, so that as of July 1, 1951, the capital stock of the Federal Home Loan Banks was owned entirely by their member institutions. Of the total retirements of Government stock in 1951, $25,980,200 was required by statute and $30,041,700 was retired voluntarily.

Members' Investment in Capital Stock of the Federal Home Loan Banks

By an act of the Congress approved June 27, 1950, each member of the Federal Home Loan Bank System, within one year from such date was required to increase its holdings of stock in its Federal Home Loan Bank from 1 percent to an amount equal to at least 2 percent of the aggregate of the unpaid principal of such member's home mortgage loans, home-purchase contracts and similar obligations, but not less than $500, such additional investment in stock of the Banks to be maintained thereafter.

As the result of this legislation, members' ownership of stock in the Federal Home Loan Banks increased to the extent of $88,105,125 during the year 1951. In addition to the foregoing minimum requirement, the Federal Home Loan Bank Act also provides that each member shall at all times hold capital stock in its Federal Home Loan Bank in an amount not less than one-twelfth of the unpaid balance of advances it obtained from such Bank.

Capital Structure of the Federal Home Loan Banks

The following chart reflects the trend of the capital structure of the Federal Home Loan Banks during the years indicated:

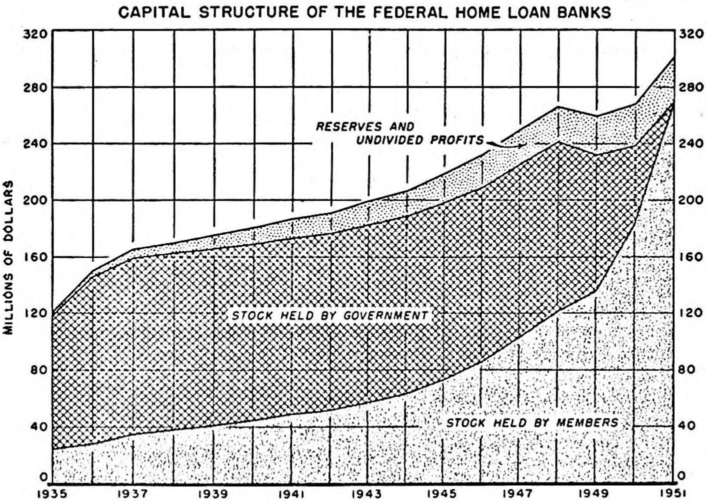


CHART 2.

Investment Securities

United States Government obligations and consolidated Federal Home Loan Bank obligations were purchased during the year 1951 at a total principal cost of $540,950,000, while sales and maturities approximated $491,587,000. The face value of all investment securities owned by the Federal Home Loan Banks on December 31, 1951, excluding consolidated Federal Home Loan Bank obligations, aggregated $248,112,500, as compared with $197,435,500 on December 31, 1950.

Legal Reserve and Other Earned Surplus

Each Federal Home Loan Bank is required by Section 16 of the Federal Home Loan Bank Act to transfer 20 percent of its net earnings to a reserve account semiannually until such reserve is equal to the Bank's paid-in capital, after which 5 percent of the net earnings must be so transferred. During the year 1951 the eleven Federal Home Loan

Banks transferred a total of $1,259,030 to this reserve, resulting in a balance therein of $15,735,677 on December 31, 1951. As of the same date the Banks had $5,510,758 in a reserve for contingencies and $10,580,756 in undivided profits, or a total earned surplus of $31,827,191.

Liquidity Reserves

In order to insure greater liquidity for the purpose of meeting the cash requirements of their members, each Federal Home Loan Bank is required to participate in an over-all "liquidity reserve" of $100,000,000 in the proportion its paid-in capital bears to the total paid-in capital of all Banks, consisting of the following:

50 percent in Treasury Special Series 2 percent Notes.
Not exceeding 25 percent in Treasury Bonds or Notes maturing in 10 years.
Cash on deposit.
Treasury obligations maturing in 13 months.
Treasury Special Series 1½ percent Notes.

In addition, the Banks are required to maintain a reserve equal to 25 percent of their members' deposits, such reserve to consist of the following:

Not exceeding 25 percent in Treasury Bonds or Notes maturing in 10 years.
Not exceeding 35 percent in Treasury Special Series Notes.
Cash on deposit.
Treasury obligations maturing in 13 months.

Liquidity of Members

By an amendment to the Federal Home Loan Bank Act approved June 27, 1950, the Congress provided that, effective six months after such date, no member of a Federal Home Loan Bank shall make or purchase any loan at any time when its cash and obligations of the United States are not equal to such amount as the Home Loan Bank Board shall by regulations prescribe; provided that such amount shall not be less than 4 percent or more than 8 percent of the obligation of the member on withdrawable accounts or, in the case of any member insurance company, such other base as the Board may determine to be comparable.

In keeping with the above amendment to the Act, the Home Loan Bank Board amended its regulations effective December 27, 1950, setting the minimum liquidity requirement of each insurance company member at 6 percent of policy reserve required by State law, and such requirement for other member institutions was fixed at 6 percent of their respective obligations on withdrawable accounts. As of December 31, 1951, the average liquidity of member savings and loan associations based on the foregoing was approximately 16.6 percent.

Comparative Balance Sheet

A comparative consolidated statement of condition of the eleven Federal Home Loan Banks as of December 31, 1951, and December 31, 1950, is contained in Table 3 of this report.

Income and Expenses

A comparative consolidated statement of income and expense of the Banks for the calendar years 1951 and 1950 is presented in Table 4. It will be noted that the gross operating income increased from $15,479,472 in 1950 to $21,974,713 during 1951, an increase of $6,495,241 or 42 percent. It will also be observed that interest on advances reflects an increase of $6,564,474 over the 1950 earnings. This increase is attributed principally to a higher average amount of advances outstanding and, to a lesser extent, upward adjustments in rates of interest charged by some of the Banks. On a monthly basis, the average amount of advances outstanding during 1951 exceeded $772,000,000, while such average for 1950 was less than $520,000,000. The yield to the Banks on advances outstanding was 2.21 percent in 1951 as compared to a yield of 2.06 percent in 1950.

Operating expense for the calendar year 1951 was $15,729,514, an increase of $6,196,129, or 65 percent over the 1950 total of $9,533,385. Interest and concessions on consolidated Federal Home Loan Bank obligations reflected a total increase of $6,270,760 or 140 percent over such costs for 1950. This increase is the result of an average outstanding balance of such obligations during 1951 of $527,680,500 at an average cost of 1.95 percent as compared with the 1950 average amount outstanding of $286,353,000 at an average cost of 1.59 percent.

Interest on members' deposits reflected a decrease of $177,864 during 1951. The average monthly balance of such deposits during 1951 was $234,866,000 at an annual cost of 1.26 percent as compared with $271,371,000 and 1.16 percent for 1950.

Nonoperating income for 1951 amounted to $92,722 as compared with $595,392 for 1950. The decrease is almost wholly due to a $502,473 decrease in profit on sales of securities. Nonoperating charges for 1951 and 1950 aggregated $42,771 and $78,473, respectively.

Net income of the Banks for the calendar year 1951 amounted to $6,295,149 and represented an average rate of earnings on capital, after statutory reserve requirements, of 2.05 percent as compared with $6,463,006 and 2.33 percent for 1950. The cumulative net income of the Banks from the date of their organization through December 31, 1951, amounted to $78,046,825.

The following tabulation reflects the disposition of the net income for 1951 and the cumulative net income through December 31, 1951:

	Calendar year 1951		October 1932 to Dec. 31, 1951	
	Amount	Percent	Amount	Percent
Dividends paid:				
U. S. Government	$62, 500	1.0	$26, 176, 170	33.5
Members	4, 297, 262	68.3	19, 376, 004	24.8
Total dividends	4, 359, 762	69.3	45, 552, 174	58.3
Retirement fund, prior service	11, 501	.2	667, 460	.9
Legal reserve	1, 259, 030	20.0	15, 735, 677	20.2
Contingent reserve	−114, 048	−1.8	5, 510, 758	7.0
Undivided profits	778, 904	12.3	10, 580, 756	13.6
Total net income	6, 295, 149	100.0	78, 046, 825	100.0

Dividends of Banks

It will be noted from the foregoing that 1951 dividends equaled 69.3 percent of the net income for that year, while dividends since the beginning of operations equaled but 58.3 percent of the cumulative net income. The weighted dividend rate for 1951 was 1.78 percent as compared with 1.58 percent for 1950. As in 1950, dividend rates ranged from 1 percent to 2¼ percent for the calendar year 1951.

The following tabulation reflects the total dividend distribution by the Federal Home Loan Banks from the beginning of their operations through December 31, 1951:

Federal Home Loan Bank of—	Members	U. S. Government	Total
Boston	$1, 414, 565. 53	$2, 114, 204. 61	$3, 528, 770. 14
New York	1, 979, 734. 46	3, 561, 988. 75	5, 541, 723. 21
Pittsburgh	1, 349, 618. 73	2, 469, 593. 39	3, 819, 212. 12
Greensboro	1, 967, 720. 09	1, 827, 945. 29	3, 795, 665. 38
Cincinnati	3, 658, 900. 73	3, 234, 798. 08	6, 893, 698. 81
Indianapolis	2, 038, 504. 97	1, 523, 465. 34	3, 561, 970. 31
Chicago	2, 464, 207. 12	3, 865, 163. 95	6, 329, 371. 07
Des Moines	1, 385, 620. 54	1, 717, 899. 59	3, 103, 520. 13
Little Rock	665, 335. 78	1, 782, 509. 62	2, 447, 845. 40
Topeka	709, 566. 91	1, 291, 131. 06	2, 000, 697. 97
San Francisco	1, 742, 228. 62	2, 787, 470. 74	4, 529, 699. 36
Total	19, 376, 003. 48	26, 176, 170. 42	45, 552, 173. 90

Home Loan Bank Board Supervision

Pursuant to the provisions of the Federal Home Loan Bank Act, as amended, the Home Loan Bank Board, in supervising the operations of the Federal Home Loan Banks, requires each Bank to submit for its approval an annual budget covering the estimated controllable expenses to be incurred. All dividend declarations by the boards of directors of the Banks are subject to the approval of the Home Loan Bank Board, as are the appointments and salaries of all officers and attorneys of the Banks, by-law amendments, leases for banking quarters, purchases and sales of investment securities, and the range of interest rates on advances, members' deposits, and interbank deposits.

Examinations of Banks

Pursuant to an amendment to the Federal Home Loan Bank Act approved June 27, 1950, the Federal Home Loan Banks are examined at least annually (rather than semiannually as was the case prior to such amendment) by examiners attached to the staff of the Auditor of the Home Loan Bank Board. In addition to such examination, the Banks and the internal operations of the Home Loan Bank Board and its constituent units are subject to an annual audit by representatives of the General Accounting Office pursuant to the provisions of the Government Corporation Control Act of December 6, 1945. This Act also requires that the General Accounting Office use to the fullest extent deemed practical reports of examinations of Government corporations made by the supervisory agency pursuant to law. In keeping with this requirement, the representatives of the General Accounting Office have confined their activities largely to periodic surveys of the operations of the Federal Home Loan Banks and analyses of examinations and audits made by the staff of the Board's Auditor, and a review of the internal audit of the other activities under the Home Loan Bank Board's supervision. This arrangement affords the Home Loan Bank Board and the Federal Home Loan Banks a comprehensive audit and analysis of operations at a minimum of expense.

Management of Banks

The management of each Federal Home Loan Bank is vested by the Federal Home Loan Bank Act, as amended, in a board of twelve directors, all of whom shall be citizens of the United States and bona fide residents of the Federal Home Loan Bank District in which such Bank is located. Four of such directors are appointed by the Home Loan Bank Board for terms of four years and eight are elected by members for terms of two years. Annual elections of directors are held by the Home Loan Bank Board pursuant to the regulations governing such elections. The directors and officers selected to serve each Federal Home Loan Bank during 1952 are listed below:

FEDERAL HOME LOAN BANKS

Directors and officers selected to serve during 1952

Boston

DIRECTORS

Rockwell C. Tenney (public interest).
Dr. G. Walter Woodworth (public interest).
Frederick J. Dillon[1] (public interest).
William J. Pape (public interest).
Milton A. Barrett[2] (at large).
Ralph R. Crosby (at large).
Ralph E. Ellis (class A).
Frederick T. Backstrom (class A).
Frederic E. Small (class B).
William J. D. Ratcliff (class B).
A. Hadley Shumway (class C).
Leo G. Shesong (class C).

OFFICERS

Herbert N. Faulkner, president.
Lawrence E. Donovan, vice president and treasurer.
Paul H. Heywood, vice president and secretary.
Beatrice E. Holland, assistant secretary.

New York

DIRECTORS

Eustace Seligman (public interest).
George MacDonald[1] (public interest).
James Bruce (public interest).
Francis V. D. Lloyd (public interest).
Ernest A. Minier[2] (at large).
Arthur F. Smethurst (at large).
Arthur E. Knapp (class A).
Leon Fleischmann (class A).
Leonard E. Rautenberg (class B).
Frank C. Hobler (class B).
James W. Cullen (class C).
T. E. Hamilton (class C).

OFFICERS

Nugent Fallon, president.
Denton C. Lyon, vice president and secretary.
Harold B. Diffenderfer, vice president and treasurer.
Joseph F. X. O'Sullivan, assistant secretary.

Pittsburgh

DIRECTORS

Walter B. Gibbons (public interest).
Ernest T. Trigg[1] (public interest).
Dr. Charles S. Tippetts (public interest).
Arthur B. Koontz (public interest).
Alexander Salvatori (at large).
Fred A. Werner (at large).
C. Elwood Knapp (class A).
Norman E. Clark[2] (class A).
Charles Warner (class B).
N. F. Braun (class B).
James W. Turtle (class C).
Francis E. McGill (class C).

OFFICERS

G. R. Parker, president.
Harold L. Tweedy, vice president.
William M. Stout, vice president.
Dale Park, treasurer.
Warren A. Sutton, secretary.

Greensboro

DIRECTORS

J. Grayson Luttrell (public interest).
Horace S. Haworth[1] (public interest).
Raymond D. Knight (public interest).
Frank Muller, Jr. (at large).
Marion M. Hewell (at large).
Edward C. Baltz[2] (class A).
Wallace O. DuVall (class A).
D. R. Fonville (class B).
George E. Comer (class B).
A. C. Blount (class C).
George E. Rutledge (class C).

OFFICERS

Joseph W. Holt, president and secretary.
O. K. LaRoque, Sr., executive vice president.
John M. Sink, Jr., vice president.
Joseph M. Croson, assistant vice president.
James T. Spence, treasurer.

[1] Chairman.
[2] Vice chairman.

Directors and officers selected to serve during 1952—Continued

Cincinnati

DIRECTORS

Frazer D. LeBus (public interest).
Frank K. Vaughn (public interest).
W. D. Gradison (public interest).
Dr. Howard L. Bevis [1] (public interest).
W. B. Furgerson (at large).
W. Megrue Brock [2] (at large).
Allen C. Knowles (class A).
A. E. Albright (class A).
E. A. Covington (class B).
John C. Mindermann (class B).
R. A. Stevens (class C).
Eric L. Schulte (class C).

OFFICERS

Walter D. Shultz, president.
W. E. Julius, vice president and treasurer.
J. W. Whittaker, vice president.
E. T. Berry, secretary.

Indianapolis

DIRECTORS

E. Kirk McKinney (public interest).
Harold A. Fitzgerald (public interest).
Dr. Herman B. Wells [1] (public interest).
Charles T. Fisher, Jr. (public interest).
Fermor S. Cannon [2] (at large).
Arthur H. Deitsch (at large).
Walter Gehrke (class A).
W. B. Burdick (class A).
Walter L. Moreland (class B).
Harold F. Harrison (class B).
Byron Jones (class C).
J. Albert Jackson (class C).

OFFICERS

Fred T. Greene, president and secretary.
Fermor S. Cannon, vice president.
G. E. Ohmart, vice president and treasurer.
Sylvia F. Brown, assistant secretary.
Caroline F. White, assistant treasurer.

Chicago

DIRECTORS

John E. Stipp [1] (public interest).
Dr. David B. Owen (public interest).
Cornelius T. Young (public interest).
Charles R. Jones [2] (at large).
Edward L. Johnson (at large).
Ben F. Bohac (class A).
Robert J. Pittelkow (class A).
Otto A. Kling (class B).
Earl S. Straight (class B).
Austin J. Waldron (class C).
Robert L. Hirschinger (class C).

OFFICERS

A. R. Gardner, president.
Ola Sanders, Jr., senior vice president.
Allan Anderson, vice president.
Ralph Menard, secretary and treasurer.

Des Moines

DIRECTORS

John D. Adams [1] (public interest).
E. Raymond Hughes (public interest).
Paul E. Vardeman (public interest).
Maurice H. Jones (at large).
Frank I. Neal (at large).
M. K. Grecky (class A).
Walter R. Youngquist (class A).
Michael A. Hund [2] (class B).
C. R. LaBarre (class B).
Robert L. Palmer (class C).
Richard Stillwagon (class C).

OFFICERS

Robert J. Richardson, president.
W. H. Lohman, vice president and treasurer.
A. E. Mueller, assistant treasurer.
J. M. Martin, secretary.

[1] Chairman.
[2] Vice chairman.

Directors and officers selected to serve during 1952—Continued

Little Rock

directors

Gordon H. Campbell (public interest).
B. H. Wooten [1] (public interest).
Claude H. Roberts (public interest).
T. J. Butler (public interest).
R. H. McCune (at large).
W. P. Gulley [2] (at large).
Meredith Queen (class A).
Curtis M. Hennesy (class A).
A. H. Knippa (class B).
Albert J. Emke (class B).
Robert T. Love (class C).
Louis D. Ross (class C).

officers

H. D. Wallace, president and secretary.
J. C. Conway, vice president.
Ennis M. Oakes, vice president.
W. F. Tarvin, treasurer.

Topeka

directors

Paul F. Good (public interest).
L. C. Aicher (public interest).
Joseph A. Uhl, Jr., (public interest).
Harrington Wimberly [1] (public interest).
Victor C. Garms (at large).
F. J. McCue (at large).
Louis W. Grant [2] (class A).
Gladys Forsyth (class A).
Eugene Howe (class B).
Otis A. King (class B).
Carl A. Hammel (class C).
Doris E. Soden (class C).

officers

C. A. Sterling, president and secretary.
R. H. Burton, vice president and treasurer.

San Francisco

directors

C. W. Leaphart (public interest).
Ben A. Perham [1] (public interest).
Harold B. Starkey (public interest).
Archibald B. Young (public interest).
Guy E. Jaques (at large).
Ralph C. Duvall (at large).
Joe Crail [2] (class A).
Gerrit Vander Ende (class A).
C. V. Carter (class B).
R. Floyd Hewitt (class B).
I. W. Dinsmore (class C).
A. C. Boucher (class C).

officers

Frederick W. Ruble, president and secretary.
F. M. Donahoe, senior vice president.
Frank C. Noon, vice president.
Ray E. Humphrey, treasurer.
L. F. Nolan, assistant treasurer.
E. M. Jenness, assistant secretary.
E. E. Pearson, assistant secretary.

[1] Chairman.
[2] Vice chairman.

Section 3

FEDERAL SAVINGS AND LOAN SYSTEM

Introduction

The Federal Savings and Loan System had its inception in the Home Owners' Loan Act of 1933. In section 5 of this Act Congress provided for the chartering of Federal savings and loan associations by the Home Loan Bank Board either by the granting of new charters to local organizing groups or by the conversion of existing institutions of the savings and loan type from State to Federal charter. The underlying purpose of this legislation was to meet a need in many communities for more adequate thrift and home-financing facilities by providing for local institutions throughout the country that would operate on a uniform plan incorporating the best practices and operating principles of savings institutions specializing in the financing of homes.

As mutual institutions, Federal savings and loan associations have their entire capital in the form of savings accounts of their members, who are the sole owners. They may not accept deposits and may not issue certificates of indebtedness except for such borrowed money as is authorized by regulations of the Board. Their savings accounts, which are nonassessable, participate equally in the earnings of the association, on a pro rata basis, payments being made semiannually at rates determined by the directors on the basis of net earnings. The funds received by Federal savings and loan associations are primarily of a savings or investment nature, and such funds are loaned principally on a long-term, monthly amortization basis with local home properties as security.

Federal savings and loan associations must be members of the Federal Home Loan Bank System and must have their accounts insured by the Federal Savings and Loan Insurance Corporation. They are examined regularly and supervised by the Home Loan Bank Board and are subject to its regulations.

Granting of Charters and Branches

In accordance with the provisions of the Act, applications for permission to organize new Federal associations are considered by the Board on the basis of all facts available with respect to the character and responsibility of the organizing group, the necessity for such an association in the community to be served, the prospects for its usefulness and success, and whether or not it could be established without undue injury to properly conducted existing local thrift and home-financing institutions. In no case is an application approved without provision having been made for a public hearing, notice of which must be published locally. Nine new Federal savings and loan associations were organized during the year 1951.

The Board follows a policy of strict impartiality as between State-chartered and Federally chartered associations, using the same eligibility standards for conversion of an uninsured State association to Federal charter as if it were seeking insurance of accounts under State charter. It is considered a healthy situation that the total assets of all savings and loan associations are almost evenly divided between State and Federal associations. It is the Board's policy not to discourage insured associations from converting either from State to Federal charter or from Federal to State charter, in accordance with the expressed vote of the association's mutual shareholders. During 1951 there were 14 State associations which converted to Federal charter while there were no conversions from Federal to State charter.

Applications for the establishment of branch offices by Federal associations are considered by the Board in the light of the same tests as govern the granting of new Federal charters. Branch offices are approved only when there is convincing evidence that there is a real community need for such an office and that it can be established with good prospects of successful operation, without undue injury to existing local institutions. It is the Board's policy always to provide for a public hearing before approving any branch application and, in addition to local publication, notice of such hearing is always mailed to the appropriate savings and loan trade organization and State supervisory authority. During 1951 approvals were granted for 27 branch offices and at the year end there were 96 Federal associations authorized to operate 127 branch offices.

Growth and Development to Date

As of December 31, 1951, there were 1,549 Federal savings and loan associations in operation, of which 877 were associations converted from State to Federal charter and 672 were originally organized under Federal charter. During 1951 the number of Federal associations increased by 23, accounted for by the issuance of nine charters for newly organized associations and 14 for converted State associations while there were no cancellations of Federal charters. Federal associations are located in each of the 48 States, District of Columbia, Alaska, Hawaii and Puerto Rico. The aggregate assets of all Federal savings and loan associations at the end of 1951 amounted to approximately $9,792,000,000, representing a growth of 16 percent during the year. The average size of Federal associations increased from $5,542,000 to $6,321,000 during the year. Combined assets of Federal associations now represent 51 percent of the total assets of all savings and loan associations in the country.

Savings Activity and Trends During Year

Savings capital continued to flow into Federal associations in record volume during 1951, the net increase of $1,241,000,000, or 17.7 percent, being the largest net gain in dollar amount for any year in their 18-year history. Total savings invested in Federals during the year amounted to $3,530,000,000 while withdrawals aggregated $2,361,000,000, thus showing a withdrawal ratio of 67 percent. This compares favorably with the 1950 ratio of 71 percent. As compared with 4,811,000 investors in these institutions one year earlier, there were 5,480,000 investors at December 31, 1951, an increase of 13.9 percent, and their total savings accounts amounted to approximately $8,259,000,000.

Lending Activity and Trends During Year

First mortgage loans, secured primarily by one to four-family homes, represented 81 percent of the total assets of Federal associations at the end of 1951. Their total mortgage loans increased during the year from $6,893,000,000 to $7,964,000,000, or 16 percent as compared with 22 percent in 1950. Composing the mortgage loan portfolio at the year end were FHA loans of $539,000,000, representing 7 percent of the total, GI loans of $1,762,000,000, representing 22 percent, and conventional loans of $5,663,000,000, representing 71 percent. During 1951 Federal associations made mortgage loans totaling $2,682,000,000, which was slightly less than the volume made in 1950. A brief comparative summary of new loans made by Federal associations during 1950 and 1951, classified as to purpose of loans, is shown in the following tabulation:

Purpose	Dollar amounts in thousands				Percent change in 1951
	1951		1950		
	Amount	Percent of total	Amount	Percent of total	
Construction	$931,000	34.7	$998,000	37.0	−6.7
Purchase	1,140,000	42.5	1,101,000	40.9	3.5
Refinancing	236,000	8.8	222,000	8.2	6.3
Reconditioning	85,000	3.2	97,000	3.6	−12.4
Other	290,000	10.8	278,000	10.3	4.3
Total	2,682,000	100.0	2,696,000	100.0	−0.5

Liquidity and Reserves

Federal savings and loan associations continued during 1951 to maintain substantial liquidity and reserve positions. Their liquid assets in the form of cash and United States Government obligations increased $167,000,000, or 13.6 percent, during the year. Holdings of $1,398,000,000 in cash and Government obligations on December 31, 1951 were equivalent to 16.9 percent of savings accounts and 14.3 percent of total assets, as compared with respective ratios of 17.5 percent and 14.6 percent at the end of 1950. General reserves and surplus accounts of all Federals increased from $565,000,000 to $677,000,000, or 19.8 percent, during 1951, bringing these reserve accounts to 6.9 percent of total assets at December 31, 1951, as compared with 6.7 percent at the end of 1950 and 6.6 percent at the end of 1949. The ratio of reserves to savings was 8.2 percent at the end of 1951 as compared with 8.1 percent at the end of 1950 and 7.7 percent at the end of 1949.

ORGANIZATION AND FUNCTION CHART OF THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Created by Title IV of the National Housing Act, 1934, for the purpose of insuring savings in all Federal savings and loan associations and in all state-chartered savings and loan, building and loan, and homestead associations and cooperative banks which apply and qualify. The insurance coverage for each account is limited to $10,000.

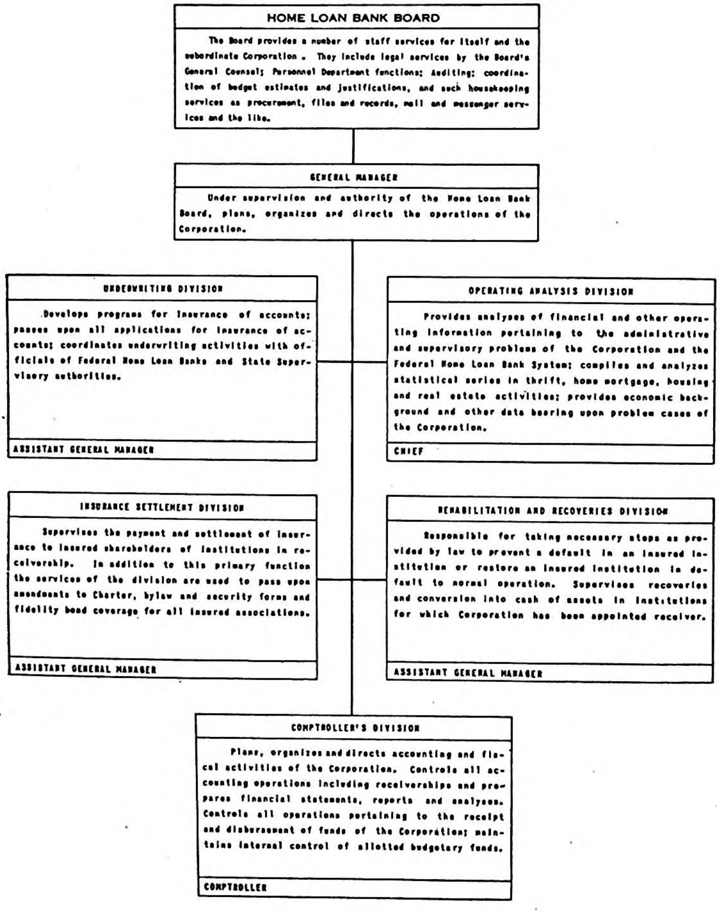


CHART B.

Section 4

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Over nine million savers were receiving the advantage of insurance through the Federal Savings and Loan Insurance Corporation on December 31, 1951. These individuals held total savings of $13,700,000,000 in the 3,020 Federal and State-chartered savings and loan associations which had qualified for insurance; each account holder was insured against loss on his savings up to $10,000. Total assets of the insured institutions aggregated $16,200,000,000 and reserves and undivided profits, $1,160,000,000.

Standing behind the savers in insured associations are the further important safeguards provided by the Corporation: (1) The authority to act promptly in order to restore insured associations in financial difficulty to normal operation, and (2) the ability to make prompt payment to the savers and creditors of insured associations in liquidation. Available for these purposes are the Corporation's capital stock of $93,284,000 and accumulated reserves of $106,118,581, as well as the additional emergency right to call upon the U. S. Treasury for the loan of such funds as may be needed, up to a total of $750,000,000.

During 1951, the Corporation made the initial retirement of nearly 7 percent of its capital stock. As required by legislation, enacted during 1950, an amount equal to 50 percent of the net income for each fiscal year will be retired annually until such time as the original capital of $100,000,000 has been repaid to the United States Treasury.

Extent of Insurance Coverage

Insured savings and loan associations are located in every State of the United States, the District of Columbia, and in the Territories of Alaska, Hawaii, and Puerto Rico. These insured associations hold 85 percent of the assets of all savings and loan associations in the country. Comprising the system of insured associations, as shown in Table 5, were 1,549 institutions, with assets of $9,792,000,000, operating under Federal charters, and 1,471 State-chartered associations having assets of $6,412,000,000.

The Corporation was insuring, up to $10,000, the savings of over 9,000,000 savers and investors in these institutions at the end of 1951. These investors had $13,653,000,000 in their savings accounts, of which about 98 percent was fully insured.

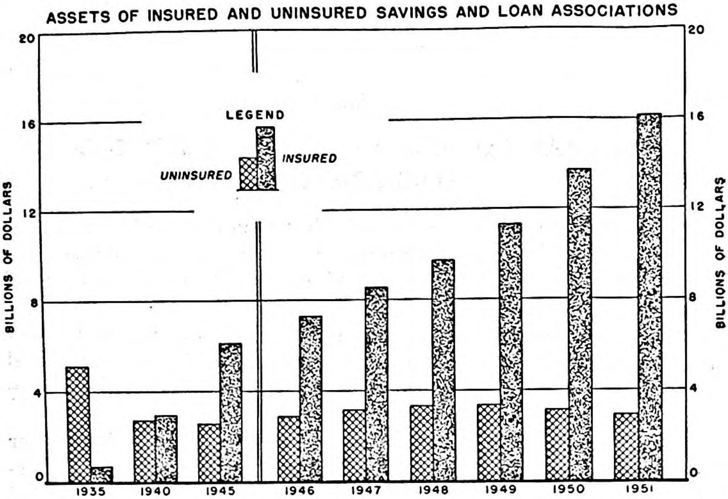


CHART 3.

Membership

Eligibility requirements.—In determining whether an applicant institution is eligible for insurance, the Corporation follows the standards of qualification established by the insurance law (Title IV of the National Housing Act, as amended). All available facts bearing upon the management, condition, and operations of an institution are analyzed to determine whether the association is eligible for insurance without change, whether it might qualify through the adoption of specific improvements, or whether the application should be rejected.

In general, an institution, to become insured, must have unimpaired capital and must operate under safe financial policies and management. The Corporation may reject the application of an institution if it finds that the character of the management of the applicant or its home financing policy is inconsistent with economical home financing or with the purposes of insurance.

Bylaws and security forms.—The rights of holders of savings and investment accounts in savings and loan associations are set forth variously in the charter, bylaws, or security forms of the institutions. Through its insurance function, the Corporation has a direct interest in these provisions and in order to assure that proper forms of securities and bylaws are used by all member institutions, the statute and regulations require that they must first be approved by the Corporation. The examination of such forms of securities and bylaw provisions remains an important and continuing obligation of the Corporation, as is indicated by the approximately 400 applications for approval acted upon during 1951.

The performance of these duties has been facilitated by the cooperation of the State Authorities in many States in the preparation of illustrative forms of bylaws and securities, satisfactory to the Corporation, for use of insured institutions in those States. Amendments to State laws and changes in State supervisory policies occasionally require revision of the approved illustrative forms. During 1951, proposals for revision of security forms for use in California, Wisconsin, and Kansas (the latter two also involving changes in provisions of approved bylaw forms) were approved by the Corporation.

Admissions.—The extent of insurance coverage in the savings and loan field has continued steadily upward, reflecting a more general understanding of the value of insurance and an increasing demand from the public for this added protection. Insurance admissions of 164 associations during 1951 were the highest since 1938. These new members, with assets of more than $450,000,000, were located in thirty-one States and the District of Columbia. Three of these institutions had assets of more than $35,000,000 each.

Terminations.—Insured associations, with the exception of Federal associations, have the right of terminating their insurance, provided they meet certain legal requirements. During 1951, four institutions withdrew from insurance membership—one cancelled its insurance certificate to consolidate with another insured association; one voluntarily dissolved; one changed from a savings and loan association to a mutual savings bank; and one voluntarily terminated insurance.

The Corporation has never found it necessary to terminate the insured status of an institution for a violation of a law or the rules and regulations of the Corporation.

Insurance Protection for the Investor

The Corporation protects the individual saver or investor in an insured association up to a maximum of $10,000 through one of two methods: (1) It may act to prevent the default and liquidation of an insured association in difficulty, or (2) when an insured association is declared in default and is placed in liquidation by the supervisory authorities, it must pay off the accounts of the insured savers.

In preventing a default, the Corporation has the authority to make a contribution or a loan to the association or to purchase some or all of its assets. When an insured association is liquidated, the Corporation may pay the insured accounts in cash or may make other accounts in other operating insured institutions available to the savers of the association in liquidation.

In every instance, before taking final action, the Corporation works closely with the supervisory officials having authority over the associations affected. The end result, therefore, represents the combined efforts of the jurisdictional supervisors and the Corporation.

Payment of Insurance Claims

The Corporation was not called upon to assist any additional insured associations in 1951 and, in fact, has not experienced any new losses for nearly 7 years. In the spring of 1950, the Corporation, under its authority to prevent default, had purchased the entire assets of an insured association for a sum sufficient to pay all shareholders and creditors in full. Liquidation of the assets had been virtually completed by December 31, 1951, with complete recovery of the disbursed funds, although, of course, no income was received on the funds during the comparatively short period that they were outstanding.

It should be recognized that this loss record reflects, in part, continued favorable economic conditions and preventative measures of the Corporation and of Federal and State supervisory authorities. These measures have protected the Corporation's reserves through the encouragement of adherence to sound operating policies by the insured membership.

Condition of the Corporation

Assets of the Corporation as of December 31, 1951, consisting principally of cash, United States Government securities, and uncollected insurance premiums payable by insured institutions after the close of the fiscal year, amounted to $208,211,786. The Corporation's investments in assets purchased from the association in liquidation (described above) had been reduced during the year from the original amount of $4,405,175 to $969,299 on December 31.

During July 1951, the Corporation made its initial retirement of capital stock in the amount of $6,716,000. The Corporation must retire capital stock in an amount equal to one-half of its income after expenses and losses. It is estimated that, if the current conditions continue, a period of less than 15 years will be required for complete retirement of the capital.

The reserve of the Corporation rose to $106,118,581 on December 31, 1951, an increase of 13.4 percent during the calendar year. This reserve for losses was equivalent to 0.74 percent of the Corporation's potential risk, which consists of the insured amount of all accounts of insured institutions plus their creditor obligations. The combined capital and reserve of the Corporation approximates 1.39 percent of the risk.

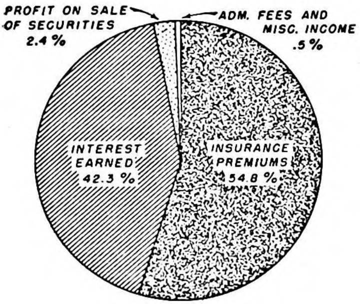
A complete statement of the condition of the Corporation as of December 31, 1951, and December 31, 1950, appears in Table 6.

Operations of the Corporation

The Corporation obtains its income from two main sources—the annual premiums paid by the insured member institutions and earnings on United States Government securities owned by it. All expenses of the Corporation are paid out of the funds from these sources, with no part being paid out of the general funds of the United States Treasury. These expenses amount to approximately 5 percent of the total income of the Corporation. After payment of a return on capital stock to the U. S. Treasury, the balance is transferred at the close of the fiscal year to the reserve account.

SOURCE AND DISTRIBUTION OF CUMULATIVE GROSS INCOME OF THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

SOURCE



Insurance premiums and interest earned on United States Government securities comprise the major sources of income of the Corporation. During the past 17 years funds derived from these sources amounted to 54.8% and 42.3%, respectively, of the Corporation's total cumulative income of $152,770,267.87.

DISTRIBUTION

Cumulative expenses have amounted to but 4.4% of the Corporation's income to date. Insurance losses have absorbed 3.4% and return on capital stock 22.8%. Thus, of the income received since the inception of the Corporation, 69.4% has been credited to reserves.

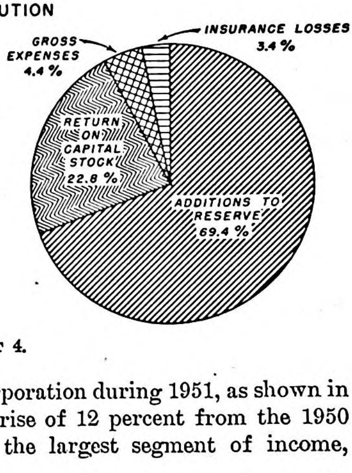


CHART 4.

Gross operating income of the Corporation during 1951, as shown in Table 7, aggregated $14,803,622, a rise of 12 percent from the 1950 total of $13,209,753. Comprising the largest segment of income, premiums paid by institutions at the rate of one-twelfth of one percent of their share accounts and creditor obligations accounted for $10,125,281 during 1951. Income from investments totaled $4,515,071, while admission fees paid by associations qualifying for insurance amounted to $161,137.

Expenses totaled $645,012 in 1951, as compared with $594,746 in 1950. Net income was $12,528,306 for the calendar year 1951, as compared with $10,482,852 for 1950. In accordance with statutory requirements, the Corporation provided for the payment of $1,762,573 as a return on capital stock for the year 1951. From organization to June 30, 1951, the Corporation has paid $33,891,438 for this purpose.

Condition of Insured Associations

As of December 31, 1951, the assets of all insured associations amounted to $16,204,000,000, an increase of $2,513,000,000, or 18 percent, during the year. About $450,000,000 of the increase was due to the admission of new members and the balance was attributable to the growth of the institutions already insured.

Liquid assets of $2,276,000,000 on December 31, consisting of cash and United States Government securities, were equivalent to 14 percent of assets and 17 percent of savings capital. First mortgage loans, totaling $13,236,000,000, accounted for 82 percent of the assets at the year-end. Of these mortgage loans, $2,729,000,000, or 21 percent, were guaranteed or insured by the Veterans' Administration and $773,000,000, or 6 percent, were insured by the Federal Housing Administration.

Mortgage loans made by insured associations during 1951 amounted to $4,501,000,000, a total 3 percent above the previous record of $4,352,000,000 loans made in 1950.

At year-end, savings capital totaled $13,653,000,000, showing a record increase of $2,279,000,000, or 20 percent, during the year. Withdrawals for 1951 were equivalent to 67 percent of new savings received.

The combined reserves and undivided profits of insured institutions, which would be available for business losses in case of need, continued to increase during 1951, with about one-third of the net income of the associations being allocated to these accounts. At the close of 1951, such reserve accounts totaled $1,160,000,000 and were equivalent to 7.2 percent of assets or 8.5 percent of savings capital.

Section 5

HOME OWNERS' LOAN CORPORATION

Status of Liquidation Program

During the calendar year 1951 the accelerated liquidation program of the Home Owners' Loan Corporation was completed and by December 31, 1951, the Corporation had disposed of all its assets. Its capital stock has been retired and its bond issues have been called or matured and its bonds redeemed. In accordance with Section 20 of the Federal Home Loan Bank Act, a final report of the operation, realization, and liquidation of the Corporation was submitted by the Home Loan Bank Board on March 1, 1952, to the Congress of the United States.

Historical Background

The Home Owners' Loan Corporation was created June 13, 1933, with a capital of $200,000,000 subscribed for by the Secretary of the Treasury, as an emergency organization to extend relief to home owners who were in danger of losing their homes through foreclosure and to help stabilize the real estate market. Excluding those issued for refunding purposes, the Corporation issued bonds totaling $3,489,453,550, most of which were exchanged for mortgages. During its three-year lending period which ended June 12, 1936, the Corporation made loans totaling $3,093,451,321 to 1,017,821 home owners. Capitalized additions totaling $405,451,791 for taxes, insurance, maintenance, reconditioning, and acquisition costs brought the cumulative investment as of June 30, 1951, to $3,498,903,112.

Current Operations

Since 1936 the major activity of the Corporation has been the liquidation of its mortgage loans. The liquidation process has progressed steadily each year. The Corporation in June 1949 accelerated its liquidation by initiating a program to sell or assign all mortgages by publicly offering them for sale on a State-wide basis, setting as a goal the complete liquidation of the mortgage loan and property portfolio of the Corporation by June 30, 1951. When the program was originated, the Corporation had on hand 201,338 accounts valued at $319,342,497. By June 30, 1950, it had reduced these balances to 74,023 loans valued at $84,198,750, and by the close of the calendar year 1950, the Corporation had on its books 14,860 accounts valued at $9,588,000. The goal set by the Corporation was attained and by June 30, 1951, complete liquidation of the loan portfolio was accomplished.

Since May 31, 1951, when the home office in New York was closed, operation of the Home Owners' Loan Corporation has been conducted from the Home Loan Bank Board offices in Washington. Despite the cessation of operations, correspondence concerning the Corporation continues to flow into these offices at the rate of about a thousand pieces of mail per month. This mail consists of requests for duplicate release of mortgages; releases of deficiency and rent judgments; requests for ledger balances as of specific dates; analysis of all payments made over the life of a loan; proof that taxes for specific periods were paid by the HOLC; inquiries from Internal Revenue Inspectors, local welfare organizations, administrators of estates, and the like, regarding equities in HOLC loans; as well as tax bills, insurance policies, advertising, and related correspondence.

It is for the purpose of handling these types of inquiries, which it is expected will continue for some time to come, that Congress made available to the Home Loan Bank Board $75,000 of the surplus funds of the Home Owners' Loan Corporation. These non-administrative funds are also available to cover costs of the final liquidation report of the Corporation, post audit and other miscellaneous expenses, and possible claims.

Investments in Savings and Loan Associations

As part of its emergency relief activities, the Home Owners' Loan Corporation was authorized by Congress to purchase shares of savings and loan associations in order to make funds available to stimulate the local financing of home loans. During its operations, the Corporation invested $223,856,710 in 1,365 associations throughout the country. The $414,200 investment balance at the close of 1950 was disposed of during the calendar year 1951, so that by December 31, 1951, the entire amount had been repaid without net loss and dividends totaling $44,745,479 had been received as the result of such investments.

Financial Operations

A cumulative statement of income, expense, loss, and surplus of the Home Owners' Loan Corporation from June 13, 1933, to December 31, 1951, is presented in Table 8. Total income of the Corporation during its operations aggregated $1,417,134,830 and expenses amounted to $1,065,052,681, or a net income before losses of $352,082,149. The Corporation made provision for reserves for losses on mortgage loans, interest, and property; for fidelity and casualties; and for fire and other hazards in an aggregate amount of $351,990,459. A cumulative total loss of $338,016,707 was sustained by the Corporation, of which $337,893,825 was charged against these reserves. Thus, the surplus or net earnings after losses totaled $14,065,442.

The Corporation paid $13,800,000 of this surplus or net earnings into the Treasury of the United States during May 1951, reducing the available surplus to $265,442 on June 30, 1951. As a result of the transfer of employees to other Government agencies, a reduction in accrued liabilities increased the surplus by $3,147 to $268,589 on November 30, 1951. Pursuant to the Independent Offices Appropriation Act, 1952, approved August 31, 1951, surplus funds of the Home Owners' Loan Corporation totaling $75,000 were made available to the Home Loan Bank Board for the purpose of handling all matters, including the settlement of possible claims and miscellaneous expenses arising in connection with the final liquidation of the Corporation. During December 1951 the residue surplus of $193,589 was paid into the Treasury of the United States, thus accounting for the Corporation's total net earnings of $14,068,589 as of December 31, 1951.

Accomplishments of the HOLC

In addition to fulfilling the statutory purpose of extending relief to home owners who were in imminent danger of losing their properties during a period of adverse economic conditions, the Corporation has played an important and impressive role in restoring confidence in the home mortgage field. Its very existence served as a morale bolster to the individuals who reaped its benefits and as a stimulant to the general economy through its support of financially embarrassed lending institutions. The Corporation was instrumental in popularizing the long-term, monthly amortized, direct-reduction type of mortgage loan. The Corporation was also responsible for encouraging the standardization of appraisal methods and techniques and sponsored the plan of monthly payment of taxes and insurance by borrowers. In addition, its influence was felt in the general advancement in and modernization of mortgage lending practices.

The successful termination of this enterprise of the Federal Government is a tribute to the judgment of the Congress in establishing the Home Owners' Loan Corporation and to the American people for the faithful completion of their obligations.

TABLE 1.—*Federal Home Loan Banks—Summary of lending operations*

Federal Home Loan Banks	Calendar year 1951		Balance outstanding end of year
	Advances	Repayments	
Boston	$30,224,900.00	$30,624,997.00	$50,334,086.00
New York	76,974,209.47	69,464,930.13	103,662,030.60
Pittsburgh	27,286,700.00	23,635,130.00	66,029,515.00
Greensboro	47,558,500.00	45,015,513.36	92,625,375.95
Cincinnati	31,637,000.00	30,659,025.00	52,213,650.00
Indianapolis	21,852,450.00	17,344,591.59	58,021,048.37
Chicago	48,450,437.68	32,911,128.29	147,690,347.00
Des Moines	21,325,660.00	24,004,709.86	52,668,606.50
Little Rock	21,790,500.00	20,988,944.00	43,405,862.00
Topeka	12,700,250.00	21,500,696.47	30,849,770.00
San Francisco	83,176,467.00	116,847,358.85	108,436,476.00
Total, year 1951	422,977,074.15	432,997,024.55	805,936,767.42
Total, year 1950	674,756,649.69	292,229,081.73	815,956,717.82
Total, year 1949	255,662,641.50	337,249,580.83	433,429,149.86
Total, year 1948	359,612,776.74	280,168,873.35	515,016,089.19
Total, year 1947	351,079,350.99	208,961,931.93	435,572,185.80
Total, year 1946	329,231,890.68	230,649,366.93	293,454,766.74
Total, year 1945	277,748,276.84	213,438,982.95	194,872,242.99
Total, year 1944	239,254,221.89	218,759,089.74	130,562,949.10
Total, year 1943	156,925,588.93	176,070,303.60	110,067,816.95
Total, year 1942	99,461,876.19	189,695,394.41	129,212,531.62
Total, year 1941	157,600,420.85	139,646,335.38	219,446,049.84
Total, year 1940	134,212,165.93	114,033,192.20	201,491,964.37
Total, year 1939	94,780,586.64	112,310,034.15	181,312,990.64
Total, year 1938	81,958,343.39	83,153,601.22	198,842,438.15
Total, year 1937	123,251,172.91	68,440,498.13	200,037,695.98
Total, year 1936	93,257,057.50	50,715,704.66	145,227,021.20
Total, year 1935	59,130,068.56	43,046,971.39	102,685,668.36
Total, year 1934	38,675,566.12	37,515,249.30	86,602,571.19
Total, year 1933	90,032,164.49	5,427,410.12	85,442,254.37
Total, year 1932	837,500.00	0	837,500.00
Grand total	4,040,445,393.99	3,234,508,626.57	

TABLE 2.—*Federal Home Loan Banks—Schedule of interest rates on new advances and interest rates paid on members' time deposits Jan. 1, 1952*

Advances to members	Boston	New York	Pittsburgh	Greensboro	Cincinnati	Indianapolis	Chicago	Des Moines	Little Rock	Topeka	San Francisco
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Only one rate in effect	2.5	2.75		2.52	2.75	2.5		2.5	2.5	2.75	2.75
Secured advances:											
Not exceeding 1 year			2.5				2.25				
1 year to 5 years			2.75				2.5				
5 years to 10 years							2.75				
Unsecured advances: 1 year or less			2.50–2.75				2.25				
Time deposits:											
On deposits remaining:											
Over 30 days	1.25	1.75	1.0		1.25	1.75		1.75	1.0	1.0	1.0–1.75
31 to 60 days							1.0				
61 to 90 days							1.25				
Over 90 days							1.5				
Up to 6 months				1.5							
Over 6 months				1.75							
Certificates of deposit (1 year)	1.75		2.0		1.75		1.75			1.75	1.5

TABLE 3.—*Federal Home Loan Banks—Comparative consolidated statement of condition as of dates indicated*

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

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

TABLE 4.—*Federal Home Loan Banks—Comparative consolidated statement of income and expense for the calendar years indicated*

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

TABLE 5.—*Federal Savings and Loan Insurance Corporation—Number and assets of insured savings and loan associations, by type, Dec. 31, 1951, and 1950*

[Dollar amounts shown in thousands]

FHLB Districts and States	All Insured				Federal				Insured State			
	1951		1950		1951		1950		1951		1950	
	Number	Assets	Number	Assets	Number	Assets	Number	Assets	Number	Assets	Number	Assets
United States	3,020	$16,204,096	2,860	$13,691,410	1,549	$9,791,550	1,526	$8,457,420	1,471	$6,412,546	1,334	$5,233,990
District No. 1, Boston	86	787,605	72	678,847	56	601,464	53	530,136	30	186,141	19	148,711
Connecticut	36	239,971	32	207,392	17	171,524	17	153,424	19	68,447	15	53,968
Maine	7	12,135	5	7,823	5	8,911	5	7,823	2	3,224	------	------
Massachusetts	30	369,813	27	323,991	29	362,582	26	317,304	1	7,231	1	6,687
New Hampshire	5	41,457	3	27,378	2	31,161	2	26,729	3	10,296	1	649
Rhode Island	5	108,646	3	98,318	1	12,104	1	10,911	4	96,542	2	87,407
Vermont	3	15,583	2	13,945	2	15,182	2	13,945	1	401	------	------
District No. 2, New York	325	2,217,358	307	1,829,383	88	1,075,370	85	894,882	237	1,141,988	222	934,501
New Jersey	153	689,175	148	571,157	20	89,763	18	68,718	133	599,412	130	502,439
New York	171	1,522,996	158	1,254,472	67	980,420	66	822,410	104	542,576	92	432,062
Puerto Rico	1	5,187	1	3,754	1	5,187	1	3,754	0	------	------	------
District No. 3, Pittsburgh	273	987,344	265	860,212	145	654,792	142	570,920	128	332,552	123	280,292
Delaware	2	2,757	2	2,154	2	2,757	2	2,154	0	------	------	------
Pennsylvania	246	921,375	238	800,865	122	597,680	119	519,779	124	323,695	119	281,086
West Virginia	25	63,212	25	57,193	21	54,355	21	48,987	4	8,857	4	8,206
District No. 4, Greensboro	401	2,235,840	375	1,839,315	260	1,535,017	251	1,272,514	141	700,823	124	566,801
Alabama	28	81,927	28	69,054	20	67,973	20	57,097	8	13,954	8	11,957
District of Columbia	25	438,698	22	371,495	10	101,873	9	91,601	15	336,825	13	279,894
Florida	56	468,328	53	373,973	54	462,772	51	369,913	2	5,556	2	4,060
Georgia	62	284,658	61	241,467	56	272,517	56	231,226	6	12,141	5	10,241
Maryland	50	338,325	45	268,253	35	260,304	33	206,008	15	78,021	12	62,245
North Carolina	99	305,512	87	246,412	31	138,254	29	118,431	68	167,258	58	127,981
South Carolina	48	154,341	47	128,732	33	118,236	32	99,076	15	36,105	15	29,656
Virginia	33	164,051	32	139,929	21	113,088	21	99,162	12	50,963	11	40,767

District No. 5, Cincinnati	382	2, 237, 733	366	1, 934, 833	223	1, 282, 492	222	1, 128, 430	159	955, 241	144	806, 394
Kentucky	59	206, 739	56	185, 389	55	197, 493	54	181, 116	4	9, 246	2	4, 273
Ohio	286	1, 845, 582	273	1, 591, 512	132	901, 070	132	790, 285	154	944, 512	141	801, 227
Tennessee	37	185, 412	37	157, 932	36	183, 929	36	157, 038	1	1, 483	1	894
District No. 6, Indianapolis	194	926, 670	191	799, 716	104	678, 719	104	593, 595	90	247, 951	87	206, 121
Indiana	143	531, 081	142	466, 513	70	362, 135	70	318, 481	73	168, 946	72	148, 032
Michigan	51	395, 589	49	333, 203	34	316, 584	34	275, 114	17	79, 005	15	58, 089
District No. 7, Chicago	425	1, 974, 410	384	1, 636, 322	145	994, 081	144	868, 911	280	980, 329	240	767, 411
Illinois	306	1, 567, 777	280	1, 313, 098	105	855, 539	104	749, 640	201	712, 238	176	563, 458
Wisconsin	119	406, 633	104	323, 224	40	138, 542	40	119, 271	79	268, 091	64	203, 953
District No. 8, Des Moines	184	972, 662	173	758, 455	109	645, 677	107	559, 095	75	326, 985	66	199, 360
Iowa	52	176, 646	45	125, 881	32	108, 980	32	94, 740	20	67, 666	13	31, 141
Minnesota	39	413, 677	37	300, 115	31	326, 538	30	285, 306	8	87, 139	7	14, 809
Missouri	80	336, 799	78	292, 851	36	183, 057	35	155, 975	44	153, 742	43	136, 876
North Dakota	7	31, 999	7	28, 620	6	18, 066	6	15, 685	1	13, 933	1	12, 935
South Dakota	6	13, 541	6	10, 988	4	9, 036	4	7, 389	2	4, 505	2	3, 599
District No. 9, Little Rock	286	900, 227	281	778, 914	160	421, 319	160	358, 338	126	478, 908	121	420, 576
Arkansas	40	76, 494	39	65, 446	35	66, 740	35	56, 808	5	9, 754	4	8, 638
Louisiana	72	275, 358	72	250, 677	14	49, 542	14	42, 486	58	225, 816	58	208, 191
Mississippi	26	55, 410	26	45, 573	21	46, 293	21	38, 497	5	9, 117	5	7, 076
New Mexico	14	38, 051	14	32, 867	7	24, 902	7	21, 606	7	13, 149	7	11, 261
Texas	134	454, 914	130	384, 351	83	233, 842	83	198, 941	51	221, 072	47	185, 410

TABLE 5.—*Federal Savings and Loan Insurance Corporation—Number and assets of insured savings and loan associations, by type, Dec. 31, 1951, and 1950*—Continued

FHLB Districts and States	All Insured				Federal				Insured State			
	1951		1950		1951		1950		1951		1950	
	Number	Assets	Number	Assets	Number	Assets	Number	Assets	Number	Assets	Number	Assets
District No. 10, Topeka	179	$619,568	169	$530,653	97	$425,059	97	$377,163	82	$194,509	72	$153,490
Colorado	43	164,487	39	140,383	23	111,209	23	98,335	20	53,278	16	42,048
Kansas	68	191,897	65	163,484	28	111,532	28	96,589	40	80,365	37	66,895
Nebraska	23	47,267	20	32,101	15	29,748	15	25,544	8	17,519	5	6,557
Oklahoma	45	215,917	45	194,685	31	172,570	31	156,695	14	43,347	14	37,990
District No. 11, San Francisco	285	2,344,679	277	2,044,760	162	1,477,560	161	1,303,427	123	867,119	116	741,333
Alaska	1	1,691	1	1,804	1	1,691	1	1,804	0			
Arizona	4	41,959	4	38,360	2	29,968	2	27,511	2	11,991	2	10,849
California	163	1,662,899	156	1,438,914	74	967,979	74	865,195	89	694,920	82	573,719
Hawaii	4	14,900	4	13,118	1	8,905	1	7,732	3	5,995	3	5,386
Idaho	8	42,103	8	38,500	8	42,103	8	38,500	0			
Montana	10	34,288	10	29,777	4	11,286	3	4,855	6	23,002	7	24,922
Nevada	1	6,457	1	5,667	1	6,457	1	5,667	0			
Oregon	21	89,508	21	82,613	21	89,508	21	82,613	0			
Utah	10	78,307	10	72,363	6	37,341	6	34,714	4	40,966	4	37,649
Washington	54	351,362	53	305,213	35	261,117	35	216,405	19	90,245	18	88,808
Wyoming	9	21,205	9	18,431	9	21,205	9	18,431	0			

TABLE 6.—*Federal Savings and Loan Insurance Corporation—Statement of condition as of dates indicated*

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

TABLE 7.—*Federal Savings and Loan Insurance Corporation—Statement of operations for the calendar years 1950 and 1951*

Items	Jan. 1, 1951, through Dec. 31, 1951	Jan. 1, 1950, through Dec. 31, 1950
Operating income:		
Insurance premiums earned	$10, 125, 281. 36	[1] $8, 451, 489. 07
Admission fees earned	161, 137. 40	134, 337. 32
Interest earned on U. S. Government securities	4, 515, 070. 95	4, 624, 019. 70
Miscellaneous	6. 57	−837. 78
Total operating income	14, 801, 496. 28	[1] 13, 209, 008. 31
Operating expenses and losses:		
Administrative expenses	489, 734. 12	579, 963. 34
Liquidation and other expenses	5, 838. 98	11, 166. 55
Services rendered by Home Loan Bank Board	[2] 144, 187. 31	0
Depreciation of furniture, fixtures and equipment	4, 764. 30	3, 937. 86
Losses on subrogated accounts	112. 55	−321. 86
Total operating expenses and losses	644, 637. 26	594, 745. 89
Net income from operations	14, 156, 859. 02	[1] 12, 614, 262. 42
Nonoperating income:		
Sale of furniture, fixtures and equipment	984. 00	744. 40
Miscellaneous	1, 142. 25	. 06
Total nonoperating income	2, 126. 25	744. 46
Nonoperating charges: Commission on securities	375. 02	0
Net income before adjustment of valuation reserves	14, 158, 610. 25	[1] 12, 615, 006. 88
Adjustment of valuation reserves:		
Provision for losses on assets purchased from insured institutions	132, 155. 25	−132, 155. 25
Provision for losses on pending and unclaimed insured accounts in liquidated institutions	114. 12	0
Net adjustment of valuation reserves	132, 269. 37	−132, 155. 25
Net income before payment of return on capital stock	14, 290, 879. 62	[1] 12, 482, 851. 63
Provision for return on capital stock in lieu of dividends	1, 762, 573. 22	2, 000, 000. 00
Net income	12, 528, 306. 40	[1] 10, 482, 851. 63

[1] Reflects estimated reduction due to retroactive change in premium rate on June 27, 1950, by Public Law No. 576, 81st Cong.
[2] Classified as administrative expenses prior to June 30, 1951.

TABLE 8.—*Home Owners' Loan Corporation—Statement of income, expense, loss and surplus, cumulative from inception of Home Owners' Loan Corporation, June 13, 1933, to Dec. 31, 1951*

Operating and other income:			
Interest:			
Mortgage loans and advances		$1, 055, 792, 756. 97	
Vendee accounts and advances		136, 223, 865. 56	
Investments, Government securities		1, 417, 726. 52	
			$1, 193, 434, 349. 05
Dividends:			
Capital stock, Federal Savings and Loan Insurance Corporation		28, 217, 076. 07	
Investments in savings and loan associations		44, 745, 479. 03	
			72, 962, 555. 10
Property management operations			138, 645, 668. 78
Insurance commissions, Stock Company Association			3, 073, 582. 02
Premium on sale of loan accounts			2, 241, 649. 11
Rental income:			
Federal Home Loan Bank Board Building		$1, 882, 713. 62	
Leaseholds		357, 810. 85	
			2, 240, 524. 47
Miscellaneous			4, 536, 500. 98
			1, 417, 134, 829. 51
Operating and other expense:			
Interest—bonded indebtedness	$655, 209, 292. 74		
Less: Premium on bonds sold	1, 618, 866. 43		
		$653, 590, 426. 31	
Discount on refunded bonds		7, 147, 710. 28	
Administrative expenses:			
Personal services	$224, 752, 775. 25		
Travel, transportation, and communications	17, 026, 146. 83		
Rents—space, equipment, and related facilities	14, 546, 126. 87		
Other	16, 442, 627. 66		
		272, 767, 676. 61	
Property management expenses		112, 826, 733. 45	

TABLE 8.—*Home Owners' Loan Corporation—Statement of income, expense, loss and surplus, cumulative from inception of Home Owners' Loan Corporation, June 13, 1933, Dec. 31, 1951*—Continued

General operating expenses		$18, 720, 134. 12	
			$1, 065, 052, 680. 77
Net income before losses			352, 082, 148. 74
Losses:			
Principal and interest:			
Mortgage loans	$356, 053. 55		
Vendee accounts	15, 918. 72		
Discount on loans sold	19, 533. 97		
Property losses—Sales	336, 548, 215. 74		
Other property losses	214, 514. 22		
Losses on loans, interest, and properties		$337, 154, 236. 20	
Other losses:			
Fidelity and casualties		372, 053. 31	
Fire and other hazards		367, 535. 65	
Losses on investments		34, 264. 80	
Miscellaneous		88, 617. 02	
Total losses			338, 016, 706. 98
Surplus net income			14, 065, 441. 76
Reduction:			
Paid into Treasury of the United States, May 1951			13, 800, 000. 00
Net surplus at June 30, 1951			265, 441. 76
Addition:			
Reduction in accrued liabilities, November 1951			3, 146. 88
			268, 588. 64
Reductions:			
Allocated to HLBB for expenses, claims, etc		$75, 000. 00	
Paid into U. S. Treasury, December 1951		193, 588. 64	
			268, 588. 64
Net surplus Dec. 31, 1951			0

PART III

OF THE

Fifth Annual Report

HOUSING AND HOME FINANCE AGENCY

Covering the Activities of the

FEDERAL HOUSING ADMINISTRATION

LETTER OF TRANSMITTAL

To the Congress of the United States:

In accordance with Section 5 of the National Housing Act as amended, I transmit herewith the Eighteenth Annual Report of the Federal Housing Administration. This report covers the calendar year 1951.

Respectfully,

WALTER L. GREENE,
Commissioner.

Functions of the Federal Housing Administration

Under authority provided in the National Housing Act of June 27, 1934, as amended, the Federal Housing Administration operates insurance programs designed to encourage improvement in housing standards and conditions and to guide the creation of a sound mortgage market. The FHA makes no loans and does not plan or build housing. As provided by the President's Reorganization Plan No. 3 of 1947, the FHA is a constituent unit of the Housing and Home Finance Agency.

Property Improvement Loan Insurance

Section 2 of Title I of the Act authorizes the FHA to insure qualified lending institutions against loss on loans made to finance the alteration, repair, improvement, or conversion of existing structures, and the building of small new nonresidential structures.

Home Mortgage Insurance

Section 203 of Title II authorizes the insurance of mortgages on new and existing one- to four-family dwellings. The principal activity of the FHA over its 17½ years of operation has been carried on under this section.

Section 8 of Title I (added to the Act in 1950) authorizes the insurance of mortgages on new single-family dwellings for families of low and moderate income, particularly in suburban and outlying areas.

Section 611 of Title VI (added in 1948) authorizes the insurance of mortgages, including construction advances, on projects of 25 or more new single-family dwellings. The purpose of this section is to encourage the application of site fabrication and other cost-reduction techniques to large-scale homebuilding operations.

Cooperative Housing

Section 213, added to Title II in 1950, authorizes the insurance of mortgages on cooperative housing projects. Mortgages on projects of 12 or more units are insured. This section also authorizes the FHA to furnish technical advice and assistance in the organization of the cooperatives and in the planning, development, construction, and operation of their housing projects.

Rental Housing

Section 207 of Title II authorizes the insurance of mortgages, including construction advances, on rental housing projects. Mortgages on projects of 12 or more units are insured.

Title VII (added in 1948) authorizes the insurance of a minimum amortization charge and an annual return on outstanding investments in debt-free rental projects.

Title VIII (added in 1949) authorizes the insurance of mortgages on rental housing built on or near military reservations for the use of civilian or military personnel of the Army, Navy, or Air Force, on certification by the Secretary of Defense, and rental housing for employees of Atomic Energy installations, on certification by the Atomic Energy Commission.

Housing for Critical Defense Areas

Title IX, added to the Act in September 1951, provides for the insurance of mortgages on housing programed for critical defense areas by the Administrator of the Housing and Home Finance Agency. Preference of opportunity to rent or purchase must be given to defense workers. Section 903 of Title IX authorizes the insurance of mortgages on one- and two-family dwellings. Under Section 908, mortgages on rental projects of 12 or more units are insured. No commitment of mortgage insurance on new construction may be made under this title after June 30, 1953.

War and Veterans' Emergency Housing

Sections 603 and 608 of Title VI were enacted in 1941 and 1942, respectively, to aid the production of war housing through mortgage insurance provisions somewhat more liberal than those under Sections 203 and 207. Sections 603 and 608 became inactive after the war ended, but were revived in 1946 as part of the Veterans' Emergency Housing Program. The authority to issue commitments of mortgage insurance on new construction under Section 603 expired April 30, 1948, and new-construction commitments under Section 608 are limited to those for which applications were received on or before March 1, 1950.

Publicly Owned Housing

Section 610 of Title VI (added in 1947) authorizes the insurance under Sections 603 and 608 of mortgages on specified types of permanent housing sold by the Government.

Prefabricated Housing

Section 609 of Title VI (added in 1947) authorizes the insurance of short-term loans to finance the manufacture of housing, and the insurance of lending institutions against loss on notes given in part payment by purchasers of manufactured housing financed with insured loans.

Section 1

GENERAL REVIEW

Significant developments in 1951 for the FHA included the passage of the Defense Housing and Community Facilities and Services Act of 1951; a decrease in the over-all volume of insurance written and applications received during the year; and assumption by the FHA of responsibilities delegated by the Housing and Home Finance Administrator relating to controlled materials, disaster relief assistance, and programed housing for defense areas. Factors influencing the lessened volume of insurance included credit restrictions, the controlled materials plan, some tightness of mortgage money, and the decline of activity under Section 608, Title VI of the National Housing Act. Despite the decrease in aggregate volume, there were increases under the military housing, cooperative housing, and Section 8 low-cost homes provisions of the Act.

The growing national defense effort was a major influence on all housing activity in 1951, including the operations of the FHA. The defense effort made necessary a reduction in the over-all volume of construction, an increase in the construction of homes in critical defense areas, and curtailment of the use in home building of certain critical materials.

Other factors affecting home building and home financing during the year were the relative economic stability that prevailed during most of the year; high levels of employment, incomes, and savings, which made for a continued demand for housing; an adequate supply of labor and most materials; and high building costs. The chief problem in home financing was the scarcity of mortgage money that grew out of the withdrawal in March of Federal Reserve support of Treasury bonds at par. As a result of this action, lending institutions with large amounts of outstanding commitments to purchase mortgages found it necessary to use their incoming funds to take care of such commitments. This condition improved toward the end of the year, and many investors came back into the mortgage market.

The outlook at the end of the year was for a better supply of mortgage funds in 1952, with incentives provided in the Defense Housing and Community Facilities and Services Act to direct home building into the critical areas of demand, which include military housing, homes for defense workers and victims of floods and other major disasters, and homes at lower prices and rentals to meet the still urgent requirements of the mass market.

Nearly 18 years of experience under a variety of conditions have prepared the FHA to be of service to the public and to the building industry in the present unsettled times.

Legislative Changes

Public Law 107, Eighty-second Congress, approved August 3, 1951, amended Section 8, Title I of the National Housing Act to provide housing relief in disaster areas by authorizing the insurance of mortgages in amounts up to $7,000 (or $8,000 in high-cost areas) and up to 100 percent of appraised value on owner-occupied single-family dwellings, when the mortgagor establishes that his home, which he occupied as owner or tenant, was destroyed, or damaged so as to require rebuilding, as a result of fire, flood, or other major disaster.

The Defense Housing and Community Facilities and Services Act of 1951 (Public Law 139, 82d Cong., approved Sept. 1, 1951) added to the National Housing Act a new Title IX, which provides for the insurance of mortgages on programed housing in critical defense areas. The provisions of this title are discussed under "National Defense Housing Insurance."

The Defense Housing Act also amended existing titles of the National Housing Act, as follows:

Title II

The term of debentures which the Commissioner is authorized to issue in connection with mortgages insured under Sections 207 and 213 was changed to 20 years from the date of the debenture.

The eligibility provisions of Section 207 were amended so that projects with at least 4 rooms per family unit instead of 4½ rooms per family unit may receive the benefit of the $8,100 mortgage limitation. These provisions also were clarified with respect to the ratio of loan to value applicable to commercial facilities included in the project.

Section 214 was amended to authorize the Commissioner to increase by as much as one-half, instead of one-third as previously authorized, the dollar limitations on mortgage amounts with respect to property in Alaska.

Section 216 was added to Title II, authorizing the Commissioner under certain conditions to waive the requirement that the mortgagor be the owner-occupant if the mortgagor is prevented from occupying the property by reason of being called to military service.

Section 217 also was added to Title II, authorizing the President to increase the amount of insurance authorization under various titles of the National Housing Act, provided that the aggregate amount of such increases does not exceed $1,500,000,000.[1]

Title III

Section 301 of Title III of the National Housing Act was amended to permit the Federal National Mortgage Association to issue $200 million in commitments up to December 30, 1951, to buy insured mortgages prior to the insurance thereof under certain conditions in critical defense housing areas or major disaster areas or if the mortgages are to be insured under Title VIII.

Title VII

Section 702 of this title was amended by the addition of a new subsection which clarifies the requirements that the insured investor must meet with respect to title and absence of outstanding obligations.

Section 707 was amended to permit the assigning or pledging by the investor of the benefits of the insurance contract, subject to rules and regulations of the Commissioner.

Section 713 was amended to clarify the definition of "minimum annual return" contained in subsection (n). The definition of "excess earnings" contained in subsection (o) of this section was also amended to permit the amount of taxes paid by the investor to be taken into consideration in such calculation.

Title VIII

This title, providing for the insurance of mortgages on military housing, was amended by extending to July 1, 1953, the Commissioner's authority to issue commitments of insurance on new construction; by giving the Commissioner discretionary authority to increase the $8,100 per unit limitation by $900 in high-cost areas; and by including authority to insure mortgages on housing for the Atomic Energy Commission as well as for military establishments.

Public Law 214, Eighty-second Congress, approved October 26, 1951, redefines the term "veteran" as used in Section 213 of the National Housing Act to include any person serving in the armed forces on and after June 27, 1950.

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[1] On Oct. 16, 1951, the President prescribed aggregate amounts under various titles of the National Housing Act as follows:

Title II: Aggregate principal amount of insured mortgages outstanding at any one time, $9.4 billion;

Title VIII: Aggregate principal amount of all mortgages insured, $700 million;

Title IX: Aggregate principal amount of all mortgages insured, $400 million.

On Mar. 19, 1952, the President authorized a further increase of $400 million in the Title II authorization.

National Defense Housing Insurance

Title IX, "National Defense Housing Insurance," was added to the National Housing Act by the Defense Housing and Community Facilities and Services Act of 1951, which the President signed on September 1. Section 902 of Title IX establishes a National Defense Housing Insurance Fund of $10,000,000, to be transferred from the Title VI War Housing Insurance Fund, for carrying out the provisions of Title IX, and provides that no money from the new fund shall be used for administrative expenses of the FHA without specific authorization by Congress. The necessary authorization was given in a supplemental appropriations act (Public Law 254, 82d Cong.) approved November 1, and on November 5 the FHA issued to its field offices administrative rules and regulations for mortgage insurance under Title IX.

The insurance authorized by this title is limited to mortgages on housing programed by the Administrator of the Housing and Home Finance Agency for areas designated by the President as critical defense areas. The new title is intended to supplement rather than to supplant existing systems of FHA mortgage insurance, and the filing of applications under Sections 203, 207, or other sections of the Act, in the production of programed housing is encouraged when eligibility requirements under those sections can be met.

Title IX provides in Section 903 for the insurance of mortgages on one- and two-family dwellings, and in Section 908 for the insurance of mortgages on rental projects. Provision must be made by the mortgagor to give preference of opportunity to rent or purchase to persons engaged in national defense activities. The transaction is required to be an acceptable risk in view of the needs of national defense. Credit restrictions are suspended for Title IX housing. The aggregate amount of mortgages that may be insured is subject to authorization by the President, who on October 16 approved an initial authorization of $400,000,000.

Title IX may be described as being between Title II and Title VI. Title IX mortgages are based on a percentage of value, instead of on a percentage of cost as in Title VI, and it is necessary under Title IX to see continued marketability of the properties involved.

The Commissioner's authority to insure under Section 903 is similar to that contained in Section 203 of Title II, with the following exceptions:

(1) It applies only to one- and two-family dwellings.

(2) The mortgage amount may not exceed 90 percent of appraised value, and may not exceed the following amounts:

For a one-family dwelling, $8,100 if the dwelling has fewer than three bedrooms, $9,150 if it has three bedrooms, $10,200 if it has four or more bedrooms.

For a two-family structure with fewer than three bedrooms per unit, $15,000, which may be increased by not more than $1,080 for each additional bedroom in excess of two per unit, with a top limit of $19,300 for a structure with four or more bedrooms per unit.

(3) The maximum mortgage maturity is 30 years without requirement of owner occupancy.

Minimum property requirements are the same as those under Section 203, except that if the mortgage amount does not exceed $4,750 the property may be constructed under the standards applicable to Section 8 of Title I.

Under Section 908 the mortgage amount may not exceed any of the following limitations:

(*a*) $5,000,000;

(*b*) 90 percent of the estimated value of the project;

(*c*) the estimated cost of the physical improvements on the property;

(*d*) $8,100 per family unit, or $7,200 if the number of rooms in the project is less than four per family unit.

The insurance under Section 908 is similar to that under Section 207 of Title II. It applies to complete new housing accommodations designed principally for residental use, consisting of not less than 12 rentable dwelling units on one site. The mortgagor must be a corporation, and is subject to supervision by the FHA as provided in the FHA administrative rules. The interest rate on the mortgage may not exceed 4 percent. Amortization provisions are the same as under Section 207.

The mortgagor under Section 908 is required, after completion of the project, to certify to the actual cost of the on-site physical improvements and to reduce the mortgage by an amount equal to the excess, if any, over such actual cost.

By the end of the year applications had been received for insurance on 7,347 units of housing under Section 903, and on 25 projects under Section 908 involving a total of 3,135 units.

Title IX mortgages are eligible for purchase by the Federal National Mortgage Association, which has set aside funds for their over-the-counter purchase.

In order to make sure of the availability in critical defense areas of adequate community facilities and services, the Defense Housing Act authorizes the Housing and Home Finance Administrator to make loans, grants, or other payments to public and nonprofit agencies for the provision or for the operation and maintenance of community facilities, or for the provision of community services, in those areas.

The Act also authorizes the Federal Government to provide, operate, and maintain community facilities and services if the local government is unable to do so with its own funds or with loans and grants provided by the Act.

Programing Defense Housing

The Defense Housing and Community Facilities and Services Act of 1951 provides for the designation of critical defense housing areas by the President and for programing the construction of new housing units for sale or for rent in those areas. Such housing may be financed without regard to credit controls. Authority to designate critical areas has been delegated to the Director of Defense Mobilization. An advisory committee on Defense Areas appointed by the Defense Production Administrator is responsible for assembling the facts and advising on the designation of such areas. The Administrator of the Housing and Home Finance Agency establishes defense housing programs, determining the number of units to be built for sale or for rent, as well as maximum shelter rents and sales prices.

The regional representative of the HHFA and members of his staff consult with the local FHA director in the area concerned as to the number, types, and locations of units required. As a special aid in developing defense housing programs, FHA market analysts from time to time during the year conducted local housing market studies for the guidance of the HHFA Administrator.

The FHA field offices in the respective areas act for the HHFA Administrator in allocating the units to be constructed.

Disaster Housing

In July 1951 the Administrator of the Housing and Home Finance Agency, whom the President had named Federal Emergency Flood Relief Coordinator, announced a program of assistance to homeless flood victims in Kansas. A survey of housing needs in the flood area, made by the FHA State Director as regional representative of the HHFA, indicated that 2,400 units of low- and moderate-cost permanent housing were urgently needed for sale to flood victims. Special incentives were offered to builders to provide this number of programed units, and the State office of the FHA acted as agent for the HHFA in accepting and approving applications from builders in accordance with the quota established for each locality concerned.

On August 7, 1951, pursuant to Public Law 107, Eighty-second Congress, approved August 3, 1951, the FHA amended its administrative rules to provide for the insurance, under Section 8 of the National

Housing Act, of mortgages in amounts up to $7,000 (or up to $8,000 in high-cost areas) and up to 100 percent of appraised value on owner-occupied single-family dwellings when the mortgagor establishes that his home, which he occupied as owner or tenant, was destroyed by a major disaster or damaged so as to require rebuilding. Such a mortgage may have a maximum term of 30 years.

Controlled Materials Plan

Pursuant to a delegation of authority from the Administrator of the National Production Authority, the Housing and Home Finance Agency administers the Controlled Materials Plan as it affects residential construction. The HHFA, in turn, has delegated to the Federal Housing Administration responsibility for the administration of controls on private multi-unit residential construction. The FHA receives applications from builders, and issues authorized construction schedules and related allotments of controlled materials for privately constructed multi-unit residential structures. This activity began in August 1951 and continued through the year.

Housing Available to Minority Groups

Analysis of the 1950 Census Reports indicates that the nonwhite housing market has expanded as a result of such factors as increases in the nonwhite population and family formation; wider earning opportunities, better pay, and greater employment security for nonwhites; migration of nonwhite workers from agricultural to industrial centers; greater availability of mortgage credit to nonwhite purchasers; and the relatively greater scarcity and lower quality of housing available to nonwhite families. Census data also indicate that at present the housing demand of the nonwhite population lies for the most part in the lower sales and rental ranges.

Although statistics are not available on the proportion of FHA-financed housing occupied by Negroes and other racial minorities, it is evident that the volume is considerable, and that the FHA program has influenced the changed attitude of private investors toward this market in recent years.

FHA activities in 1951 in the direction of encouraging the provision of needed housing available to minority groups included the following:

1. Increased effort, through FHA research facilities and by cooperation with key local agencies, to obtain reliable information about the nature and extent of the housing market to be found among minority groups. Such information includes extent of need; probable effective demand in terms of the number of units that the market will readily absorb; appropriateness and acceptability of proposed loca-

tions to specific minority groups; type, layout, and room compositions of suitable housing; and financial capacity of families that will occupy the properties.

2. Dissemination of information about FHA operations and procedures to real estate, building, and mortgage lending organizations among minority groups, particularly through the use of the Negro press and other Negro publications, and information to the building industry in general concerning the housing market demands of minorities.

3. Instructions to field offices to obtain full subscription of the number of units programed to meet the needs of minority-group workers in critical defense areas.

4. Cooperation with other housing agencies in efforts to find homes for over-income families displaced from public housing projects and families that must be moved from slum clearance areas.

These activities have been aided to a considerable degree by the efforts of the Minority-Group Housing Adviser appointed in 1950 to act as adviser and consultant to the Commissioner and his staff in Washington and to FHA State and district directors on minority-group housing problems, and by the work of the five racial relations advisers who have served in the field since 1947 under the direction of the Zone Commissioners and in cooperation with FHA State and district directors.

Aggregate Volume of Insurance

Insurance written under all FHA programs in 1951 totaled $3.2 billion, the fourth largest volume for any 1 year, and brought the aggregate volume from the beginning of operations in 1934 to nearly $26 billion. (See Table 1 and Chart I.) The 1951 volume was $1.1 billion less than the total for the record year 1950, and was exceeded also by the 1948 and 1949 amounts.

The programs under which the greatest volume of insurance has been written to date are:

Section of Act	Type of loan	Amount of insurance (billions)	Percent of total
203	Home mortgages	$12.8	49.5
2	Property improvement loans	5.4	20.6
603	Home mortgages	3.6	14.0
608	Rental project mortgages	3.4	13.1
803	Military housing	.3	1.3
207	Rental project mortgages	.2	.8

Home mortgages have accounted for 80.8 percent of all mortgages insured, and project mortgages for 19.2 percent. For the year 1951, these proportions were 77.0 percent and 23.0 percent, respectively.

TABLE 1.—*Mortgages and Loans Insured by FHA, 1934–51*

[Dollar amounts in thousands]

Year	Total all titles	Title I				Title II					
		Sec. 2 property improvement loans		Sec. 8 home mortgages		Sec. 203 home mortgages		Sec. 207 [1] rental and cooperative project mortgages		Sec. 213 cooperative housing mortgages	
	Amount	Number	Net proceeds	Number	Amount	Number	Amount	Units	Amount	Units	Amount
1934–39	$2,943,537	2,346,276	$859,247			465,730	$1,969,862	29,777	$114,429		
1940–44	5,075,814	2,481,293	832,670			615,812	2,765,525	11,213	40,195		
1945	664,985	501,401	170,824			46,572	219,300	891	3,806		
1946	755,778	799,284	320,593			66,858	347,357	694	2,510		
1947	1,788,264	1,247,590	533,604			76,813	445,667		[2] 32		
1948	3,340,865	1,359,776	621,612			133,280	880,353				
1949	3,826,283	1,249,538	607,024			257,622	1,854,564	813	7,313		
1950	4,343,378	1,448,651	700,225	209	$964	338,125	2,466,055	2,514	18,065	285	$2,691
1951	3,219,836	1,437,737	706,963	6,179	28,836	245,454	1,893,598	4,890	33,201	8,308	75,385
Total	25,958,741	12,871,546	5,352,761	6,388	29,800	2,240,266	12,842,281	[3] 50,792	[3] 219,551	8,593	78,075

Year	Title VI												Title VIII	
	Sec. 603 home mortgages		Sec. 608 rental project mortgages		Sec. 603–610 home mortgages		Sec. 608–610 rental and cooperative project mortgages		Sec. 609 manufactured housing loans		Sec. 611 site-fabricated housing mortgages		Sec. 803 military housing project mortgages	
	Number	Amount	Units	Amount	Number	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
1941–44	286,463	$1,289,172	34,538	$148,251										
1945	50,244	255,044	3,167	16,011										
1946	14,034	74,653	1,538	10,665										
1947	64,570	449,028	46,604	359,912	4	$21								
1948	163,444	1,224,926	77,818	605,863	920	3,390	1,366	$2,849	524	$1,872				
1949	43,550	330,321	129,072	996,589	1,249	5,677	1,435	3,608	626	1,466	275	$1,650	1,540	$12,071
1950	2,094	16,005	135,092	1,008,129	604	2,880	1,104	1,868	324	569	473	2,877	15,129	123,052
1951	40	258	34,663	266,132	549	3,909	10	35	195	560	972	5,872	25,683	205,653
Total	[4] 624,567	[4] 3,644,842	[5] 462,492	[5] 3,411,552	3,326	15,877	3,915	8,360	1,669	4,467	1,720	10,399	42,352	340,775

[1] Includes rental and release clause projects insured under Sec. 210.
[2] Increase in amount of a mortgage insured prior to 1947.
[3] Includes 46,164 units provided in new and rehabilitation projects securing mortgages totaling $202,872,306.
[4] Reflects amendments shown in final audits.
[5] Includes 460,467 units provided in new and rehabilitation projects securing insured mortgages totaling $3,401,649,069.

YEARLY VOLUME OF FHA INSURANCE WRITTEN
1934 - 1951

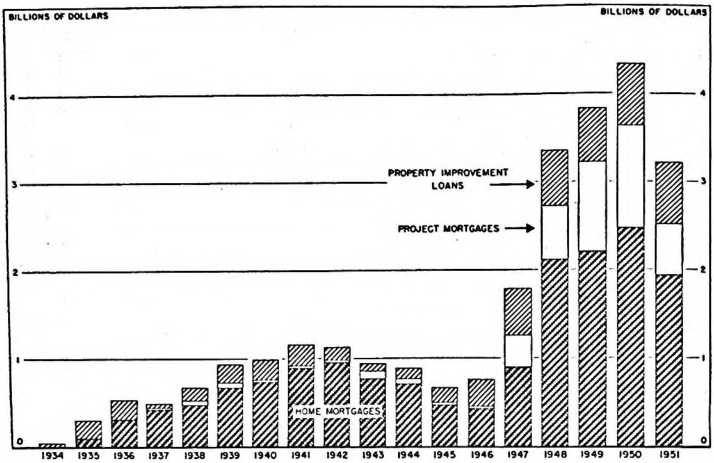


CHART I

Property improvement loans represented 22 percent of all FHA insurance written in 1951.

The status as of December 31, 1951, of the aggregate insurance under the various titles of the National Housing Act is shown in Table 2. Of the $26 billion of insurance written since 1934, $14.5 billion was outstanding at the end of 1951, $9.5 billion having been terminated and an estimated $2 billion of the remaining face amount having been amortized.

Table 3 and Chart II show, for each year since 1935, the number of new dwelling units started under FHA inspection and the total number of privately financed nonfarm dwelling units started in each of the same years as reported by the Bureau of Labor Statistics.

Dwelling units started under FHA inspection in 1951 averaged about 22,000 per month. The total of 263,500 units for the year was some 46 percent under the record high of 1950, and was the lowest volume for any year since 1947. Starts of one- to four-family dwellings in 1951 accounted for 188,000 units, mostly under Section 203, while project starts covered 75,000 units.

The total of 1,020,100 privately financed units started in 1951 was the largest number for any year except 1950. FHA units started last year were less than 26 percent of the total. This was the smallest proportion since 1946. Of the total units started from 1935 to 1951, 31.1 percent were FHA-inspected.

As of December 31, 1951, the FHA had acquired through foreclosure 29,917 units of housing, representing eight-tenths of 1 percent of the 3,612,312 units covered by mortgage insurance since the beginning of operations. Of the acquired units, 20,454 had been sold and 9,463 remained on hand at the end of 1951.

Losses realized on the total amount of mortgage insurance written from 1934 through 1951, including mortgages on war housing, amounted to two-hundredths of 1 percent.

TABLE 2.—*Status of Insurance Written, as of Dec. 31, 1951*

[Dollar amounts in thousands]

Status of insurance written	Total all titles	Title I				Title II	
		Sec. 2 property improvement loans [1]		Sec. 8 home mortgages		Sec. 203 home mortgages	
	Amount	Number	Net proceeds	Number	Amount	Number	Amount
Total insured	$25,958,741	12,871,546	$5,352,761	6,388	$29,800	2,246,266	$12,842,281
Less: Terminated	9,513,390	9,649,986	3,532,232	2	9	966,351	4,444,279
Total in force	16,445,351	3,221,560	1,820,529	6,386	29,791	1,279,915	8,398,002
Less: Estimated amount amortized	1,976,831	----------	710,203	--------	293	----------	897,985
Net balance outstanding	14,468,520	3,221,560	1,110,326	6,386	29,499	1,279,915	7,500,017

Status of insurance written	Title II				Title VI	
	Sec. 207 rental and cooperative project mortgages [2]		Sec. 213 cooperative housing mortgages		Sec. 603 home mortgages [3]	
	Units	Amount	Units	Amount	Number	Amount
Total insured	50,792	$219,551	8,593	$78,075	627,893	$3,660,719
Less: Terminated	37,779	142,982	268	2,173	260,237	1,257,380
Total in force	13,013	76,569	8,325	75,903	367,656	2,403,339
Less: Estimated amount amortized	---------	5,751	---------	15	---------	283,095
Net balance outstanding	13,013	70,819	8,325	75,888	367,656	2,120,243

Status of insurance written	Title VI						Title VIII	
	Sec. 608 rental project mortgages [3]		Sec. 609 manufactured housing loans [4]		Sec. 611 site-fabricated housing mortgages		Sec. 803 military housing project mortgages	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount
Total insured	466,407	$3,419,911	1,669	$4,467	1,720	$10,399	42,352	$340,775
Less: Terminated	24,048	126,798	1,551	4,133	573	3,405	---------	---------
Total in force	442,359	3,293,114	118	334	1,147	6,994	42,352	340,775
Less: Estimated amount amortized	---------	78,787	---------	---------	---------	384	---------	318
Net balance outstanding	442,359	3,214,327	118	334	1,147	6,610	42,352	340,458

[1] Other than net proceeds, all items are estimated.
[2] Includes rental and release clause projects insured under Sec. 210.
[3] Includes public housing disposition mortgages insured pursuant to Sec. 610.
[4] Includes discounted purchasers' loans.

TABLE 3.—*New Dwelling Units Started under FHA Inspection and Total Number of Privately Financed Nonfarm Dwelling Units Started, 1935–51*

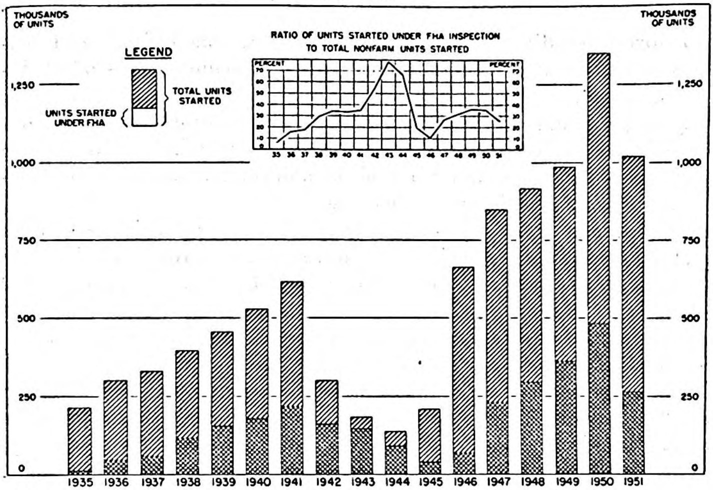
Year	1- to 4-family homes					Rental and cooperative projects				Total FHA units	Total U. S. nonfarm units [3]	Percent FHA to total
	Class 3 and Sec. 8 [1]	Sec. 203	Sec. 603	Sec. 611	Sec. 903	Sec. 207 [2]	Sec. 213	Sec. 608	Sec. 803			
1935		13, 226				738				13, 964	215, 700	6. 5
1936		48, 752				624				49, 376	304, 200	16. 2
1937		56, 980				3, 023				60, 003	332, 400	18. 1
1938	5, 845	100, 966				11, 930				118, 741	399, 300	29. 7
1939	10, 783	133, 874				13, 462				158, 119	458, 400	34. 5
1940	10, 194	166, 451				3, 446				180, 091	529, 600	34. 0
1941	9, 145	180, 156	27, 790			3, 296				220, 387	619, 500	35. 6
1942	4, 010	41, 578	114, 616			1, 163		4, 295		165, 662	301, 200	55. 0
1943	307	338	125, 474			41		19, 994		146, 154	183, 700	79. 6
1944		208	83, 396					9, 655		93, 259	138, 700	67. 3
1945		17, 019	21, 848			200		2, 062		41, 159	208, 100	19. 8
1946		44, 244	22, 878			41		1, 870		69, 033	662, 500	10. 4
1947	(1)	20, 884	157, 168					50, 766		228, 818	845, 600	27. 1
1948	(1)	82, 979	130, 464					77, 610		291, 053	913, 500	31. 9
1949	(1)	241, 559	7, 806	100		813		109, 995	268	360, 541	988, 800	36. 5
1950	2, 440	324, 937	117	372		2, 277	141	143, 331	12, 315	485, 930	1, 352, 200	35. 9
1951	9, 357	177, 435		1, 328	132	4, 651	7, 668	39, 826	23, 126	263, 523	1, 020, 100	25. 8
Total	52, 081	1, 651, 616	691, 557	1, 800	132	45, 705	7, 809	459, 404	35, 709	2, 945, 813	9, 473, 500	31. 1

[1] 1938–43 figures are Class 3 data; 1947–50 Class 3 figures for reactivated program are not available; beginning with 1950, figures record Sec. 8 activity only.

[2] Includes rental and release clause projects insured under Sec. 210.

[3] Total number of privately financed nonfarm dwelling units started as reported by the Bureau of Labor Statistics.

NEW DWELLING UNITS STARTED UNDER FHA INSPECTION
AND TOTAL NUMBER OF NONFARM DWELLING UNITS STARTED *
1935 - 1951



* BASED ON TOTAL PRIVATELY FINANCED NONFARM DWELLING UNITS STARTED AS REPORTED BY THE BUREAU OF LABOR STATISTICS

CHART II

Mortgage Insurance

The $2.5 billion of mortgage insurance in 1951 was about 69 percent of the amount insured in 1950, and the 335,630 units covered by the insurance were 66 percent of the 1950 number. The decline in volume is attributable to a number of factors, including (1) the effect of credit restrictions, (2) the scarcity of mortgage money, (3) the controlled materials plan, and (4) the expiration of the Section 603 and 608 programs, which together accounted in 1950 for over a billion dollars and in 1951 for only $266.4 million of insurance volume.

About 77 percent of the total amount of mortgage insurance represented home mortgages, and 23 percent project mortgages. Increases in volume of insurance written took place under the Sections 8 and 611 home mortgage programs and under the Sections 207 (rental), 213 (cooperative), and 803 (military) project programs. There was a decline of 23 percent, however, in the amount of home mortgage insurance under Section 203 and 74 percent in Section 608 project mortgage insurance, which more than offset the increases under the other sections mentioned.

The average mortgage per unit in 1951 was slightly under $7,500, compared with a 1950 average of a little over $7,200. Of the total number of units in both homes and projects, 70 percent were new construction.

Efforts were directed during the year toward the objective of substantial uniformity in the minimum property requirements of all insuring offices.

A large volume of special methods of dwelling construction continued to be presented to the FHA for consideration. Of these, some 100 were investigated and reported on, and some 50 technical conclusions and recommendations were made.

Approximately 75 new materials proposed for use in properties to be financed under the insured mortgage plan were examined by FHA architects and engineers and reported upon. More than 100 submissions were received during 1951 requiring review and analysis of special methods, equipment, heating codes, and manuals, by FHA mechanical engineers.

The Defense Housing and Community Facilities and Services Act of 1951 provides, among other things, for revisions in the restrictions on housing credit affecting FHA home mortgage insurance programs. In accordance with these revisions, the Federal Reserve Board amended its Regulation X for one- to four-family homes, with the concurrence of the Housing and Home Finance Administrator, and on September 4 the FHA amended its administrative rules to incorporate the financing terms under Regulation X applicable to FHA home mortgage insurance programs. The principal effect of the amendments was to relax the controls on the financing of lower-priced homes.

Home Mortgages

Insurance in 1951 under the various home mortgage provisions of the National Housing Act, including Sections 8, 203, 213, 603, 603–610, and 611, totaled nearly $2 billion—a decline of about half a billion dollars from the 1950 total. The number of units involved in 1951 insurance was about 262,000, compared with 350,000 in 1950.

Section 8 of Title I, however, which provides for the insurance of mortgages up to $4,750 on low-cost housing, showed much greater activity in 1951 than in 1950. This section became part of the Act as of April 20, 1950. By the end of that year 209 mortgages had been insured under its provisions. In 1951, 6,179 Section 8 mortgages were insured in the total amount of $28.8 million. Mortgages under Section 8 have been insured on properties in 39 of the 48 States, and commitments have been issued on properties in 47 States.

The administrative rules and regulations for Section 8 were amended as of August 7 to provide for the insurance of mortgages in amounts up to $7,000 and up to 100 percent of estimated value, with a maximum term of 30 years, on homes for victims of flood or other major disasters.

Mortgage insurance under Section 203 in 1951 totaled $1.9 billion on 253,407 units, compared with $2.5 billion on 346,567 units in 1950. The greater part of the decrease was in mortgages on new construction. Applications on new-construction mortgages averaged 32,655 a month in 1950, and only 15,357 in 1951. New units started under Section 203 in 1950 averaged over 27,000 a month, while in 1951 the average had dropped to less than 15,000.

Mortgages totaling $3.9 million on 1,185 units in one- to seven-unit properties were insured in 1951 on publicly owned housing under Section 603 pursuant to the provisions of Section 610.

Under Section 611, mortgage insurance totaling $5.9 million was written on 13 site-fabrication mortgages including 972 dwellings. This volume more than doubled both the amount and the number of units insured in 1950.

Cooperative Housing

Section 213 of the National Housing Act, in effect since April 20, 1950, provides for FHA insurance on mortgages in amounts up to $5,000,000, on two types of cooperative housing projects.

The first is a "management type" project, in which the mortgagor is a nonprofit ownership cooperative housing corporation or trust and permanent occupancy of the dwellings is restricted to members. The mortgage on a project of this type may not exceed $8,100 per family unit or $1,800 per room (whichever is greater), and, under 1951 credit restrictions, might not exceed 83 percent of replacement cost. Increases up to 5 percent may be made in these limitations, depending on the number of veterans who are members. The mortgage may have a maturity up to 40 years, and the interest rate may not exceed 4 percent.

The second type of project, the "sales type," is one in which the mortgagor is a nonprofit corporation or trust organized for the purpose of building homes for the members, and provision is made that when the project is completed the properties included in it may be released from the blanket mortgage to the individual members, who will assume individual mortgages for the unpaid balances on the respective properties. In this type of project the mortgage may not exceed 90 percent of replacement cost (or as limited by credit controls) and may not exceed $8,100 per family unit or $1,800 per room. Provision is made for mortgage amounts up to 5 percent higher, with correspondingly lower down payments, depending on the percentage of veteran membership. The maximum interest rate is 4 percent. The maximum maturity under credit control regulations effective in

1951-

1951 was 25 years if the acquisition cost averaged $12,000 or less per family unit, and 20 years if the acquisition cost was higher.

To conform with Federal Reserve Board credit controls applied to conventional financing, it was determined in 1951 that a Section 213 cooperative organization would be required to submit, before the mortgage was closed, a certification by each member to the effect that he had fully paid in cash for his stock or investment without the creation of any obligation and exclusive of borrowed funds.

Another development during the year was that homes built in compliance with requirements applicable to Section 8 of Title I were declared eligible for mortgage insurance in "sales type" projects under Section 213, if the mortgage amount did not exceed $4,750 per dwelling unit and if the mortgage term did not exceed the maximum term available under Section 8.

During the year applications for insurance under this section totaled $248 million, representing 26,618 units in 234 projects.

From April 1950 to the end of 1951, applications totaling more than $595 million were received, representing 62,515 units in 537 projects. Of these applications, some $243 million, covering nearly 25,000 units in 261 projects, had been rejected or withdrawn. As of December 31, 1951, there were outstanding statements of eligibility amounting to nearly $60 million and including 6,651 units in 64 projects; and commitments representing more than $36 million and including 3,933 dwelling units in 24 projects. Mortgages insured totaled $75.6 million and covered 8,280 units in 41 projects. Of these, some $2 million of insurance on 268 units in 9 projects had been terminated by prepayment in full.

As of the same date, 10 Section 213 projects had been completed and 29 others were under construction.

Projects financed under this section may consist of detached, semidetached, or row-house construction, and "management type" projects also include multifamily apartment structures. The projects so far undertaken include such varied developments as a complete subdivision of several thousand units on the outskirts of a large city, small-town projects of as little as 12 units, and a group of elevator structures in the heart of a metropolitan area.

Rental Housing

The FHA insured rental project mortgages in 1951 under the provisions of Sections 207, 608, 608–610, and 803. The common objective of these sections is the provision of good housing at reasonable rents, providing adequate returns for the owners and restricting risks to those acceptable to the FHA, as insurer, in the light of the specific purposes for which the various sections were enacted.

Under Section 207, the long-range rental housing program of the FHA, mortgages on 66 projects representing 4,890 units of housing were insured during the year in the total amount of $33.2 million.

Changes made during the year, affecting operations under this section, included the following:

1. Effective January 12, the FHA amended its administrative rules to bring its mortgage limitations into line with national policy as expressed in the provisions of Regulation X of the Federal Reserve Board revised as of the same date with the concurrence of the Housing and Home Finance Administrator.

2. A new method of amortization, described as an accelerating curtail declining annuity plan, was put into effect on May 1, in order to facilitate the establishment in Section 207 projects of initial rents lower than would be required under the level principal payment plan previously used. Under the new formula, the payment to principal increases monthly, while the aggregate payment to principal and interest decreases monthly. The maximum term of the loan is 39 years 3 months.

3. Pursuant to provisions of the Defense Housing Act of September 1, 1951, the administrative rules were amended to permit in the calculations of maximum insurable mortgage an allowance of 83 percent of the estimated value of any part of the property or project attributable to nondwelling use, and to limit the permissible mortgage to $7,200 per family unit if the number of rooms in the project is less than 4 per unit (instead of less than 4½ as previously specified).

Section 608, first enacted in 1942, was instrumental in providing rental housing during the war and postwar housing emergencies. Insurance totaling $266.1 million was written under this section in 1951 on 307 projects representing nearly 35,000 housing units. Of these, 3 projects with a total of 864 units were refinanced housing, and the remainder was new construction on which the mortgages were insured pursuant to applications received on or before March 1, 1950, the expiration date for new-construction applications under Section 608. In August 1951, a policy was adopted to terminate this program as promptly as possible in view of changing conditions. In November 1951, all field offices having Section 608 commitments outstanding were notified that commitments over 6 months old, issued under this section, could not be further extended except on specific authorization from FHA Washington headquarters.

Under Section 608–610, which provides for the insurance of mortgages on specific types of permanent rental housing sold by the Government, a mortgage on one 10-unit project was insured in 1951 for $35,000.

Activity under Title VIII, Military Housing Insurance, accelerated considerably during the year. Insurance written totaled $205.7 million on 72 projects with 25,683 units, bringing the aggregate amount insured under this title since its enactment in August 1949 to $340.8 million, representing 42,352 units in 128 projects.

FHA administrative rules under Title VIII were revised as of September 4, 1951, in accordance with amendments contained in the Defense Housing Act of September 1, which have been described in this report under Legislative Changes.

Public Law 155, Eighty-second Congress, approved September 28, 1951, authorizes the appropriation of funds for essential expenditures by the military authorities for acquisition of land, installation of outside utilities, and site preparation for Title VIII housing projects.

Prefabricated Housing

Two loans to manufacturers, totaling $175,000, to finance the production of 66 units of housing, were insured in 1951 under the provisions of Section 609 of the National Housing Act. From the enactment of this section in 1947, to the end of 1951, 10 loans to manufacturers, involving 1,174 units, have been insured in the total amount of $3.1 million. As of December 31, 1951, six loans had been repaid, two were outstanding, and debentures had been issued on the remaining two under the terms of the insurance contracts.

Section 609 also authorizes the FHA to insure lenders against loss on notes taken from purchasers in part payment for houses the production of which was financed under this section. Purchasers' notes insured in 1951 totaled 129 and amounted to $384,876, bringing the total insured since 1947 to 495 notes in the amount of $1.3 million. Of these, 52 notes totaling $159,041 were still in force at the end of 1951, 379 notes totaling $1.0 million had been paid in full, and 64 notes totaling $181,600 had been defaulted and assigned to FHA.

Property Improvement Loans

In 1951 FHA Title I insurance covered over 1.4 million loans made by private lending institutions to owners of homes, farms, and other properties to finance needed repairs or improvements. The greater number of the loans were for structural alterations, heating and plumbing installations, insulating, and measures to preserve roofs and outside walls of buildings. Other maintenance work such as interior decorating, weatherstripping, and landscaping was also financed.

Scope of Property Improvement Program

Under authority contained in Section 2 of Title I of the National Housing Act, the Federal Housing Administration insures qualified lending institutions against loss on the following classes of loans:

Type of loan	Type of improvement	Maximum maturity [1]	Maximum amount [2]	Maximum financing charge
Class 1 (a)	Repair, alteration, or improvement of an existing structure	3 years, 32 days	$2,500	$5 discount per $100 per year
Class 1 (b)	Alteration, repair, improvement, or conversion of an existing structure used or to be used as an apartment house or a dwelling for 2 or more families	7 years, 32 days	10,000	$5 discount per $100 per year if $2,500 or less; $4 discount per $100 if in excess of $2,500
Class 2 (a)	Construction of a new structure to be used exclusively for other than residential or agricultural purposes	3 years, 32 days	3,000	$5 discount per $100 per year
Class 2 (b)	Construction of a new structure to be used in whole or in part for agricultural purposes, exclusive of residential purposes	7 years, 32 days; if secured by first lien, 15 years, 32 days	3,000	$5 discount per $100 per year; $3.50 discount per $100 if maturity is in excess of 7 years, 32 days

[1] Subject to Regulation W of the Board of Governors, Federal Reserve System.
[2] With respect to a loan applied for in 1951, the borrower was required to make a cash down payment of at least 10 percent of the cost of the improvement. This requirement was rescinded on Mar. 24, 1952.

Application for a Title I insured loan is made to a lending institution direct or through a contractor or dealer. The lending institution is responsible for approving the applicant's credit and for using prudent judgment in making the loan. Lending institutions sustaining losses are reimbursed for eligible claims in accordance with the following insurance plan.

Each lending institution has until January 1 or July 1 following the completion of 30 months after the issuance of a contract of insurance to accumulate its insurance reserve equal to 10 percent of the aggregate net amount of loans submitted for insurance, less the amount of claims paid to the institution. At the beginning of this and each subsequent semiannual period, on January 1 and July 1, the reserve for each lending institution is adjusted by carrying forward four-fifths of its unused reserve outstanding on each such date according to the records of the FHA Commissioner. The payment of any eligible claim to an insured institution is predicated upon and limited to the balance of the institution's unused reserve.

The Housing Act of 1950 set the FHA Commissioner's maximum liability, with respect to property improvement loan balances outstanding at any one time, at $1,250,000,000. The estimated amount of loans outstanding as of December 31, 1951, was $1,110,326,370.

FHA regulations were amended as of January 9, 1951, to provide for waiving the 10 percent down payment requirement in disaster areas so designated by the Federal Reserve Bank of the district, in order to aid property owners in those areas to restore or replace properties damaged or destroyed. The waiver is effective for 6 months following the month in which the disaster occurred.

The FHA has charged an insurance premium on all property improvement loans made since July 1, 1939. It has been estimated conservatively that the Title I property improvement loan insurance program since that time could be entirely liquidated without a deficit. Total actual and anticipated income derived from premiums plus recoveries would more than offset the cost of operations plus the amount of claims paid. It appears, therefore, that this program is being operated without cost to the taxpayer.

Insurance Operations

During 1951, Title I insurance covered 1,437,737 property improvement loans, 1 percent fewer than in 1950. Total net proceeds of these loans amounted to $707 million, which is 1 percent greater than the 1950 total. Since 1934, when Title I property improvement loans were first made, 12,871,546 loans with net proceeds of over $5.3 billion have been insured.

At the close of 1951, there were about 9,300 financial sources for Title I property improvement loans. These included 6,500 main offices, together with 2,800 branches. Of the 6,500 lending institutions insured, 4,500 (excluding branches) made Title I loans in 1951—an increase of 100 active institutions over the number active in 1950.

Claims and Recoveries

The dollar amount of claims paid by the FHA on defaulted loans in 1951 was 33 percent less than in 1950. A total of 35,600 claims were paid during the year, amounting to $12.2 million. This brought the year-end volume of cumulative claims to 2.29 percent of the total net proceeds of all insured loans, as compared with 2.38 percent at the end of 1950.

Although $122.6 million has been paid to insured lending institutions under their contracts of insurance, this does not mean that the FHA has sustained a loss in that amount. Recoveries, actual and anticipated, amount to $62.1 million, leaving unrecoverable paid claims of $60.5 million. The estimated unrecoverable amount is only 1.13 percent of the net proceeds of all insured loans.

After a claim on a defaulted note is paid, the FHA makes every effort to effect collection of the obligation. This is done by correspondence, by personal contact with the debtor through the staff of the FHA field office, and by reference of the case to the Department of Justice for legal action when such a course is deemed advisable. If all efforts fail, the case is held in suspense as uncollectible, although periodic attempts at collection on such accounts result in some recoveries.

The heavy volume of claims during the years 1948–50, which was occasioned by the extremely heavy volume of insured loans in the past 5 years, has created a large work load in the liquidation operation. In fact, the dollar amount of claims in process of collection has about tripled since 1947. This condition has necessitated special attention to the liquidation phase, resulting in improved operating efficiency.

Total cash recoveries in 1951 amounted to $6.7 million (excluding $475,018 of interest). This recovery is the largest for any year in FHA history.

Detailed statistics for Title I property improvement loans may be found in Section II of this report.

Financial Position

From the establishment of the Federal Housing Administration in 1934 through June 30, 1951, gross income from fees, insurance premiums, and income on investments totaled $539,238,014, while operating expenses for the same period amounted to $252,655,479. Expenses of administration during the first three fiscal years, 1935 through 1937, were met from funds advanced through the Reconstruction Finance Corporation by the United States Treasury. During the following three fiscal years, 1938 through 1940, partial payments of operating expenses were met from income. Since July 1, 1940, FHA operating expenses have been paid in total by allocation from its insurance funds.

Gross income during the fiscal year 1951 under all insurance operations of the FHA totaled $98,004,922. Expenses of administering the agency during the fiscal year 1951 amounted to $31,203,973, leaving an excess of gross income over operating expenses of $66,800,949 to be added to the various insurance funds.

At June 30, 1951, the Federal Housing Administration had capital and statutory reserves of $275,267,843. Of this amount, the Government had contributed $67,497,433 and the remaining $207,770,410 had been built up from income. The Government's contribution consisted of $23,000,000 paid-in surplus ($10,000,000 allocation to the Mutual Mortgage Insurance Fund, $5,000,000 to the War Housing Insurance Fund, $1,000,000 to the Housing Investment Insurance Fund, $5,000,-000 to the Military Housing Insurance Fund, $1,000,000 allocation from the Mutual Mortgage Insurance Fund to establish the Housing Insurance Fund, and $1,000,000 from the Title I Insurance Fund to establish the Title I Housing Insurance Fund) and $44,497,433 in the form of appropriations for operating expenses and Title I claims in periods prior to the time that such expenditures could be met from FHA income.

The capital and statutory reserves of each fund as of June 30, 1951, are given below:

Title I Insurance Fund	$18,124,916
Title I Housing Insurance Fund	969,089
Mutual Mortgage Insurance Fund	151,757,627
Housing Insurance Fund	5,198,320
War Housing Insurance Fund	90,847,238
Housing Investment Insurance Fund	970,192
Military Housing Insurance Fund	7,400,461
	275,267,843

Participation payments from group accounts in the amount of $7,874,917 for 41,781 families financing their homes under the mutual mortgage insurance program of the Federal Housing Administration were made during the fiscal year 1951. The first participation payments were made as of January 1, 1944, and during the 7½ years following that date total payments of $31,172,836 have been made on 293,253 insured loans. The participation shares are paid in connection with home mortgages insured by the Mutual Mortgage Insurance Fund under the provisions of Section 203 of the National Housing Act. To be eligible for a participation payment, a mortgage must be in a group account which has developed a credit balance exceeding all actual and estimated charges, and the loan must have matured or been prepaid in full.

Detailed discussion of FHA accounts and financial operations appears in Section III of this report.

Property Management

When the borrower in an insured mortgage transaction defaults, and all efforts to avert foreclosure fail, the mortgagee may transfer title, or, under some sections of the Act, assign the mortgage, to the FHA Commissioner, and receive debentures in accordance with the insurance contract; or the mortgagee may elect to keep the property. The insurance contract is terminated in either event.

When the mortgagee elects to assign the mortgage, the FHA, having become the actual mortgagee, continues its efforts to correct the default, and, failing to do so, must acquire title by foreclosure or by acceptance of a deed that may be tendered in lieu of foreclosure.

The management and eventual sale of properties acquired by the Commissioner are handled by the property management staff under general policies and procedures established by the Commissioner. No sale of a project or a group of homes may be concluded without the specific concurrence of the Commissioner.

It is the policy of the FHA not to sell acquired home properties in bulk, but instead to try to return them, at fair prices in the going market but without speculative markup, to the home-ownership use for which they were originally produced. The agency appoints qualified local real estate brokers to sell the properties through established retail outlets.

The FHA rehabilitates acquired rental project properties, when necessary, to enable them to compete in the rental market, and operates them until the income is stabilized. Although a qualified local real estate broker is appointed as managing agent for such a property, the marketing of the property is handled independently of a broker, as a direct transaction between the Government and the purchaser. The sale is publicized in advance through newspaper advertisements stating minimum prices and terms.

The FHA entered 1951 with an on-hand inventory of 1,581 one- to four-family homes and 2,412 rental project units. During the year, 1,216 home properties were acquired and 1,279 sold, bringing the year-end inventory down to 1,518; while acquisition of 3,085 rental project units and sale of 4 projects totaling 418 units resulted in a rental project inventory of 5,079 units at the end of the year.

Organization and Personnel

For maximum efficiency of service, the FHA operates on a decentralized basis. Control and supervision of field operations have been effected by dividing the country into five zones, each under the direction of a Zone Commissioner who divides his time between the Washington headquarters office and the field offices under his jurisdiction. Through the Zone Commissioners' offices, the Audit Division, and the Underwriting Division, in Washington, supervision of the field offices is continually carried on.

At the end of 1951 the field organization included 137 offices—72 insuring offices, which receive and completely process applications for mortgage insurance; 21 service offices, which receive applications for mortgage insurance and process them for submission to insuring offices for review, issuance of commitments, and endorsements for insurance; and 44 valuation stations, where technical personnel prepare architectural and valuation reports for the insuring offices in their respective areas.

Charts III and IV show the organization of the Washington headquarters and field offices.

There were 6,378 FHA employees at the beginning of 1951, and 5,230 at the end of the year. The number during the year averaged about 5,880, of whom 4,370—about 74 percent—served in the field offices. The remaining 26 percent were divided among the insuring, realty, fiscal, and liquidation operations carried on centrally in Washington, and the administrative services and other management staff

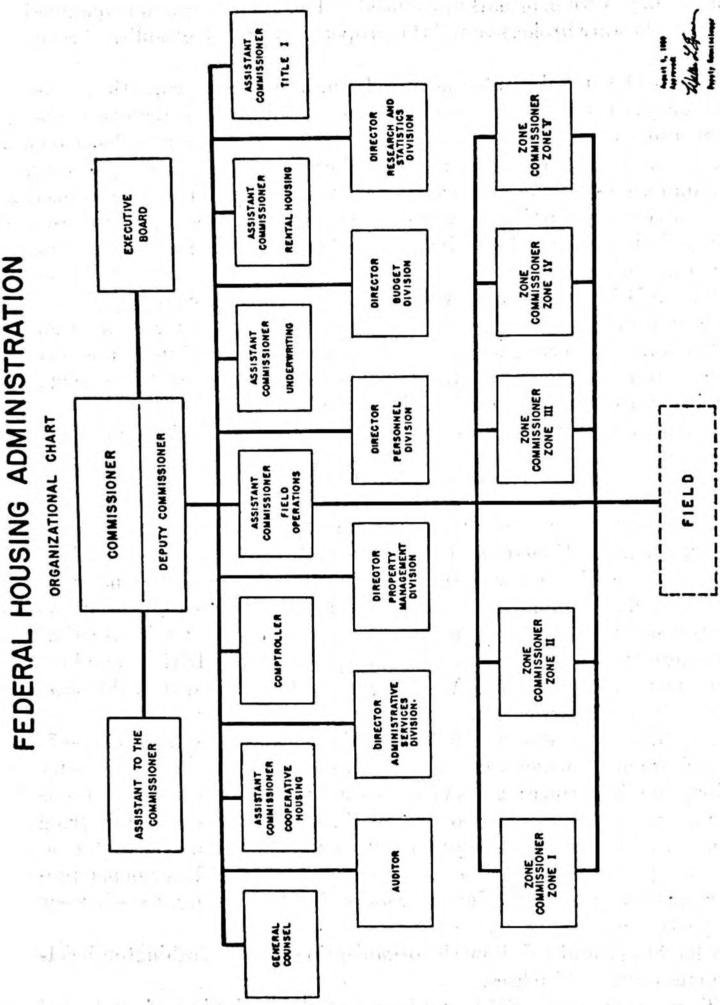

FEDERAL HOUSING ADMINISTRATION
ORGANIZATIONAL CHART
EXECUTIVE BOARD
COMMISSIONER
DEPUTY COMMISSIONER
ASSISTANT TO THE COMMISSIONER
GENERAL COUNSEL
ASSISTANT COMMISSIONER COOPERATIVE HOUSING
COMPTROLLER
ASSISTANT COMMISSIONER FIELD OPERATIONS
ASSISTANT COMMISSIONER UNDERWRITING
ASSISTANT COMMISSIONER RENTAL HOUSING
ASSISTANT COMMISSIONER TITLE I
AUDITOR
DIRECTOR ADMINISTRATIVE SERVICES DIVISION
DIRECTOR PROPERTY MANAGEMENT DIVISION
DIRECTOR PERSONNEL DIVISION
DIRECTOR BUDGET DIVISION
DIRECTOR RESEARCH AND STATISTICS DIVISION
ZONE COMMISSIONER ZONE I
ZONE COMMISSIONER ZONE II
ZONE COMMISSIONER ZONE III
ZONE COMMISSIONER ZONE IV
ZONE COMMISSIONER ZONE V
FIELD

CHART III

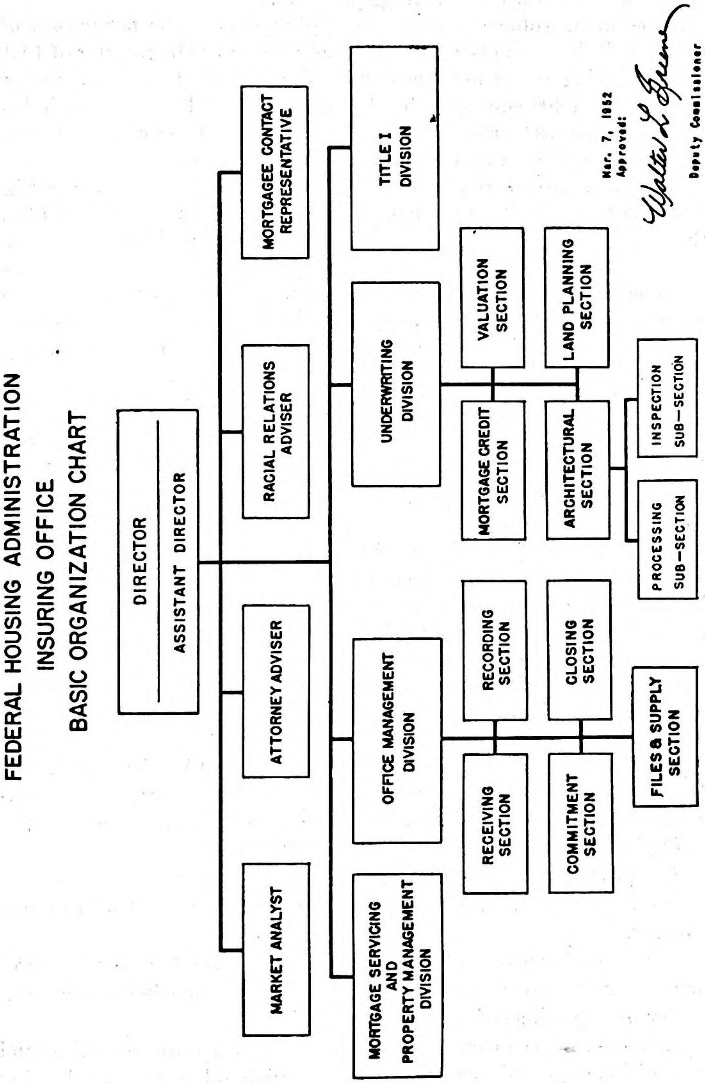

FEDERAL HOUSING ADMINISTRATION
INSURING OFFICE
BASIC ORGANIZATION CHART
DIRECTOR
ASSISTANT DIRECTOR
MARKET ANALYST
ATTORNEY ADVISER
RACIAL RELATIONS ADVISER
MORTGAGEE CONTACT REPRESENTATIVE
MORTGAGE SERVICING AND PROPERTY MANAGEMENT DIVISION
OFFICE MANAGEMENT DIVISION
UNDERWRITING DIVISION
TITLE I DIVISION
RECEIVING SECTION
RECORDING SECTION
COMMITMENT SECTION
CLOSING SECTION
FILES & SUPPLY SECTION
MORTGAGE CREDIT SECTION
VALUATION SECTION
ARCHITECTURAL SECTION
LAND PLANNING SECTION
PROCESSING SUB-SECTION
INSPECTION SUB-SECTION
Mar. 7, 1952
Approved:
Deputy Commissioner

CHART IV

functions required in the Washington headquarters office to support, direct, and control the operating program.

A decline in volume of insurance applications in the latter part of 1950 led the FHA to place a drastic limitation at the beginning of 1951 on the filling of vacant positions. This resulted in a reduction of more than 400 employees by the end of July. In that month, because of a severely reduced budget for the fiscal year 1952, it was necessary to reduce the staffs in most of the field offices.

The FHA devotes great care to the recruitment, selection, training, and supervision of its personnel. Employees are constantly reminded that the good reputation of the agency is founded on the quality of its personnel. Unauthorized outside activities, special favors to former employees or other individuals or groups, acceptance of favors from persons or firms doing business with the FHA, and other conduct tending to discredit the agency are subject to prompt disciplinary action.

Management Improvement Program

The management improvement program of the FHA, undertaken pursuant to Executive Order 10072 of July 29, 1949, and Title X of the Classification Act of 1949 (Public Law 429, 81st Cong.), is organized on a Nation-wide basis, with management improvement committees, comprising the principal officials of the divisions and offices, functioning in each Washington division and field insuring office. Their efforts are coordinated at Washington headquarters under the general supervision of the Deputy Commissioner. Under the FHA program, emphasis is placed on the responsibility of operating divisions and offices for intensive management improvement activities. A small professional staff provides technical assistance in the prosecution of the management improvement program.

Work measurement is used extensively in FHA with operations that lend themselves to its application. Production ratios have improved as the management improvement program has progressed.

Typical improvements include the following:

The procedure for examining and paying Title I claims has been simplified so as to reduce processing time and save $42,000 in annual expense.

Revision of the procedure for preparing Title I collection cases for transmittal to the field has resulted in greater efficiency as well as personnel savings of about $10,000 a year.

A records management program, to systematize the handling and disposition of records, has resulted in the disposal of 11,000 cubic feet of file material and recovery of file cabinets and other storage equipment valued at about $60,000.

Departmental and field organization and functional statements have been reviewed and revised to clarify responsibilities and organization in the interest of more efficient operations.

A survey of space utilization in the District of Columbia has resulted in the elimination of leased space having an annual rental of $37,000.

Publications

The following are the principal new or revised FHA publications issued in 1951. Unless otherwise indicated, they can be obtained, without charge, from the Federal Housing Administration, Washington 25, D. C.

Administrative Rules and Regulations for Military Housing Insurance under Title VIII of the National Housing Act.—FHA Form No. 3300, revised September 4, 1951.

Administrative Rules and Regulations under Section 8 of the National Housing Act.—FHA Form No. 2000, reprinted September 1951, to include all amendments through September 4, 1951.

Administrative Rules and Regulations under Section 903 of Title IX of the National Housing Act.—FHA Form No. 3350, issued November 5, 1951.

Administrative Rules and Regulations under Section 908 of Title IX of the National Housing Act.—FHA Form No. 3375, issued November 5, 1951.

Analysis of Residential Properties Near Airports.—Issued July 1951.

Annual Report.—Seventeenth annual report of the Federal Housing Administration; year ending December 31, 1950. Government Printing Office, Washington 25, D. C. 45 cents.

Dealer Guide for FHA Title I Loans.—Form FH-30A, revised April 1951. Government Printing Office, Washington 25, D. C. 5 cents.

Federal Housing Administration Digest of Insurable Loans.—Revised November 1951.

How to Test Financial Soundness of Rental Housing Properties.—FHA Form No. 2484, issued April 26, 1951.

Insured Mortgage Portfolio (issued quarterly).—Vol. 15, Nos. 3 and 4; Vol. 16, Nos. 1 and 2. Government Printing Office, Washington 25, D. C. Single copy 15 cents, annual subscription 50 cents.

National Housing Act As Amended.—FHA-107, revised December 1951, including all amendments to October 30, 1951. Government Printing Office, Washington 25, D. C. $1.

Section 213 Cooperative Housing Insurance.—Administrative rules and regulations under Section 213 of Title II of the National Housing Act.—FHA Form No. 2076, reprinted April 6, 1951, to include all amendments through April 6, 1951.

Section 2

STATISTICS OF INSURING OPERATIONS

This section of the report contains a detailed statistical analysis of the 1951 insuring operations of the Federal Housing Administration under the provisions of Titles I, II, VI, VII, VIII, and IX of the National Housing Act, as amended. The year's activity may be divided into these three principal categories: (1) Home mortgage insurance under Titles I, II, and VI; (2) rental and cooperative project mortgage insurance under Titles II, VI, and VIII; and (3) property improvement loan insurance under Title I. In addition, a limited amount of activity was reported for the prefabricated house production and interim credit program of Section 609. No insurance was written during the year under the yield insurance provisions of Title VII, nor under the new Title IX which was enacted September 1, 1951, in order to assist in providing adequate housing in areas designated by the President as critical defense housing areas. This legislation provided that there should be no expenditures for administrative purposes under Title IX except pursuant to specific authorization by the Congress. The necessary authorization was made in a supplemental appropriation approved November 1, 1951, and the administrative regulations governing the acceptance and processing of applications for mortgage insurance under this title were issued shortly thereafter. A small volume of applications were received and commitments issued during November and December, but no mortgages were insured until January 1952.

The statistics covering each of the principal types of programs identified in the preceding paragraph are analyzed in the following pages, first with respect to the volume of insuring operations and, second, in regard to the characteristics of the individual insured cases. The relative importance of each of these three types of FHA programs, as indicated by the dollar volume of insurance written during 1951 and cumulative from the beginning of operations in 1934 through 1951, is shown in the following table:

Type of insurance	Year 1951		1934–51	
	Billions of dollars	Percent	Billions of dollars	Percent
Home mortgages	$1.9	60	$16.5	64
Rental and cooperative project mortgages	.6	18	4.1	16
Property improvement loans	.7	22	5.4	20
Total	3.2	100	26.0	100

As the table shows, the Federal Housing Administration insured some $3.2 billion of loans and mortgages during 1951. Of this amount, 60 percent was written on home mortgages, 22 percent on property improvement loans, and the remaining 18 percent on rental and cooperative project mortgages. On a cumulative basis, these percentages are slightly different, largely because the insurance of mortgages on large-scale projects became of major importance only during the last few years. In comparison with 1950, the 1951 volume of home mortgages insured decreased by 24 percent and rental and cooperative project mortgage insurance decreased by 50 percent, while the amount of property improvement loans insured remained substantially unchanged. The total for all three programs decreased by slightly more than 25 percent—from $4.3 billion in 1950 to the $3.2 billion reported for 1951. Contributing to this decrease were the credit curbs and controlled materials programs which were operative in 1951, together with the general scarcity of mortgage money which prevailed during much of the year. The full effect of these various factors is not reflected in the 1951 insurance volume, since a large part of the mortgages insured during the year relate to applications and commitments of the preceding year. The volume of mortgage insurance applications declined in 1951 by 48 percent from the 1950 peak.

Home Mortgage Insurance Under Titles I, II, and VI

In 1951 the Federal Housing Administration insured home mortgages under five sections of the National Housing Act: Section 8 of Title I, Sections 203 and 213 of Title II, and Sections 603 and 611 of Title VI. Properties securing mortgages insured under Section 203 or under the basic provisions of Section 603 may contain as many as four living units, while those securing mortgages insured under Section 8 or reinsured under Section 213 or 611 after release from a blanket mortgage are limited to a single living unit. In addition, home mortgages financing the sale of certain publicly financed housing involving one- to seven-family dwellings may be insured under Section 603 pursuant to the provisions of Section 610 of Title VI.

Volume of Business

Insurance written in 1951 under these home mortgage programs covered a total mortgage amount of $1,934,000,000, all of which was advanced by private lending institutions located throughout the country and its territories. These amounts were used to finance the construction or purchase of 262,000 individual dwelling units, including 162,700 newly constructed units involving mortgage amounts aggregating $1,221,000,000 and 99,600 existing units securing mortgages totaling $713,000,000 (Table 4).

TABLE 4.—*Home Mortgages Insured by FHA, 1935–51*

[Dollar amounts in thousands]

Year	Grand total [1] new and existing construction		New construction									
			Total		Sec. 8		Sec. 203		Sec. 603		Sec. 611	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
1935–39	496, 987	$1, 969, 862	218, 763	$974, 676			218, 763	$974, 676				
1940–44	959, 015	4, 054, 697	715, 678	3, 055, 457			399, 467	1, 792, 224	316, 211	$1, 263, 233		
1945	103, 418	474, 344	54, 829	257, 243			1, 585	7, 600	53, 244	249, 643		
1946	85, 771	422, 009	22, 523	120, 149			11, 143	62, 969	11, 380	57, 180		
1947	150, 114	894, 716	71, 384	476, 927			10, 643	69, 701	60, 741	407, 226		
1948	318, 335	2, 108, 670	203, 978	1, 424, 614			29, 348	215, 413	174, 630	1, 209, 201		
1949	316, 497	2, 198, 212	182, 366	1, 305, 716			134, 283	968, 499	47, 808	335, 567	275	$1, 650
1950	[2] 350, 451	[2] 2, 488, 780	[2] 224, 192	[2] 1, 633, 091	209	$964	221, 381	1, 613, 725	2, 129	15, 525	473	2, 877
1951	262, 224	1, 934, 372	162, 666	1, 221, 475	6, 133	28, 622	155, 416	1, 187, 402	23	184	966	5, 832
Total	3, 042, 812	16, 545, 664	1, 856, 379	10, 469, 348	6, 342	29, 586	1, 182, 029	6, 892, 210	[3] 666, 294	[3] 3, 537, 193	1, 714	10, 359

Year	Existing or refinanced construction													
	Total		Sec. 8		Sec. 203		Sec. 213		Sec. 603		Sec. 603–610		Sec. 611	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
1935–39	278, 224	$995, 187			278, 224	$995, 187								
1940–44	243, 337	999, 240			236, 737	973, 301			6, 600	$25, 939				
1945	48, 589	217, 101			47, 284	211, 700			1, 305	5, 401				
1946	63, 248	301, 861			58, 952	284, 388			4, 296	17, 473				
1947	78, 730	417, 789			70, 603	375, 966			8, 119	41, 802	8	$21		
1948	114, 357	684, 056			110, 297	664, 940			2, 989	15, 725	1, 071	3, 390		
1949	134, 131	892, 496			132, 058	886, 065			165	754	1, 908	5, 677		
1950	126, 259	855, 690			125, 186	852, 330			136	481	937	2, 880		
1951	99, 558	712, 898	46	$215	97, 991	706, 196	313	$2, 464	17	74	1, 185	3, 909	6	$40
Total	1, 186, 433	6, 076, 318	46	215	1, 157, 332	5, 950, 073	313	2, 464	23, 627	107, 649	5, 109	15, 877	6	40

[1] For yearly volume of total home mortgages insured, by sections, see Table 1.
[2] These totals exclude 46,115 loans aggregating $126,610,534 insured under Class 3 of Title I, since under that program individual mortgages were not insured.
[3] Reflects amendments shown in final audits.

As in each year since 1948, the great majority of home mortgages insured in 1951 were processed under the long-range program of Section 203.

With respect to the mortgages insured during the year which were secured by new construction, Section 203 accounted for $1,187,000,000, or about 97 percent of the total amount of such mortgages. Making up the remainder were $28,622,000 in single-family home mortgages insured under the provisions of Section 8; $5,832,000 insured under Section 611 and secured by single-family site-fabricated dwellings; and $184,000 covered by commitments for the insurance of one- to four-family home mortgages which were issued under the Section 603 Veterans' Emergency Housing Program prior to April 30, 1948. These were the last new-construction commitments outstanding under that program.

Of the existing-construction or refinanced home mortgages insured in 1951, Section 203 processing accounted for $706,196,000, or over 99 percent of the total. Included in the remainder were $3,909,000 in existing-construction mortgages insured under Section 603 pursuant to Section 610; $2,464,000 under Section 213 secured by single-family homes originally constructed as part of a cooperative project with financing under a Section 213 blanket mortgage and now released from that blanket mortgage and reinsured with an individual mortgagor; $40,000 under Section 611 secured by single-family dwellings originally constructed as part of a site-fabricated development with financing under a Section 611 blanket mortgage and now released from that blanket mortgage and reinsured with an individual mortgagor; $215,000 in existing-construction mortgages insured under Section 8; and $74,000 involved in the refinancing of previously insured mortgages under Section 603. The existing-construction mortgages insured under Sections 8, 213, and 611 are the first such mortgages reported under these sections of the Act.

As Table 4 shows, the 1951 volume of new-home mortgage insurance was lower than that for any other year since 1947. The total amount of $1,221,000,000 was nearly $412,000,000, or about 25 percent, below the record established in 1950. With regard to the number of new units securing mortgages insured during the year, the 1951 total of 163,000 represented a decrease of more than 27 percent from the 224,000 insured in 1950. The average mortgage per unit amounted to $7,509 for new-home mortgages insured in 1951, compared with $7,284 for the preceding year.

The existing-construction or refinanced home mortgage total of $712,898,000 insured in 1951 was about 17 percent below the comparable figure for 1950, while the number of living units in the properties securing these mortgages declined by about 21 percent. The average mortgage amount for these transactions was $7,160 or nearly $400 higher than in 1950.

Status of processing.—Of the 350,000 applications for home mortgage insurance which were processed under Section 203 during 1951, about 274,000, or nearly 80 percent, resulted in the issuance of commitments by the FHA field offices. During the year about 440,000 Section 203 cases were closed through rejection of applications, expiration of commitments, or insurance of mortgages. Table 5 indicates that some 7 percent of these closed cases represented rejected applications, 37 percent were expired commitments, and 56 percent were endorsed for insurance. The proportions of new-home cases closed through rejection and through insurance were markedly lower than the comparable proportions for transactions involving existing structures. In comparison with 1950, the 1951 experience was marked by a lower proportion of net rejects for both new and existing properties. New-home cases closed during the year included considerably larger proportions of expired commitments and smaller proportions of insured cases than were reported for 1950, while the reverse was true for existing-home transactions.

TABLE 5.—*Disposition of 1- to 4-family Home Mortgage Cases Closed, Sec 203, in Selected Years, 1940–51*

Year	Disposition of cases closed (percentage distribution) [1]				
	Total cases closed	Rejections [2]	Conditional commitments expired [2]	Firm commitments expired [2]	Insured
	Total construction				
1940	100.0	18.8	8.2	4.2	68.8
1949	100.0	13.4	15.7	6.3	64.6
1950	100.0	10.4	16.0	10.9	62.7
1951	100.0	7.1	17.2	19.5	56.2
	New construction				
1940	100.0	15.3	10.1	3.3	71.3
1949	100.0	12.5	14.2	8.9	64.4
1950	100.0	9.5	13.8	13.4	63.3
1951	100.0	5.5	17.7	25.6	51.2
	Existing construction				
1940	100.0	27.9	3.2	6.3	62.6
1949	100.0	14.2	17.2	3.7	64.9
1950	100.0	12.1	19.9	6.5	61.5
1951	100.0	10.6	15.9	6.6	66.9

[1] Excludes applications under examination and commitments outstanding at end of year.
[2] Excludes cases reopened.

State Distribution

Totals for the year.—The distribution of the home mortgages insured by FHA during 1951 by State location of the properties securing these mortgages is shown in Tables 6 and 7. Table 6 shows the total number and amount of the mortgages insured under all of the home mortgage insurance programs, with separate data for new- and existing-construction mortgages, while Table 7 shows the number of new and existing dwelling units covered by mortgages insured during the year under each of the individual home mortgage programs. An indication of the relative volume for each State or for particular areas of the country may be easily obtained from Chart V.

TABLE 6.—*State Distribution of FHA-insured Home Mortgages, 1951*

[Dollar amounts in thousands]

State	Total			New construction			Existing construction		
	Number	Amount	Units	Number	Amount	Units	Number	Amount	Units
Alabama	2,710	$20,093	2,777	1,690	$12,718	1,734	1,020	$7,375	1,043
Arizona	5,926	40,119	6,104	4,911	33,518	4,974	1,015	6,601	1,130
Arkansas	2,361	16,276	2,459	1,256	9,247	1,320	1,105	7,028	1,139
California	36,206	286,502	37,734	23,750	187,404	24,633	12,456	99,098	13,101
Colorado	3,805	31,520	3,959	2,910	24,401	3,039	895	7,118	920
Connecticut	2,979	25,126	3,239	1,317	11,490	1,317	1,662	13,636	1,922
Delaware	273	2,097	274	185	1,443	185	88	654	89
District of Columbia	170	1,716	225	100	984	106	70	732	119
Florida	8,156	60,445	8,273	6,807	50,122	6,884	1,349	10,323	1,389
Georgia	3,616	26,889	3,710	2,480	18,178	2,561	1,136	8,711	1,149
Idaho	1,946	15,506	2,084	963	8,316	1,033	983	7,189	1,051
Illinois	8,261	68,256	8,499	4,419	36,130	4,423	3,842	32,126	4,076
Indiana	7,591	55,216	7,731	4,859	35,225	4,874	2,732	19,991	2,857
Iowa	2,523	19,462	2,564	1,145	8,984	1,157	1,378	10,479	1,40[illegible]
Kansas	4,935	38,592	5,120	3,458	28,045	3,598	1,477	10,548	1,5[illegible]
Kentucky	2,447	17,527	2,513	1,345	9,373	1,398	1,102	8,153	1,1[illegible]
Louisiana	4,246	32,851	4,488	2,589	20,113	2,743	1,657	12,738	1,7[illegible]
Maine	794	5,295	862	271	2,025	271	523	3,270	59[illegible]
Maryland	2,999	22,347	3,036	2,048	14,991	2,048	951	7,356	988
Massachusetts	1,236	8,762	1,471	390	2,848	393	846	5,914	1,078
Michigan	16,418	125,641	16,945	9,704	74,866	9,730	6,714	50,775	7,215
Minnesota	1,999	17,139	2,032	1,143	9,738	1,153	856	7,401	879
Mississippi	1,554	9,871	1,574	1,155	7,427	1,166	399	2,445	408
Missouri	7,223	57,857	7,444	3,589	29,872	3,627	3,634	27,985	3,817
Montana	950	7,302	996	273	2,357	289	677	4,945	707
Nebraska	2,873	21,651	2,947	1,577	12,250	1,617	1,296	9,401	1,330
Nevada	992	9,140	1,200	781	7,366	974	211	1,774	226
New Hampshire	232	1,578	255	91	618	91	141	960	164
New Jersey	6,297	47,168	6,502	3,527	26,979	3,531	2,770	20,190	2,971
New Mexico	1,965	14,781	2,065	1,601	12,195	1,691	364	2,586	374
New York	15,967	125,177	17,049	12,354	96,794	12,408	3,613	28,383	4,641
North Carolina	3,174	22,478	3,331	2,530	17,795	2,674	644	4,684	657
North Dakota	337	2,811	342	165	1,456	166	172	1,355	176
Ohio	12,984	103,063	13,345	7,456	57,687	7,497	5,528	45,376	5,848
Oklahoma	5,117	38,030	5,162	2,900	22,420	2,911	2,217	15,610	2,251
Oregon	6,256	46,486	6,380	2,708	20,532	2,770	3,548	25,953	3,610
Pennsylvania	15,194	109,207	15,352	11,433	82,537	11,448	3,761	26,669	3,904
Rhode Island	305	2,491	318	176	1,462	178	129	1,029	140
South Carolina	2,264	14,183	2,423	1,167	8,146	1,287	1,097	6,037	1,136
South Dakota	1,145	8,287	1,197	584	4,659	610	561	3,628	587
Tennessee	4,844	33,744	4,918	3,615	25,134	3,662	1,229	8,611	1,256
Texas	14,533	102,082	14,925	10,341	72,907	10,650	4,192	29,175	4,275
Utah	3,072	25,742	3,211	2,092	17,874	2,169	980	7,869	1,042
Vermont	245	1,721	277	97	726	97	148	995	180
Virginia	4,657	34,583	4,696	2,014	14,663	2,024	2,643	19,920	2,672
Washington	11,763	88,936	12,255	3,505	27,775	3,603	8,258	61,161	8,652
West Virginia	1,167	8,943	1,219	461	3,784	483	706	5,160	736
Wisconsin	2,057	17,285	2,100	1,323	10,859	1,336	734	6,426	764
Wyoming	831	6,234	894	410	3,263	426	421	2,971	468
Alaska	201	2,724	238	85	1,313	117	116	1,411	121
Hawaii	1,575	15,664	1,634	934	9,137	953	641	6,527	681
Puerto Rico	1,733	15,441	1,987	1,206	10,815	1,316	527	4,626	671
Canal Zone	-------	-------	-------	-------	-------	-------	-------	-------	-------
Virgin Islands	2	18	2	2	18	2	-------	-------	-------
Total [1]	253,106	1,932,053	262,337	157,892	1,210,978	161,347	95,214	721,076	100,990

[1] Cases tabulated in 1951.

TABLE 7.—*State Distribution of FHA-insured Home Mortgage Units, 1951*

State	New construction					Existing construction						
	Total units	Sec.				Total units	Sec.					
		8	203	603	611		8	203	213	603	603-610	611
		Units	Units	Units	Units		Units	Units	Units	Units	Units	Units
Alabama	1,734	70	1,664	------	------	1,043	------	902	------	------	141	------
Arizona	4,974	420	4,394	------	160	1,130	1	1,129	------	------	------	------
Arkansas	1,320	27	1,293	------	------	1,139	1	1,138	------	------	------	------
California	24,633	116	23,775	1	741	13,101	------	13,095	------	------	------	6
Colorado	3,039	------	3,039	------	------	920	------	920	------	------	------	------
Connecticut	1,317	------	1,317	------	------	1,922	------	1,919	------	3	------	------
Delaware	185	------	185	------	------	89	------	89	------	------	------	------
District of Columbia	106	------	106	------	------	119	------	119	------	------	------	------
Florida	6,884	848	6,036	------	------	1,389	11	1,377	------	1	------	------
Georgia	2,561	73	2,488	------	------	1,149	2	1,146	------	1	------	------
Idaho	1,033	11	1,022	------	------	1,051	------	1,051	------	------	------	------
Illinois	4,423	------	4,404	19	------	4,076	------	4,076	------	------	------	------
Indiana	4,874	10	4,864	------	------	2,857	1	2,856	------	------	------	------
Iowa	1,157	10	1,147	------	------	1,407	------	1,404	------	3	------	------
Kansas	3,598	------	3,598	------	------	1,522	------	1,522	------	------	------	------
Kentucky	1,398	1	1,397	------	------	1,115	------	1,115	------	------	------	------
Louisiana	2,743	75	2,668	------	------	1,745	------	1,745	------	------	------	------
Maine	271	------	271	------	------	591	------	590	------	------	1	------
Maryland	2,048	------	2,048	------	------	988	------	988	------	------	------	------
Massachusetts	393	9	384	------	------	1,078	------	1,078	------	------	------	------
Michigan	9,730	989	8,741	------	------	7,215	6	7,209	------	------	------	------
Minnesota	1,153	4	1,148	1	------	879	------	879	------	------	------	------
Mississippi	1,166	11	1,155	------	------	408	------	408	------	------	------	------
Missouri	3,627	17	3,610	------	------	3,817	2	3,815	------	------	------	------
Montana	289	3	286	------	------	707	------	707	------	------	------	------
Nebraska	1,617	91	1,526	------	------	1,330	1	1,329	------	------	------	------
Nevada	974	1	973	------	------	226	------	226	------	------	------	------
New Hampshire	91	2	89	------	------	164	------	164	------	------	------	------
New Jersey	3,531	148	3,383	------	------	2,971	1	2,970	------	------	------	------
New Mexico	1,691	1	1,690	------	------	374	------	374	------	------	------	------
New York	12,408	643	11,697	3	65	4,641	4	3,745	------	9	883	------
North Carolina	2,674	6	2,668	------	------	657	------	657	------	------	------	------
North Dakota	166	2	164	------	------	176	------	176	------	------	------	------
Ohio	7,497	47	7,449	1	------	5,848	------	5,808	------	------	40	------
Oklahoma	2,911	93	2,817	1	------	2,251	------	2,038	213	------	------	------
Oregon	2,770	88	2,682	------	------	3,610	------	3,610	------	------	------	------
Pennsylvania	11,448	184	11,264	------	------	3,904	------	3,904	------	------	------	------
Rhode Island	178	4	173	1	------	140	------	140	------	------	------	------
South Carolina	1,287	8	1,279	------	------	1,136	------	1,136	------	------	------	------
South Dakota	610	28	582	------	------	587	------	587	------	------	------	------
Tennessee	3,662	489	3,173	------	------	1,256	7	1,149	100	------	------	------
Texas	10,650	1,238	9,412	------	------	4,275	16	4,259	------	------	------	------
Utah	2,169	44	2,125	------	------	1,042	------	1,042	------	------	------	------
Vermont	97	------	97	------	------	180	------	180	------	------	------	------
Virginia	2,024	23	2,001	------	------	2,672	------	2,672	------	------	------	------
Washington	3,603	134	3,469	------	------	8,652	3	8,530	------	------	119	------
West Virginia	483	16	467	------	------	736	------	736	------	------	------	------
Wisconsin	1,336	------	1,336	------	------	764	------	763	------	------	1	------
Wyoming	426	3	423	------	------	468	------	468	------	------	------	------
Alaska	117	------	117	------	------	121	------	121	------	------	------	------
Hawaii	953	1	952	------	------	681	------	681	------	------	------	------
Puerto Rico	1,316	------	1,316	------	------	671	------	671	------	------	------	------
Canal Zone	------	------	------	------	------	------	------	------	------	------	------	------
Virgin Islands	2	------	2	------	------	------	------	------	------	------	------	------
United States total [1]	161,347	5,988	154,366	27	966	100,990	56	99,413	313	17	1,185	6

[1] Cases tabulated in 1951.

As in 1950, California, with 36,200 cases, reported the largest volume of FHA-insured home mortgages reported for any individual State, accounting for over 14 percent of the national total. It was followed by Michigan with 16,400 mortgages, New York with 16,000, Pennsylvania with 15,200, Texas with 14,500, Ohio with 13,000, and Washing-

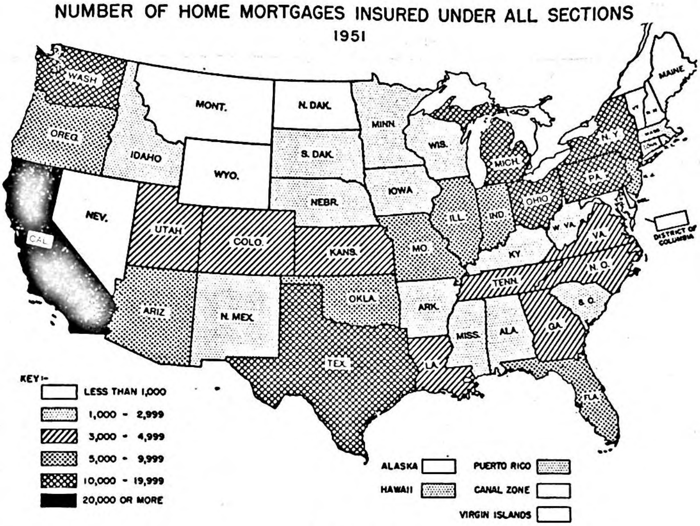


CHART V

ton with 11,800. These seven States accounted for 123,100 cases, or about 50 percent of the total for the entire country.

Cumulative totals.—Since the beginning of home-mortgage insuring operations in 1935 the Federal Housing Administration has insured nearly 3,000,000 mortgages secured by one- to four-family dwellings. The State distribution of these mortgages by the location of the properties involved is shown in Table 8. California is the leading State, with 478,000 mortgages representing 17 percent of the national total. Other leading States are Michigan with 194,000 mortgages, Texas with 178,000, Pennsylvania with 154,000, and New York with 146,000—these five States accounting for 40 percent of all home mortgages insured through December 31, 1951.

Terminations and Foreclosures

More than 1,227,000 of the 2,883,000 home mortgages insured by the Federal Housing Administration through December 31, 1951, had been terminated by the year end. This left some 1,655,000 of these mortgages with original face amounts of $10,841,000,000 (about 65 percent of the total amount of insurance written) still in force. These outstanding mortgages had been amortized by periodic payments until the remaining outstanding balance at the end of 1951 was estimated at about $9,656,000,000, or somewhat more than half of the original aggregate amount of all insured home mortgages.

TABLE 8.—*State Distribution of FHA-insured Home Mortgages, 1935–51*

[Dollar amounts in thousands]

State	Total		Sec. 203		Sec. 603		Other Sections [1]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Alabama	34, 010	$187, 098	24, 127	$135, 208	9, 644	$50, 589	239	$1, 302
Arizona	30, 097	172, 069	22, 377	125, 831	7, 132	43, 215	588	3, 023
Arkansas	29, 213	151, 106	23, 808	124, 953	4, 869	24, 493	536	1, 660
California	478, 071	2, 743, 435	350, 970	1, 994, 083	126, 005	742, 786	1, 096	6, 566
Colorado	32, 342	187, 512	27, 273	158, 084	5, 069	29, 429	---	---
Connecticut	29, 400	184, 984	21, 905	147, 718	7, 485	37, 211	10	54
Delaware	5, 970	34, 133	3, 339	19, 511	2, 631	14, 622	---	---
District of Columbia	6, 457	46, 295	3, 677	25, 605	2, 780	20, 691	---	---
Florida	85, 463	507, 883	57, 707	338, 704	26, 895	165, 132	861	4, 048
Georgia	46, 181	249, 496	32, 756	178, 471	13, 307	70, 525	118	500
Idaho	15, 023	84, 195	14, 484	81, 037	527	3, 104	12	54
Illinois	134, 520	831, 520	112, 550	702, 862	21, 970	128, 658	---	---
Indiana	95, 906	515, 448	80, 072	421, 712	15, 801	93, 633	33	103
Iowa	25, 205	136, 711	22, 644	123, 094	2, 549	13, 563	12	54
Kansas	48, 614	272, 473	38, 246	214, 554	10, 329	57, 646	39	273
Kentucky	27, 496	159, 104	22, 757	131, 219	4, 737	27, 874	2	11
Louisiana	48, 705	306, 140	36, 224	229, 997	12, 381	75, 633	100	510
Maine	8, 457	39, 917	7, 166	33, 306	1, 249	6, 470	51	142
Maryland	45, 293	264, 842	30, 884	176, 426	14, 409	88, 416	---	---
Massachusetts	16, 651	96, 182	13, 566	78, 864	3, 076	17, 275	9	43
Michigan	193, 929	1, 123, 048	151, 597	870, 119	41, 334	248, 254	998	4, 675
Minnesota	28, 052	162, 323	23, 238	130, 336	4, 810	31, 968	4	18
Mississippi	21, 240	105, 256	17, 058	82, 266	4, 168	22, 926	14	64
Missouri	72, 981	425, 779	65, 846	386, 999	7, 080	38, 418	55	362
Montana	9, 201	47, 997	8, 863	45, 126	334	2, 849	4	23
Nebraska	26, 138	142, 058	20, 178	110, 102	5, 868	31, 520	92	436
Nevada	6, 780	44, 932	4, 854	34, 751	1, 925	10, 177	1	4
New Hampshire	3, 996	19, 518	3, 666	17, 301	328	2, 118	2	9
New Jersey	118, 088	680, 233	100, 927	571, 187	16, 614	106, 249	547	2, 796
New Mexico	15, 726	96, 624	13, 101	80, 033	2, 624	16, 587	1	5
New York	146, 260	926, 510	121, 304	763, 475	23, 056	151, 750	1, 900	11, 286
North Carolina	34, 365	197, 803	25, 529	143, 834	8, 829	53, 933	7	36
North Dakota	2, 422	13, 623	2, 258	12, 478	162	1, 135	2	9
Ohio	134, 354	799, 164	109, 523	651, 956	24, 769	146, 752	62	455
Oklahoma	73, 289	412, 319	55, 242	308, 210	17, 706	101, 697	341	2, 412
Oregon	38, 014	222, 127	31, 079	181, 330	6, 845	40, 369	90	428
Pennsylvania	153, 504	832, 036	121, 859	637, 971	31, 443	193, 118	202	947
Rhode Island	5, 910	31, 903	4, 642	25, 150	1, 264	6, 735	4	18
South Carolina	25, 249	122, 825	18, 863	88, 657	6, 378	34, 137	8	31
South Dakota	8, 665	43, 904	8, 117	40, 334	520	3, 439	28	132
Tennessee	55, 260	303, 709	38, 620	204, 320	15, 977	96, 140	663	3, 249
Texas	177, 774	967, 067	124, 299	678, 165	52, 028	281, 987	1, 447	6, 916
Utah	27, 905	159, 080	19, 939	115, 931	7, 920	42, 924	46	226
Vermont	3, 695	16, 998	3, 409	15, 599	283	1, 372	3	27
Virginia	62, 756	363, 297	43, 808	259, 828	18, 806	102, 931	142	538
Washington	115, 440	648, 016	95, 171	540, 319	19, 076	103, 235	1, 193	4, 462
West Virginia	20, 070	107, 886	18, 729	101, 587	1, 325	6, 224	16	75
Wisconsin	25, 550	155, 814	21, 106	130, 239	4, 425	25, 510	19	66
Wyoming	9, 511	45, 769	8, 383	39, 172	1, 125	6, 582	3	14
Alaska	917	7, 501	916	7, 494	1	7	---	---
Hawaii	6, 575	51, 605	6, 030	47, 924	544	3, 677	1	4
Puerto Rico	12, 500	75, 380	8, 338	56, 234	4, 162	19, 146	---	---
Canal Zone	---	---	---	---	---	---	---	---
Virgin Islands	7	63	5	51	2	13	---	---
Total [2]	2, 879, 197	16,522,713	2, 243, 029	12,819,806	624, 567	3, 644, 842	11, 601	58, 065

[1] Includes Secs. 8, 213, 603–610, and 611.
[2] Cases tabulated through Dec. 31, 1951.

The insurance of a mortgage loan by the Federal Housing Administration may be terminated in any one of several ways: The mortgage may be paid in full either at or prior to maturity; a new FHA-insured mortgage may be placed on the property, superseding the old mortgage; or the mortgage may be foreclosed by the mortgagee in the event of default by the borrower on his contract. In case of foreclosure, the mortgagee has the option of retaining the property and foregoing the rights to insurance benefits, or of transferring title to the FHA Commissioner in exchange for debentures and a certificate of claim.

The distribution of the 1,227,000 home mortgage insurance contracts terminated by the end of 1951 is shown in Table 9 for each of the types of termination mentioned in the preceding paragraph. The table shows that the great preponderance of these terminations has resulted from prepayments in full—these cases accounting for over 82 percent of all terminated cases. The second largest category includes those cases involving prepayment with a new FHA-insured mortgage placed on the property. Foreclosures have numbered 17,217, or about 1.4 percent of all terminations (less than 0.6 percent of the total number insured). Of the properties involved in these foreclosed cases, 13,849 were transferred to the FHA in exchange for debentures and a certificate of claim; 3,368 were held by the mortgagees for disposition by sale or rent.

TABLE 9.—*Disposition of FHA-insured Home Mortgages, 1935–51*

[Dollar amounts in thousands]

Disposition	Total		Sec. 8		Sec. 203	
	Number	Amount	Number	Amount	Number	Amount
Mortgages insured	2,882,580	$16,545,664	6,388	$29,800	2,246,266	$12,842,281
Mortgages terminated:						
Prepayments in full	1,014,894	4,714,350	2	9	818,221	3,758,54[illegible]
Prepayments by supersession	187,360	877,641			133,714	631,03[illegible]
Matured loans	7,123	18,296			7,123	18,29[illegible]
Titles acquired by mortgagee:						
Properties transferred to FHA	13,849	74,668			4,740	23,654
Properties retained by mortgagee	3,368	17,661			2,119	10,836
Other terminations	569	2,458			434	1,912
Total terminations	1,227,163	5,705,074	2	9	966,351	4,444,279
Mortgages in force	1,655,417	10,840,591	6,386	29,791	1,279,915	8,398,002

Disposition	Sec. 213		Sec. 603		Sec. 603–610		Sec. 611	
	Number	Amount	Number	Amount	Number	Amount	Units	Amount
Mortgages insured	313	$2,464	624,567	$3,644,842	3,326	$15,877	1,720	$10,399
Mortgages terminated:								
Prepayments in full			195,994	951,993	104	395	573	3,405
Prepayments by supersession			53,631	246,547	15	61		
Matured loans								
Titles acquired by mortgagee:								
Properties transferred to FHA			9,101	50,990	8	24		
Properties retained by mortgagee			1,249	6,825				
Other terminations			135	546				
Total terminations			260,110	1,256,901	127	480	573	3,405
Mortgages in force	313	2,464	364,457	2,387,941	3,199	15,398	1,147	6,994

TABLE 10.—*Terminations of FHA-insured Home Mortgages: Total terminations, titles acquired by mortgagees, and foreclosures in process, in selected years, 1935–51*

Year	Terminations [1]			Titles acquired by mortgagees [2]			Foreclosures in process as of end of year	
	Number for the year	Cumulative through end of year		Annual increase	Cumulative through end of year			
		Number	Percent of total insured		Number	Percent of total insured	Number	Percent of insured mortgages in force
	Total [3]							
1935	95	95	0.41	2	2	0.01	(4)	(4)
1937	5,065	6,522	3.22	218	250	.12	(4)	(4)
1939	12,865	28,258	6.07	1,149	2,095	.45	808	0.18
1941	30,033	81,120	9.70	1,122	4,669	.56	750	.10
1943	78,859	198,131	16.23	974	6,216	.51	320	.03
1945	117,858	427,791	29.20	2,163	11,170	.76	929	.09
1946	177,908	605,699	39.19	838	12,008	.78	109	.01
1947	169,496	775,195	45.95	177	12,185	.72	141	.02
1948	121,306	896,501	45.17	323	12,508	.63	263	.02
1949	88,461	984,962	43.06	1,183	13,691	.60	1,281	.10
1950	131,933	1,116,895	42.50	2,610	16,301	.62	1,167	.08
1951	110,268	[5] 1,227,163	42.58	1,523	17,824	.62	899	.05
	Sec. 203							
1935	95	95	0.41	2	2	0.01	(4)	(4)
1937	5,065	6,522	3.22	218	250	.12	(4)	(4)
1939	12,865	28,258	6.07	1,149	2,095	.45	808	0.18
1941	30,033	81,120	9.74	1,122	4,669	.56	750	.10
1943	75,609	194,069	18.75	133	5,374	.52	164	.03
1945	104,879	402,543	35.68	30	5,433	.48	102	.01
1946	123,734	526,277	44.04	41	5,474	.46	59	.01
1947	107,466	633,743	49.83	15	5,489	.43	62	.01
1948	86,293	720,036	51.25	39	5,528	.39	93	.01
1949	63,665	783,701	47.13	119	5,647	.34	302	.03
1950	97,144	880,845	44.02	677	6,324	.32	502	.04
1951	85,506	[5] 966,351	43.02	760	7,084	.32	515	.04
	Sec. 603 [6]							
1941	------	------	------	------	------	------	------	------
1943	3,250	4,062	2.18	841	842	0.45	156	0.09
1945	12,979	25,248	7.50	2,133	5,737	1.70	827	.27
1946	54,174	79,422	22.64	797	6,534	1.86	50	.02
1947	62,030	141,452	34.06	162	6,696	1.61	79	.03
1948	35,013	176,465	30.44	284	6,980	1.21	170	.04
1949	24,796	201,261	32.23	1,064	8,044	1.29	979	.23
1950	34,689	235,950	37.62	1,933	9,977	1.59	665	.17
1951	24,287	[5] 260,237	41.45	763	10,740	1.71	383	.10

[1] Includes terminations of mortgage insurance after acquisition of titles by mortgagees.
[2] Includes titles transferred to FHA, those retained by the mortgagees with termination of mortgage insurance, and titles to 225 foreclosed properties under Sec. 203 and 382 foreclosed properties under Sec. 603 which are subject to redemption or held by mortgagees pending final disposition.
[3] Includes Secs. 8 and 611.
[4] Less than 0.005 percent.
[5] Of the cumulative number of terminated mortgages FHA refinanced 133,714 Sec. 203 cases and 53,646 Sec. 603 cases. A refinanced mortgage involves the same property as covered by the original FHA insurance contract.
[6] Includes Sec. 603–610 cases.

Included in the terminations shown in Table 9 are some 110,000 which were reported in 1951. Of these, 84,388 were prepayments in full; 22,048 were supersessions; 1,955 were cases in which the mortgage debt was paid in full at maturity; and 1,866 were foreclosures.

Yearly trend.—Comparative figures showing the number of terminated cases, the number of titles acquired by mortgagees, and the number of foreclosures in process at the year end are given in Table 10 for selected years since 1935. The table shows that not only did the total number of terminations decrease by over 16 percent from 132,000 in 1950 to 110,000 in 1951, but that—with the exception of 1949—the 1951 volume of terminations is the lowest reported for any year since 1943. This decrease in the number of terminated cases was about equally divided between the two major home mortgage insurance programs—the long-term Section 203 program and the war and postwar emergency programs under Section 603.

The number of titles acquired by mortgagees during the year also declined markedly—from 2,610 in 1950 to 1,523 in 1951. This decrease reflects the 60 percent drop in the number of titles acquired under Section 603 (the number acquired under Sec. 203 increasing slightly over the 1950 level).

A similar comparison may be made of the number of foreclosures in process at the end of the year. The total for all sections declined from 1,167 at the end of 1950 to 899 as of December 31, 1951—or from 0.08 percent to 0.05 percent of the number of insured mortgages in force. The number of Section 203 insured mortgages in process of foreclosure remained virtually unchanged over the year, but those reported under Section 603 declined from 665 to 383, or 0.10 percent of the mortgages in force.

State distribution.—The relationships between the number of mortgages insured under Section 203, the number of these contracts which have been terminated, the number of foreclosures, and the number of insured mortgages still in force at the end of 1951 are shown in Table 11 for each State and Territory. Comparable data based on operations under Section 603 are shown in Table 12.

Of the 2,243,000 [1] mortgages insured under Section 203, some 966,000 or about 43 percent had been reported as terminated. The majority of States reported termination ratios of from 35 to 50 percent, only 10 having terminations in excess of 50 percent, while 12 reported less than 35 percent. The acquisition of title by mortgagees has been reported for slightly less than one-third of 1 percent of the insured mortgages, the proportion exceeding 1 percent in only four States.

Comparatively, about 42 percent of those home mortgages insured under Section 603 had been terminated by the end of 1951, with terminations of 50 percent or more in 18 States or Territories. About 1.7 percent of the insured mortgages have been foreclosed under Section 603. Terminations by foreclosure exceeded 4 percent in 12 States, while 10 States or Territories have reported none.

[1] Excludes 3,237 cases not yet tabulated as of Dec. 31, 1951.

TABLE 11.—*State Distribution of Terminations of FHA-insured Home Mortgages, Sec. 203, 1935–51*

State	Total mortgages insured	Terminations: Number: Total	Terminations: Number: Titles acquired	Terminations: As percent of mortgages insured: Total	Terminations: As percent of mortgages insured: Titles acquired	Insured mortgages in force, Dec. 1951
Alabama	24, 127	8, 676	133	35. 96	0. 55	15, 451
Arizona	22, 377	6, 187	35	27. 65	. 16	16, 190
Arkansas	23, 808	7, 022	210	29. 49	. 88	16, 786
California	350, 970	177, 141	506	50. 47	. 14	173, 829
Colorado	27, 273	11, 311	41	41. 47	. 15	15, 962
Connecticut	21, 905	8, 081	40	36. 89	. 18	13, 824
Delaware	3, 339	1, 411	33	42. 26	. 99	1, 928
District of Columbia	3, 677	2, 095	3	56. 98	. 08	1, 582
Florida	57, 707	18, 842	223	32. 65	. 39	38, 865
Georgia	32, 756	13, 039	153	39. 81	. 47	19, 717
Idaho	14, 484	5, 456	26	37. 67	. 18	9, 028
Illinois	112, 550	62, 967	223	55. 95	. 20	49, 583
Indiana	80, 072	34, 612	160	43. 23	. 20	45, 460
Iowa	22, 644	10, 761	31	47. 52	. 14	11, 883
Kansas	38, 246	15, 255	387	39. 89	1. 01	22, 991
Kentucky	22, 757	8, 816	93	38. 74	. 41	13, 941
Louisiana	36, 224	10, 384	145	28. 67	. 40	25, 840
Maine	7, 166	3, 082	64	43. 01	. 89	4, 084
Maryland	30, 884	15, 019	110	48. 63	. 36	15, 865
Massachusetts	13, 566	6, 671	203	49. 17	1. 50	6, 895
Michigan	151, 597	67, 561	655	44. 57	. 43	84, 036
Minnesota	23, 238	12, 573	91	54. 11	. 39	10, 665
Mississippi	17, 058	6, 072	79	35. 60	. 46	10, 986
Missouri	65, 846	27, 746	213	42. 14	. 32	38, 100
Montana	8, 863	4, 110	10	46. 37	. 11	4, 753
Nebraska	20, 178	8, 951	46	44. 36	. 23	11, 227
Nevada	4, 854	1, 575	----------	32. 45	----------	3, 279
New Hampshire	3, 666	2, 031	121	55. 40	3. 30	1, 635
New Jersey	100, 927	47, 741	617	47. 30	. 61	53, 186
New Mexico	13, 101	3, 135	5	23. 93	. 04	9, 966
New York	121, 304	41, 509	747	34. 22	. 62	79, 795
North Carolina	25, 529	9, 598	70	37. 60	. 27	15, 931
North Dakota	2, 258	1, 114	8	49. 34	. 35	1, 144
Ohio	109, 523	55, 602	182	50. 77	. 17	53, 921
Oklahoma	55, 242	19, 115	190	34. 60	. 34	36, 127
Oregon	31, 079	10, 514	60	33. 83	. 19	20, 565
Pennsylvania	121, 859	58, 495	249	48. 00	. 20	63, 364
Rhode Island	4, 642	2, 629	26	56. 64	. 56	2, 013
South Carolina	18, 863	5, 574	71	29. 55	. 38	13, 289
South Dakota	8, 117	3, 621	21	44. 61	. 26	4, 496
Tennessee	38, 620	15, 128	138	39. 17	. 36	23, 492
Texas	124, 299	41, 787	209	33. 62	. 17	82, 512
Utah	19, 939	8, 611	38	43. 19	. 19	11, 328
Vermont	3, 409	1, 964	39	57. 61	1. 14	1, 445
Virginia	43, 808	15, 531	108	35. 45	. 25	28, 277
Washington	95, 171	40, 015	168	42. 05	. 18	55, 156
West Virginia	18, 729	8, 107	28	43. 29	. 15	10, 622
Wisconsin	21, 106	10, 976	54	52. 00	. 26	10, 130
Wyoming	8, 383	4, 485	16	53. 50	. 19	3, 898
Alaska	916	383	3	41. 81	. 33	533
Hawaii	6, 030	2, 115	2	35. 07	. 03	3, 915
Puerto Rico	8, 338	1, 155	1	13. 85	. 01	7, 183
Canal Zone	----------	----------	----------	----------	----------	----------
Virgin Islands	5	----------	----------	----------	----------	5
United States total	[1] 2,243,029	966, 351	[2] 7, 084	43. 08	. 32	1, 276, 678

[1] Cases tabulated through Dec. 31, 1951.

[2] Includes titles transferred to FHA and those retained by the mortgagees with terminations of mortgage insurance, and titles to 225 foreclosed mortgages which are subject to redemption or held by mortgagees pending final disposition.

TABLE 12.—*State Distribution of Terminations of FHA-insured Home Mortgages, Sec. 603, 1941–51*

State	Total mortgages insured	Terminations				Insured mortgages in force, Dec. 31, 1951
		Number		As a percent of mortgages insured		
		Total	Titles acquired	Total	Titles acquired	
Alabama	9,644	4,614	453	47.84	4.70	5,030
Arizona	7,132	1,165	464	16.33	6.51	5,967
Arkansas	4,869	2,118	47	43.50	0.97	2,751
California	126,005	54,320	198	43.11	0.16	71,685
Colorado	5,069	1,923	3	37.94	0.06	3,146
Connecticut	7,485	4,788	1,599	63.97	21.36	2,697
Delaware	2,631	1,873	3	71.19	0.11	758
District of Columbia	2,780	1,081	4	38.88	0.14	1,699
Florida	26,895	5,283	267	19.64	0.99	21,612
Georgia	13,307	5,851	623	43.97	4.68	7,456
Idaho	527	217	----	41.18	----	310
Illinois	21,970	12,391	12	56.40	0.05	9,579
Indiana	15,801	6,344	70	40.15	0.44	9,457
Iowa	2,549	1,313	147	51.51	5.77	1,236
Kansas	10,329	5,045	108	48.84	1.05	5,284
Kentucky	4,737	1,942	2	41.00	0.04	2,795
Louisiana	12,381	5,820	510	47.01	4.12	6,561
Maine	1,240	748	30	60.32	2.42	492
Maryland	14,409	7,620	936	52.88	6.50	6,789
Massachusetts	3,076	1,750	49	56.89	1.59	1,326
Michigan	41,334	16,726	877	40.47	2.12	24,608
Minnesota	4,810	1,938	24	40.29	0.50	2,872
Mississippi	4,168	946	5	22.70	0.12	3,222
Missouri	7,080	3,655	190	51.62	2.68	3,425
Montana	334	154	----	46.11	----	180
Nebraska	5,868	3,390	132	57.77	2.25	2,478
Nevada	1,925	948	----	49.25	----	977
New Hampshire	328	133	29	40.55	8.84	195
New Jersey	16,614	7,140	253	42.98	1.52	9,474
New Mexico	2,624	658	----	25.08	----	1,966
New York	23,056	5,961	450	25.85	1.95	17,095
North Carolina	8,829	2,337	166	26.47	1.88	6,492
North Dakota	162	51	----	31.48	----	111
Ohio	24,769	13,082	118	52.82	0.48	11,687
Oklahoma	17,706	6,511	305	36.77	1.72	11,195
Oregon	6,845	2,676	17	39.09	0.25	4,169
Pennsylvania	31,443	14,221	49	45.23	0.16	17,222
Rhode Island	1,264	677	1	53.56	0.08	587
South Carolina	6,378	2,226	96	34.90	1.51	4,152
South Dakota	520	196	----	37.69	----	324
Tennessee	15,977	3,892	155	24.36	0.97	12,085
Texas	52,028	18,060	457	34.71	0.88	33,968
Utah	7,920	4,281	398	54.05	5.03	3,639
Vermont	283	178	13	62.90	4.59	105
Virginia	18,806	8,597	979	45.71	5.21	10,209
Washington	19,076	11,638	195	61.01	1.02	7,438
West Virginia	1,325	725	279	54.72	21.06	600
Wisconsin	4,425	2,311	6	52.23	0.14	2,114
Wyoming	1,125	335	----	29.78	----	790
Alaska	1	1	----	100.00	----	----
Hawaii	544	187	----	34.38	----	357
Puerto Rico	4,162	72	13	1.73	0.31	4,090
Canal Zone	----	----	----	----	----	----
Virgin Islands	2	1	----	50.00	----	1
United States total	624,567	260,110	[1] 10,732	41.65	1.72	364,457

[1] Includes titles transferred to FHA and those retained by the mortgagees with terminations of mortgage insurance, and titles to 382 foreclosed mortgages which are subject to redemption or held by mortgagees pending final disposition.

Termination Experience

From the 1935–50 termination experience of the FHA Mutual Mortgage Insurance program, the life expectancy of mortgages on one- to four-family homes is estimated to be 7.55 years (i. e., that period of time which such mortgages can, on the average, be expected to remain in force). This figure is based on the termination experience of these home mortgages observed over a 15-year period, and on a projection of this experience through five additional years to reflect the life expectancy for mortgages with maturities of 20 years. The termination experience covers all home mortgage insurance contracts written under Section 203 from 1935 through 1949 and exposed to their policy anniversaries in 1950 or prior termination dates. It is to be noted that this period of observation includes the war and postwar years, a period of unusually high prepayment rates. The accumulation of additional termination experience in the future may well disclose longer life expectancies both because of the longer mortgage terms in current contracts and because of the small probability that the prepayment experience of the past decade is likely to be repeated.

For a 20-year mortgage with an interest rate of 4¼ percent and a life expectancy of 7.55 years, the mortgage interest for this period is approximately 52 percent of the total mortgage interest which would obtain if the mortgage had not been terminated prior to its maturity.

From this termination experience observed over the 15-year period, mortgage survivorship is also estimated. In Actuarial Schedule 1, the survivorship table shows the number of mortgages surviving from an initial group of 100,000 one- to four-family home mortgages at the beginning of each policy year for 15 policy years. The figures in this table are interpreted in the following manner.

From an initial group of 100,000 home mortgages, 2,850 mortgages terminate within the first policy year after the date of their insurance. This leaves 97,150 mortgages in force at the beginning of the second policy year. Of this number surviving at the beginning of the second policy year, 5,371 mortgages terminate during the second policy year after the date of their insurance. When this number is subtracted from the 97,150 mortgages, it gives the number of mortgages surviving at the beginning of the third policy year.

The number of mortgages terminating during each policy year is derived from the annual termination rates shown in the schedule. The annual termination rate for the first policy year is 0.0285040. When this rate is applied against the 100,000 mortgages in force at the beginning of the first policy year, the product is 2,850 mortgages

ACTUARIAL SCHEDULE 1.—*Survivorship table of a group of 1- to 4-family home mortgages based on aggregate termination experience by policy year for Sec. 203 mortgages insured from 1935 through 1949 and exposed to policy anniversaries in 1950 or prior termination dates*

Policy year	Mortgage survivors at the beginning of policy year	Annual termination rates	Mortgage terminations during the policy year	Policy year	Mortgage survivors at the beginning of policy year	Annual termination rates	Mortgage terminations during the policy year
1st	100,000	0.0285040	2,850	9th	38,512	.1628393	6,271
2d	97,150	.0552852	5,371	10th	32,241	.1740603	5,612
3d	91,779	.0804727	7,386	11th	26,629	.1718533	4,576
4th	84,393	.1074291	9,066	12th	22,053	.1876187	4,138
5th	75,327	.1344691	10,129	13th	17,915	.1628588	2,918
6th	65,198	.1537240	10,022	14th	14,997	.1714530	2,571
7th	55,176	.1636703	9,031	15th	12,426	.3595019	4,467
8th	46,145	.1654034	7,633				

terminating during the first policy year. For the second policy year, the annual termination rate is 0.0552852. When this rate is applied against the 97,150 mortgages surviving to the beginning of the second policy year, the product is 5,371 mortgages terminating during the second policy year.

These annual termination rates are based upon the termination experience by policy year for one- to four-family home mortgage insurance contracts written under Section 203 from 1935 through 1949 and observed to their policy anniversaries in 1950 or prior termination dates.

The annual termination rates in Actuarial Schedule 1 are also presented in Actuarial Schedule 2 along with their component rates.

ACTUARIAL SCHEDULE 2.—*Annual termination rates for 1- to 4-family home mortgages by type of termination, based on aggregate termination experience by policy year for Sec. 203 mortgages insured from 1935 through 1949 and exposed to policy anniversaries in 1950 or prior termination dates*

Policy year	Type of termination					
	Prepayments in full	Prepayments by supersession	Titles acquired by mortgagees		Others	Total
			Retained by mortgagee	Transferred to FHA		
1st	0.0206640	0.0076171	0.0000640	0.0001094	0.0000495	0.0285040
2d	.0420321	.0121377	.0002687	.0008018	.0000449	.0552852
3d	.0639206	.0149662	.0003416	.0011522	.0000921	.0804727
4th	.0901844	.0158775	.0003552	.0008572	.0001548	.1074291
5th	.1184583	.0147199	.0001922	.0004940	.0006047	.1344691
6th	.1389111	.0141338	.0001503	.0002644	.0002644	.1537240
7th	.1498188	.0134175	.0001004	.0001021	.0002315	.1636703
8th	.1521806	.0126269	.0000848	.0000276	.0004835	.1654034
9th	.1500614	.0121849	.0000623	.0000148	.0005159	.1628393
10th	.1573770	.0110799	.0000329		.0055705	.1740603
11th	.1520691	.0094164	.0000244		.0103434	.1718533
12th	.1718613	.0083082	.0000330		.0074162	.1876187
13th	.1458381	.0057405			.0112802	.1628588
14th	.1631155	.0056296	.0000713		.0026366	.1714530
15th	.2647537	.0054142			.0893340	.3595019

These component rates for the different types of termination by policy year are interpreted in the same way as the total annual termination rates in the measurement of survivorship and termination during a policy year. For example, if 100,000 home mortgages are in force at the beginning of the seventh policy year, according to Schedule 2 a total number of 16,367 mortgages can be expected to terminate during the seventh policy year. Of this total number of terminations, there can be expected to be 14,982 prepayments in full, 1,342 prepayments by supersession, 20 foreclosures, of which 10 are retained by the mortgagee and 10 transferred to FHA, and 23 other terminations which are principally maturities.

Financial Institution Activity

Only those institutions approved by the Federal Housing Administration may originate or hold FHA-insured loans or mortgages. This approval is automatically extended to certain Federal, State, or municipal government agencies. Other institutions may obtain this approval upon application to the FHA Commissioner and compliance with the regulations established for such approval.

Originations and holdings.—Originations of home mortgages during 1951 and the relative holdings of these mortgages at the end of the year are shown in Table 13 for each of the principal types of lending institutions.

Nearly 30 percent of the home mortgages insured by the FHA in 1951 were originated by a group of 534 mortgage companies. These institutions ordinarily originate mortgages for sale to other institutions—generally banks or insurance companies, which commonly arrange servicing contracts with the mortgage company concerned.

The second largest originators of FHA-insured home mortgages during the year were 1,138 national banks, which accounted for nearly one-fifth of the total. They were closely followed in order by groups of 365 insurance companies and 1,289 State banks which originated, respectively, 17.0 percent and 16.2 percent of the year's volume.

In comparison with 1950, the 1951 originations reflected slightly higher participation by national and State banks and mortgage companies. Insurance company originations declined from 20.8 percent of the total in 1950 to 17.0 percent in 1951, while the other types of institutions shown in the table had slightly smaller proportions of the 1951 business than they originated in the preceding year.

Insured mortgage contracts with original face amounts exceeding $10,646,000,000 were in force at the end of 1951. Of this amount, some

TABLE 13.—*Type of Institution Originating and Holding FHA-insured Home Mortgages, 1951*

[Dollar amounts in thousands]

Type of institution	Number of institutions		Mortgages originated [1] in 1951			Mortgages held [2] Dec. 31, 1951		
	Originating	Holding	Number	Amount	Percentage distribution [3]	Number	Amount	Percentage distribution [3]
				Total [4]				
National bank			45, 675	$357, 344	18. 5	297, 080	$1, 852, 070	17. 4
State bank			39, 419	311, 666	16. 2	197, 995	1, 227, 834	11. 5
Mortgage company			77, 747	573, 714	29. 7	37, 244	265, 606	2. 5
Insurance company			41, 805	328, 869	17. 0	688, 044	4, 577, 346	43. 0
Savings and loan association			23, 212	173, 932	9. 0	131, 833	844, 827	8. 0
Savings bank			16, 098	126, 394	6. 6	217, 351	1, 502, 842	14. 1
Federal agency			1	16	(7)	28, 866	180, 926	1. 7
All other [5]			7, 887	57, 523	3. 0	31, 502	195, 144	1. 8
Total			251, 844	1, 929, 457	100. 0	1, 629, 915	10, 646, 596	100. 0
				Sec. 8				
National bank	36	35	995	4, 588	16. 2	734	3, 367	13. 7
State bank	39	37	663	3, 126	11. 1	535	2, 520	10. 2
Mortgage company	74	65	2, 747	12, 889	45. 6	1, 683	7, 931	32. 3
Insurance company	21	35	335	1, 576	5. 6	584	2, 731	11. 1
Savings and loan association	60	54	596	2, 746	9. 7	556	2, 560	10. 4
Savings bank	5	19	314	1, 468	5. 2	617	2, 871	11. 7
Federal agency		1				278	1, 270	5. 2
All other [5]	8	9	394	1, 855	6. 6	281	1, 323	5. 4
Total	243	255	6, 044	28, 247	100. 0	5, 268	24, 574	100. 0
				Sec. 203				
National bank	1, 138	2, 772	44, 644	352, 584	18. 6	242, 577	1, 507, 722	18.[illegible]
State bank	1, 280	3, 475	38, 727	303, 499	16. 1	162, 730	1, 007, 518	12.[illegible]
Mortgage company	534	588	74, 762	558, 527	29. 5	29, 656	216, 712	2. 6
Insurance company	365	553	41, 438	327, 041	17. 3	516, 468	3, 453, 131	42. 0
Savings and loan association	816	1, 631	22, 609	171, 151	9. 1	106, 903	689, 254	8. 4
Savings bank	181	324	16, 511	122, 044	6. 5	161, 677	1, 110, 622	13. 5
Federal agency	1	2	1	16	(7)	11, 948	70, 822	. 9
All other [5]	43	157	7, 492	55, 662	2. 9	25, 027	156, 012	1. 9
Total	4, 367	9, 502	245, 184	1, 891, 123	100. 0	1, 256, 986	8, 211, 795	100. 0
				Sec. 603 [6]				
National bank	4	913	34	158	3. 8	53, 767	340, 967	14. 2
State bank	5	1, 189	22	231	5. 5	34, 721	211, 893	8. 8
Mortgage company	4	178	228	1, 249	29. 6	5, 898	39, 905	1. 6
Insurance company	6	265	32	252	6. 0	170, 989	1, 121, 464	46. 7
Savings and loan association		660	7	35	. 8	24, 374	153, 013	6. 4
Savings bank	4	176	273	2, 282	54. 2	55, 057	389, 348	16. 2
Federal agency		2				16, 640	108, 834	4. 5
All other [5]	1	46	1	6	. 1	6, 194	37, 808	1. 6
Total	24	3, 429	597	4, 214	100. 0	367, 640	2, 403, 234	100. 0

[1] Cases tabulated in 1951.
[2] Less than face amount in force, due to lag in tabulation.
[3] Based on amount of mortgage.
[4] Includes 19 mortgages insured under Sec. 611 for $5,872,495.
[5] Includes industrial banks, finance companies, endowed institutions, private and State benefit funds, etc.
[6] Includes mortgages insured under Sec. 603 pursuant to Sec. 610; 553 mortgages for $3,923,250 originated and 3,186 mortgages for $15,314,300 held in portfolio.
[7] Less than 0.05 percent.

43 percent was held by a group of 553 insurance companies. National, savings, and State banks, in that order, were the next largest holders of insured home mortgages—each of these groups accounting for from 12 to 17 percent of the total outstanding.

Chart VI shows the distributions by type of institution of the mortgages originated, purchased, and sold in 1951, together with the face amount of mortgages held at the year end by each of the different types of mortgagees.

Transfers.—Secondary-market transfers reported in 1951 covered the sale and purchase by FHA-approved mortgagees of some 183,000 insured home mortgages with original face amounts approximating $1,313,000,000. This represented decreases of 9.4 percent in the number and 7.6 percent in the amount of these transferred mortgages, in comparison with the 1950 volume. As Table 14 shows, the great majority of these transfers involved Section 203 insured mortgages—with 1,554 institutions purchasing mortgages aggregating $1,213,-500,000 from some 1,800 selling institutions.

TYPE OF INSTITUTION ORIGINATING, TRANSFERRING OR HOLDING HOME MORTGAGES
(BASED ON DOLLAR AMOUNT)

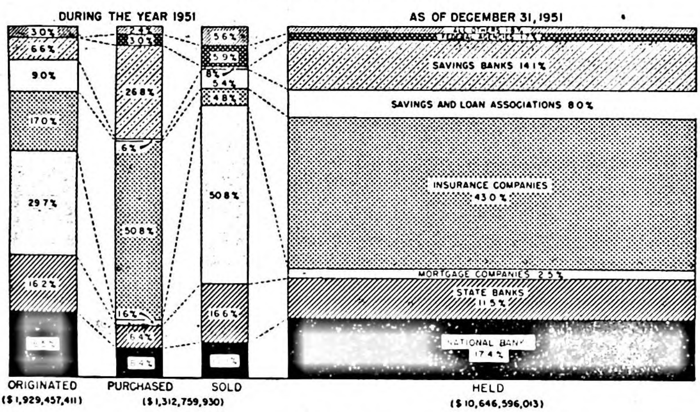


CHART VI

Of the insured home mortgages transferred during 1951, insurance companies accounted for half of the purchases and mortgage companies for half of the sales. The second largest purchasing institutions were the savings banks—which accounted for 26.8 percent of the total—while State and national banks accounted, respectively, for 16.6 percent and 10.1 percent of the total sales.

TABLE 14.—*Type of Institution Purchasing and Selling FHA-insured Home Mortgages, 1951*

[Dollar amounts in thousands]

Type of institution	Number of institutions		Mortgages purchased			Mortgages sold		
	Purchasing	Selling	Number	Amount	Percentage distribution [1]	Number	Amount	Percentage distribution [1]
Total [2]								
National bank			15,912	$110,021	8.4	18,451	$132,182	10.1
State bank			12,278	84,435	6.4	29,835	218,185	16.6
Mortgage company			3,158	21,340	1.6	92,950	666,338	50.8
Insurance company			90,898	666,449	50.8	8,746	63,267	4.8
Savings and loan association			1,145	7,806	.6	9,670	70,977	5.4
Savings bank			48,995	351,462	26.8	1,636	11,127	.8
Federal agency			6,051	40,145	3.0	10,932	77,168	5.9
All other [3]			4,425	31,102	2.4	10,642	73,516	5.6
Total			182,862	1,312,760	100.0	182,862	1,312,760	100.0
Sec. 8								
National bank	6	5	25	117	3.0	71	336	8.6
State bank	3	3	12	55	1.4	36	170	4.4
Mortgage company	1	43	1	5	.1	634	2,910	74.7
Insurance company	15	3	275	1,281	32.9	9	42	1.1
Savings and loan association	2	3	7	33	.9	10	47	1.2
Savings bank	14		241	1,112	28.5			
Federal agency	1		277	1,266	32.5			
All other [3]	4	6	6	29	.7	84	392	10.0
Total	46	63	844	3,897	100.0	844	3,897	100.0
Sec. 203								
National bank	417	336	14,937	103,821	8.6	17,281	124,777	10.3
State bank	506	459	11,261	78,130	6.4	28,006	206,072	17.0
Mortgage company	102	507	2,793	19,021	1.6	91,626	659,245	54.[illegible]
Insurance company	220	242	86,974	639,811	52.7	8,282	61,311	5[illegible]
Savings and loan association	108	179	1,054	7,316	.6	8,204	60,847	5[illegible]
Savings bank	156	38	42,282	302,084	24.9	1,397	9,408	[illegible]
Federal agency	3	2	5,654	38,123	3.1	4,237	26,460	2[illegible]
All other [3]	42	34	3,588	25,196	2.1	9,420	65,381	5.[illegible]
Total	1,554	1,797	168,543	1,213,502	100.0	168,543	1,213,502	100.0
Sec. 603 [4]								
National bank	63	71	950	6,083	6.4	1,099	7,069	7.4
State bank	79	91	1,005	6,250	6.5	1,793	11,942	12.5
Mortgage company	23	67	364	2,314	2.4	687	4,163	4.4
Insurance company	72	18	3,646	25,337	26.6	455	1,914	2.0
Savings and loan association	19	49	84	456	.5	1,366	10,082	10.6
Savings bank	61	16	6,472	48,266	50.6	239	1,719	1.8
Federal agency	2	2	120	757	.8	6,695	50,708	53.2
All other [3]	10	9	831	5,878	6.2	1,138	7,743	8.1
Total	329	323	13,472	95,341	100.0	13,472	95,341	100.0

[1] Based on amount of mortgage.
[2] Includes 3 mortgages for $20,150 insured under Sec. 611.
[3] Includes industrial banks, finance companies, endowed institutions, private and State benefit funds, etc.
[4] Includes 299 mortgages for $1,262,250 insured under Sec. 603 pursuant to Sec. 610.

Mortgage Loan Characteristics

More than 1,020,000 new privately financed dwelling units were placed under construction in the United States during 1951. Their construction and subsequent purchase generally required financing assistance from one or more of the privately owned financial institutions of the country. Included in these privately financed units started during the year were 263,500 units—about 26 percent of the total—which were started under the FHA system of compliance inspections. Of these FHA-inspected units, 188,000 were in one- to four-family structures and the remainder were in large-scale rental and cooperative projects.

About 242,500 new dwelling units in one- to four-family structures were reported completed (received third compliance inspections) under FHA in 1951. As noted earlier in this report, some 163,000 of these new units completed, together with 100,000 existing units, secured home mortgages which were insured by the Federal Housing Administration during the year. On the following pages there appears a detailed analysis of the characteristics of these insured mortgages, the properties securing them, and the borrowers involved. A similar analysis based on the commitments issued during the year under the various rental and cooperative housing programs is presented later in this report, as is one dealing with the characteristics of the property improvement loans insured under Title I.

Nearly all of the home mortgages insured during the year were insured under the provisions of the long-term Section 203 program. Consequently, this analysis of the characteristics of the home mortgage transactions will be largely confined to cases insured under that section.[2] As Table 15 shows, over 98 percent of the new-home mortgages and over 95 percent of the existing-home mortgages insured under Section 203 in 1951 involved single-family houses. Of the dwelling units in these structures, over 96 percent of the new units and nearly 91 percent of the existing units were in single-family dwellings.

Nearly 96 percent of the new homes and some 98 percent of the existing dwellings were owner-occupied at the time of mortgage insurance. About 1.3 percent of the new-home cases involved landlord mortgagors, while builders were the initial mortgagors in about 3 percent of these cases.

The typical new house.—The typical new-home mortgage insured by the Federal Housing Administration in 1951 amounted to $7,586, an increase of $485 or about 7 percent over the median mortgage of

[2] The sample of about 55,000 new-home and 45,000 existing-home mortgages was selected from the single-family home mortgages insured under Section 203 in the first 11 months of 1951.

$7,101 reported for 1950. This increase, together with a decrease in the average mortgage term from 24.1 years for the 1950 cases to 23.4 years for mortgages insured in 1951, resulted in a rise in the typical monthly mortgage payment to $58.84 for principal, interest, the FHA mortgage insurance premium, hazard insurance premiums, taxes and special asessments, and any miscellaneous items such as ground rent. This represented an increase of $4.53 over the median monthly payment reported for the preceding year.

This typical mortgage was secured by a new single-family dwelling appraised by the FHA underwriting system at $9,007, including the house, all other physical improvements, and the market price of an equivalent site,[3] which averaged $1,092. This valuation represented an increase of $721 over the comparable 1950 figure, but involved a structure containing 5.2 rooms with a floor area of 879 square feet (exclusive of space in basement, attic, or garage) compared with the typical 1950 dwelling of 4.9 rooms and 838 square foot area. This was the first year since World War II in which the typical new dwelling securing an FHA-insured mortgage was reported as larger than in the preceding year.

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[3] The following definitions have been established by the FHA Underwriting Division in connection with their procedures for the appraisal of properties and the evaluation of mortgage risk.

Property valuation is the price that typical buyers would be warranted in paying for the property (including the house, all other physical improvements, and land) for long-term use or investment, if they were well informed and acted intelligently, voluntarily, and without necessity.

Market price of site is an estimate by FHA for an equivalent site including street improvements or utilities, rough grading, terracing, and retaining walls, if any.

Number of rooms excludes bathrooms, toilet compartments, closets, halls, storage, an similar spaces.

Mortgagor's effective income is the estimated amount of the mortgagor's earning capacit that is likely to prevail during approximately the first third of the mortgage term.

Total monthly mortgage payment includes monthly payment for first year to principal, interest, FHA insurance premium, hazard insurance, taxes and special assessments, and miscellaneous items including ground rent, if any.

Replacement cost includes estimated cost of building and other physical improvements, land, and miscellaneous allowable costs for the typical owner.

Total requirements include the total amount of capital necessary to close the transaction less any prepayable expenses such as unaccrued taxes, insurance premiums, and similar items.

Sale price is the price stated in the sale agreement.

Taxes and assessments include real-estate taxes and any continuing non-prepayable special assessments.

Prospective monthly housing expense includes total monthly mortgage payment for first year; estimated monthly cost of maintenance; and regular operating expense items (water, gas, electricity, fuel).

Rental value is estimated on the basis of typical year-round tenant occupancy, excluding any premium obtainable because of local housing shortages or newness of the individual property.

Floor area is the area of spaces in the main building above basement or foundations, measured at the outside surfaces of exterior walls. Garage space and finished spaces in attic are excluded.

TABLE 15.—*Structures and Dwelling Units Securing FHA-insured Home Mortgages, Sec. 203, in Selected Years, 1940–51*

Year	Structures					Dwelling units					Average dwelling units
	1-family	2-family	3-family	4-family	Total	1-family	2-family	3-family	4-family	Total	
	Percentage distributions for new homes										
1951	98.5	1.2	0.1	0.2	100.0	96.5	2.3	0.3	0.9	100.0	1.02
1950	99.0	.9	(1)	.1	100.0	97.7	1.8	.1	.4	100.0	1.01
1949	98.9	1.1	(1)	(1)	100.0	97.7	2.2	(1)	.1	100.0	1.01
1946	98.7	1.0	.1	.2	100.0	96.9	2.1	.2	.8	100.0	1.02
1943	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
1940	99.0	.7	.1	.2	100.0	97.7	1.5	.2	.6	100.0	1.01
	Percentage distributions for existing homes										
1951	95.6	3.8	.3	.3	100.0	90.8	7.3	.8	1.1	100.0	1.05
1950	95.5	4.1	.2	.2	100.0	90.1	7.8	.7	1.4	100.0	1.06
1949	96.1	3.9	(1)	(1)	100.0	92.4	7.4	.1	.1	100.0	1.04
1946	93.6	5.8	.3	.3	100.0	87.4	10.9	.7	1.0	100.0	1.07
1943	94.6	4.6	.5	.3	100.0	88.8	8.7	1.3	1.2	100.0	1.07
1940	92.7	6.1	.7	.5	100.0	85.0	11.3	1.8	1.9	100.0	1.09

[1] Less than 0.05 percent.
[2] Data not available.

TABLE 16.—*Characteristics of Mortgages, Homes, and Mortgagors for FHA-insured Single-family Home Mortgages, Sec. 203, in Selected Years, 1940–51*

Year	New homes	Existing homes	New homes	Existing homes	New homes	Existing homes	New homes	Existing homes
	Mortgage principal [1]		Duration in years [2]		Loan as a percent of FHA value [1]		1-family as a percent of 1- to 4-family	
1951	$7,586	$7,448	23.4	21.1	86.5	76.6	98.5	95.6
1950	7,101	6,801	24.1	20.2	88.0	77.8	99.0	95.5
1949	7,143	6,778	22.8	19.8	87.3	78.0	98.9	96.1
1946	5,504	4,697	21.0	18.9	[3] 84.1	[3] 78.6	98.7	93.6
1943	(4)	4,312	(4)	18.3	(4)	[3] 78.2	(4)	94.6
1940	[5] 4,358	[5] 3,687	[6] 23.0	[6] 17.5	[5] 87.0	[5] 76.8	99.0	92.7
	Property valuation [3]		Market price of site [3]		Number of rooms [1]		Percent with garages	
1951	$9,007	$9,843	$1,092	$1,222	5.2	5.6	51.4	71.1
1950	8,286	8,865	1,035	1,150	4.9	5.6	48.7	70.6
1949	8,502	8,700	1,018	1,098	4.9	5.6	49.6	70.4
1946	6,558	5,934	761	833	5.5	5.9	58.1	83.4
1943	(4)	5,535	(4)	956	(4)	[6] 6.3	(4)	85.8
1940	5,028	4,600	662	948	5.6	6.3	75.6	87.2
	Mortgagor's effective annual income [1]		Total monthly payment [1]		Payment as a percent of income [3]		Ratio of property valuation to annual income [3]	
1951	$4,225	$4,726	$58.84	$61.57	15.1	14.4	2.00	1.96
1950	3,861	4,274	54.31	56.65	15.8	14.6	2.04	1.92
1949	3,880	4,219	55.59	56.12	16.0	14.8	2.05	1.92
1946	3,313	3,101	46.18	40.83	15.3	14.3	1.81	1.71
1943	(4)	3,062	(4)	[6] 39.80	(4)	14.6	(4)	1.67
1940	2,416	2,490	[6] 35.15	[6] 34.56	17.2	15.1	1.97	1.70

[1] Data shown are medians.
[2] Data shown are averages (arithmetic means).
[3] Data based on arithmetic means.
[4] Data not available.
[5] Data based on 1- to 4-family home mortgages.
[6] Estimated.

As shown in Table 16 and Chart VII, the typical mortgagor's effective annual income also increased during the year—from $3,861 in 1950 to $4,225 for the 1951 mortgagors. Despite the marked increase in the typical valuation, this increase in income was sufficiently large that the ratio of average value to average income declined from 2.04 in 1950 to 2.00 in 1951, while the average monthly mortgage payment represented 15.1 percent of the borrower's effective income, compared with the 15.8 percent reported for 1950.

The decreases in the average duration from 24.1 to 23.4 years and in the median loan-value ratio from 88.0 percent in 1950 to 86.5 percent in 1951, as well as the resultant increase in the typical monthly mortgage payment, are all at least partially attributable to Regulation X, which was instituted on October 12, 1950, or to the earlier controls

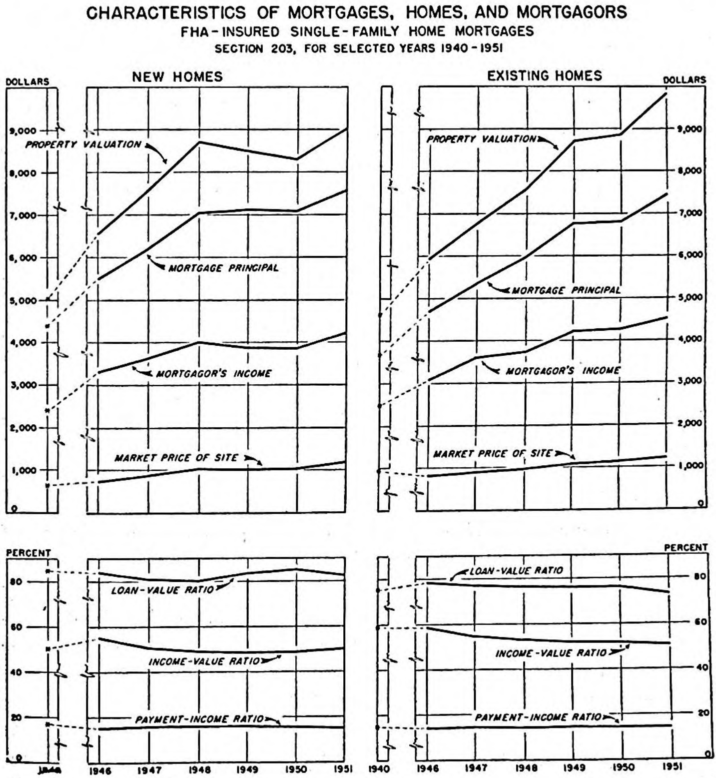

CHART VII

which—at the direction of the President—were made effective by the FHA on July 19 of that year.

The typical existing house.—Continuing the trend observed in each year since World War II, the typical existing-home mortgage insured in 1951 was the highest in the history of the Federal Housing Administration, the median of $7,448 representing an increase of $647 or almost 10 percent over the comparable figure for 1950. Both the average term and the median monthly mortgage payment for these existing-construction cases exceeded their 1950 levels, the term increasing from 20.2 to 21.1 years and the payment from $56.65 per month to $61.57.

As in each of the last several years, these existing dwellings typically contained 5.6 rooms, or about one-half room more than the property securing the typical new-home mortgage insured during the year. The median floor area was 1,011 square feet, substantially unchanged from 1950.

The median valuation of these existing structures was $9,843—almost $1,000 higher than for 1950 and over $800 above the 1951 new-home median valuation of $9,007.

The 1951 purchasers of existing homes had a typical income of $4,726, or some $500 higher than that of the new-home buyers, with the ratio of value to income averaging 1.96 compared with the ratio of 2.00 recorded for the buyers of newly constructed dwellings.

The very marked increases which have occurred during the postwar years in property valuation, mortgage amount, and mortgagor's income are shown graphically in the upper portion of Chart VII. Proper evaluation of these increases must necessarily involve consideration of such ratios as those shown in the lower part of the chart. For example, the typical loan-value ratio for new-home mortgages insured by the FHA was 86.5 percent in 1951 compared with 87.0 in 1940; likewise, the ratio of mortgage payment to income for all postwar years has been below the 1940 ratio; while the ratio of the mortgagor's income to FHA valuation has declined from an average of 55.3 percent in 1946 to 50.0 percent in 1951.

Amount of mortgage.—Over 80 percent of the new single-family home mortgages insured during 1951 under Section 203 involved mortgage amounts of less than $9,000. More than half of the total number of these mortgages were in the interval from $6,000 to $7,999, with the median mortgage amounting to $7,586.

This marked concentration of new-construction mortgages in the lower mortgage groups clearly demonstrates FHA's successful emphasis on relatively lower-cost housing. While mortgages were insured during the year under several different sets of administrative rules and regulations, all such regulations provided for higher ratios of loan to value and longer mortgage terms for transactions involving smaller mortgage amounts.

A relatively small proportion of the home mortgages insured during 1951 had presumably been processed by the FHA insuring offices under the regulations which were in effect prior to April 20, 1950. These regulations provided that in those instances in which the mortgagor was the owner-occupant of the property, a new-home mortgage of $9,500 or less might be insured on the basis of 90 percent of the first $7,000 of value and 80 percent of additional value not exceeding $11,000, with a maximum term of 25 years. If the mortgage amount was $6,000 or less, it might represent as high as 95 percent of the estimate of value, with repayments over a term as long as 30 years.

The regulations as amended April 20, 1950, under which a somewhat larger proportion of the 1951 insured cases were processed, provided that those transactions involving owner-occupant mortgagors and mortgage amounts of $9,450 or less might be insured on the basis of 95 percent of the first $7,000 of value and 70 percent of additional value not exceeding $11,000, with a maximum term of 25 years. These amendments also provided that mortgages not exceeding $6,650 might be insured on the basis of 95 percent of the estimate of value, with terms up to 30 years, with the further provision that the $6,650 maximum might be increased by (1) not to exceed $950 for each bedroom in excess of two but not in excess of four, and (2) not to exceed $950 in any geographical area in which the FHA Commissioner determined that cost levels necessitated such increased mortgage amounts.

The bulk of the new-home mortgages insured under Section 203 during the year were cases initially submitted under the FHA credit restrictions of July 19, 1950, or those of October 12, 1950, conforming with Regulation X. The July restrictions provided that, except for homes located in the territorial possessions of the United States, the basic limits of maximum insurable mortgage on a single-family home were $14,000 and 75 percent of value, instead of the $16,000 and 80 percent of value contemplated by the several regulations discussed in the preceding paragraphs. In addition, each of the more liberal limitations specified in the April 1950 regulations was reduced by 5 percent. These limitations were further modified with respect to applications for mortgage insurance received on or after October 12, 1950, to conform with the terms of Regulation X as imposed by the Federal Reserve Board. The limitations effected by Regulation X with respect to transactions involving owner-occupant mortgagors are shown below, as set forth in the original regulation and as amended September 1, 1951.

Regulation of Oct. 12, 1950		Regulation of Sept. 1, 1951	
Acquisition cost per family unit	Maximum loan per family unit	Acquisition cost per family unit	Maximum loan per family unit
$5,000 or less	90 percent of cost.	$7,000 or less	90 percent of cost.
$5,001 to $9,000	$4,500 plus 65 percent of cost over $5,000.	$7,001 to $10,000	85 percent of cost.
		$10,001 to $12,000	80 percent of cost.
$9,001 to $15,000	$7,100 plus 60 percent of cost over $9,000.	$12,001 to $15,000	$9,600 plus 40 percent of cost over $12,000.
$15,001 to $20,000	$10,700 plus 20 percent of cost over $15,000.	$15,001 to $20,000	$10,800 plus 20 percent of cost over $15,000.
$20,001 to $24,250	$11,700 plus 10 percent of cost over $20,000.	$20,001 to $24,500	$11,800 plus 10 percent of cost over $20,000.
Over $24,250	50 percent of cost.	Over $24,500	50 percent of cost.

The original Regulation X provided, further, that no credit subject to the regulation should have a maturity of more than 20 years, except that credit extended with respect to properties having acquisition costs of $7,000 or less might involve terms of up to 25 years. This $7,000 limitation was raised to $12,000 in the amendment of September 1, 1951.

It should be pointed out that only a very few, if any, of the applications for the insurance of new-home mortgages which were submitted under the September 1 amendment to Regulation X would have reached insured case status by November 30, the terminal date for the sample of insured cases selected for use in this analysis.

The distributions by mortgage amount for the new- and existing-home mortgages insured in 1951 are shown in Chart VIII, and, with comparable figures for earlier years, in Table 17.

TABLE 17.—*Amount of Mortgage Principal for FHA-insured Single-family Home Mortgages, Sec. 203, in Selected Years, 1940–51*

Mortgage principal	Percentage distributions for new homes [1]					Percentage distributions for existing homes					
	1951	1950	1949	1946	1940 [2]	1951	1950	1949	1946	1943	1940 [2]
Less than $2,000	------	(3)	(3)	0.1	0.5	(3)	0.2	0.1	1.0	2.3	7.3
$2,000 to $2,999	0.1	(3)	0.1	1.1	10.4	0.7	1.2	1.7	7.6	14.5	24.5
$3,000 to $3,999	.3	0.4	1.1	7.1	28.6	1.8	3.0	4.0	19.2	23.8	26.6
$4,000 to $4,999	1.2	1.1	1.7	22.6	29.1	5.7	8.3	9.5	28.9	25.6	19.1
$5,000 to $5,999	6.4	9.0	11.5	31.4	20.7	11.9	16.3	16.8	21.3	15.7	9.7
$6,000 to $6,999	23.6	33.0	30.5	25.0	6.1	19.7	22.0	21.5	11.0	9.0	5.6
$7,000 to $7,999	30.6	28.4	25.6	9.5	2.4	20.4	18.6	17.6	4.7	3.3	2.5
$8,000 to $8,999	21.0	16.0	16.2	2.4	1.1	17.5	13.0	12.2	2.7	2.3	1.8
$9,000 to $9,999	11.0	8.3	8.2	.4	.4	10.6	7.2	7.0	1.2	1.0	.9
$10,000 to $10,999	3.0	1.9	2.4	.2	.4	7.3	4.5	4.1	1.1	1.3	1.1
$11,000 to $11,999	1.4	.8	1.1	.2		3.1	1.9	1.8	.2		
$12,000 to $12,999	.6	.5	.7	(3)	.3	.6	1.7	1.6	.4	1.2	.9
$13,000 to $16,000	.8	.6	.9	------	------	.7	2.1	2.1	.7	------	------
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average mortgage	$7,675	$7,307	$7,315	$5,548	$4,424	$7,460	$7,102	$6,969	$4,920	$4,566	$3,977
Median mortgage	$7,586	$7,101	$7,143	$5,504	$4,358	$7,448	$6,801	$6,778	$4,697	$4,312	$3,687

[1] Data not available 1943–45. [2] 1- to 4-family distribution. [3] Less than 0.05 percent.

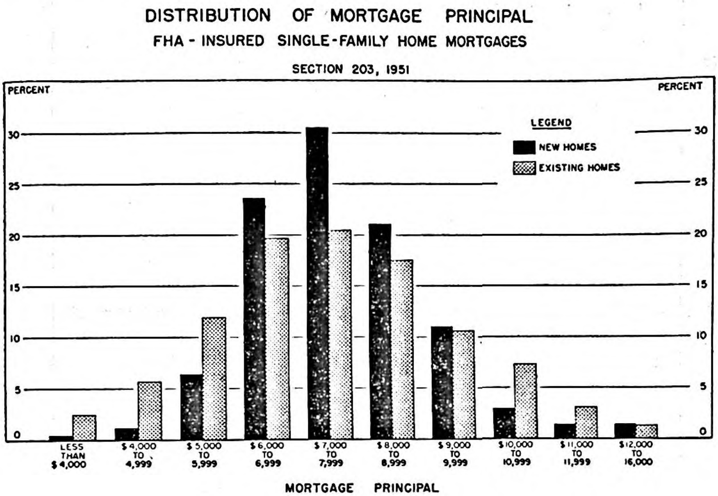

CHART VIII

The existing-home mortgages insured during the year were marked by considerably more variation with respect to mortgage amount than was reported for new-home transactions. Approximately 1 out of 5 involved an amount of from $6,000 to $6,999, with a like number in the $7,000 interval; 1 out of 6 were in the $8,000 bracket; and 1 out of 10 in both the $5,000 and $9,000 ranges. The remainder were divided above and below these intervals—about 8 percent of the total number being less than $5,000, and nearly 12 percent involving amounts of $10,000 or more. The typical existing-home mortgage amounted to $7,448—$647 above the 1950 median and only $138 below the median amount of $7,586 reported for the new-home mortgages insured in 1951.

Relationship of mortgage amount to property valuation.—The percentage distributions of the mortgages insured in 1951 and secured by single-family dwellings in the various property valuation groups are shown in Table 18. The table indicates, for example, that the financing of the construction or purchase of new homes valued by the FHA at from $9,000 to $9,999 involved mortgages ranging from less than $3,000 to the permitted maximums in the $8,000 range—this top range accounting for more than half of the mortgages secured by properties in the $9,000 value bracket. It is, however, important to note that more than one-third of these properties were financed with mortgages of $7,000 to $7,999 or, roughly, $1,000 below the permitted maximums, and that approximately 10 percent were financed with still smaller mortgages of less than $7,000. This same dispersion of mortgage amounts in

TABLE 18.—*Mortgage Principal by Property Valuation for FHA-insured Single-family Home Mortgages, Sec. 203, 1951*

FHA property valuation	Percentage distribution	Median mortgage principal	Mortgage principal: Less than $3,000	$3,000 to $3,999	$4,000 to $4,999	$5,000 to $5,999	$6,000 to $6,999	$7,000 to $7,999	$8,000 to $8,999	$9,000 to $9,999	$10,000 to $10,999	$11,000 to $11,999	$12,000 to $13,999	$14,000 to $16,000	Total
							Percentage distributions for new homes								
Less than $5,000	0.2	$4,292	3.5	25.9	70.6										100.0
$5,000 to $5,999	.8	5,201		1.2	36.6	62.2									100.0
$6,000 to $6,999	8.7	6,197	.1	.4	2.1	35.1	62.3								100.0
$7,000 to $7,999	18.2	6,611	.1	.2	.6	8.3	66.8	24.0							100.0
$8,000 to $8,999	21.9	7,356	.1	.5	1.0	3.1	18.0	76.8	0.5						100.0
$9,000 to $9,999	18.8	8,096	.1	.2	.5	1.5	6.8	35.6	55.3						100.0
$10,000 to $10,999	12.5	8,521	.1	.2	.5	1.4	3.4	13.4	59.4	21.6					100.0
$11,000 to $11,999	8.0	9,175	.1	.3	.6	1.4	3.1	7.8	26.1	60.6					100.0
$12,000 to $13,999	6.9	9,659	.1	.3	.5	1.3	1.9	4.1	11.4	46.1	31.4	2.9			100.0
$14,000 to $15,999	2.5	11,036		.2	.4	.4	1.9	2.1	4.6	9.9	29.1	38.7	12.7		100.0
$16,000 to $19,999	1.2	12,713				.6	1.0	1.9	2.0	2.6	8.5	16.2	48.4	18.8	100.0
$20,000 or more	.3	15,000				.6		.6	1.1	.6	2.3	3.4	14.4	77.0	100.0
Total	100.0	7,586	.1	.3	1.2	6.4	23.6	30.6	21.0	11.0	3.0	1.4	.9	.5	100.0
							Percentage distributions for existing homes								
Less than $5,000	1.1	$3,074	46.3	49.5	4.2										100.0
$5,000 to $5,999	2.0	4,385	2.0	21.6	69.1	7.3									100.0
$6,000 to $6,999	5.8	5,153	.7	4.1	37.2	52.4	5.6								100.0
$7,000 to $7,999	11.0	5,833	.5	1.9	9.0	46.4	39.5	2.7							100.0
$8,000 to $8,999	15.3	6,531	.2	1.0	2.7	13.1	62.2	20.8							100.0
$9,000 to $9,999	15.2	7,334	.1	.6	2.1	4.5	21.3	64.1	7.3						100.0
$10,000 to $10,999	14.4	8,115	.1	.3	1.2	2.6	7.5	32.1	53.9	2.3					100.0
$11,000 to $11,999	10.9	8,565	.1	.3	.8	1.8	4.8	13.4	50.9	27.9					100.0
$12,000 to $13,999	14.8	9,493	(1)	.1	.9	1.5	3.0	5.8	17.6	42.7	27.4	1.0			100.0
$14,000 to $15,999	6.0	10,553	.1	.2	.6	.7	2.0	3.1	6.4	12.5	44.2	28.3	1.9		100.0
$16,000 to $19,999	2.8	11,374	.1	.1	.5	1.1	1.1	2.2	4.3	5.4	19.5	42.2	18.5	5.0	100.0
$20,000 or more	.7	13,660				.6	.6	1.0	2.5	1.6	5.7	19.9	20.8	47.3	100.0
Total	100.0	7,448	.7	1.8	5.7	11.9	19.7	20.4	17.5	10.6	7.3	3.1	.8	.5	100.0

[1] Less than 0.05 percent.

classes well below that of the permitted maximums may be observed in nearly all of the value ranges shown in the table.

The distributions of the loan-value ratios for the new- and existing-home mortgages insured during 1951 are shown in Table 19, together with comparable data for selected years since 1940. The table shows that, despite the generally liberalizing changes which have been made in the provisions of Section 203 of the National Housing Act, the changes in these distributions during this 12-year period of FHA operations have been moderate. While the very marked concentrations of the new-home ratios for 1940 in the 86 to 90 percent interval and of existing-home ratios in the range from 76 to 80 percent have been replaced by more general distributions into the various ratio intervals, it may be noted that the median loan-value ratio for new-home mortgages has consistently been very close to 87 percent, while that for existing-home transactions has varied only slightly from 77 percent.

TABLE 19.—*Ratio of Loan to Value for FHA-insured Single-family Home Mortgages, Sec. 203, in Selected Years, 1940–51*

Ratio of loan to value	Percentage distributions for new homes					Percentage distributions for existing homes				
	1951	1950	1949	1946	1940	1951	1950	1949	1946	1940
50 percent or less	1.1	0.6	0.7	0.6	0.4	2.9	2.1	2.2	1.3	2.3
51 percent to 55 percent	.6	.4	.4	.8	.2	1.9	1.4	1.4	.9	1.7
56 percent to 60 percent	1.0	.5	.7	.8	.5	3.0	2.2	2.4	1.2	3.2
61 percent to 65 percent	1.7	.9	1.2	1.3	.8	5.3	3.7	3.5	2.8	4.7
66 percent to 70 percent	3.0	1.6	2.4	3.3	2.7	12.1	8.8	9.5	5.8	8.6
71 percent to 75 percent	6.7	3.2	5.3	4.8	3.6	19.6	13.5	8.7	8.8	16.2
76 percent to 80 percent	15.0	8.8	13.3	11.8	11.8	45.6	51.5	55.1	60.7	63.3
81 percent to 85 percent	17.1	10.9	12.0	14.1	13.2	4.1	4.4	4.4	3.6	-----
86 percent to 90 percent	35.6	57.1	53.2	62.5	66.8	4.0	9.8	11.8	14.9	-----
91 percent to 95 percent	18.2	16.0	10.8	-----	-----	1.5	2.6	1.0	-----	-----
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average loan-value ratio	82.5	85.0	83.6	84.1	84.8	73.6	76.4	76.6	78.6	75.3
Median loan-value ratio	86.5	88.0	87.3	87.0	87.0	76.6	77.8	78.0	78.4	76.8

Property Characteristics

A major phase of the FHA underwriting procedure is the determination of an estimate of value for each property proposed as security in an application for mortgage insurance. Included in this estimate are the valuation of the house, all other physical improvements, and land. In the preparation of the estimate, specific attention is given to such items as the estimated replacement cost of the property, the quality of construction, the market price of an equivalent site, the number of rooms and the square-foot area of the house, and garage capacity. The following pages of this report are devoted to an analysis of some of the inter-relationships of these significant statistical characteristics of the insured mortgage transactions.

Valuation distribution.—The valuations of the new and existing single-family homes securing mortgages insured under Section 203 during 1951 are shown in Chart IX and, together with comparable data for selected earlier years, in Table 20.

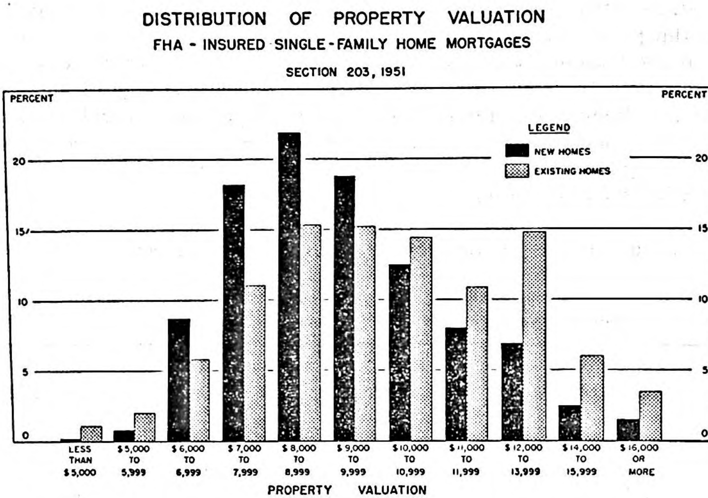

CHART IX

TABLE 20.—*Property Valuation for FHA-insured Single-family Home Mortgages, Sec. 203, in Selected Years, 1940–51*

FHA property valuation	Percentage distributions for new homes [1]					Percentage distributions for existing homes					
	1951	1950	1949	1946	1940	1951	1950	1949	1946	1943	1940
Less than $2,000	------	------	------	------	0.1	------	------	------	------	0.4	1.1
$2,000 to $2,999	------	(2)	------	------	3.1	------	0.4	0.2	1.6	4.0	9.8
$3,000 to $3,999	(2)	(2)	------	2.3	18.6	0.3	.8	1.5	7.3	13.9	21.8
$4,000 to $4,999	0.2	0.4	1.1	10.0	26.8	.8	1.4	2.1	16.8	20.4	22.5
$5,000 to $5,999	.8	1.6	2.7	20.2	23.6	2.0	4.2	5.2	24.6	20.4	17.3
$6,000 to $6,999	8.7	18.3	18.1	27.9	16.5	5.8	10.7	11.3	20.3	16.8	10.8
$7,000 to $7,999	18.2	20.8	18.4	22.4	5.7	11.0	15.8	15.9	12.1	10.0	6.1
$8,000 to $8,999	21.9	22.5	19.6	11.1	2.6	15.3	17.1	17.2	7.0	5.3	3.6
$9,000 to $9,999	18.8	15.9	16.3	3.4	1.2	15.2	14.5	14.2	3.4	2.5	1.9
$10,000 to $10,999	12.5	10.0	10.1	1.5	.7	14.4	11.4	10.4	2.5	1.9	1.5
$11,000 to $11,999	8.0	4.7	5.5	.5	.3	10.9	7.6	7.0	1.1	1.1	.9
$12,000 to $13,999	6.9	3.8	4.8	.5	.4	14.8	9.0	8.4	1.8	1.5	1.3
$14,000 to $15,999	2.5	1.2	1.9	.2	.2	6.0	3.7	3.4	.7	.7	.7
$16,000 to $19,999	1.1	.6	1.1	(2)	.1	2.8	2.7	2.5	.5	.8	.5
$20,000 or more	.4	.2	.4	------	.1	.7	.7	.7	.3	.3	.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average valuation	$9,307	$8,594	$8,753	$6,597	$5,199	$10,147	$9,298	$9,093	$6,269	$5,844	$5,179
Median valuation	$9,007	$8,286	$8,502	$6,558	$5,028	$9,843	$8,865	$8,700	$5,934	$5,535	$4,600

[1] Data not available for 1943-45
[2] Less than 0.05 percent

Nearly 60 percent of the new-home mortgages insured by FHA during the year involved properties valued between $7,000 and $9,999. Some 10 percent were valued at less than $7,000 and the remaining 30 percent were in the $10,000 or more category. Of the properties valued at or above $10,000, only one out of three—or 10 percent of all cases—involved valuations of as much as $12,000.

The median valuation of $9,007 for the 1951 cases was markedly higher than the $8,286 reported for the previous year. The table indicates larger proportions of these 1951 insured cases in each of the value groups above $9,000 than were recorded in 1950—the largest increases being in the intervals from $11,000 to $13,999.

The proportions of existing homes in the value groups below $9,000 all decreased somewhat during 1951, while those in the intervals above that figure generally increased rather sharply—the largest increase being in the $12,000 to $13,999 group which accounted for nearly 15 percent of the 1951 cases in comparison with 9 percent in 1950. The typical (median) 1951 existing-home property was valued at $9,843—an increase of 11 percent over 1950 as compared with the 9 percent increase for new properties.

Averages by property value groups.—The average values (arithmetic means) of selected characteristics of the single-family home-mortgage transactions insured in 1951 are shown in Table 21.

For new homes, the average FHA estimates of value ranged from $4,433 for those properties valued at less than $5,000 to $21,617 for those valued at or above $20,000. Paralleling the increases in averag valuation, the average amount of mortgage varied between $4,100 i the lowest value group, where it averaged about 92 percent of value to $14,649, or 67.8 percent of value, in the highest group.

Likewise paralleling, but exceeding, the average estimates of value were the averages for three other characteristics of these transactions—replacement cost, sale price, and total requirements. The estimates of replacement cost include the cost of building and other physical improvements, the cost of land—which averaged between $466 and $3,299, generally representing about 12 percent of the estimated value—and various other allowable costs.

The year 1951 is the first for which data on the sale price (the price stated in the sale agreement) and the total requirements (the total amount of assets necessary to close the transaction, less such prepayable expenses as accrued taxes, insurance premiums, and similar items) have been available in the standard annual report tabulations. As would be expected in 1951 market conditions, both sale price and replacement cost exceeded the long-term values established for individual properties by the underwriting procedure.

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TABLE 21.—*Average Characteristics by Property Valuation for FHA-insured Single-family Home Mortgages, Sec. 203, 1951*

FHA property valuation	Percentage distribution	Average						Monthly average					Ratio of—			Percentage of structures with garage
		Property valuation	Mortgage principal	Market price of site	Replacement cost	Total requirements	Sale price	Mortgagor's income	Total payment	Estimated taxes	Prospective housing expense	Estimated rental value	Loan to total value	Loan to total requirements	Site to total value	
New homes																
Less than $5,000	0.2	$4,433	$4,078	$466	$5,041	$4,869	$4,791	$217.56	$31.48	$4.03	$43.55	$39.57	92.0	83.8	10.5	3.5
$5,000 to $5,999	.8	5,571	5,059	581	6,002	5,980	5,864	275.22	37.41	4.23	51.86	47.23	90.8	84.6	10.4	14.0
$6,000 to $6,999	8.7	6,570	5,955	724	6,789	7,072	6,931	311.68	43.54	6.01	60.48	54.03	90.6	84.2	11.0	25.9
$7,000 to $7,999	18.2	7,442	6,629	835	7,662	8,068	7,904	334.96	48.95	7.04	67.28	61.53	89.1	82.2	11.2	43.6
$8,000 to $8,999	21.9	8,368	7,180	954	8,665	9,111	8,907	358.99	54.12	8.78	73.38	68.33	85.8	78.8	11.4	54.2
$9,000 to $9,999	18.8	9,397	7,817	1,080	9,713	10,248	10,055	395.52	59.53	9.84	79.90	76.51	83.2	76.3	11.5	56.2
$10,000 to $10,999	12.5	10,385	8,376	1,207	10,718	11,473	11,285	408.88	64.28	10.91	85.12	83.13	80.7	73.0	11.6	52.2
$11,000 to $11,999	8.0	11,335	8,790	1,337	11,732	12,646	12,518	451.02	68.65	12.01	90.22	89.65	77.5	69.5	11.8	52.9
$12,000 to $13,999	6.9	12,723	9,418	1,605	13,130	14,222	14,061	493.16	74.24	12.81	96.86	100.00	74.0	66.2	12.6	67.3
$14,000 to $15,999	2.5	14,702	10,591	1,989	15,256	16,676	16,219	573.76	83.48	14.45	108.00	115.23	72.0	63.5	13.5	77.4
$16,000 to $19,999	1.2	17,302	12,291	2,576	17,762	19,501	18,713	686.30	96.89	16.51	123.38	132.24	71.0	63.0	14.9	85.4
$20,000 or more	.3	21,617	14,649	3,299	22,937	24,852	21,931	928.22	118.45	21.55	148.69	160.41	67.8	58.9	15.3	92.3
Total	100.0	9,307	7,675	1,092	9,620	10,250	9,780	391.16	58.39	9.46	78.43	75.15	82.5	74.9	11.7	51.4
Existing homes																
Less than $5,000	1.1	$4,081	$3,065	$543	$7,112	[1] $4,079	[1] $3,849	$299.08	$27.65	$3.23	$45.26	$36.85	75.1	[1] 74.5	13.3	29.4
$5,000 to $5,999	2.0	5,428	4,212	657	8,036	[1] 5,946	[1] 5,376	315.98	36.49	4.91	55.08	48.04	77.6	[1] 72.8	12.1	44.1
$6,000 to $6,999	5.8	6,420	4,977	750	8,725	[1] 7,014	[1] 6,605	336.96	42.03	5.90	60.77	54.84	77.5	[1] 72.9	11.7	52.0
$7,000 to $7,999	11.0	7,398	5,687	845	9,415	[1] 8,141	[1] 7,556	356.67	47.44	6.97	66.49	62.71	76.9	[1] 71.8	11.4	63.8
$8,000 to $8,999	15.3	8,373	6,416	965	10,271	[1] 9,252	[1] 8,657	375.70	53.03	7.99	73.25	70.22	76.6	[1] 71.0	11.5	68.5
$9,000 to $9,999	15.2	9,342	7,059	1,082	11,150	[1] 10,395	[1] 9,738	398.09	58.36	8.99	79.08	77.08	75.6	[1] 69.4	11.6	70.8
$10,000 to $10,999	14.4	10,311	7,729	1,211	12,062	[1] 11,580	[1] 11,126	430.15	63.47	9.81	85.15	83.93	75.0	[1] 68.0	11.7	72.8
$11,000 to $11,999	10.9	11,306	8,325	1,318	12,947	[1] 12,712	[1] 12,509	454.12	68.57	10.87	91.07	90.63	73.6	[1] 66.9	11.7	75.0
$12,000 to $13,999	14.8	12,706	9,162	1,549	14,471	[1] 14,366	[1] 14,187	512.09	75.56	12.03	99.40	101.49	72.1	[1] 65.2	12.2	80.2
$14,000 to $15,999	6.0	14,640	10,163	1,905	16,537	[1] 16,662	[1] 16,432	587.72	84.17	13.74	110.04	115.44	69.4	[1] 62.4	13.0	83.7
$16,000 to $19,999	2.8	17,063	11,044	2,408	19,279	[1] 19,424	[1] 19,052	704.07	92.81	15.89	120.99	132.36	64.7	[1] 58.2	14.1	87.0
$20,000 or more	.7	22,641	13,045	3,790	26,517	[1] 26,426	[1] 25,279	955.10	113.57	18.79	145.34	174.21	57.6	[1] 51.0	16.7	93.3
Total	100.0	10,147	7,469	1,222	12,048	[1] 11,351	[1] 10,777	434.80	61.89	9.61	83.55	82.69	73.6	[1] 67.3	12.0	71.1

[1] Data reflect purchase transactions only, and are not comparable with data for all existing-home mortgages which include refinancing transactions on existing construction and on property improvements.

Total requirements, of course, exceed sale price in all instances to the extent of initial costs other than prepaid expenses. On the average, replacement cost represented about 103 percent of value, while selling price and total requirements represented about 105 percent and 110 percent, respectively. These differentials were of course included in the total charges which the mortgagor was called upon to meet prior to the date of insurance. This is clearly shown by a comparison of two of the ratio columns of the table—the average ratio of loan to value, which for all new-home cases was 82.5 percent, and the ratio of loan to total requirements, which averaged 74.9 percent for all value groups combined.

The existing-home sample indicates higher proportions of existing homes insured in the value groups above $10,000 in 1951 than were reported for new homes. Except for mortgages secured by dwellings originally constructed under FHA inspection, the existing-home mortgages are limited to a maximum loan-value ratio of 80 percent. This is reflected in the smaller average mortgage amounts shown in the table for each of the existing-home value intervals.

Both the market price of site and the replacement cost averaged significantly higher for the existing homes covered by particular value groups than for the corresponding new-home transactions. Reflecting the effects of age on existing structures, the differential in replacement cost between new and existing properties in the same value groups ranged from about $1,200 to nearly $3,600 for the highest value groups. Differentials in the market price of site for existing homes reflect the more central location of such properties as compared with the typical suburban location of new homes.

The center portion of Table 21 is devoted to a number of monthly averages computed for the cases falling within each of the valuation groups. The relationships of these particular characteristics—including the mortgagor's monthly income, monthly mortgage payment, taxes and special assessments, prospective housing expense, and the estimated rental value of the property—are discussed in considerable detail later in this report. It is interesting at this point, however, to note that the monthly incomes of the purchasers of existing homes averaged somewhat higher than for buyers of newly constructed dwellings. This difference amounted to $43.64 for all cases in the sample, ranging from just a few dollars for some of the valuation intervals to more than $80 per month for the small proportion of mortgagors who purchased homes valued at less than $5,000.

Reflecting the lower permissible loan-value ratios, the average monthly mortgage payments for existing homes valued at less than $12,000 are less than the corresponding new-home averages. Prospective housing expense varies only slightly for new and existing homes in corresponding value groups, although—due to the higher proportion of existing properties in the upper value groups—it averages $83.55 for all existing homes as compared with $78.43 for all new homes in the sample.

Size of house.—As indicated earlier in this analysis, the new homes securing mortgages insured under Section 203 during 1951 were somewhat larger than the comparable dwellings securing the mortgages insured in 1950. In that year, 56 percent contained four rooms or less, exclusive of bathrooms, closets, halls, etc.—the median room count being 4.9. Table 22 shows that in 1951 the proportion with four rooms or less had declined to about 44 percent, the larger proportion containing five rooms or more being reflected in the higher typical room count of 5.2. Within individual value groups, the new homes valued at less than $8,000 typically contained from 4.5 to 4.8 rooms; those valued at from $8,000 to $13,999 had median room counts of from 5.1 to 5.8; while those valued at $14,000 or more generally included 6 or more rooms.

TABLE 22.—*Rooms by Property Valuation for FHA-insured Single-family Home Mortgages, Sec. 203, 1951*

FHA property valuation	Percentage distribution	Average number of rooms	Median number of rooms	Number of rooms					
				3	4	5	6	7–9	Total
	Percentage distributions for new homes								
Less than $5,000	0.2	4.1	4.5	2.3	89.9	6.7	1.1	-------	100.0
$5,000 to $5,999	.8	4.0	4.5	3.3	89.3	7.0	.2	0.2	100.0
$6,000 to $6,999	8.7	4.2	4.6	.8	78.0	19.8	1.4	(1)	100.0
$7,000 to $7,999	18.2	4.4	4.8	.7	61.3	33.0	5.0	(1)	100.0
$8,000 to $8,999	21.9	4.7	5.1	.2	47.5	36.8	15.4	.1	100.0
$9,000 to $9,999	18.8	4.8	5.3	.1	36.6	48.3	14.8	.2	100.0
$10,000 to $10,999	12.5	4.9	5.4	.1	33.2	47.7	18.3	.7	100.0
$11,000 to $11,999	8.0	5.0	5.5	.2	25.2	48.6	25.0	1.0	100.0
$12,000 to $13,999	6.9	5.3	5.8	.1	13.9	45.6	37.7	2.7	100.0
$14,000 to $15,999	2.5	5.6	6.1	.1	6.1	38.5	47.7	7.6	100.0
$16,000 to $19,999	1.2	5.8	6.3	-------	5.1	30.5	48.5	15.9	100.0
$20,000 or more	.3	6.0	6.5	1.1	5.7	18.9	50.9	23.4	100.0
Total	100.0	4.7	5.2	.4	43.4	39.3	16.0	.9	100.0
Median valuation	---------	---------	---------	$7,588	$8,283	$9,421	$10,358	$14,240	$9,007
	Percentage distributions for existing homes								
Less than $5,000	1.1	4.5	4.7	15.3	48.3	16.8	13.9	5.7	100.0
$5,000 to $5,999	2.0	4.7	5.0	4.1	44.6	30.3	16.7	4.3	100.0
$6,000 to $6,999	5.8	4.8	5.1	2.2	44.2	31.0	16.9	5.7	100.0
$7,000 to $7,999	11.0	4.9	5.2	1.0	41.1	34.9	17.3	5.7	100.0
$8,000 to $8,999	15.3	5.0	5.4	.6	35.4	36.7	20.9	6.4	100.0
$9,000 to $9,999	15.2	5.1	5.5	.2	31.3	38.2	22.6	7.7	100.0
$10,000 to $10,999	14.4	5.2	5.6	.2	26.1	40.0	25.1	8.6	100.0
$11,000 to $11,999	10.9	5.3	5.8	.1	19.9	39.7	30.0	10.3	100.0
$12,000 to $13,999	14.8	5.6	6.0	.2	11.6	37.5	36.6	14.1	100.0
$14,000 to $15,999	6.0	5.9	6.3	.2	6.0	31.8	40.6	21.4	100.0
$16,000 to $19,999	2.8	6.1	6.5	.3	4.2	20.9	45.4	29.2	100.0
$20,000 or more	.7	6.5	6.9	.6	3.2	16.6	31.3	48.3	100.0
Total	100.0	5.2	5.6	.7	26.9	36.1	26.2	10.1	100.0
Median valuation	---------	---------	---------	$6,811	$8,906	$10,033	$10,857	$11,508	$9,843

[1] Less than 0.05 percent.

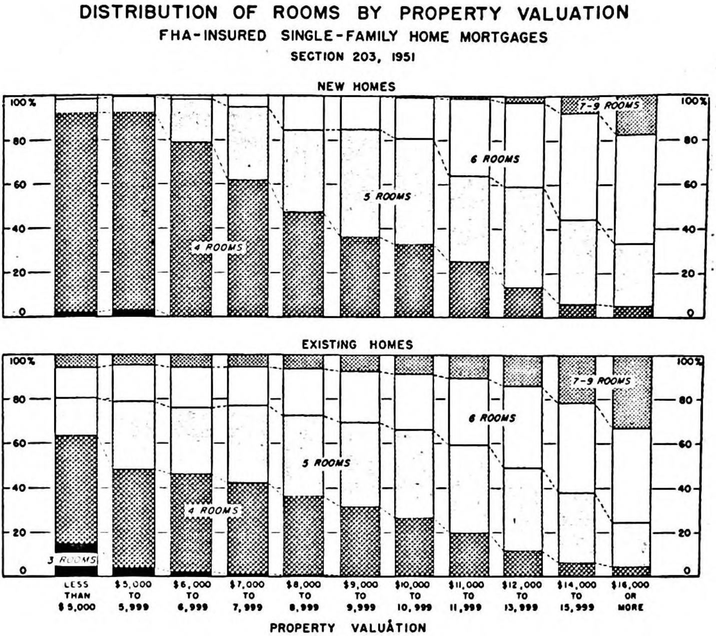

CHART X

For existing homes, the table shows median room counts for each of the value groups which are slightly larger than those for new homes. As is shown in Chart X, there is considerably more variation in the size of the existing homes in the individual valuation intervals than was observed for the newly constructed dwellings.

With respect to the floor area of these Section 203 insured properties—which is defined by the Underwriting Division as including spaces in the main building above the basement or foundation, measured to the outside surfaces of the exterior walls—it may be noted that the 1951 median of 879 square feet for new homes represented an increase of 41 square feet over 1950, while the comparable existing-home median of 1,011 square feet was only slightly larger than that for the preceding year. The wide ranges of floor areas for homes in various valuation groups are shown in Table 23 and graphically in Charts XI and XII; while the relationship between floor area and room count is shown in Table 24, which shows the distributions by number of rooms for new and existing homes of varying square-foot areas.

TABLE 23.—*Calculated Floor Area by FHA Valuation for FHA-insured Single-family Home Mortgages, Sec. 203, 1951*

FHA property valuation	Percentage distribution	Floor area (square feet)		Calculated floor area in square feet											Total
		Average	Median	Less than 600	600 to 699	700 to 799	800 to 899	900 to 999	1,000 to 1,099	1,100 to 1,199	1,200 to 1,399	1,400 to 1,599	1,600 to 1,999	2,000 or more	
				Percentage distributions for new homes											
Less than $5,000	0.2	669	665	4.5	69.7	18.0	6.7	1.1	----	----	----	----	----	----	100.0
$5,000 to $5,999	.8	744	734	.9	28.3	61.5	7.0	1.4	0.2	0.2	----	----	----	0.5	100.0
$6,000 to $6,999	8.7	769	760	.9	17.8	52.4	22.3	4.1	2.3	.1	----	----	[1]	.1	100.0
$7,000 to $7,999	18.2	827	819	.4	8.4	34.0	38.1	10.3	6.2	2.2	0.4	[1]	[1]	[1]	100.0
$8,000 to $8,999	21.9	900	867	.1	2.9	27.4	29.1	15.4	11.6	11.4	1.9	[1]	0.1	.1	100.0
$9,000 to $9,999	18.8	945	916	.1	1.1	21.5	24.9	15.4	22.8	7.0	6.5	0.6	.1	[1]	100.0
$10,000 to $10,999	12.5	977	915	.1	.3	14.7	27.2	17.1	18.1	12.1	8.0	1.9	.4	.1	100.0
$11,000 to $11,999	8.0	1,050	1,016	.1	.1	5.3	21.6	20.3	16.1	13.6	18.5	3.5	.8	.1	100.0
$12,000 to $13,999	6.9	1,162	1,135	.1	.1	1.6	8.5	15.5	18.6	16.2	25.5	9.6	4.2	.1	100.0
$14,000 to $15,999	2.5	1,308	1,286	.1	.4	.4	1.6	7.2	12.1	16.0	28.2	21.1	11.6	1.3	100.0
$16,000 to $19,999	1.2	1,473	1,448	----	----	.6	1.1	2.0	4.9	11.4	23.8	25.7	23.7	6.8	100.0
$20,000 or more	.3	1,756	1,671	----	----	.5	----	----	2.4	2.4	8.2	31.2	30.0	25.3	100.0
Total	100.0	942	879	.2	4.3	23.7	25.8	13.6	13.3	8.5	7.0	2.2	1.1	.3	100.0
				Percentage distributions for existing homes											
Less than $5,000	1.1	886	848	5.9	15.6	12.5	33.5	11.1	5.1	3.6	5.7	5.0	1.8	0.2	100.0
$5,000 to $5,999	2.0	899	833	4.1	14.0	26.2	17.3	11.8	8.0	6.2	7.1	3.1	1.9	.3	100.0
$6,000 to $6,999	5.8	918	845	1.7	9.5	28.9	22.0	12.0	7.6	5.7	6.3	3.2	2.6	.5	100.0
$7,000 to $7,999	11.0	939	877	.6	6.9	22.8	25.6	15.1	9.9	5.8	7.2	3.2	2.4	.5	100.0
$8,000 to $8,999	15.3	985	929	.4	4.0	17.3	23.1	18.0	13.4	8.1	8.2	4.3	2.4	.8	100.0
$9,000 to $9,999	15.2	1,028	977	.3	2.7	15.8	18.1	17.1	15.8	10.0	11.3	4.6	3.3	1.0	100.0
$10,000 to $10,999	14.4	1,081	1,031	.1	1.3	12.4	16.2	14.9	16.5	12.4	14.4	6.2	4.1	1.5	100.0
$11,000 to $11,999	10.9	1,121	1,078	.1	.5	8.4	15.5	14.8	13.8	13.8	19.4	7.0	4.8	1.9	100.0
$12,000 to $13,999	14.8	1,235	1,187	[1]	.3	3.0	9.5	12.9	13.7	12.1	23.4	13.1	8.6	3.4	100.0
$14,000 to $15,999	6.0	1,382	1,333	[1]	.1	.6	3.4	7.9	11.3	12.1	21.9	19.8	16.5	6.4	100.0
$16,000 to $19,999	2.8	1,569	1,516	.2	.1	.4	1.4	2.6	5.7	6.8	20.5	21.2	27.7	13.4	100.0
$20,000 or more	.7	2,043	1,949	----	----	----	.6	1.3	1.3	1.0	8.3	13.4	27.6	46.5	100.0
Total	100.0	1,093	1,011	.5	3.1	13.1	16.8	14.3	12.9	9.9	13.9	7.5	5.7	2.3	100.0

[1] Less than 0.05 percent.

RANGE OF FLOOR AREAS FOR EXISTING HOUSES OF DIFFERENT VALUES

FHA-INSURED SINGLE-FAMILY HOME MORTGAGES, SECTION 203, 1951

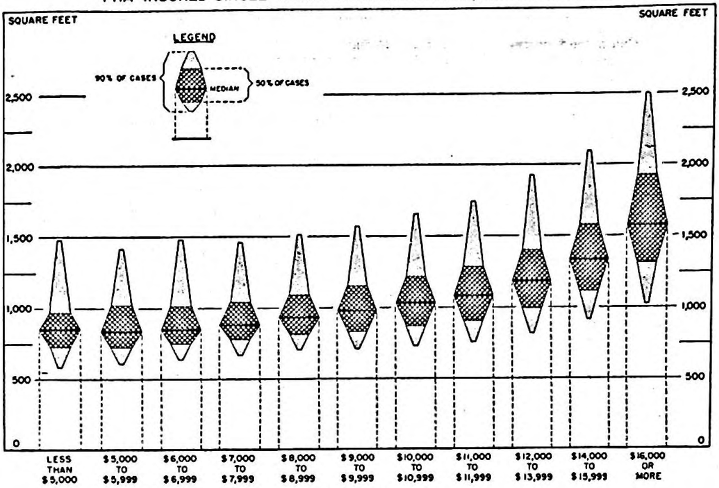

CHART XI

RANGE OF FLOOR AREAS FOR NEW HOUSES OF DIFFERENT VALUES

FHA-INSURED SINGLE-FAMILY HOME MORTGAGES, SECTION 203, 1951

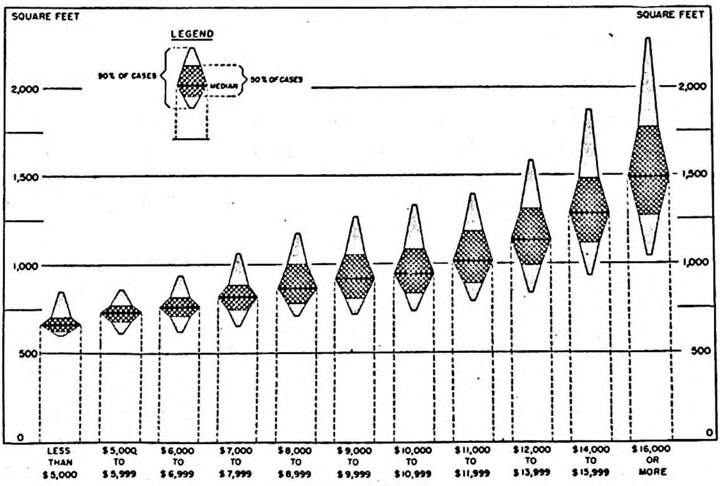

CHART XII

TABLE 24.—*Number of Rooms by Calculated Floor Area for FHA-insured Single-family Home Mortgages, Sec. 203, 1951*

Calculated floor area (square feet)	Percentage distribution	Median number of rooms	Number of rooms					
			3	4	5	6	7–9	Total
	Percentage distributions for new homes							
Less than 600	0.2	3.0	58.6	18.9	17.1	5.4	....	100.0
600 to 699	4.3	4.5	1.5	96.0	1.5	1.0	....	100.0
700 to 799	23.7	4.6	.2	85.9	12.7	1.2	[1]	100.0
800 to 899	25.8	5.0	.1	51.5	45.5	2.8	0.1	100.0
900 to 999	13.6	5.3	.3	27.9	62.6	9.1	.1	100.0
1,000 to 1,099	13.4	5.6	.1	8.2	66.3	25.2	.2	100.0
1,100 to 1,199	8.5	6.1	.1	4.4	42.6	52.4	.5	100.0
1,200 to 1,299	4.1	6.1	.2	3.6	39.5	55.8	.9	100.0
1,300 to 1,399	2.8	6.2	.1	2.1	39.3	56.7	1.8	100.0
1,400 to 1,499	1.3	6.3	....	2.2	28.3	60.4	9.1	100.0
1,500 to 1,699	1.3	6.4	.4	7.0	23.3	54.3	15.0	100.0
1,700 to 1,999	.7	6.6	....	2.9	10.8	56.9	29.4	100.0
2,000 or more	.3	7.1	....	14.8	9.9	23.2	52.1	100.0
Total	100.0	5.2	.4	43.4	39.3	16.0	.9	100.0
	Percentage distributions for existing homes							
Less than 600	0.4	4.4	29.0	49.5	16.7	4.3	0.5	100.0
600 to 699	3.1	4.6	6.4	76.6	13.3	3.5	.2	100.0
700 to 799	13.1	4.7	.9	71.4	22.8	4.5	.4	100.0
800 to 899	16.8	5.0	.9	49.0	42.4	6.4	1.3	100.0
900 to 999	14.3	5.4	.4	26.9	57.2	13.2	2.3	100.0
1,000 to 1,099	12.9	5.6	.1	13.3	57.6	26.1	2.9	100.0
1,100 to 1,199	9.9	6.0	[1]	6.4	45.6	43.2	4.8	100.0
1,200 to 1,299	8.1	6.2	.1	3.1	32.9	56.7	7.2	100.0
1,300 to 1,399	5.9	6.4	.2	1.8	21.5	62.3	14.2	100.0
1,400 to 1,499	4.4	6.5	.1	.9	16.7	59.3	23.0	100.0
1,500 to 1,699	5.4	6.8	.1	.7	9.1	49.9	40.2	100.0
1,700 to 1,999	3.4	7.4	.2	.8	4.8	32.4	61.8	100.0
2,000 or more	2.3	7.8	.4	.5	2.2	13.0	83.9	100.0
Total	100.0	5.6	.7	26.9	36.1	26.2	10.1	100.0

[1] Less than 0.05 percent.

Mortgagor's Income and Housing Expense

Among the most important elements in any home-mortgage transaction are the income of the prospective mortgagor and the stability of that income, the relationship of that income to his prospective housing expense and to other fixed expenditures, and his motivating interest in the property which he is acquiring.

In evaluating these elements of mortgage risk, the FHA underwriting procedure attempts through analysis to estimate the mortgagor's probable earning capacity for a period approximating the first third of the mortgage term. Under certain conditions, this estimate may include the incomes of any co-makers or endorsers, as well as that of the principal mortgagor.

With respect to the evaluation of the mortgage risk involved in a particular transaction, consideration is given in the underwriting process to the credit characteristics of the mortgagor, his financial ability to close the loan transaction, and the stability and adequacy of his income in relation to his various living expenses and other obligations, including the prospective monthly housing expenses which may be expected to develop from the insured mortgage transaction. These expenses include the regular payments to mortgage principal and interest, the FHA mortgage insurance premium, hazard insurance premiums, taxes and special assessments, ground rent (if any), and anticipated maintenance and operating expenses.

Of the single-family home mortgages insured under Section 203 in 1951, nearly 96 percent of the mortgages on newly constructed dwellings and 98 percent of those secured by existing houses involved owner-occupant mortgagors. The following analysis of mortgagor's income and expense is based solely upon the cases in the sample which involved owner-occupant mortgagors, excluding the small proportion of cases in which the mortgagor at time of insurance was either the builder or a landlord.

Annual income distribution.—The distributions by income groups of the buyers of new and existing homes who financed their purchases with mortgages insured under Section 203 in 1951 are shown in Chart XIII and, together with comparable data for selected earlier years since 1940, in Table 25.

In 1951, the median income of these new-home purchasers was $4,225, or $364 above the comparable figure for 1950. This 9.4 percent increase was somewhat higher than the comparable increase in income for all nonfarm spending units, as estimated on the basis of data

DISTRIBUTION OF MORTGAGOR'S EFFECTIVE ANNUAL INCOME
FHA-INSURED SINGLE-FAMILY HOME MORTGAGES
SECTION 203, 1951

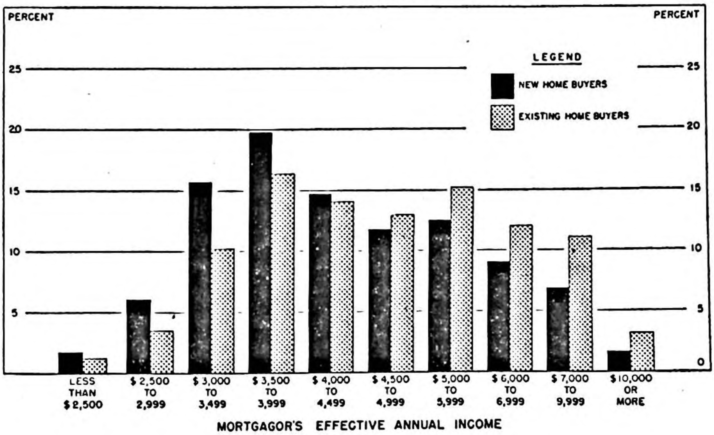

CHART XIII

TABLE 25.—*Mortgagor's Effective Annual Income for FHA-insured Single-family Home Mortgages, Sec. 203, in Selected Years, 1940–51*

Mortgagor's effective annual income	Percentage distributions for new homes [1]					Percentage distributions for existing homes					
	1951	1950	1949	1946	1940	1951	1950	1949	1946	1943	1940
Less than $1,500	(2)	(2)	(2)	0.2	5.1	(2)	0.1	(2)	0.3	0.6	5.2
$1,500 to $1,999	0.2	0.2	0.2	2.7	23.4	0.2	.3	0.3	4.2	7.5	20.5
$2,000 to $2,499	1.6	2.6	2.8	16.0	28.3	1.1	2.4	2.8	19.4	26.2	25.0
$2,500 to $2,999	6.1	9.4	9.2	15.8	15.4	3.5	6.5	7.1	14.8	13.6	13.9
$3,000 to $3,499	15.7	21.5	20.5	19.7	11.9	10.2	15.3	16.0	19.3	16.5	11.6
$3,500 to $3,999	19.8	21.9	21.7	17.6	6.2	16.4	18.2	19.2	14.5	12.0	6.9
$4,000 to $4,499	14.7	13.8	13.3	8.8	3.2	14.1	12.6	12.4	7.1	5.3	4.0
$4,500 to $4,999	11.8	10.3	11.2	7.5	2.0	13.0	11.5	11.7	6.7	5.5	3.1
$5,000 to $5,999	12.5	9.7	9.1	4.1	1.9	15.2	11.9	10.6	4.3	3.7	3.3
$6,000 to $6,999	9.0	5.8	6.4	4.3	1.2	12.0	9.4	9.1	4.4	3.6	2.5
$7,000 to $9,999	6.9	4.0	4.4	2.4	.9	11.1	8.7	8.0	3.5	3.5	2.5
$10,000 or more	1.7	.8	1.2	.9	.5	3.2	3.1	2.8	1.5	2.0	1.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average income	$4,662	$4,213	$4,285	$3,619	$2,665	$5,176	$4,837	$4,742	$3,640	$3,505	$3,012
Median income	$4,225	$3,861	$3,880	$3,313	$2,416	$4,726	$4,274	$4,219	$3,101	$3,062	$2,490

[1] Data not available for 1943–45.
[2] Less than 0.05 percent.

from the Federal Reserve Board's Annual Survey of Consumer Finances.

Of the new-home purchasers in 1951, about one-fourth had incomes of less than $3,500, over one-half were in the group from $3,500 to $5,999, while the highest one-sixth had incomes of $6,000 or more.

The typical income for the purchasers of existing properties was $4,726—over 10 percent above the 1950 median and nearly double the 1940 median of $2,490. Over two-thirds of this group of home buyers had incomes of $4,000 or more, compared with a little over one-half of the new-home purchasers.

Averages of selected characteristics by income groups.—Many of the characteristics of a mortgage or of the property securing it are of interest when considered in relation to the income of the mortgagor involved. Averages (arithmetic means) for a number of these characteristics are presented in Table 26 for various income groups of both new- and existing-home buyers.

The table shows that, as the average incomes of new-home buyers increased from $178 for the group with effective incomes of less than $200 per month to $1,325 for those receiving $1,000 or more, the average valuations increased from $7,000 to $13,061, with average replacement costs generally about $300 higher. These average valuations represented about 3.3 times the average annual incomes of the mortgagors in the lowest income group. With increasing incomes, this ratio declined until—for new-home buyers in the highest income group—average value represented only 0.8 of the average annual income. For all new-home buyers, average value was approximately twice the average annual income.

TABLE 26.—*Average Characteristics by Mortgagor's Monthly Income for FHA-insured Single-family Home Mortgages, Sec. 203, 1951*

Mortgagor's effective monthly income	Percentage distribution	Average: Mortgagor's monthly income	Average: FHA valuation	Average: Replacement cost	Average: Mortgage principal	Average: Total monthly mortgage payment	Average: Total monthly housing expense	Average: Monthly rental value	Average: Monthly taxes and assessments	Average: Calculated floor area (sq. ft.)	Average: Number of rooms	Mortgage as a percent of FHA valuation	Ratio of FHA valuation to annual income
New homes													
Less than $200	1.0	$178.10	$7,000	$7,284	$5,695	$41.96	$58.10	$56.59	$5.97	815	4.3	81.2	3.3
$200 to $249.99	6.9	227.11	7,639	7,936	6,512	47.81	65.68	61.46	7.11	834	4.4	85.2	2.8
$250 to $299.99	18.4	272.25	8,320	8,612	7,059	52.39	71.66	67.19	8.23	867	4.5	84.8	2.5
$300 to $349.99	22.7	319.72	8,897	9,187	7,470	56.09	75.99	72.08	9.06	907	4.7	84.0	2.3
$350 to $399.99	14.7	368.80	9,368	9,678	7,789	59.19	79.08	75.80	9.64	944	4.8	83.1	2.1
$400 to $449.99	12.1	417.31	9,778	10,093	8,042	61.64	81.90	79.04	10.09	981	4.9	82.2	2.0
$450 to $499.99	6.5	468.03	10,027	10,347	8,171	62.76	82.95	80.87	10.28	997	4.9	81.5	1.8
$500 to $599.99	9.9	532.86	10,575	10,950	8,534	66.09	86.73	85.25	10.85	1,044	5.0	80.7	1.7
$600 to $799.99	5.6	661.89	11,467	11,911	9,107	71.42	92.99	92.01	11.98	1,125	5.2	79.4	1.4
$800 to $999.99	1.2	854.49	12,639	13,183	9,814	78.26	100.97	100.38	14.04	1,207	5.3	77.6	1.2
$1,000 or more	1.0	1,324.52	13,061	13,707	10,083	81.43	105.19	104.17	14.17	1,271	5.4	77.2	.8
Total	100.0	388.47	9,332	9,654	7,724	58.63	78.54	75.34	9.49	947	4.8	82.8	2.0
Existing homes													
Less than $200	0.8	$175.84	$6,538	$8,540	$4,423	$37.37	$54.82	$54.17	$5.14	942	4.7	67.5	3.1
$200 to $249.99	4.1	226.20	7,619	9,460	5,520	45.50	64.38	63.05	6.59	943	4.8	72.5	2.8
$250 to $299.99	12.2	272.70	8,412	10,307	6,228	51.23	71.19	69.19	7.66	962	4.9	74.0	2.6
$300 to $349.99	19.4	319.99	9,156	11,028	6,768	55.74	76.60	75.28	8.47	1,012	5.0	73.9	2.4
$350 to $399.99	14.8	368.86	9,823	11,629	7,280	60.06	81.49	80.24	9.22	1,062	5.2	74.1	2.2
$400 to $449.99	14.4	417.31	10,358	12,217	7,668	63.43	85.47	84.19	9.87	1,100	5.3	74.0	2.1
$450 to $499.99	8.1	468.07	10,872	12,678	8,059	66.56	88.79	88.16	10.34	1,136	5.3	74.1	1.9
$500 to $599.99	13.1	533.17	11,348	13,211	8,387	69.37	92.21	91.88	10.86	1,177	5.4	73.9	1.8
$600 to $799.99	9.1	662.93	12,254	14,226	9,020	75.42	98.67	98.88	12.13	1,268	5.6	73.6	1.5
$800 to $999.99	2.2	856.01	13,586	16,040	9,676	81.66	106.83	108.83	13.20	1,404	5.9	71.2	1.3
$1,000 or more	1.8	1,301.32	14,548	17,542	10,171	87.81	115.49	117.95	15.55	1,561	6.1	69.9	.9
Total	100.0	431.32	10,158	12,056	7,486	61.98	83.69	82.78	9.62	1,096	5.2	73.7	2.0

One of the primary relationships in the determination of whether or not a given mortgage contract will be successfully paid off is the relationship between the monthly mortgage payment and the borrower's monthly income. Accordingly, particular consideration is given in the underwriting analysis to the relationship between the borrower's income and the prospective monthly housing expense—which has been defined as the monthly mortgage payment plus the estimated monthly cost of maintenance and such items of operating expense as water, fuel, and electricity. These relationships are shown in Table 26 and, graphically, in Chart XIV, which indicate that, as the borrowers' incomes increased from the lowest to the highest groups, monthly mortgage payment increased from $42 per month to $81—the average for all groups approximating $59 or about 15 percent of the average monthly income of these new-home buyers.

On the average, monthly housing expense exceeded the monthly mortgage payment by about $20, the differential ranging only from about $16 in the case of home buyers in the lowest income group to $24 for those with monthly incomes in excess of $1,000. There is, however, a very wide variation in the housing expense assumed by

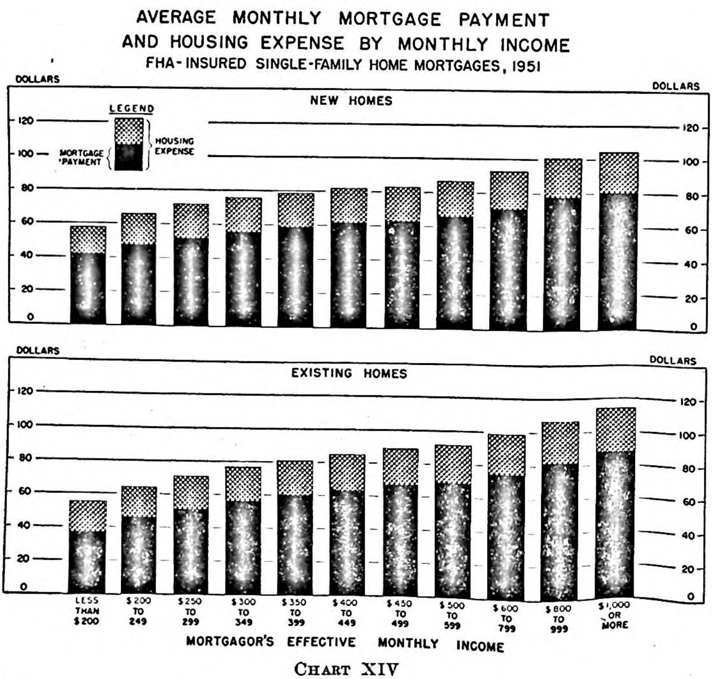

CHART XIV

home owners within particular income groups. This variation is shown percentagewise in Table 27 and graphically in Chart XV. It may be noted, for example, that for new-home buyers with monthly incomes of $350 to $399, the median monthly housing expense was $79. The prospective housing expense for these mortgagors ranged from about $40 to as much as $120 per month, although less than 10 percent of the cases contemplated housing expense outside the range of $60 to $99 per month.

As indicated earlier in this analysis, the principal component of the prospective housing expense assumed by home owners is the monthly mortgage payment. Under the FHA insured-mortgage plan, this payment covers the payments at a fixed amount each month to principal and interest, together with one-twelfth of the amount required each year to cover the FHA mortgage insurance premium, hazard insurance, taxes and special assessments, and such miscellaneous items as ground rent. The distributions of these payments in 1951 and selected earlier years are presented in Table 28, with the 1951 distributions also shown in Chart XVI.

The typical mortgage payment provided in the new-home mortgage contracts insured under Section 203 in 1951 was $58.84, or some 8 percent above the 1950 median. Three out of four of the transactions in 1951 contemplated payments of $45 to $69.99 per month.

A comparable examination of the distributions of the mortgagor's effective income, the recurring charges assumed by him in connection with his monthly mortgage payment and prospective housing expense,

RANGE OF MONTHLY HOUSING EXPENSE
FOR NEW HOME BUYERS IN DIFFERENT INCOME GROUPS
FHA-INSURED SINGLE-FAMILY HOME MORTGAGES, SECTION 203, 1951

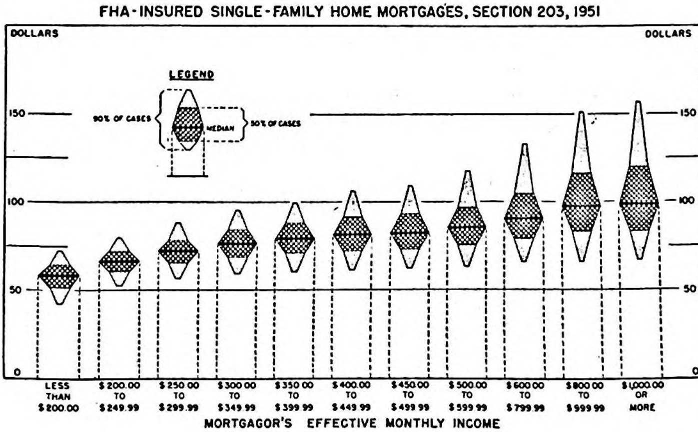

CHART XV

TABLE 27.—*Prospective Monthly Housing Expense by Mortgagor's Effective Monthly Income for FHA-insured Single-family Home Mortgages, Sec. 203, 1951*

Mortgagor's effective monthly income	Percentage distribution	Median monthly housing expense	Prospective monthly housing expense: Less than $40	$40 to $49.99	$50 to $54.99	$55 to $59.99	$60 to $64.99	$65 to $69.99	$70 to $74.99	$75 to $79.99	$80 to $89.99	$90 to $99.99	$100 to $109.99	$110 to $119.99	$120 to $139.99	$140 or more	Total
	Percentage distributions for new homes																
Less than $200	1.0	$58.55	0.8	19.7	14.5	21.0	22.7	13.7	5.7	1.7	0.2	-------	-------	-------	-------	-------	100.0
$200 to $249.99	6.9	66.22	.1	2.3	5.5	14.2	22.0	23.7	18.1	9.9	3.7	0.4	(1)	0.1	-------	-------	100.0
$250 to $299.99	18.4	72.02	.1	.6	2.0	6.3	13.4	18.6	22.2	17.9	17.3	1.5	0.1	-------	-------	-------	100.0
$300 to $349.99	22.7	76.29	(1)	.4	1.2	3.7	8.8	13.7	17.5	18.3	26.8	8.8	.8	(1)	(1)	-------	100.0
$350 to $399.99	14.7	79.06	(1)	.3	.9	3.1	6.2	11.0	15.7	15.7	27.1	15.4	4.1	.5	-------	(1)	100.0
$400 to $449.99	12.1	81.77	(1)	.2	.7	2.7	5.3	8.5	13.8	14.2	26.5	18.4	7.3	2.1	0.3	(1)	100.0
$450 to $499.99	6.5	82.36	-------	.2	.5	2.2	5.1	9.4	12.4	14.2	25.5	17.8	8.3	3.5	.9	(1)	100.0
$500 to $599.99	9.9	85.79	-------	.1	.5	1.6	3.9	7.0	10.2	12.3	24.8	20.3	9.8	5.6	3.4	0.5	100.0
$600 to $799.99	5.6	90.70	-------	.1	.2	1.1	2.3	5.4	8.7	8.7	22.1	20.2	12.5	7.8	8.2	2.7	100.0
$800 to $999.99	1.2	97.39	-------	-------	.2	.6	2.3	5.0	5.5	5.6	18.3	17.0	14.0	10.9	12.8	7.8	100.0
$1,000 or more	1.0	98.89	-------	-------	1.0	.6	1.4	4.8	6.5	5.7	15.5	16.3	11.3	12.3	12.3	12.3	100.0
Total	100.0	77.90	(1)	.6	1.5	4.3	8.7	12.7	15.8	14.9	22.4	11.5	4.2	1.8	1.2	.4	100.0
	Percentage distributions for existing homes																
Less than $200	0.8	$56.00	14.1	20.1	11.8	20.1	16.4	8.9	3.7	4.0	0.9	-------	-------	-------	-------	-------	100.0
$200 to $249.99	4.1	65.44	2.1	6.4	8.9	13.0	18.0	19.3	16.1	10.0	5.4	0.5	0.2	0.1	-------	-------	100.0
$250 to $299.99	12.2	72.23	.6	2.6	4.3	7.6	11.8	15.8	16.5	17.0	20.0	3.5	.3	(1)	-------	-------	100.0
$300 to $349.99	19.4	77.48	.2	1.7	2.6	4.9	7.6	11.5	13.9	15.4	26.9	13.0	2.1	.2	-------	-------	100.0
$350 to $399.99	14.8	82.11	.3	.8	1.5	3.4	6.1	8.4	10.8	13.1	26.6	19.1	8.2	1.5	0.2	-------	100.0
$400 to $449.99	14.4	85.61	.3	.7	1.2	2.3	4.2	6.6	9.4	11.6	24.4	20.3	13.2	4.6	1.0	0.2	100.0
$450 to $499.99	8.1	88.87	.1	.8	.9	1.7	3.2	5.8	8.0	9.7	22.4	20.7	15.4	8.4	2.6	.3	100.0
$500 to $599.99	13.1	92.05	(1)	.3	.5	1.2	2.9	4.3	7.6	8.5	20.4	20.9	16.5	10.2	5.9	.8	100.0
$600 to $799.99	9.1	93.83	-------	.1	.4	.9	1.9	2.8	4.7	6.5	16.4	18.5	20.1	13.6	11.3	2.8	100.0
$800 to $999.99	2.2	105.71	-------	.1	.6	1.0	1.3	1.3	2.7	5.0	10.8	16.3	19.1	15.8	16.9	9.1	100.0
$1,000 or more	1.8	103.14	-------	-------	.1	.5	1.0	1.3	2.6	2.6	9.3	12.0	15.5	16.0	22.3	16.8	100.0
Total	100.0	84.70	.4	1.4	2.1	3.8	6.1	8.6	10.5	11.8	21.7	15.4	9.5	4.8	3.0	.9	100.0

[1] Less than 0.05 percent.

and the variation in related characteristics may be made for the existing-home mortgages insured under Section 203 during 1951 on the basis of the existing-home data presented in Tables 25, 26, 27, and 28, and Charts XIII, XIV, XV, and XVI.

The tables show that the median income of the purchasers of existing homes was $4,726—$450 above the comparable figure for 1950 and $500 over the typical income of new-home purchasers in 1951.

TABLE 28.—*Total Monthly Mortgage Payment for FHA-insured Single-family Home Mortgages, Section 203, in Selected Years, 1941–51*

Total monthly mortgage payment	Percentage distributions for new homes [1]					Percentage distributions for existing homes				
	1951	1950	1949	1946	1941	1951	1950	1949	1946	1941
Less than $25	(2)	0.1	0.1	1.3	11.0	0.4	1.2	1.5	5.5	15.8
$25 to $29.99	0.1	.1	.1	4.1	17.1	.6	1.1	1.5	9.0	15.2
$30 to $34.99	.5	.6	.6	11.3	21.1	1.4	2.3	2.8	16.0	16.3
$35 to $39.99	1.6	3.4	4.7	13.7	18.8	3.5	5.4	5.9	18.3	14.4
$40 to $44.99	7.0	12.9	12.1	16.6	13.0	6.2	9.2	9.4	15.3	11.0
$45 to $49.99	13.8	16.9	14.2	14.5	6.7	9.3	12.6	12.3	11.6	7.8
$50 to $54.99	18.5	18.6	16.3	17.1	4.1	12.3	13.9	13.7	7.8	5.1
$55 to $59.99	17.5	16.6	16.2	10.0	2.9	13.5	13.3	12.9	5.0	3.6
$60 to $64.99	14.3	12.2	12.3	5.8	1.9	12.9	10.8	10.6	3.5	2.6
$65 to $69.99	10.9	8.2	9.3	3.2	1.2	11.3	8.5	8.3	2.2	1.8
$70 to $74.99	6.3	4.8	5.6	1.4	.8	8.6	5.9	5.8	1.6	1.4
$75 to $79.99	3.9	2.4	3.0	.4	.4	6.8	4.3	4.2	1.2	1.0
$80 to $89.99	3.3	1.7	2.8	.3	.4	8.1	5.3	5.0	1.2	1.4
$90 to $99.99	1.3	.7	1.2	.2	.2	3.1	2.6	2.5	.6	.9
$100 or more	1.0	.8	1.5	.1	.4	2.0	3.6	3.6	1.2	1.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average payment	$58.63	$55.38	$57.15	$46.06	$36.88	$61.98	$58.94	$58.38	$43.25	$39.50
Median payment	$58.84	$54.31	$55.59	$46.18	$35.21	$61.57	$56.65	$56.12	$40.83	$35.9

[1] Data not available for 1943-45.

[2] Less than 0.05 percent.

DISTRIBUTION OF TOTAL MONTHLY MORTGAGE PAYMENT

FHA-INSURED SINGLE-FAMILY HOME MORTGAGES

SECTION 203, 1951

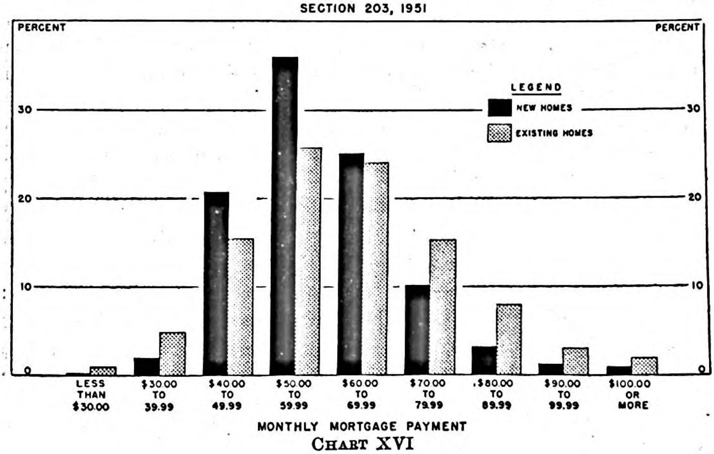

CHART XVI

The average value of the existing homes was about $800 above that of the new homes, but the lower loan-value ratios permitted for these transactions resulted in an average mortgage of $7,486, or $238 below the new-home average. This differential is particularly noticeable in the income levels below $400 per month. Reflecting the shorter mortgage term for existing-home contracts, the average monthly payment was $61.98—$3.35 above that for purchasers of new homes. Rental values averaged $82.78 per month—more than $7 above the average for newly constructed properties.

Rental and Cooperative Housing Mortgage Insurance

During 1951, FHA insurance assistance for financing construction or purchase of rental and cooperative projects was available under six different legislative programs authorized in the National Housing Act—FHA's permanent program for multifamily rental housing under the provisions of Section 207; cooperative housing under the provisions of Section 213; multifamily rental housing under the Veterans' Emergency Housing provisions of Section 608; existing multifamily rental projects built with Federal funds, under the provisions of Section 608 pursuant to Section 610; military housing, also known as "Maybank-Wherry Bill" housing, under the provisions of Section 803 of Title VIII; and, under Section 908, multifamily rental defense housing programed by HHFA in areas designated as critical defense areas. In addition, income from debt-free investments in multifamily rental housing projects was eligible for FHA insurance under provisions of Title VII.

Volume of Business

FHA project mortgage operations during 1951 were affected materially by four major economic and legal developments—the imposition by FHA on January 12, 1951, of higher equity requirements, in line with the Regulation X credit restrictions of the Federal Reserve Board; the scarcity of mortgage money; a wait-and-see attitude on the part of project developers concerning the marketability of additional rental dwelling units; and the progressive completion of projects initiated earlier under the more liberal insurance provisions of Section 608 for new rental projects.[4]

As a result, applications for FHA project mortgage insurance in 1951 fell off 67 percent from the previous year, and FHA commitments declined 65 percent. The volume of project mortgage insurance written by FHA, directly related to the year's volume of applications

[4] FHA's legislative authority to accept applications for Sec. 608 insurance on new construction expired Mar. 1, 1950.

TABLE 29.—*Rental and Cooperative Project Mortgages Insured by FHA, 1935–51*

[Dollar amounts in thousands]

Year	Grand total new and existing		Total new construction		Total existing or refinanced construction	
	Units	Amount	Units	Amount	Units	Amount
1935–39	29,777	$114,429	29,777	$114,429		
1940–44	45,751	188,446	41,890	174,187	3,861	$14,259
1945	4,058	19,817	3,137	15,903	921	3,914
1946	2,232	13,175	1,579	10,889	653	2,286
1947	46,604	359,944	46,446	358,602	158	1,342
1948	79,184	608,711	77,808	605,800	1,376	2,912
1949	132,860	1,019,581	131,347	1,015,608	1,513	3,973
1950	154,124	1,153,805	153,004	1,151,803	1,120	2,002
1951	73,241	577,941	72,367	571,712	874	6,229
Total	567,831	4,055,849	557,355	4,018,933	10,476	36,916

Year	New construction			
	Sec. 207		Sec. 608	
	Units	Amount	Units	Amount
1935–39	29,777	$114,429		
1940–44	7,946	28,752	33,944	$145,436
1945	200	950	2,937	14,953
1946	41	224	1,538	10,665
1947		[1] 32	46,446	358,570
1948			77,808	605,800
1949	813	7,313	128,094	996,224
1950	2,514	18,065	135,076	1,007,996
1951	4,890	33,201	33,799	259,937
Total	46,181	202,965	460,542	3,399,581

Year	Sec. 213	
	Units	Amount
1950	285	$2,691
1951	7,995	72,921
Total	8,280	75,612

Year	Sec. 803	
	Units	Amount
1949	1,540	$12,071
1950	15,129	123,052
1951	25,683	205,653
Total	42,352	340,775

Year	Existing or refinanced construction					
	Sec. 207		Sec. 608		Sec. 608–610	
	Units	Amount	Units	Amount	Units	Amount
1935–39						
1940–44	3,267	$11,444	594	$2,815		
1945	691	2,856	230	1,058		
1946	653	2,286				
1947			158	1,342		
1948			10	63	1,366	$2,849
1949			78	365	1,435	3,608
1950			16	133	1,104	1,868
1951			864	6,194	10	35
Total	4,611	16,586	1,950	11,971	3,915	8,360

[1] Increase in amount of a mortgage insured prior to 1947.

and commitments, registered a decrease from 1950 of about 50 percent in the amount of mortgages and number of dwelling units.

Table 29 shows the yearly and cumulative volume of insurance written under the various FHA rental and cooperative programs from 1935 through 1951. The $578,000,000 in project mortgages insured during 1951 was the lowest in the postwar period since 1947. As in previous years, almost all this type of FHA insurance covered new construction, with only $6,000,000 utilized for refinancing purposes and purchases of existing projects.

Section 608, nearing the close of its new-construction program, continued in 1951 to account for the largest proportion (46 percent) of project mortgage insurance written, but in a substantially lower degree than in previous postwar years. Military housing insurance under Section 803 ranked next with 36 percent of the total, followed by cooperative housing under Section 213, which accounted for about 13 percent.

As in previous years, almost all the project mortgages insured by FHA in 1951 financed construction of new dwellings. Of the more than $4,000,000,000 in project mortgages insured by FHA in the last 17 years, less than $29,000,000 (seven-tenths of 1 percent) has been utilized for refinancing purposes and only $8,000,000 for financing the purchase of existing housing—the latter exclusively under the provisions of Section 608 pursuant to Section 610. More than 550,000 new family units had been or were being constructed with the aid of FHA project mortgage insurance as of the close of 1951, with four of every five units provided under the Section 608 program.

A more comprehensive picture of the workload involved in FHA project mortgage operations during 1951 is provided by the following data:

Applications received—75,000 units.
Applications processed—130,000 units.
Commitments issued—56,000 units.
Construction started—75,000 units.
Construction completed—127,000 units.
Units under construction during the year—210,000 units.

State Distribution

Rental and cooperative project mortgages insured by FHA during 1951 covered properties located in every State but six, and in the District of Columbia, Alaska, and Hawaii. As shown in Table 30 and Chart XVII, 15 States had projects providing 1,500 or more units. Nearly three of every five units were in projects located in seven States—New York, New Jersey (principally in the New York-Northeastern New Jersey metropolitan area), and North Carolina on the Atlantic coast, Ohio and Illinois in the Midwest, Texas in the Southwest, and California on the Pacific coast.

In Illinois, New Jersey, New York, and Ohio, Section 608 projects predominated; but military housing projects under Section 803 were in the fore in North Carolina and California, had a slight edge in

UNITS IN RENTAL AND COOPERATIVE PROJECTS SECURING MORTGAGES INSURED BY FHA UNDER SECTIONS 207 213, 608, 608-610 AND 803, DURING 1951

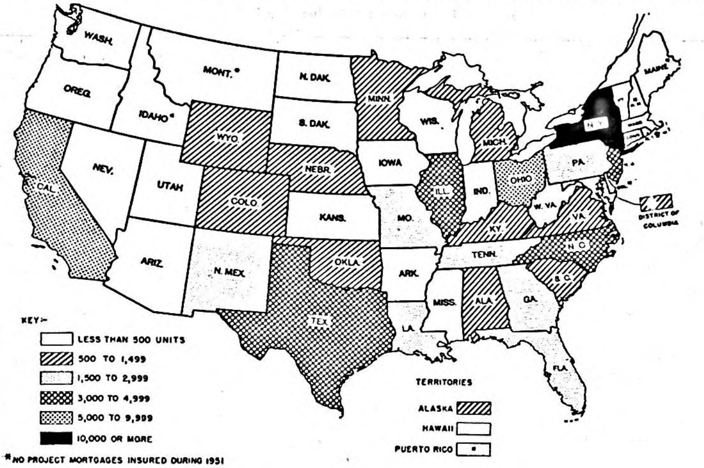

CHART XVII

Texas, and made up a substantial proportion of the units in Illinois projects. Other States in which the level of military housing insurance was relatively high during the past year were Maryland, Florida, and New Mexico.

Section 207 projects with insurance written in 1951 were largely concentrated in Pennsylvania, North Carolina, Texas, and Alaska, each with about 800 units and together accounting for about two-thirds of the year's total. It is noteworthy that the relatively large volume in Pennsylvania is probably due to the impetus of the subsidy provided by the State to encourage construction by private sponsors of rental housing needed for families of limited income.

Cooperative projects covered by insurance written under Section 213 during the year were located in seven States in all parts of the country, but nearly three-fourths of the total units (all in management-type projects) were situated in New York City and almost one-fifth in California, in a sales-type development in the vicinity of Long Beach.

The distribution of the Section 608 projects securing mortgages insured in 1951 was much broader than under the other FHA project programs—involving properties located in 35 States, the District of Columbia, and Alaska.

As of the close of last year, rental and cooperative dwelling units had been built with the aid of FHA mortgage insurance in every State

TABLE 30.—*State Distribution of FHA-insured Rental and Cooperative Project Mortgages, 1951*

[Dollar amounts in thousands]

State	All sections			Sec. 207	Sec. 213	Sec. 608	Sec. 803
	Number	Amount	Units	Units	Units	Units	Units
Alabama	11	$7,074	906	35	-	696	175
Arizona	1	929	105	-	-	-	105
Arkansas	2	1,377	162	12	150	-	-
California	27	49,102	5,660	89	1,471	587	3,513
Colorado	4	4,727	635	-	-	51	584
Connecticut	2	1,243	157	-	-	157	-
Delaware	-	-	-	-	-	-	-
District of Columbia	5	10,443	1,462	-	-	1,462	-
Florida	9	17,513	2,211	-	-	31	2,180
Georgia	19	17,059	2,676	372	-	1,779	525
Idaho	-	-	-	-	-	-	-
Illinois	29	36,349	4,378	-	-	2,566	1,812
Indiana	10	2,451	273	86	-	187	-
Iowa	2	266	29	-	-	29	-
Kansas	1	1,406	204	-	-	204	-
Kentucky	4	7,290	900	-	-	-	900
Louisiana	8	12,943	1,866	73	-	1,249	544
Maine	-	-	-	-	-	-	-
Maryland	11	15,449	2,234	260	-	548	1,426
Massachusetts	2	1,839	214	21	-	5	188
Michigan	7	8,188	1,037	40	-	486	511
Minnesota	3	4,914	598	13	-	585	-
Mississippi	4	1,785	362	-	-	224	138
Missouri	27	16,045	2,115	140	-	1,975	-
Montana	-	-	-	-	-	-	-
Nebraska	5	6,746	819	-	71	137	611
Nevada	1	3,389	401	-	-	-	401
New Hampshire	-	-	-	-	-	-	-
New Jersey	34	33,640	4,211	110	-	4,101	-
New Mexico	7	14,323	1,652	-	-	92	1,560
New York	80	132,750	15,139	152	5,996	8,313	678
North Carolina	12	27,727	4,264	801	-	-	3,475
North Dakota	1	97	12	-	-	12	-
Ohio	28	46,545	5,944	104	-	[1] 4,840	1,000
Oklahoma	8	5,831	686	-	166	20	500
Oregon	2	1,123	136	-	-	136	-
Pennsylvania	35	12,848	2,068	855	-	1,213	-
Rhode Island	-	-	-	-	-	-	-
South Carolina	4	4,795	670	-	-	170	500
South Dakota	1	78	12	12	-	-	-
Tennessee	11	12,539	1,792	64	100	488	1,140
Texas	31	28,608	4,153	811	-	1,650	1,692
Utah	1	787	90	-	-	90	-
Vermont	1	100	13	-	-	13	-
Virginia	3	4,202	517	-	-	67	450
Washington	2	3,499	360	-	-	140	220
West Virginia	2	374	53	-	-	53	-
Wisconsin	10	1,538	193	-	41	152	-
Wyoming	1	4,050	500	-	-	-	500
Alaska	7	11,061	1,017	840	-	177	-
Hawaii	1	2,878	355	-	-	-	355
Puerto Rico	-	-	-	-	-	-	-
Total [2]	473	577,941	73,241	4,890	7,995	[1] 34,673	25,683

[1] Includes 10 units insured pursuant to the provisions of Sec. 610.
[2] Includes amendments not distributed by States.

in the Union, the District of Columbia, Alaska, Hawaii, and Puerto Rico. This is evident in Table 31, which shows by State location of project the cumulative number of projects, mortgage amount, and number of units for mortgages insured from 1935 through the end of 1951 under all FHA rental and cooperative housing programs combined, together with the cumulative number of units under each section separately.

TABLE 31.—*State Distribution of FHA-insured Rental and Cooperative Project Mortgages, 1935–51*

[Dollar amounts in thousands]

State	All sections			Sec. 207	Sec. 213	Sec. 608	Sec. 608–610	Sec. 803
	Number	Amount	Units	Units	Units	Units	Units	Units
Alabama	218	$67, 062	11, 208	514		10, 269		425
Arizona	44	9, 287	1, 512	65		947		500
Arkansas	51	8, 264	1, 293	211	150	932		
California	950	212, 565	31, 250	3, 433	1, 471	21, 575	58	4, 713
Colorado	67	19, 458	2, 731	251		1, 896		584
Connecticut	50	23, 089	3, 341	328		3, 013		
Delaware	19	28, 858	4, 048	257		3, 771	20	
District of Columbia	181	144, 049	21, 266	2, 065		19, 201		
Florida	332	97, 777	14, 173	324		10, 669		3, 180
Georgia	170	146, 166	21, 421	1, 068		18, 853	150	1, 350
Idaho	8	4, 573	571			571		
Illinois	284	161, 520	20, 634	1, 593		16, 229		2, 812
Indiana	120	50, 355	6, 818	753		6, 065		
Iowa	29	13, 515	1, 739	148		1, 591		
Kansas	82	27, 400	4, 331	186		3, 243	350	552
Kentucky	94	36, 252	5, 093	546		2, 247		2, 300
Louisiana	91	62, 562	8, 478	713		7, 071	150	544
Maine	14	2, 913	688			688		
Maryland	313	276, 372	40, 915	3, 579		33, 881	486	2, 969
Massachusetts	43	31, 907	4, 189	254		3, 185		750
Michigan	246	64, 673	9, 198	832	144	7, 211	500	511
Minnesota	155	45, 695	6, 232	1, 195		5, 037		
Mississippi	43	15, 837	2, 582	12		1, 852		718
Missouri	151	79, 524	10, 999	1, 420		9, 459		120
Montana	4	2, 039	327			135		192
Nebraska	53	18, 368	2, 468		71	1, 786		611
Nevada	14	4, 966	641			240		401
New Hampshire	7	1, 672	244			244		
New Jersey	537	384, 774	53, 198	3, 042		49, 856		300
New Mexico	15	15, 705	1, 837			277		1, 560
New York	816	833, 080	103, 803	11, 105	5, 996	85, 283	566	853
North Carolina	118	94, 222	15, 717	2, 050		9, 107	85	4, 475
North Dakota	3	268	43			43		
Ohio	284	129, 543	17, 847	630		16, 207	10	1, 000
Oklahoma	129	28, 351	3, 917	132	307	2, 978		500
Oregon	140	38, 644	5, 289	134		5, 155		
Pennsylvania	384	172, 689	22, 991	3, 061		19, 428	450	52
Rhode Island	7	1, 633	246	36		210		
South Carolina	89	43, 816	7, 069	290		6, 279		500
South Dakota	11	5, 510	717	58		258		401
Tennessee	129	52, 457	8, 977	572	100	6, 915	250	1, 140
Texas	422	183, 042	26, 905	2, 489		19, 432		4, 984
Utah	19	5, 566	749	12		737		
Vermont	7	1, 441	193	56		137		
Virginia	348	234, 576	37, 117	5, 877		29, 700	440	1, 100
Washington	117	61, 936	8, 082	315		6, 367		1, 400
West Virginia	14	3, 466	783	174		209	400	
Wisconsin	162	32, 250	4, 041	172	41	3, 828		
Wyoming	6	4, 451	571			71		500
Alaska	24	35, 824	3, 197	840		2, 357		
Hawaii	52	7, 615	1, 205			850		355
Puerto Rico	25	28, 275	4, 947			4, 947		
Total	7, 691	4, 055, 849	567, 831	50, 792	8, 280	462, 492	3, 915	42, 352

More than 20,000 units are provided in each of nine States and the District of Columbia, which together account for two-thirds of the cumulative number of FHA-insured rental and cooperative project units—New York, New Jersey, and Pennsylvania in the Middle Atlantic section; Maryland, the District of Columbia, Virginia, and Georgia of the South Atlantic States; Illinois in the Midwest; Texas in the Southwest; and California on the Pacific Coast.

Projects constructed with FHA mortgage insurance assistance under Section 207 were found at the close of 1951 in every State but nine, and in the Territory of Alaska. Cooperative projects under the recently enacted Section 213 program were, on the other hand, confined to eight States. Table 31 shows that every State and each of the three territories had projects constructed under the Section 608 program. In 14 States, public housing projects built with Federal funds had been purchased by private investors and cooperative groups with the aid of mortgage insurance under Section 608 pursuant to Section 610, and military housing projects under the Section 803 program were located in 32 States and Hawaii.

Terminations

As of December 31, 1951, FHA insurance contracts had been terminated on 698 project mortgages totaling nearly $272,000,000, or about 7 percent of the total amount of mortgages insured under all FHA project mortgage programs since the beginning of operations. As shown in Table 32, two-thirds of these terminations were due to prepayment of the mortgages in full prior to maturity.

Defaults on the part of mortgagors resulted by the end of 1951 in the termination of insurance contracts on 194 mortgages totaling $75,000,000—nearly 28 percent of the total amount of all terminations, but slightly under 2 percent of the face amount of all project mortgages insured. In the case of a default of an FHA-insured project mortgage, the mortgagee has the option of assigning the mortgage to FHA or foreclosing it and transferring title of the property to FHA in exchange for FHA debentures, or retaining the property after foreclosure and "withdrawing" from the insurance contract. In only nine cases have mortgagees decided to keep the foreclosed project in lieu of transferring it to FHA for debentures. In the other 185 cases, the mortgagee assigned either the mortgage or property title to the FHA and received in payment FHA debentures based on the amount of the outstanding balance of the defaulted mortgage.

Slightly more than half (53 percent) of the total amount of project mortgage terminations involved insurance written under Section 207 and Section 210,[5] and 46 percent insurance written under Section 608. Two of every three mortgage dollars originally insured under Sections 207 and 210 were no longer subject to FHA insurance as of the end of 1951, as against only 3 percent of the Section 213 insured amount, 4 percent of the Section 608, and 21 percent of the amount insured

[5] Section 210, which was enacted on Feb. 3, 1938, expired in 1939. Data on the status of the $7,783,000 (2,176 units) of insurance written under this section are combined with Sec. 207 data in reference to cumulative operations of Sec. 207 throughout this report.

under Section 608 pursuant to Section 610. None of the Section 803 military housing mortgages had been terminated at the year end.

Prepayments in full accounted for 82 percent of the total amount of Section 207 mortgages terminated, 47 percent of Section 608, and all of the terminations under Section 213 and Section 608 pursuant to Section 610. All Section 213 prepayments were of mortgages on sales-type projects which had been completed—the individual homes in

TABLE 32.—*Disposition of FHA-insured Rental and Cooperative Project Mortgages, 1935–51*

[Dollar amounts in thousands]

Disposition	Total		Sec. 207		Sec. 213	
	Number	Amount	Number	Amount	Number	Amount
Mortgages insured	7,691	$4,055,849	469	$219,551	41	$75,611
Mortgages terminated:						
Prepayments in full	464	180,334	287	117,212	9	2,173
Prepayments by supersession	29	15,816	13	8,032		
Matured loans						
Mortgages assigned to FHA	68	22,949	1	3,000		
Titles acquired by mortgagee:						
Projects transferred to FHA	117	50,410	17	12,752		
Projects retained by mortgagee	9	1,639	7	1,407		
Other terminations	11	804	8	578		
Total terminations	698	271,952	333	142,982	9	2,173
Mortgages in force	6,993	3,783,897	136	76,569	32	73,439

Disposition	Sec. 608		Sec. 608–610		Sec. 803	
	Number	Amount	Number	Amount	Number	Amount
Mortgages insured	7,030	$3,411,552	23	$8,360	128	$340,77
Mortgages terminated:						
Prepayments in full	164	59,223	4	1,726		
Prepayments by supersession	16	7,784				
Matured loans						
Mortgages assigned to FHA	67	19,949				
Titles acquired by mortgagee:						
Projects transferred to FHA	100	37,657				
Projects retained by mortgagee	2	232				
Other terminations	3	226				
Total terminations	352	125,072	4	1,726		
Mortgages in force	6,678	3,286,480	19	6,634	128	340,775

the project having been sold to members of the cooperative upon completion and the proceeds of the sales used to prepay the mortgage.

Terminations due to mortgagor defaults represented 8 percent of the total amount of insurance written under Section 207 and 12 percent of all termination under that section. Under the Section 608 program, default terminations constituted less than 2 percent of the aggregate insurance amount and 46 percent of the terminations.

The following table shows, as of the close of 1951, the disposition of the projects acquired and the project mortgage notes assigned to FHA:

Disposition	All sections		Sec. 207		Sec. 608	
	No.	Units	No.	Units	No.	Units
Projects acquired by FHA [1]	117	9,122	17	3,033	100	6,089
On hand	91	5,078			91	5,078
Sold with reinsurance	8	2,085	7	1,491	1	594
Sold without reinsurance	6	728	4	704	2	24
Sold with mortgage held by FHA	12	1,231	6	838	6	393
Mortgage notes assigned to FHA	68	3,804	1	1,102	67	2,702
On hand	66	2,660			66	2,660
Sold with reinsurance	1	1,102	1	1,102		
Sold or settled without reinsurance	1	42			1	42

[1] Includes projects acquired by FHA after assignment of mortgage notes to the FHA.

An analysis of the financial experience of these terminated cases is presented in detail in Section III of this report—Statement 15 for Section 207 and Statements 18 and 19 for Section 608.

Defaults of Project Mortgages

As of the end of 1951, lending institutions reported in default 76 outstanding FHA-insured mortgages involving about 6,500 units—all insured under the provisions of Section 608. As indicated in Table 33, this is somewhat less than the number of mortgages in default at the end of the two previous years. In terms of dwelling units, the 1951 ratio of defaults to insurance in force—1.3 percent—was slightly less than the 1.5 percent in 1950 and 1.4 percent in 1949. The combination of projects in default at the year end plus cumulative acquisitions by FHA accounted for 3.4 percent of the total program at the end of 1951, as compared with 3.1 percent at the end of 1950.

TABLE 33.—*Status of FHA-insured Rental and Cooperative Project Mortgages in Force as of Dec. 31, 1951*

Status	All sections		Sec. 608	
	Number	Units	Number	Units
Insured mortgages in force	6,993	505,736	6,678	439,404
Insured mortgages in good standing	6,917	499,265	6,602	432,933
Insured mortgages in default, total	76	6,471	76	6,471
In default less than 90 days	34	4,117	34	4,117
In default 90 days or more	30	1,245	30	1,245
Projects being acquired by mortgagee	8	916	8	916
Mortgage notes being assigned to FHA	4	193	4	193
Insured mortgages in default as of:				
Dec. 31, 1950	113	6,495	112	5,695
Dec. 31, 1949	84	4,143	84	4,143

Included among the defaulted projects were eight projects with 916 units which were in the process of being acquired by mortgagees through foreclosure proceedings, and 4 mortgage notes covering 193 units which were being assigned to FHA at the close of 1951.

Financial Institution Activity

Original financing.—The participation of the different types of lending institutions in the original financing of rental and cooperative project mortgages insured by FHA in 1951 is shown in Table 34. Continuing their postwar lead over all other types of institutions were the State banks. These institutions advanced nearly two-fifths

TABLE 34.—*Type of Institution Financing FHA-insured Rental and Cooperative Project Mortgages, 1951*

[Dollar amounts in thousands]

Type of institution	Number	Amount	Percentage distribution [1]	Number	Amount	Percentage distribution [1]
	All sections			Sec. 207		
National bank	117	$171,245	29.6	24	$18,854	56.7
State bank	159	225,413	39.0	18	8,538	25.7
Mortgage company	109	71,671	12.4	8	1,876	5.7
Life insurance company	40	37,989	6.6	3	495	1.5
Other insurance company	5	3,157	.5	-	-	-
Savings bank	15	34,604	6.0	5	1,876	5.7
Savings and loan association	15	5,081	.9	4	658	2.0
Federal agency	2	2,232	.4	1	542	1.6
All other [2]	11	26,549	4.6	3	364	1.1
Total	473	577,941	100.0	66	33,201	100.0
	Sec. 213			Sec. 608		
National bank	3	$10,435	14.3	57	$33,641	12.6
State bank	16	38,771	53.2	104	118,017	44.3
Mortgage company	8	2,589	3.5	85	53,649	20.1
Life insurance company	-	-	-	28	19,572	7.4
Other insurance company	-	-	-	5	3,157	1.2
Savings bank	3	7,286	10.0	7	25,442	9.6
Savings and loan association	-	-	-	10	2,803	1.1
Federal agency	-	-	-	1	1,691	.6
All other [2]	5	13,851	19.0	2	8,160	3.1
Total	35	[3] 72,921	100.0	299	266,132	100.0
	Sec. 608-610			Sec. 803		
National bank	-	-	-	33	$108,315	52.7
State bank	-	-	-	21	60,087	29.2
Mortgage company	-	-	-	8	13,558	6.6
Life insurance company	1	$35	100.0	8	17,898	8.7
Other insurance company	-	-	-	-	-	-
Savings bank	-	-	-	-	-	-
Savings and loan association	-	-	-	1	1,620	.8
Federal agency	-	-	-	-	-	-
All other [2]	-	-	-	1	4,175	2.0
Total	1	35	100.0	72	205,653	100.0

[1] Based on amount of mortgage.
[2] Includes industrial banks, finance companies, investment companies, private and State benefit funds, and endowed institutions.
[3] Includes amendment of −$11,038 in mortgages financed by life insurance companies insured prior to 1951.

of the dollar amount of all insured project mortgages, a slight decline from their relative share in the previous year. Ranking second, with 30 percent, were the national banks, followed by mortgage companies which provided about one of every eight mortgage dollars. Both of the latter types of institutions registered moderate increases over 1950 in their relative degree of participation. On the other hand, the proportion of FHA project mortagages financed by savings banks declined by more than half, while the proportions for the insurance companies, savings and loan associations, and Federal agencies were slightly off from the previous year. Federal agency activity—exclusively FNMA financing of mortgages on Alaska projects—accounted for less than one-half of 1 percent of the total amount insured during 1951.

Table 34 shows that funds representing over half of the amount of Section 207 mortgages insured in 1951 were supplied by national banks, about one-fourth by State banks, and slightly more than 10 percent by mortgage companies and savings banks together. Mortgage lending on cooperative projects under Section 213 was dominated by State banks, with an investment company (classified under "all others" in the table) accounting for nearly one-fifth and the national banks slightly less than 15 percent of the total insured amount. In the Section 608 program also, State banks led the field with 44 percent of the total amount insured in 1951. Next in rank were mortgage companies, which financed one-fifth of the total. Most active in providing mortgage money for military housing projects under Section 803 were national banks, which accounted for more than half of the total amount, followed by State banks, which supplied nearly 30 percent.

Transfers—During 1951, financial institutions bought and sold more than $820,000,000 of FHA-insured project mortgages. Seven of every eight dollars in mortgages transferred had been insured under Section 608, and 11 percent under the Section 803 military housing program.

Table 35 reveals that savings banks were the most active purchasers of project mortgages last year, accounting for more than 40 percent of the total amount. Life insurance companies ranked next with nearly 23 percent of the aggregate amount of purchases. In third place were the mortgage companies, which acquired 15 percent of the project mortgages transferred—almost all purchased by the Institutional Securities Corporation (organized and sponsored jointly by the savings banks of New York State and classified by FHA as a mortgage company). The nearly 10 percent of the amount of the purchases by the miscellaneous types of institution were largely attributable to the Comptroller of the State of New York and to retire-

TABLE 35.—*Type of Institution Purchasing and Selling FHA-insured Rental and Cooperative Project Mortgages, 1951*

[Dollar amounts in thousands]

Type of institution	Number of institutions		Mortgages purchased			Mortgages sold		
	Purchasing	Selling	Number	Amount	Percentage distribution [1]	Number	Amount	Percentage distribution [1]
				All sections [2]				
National bank			82	$44,763	5.4	366	$213,511	25.9
State bank			48	25,371	3.1	467	442,155	53.7
Mortgage company			129	124,810	15.2	194	94,707	11.5
Life insurance company			273	187,865	22.8	15	8,899	1.1
Other insurance company			18	7,563	.9	12	5,596	0.7
Savings bank			489	342,367	41.6	48	28,568	3.5
Savings and loan association			5	1,146	.2	31	15,188	1.9
Federal agency			42	10,836	1.3	10	2,000	0.2
All other [3]			72	78,373	9.5	15	12,469	1.5
Total			1,158	823,094	100.0	1,158	823,094	100.0
				Sec. 207				
National bank		7				9	$2,876	54.1
State bank	2		2	$191	3.6			
Mortgage company	1	4	1	1,005	18.9	6	2,331	43.9
Life insurance company	4		7	2,807	52.8			
Other insurance company								
Savings bank	4		5	1,199	22.6			
Savings and loan association								
Federal agency								
All other [3]	1	1	1	110	2.1	1	105	2.0
Total	12	12	16	5,312	100.0	16	5,312	100.0
				Sec. 608				
National bank	12	71	77	$34,513	4.8	336	$151,107	20.8
State bank	11	53	45	20,597	2.8	462	431,225	59.5
Mortgage company	6	68	127	120,568	16.6	174	72,139	10.0
Life insurance company	33	6	252	141,488	19.5	15	8,899	1.2
Other insurance company	7	8	18	7,563	1.0	12	5,596	0.8
Savings bank	47	14	463	310,146	42.8	47	28,220	3.9
Savings and loan association	4	17	5	1,146	.2	30	13,568	1.9
Federal agency	1	1	42	10,836	1.5	9	1,652	0.2
All other [3]	12	6	70	77,915	10.8	14	12,364	1.7
Total	133	244	1,099	724,771	100.0	1,099	724,771	100.0
				Sec. 803				
National bank	2	12	5	$10,250	11.1	21	$59,528	64.5
State bank	1	4	1	4,583	5.0	5	10,930	11.8
Mortgage company	1	7	1	3,237	3.5	14	20,237	21.9
Life insurance company	3		14	43,571	47.2			
Other insurance company								
Savings bank	6		20	30,675	33.2			
Savings and loan association		1				1	1,620	1.8
Federal agency								
All other [3]								
Total	13	24	41	92,315	100.0	41	92,315	100.0

[1] Based on amount of mortgage.
[2] Includes transfers of 2 mortgages for $696,000 insured under Sec. 608-610. No Sec. 213 mortgages were transferred during 1951.
[3] Includes industrial banks, finance companies, investment companies, private and State benefit funds, and endowed institutions.

TABLE 36.—*Type of Institution Holding FHA-insured Rental and Cooperative Project Mortgages, Dec. 31, 1951*

[Dollar amounts in thousands]

Type of institution	Number of institutions	Number of mortgages	Amount	Percentage distributions [1]	Number of institutions	Number of mortgages	Amount	Percentage distributions
	All sections				Sec. 207			
National bank	....	527	$359,202	9.5	15	23	$20,469	26.8
State bank	....	701	644,008	17.0	13	29	13,254	17.3
Mortgage company	....	420	281,623	7.5	5	8	2,759	3.6
Life insurance company	....	3,087	1,159,621	30.7	15	35	11,423	14.9
Other insurance company	....	292	92,737	2.4	....	1	91	.1
Savings bank	....	1,566	997,398	26.4	13	22	21,999	28.7
Savings and loan association	....	94	25,543	.7	5	5	722	1.0
Federal agency	....	57	25,581	.7	1	2	633	.8
All other [2]	....	245	191,206	5.1	6	11	5,220	6.8
Total	....	6,989	3,776,916	100.0	73	136	76,569	100.0
	Sec. 213				Sec. 608 [3]			
National bank	1	4	$11,941	16.3	89	454	$180,235	5.5
State bank	4	16	38,783	52.8	78	626	510,985	15.6
Mortgage company	3	4	1,577	2.1	56	407	274,050	8.4
Life insurance company	....	....	....	....	98	3,013	1,073,447	32.7
Other insurance company	....	....	....	....	25	291	92,646	2.8
Savings bank	3	3	7,286	9.9	79	1,514	932,883	28.4
Savings and loan association	....	....	....	....	46	89	24,821	.8
Federal agency	....	....	....	....	1	54	24,685	.8
All other [2]	1	5	13,851	18.9	19	226	165,746	5.0
Total	12	32	73,439	100.0	491	6,674	3,279,499	100.0
	Sec. 608–610				Sec. 803			
National bank	....	....	....	....	16	46	$146,557	43.0
State bank	2	3	$1,288	19.4	6	27	79,698	23.4
Mortgage company	....	....	....	....	1	1	3,237	.9
Life insurance company	6	11	2,611	39.4	6	28	72,140	21.2
Other insurance company	....	....	....	....	....	....	....	....
Savings bank	3	3	2,124	32.0	6	24	33,105	9.7
Savings and loan association	....	....	....	....	....	....	....	....
Federal agency	1	1	263	4.0	....	....	....	....
All other [2]	1	1	348	5.2	2	2	6,040	1.8
Total	13	19	6,634	100 0	37	128	340,775	100.0

[1] Based on amount of mortgage.
[2] Includes industrial banks, finance companies, investment companies, private and State benefit funds, and endowed institutions.
[3] Less than number and face amount in force due to lag in tabulation.

ment and pension fund systems. Federal agency purchases, exclusively by FNMA, amounted to about $11,000,000, or a little over 1 percent of the total.

The number and original principal amounts of FHA project mortgages sold by the several types of lending institutions last year is also presented in Table 35. Generally speaking, those types of institutions which have been the most active in the original financing of FHA project mortgages were also the leading sellers. State banks—the top ranking lenders in the postwar period—sold more than $440,000,000 of FHA project mortgages in 1951, more than half of the total. Next in rank, but with only one-fourth of total sales, were national banks, followed by mortgage companies which accounted for nearly 1 of every 8 dollars in mortgages sold.

Because of the overwhelming predominance of Section 608 mortgages in transfers last year, purchases and sales of those mortgages are distributed by type of institution in about the same proportions as project mortgages under all sections combined.

In the case of Section 207 and Section 803 mortgages, however, the chief buyers are insurance companies, with savings banks playing a secondary role, while the principal sellers are national banks and mortgage companies.

Holdings.—Table 36 shows the number and original principal amount of FHA-insured project mortgages held in the portfolios of the several types of financial institutions as reported to and tabulated by FHA at the close of 1951. Heaviest investors in FHA project mortgages were life insurance companies with more than $1,100,000,000—about 30 percent of the total amount. Next in rank were savings banks, which held nearly 1 billion dollars worth, or more than one-fourth of the total. State bank holdings of nearly $650,000,000 were the third largest, followed by national banks with over one-third of a billion dollars. Less than 1 percent of the total amount was held by FNMA, the only Federal agency holding FHA project mortgages at the year end.

Inasmuch as Section 608 insurance covered 87 percent of the face amount of the FHA project mortgages in the portfolios of the lending institutions, the different types of institutions ranked almost the same in the proportions of "608's" held as for all sections combined. The largest holdings of Section 207 mortgages were indicated for savings banks, national banks and State banks, in that order, while more than half the Section 213 mortgages were held by State banks. The principal types of institutions holding Section 803 military housing mortgages at the year end were national banks with more than two-fifths, and State banks and life insurance companies, each with more than one-fifth of the total amount.

Characteristics of Rental and Cooperative Projects

The characteristics of the new FHA rental and cooperative projects covered by commitments issued in 1951 are described in the following pages. In this analysis of their characteristics, the projects are classified as follows: the rental housing projects, comprising those approved under Sections 207, 608, and 803; the cooperative projects (both sales and management types) approved under Section 213; and all new projects combined. Nearly 80 percent of the new dwelling units underlying the project commitments issued in 1951 were in rental housing projects—46 percent in Section 803 military housing projects, 20 percent in Section 207 developments, and 12 percent in Section 608 projects. The remaining units were in Section 213 cooperative projects—16 percent in management-type[6] projects and 6 percent in sales-type projects.

A concise summary of the principal characteristics of the loans, projects, and dwelling units covered by FHA project mortgage commitments issued last year is provided by Table 37, with the various characteristics discussed in more detail later in the analysis.

Yearly trends.—Nineteen fifty-one marked the 17th year of FHA insurance activity in the development of large-scale rental housing projects. In Table 38 selected characteristics of the new FHA rental housing projects approved last year are compared with those of previous years, while the trends of these characteristics are shown graphically in Chart XVIII.

New rental projects covered by 1951 commitments were typically the largest in FHA history. The median project (113 units) contained more than twice the number of units in the comparable 1950 project and about 40 units more than the prewar typical project—previously the largest. Although rental projects approved in 1951 under Sections 207 and 608 were on the average appreciably larger than projects committed in other recent years, the major influence was the Section 803 military housing program, which accounted for nearly half of the rental units and involved a typical project of about 265 units.

More than half of all the rental units underlying 1951 commitments were in projects consisting of single-family structures (i. e. row, semidetached, and detached houses). This marked another high in FHA history, while the proportion of units in walk-up projects registered a record low of 35 percent. Here again the predominant influence of the Section 803 military housing program manifested itself, for more than 70 percent of these units were in single-family structures.

As the table and chart show, the typical dwelling unit in FHA rental projects approved last year contained 4.6 rooms—an increase of nearly ½ room over 1950 and the largest number of rooms since 1948. This increase in the size of the typical unit reflects the predominance of single-family structure projects, in which the great bulk of the units contained 5 or more rooms.

Despite the larger size of rental project dwelling units in 1951, the typical monthly rental of $71 was the lowest recorded for FHA rental

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[6] In management-type projects, the cooperator purchases a membership in the cooperative organization which conveys the right to occupy an apartment. In sales-type projects, the cooperative organization constructs single-family homes which on completion are sold individually to the participating members.

TABLE 37.—*Summary of Characteristics of FHA New Rental and Cooperative Projects Covered by FHA Commitments Issued, 1951*

Program	Percent distribution of units by type of structure [1]			Size of project (units)		Median			
	Walk-up	Elevator	1-family	Median	Average	Size of units (rooms)[2]	Monthly rental per unit [2]	Mortgage per unit [2] [3]	Ratio of mortgage to replacement cost
									Percent
Rental housing	35.0	12.8	52.2	112.5	182.4	4.6	$71.10	$7,522	85.5
Sec. 207 projects	55.3	9.7	35.0	42.0	94.6	4.3	63.94	6,043	81.1
Sec. 608 VEH [4] projects	39.6	59.6	.8	116.5	180.1	3.9	87.32	7,910	83.5
Sec. 803 military projects	25.0	2.7	72.3	264.0	309.2	5.1	70.31	7,918	89.4
Cooperative housing—Section 213	31.3	41.6	27.1	184.4	209.1	5.0	[5] 73.96	8,742	85.3
Management-type projects	42.7	56.6	.7	264.0	263.7	4.7	[5] 85.26	8,550	85.0
Sales-type projects	-------	-------	100.0	67.0	133.0	6.0	[5] 65.29	8,927	86.1
All new project housing	34.2	18.9	46.9	133.3	187.4	4.7	72.01	7,776	85.4

[1] Units in projects are classified by predominant type of structure. One-family structures include row, semidetached and detached structures.
[2] Exclusive of data for projects in Alaska covered by commitments issued under the Alaska Housing Act.
[3] Amount of mortgage allocable to dwelling use.
[4] Veterans' Emergency Housing program.
[5] Based on monthly charges, including, in management-type projects, member's prorata share of estimated monthly debt service and project operating and maintenance costs; and in sales-type projects estimated, total monthly mortgage payment (including real estate taxes and hazard insurance) of purchaser-member.

TABLE 38.—*Trend of Characteristics of FHA New Rental Projects and Dwelling Units, 1935–51*

Year [1]	Number of units per project		Number of rooms per dwelling unit		Monthly rental		Mortgage allocable to dwelling use [3]	
	Median	Average	Median	Average	Per unit [2]	Per room [3]	Per unit	Per room
1951	112.5	182.4	4.6	4.4	$71.10	$16.91	$7,133	$1,619
1950	48.6	97.6	4.2	3.9	78.87	20.06	7,140	1,835
1949	41.6	78.4	4.0	3.7	82.49	22.22	7,190	1,940
1948	22.5	51.1	4.7	4.3	87.56	20.13	7,645	1,769
1947	20.3	39.8	4.7	4.4	84.13	[4] 19.00	7,505	1,724
1942–46	41.0	75.9	4.0	3.7	56.45	15.10	4,427	1,187
1935–41	72.2	121.1	3.9	3.7	53.09	14.54	3,725	1,009

Year [1]	Percent of projects with			Percent of dwelling units in		
	Walk-up structures	Elevator structures	1-family [5] structures	Walk-up structures	Elevator structures	1-family [5] structures
1951	49.4	10.1	40.5	35.0	12.8	52.2
1950	59.0	18.0	23.0	40.0	30.8	29.2
1949	68.8	14.0	17.2	58.2	26.7	15.1
1948	84.4	3.1	12.5	76.7	13.1	10.2
1947	85.9	1.1	13.0	83.6	2.7	13.7
1942–46	81.6	------------	18.4	79.4	------------	20.6
1935–41	87.0	9.9	[6] 3.1	84.4	14.0	[6] 1.6

[1] Data for the period 1935–41 are based on mortgages insured under Sec. 207; for the period 1942–46 on mortgages insured under War Housing provisions of Sec. 608; for the years 1947–49 on commitments to insure mortgages under the Veterans' Emergency Housing provisions of Sec. 608; and for 1950–51 on commitments issued under Secs. 207, 608, and 803.
[2] Data shown are medians.
[3] Data shown are arithmetic means.
[4] Estimated.
[5] Includes row, semidetached, and detached structures.
[6] In compilation of Sec. 207 data for this period, row-house projects were classified as walk-ups.

projects approved in the postwar period. On a per-room basis, monthly rentals reported last year averaged about $17, some $3 less than in 1950 and $5 under the postwar high reported in 1949. Compared with the prewar Section 207 projects, the monthly rental for the 1951 units averaged only about $2.50 more per room. (Table 38 and Chart XVIII.)

TREND OF CHARACTERISTICS OF FHA NEW RENTAL PROJECTS AND DWELLING UNITS, 1935 – 1951

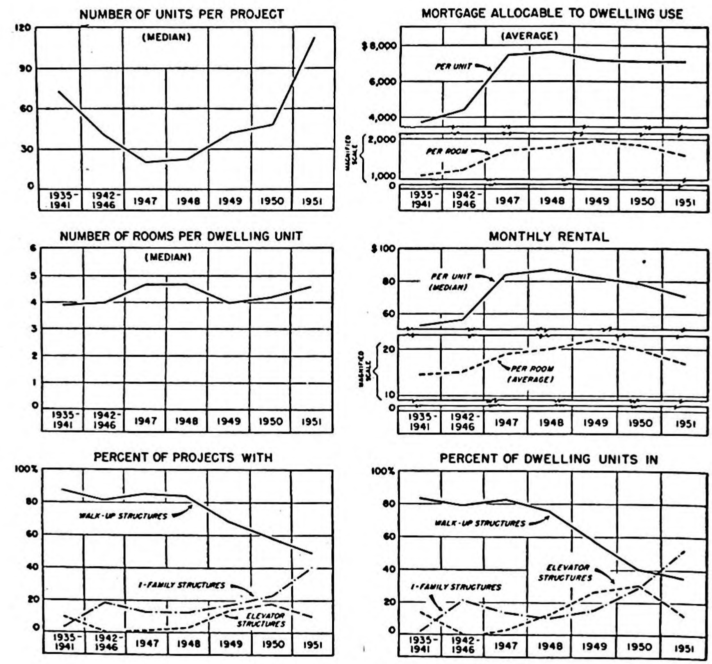

CHART XVIII

The lower level of the rentals reported for the 1951 rental projects is due principally to the high proportions of units under all sections provided in single-family structures with rents which generally represent only shelter rent. This is in contrast to the higher rentals for walk-up and elevator apartments, which ordinarily cover heat, hot water, ranges, refrigerators, janitor and grounds maintenance services, and often electricity and gas for lighting, cooking, and refrigeration purposes.

The average amounts of mortgage allocable to dwelling purposes on a unit and room basis reflect primarily the influence of construction costs on mortgage financing. FHA's credit restriction regulations on rental project financing—in line with Regulation X of the Federal Reserve Board—had only a very limited effect on the mortgage amounts of projects approved in 1951[7] The Section 608 projects and the Section 803 military housing projects, accounting for nearly 75 percent of the aggregate mortgage amount, and the Section 207

TABLE 39.—*Type of Project for New Rental and Cooperative Projects Securing Mortgages Committed for FHA Insurance, 1951*

Type of project by type of structure	All projects	Rental housing				Cooperative housing, Sec. 213		
		All rental projects	Sec. 207 projects	Sec. 608 VEH projects	Sec. 803 military projects	All cooperative projects	Management-type projects	Sales-type projects
	Percentage distributions of projects							
Walk-up structures, total	44.5	49.4	63.0	57.1	26.5	23.6	40.6	--------
1- and 2-story combined	1.7	2.2	.8	--------	4.8	--------	--------	--------
2-story	35.2	38.0	47.1	45.7	21.7	23.6	40.6	--------
2- and 3-story combined	3.8	4.6	9.2	--------	--------	--------	--------	--------
3-story	3.8	4.6	5.9	11.4	--------	--------	--------	--------
Elevator structures	14.1	10.1	6.7	40.0	2.4	30.9	53.1	--------
One-family structures, total	41.4	40.5	30.3	2.9	71.1	45.5	6.3	100.0
Row house	21.6	26.6	26.9	--------	37.4	--------	--------	--------
Semidetached	8.5	10.5	3.4	2.9	24.1	--------	--------	--------
Detached	11.3	3.4	--------	--------	9.6	45.5	6.3	100.0
All types	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Percentage distributions of units							
Walk-up structures, total	34.2	35.0	55.3	39.6	25.0	31.3	42.7	--------
1- and 2-story combined	1.9	2.4	.2	--------	4.0	--------	--------	--------
2-story	30.4	30.2	47.9	35.7	21.0	31.3	42.7	--------
2- and 3-story combined	1.0	1.3	5.1	--------	--------	--------	--------	--------
3-story	.9	1.1	2.1	3.9	--------	--------	--------	--------
Elevator structures	18.9	12.8	9.7	59.6	2.7	41.6	56.6	--------
One-family structures, total	46.9	52.2	35.0	.8	72.3	27.1	.7	100.0
Row-house	24.5	31.0	31.9	--------	38.1	--------	--------	--------
Semidetached	10.3	13.1	3.1	.8	20.5	--------	--------	--------
Detached	12.1	8.1	--------	--------	13.7	27.1	.7	100.0
All types	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[7] Pursuant to objectives of Regulation X of the Federal Reserve Board as amended January 12, 1951, to include multifamily dwellings, the FHA limited the maximum amounts of rental project mortgages covered by applications received on or after that date to 83 percent of the first $7,000 of the cost or value per family unit (as estimated by FHA) plus 53 percent of the remainder. Military housing and projects outside the continental United States were exempted. The maximum loan-to-cost ratio for Section 213 management-type cooperative projects was 83 percent and could be increased to a maximum of 88 percent if tne World War II veteran participation equaled or exceeded 65 percent. Sales-type projects were subject to the home mortgage limitations described elsewhere in this report.

projects programed as defense housing or covered by pre-regulation applications were not subject to the credit restrictions.

The average mortgage amount per room—a more reliable measure of the general trend than the average per unit because of variation in the sizes of typical units from year to year—reached a postwar low of $1,619 in 1951, a decline of more than 10 percent from the previous year.

Type of project.—Table 39 and Chart XIX show that walk-up buildings and single-family houses were the most popular types of structures in all new FHA projects approved last year, with the latter type accounting for the largest share (47 percent) of the units. Less than one-fifth of the units were provided in elevator projects.

In the rental housing projects, the concentration of units in one-family structures was even more pronounced, principally due to the predominance of the Section 803 projects. More than 7 out of 10 of the military dwellings and, consequently, more than half of all rental units were in row, semidetached, or detached houses.

The largest proportion (42 percent) of the units in the Section 213 cooperative projects were in elevator projects, compared with about 30 percent in walk-up buildings and 27 percent in single-family detached houses.

DISTRIBUTION OF PROJECTS AND DWELLING UNITS BY TYPE OF PROJECT, 1951

FHA COMMITMENTS TO INSURE NEW PROJECT MORTGAGES UNDER SECTIONS 207, 608, 803 & 213

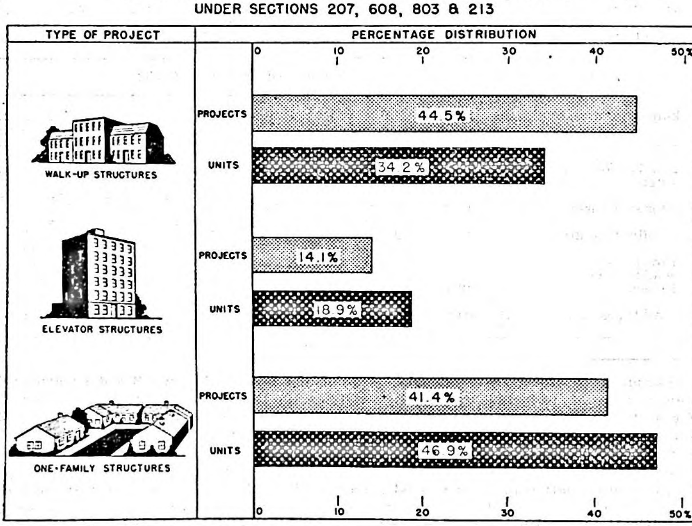

CHART XIX

Size of project.—More than half of the new FHA projects covered by 1951 commitments contained 100 or more units, and nearly 40 percent had 200 units or more (Table 40 and Chart XX). Projects ranged in size from 8 to 815 units, with the typical project having 133 units.

TABLE 40.—*Size of Project for New Rental and Cooperative Projects Securing Mortgages Committed for FHA Insurance, 1951*

Number of dwelling units per project	All projects	Rental housing				Cooperative housing Sec. 213		
		All rental projects	Sec. 207 projects	Sec. 608 VEH projects	Sec. 803 military projects	All cooperative projects	Management-type projects	Sales-type projects
	Percentage distributions of projects							
8 to 9	0.7	0.8	-----	5.7	-----	-----	-----	-----
10 to 24	19.6	22.8	42.1	11.4	-----	5.5	6.3	4.4
25 to 49	9.6	9.3	13.4	8.6	3.6	10.9	3.1	21.7
50 to 99	14.7	15.2	19.3	20.0	7.2	12.7	3.1	26.1
100 to 149	8.2	7.6	4.2	11.4	10.9	10.9	9.4	13.0
150 to 199	8.9	7.6	5.0	11.5	9.6	14.5	12.5	17.4
200 to 299	14.4	13.5	9.2	5.7	22.9	18.2	25.0	8.7
300 to 399	10.6	9.7	3.4	5.7	20.5	14.5	25.0	-----
400 to 499	5.1	4.6	-----	14.3	7.2	7.3	12.5	-----
500 or more	8.2	8.9	3.4	5.7	18.1	5.5	3.1	8.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median number of units per project	133.3	112.5	42.0	116.5	264.0	184.4	264.0	67.0
	Percentage distributions of units							
8 to 9	(1)	(1)	-----	0.3	-----	-----	-----	-----
10 to 24	1.9	2.3	8.1	1.2	-----	0.3	0.3	0.4
25 to 49	2.0	2.0	5.3	2.1	0.5	2.0	.5	6.1
50 to 99	5.5	6.1	13.3	8.0	2.5	3.4	.7	10.7
100 to 149	5.7	5.5	7.7	7.9	4.0	6.5	4.2	12.8
150 to 199	9.0	8.2	9.8	10.5	6.9	12.0	8.4	21.8
200 to 299	19.9	19.4	24.3	7.3	20.3	21.6	23.9	15.5
300 to 399	19.6	18.1	11.6	11.3	22.5	25.4	34.6	-----
400 to 499	12.0	11.0	-----	33.9	10.2	15.7	21.4	-----
500 or more	24.4	27.4	19.9	17.5	33.1	13.1	6.0	32.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average number of units per project	187.4	182.4	94.6	180.1	309.2	209.1	263.7	133.0

[1] Less than 0.05 percent.

Rental housing projects tended to be smaller than the cooperative projects under Section 213, as evidenced by the respective medians of 113 and 184 units. Rental projects approved under Section 207 and sales-type cooperative projects under Section 213 were typically the smallest (medians of 42 units and 67 units, respectively), while the largest projects were the military housing developments under Section 803 and the Section 213 management-type cooperatives, each with a median project of 264 units.

About three-fourths of the units—both rental housing and cooperative—were in projects of 200 or more units. In Section 803 military housing the proportion was as high as 7 out of 8 units, with projects of 500 or more units providing one-third of the total. Approximately the same proportion of the sales-type cooperative dwellings were in projects of 500 or more units.

Chart XX, showing combined data for all new FHA projects approved in 1951, indicates that only in walk-up projects were the smaller-size projects significant—one-third having less than 25 units, contrasted with only 5 percent of the elevator and 10 percent of the

DISTRIBUTION OF PROJECTS AND UNITS BY SIZE OF PROJECT, 1951
FHA COMMITMENTS TO INSURE NEW PROJECT MORTGAGES
UNDER SECTIONS 207, 608, 803 AND 213

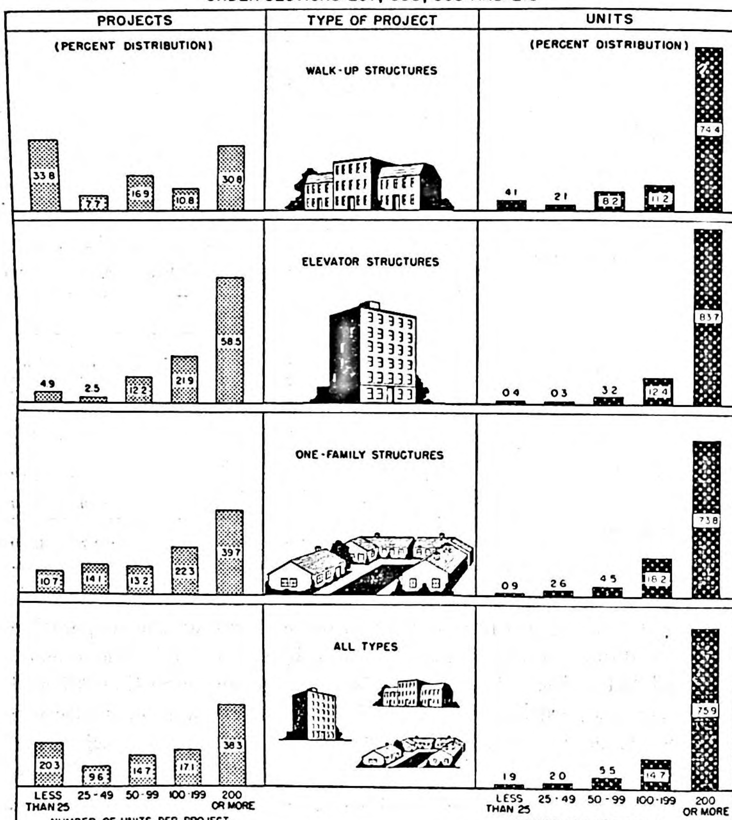

CHART XX

one-family structure projects. Elevator projects were decidedly the largest, with nearly 60 percent of the projects falling in the 200 or more unit category. In walk-up and single-family structure projects, the comparable proportions were 31 percent and 40 percent, respectively.

The chart shows that the largest projects, irrespective of type of structure, accounted for a preponderance of the units—5 out of 6 elevator apartments, 3 of every 4 walk-up units, and 3 of every 4 units in single-family dwellings reported in projects containing 200 or more units.

Mortgage allocable to dwellings.—The typical dwelling in new FHA projects approved in 1951 secured a mortgage of $7,800, involving medians of $7,500 for rental units and $8,700 for Section 213 cooperative projects. For the individual programs, the medians ranged from $6,043 for Section 207 to $8,550 for management-type apartments and $8,927 for sales-type dwellings under Section 213. In both Section 608 and Section 803 projects, the typical unit mortgage amounted to about $7,900.

Table 41 shows that half of the rental housing units were in projects with mortgages attributable to dwelling purposes averaging between $7,500 and $8,499 per unit, about one-third being in the $6,000 to $7,499 range, while nearly one-sixth had mortgages of less than $6,000. Only 2 percent of the rental unit mortgages averaged more than $8,100, and all of these were in military housing projects approved under Section 803—the only FHA rental project section under which project mortgages may be in excess of $8,100 per unit.

Of the rental project programs, only Section 207 was substantially affected by the FHA credit restrictions on project mortgages imposed concurrently with the amendments to Regulation X on January 12, 1951. These restrictions did not apply to military housing, thus exempting Section 803 projects, nor to applications received prior to the date of credit controls, thus exempting Section 608 applications for new commitments. Only a very small number of Section 207 projects—either programed as defense housing or covered by applications received prior to the date of controls—were exempted. Consequently, the largest proportion of units with mortgages in the lower amount brackets were found in Section 207 projects, where 3 of every 8 units averaged less than $6,000 and 3 of 4 less than $6,500. Also contributing to the lower unit mortgage amounts under this section were legislative provisions limiting the mortgages to $7,200 per unit

TABLE 41.—*Mortgage Allocable to Dwellings for New Rental and Cooperative Projects Securing Mortgages Committed for FHA Insurance, 1951* [1]

Average amount of mortgage per dwelling unit [2]	All projects	Rental housing				Cooperative housing Sec. 213		
		All rental projects	Sec. 207 projects	Sec. 608 VEH projects	Sec. 803 military projects	All cooperative projects	Management-type projects	Sales-type projects [3]
	Percentage distributions of projects							
Less than $4,000	1.9	2.1	4.3	--------	--------	--------	--------	--------
$4,000 to $4,999	3.4	3.9	6.9	--------	1.2	--------	--------	--------
$5,000 to $5,999	13.6	15.4	25.2	--------	8.4	--------	--------	--------
$6,000 to $6,499	11.3	12.9	20.9	11.4	2.4	--------	--------	--------
$6,500 to $6,999	12.8	14.6	19.1	11.4	9.6	--------	--------	--------
$7,000 to $7,499	14.0	15.9	20.1	5.7	14.5	--------	--------	--------
$7,500 to $7,999	12.4	14.2	2.6	31.5	22.9	--------	--------	--------
$8,000 to $8,499	19.2	20.6	.9	40.0	39.8	9.4	9.4	--------
$8,500 to $8,999	10.2	.4	--------	--------	1.2	81.2	81.2	--------
$9,000 to $9,999	.8	--------	--------	--------	--------	6.3	6.3	--------
$10,000 or more	.4	--------	--------	--------	--------	3.1	3.1	--------
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	--------
	Percentage distributions of units [4]							
Less than $4,000	1.3	1.7	6.5	--------	--------	--------	--------	--------
$4,000 to $4,999	.8	1.0	2.3	--------	0.7	--------	--------	--------
$5,000 to $5,999	10.7	13.6	28.5	--------	10.5	--------	--------	--------
$6,000 to $6,499	9.4	11.7	37.6	8.6	1.4	0.7	--------	2.8
$6,500 to $6,999	8.0	9.8	10.4	12.2	8.9	1.5	--------	5.7
$7,000 to $7,499	9.3	11.2	12.2	4.2	12.4	2.1	--------	8.0
$7,500 to $7,999	18.9	23.4	1.1	45.2	27.6	2.0	--------	7.6
$8,000 to $8,499	22.9	27.4	1.4	29.8	38.1	5.9	6.2	5.2
$8,500 to $8,999	16.6	.2	--------	--------	.4	77.9	93.0	36.0
$9,000 to $9,999	1.3	--------	--------	--------	--------	6.3	.3	22.7
$10,000 or more	.8	--------	--------	--------	--------	3.6	.5	12.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median amount [5]	$7,776	$7,522	$6,043	$7,910	$7,918	$8,742	$8,550	$8,927

[1] Exclusive of projects in Alaska covered by commitments issued under Alaska Housing Act.
[2] Dwelling units not producing income, e. g., janitor units, are included in computation of this average.
[3] Data on project distributions are not significant.
[4] Data based on the average unit amount per project for all projects except Sec. 213 sales-type, the data for which are based on the estimated mortgage amounts for the individual homes.
[5] Based on dwelling unit distribution.

for those projects in which the average unit contained less than 4½ rooms. This limitation was eased in September 1951 by lowering the average to 4 rooms, but about three-fourths of the Section 207 units had been approved prior to that time.

While the credit restrictions were also applicable to Section 213 projects, the effect was not nearly as marked as in the case of those processed under Section 207. Of the management-type units approved in 1951, less than 1 percent were subject to the Regulation X credit controls—nearly all applications for these commitments having been filed prior to the effective date of Regulation X. In the sales-type projects, 30 percent of the units were covered by applications filed prior to the date of Regulation X and another 27 percent were submitted under the liberalized controls effective in September 1951 for single-family houses.

The mortgage amount distributions shown in Table 41 for the cooperative housing projects tend, therefore, to reflect the legislative maximum mortgage amounts specified in Section 213. More than 90 percent of the management-type apartments were in projects with mortgages averaging between $8,500 and $8,999. Mortgage amounts indicated for the sales-type dwellings covered a wider range—more than 60 percent having mortgages of $8,000 to $9,999; one-fourth, mortgages of $6,000 to $7,999; and 12 percent, mortgages of $10,000 or more.

The relationship between the type of project and the average amount per unit of that portion of the mortgage which is allocable to dwellings is depicted in Chart XXI. Projects consisting of single-family structures not only had the largest proportion of units in the less than $6,000 category (17.3 percent), but also had the highest proportion in the $9,000 or more group—the latter all representing homes in Section 213 sales-type cooperatives. Nearly a third of the one-family dwellings had mortgages of $7,000 to $7,999, while another group nearly as large involved mortgages of $8,000 to $8,999. Almost three of every five elevator apartments were in projects with mortgages averaging $8,000 to $8,999, with another third in the $7,000 to $7,999 range. In walk-up projects, the mortgages secured by two-fifths of the units averaged less than $7,000 and a like proportion had mortgages of from $8,000 to $8,999.

Excluded from Table 41 and Chart XXI are data on the Alaska projects covered by commitments issued in 1951—all under Section 207 In recognition of substantially higher construction costs in this territory, the Alaska Housing Act, as approved April 23, 1949, provided that mortgage amounts per unit for Alaska projects could average as much as one-third more (one-half more after September 1, 1951) than the maximums specified under the several home and project mortgage sections of the National Housing Act. Mortgages on Alaska projects covered by commitments made in 1951 typically involved a mortgage amount of $10,800.

Ratio of mortgage amount to replacement cost.—Mortgage funds provided about 85 percent of the estimated replacement cost of the typical dwelling in the new rental and cooperative projects approved by FHA last year. Under the various programs, the median mortgage-to-cost ratios ranged from 81 percent for Section 207 rental projects to 89 percent for Section 803 military housing, compared with medians of 84 percent for Section 608, and 85 and 86 percent respectively for management-type and sales-type cooperative projects under Section 213 (See Table 42).

In Section 207 projects representing more than two-fifths of the units, the mortgage-to-cost ratio was less than 80 percent, while only

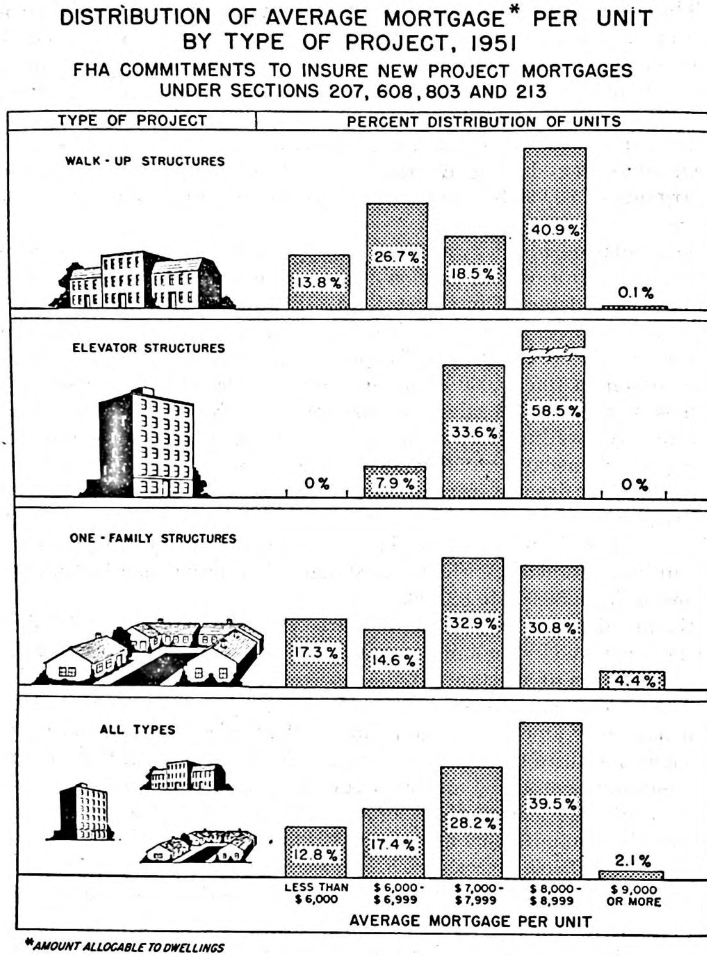

CHART XXI

2 percent of the units were in projects where the mortgage amounted to 85 percent or more of the cost. The predominance of the lower ratio mortgages in Section 207 projects is due principally to the higher equity requirements imposed by the FHA as a result of Regulation X controls, virtually four-fifths of the units being limited to the maximum ratio permitted under these controls.

TABLE 42.—*Ratio of Mortgage Amount to Replacement Cost for New Rental and Cooperative Projects Securing Mortgages Committed for FHA Insurance, 1951*

Mortgage as a percent of replacement cost	All projects	Rental housing				Cooperative housing Sec. 213		
		All rental projects	Sec. 207 projects	Sec 608 VEH projects	Sec. 803 military projects	All cooperative projects	Management-type projects	Sales-type projects
	Percentage distributions of projects							
Less than 70	6.5	8.0	15.1	2.9	-----	-----	-----	-----
70 to 74.9	15.1	18.1	32.8	11.4	-----	1.8	3.1	-----
75 to 79.9	13.4	15.6	24.4	11.4	4.8	3.6	-----	8.7
80 to 82.4	10.9	13.5	18.5	8.6	8.5	-----	-----	-----
82.5 to 84.9	15.4	11.4	5.0	40.0	8.5	32.7	53.2	4.3
85.0 to 87.4	11.6	5.5	1.7	14.3	7.2	38.2	28.1	52.2
87.5 to 89.9	16.8	16.5	.8	11.4	40.9	18.2	15.6	21.7
90.0 [1]	10.3	11.4	1.7	-----	30.1	5.5	-----	13.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Percentage distributions of units							
Less than 70	1.5	1.8	7.0	0.2	-----	-----	-----	-----
70 to 74.9	4.1	5.1	19.0	1.3	-----	0.1	0.1	-----
75 to 79.9	8.8	8.8	18.1	10.3	4.5	8.7	-----	32.7
80 to 82.4	13.7	17.3	46.0	3.0	8.2	-----	-----	-----
82.5 to 84.9	20.0	15.5	7.8	60.7	7.7	36.9	49.8	1.4
85.0 to 87.4	13.2	6.9	.6	18.0	6.9	36.9	34.5	43.7
87.5 to 89.9	22.7	24.5	1.0	6.5	39.2	16.4	15.6	18.5
90.0 [1]	16.0	20.1	.5	-----	33.5	1.0	-----	3.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median ratio [2]	85.4	85.5	81.1	83.5	89.4	85.3	85.0	86.1

[1] Maximum ratio of 95 percent permitted under Sec. 213.
[2] Based on dwelling unit distribution.

Another factor effecting lower mortgage-to-cost ratios in Section 207 projects is the statutory requirement that the basis for determining maximum mortgage amount shall be the FHA estimate of the value of the project. Since value may not exceed replacement cost, the ratios of mortgage-to-cost must average less than the ratios of mortgage to value for the same commitments. In the following table, the Section 207 units covered by 1951 commitments are distributed by the ratio of mortgage amount to FHA estimate of project value:

Mortgage as percent of value	*Percent distribution*
Less than 70.0	-----
70 to 79.9	20.6
80 to 82.9	49.9
83.0	8.5
83.1 to 89.9	10.2
90.0	10.8
Total	100.0

Irregular intervals in the above distribution emphasize the tendency for the greater number of the Section 207 units to cluster about the 83 percent ratio—the maximum for projects subject to credit controls. (See description of credit restrictions in footnote 7.)

In Section 803 military housing projects, exempt from credit controls, the mortgages for nearly two-fifths of the units averaged between 87½ and 90 percent of the replacement cost, while the maximum 90 percent ratio was reported for projects with one-third of the units. Although not subject to Regulation X restrictions, only one-fourth of the Section 608 units had mortgage-to-cost ratios of 85 percent or more and none were in the maximum 90 percent category. The mortgages for most of the units (61 percent) averaged between 82.5 and 84.9 percent of the current replacement cost. A partial explanation of the concentration of the units in this ratio bracket is the rise in construction costs since December 31, 1947, inasmuch as the replacement cost estimate used in determining maximum mortgage amounts for Section 608 projects may not exceed the cost as of that date.

Table 42 shows that nearly three-fourths of the units in Section 213 cooperative projects approved in 1951 had mortgages averaging between 82.5 and 87.4 percent of replacement cost. Nearly half of the apartments in management-type projects were in the interval from 82.5 to 84.9 percent, while the bulk of the sales-type dwellings (44 percent) had mortgage-to-cost ratios of 85.0 to 87.4 percent. Inasmuch as virtually all the management-type units were exempt from Regulation X controls and veteran participation equaled or exceeded 65 percent of the total membership in most projects,[8] it would appear that it was the higher construction costs of these projects that resulted in the relatively low proportion of units at or near the maximum ratios.

Among units in sales-type cooperatives, two-thirds had loan-cost ratios of 85 percent or more. The combined effect of credit restrictions and low veteran participation, however, is apparent with respect to one-third of the dwellings which had mortgage-to-cost ratios of 75 to 79.9 percent. Veterans represented about 41 percent of the total membership in the sales-cooperatives, compared with 69 percent in the management projects.

Size of dwelling unit.—Reflecting the larger size of the dwellings in military units and cooperative housing projects, the typical dwelling unit in new FHA projects approved in 1951 had 4.7 rooms. In the rental projects the median was 4.6 rooms compared with the slightly larger 5.0 rooms for cooperative projects.

Table 43 shows that the most popular units in the rental projects were those with 4, 4½ or 5 rooms. About 10 percent had 6 rooms or

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[8] Under Section 213, the maximum loan-cost ratio is restricted by the legislation to 90 percent, except that this maximum ratio is increased by 0.05 percent for each 1 percent of the membership of the cooperative which consists of veterans; or, if at least 65 percent of the membership consists of veterans, the maximum loan-cost ratio is increased to 95 percent.

TABLE 43.—*Size of Dwelling Unit for New Rental and Cooperative Projects Securing Mortgages Committed for FHA Insurance, 1951* [1]

Number of rooms per unit [2]	All projects	Rental housing				Cooperative housing Sec. 213		
		All rental projects	Sec. 207 projects	Sec. 608 VEH projects	Sec. 803 military projects	All cooperative projects	Management-type projects	Sales-type projects
	Percentage distributions of units							
Less than 3	2.9	3.6	3.9	16.6	0.3			
3	4.7	5.6	4.7	10.2	4.9	1.2	1.6	
3½	11.8	8.5	6.3	28.7	4.5	24.3	33.5	
4	22.9	28.4	64.1	15.3	16.3	1.4	.3	4.3
4½	17.6	16.1	16.2	17.1	15.8	23.6	32.5	
5	23.8	23.1	3.9	12.1	34.1	26.3	24.2	31.9
5½	4.3	4.1	.1		6.8	5.3	7.4	
6 or more	12.0	10.6	.8		17.3	17.9	.5	63.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median (rooms)	4.7	4.6	4.3	3.9	5.1	5.0	4.7	6.0

[1] Exclusive of projects in Alaska covered by commitments issued under the Alaska Housing Act.
[2] FHA room count excludes baths, closets, halls, and similar spaces.

more and slightly less than this proportion contained 3 rooms or less. In Section 207 projects, the medium-size units predominated—nearly 65 percent having 4 rooms—while the majority of the Section 608 units (56 percent) contained 3½ rooms or less, a reflection of the heavy proportion of elevator apartments in these projects. Relatively few of the smaller units were found in the Section 803 military housing projects, where nearly 9 of every 10 units provided 4 rooms or more, and 3 of every 5 had 5 rooms or more. A predominance of single-family structures in military housing is a concomitant of the larger size of the units.

In cooperative housing projects, the principal dwelling sizes were 3½, 4½, and 5 rooms, each representing about a fourth of the total, while slightly less than one-fifth of the units had 6 rooms.

In management-type projects, which consisted almost exclusively of elevator and walk-up structures, one-third of the units contained 3½ rooms, another third 4½ rooms, and nearly one-fourth had 5 rooms. Almost 5 of every 8 sales-cooperative dwellings were 6-room houses, and almost one-third had 5 rooms.

Chart XXII reveals an unusually high proportion of larger-size units in the walk-up and elevator projects approved by FHA last year. About one-third of the walk-up dwellings had 5 rooms or more, while almost the same proportion of the elevator apartments contained 4½ rooms—reflecting the relatively large numbers of units of these sizes in the Section 213 management cooperative projects of the walk-up and elevator type. Nearly 3 of every 5 single-family dwellings contained 5 rooms or more and only about 5 percent contained 3½ rooms

SIZE OF DWELLING UNIT BY TYPE OF PROJECT, 1951
FHA COMMITMENTS TO INSURE NEW PROJECT MORTGAGES
UNDER SECTIONS 207, 608, 803 AND 213

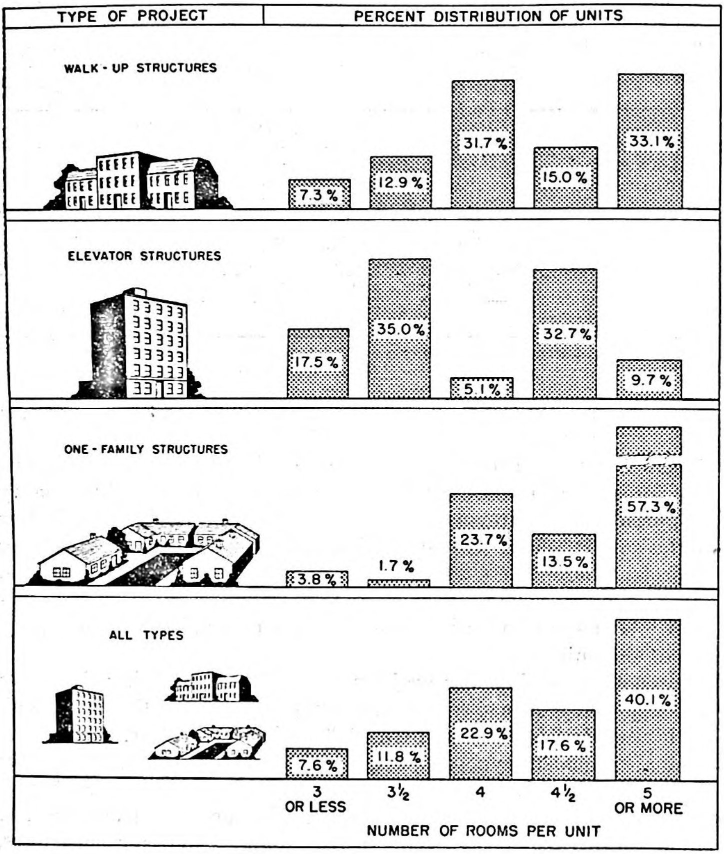

CHART XXII

or less. On the other hand, the bulk of the elevator apartments were small, with more than half containing 3½ rooms or less.

Monthly rental.—Table 44 and Chart XXIII show the distributions of the monthly rentals and charges for dwelling units in the rental and cooperative projects covered by FHA commitments issued in 1951. These data are based on estimates prepared in connection with the FHA underwriting analysis of project mortgage cases, which are generally representative of the actual rentals or charges, although adjustments may be made if justified by changes in construction or operating costs.

In management-type cooperative projects, monthly charges represent each member's pro rata share of the estimated monthly amount of debt service (payment of mortgage principal, taxes, interest and FHA insurance premium), project operating and maintenance costs (includ-

TABLE 44.—*Monthly Rental for New Rental and Cooperative Projects Securing Mortgages Committed for FHA Insurance, 1951* [1]

Monthly rental per dwelling unit	All projects	Rental housing				Cooperative housing, Sec. 213 [2]		
		All rental projects	Sec. 207 projects	Sec. 608 VEH projects	Sec. 803 military projects	All cooperative projects	Management-type projects	Sales-type projects
	Percentage distributions of units							
Less than $50	2.3	2.7	2.3		3.6	0.7		2.7
$50 to 59.99	12.8	13.6	15.0	0.4	16.2	10.0	1.7	31.8
$60 to 69.99	29.4	31.1	47.2	10.2	29.3	22.4	8.5	59.2
$70 to 79.99	21.4	20.6	5.7	27.3	25.3	24.5	31.4	6.3
$80 to 89.99	14.1	11.6	6.7	14.3	13.1	23.6	32.6	
$90 to 99.99	10.0	8.8	7.7	12.5	8.4	14.7	20.3	
$100 to 109.99	3.6	3.7	5.2	3.4	3.1	3.4	4.6	
$110 to 124.99	4.7	5.7	8.7	20.1	.9	.7	.9	
$125 or more	1.7	2.2	1.5	11.8	.1			
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median rental	$72.01	$71.10	$63.94	$87.32	$70.31	$73.96	$85.26	$65.29

[1] Exclusive of projects in Alaska covered by commitments issued under the Alaska Housing Act.
[2] Data based on monthly charges, including, in management-type projects, member's prorata share of estimated amount of monthly debt service and project operating and maintenance costs; and, in sales-type projects, estimated total monthly mortgage payment (including real estate taxes and hazard insurance) of purchaser-member.

ing reserves for replacements), and a general operating reserve to cover delinquent payments and vacancies. The monthly charge in a sales-type project is the estimated total monthly mortgage payment (of principal, interest, FHA insurance premium, real estate taxes and hazard insurance) for the house being purchased by each member of the cooperative.

The typical monthly rental for rental projects approved in 1951 was $71, compared with typical monthly charges of $74 for the cooperative projects. Over half of all project units had monthly rents or charges of $60 to $79, with one-fourth in the $80 to $99 range, 15 percent at less than $60, and only 10 percent costing $100 or more.

The lowest median rental—$64—was reported for the Section 207 projects, in which 70 percent of the units were proposed to rent for less than $80 monthly, more than one-sixth for less than $60. In Section 608 projects, on the other hand, 35 percent of the units had reported rentals of $100 or more, 38 percent rentals of $60 to $79, and one-fourth rentals of $80 to $99. About 1 of every 5 units in Section 803 military projects was approved for a rental of less than $60, with more than half in the $60 to $79 range and less than 5 percent renting for $100 or more.

Monthly charges for approximately 70 percent of the Section 213 cooperative housing units ranged from $60 to $89, with an almost equal distribution in the $60 to $69, $70 to $79, and $80 to $89 intervals. About 10 percent of the units had charges of less than $60, while only 4 percent of the units were to cost members $100 or more monthly.

MONTHLY RENTAL BY TYPE OF PROJECT, 1951

FHA COMMITMENTS TO INSURE NEW PROJECT MORTGAGES
UNDER SECTIONS 207, 608, 803, & 213

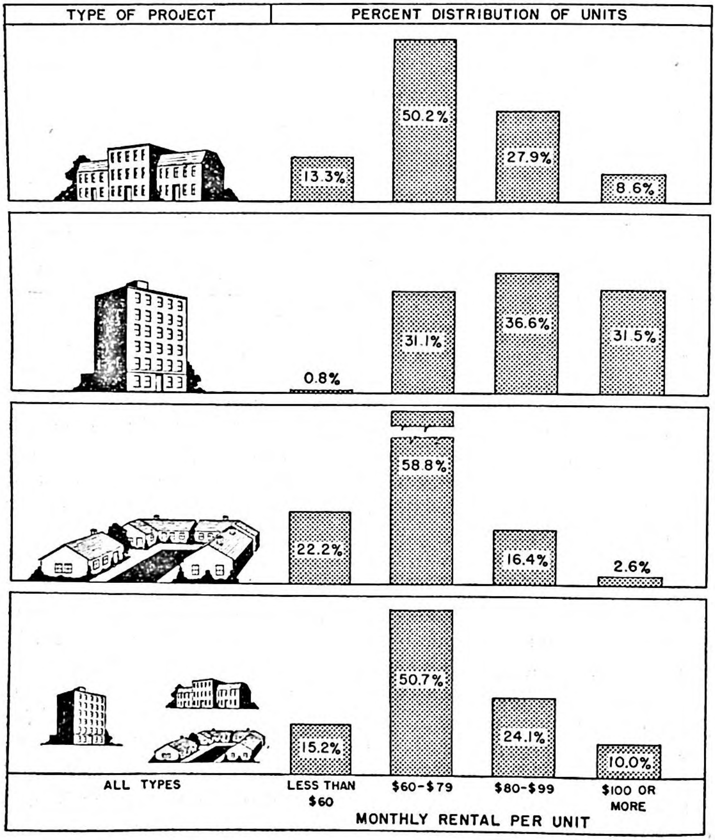

Chart XXIII

Management-type cooperative projects had typical monthly charges of $85, compared with $65 for the sales-type developments. Monthly charges for the bulk of the management project units ranged from $70 to $99—30 percent from $70 to $79, one-third from $80 to $89, and one-fifth from $90 to $99. In the sales-type projects, nearly 95 percent of the members were to pay less than $70 monthly—almost 60 percent $60 to $69, 32 percent $50 to $59, and nearly 3 percent less than $50 monthly.

Chart XXIII indicates that monthly rents and charges in elevator projects were higher than for other types of projects. Nearly 32 percent of the elevator units had rents or charges of $100 or more, as contrasted with only 9 percent of the walk-up units and less than 3 percent of the one-family dwellings. Conversely, the monthly rentals or charges for single-family dwellings tended to be appreciably lower—1 of 5 approved for a rent or charge of less than $60, and 4 of 5 for rents and charges of less than $80. Walk-up project rents and charges were somewhat higher than for the one-family units, with half of the units in the $60 to $79 and 28 percent in the $80 to $99 ranges.

Higher construction costs and provision of more equipment, services, and utilities are the principal reasons for higher elevator rents and charges. In all elevator projects approved in 1951, ranges, refrigerators, laundry facilities, heat, hot and cold water, janitor service, and grounds maintenance were furnished the tenants as part of the rentals or charges. Current for lighting, and gas or electricity for cooking and refrigeration were also included in the rentals and charges of almost one-third of the elevator apartments.

The lower rent level for single-family projects reflects the location of most of the dwellings in the South and Southwest, where less costly types of construction can be utilized and also reflects the fact that only a minimum amount of equipment, services, and utilities is generally provided for single-family units. Heat and hot water, which are commonly covered by rentals of apartment units, were excluded from the rentals of more than 80 percent of the dwellings in single-family structure projects.

Monthly rentals and charges of about half of the walk-up apartments included the full complement of range, refrigerator, heat, hot and cold water, laundry facilities, and janitor and grounds maintenance services. In another 45 percent of these units, either a range and refrigerator or heat and hot water, but not both combinations, were covered in the rent in addition to cold water, laundry facilities, and janitor and grounds maintenance services which were included in all walk-up projects.

Data on the sizes of units and monthly rentals for the Alaska projects approved in 1951, excluded from Tables 43 and 44 and from Charts XXII and XXIII, are presented in the following table:

Number of units	Size of unit	Monthly rental	Number of units	Size of unit	Monthly rental
12	3 rooms	$102.50	48	4½ rooms	$125.00
20	3 rooms	120.00	76	4½ rooms	132.50
20	3½ rooms	122.50	40	5½ rooms	142.50

These data reflect the impact of high construction and operating costs on the Alaska rental housing market.

With the exception of the 48 units of 4½ rooms which were in row houses, all of the Alaska apartments were in walk-up structures. The full complement of equipment, services, and utilities (excluding cooking and lighting) was included in the rent of the walk-up units, but the tenants of the row houses had to furnish their own heat and hot water.

Averages of selected characteristics by incomes of cooperative project members.—Table 45 shows, by members' monthly income groups, averages of selected characteristics of the apartments in the Section 213 management cooperative projects approved last year. Comparable information for the Section 213 sales-type projects is presented in Table 46. (Note: The data in these tables are arithmetic means, and

TABLE 45.—*Average Characteristics by Monthly Income of Members for Management-type Cooperative Projects Securing Mortgages Committed for FHA Insurance under Sec. 213, 1951*

Member's effective monthly income [4]	Percentage distribution	Average: Member's monthly income [1]	Average: Monthly charges [2]	Average: Total monthly housing expense [3]	Average: Number of rooms [4]	Average: Number of bedrooms	Monthly charges (As a percent of monthly income)	Monthly housing expense (As a percent of monthly income)
Less than $200	[5] 0.1							
$200 to $249.99	1.4	$230.97	$67.86	$72.89	3.7	1.2	29.4	31.6
$250 to $299.99	7.1	281.11	71.36	75.49	3.7	1.2	25.4	26.9
$300 to $349.99	15.0	325.46	76.06	81.39	4.0	1.5	23.4	25.0
$350 to $399.99	18.7	375.41	81.71	88.05	4.3	1.7	21.8	23.5
$400 to $449.99	18.3	420.90	84.59	90.93	4.5	1.9	20.1	21.6
$450 to $499.99	13.0	472.14	85.73	91.89	4.7	1.9	18.2	19.5
$500 to $599.99	15.1	544.40	85.84	92.73	4.6	1.9	15.8	17.0
$600 to $799.99	8.7	669.04	88.53	96.25	4.7	2.1	13.2	14.4
$800 to $999.99	1.9	871.08	88.36	95.89	4.6	2.0	10.1	11.0
$1,000 or more	.7	1,254.26	93.27	102.78	4.8	2.2	7.4	8.2
Total	100.0	446.36	82.39	88.62	4.4	1.8	18.5	19.9

[1] Estimated amount of member's earning capacity that is likely to prevail during approximately the first third of the mortgage term.
[2] Member's pro-rata share of estimated amount of monthly debt service and project operating and maintenance costs.
[3] Monthly charges plus personal benefit expense (generally, cost of cooking and lighting utilities, minor repairs, and maintenance of member's own apartment).
[4] FHA room count excludes baths, closets, halls, and similar spaces.
[5] Data not significant.

TABLE 46.—*Average Characteristics by Monthly Income of Members for Sales-type Cooperative Projects Securing Mortgages Committed for FHA Insurance under Sec. 213, 1951*

Member's effective monthly income [1]	Percentage distribution	Average						Monthly charges	Monthly housing expense	Ratio of sale price to annual income
		Member's monthly income	Sale price [2]	Monthly charges [3]	Total monthly housing expense [4]	Number of rooms [5]	Number of bedrooms	As a percent of monthly income		
Less than $200	0.9	$181.45	$7,823	$39.39	$50.39	4.1	2.0	21.7	27.8	3.6
$200 to $249.99	4.8	232.42	8,922	51.56	65.15	4.7	2.2	22.2	28.0	3.2
$250 to $299.99	16.7	281.51	10,384	60.08	77.18	5.4	2.5	21.3	27.4	3.1
$300 to $349.99	26.5	326.60	10,919	62.85	81.08	5.7	2.7	19.2	24.8	2.8
$350 to $399.99	20.2	372.95	10,879	63.15	81.34	5.7	2.8	16.9	21.8	2.4
$400 to $449.99	12.9	423.73	11,027	63.72	81.83	5.7	2.8	15.0	19.3	2.2
$450 to $499.99	6.9	474.17	11,028	63.36	81.90	5.8	2.8	13.4	17.3	1.9
$500 to $599.99	7.0	537.71	11,135	63.95	82.14	5.8	2.8	11.9	15.3	1.7
$600 to $799.99	3.0	672.25	11,296	64.27	82.99	5.8	2.8	9.6	12.3	1.4
$800 to $999.99	.7	910.11	11,021	63.86	81.76	5.8	2.8	7.0	9.0	1.0
$1,000 or more	.4	1,332.72	11,371	62.85	82.62	5.8	2.8	4.7	6.2	.7
Total	100.0	378.71	10,784	61.96	79.73	5.6	2.7	16.4	21.1	2.4

[1] Estimated amount of member's earning capacity that is likely to prevail during approximately the first third of the mortgage term.
[2] Price specified in sale agreement.
[3] Estimated total monthly mortgage payment, including amortization, interest, FHA insurance premium, real estate taxes, and hazard insurance.
[4] Total monthly mortgage payment plus estimated monthly cost of maintenance and operating expense items (water, lighting and cooking utilities, heating fuel).
[5] FHA room count excludes baths, closets, halls, and similar spaces.

consequently the averages for monthly charges and number of rooms per unit differ from the corresponding medians shown in previous tables.)

Members of management-type cooperatives had estimated monthly effective incomes averaging slightly under $450 and estimated total housing expenses of $89, of which $82 covered monthly charges to be paid to the cooperative management and the remaining $7 covered personal benefit expenses of cooking and lighting utilities, and minor repairs and maintenance of the member's own apartment. These average charges and housing expense, which covered occupancy of an apartment with about 4½ rooms, represented 18½ and 20 percent, respectively, of the average income.

Most (65 percent) of the members in management cooperatives had monthly incomes of $300 to $499, average monthly charges of $76 to $86, and total monthly housing expenses of $81 to $92. The ratios of housing expense and monthly charges to income for these members ranged downward from 25 and 23 percent, respectively, in the $300 to $349 income group, to 20 and 18 percent, respectively, for the $450 to $499 bracket.

Table 45 indicates that the largest proportions of income for monthly charges (29 percent) and housing expense (32 percent) were to be paid by members earning $200 to $249, while those in the $1,000 or more group were to spend as little as 7 percent for monthly charges and 8 percent for housing expense.

The over-all averages of monthly income, monthly charges, housing expense, and ratio of monthly charges to income for sales-type co-operative projects were lower than in the management projects, with the housing expense-to-income ratio slightly higher. In most of the individual income groups, however, the average monthly incomes in the sales projects were higher, while the ratios of housing expense to income averages were lower. The greater spread between monthly charges and housing expense in sales projects is due to the fact that monthly charges exclude the operating expense items (i. e. heat, water, light, and cooking fuel), reserve for replacements, and general operating reserve usually included in the monthly charges of the management-type units.

Table 46 shows that the homes being purchased by members of the sales projects had an average size of 5.6 rooms (of which an average of 2.7 were bedrooms) and an average cost of $10,800, or about 2.4 times the average annual income. The average monthly charges (i. e. total mortgage payment, including real estate taxes and hazard insurance) were $62, increased by operating and maintenance costs to an average total housing expense of $80. Monthly charges averaged nearly one-sixth, and housing expense about one-fifth, of the member's income.

The major income group in the sales projects—those earning $300 to $399 monthly—were paying an average home sale price of $10,900, monthly charges of about $63, and total housing expenses of $81. For the lower half of this income group, nearly a fifth of the average income was required for monthly charges and almost one-fourth for housing expense, while the average sale price was nearly 3 times the annual income. Monthly charges and housing expense for members in the upper segment ($350 to $399) of this group averaged about one-sixth and one-fifth, respectively, of the monthly income, with sale price averaging nearly 2½ times the annual income.

For the 30 percent of the members with incomes of $400 or more, the sizes and sale prices of the homes, monthly charges and housing expenses were approximately the same. As against a spread of $900 in average monthly incomes, the average sale price varied by no more than $350, and monthly charges and housing expense by less than $1. As a result, the ratios of monthly charges and housing expense to incomes ranged from 5 to 6 percent, respectively, for the $1,000 or more group, to 15 and 19 percent, respectively, for the $400 to $449 bracket, while the corresponding sale prices averaged from 0.7 of the annual income of members in the highest income group to 2.2 times the income of those in the $400 to $449 interval.

On the other hand, members earning less than $300 monthly (22 percent of the total) had average sales prices ranging from $7,800 to $10,400, monthly charges from $39 to $60, and average housing expense from $50 to $77. More than a fifth of the average monthly income for these families was required for monthly charges, and as much as 28 percent for housing expense. Sales prices averaged more than 3 times the annual incomes.

TABLE 47.—*Sale Price by Member's Effective Annual Income for Sales-type Cooperative Projects Securing Mortgages Committed for FHA Insurance under Section 213, 1951*

Member's effective annual income [1]	Percentage distribution	Median sale price [2]	Percentage distribution by sale price per home [2]							
			$7,000 to 7,999	$8,000 to 8,999	$9,000 to 9,999	$10,000 to 10,999	$11,000 to 11,999	$12,000 to 12,999	$13,000 or more	Total
Less than $3,000	4.2	$8,604	37.6	20.0	11.2	27.2	1.6	2.4	--------	100.0
$3,000 to $3,499	11.3	10,237	12.6	11.4	20.4	20.4	19.0	15.0	1.2	100.0
$3,500 to $3,999	23.0	11,460	7.3	4.1	15.7	14.5	38.2	17.8	2.4	100.0
$4,000 to $4,499	20.8	11,604	10.6	4.5	8.7	9.3	42.8	22.6	1.5	100.0
$4,500 to $4,999	14.4	11,672	8.0	7.9	8.4	9.0	37.9	27.4	1.4	100.0
$5,000 to $5,999	15.0	11,623	5.4	5.6	17.3	7.0	40.7	22.9	1.1	100.0
$6,000 to $6,999	6.7	11,670	1.0	4.0	21.3	6.6	42.2	24.4	.5	100.0
$7,000 to $9,999	3.5	11,750	1.8	4.8	11.5	11.4	36.2	34.3	--------	100.0
$10,000 or more	1.1	11,712	--------	--------	27.3	6.0	39.4	27.3	--------	100.0
Total	100.0	11,534	9.0	6.5	14.1	12.0	36.0	21.1	1.3	100.0

[1] Estimated amount of member's earning capacity that is likely to prevail during approximately the first third of the mortgage term.
[2] Price specified in sale agreement.

Sale price by annual income groups. Table 47 provides more detailed data on the relationship between the sales prices of the homes and annual effective incomes of the member-purchasers in the sales-type cooperative projects approved under Section 213 in 1951.

Sales prices ranged from $7,000 to approximately $14,000, with the typical home selling for about $11,500. (Note: This latter figure represents the median sale price as contrasted with the average price of $10,800, shown in Table 46, which is an arithmetic mean.) Over half of the homes were in the $11,000 to $12,999 price class, one-fourth sold for $9,000 to $10,999, and nearly one-sixth for $7,000 to $8,999. Only one percent of the dwellings had sales prices of $13,000 or more.

Members in practically all of the income groups were purchasing homes in almost all of the price brackets. The median sales prices shown for the individual income groups in Table 47 indicate a tendency for prices to rise with incomes, especially when incomes are below $4,000, while in the higher income levels the price rise is very limited.

The proportion of the lower-priced homes—those below $9,000—dropped sharply from nearly 58 percent for incomes of less than $3,000 to 24 percent in the $3,000 to $3,499 group, to 5 percent in the $6,000 to

$6,999, with none in this price class being purchased by members with incomes of $10,000 or more. For all income groups ranging from $3,500 upward, the sales prices of most of the homes were in the $11,000 to $12,999 class.

Property Improvement Loan Insurance under Title I

The FHA is authorized to insure qualified lending institutions under Section 2 of Title I of the National Housing Act against losses on loans financing the alteration, repair, and improvement of existing properties and the construction of new structures for other than residential use. The insurance of loans financing new single-family homes for low or moderate income families is authorized under Section 8 of Title I. (The statistical analysis of operations under Section 8 is included in the Home Mortgage section of this report.) Title I was extended by Congress from March 1, 1950, to July 1, 1955, and the principal amount of loans outstanding at any one time during this period under Section 2 was limited to $1,250,000,000.

Volume of Business

Yearly trends.—Property improvement loans insured during 1951 again established an all-time record. Net proceeds advanced to borrowers by approved lending institutions totaled $706,963,000 and increased the cumulative volume of insurance written since the beginning of operations in 1934 to $5,352,761,000. A slight decline from the number of loans insured in 1950 was recorded during 1951. Table 48 shows the volume of loans insured and claims paid since 1934, with 1951 showing an increase of 1 percent over the 1950 volume of net proceeds and 16.5 percent over the 1949 volume.

TABLE 48.—*Property Improvement Loans Insured and Claims Paid by FHA, 1934–51*

Year	Loans insured			Claims paid			Percent of claims paid to loans insured (cumulative)
	Number	Net proceeds (000)	Average	Number	Amount (000)	Average	
1934–39 [1]	2,346,276	$859,247	$366	103,426	$23,968	$232	2.79
1940–44	2,481,293	832,670	336	86,515	26,599	307	3.00
1945	501,401	170,824	341	6,791	1,589	234	2.80
1946	799,284	320,593	401	9,254	2,436	263	2.50
1947	1,247,590	533,604	428	17,511	5,830	333	2.22
1948	1,359,776	621,612	457	38,482	14,346	373	2.24
1949	1,249,538	607,024	486	50,950	17,494	343	2.34
1950	1,448,651	700,225	483	56,453	18,168	322	2.38
1951	1,437,737	706,963	492	35,600	12,165	342	2.29
Total [2]	12,871,546	5,352,761	416	404,982	122,594	303	-----------

[1] Title I expired Apr. 1, 1937, and was renewed by amendments of Feb. 3, 1938.
[2] Based on cumulative data through 1951, the ratio of net claims to loans insured is 1.13 percent, and the ratio of recoveries by FHA to claims paid is 37.42 percent. For annual series of recoveries made, see Statement 3 in Section 3 of this report.

Chart XXIV shows graphically the annual volume of insurance written and the corresponding amount of claims paid to lending institutions on defaulted loans insured by FHA under Title I. Insurance claims paid decreased by 33 percent during 1951 relative to the 1950 volume, and the cumulative $122,594,000 paid at December 31, 1951, represented 2.29 percent of the more than $5,352,000,000 of insurance written at the same date.

TREND OF FHA TITLE I, SECTION 2, LOANS INSURED AND CLAIMS PAID
WITH RATIO OF CLAIMS PAID TO LOANS INSURED
1934 - 1951

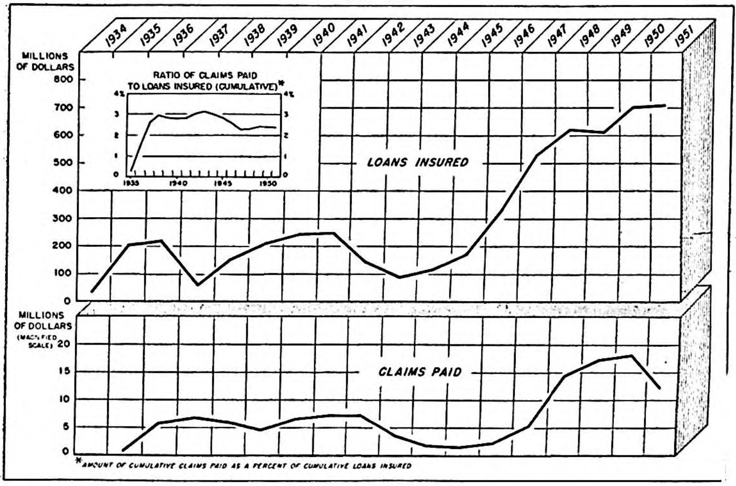

CHART XXIV

State Distribution

Since the beginning of operations under Title I in 1934, one million or more property improvement loans have been insured under Section 2 in each of three States—New York, California, and Michigan. In four other States—Illinois, Ohio, Pennsylvania, and Texas—the number of loans insured during the same period ranged from 600,000 to 800,000. Table 49 shows loans insured, claims paid, the average loan, the average claim, and the ratio of claims paid to net proceeds insured for each State from 1934 through December 1951. The 1951 volume of loans insured is covered in Table 50, and the number of loans insured during the year is depicted by States in Chart XXV.

New York, as in the past, reported the largest dollar volume of loans insured during 1951, and California, with a smaller average loan, was the ranking State in number of loans insured. All data shown in Tables 49 and 50 in Chart XXV are distributed by State location of property improved and do not indicate necessarily the State location of the head offices of the lending institutions financing the loans.

More than $25,000,000 of net proceeds insured under Title I financed improvements to properties in each of eight States during 1951. New York ranked first ($94,878,000), followed by California ($89,292,000), Michigan ($54,540,000), Illinois ($48,871,000), Texas ($40,942,000),

TABLE 49.—*State Distribution of Property Improvement Loans Insured and Claims Paid by FHA, 1934–51*

State	Loans insured			Claims paid			Amount of claims paid as percent of loans insured
	Number	Net proceeds (000)	Average	Number	Amount (000)	Average	
Alabama	191,110	$64,122	$336	6,676	$1,524	$228	2.38
Arizona	82,699	40,829	494	2,197	817	372	2.00
Arkansas	89,882	32,973	367	4,674	1,166	250	3.54
California	1,500,682	585,319	390	42,031	14,184	337	2.42
Colorado	96,512	37,579	389	2,089	645	309	1.72
Connecticut	151,384	65,268	431	5,123	1,790	349	2.74
Delaware	13,937	6,185	444	543	194	358	3.14
District of Columbia	67,734	31,353	463	2,643	821	311	2.62
Florida	223,825	103,414	462	9,916	3,389	342	3.28
Georgia	164,080	60,723	370	6,365	1,594	250	2.63
Idaho	69,825	30,484	437	2,251	766	340	2.51
Illinois	801,309	344,279	430	18,539	5,487	296	1.59
Indiana	447,391	158,969	355	15,841	4,049	256	2.55
Iowa	180,708	69,972	387	4,979	1,498	301	2.14
Kansas	111,498	37,050	332	3,393	808	238	2.18
Kentucky	136,224	49,033	360	4,327	1,211	280	2.47
Louisiana	113,060	40,810	361	4,297	928	216	2.27
Maine	53,708	22,010	410	2,424	797	329	3.62
Maryland	240,566	96,775	402	7,125	2,004	281	2.07
Massachusetts	354,098	145,822	412	12,471	3,987	320	2.73
Michigan	1,073,115	415,342	387	33,310	9,396	282	2.26
Minnesota	281,408	106,059	377	6,208	1,914	308	1.80
Mississippi	88,147	33,399	379	5,058	1,283	254	3.84
Missouri	331,656	114,042	344	10,402	2,654	255	2.33
Montana	33,099	15,368	464	1,006	380	377	2.47
Nebraska	74,608	29,165	391	2,164	651	301	2.23
Nevada	16,784	8,628	514	380	170	447	1.97
New Hampshire	34,812	14,635	420	1,878	593	316	4.05
New Jersey	494,647	254,077	514	20,870	6,392	306	2.52
New Mexico	22,405	11,309	505	1,028	371	361	3.28
New York	1,426,674	794,884	557	45,772	17,941	392	2.26
North Carolina	112,616	43,841	389	4,571	1,163	254	2.65
North Dakota	24,220	10,156	419	932	312	335	3.08
Ohio	776,339	287,650	371	21,020	6,250	297	2.17
Oklahoma	177,255	63,595	359	5,512	1,312	238	2.06
Oregon	166,730	67,696	406	4,747	1,442	305	2.13
Pennsylvania	758,277	304,366	401	25,115	7,001	279	2.30
Rhode Island	54,343	22,621	416	1,537	465	303	2.06
South Carolina	60,411	22,907	379	2,940	671	228	2.93
South Dakota	20,936	9,131	436	637	229	360	2.51
Tennessee	247,296	83,630	338	7,258	2,042	281	2.44
Texas	604,447	235,993	390	19,033	4,097	215	1.74
Utah	114,066	43,553	382	2,594	752	290	1.73
Vermont	16,567	7,192	434	1,264	484	383	6.72
Virginia	161,593	75,872	470	4,997	1,810	362	2.39
Washington	310,306	122,554	395	8,739	2,410	276	1.97
West Virginia	58,698	25,722	438	2,137	772	361	3.00
Wisconsin	200,079	82,555	413	5,298	1,781	336	2.16
Wyoming	13,063	7,148	547	325	141	433	1.97
Alaska	446	472	1,058	24	8	340	1.73
Hawaii	1,265	655	518	6	3	479	0.44
Puerto Rico	23,722	17,581	741	1	(1)	133	------
Canal Zone	3	4	1,180	------	------	------	------
Virgin Islands	------	------	------	------	------	------	------
United States total [2]	12,871,546	5,352,761	416	404,982	122,594	303	2.29

[1] Less than $500.
[2] Includes adjustments.

Ohio ($35,542,000), Pennsylvania ($30,601,000), and New Jersey ($26,681,000). The $421,300,000 aggregate for these eight States represents 60 percent of the $706,963,000 insured net proceeds reported for all 48 States.

TABLE 50.—*State Distribution of Property Improvement Loans Insured by FHA, 1951*

State	Loans insured			State	Loans insured		
	Number	Net proceeds (000)	Average		Number	Net proceeds (000)	Average
Alabama	22,683	$8,825	$389	New Jersey	41,263	$26,681	$647
Arizona	11,368	6,058	533	New Mexico	3,900	2,021	518
Arkansas	7,663	3,987	520	New York	154,539	94,878	614
California	222,199	89,292	402	North Carolina	11,679	5,863	502
Colorado	14,282	5,993	420	North Dakota	2,598	1,233	474
Connecticut	8,916	4,763	534	Ohio	76,668	35,542	464
Delaware	321	189	590	Oklahoma	17,713	8,700	491
District of Columbia	7,241	3,567	493	Oregon	21,415	10,556	493
Florida	26,091	14,458	554	Pennsylvania	62,016	30,601	493
Georgia	17,771	8,236	463	Rhode Island	3,310	1,535	464
Idaho	8,159	4,461	547	South Carolina	5,231	2,563	490
Illinois	86,372	48,871	566	South Dakota	2,984	1,653	554
Indiana	47,743	22,464	471	Tennessee	27,297	11,564	424
Iowa	19,137	10,207	533	Texas	88,537	40,942	462
Kansas	13,395	5,860	437	Utah	15,381	7,558	491
Kentucky	13,960	6,145	440	Vermont	693	354	510
Louisiana	11,218	5,300	472	Virginia	19,486	9,076	466
Maine	5,296	2,341	442	Washington	33,494	16,767	501
Maryland	33,705	13,805	410	West Virginia	7,029	3,788	539
Massachusetts	27,262	13,656	501	Wisconsin	14,981	7,969	532
Michigan	117,812	54,540	463	Wyoming	1,268	852	672
Minnesota	31,882	15,290	480	Alaska	73	122	1,673
Mississippi	7,188	3,153	439	Hawaii	350	186	532
Missouri	32,982	13,713	416	Puerto Rico	18,219	13,468	739
Montana	3,723	2,129	572	Canal Zone	----------	----------	----------
Nebraska	7,093	3,634	512	Virgin Islands	----------	----------	----------
Nevada	1,722	1,047	608				
New Hampshire	3,001	1,447	482	United States total[1]	1,440,309	707,903	492

[1] Includes adjustments.

NUMBER OF PROPERTY IMPROVEMENT LOANS INSURED BY FHA UNDER TITLE I, SECTION 2 DURING 1951

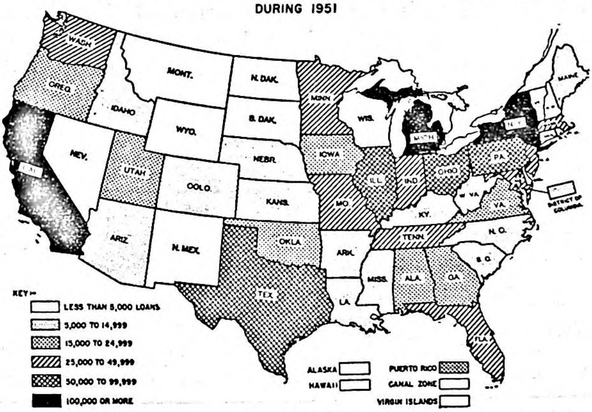

CHART XXV

Of the $122,594,000 claims paid by FHA from the payment of the first claim in 1935 through 1951, $17,941,000 reimbursed lending institutions for losses on defaulted loans on properties in New York State, $14,184,000 on California properties, and $9,396,000 on properties in Michigan. Pennsylvania, New Jersey, and Illinois, in that order, accounted for claims paid of $7,001,000, $6,392,000, and $5,487,000. These six States represented a combined total of $60,401,000, or slightly less than half of all claims paid. In three of these States the percent of claims paid to loans insured fell below the United States average of 2.29 percent, while higher ratios of 2.30 percent, 2.42 percent, and 2.52 percent were reported for Pennsylvania, California, and New Jersey.

Financial Institution Activity

Since the beginning of Title I operations in 1934, commercial banks have financed the bulk of property improvement loans. National banks and State chartered banks have reported nearly three-fourths of the net proceeds to borrowers for FHA insurance as of December 31, 1951. Finance companies, now less active than in former years, have accounted for slightly less than one-quarter of the cumulative insured amount.

The yearly volume of net proceeds insured by FHA under Title I since 1947 is distributed by types of lending institution in Table 51. A gradual withdrawal on the part of finance companies from this program is evidenced by a comparison of the 1947 financing of 34.4 percent of the volume of loans insured during that year with the 9.6 percent share reported during 1951. These institutions either have adopted their own modernization loan plan or have acquired other types of loans for their portfolios. Throughout these 5 years national banks, State chartered banks, and savings and loan associations apparently have absorbed this differential as well as accounting for the rise in total volume.

TABLE 51.—*Type of Institution Originating FHA-insured Property Improvement Loans, 1947–51*

Type of institution	1951	1950	1949	1948	1947
	Percentage distributions [1]				
National bank	52.7	52.7	49.0	46.1	41.1
State chartered bank	31.8	32.1	31.9	26.5	23.5
Finance company	9.6	10.2	13.3	24.9	34.4
Savings and loan association	5.5	4.7	5.2	2.3	.8
Other	.4	.3	.6	.2	.2
Total	100.0	100.0	100.0	100.0	100.0

[1] Based on net proceeds of insured loans.

During 1951, national banks and State chartered banks financed 84.5 percent of all Section 2 loans insured. Finance companies, with 9.6 percent, ranked third, and savings and loan associations increased their proportion to 5.5 percent.

The 4,081 institutions active under the 1950 reserve at the end of 1951 as compared with the 4,281 financing loans under the 1947 reserve indicate an increasing trend toward branch-office financing which accommodates thousands of borrowers in localities some distance from the head office of the lending institution. By actual count, the number of branch offices of active institutions increased during 1951 from 2,289 to 2,385.

Table 52 shows the volume of loans insured and the average net proceeds distributed by type of lending institution for the yearly volume in 1951 and for the period 1934 through 1951. Comparable data for claims paid on defaulted loans appear in Table 53, and graphically in Chart XXVI.

TABLE 52.—*Type of Institution Originating FHA-insured Property Improvement Loans, 1951 and 1934–51*

Type of institution	Loans insured			
	Number	Net proceeds (000)	Percent of net proceeds	Average net proceeds
	1951			
National bank	784,155	$372,956	52.7	$476
State chartered bank [1]	454,707	224,523	31.8	494
Finance company	119,351	67,673	9.6	567
Savings and loan association	77,120	39,183	5.5	508
Other	2,404	2,626	.4	1,092
Total	1,437,737	706,963	100.0	492
	1934–51			
National bank	5,658,256	$2,398,286	44.8	$424
State chartered bank [1]	3,562,611	1,545,332	28.9	434
Finance company	3,351,712	1,246,695	23.3	372
Savings and loan association	272,533	139,944	2.6	513
Other	26,434	22,505	.4	851
Total	12,871,546	5,352,761	100.0	416

[1] Includes State banks, industrial banks, and savings banks.

The proportion of claims paid to the various types of institutions since 1934 varies considerably from the distribution of loans insured. National banks alone have financed 44.8 percent of insurance written, yet have received only 36.8 percent of the claims paid. The comparable data for State chartered banks reveal that 28.9 percent of all loans were financed by these banks and 24.1 percent of total claims were paid to them. Finance companies, reporting only 23.3 percent of the loans insured, had received 37.5 percent of the total claims paid on defaulted loans by the end of 1951.

Table 53.—*Type of Institution Receiving Claim Payments on FHA-insured Property Improvement Loans, 1951 and 1934–51*

Type of institution	Claims paid			
	Number	Amount (000)	Percent of amount	Average claim
		1951		
National bank	17,072	$5,975	49.1	$350
State chartered bank [1]	9,690	3,605	29.6	372
Finance company	7,629	2,072	17.0	272
Savings and loan association	1,144	494	4.1	432
Other	65	19	.2	298
Total	35,600	12,165	100.0	342
		1934–51		
National bank	144,892	$45,057	36.8	$311
State chartered bank [1]	98,928	29,563	24.1	299
Finance company	156,873	46,015	37.5	293
Savings and loan association	3,294	1,333	1.1	405
Other	995	626	.5	629
Total	404,982	122,594	100.0	303

[1] Includes State banks, industrial banks, and savings banks.

TYPES OF INSTITUTIONS FINANCING PROPERTY IMPROVEMENT LOANS AND RECEIVING CLAIM PAYMENTS

WITH RATIO OF CLAIMS PAID TO LOANS INSURED
TITLE I, SECTION 2, 1934-1951

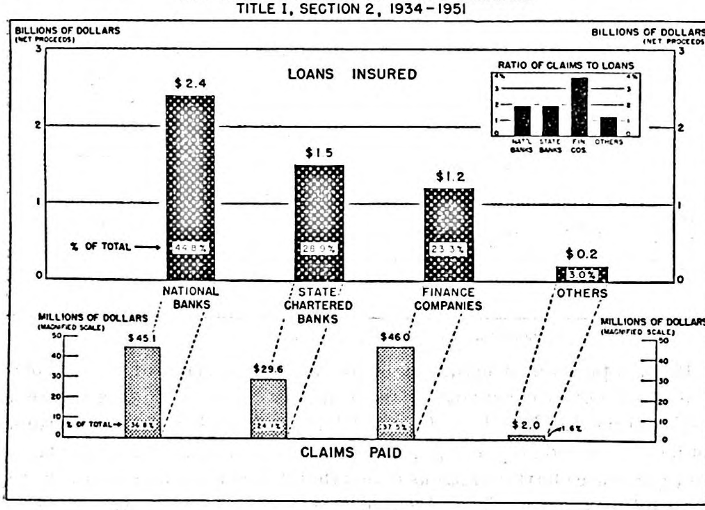

Chart XXVI

Loan Characteristics

The average borrower in 1951 was granted an FHA-insured Title I loan of $492. The monthly payments of his loan to principal and interest amounted to $19.45, and retired his loan in 28.3 months. He used the net proceeds to finance such improvements to his single-family home as exterior finishing (painting and siding), additions and alterations, heating repairs and installations, or insulation. (See Table 57.)

The average claim paid by FHA on a defaulted loan in 1951 amounted to $342 (Table 65) and related to a transaction in which the borrower had made 15 monthly payments aggregating $244 prior to default.

Size of loan.—The typical loan insured under Section 2 during 1951 amounted to $333 as compared with the 1950 typical loan, as shown in Table 54, of $354, approximately the same as in 1949. The lower

TABLE 54.—*Size of Loan for FHA-insured Property Improvement Loans, in Selected Years, 1938–51* [1]

Net proceeds of individual loan [1]	1951	1950	1949	1948	1943	1940	1938
	Percentage distributions of number of loans						
Less than $100	2.9	2.5	2.8	4.6	6.7	5.4	4.3
$100 to $199	21.2	18.7	18.5	20.2	25.9	24.7	23.6
$200 to $299	20.4	20.5	20.6	20.4	32.5	23.0	21.6
$300 to $399	16.8	15.4	15.4	15.3	12.7	14.2	14.7
$400 to $499	7.6	9.6	10.2	9.6	7.3	9.8	9.5
$500 to $599	5.9	8.0	8.2	7.8	5.4	7.5	7.7
$600 to $799	9.1	9.1	9.1	8.4	4.8	5.8	6.6
$800 to $999	5.5	5.0	5.0	4.5	2.0	3.1	3.6
$1,000 to $1,499	6.1	7.1	5.8	5.2	1.6	3.1	4.1
$1,500 to $1,999	2.2	2.0	2.0	1.8	.5	.9	1.5
$2,000 to $2,499	1.1	1.0	1.0	.9	.2	.6	1.1
$2,500 to $2,999	1.1	1.0	1.1	1.1	.3	1.2	.9
$3,000 to $3,999	.1	.1	.1	.2	.1	.7	-------
$4,000 to $4,999	(2)	(2)	.2	(2)	(2)	-------	.8
$5,000 or more	(2)	(2)	(2)	(2)	(2)	-------	-------
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Size of loan:							
Median	$333	$354	$353	$331	$254	$287	$304
Average	492	478	486	456	313	417	452
	Percentage distributions of aggregate net proceeds [1]						
Less than $100	0.5	0.4	0.5	0.8	1.7	1.0	0.7
$100 to $199	8.9	6.4	5.6	6.6	12.2	8.7	7.5
$200 to $299	10.1	11.3	10.3	10.8	22.5	13.4	11.5
$300 to $399	11.5	10.9	10.6	11.3	13.8	11.6	11.0
$400 to $499	6.7	8.8	9.0	9.2	10.4	10.4	9.2
$500 to $599	6.3	8.8	9.0	9.1	9.5	9.9	9.3
$600 to $799	12.6	13.0	12.6	12.3	10.5	9.4	9.8
$800 to $999	9.8	9.2	8.9	8.7	5.7	6.4	6.9
$1,000 to $1,499	14.4	13.3	13.4	12.8	5.8	8.8	10.8
$1,500 to $1,999	7.3	6.8	6.7	6.4	2.6	3.9	5.8
$2,000 to $2,499	4.7	4.2	4.3	4.2	1.5	3.0	5.3
$2,500 to $2,999	5.8	5.2	5.9	6.0	2.2	7.7	5.5
$3,000 to $3,999	.7	.9	1.0	1.3	1.3	5.8	-------
$4,000 to $4,999	.3	.4	1.9	.3	(2)	-------	6.7
$5,000 or over	.4	.4	.3	.2	.3	-------	-------
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Data for 1948–51 are based on net proceeds; data for earlier years are based on face amount.
[2] Less than 0.05 percent.

median for 1951 may be explained by the credit restriction put into effect by the FHA Commissioner at the request of the President to conserve building materials and to curb inflationary tendencies, which required the borrower to make a 10 percent down payment on the cost of the improvements financed by all loans applied for on and after August 1, 1950. Until August 1, 1951, Regulation W of the Federal Reserve Board also limited repayment periods to 30 months, which tended further to limit the loan amounts.

TABLE 55.—*Size of Loan by Class of Loan for FHA-insured Property Improvement Loans, 1951*

Net proceeds of individual loan	Total [1]	Class 1a, existing structures	Class 1b, existing structures, multifamily	Class 2a, new structures, nonfarm and nonresidential	Class 2b, new structures, farm and nonresidential
	Percentage distributions of number of loans				
Less than $100	2.9	3.0	1.1	0.3	1.0
$100 to $199	21.2	21.6	7.6	2.9	2.9
$200 to $299	20.4	20.7	10.7	6.5	5.2
$300 to $399	16.8	17.0	8.9	9.8	6.7
$400 to $499	7.6	7.5	6.6	14.1	5.5
$500 to $599	5.9	5.7	6.1	15.4	5.9
$600 to $799	9.1	9.0	9.0	21.4	7.7
$800 to $999	5.5	5.4	6.2	11.3	8.0
$1,000 to $1,499	6.1	6.0	12.2	10.0	18.0
$1,500 to $1,999	2.2	2.1	5.9	2.9	12.4
$2,000 to $2,499	1.1	1.0	3.4	1.8	10.8
$2,500 to $2,999	1.1	1.0	10.8	2.4	11.3
$3,000 to $3,999	.1		6.2	1.2	4.6
$4,000 to $4,999	(2)		2.9		
$5,000 or more	(2)		2.4		
Total	100.0	100.0	100.0	100.0	100.0
Percent distribution	100.0	97.2	1.2	1.3	0.3
Size of loan:					
Median	$333	$328	$801	$608	$1,148
Average	492	477	1,334	744	1,299
	Percentage distributions of aggregate net proceeds				
Less than $100	0.5	0.5	0.1	(2)	0.1
$100 to $199	8.9	9.4	0.9	0.6	0.3
$200 to $299	10.1	10.6	1.9	2.2	1.0
$300 to $399	11.5	12.1	2.2	4.5	1.7
$400 to $499	6.7	6.9	2.1	8.3	1.8
$500 to $599	6.3	6.4	2.4	11.1	2.4
$600 to $799	12.6	12.8	4.5	19.6	4.0
$800 to $999	9.8	10.0	4.1	13.3	5.4
$1,000 to $1,499	14.4	14.5	10.8	15.4	16.5
$1,500 to $1,999	7.3	7.2	7.4	6.6	16.0
$2,000 to $2,499	4.7	4.5	5.5	5.3	17.8
$2,500 to $2,999	5.8	5.1	21.8	8.1	22.0
$3,000 to $3,999	.7		15.6	5.0	11.0
$4,000 to $4,999	.3		9.6		
$5,000 or more	.4		11.1		
Total	100.0	100.0	100.0	100.0	100.0
Percent distribution	100.0	94.1	3.2	1.9	0.8

[1] A Class 1a loan is used to finance the repair, alteration, or improvement of an existing structure; Class 1b loan to finance the repair, alteration, or improvement of an existing structure used or to be used as a multifamily dwelling; Class 2a loan to finance the construction of a new structure to be used exclusively for other than residential or agricultural purposes; Class 2b loan to finance the construction of a new structure to be used in whole or part for agricultural, nonresidential purposes.

[2] Less than 0.05 percent.

Single-family dwellings were improved with the proceeds of 88 percent of the number and 81 percent of the net proceeds of the total insurance written during 1951. The average-size loan amounted to $447 for these loans, as compared to $492 for all types of property improved. (See Table 57.) Larger loans financed improvements to other types of property, and the average loan of $1,226 reported for the improvement of commercial and industrial properties exceeded by far the $784 reported to improve multifamily dwellings. More than 60 percent of the loans financing improvements to existing structures, exclusive of multifamily dwellings, provided the borrower with less than $400 in net proceeds, and the typical loan amounted to $328. (See Table 55.)

Duration of loan.—Reflecting the influence of Regulation W, which through July 31, 1951, limited most modernization loans to 30-month durations, the majority of all Section 2 loans insured during 1951 were written for a relatively short term. Since August 1, 1951, durations up to 36 months are permitted by Regulation W. In 1951 less than 0.5 percent of the number of loans written had a maturity in

TABLE 56.—*Duration of Loan for FHA-insured Property Improvement Loans, Selected Years, 1938–51*

Duration: Modal term	Duration: Interval	1951	1950	1949	1948	1943	1940	1938
		Percentage distributions of number of loans						
6 months	6 to 8 months	1.0	0.8	1.0	1.8	1.6	0.5	0.9
12 months	9 to 14 months	10.7	10.1	12.3	14.1	50.0	12.4	15.2
18 months	15 to 20 months	6.9	6.0	7.4	7.9	6.9	8.8	9.4
24 months	21 to 26 months	9.6	10.2	11.5	11.1	9.7	13.3	16.5
30 months	27 to 32 months	43.4	9.8	2.7	3.0	2.3	4.1	4.3
36 months	33 to 41 months	28.2	62.6	64.5	61.7	29.4	59.8	46.8
48 months	42 to 53 months	(1)	(1)	(1)	(1)	(1)	(1)	1.1
60 months	54 to 63 months	.2	.4	.2	.1	.1	(2)	(2)
	Over 63 months	.1	.2	.4	.3	(1)	1.1	5.8
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0
Duration in months:								
Median		30.6	36.4	36.4	36.3	12.6	31.8	29.9
Average		28.3	30.7	30.6	29.7	25.7	35.4	35.8
		Percentage distributions of aggregate amount of loans [3]						
6 months	6 to 8 months	0.5	0.5	0.5	1.5	0.8	0.3	0.4
12 months	9 to 14 months	5.0	4.9	5.9	8.0	35.1	5.1	6.1
18 months	15 to 20 months	3.8	3.4	4.3	4.7	5.0	4.3	4.5
24 months	21 to 26 months	6.8	7.1	8.3	8.3	8.8	8.6	10.9
30 months	27 to 32 months	46.3	9.8	1.8	2.0	2.0	2.6	3.1
36 months	33 to 41 months	35.7	71.1	75.7	73.0	47.0	71.6	53.0
48 months	42 to 53 months	.1	.1	.1	(1)	.1	(1)	2.4
60 months	54 to 63 months	1.1	1.7	.7	.4	.9	(2)	(2)
	Over 63 months	.7	1.4	2.7	2.1	.3	7.5	19.6
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Less than 0.05 percent.
[2] Included in "over 63 months."
[3] Data for 1948–51 are based on net proceeds; data for earlier years are based on face amount.

excess of 36 months, 43.4 percent would mature in 30 months, and 28.2 percent in 36 months. The typical loan had a duration of 30.6 months. Table 56 shows a distribution of Section 2 loans for selected years from 1938 through 1951, classified by duration of loan. The distribution for 1951 includes loans insured prior to the revision of Regulation W, as well as loans insured after the modification on August 1, 1951.

Type of property and improvement.—The major type of property improved with proceeds of Section 2 loans during 1951 was a single-family home. Chart XXVII depicts graphically the number and net proceeds of loans insured by type of property, and in Chart XXVIII the major types of improvements financed are shown. It should be observed that types of improvements reported by lending institutions financing these loans included only the principal improvement financed. As an example, a loan reported as financing exterior finishing may also cover minor repairs to plumbing, painting, or insulation.

Improvement loans for other than single-family homes accounted for 11.9 percent of the number and about 20 percent of the amount of loans insured. Of these, improvements to multifamily properties represented the bulk of the volume, with 7 percent of the number and

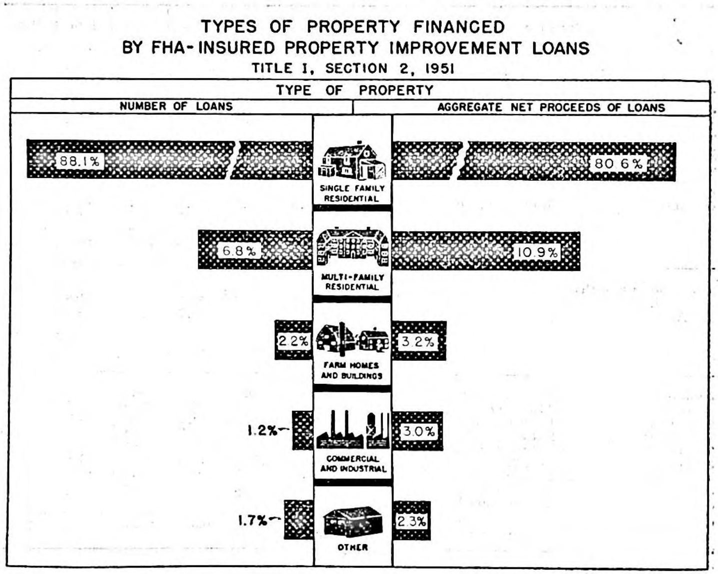

CHART XXVII

11 percent of the amount covering improvements to these structures. Loans to improve commercial or industrial properties, farm homes and buildings, and other types (principally garages) aggregated 5 percent of the number and 8.5 percent of the net proceeds insured during 1951.

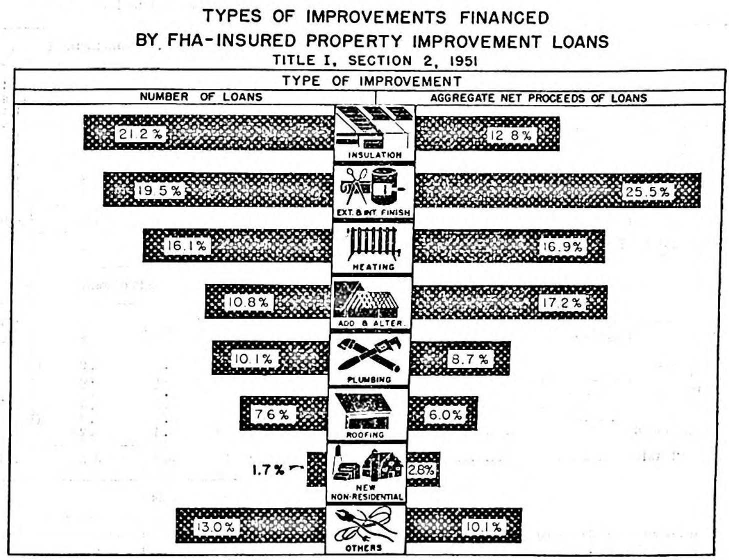

CHART XXVIII

The majority of loans reported as financing exterior finishing have consisted of siding improvements and repainting of structures. Whereas exterior finishing improvements represent only 13 percent of the number of loans, they have accounted for 17 percent of the dollar volume, the largest proportion for all types of improvements. Additions and alterations, with 11 percent of the number and 17 percent of the net proceeds, are shown as the second leading improvement financed during 1951. Table 57 shows a distribution of the 1951 volume of Section 2 loans insured classified by major improvement and by type of property. The average net proceeds also are shown separately for each classification.

Claims paid on defaulted loans during 1951 are presented in Table 58, which shows a percentage distribution by type of property and by major improvement financed. A comparison of loans insured in Table 57 with claims paid indicates only a slight variance between the two series of data. It should be noted that claims paid, for the

TABLE 57.—*FHA-insured Property Improvement Loans by Type of Property and Type of Improvement, 1951*

Major type of improvement [1]	Type of property improved: Total	Single-family dwellings	Multi-family dwellings	Commercial and industrial	Farm homes and buildings	Others [2]
	Percentage distributions of number of loans insured					
New nonresidential construction	1.7			6.5	14.2	77.3
Additions and alterations	10.8	10.6	10.8	19.1	10.8	14.6
Exterior finish	12.9	13.0	15.1	6.1	12.7	1.4
Interior finish	6.6	6.4	9.8	12.8	4.8	.8
Roofing	7.6	7.4	10.6	6.4	14.1	1.1
Plumbing	10.1	10.4	8.6	7.8	12.8	.8
Heating	16.1	15.7	25.6	20.1	11.6	1.2
Insulation	21.2	22.6	12.8	5.0	13.2	1.0
Miscellaneous	13.0	13.9	6.7	16.2	5.8	1.8
Total	100.0	100.0	100.0	100.0	100.0	100.0
Percent of total	100.0	88.1	6.8	1.2	2.2	1.7
	Percentage distributions of net proceeds of loans insured					
New nonresidential construction	2.8			0.3	0.7	1.8
Additions and alterations	17.2	13.7	1.9	.8	.5	.3
Exterior finish	17.4	14.8	2.0	.1	.5	(3)
Interior finish	8.1	6.3	1.1	.5	.2	(3)
Roofing	6.0	4.9	.7	.1	.3	(3)
Plumbing	8.7	7.3	.9	.2	.3	(3)
Heating	16.9	13.2	2.8	.5	.3	.1
Insulation	12.8	11.8	.7	.1	.2	(3)
Miscellaneous	10.1	8.6	.8	.4	.2	.1
Total	100.0	80.6	10.9	3.0	3.2	2.3
	Average net proceeds					
New nonresidential construction	$808			$1,808	$1,199	$656
Additions and alterations	778	$717	$1,294	1,600	940	645
Exterior finish	659	628	931	1,093	824	560
Interior finish	595	541	835	1,445	742	917
Roofing	384	365	472	722	497	384
Plumbing	418	386	729	1,078	590	887
Heating	515	470	783	1,073	612	756
Insulation	296	289	427	570	347	381
Miscellaneous	378	346	804	1,093	704	698
Total	492	447	784	1,226	715	653

[1] Type of improvement to which the major portion of the proceeds of the loan was devoted.
[2] Approximately 92 percent of the number and 91 percent of the net proceeds of these loans financed the repair or construction of garages.
[3] Less than 0.05 percent.

most part, settled defaulted loans insured prior to 1951. However, with similar economic factors prevailing these claim characteristics are acceptable as typifying the experience which may be expected from insurance written during the corresponding period. An examination of loans insured and claims paid during the postwar period reveals only minor variations in the distribution by improvements financed from year to year. (See Table 63.)

TABLE 58.—*Claims Paid on FHA-insured Property Improvement Loans by Type of Property and Type of Improvement, 1951*

Major type of improvement[1]	Total	Single-family dwellings	Multi-family dwellings	Commercial and industrial	Farm homes and buildings	Others
	Type of property improved					
	Percentage distributions of number of claims paid					
New nonresidential construction	0.9	----------	----------	7.6	7.5	67.9
Additions and alterations	9.6	9.2	10.2	19.0	7.7	17.0
Exterior finish	17.8	18.4	17.5	7.3	15.0	2.8
Interior finish	6.7	6.2	11.1	16.3	3.4	2.8
Roofing	7.7	7.5	10.6	1.7	14.4	1.9
Plumbing	12.2	12.5	10.4	7.6	15.8	1.0
Heating	16.0	15.5	22.6	20.9	15.4	2.8
Insulation	18.1	19.3	10.9	4.7	14.6	2.8
Miscellaneous	11.0	11.4	6.7	14.9	6.2	1.0
Total	100.0	100.0	100.0	100.0	100.0	100.0
Percent of total	100.0	87.4	6.0	2.8	3.1	.7
	Percentage distributions of amount of claims paid					
New nonresidential construction	1.8	----------	----------	0.6	0.5	0.7
Additions and alterations	17.1	13.7	1.4	1.5	.3	.2
Exterior finish	22.1	19.2	1.9	.3	.7	(2)
Interior finish	7.5	5.6	.8	1.0	.1	(2)
Roofing	5.9	4.7	.6	.1	.5	(2)
Plumbing	11.4	9.5	1.0	.4	.5	(2)
Heating	14.8	11.2	2.0	1.2	.4	(2)
Insulation	10.8	9.8	.5	.1	.4	(2)
Miscellaneous	8.6	6.9	.6	.7	.4	(2)
Total	100.0	80.6	8.8	5.9	3.8	.9
	Average claim paid					
New nonresidential construction	$681	----------	----------	$948	$821	$494
Additions and alterations	629	$599	$812	993	459	482
Exterior finish	437	420	634	506	546	159
Interior finish	394	360	424	769	344	390
Roofing	271	252	344	455	423	287
Plumbing	327	305	552	634	350	591
Heating	327	294	523	721	289	556
Insulation	211	205	289	459	264	474
Miscellaneous	278	246	525	634	612	235
Total	312	325	520	747	428	475

[1] Type of improvement to which the major portion of the proceeds of the loan was devoted.
[2] Less than 0.05 percent.

Borrowers improving commercial and industrial properties were granted the largest Section 2 loans made during 1951. Moreover, as many loans in this classification amounted to more than $1,062 as were written for smaller amounts, and 17 percent of the number and 34 percent of the net proceeds involved loans ranging in size from $2,500 to $2,999. Two-thirds of the number but less than half of the net proceeds (39 percent) of loans financing improvements to single-family properties amounted to less than $500 in net proceeds to the borrower. Table 59 shows the volume of Section 2 loans insured in 1951 distributed by size of net proceeds of the individual loan and by type of property improved, while in Table 60 the identical series is classified by major type of improvement.

TABLE 59.—*Size of Loan by Type of Property for FHA-insured Property Improvement Loans, 1951*

Net proceeds of individual loan	Total	Type of property improved: Single-family dwellings	Multi-family dwellings	Commercial and industrial	Farm homes and buildings	Others
	Percentage distributions of number of loans					
Less than $100	2.9	2.6	0.8	0.5	1.0	0.5
$100 to $199	21.2	17.7	7.8	5.2	7.8	3.5
$200 to $299	20.4	20.5	12.1	7.1	13.7	8.3
$300 to $399	16.8	16.6	12.5	7.3	14.2	10.4
$400 to $499	7.6	10.5	9.8	5.3	10.2	12.4
$500 to $599	5.9	8.1	8.7	6.7	8.7	14.7
$600 to $799	9.1	9.6	11.5	9.6	12.1	23.3
$800 to $999	5.5	5.6	9.4	6.5	8.6	12.8
$1,000 to $1,499	6.1	5.6	13.2	14.4	11.4	9.7
$1,500 to $1,999	2.2	1.8	5.4	10.4	4.7	2.4
$2,000 to $2,499	1.1	.8	2.6	8.9	3.7	1.1
$2,500 to $2,999	1.1	.6	4.0	16.8	3.5	.9
$3,000 to $3,999	.1	---------	1.1	1.3	.4	(1)
$4,000 to $4,999	(1)	---------	.6	---------	---------	---------
$5,000 or more	(1)	---------	.5	---------	---------	---------
Total	100.0	100.0	100.0	100.0	100.0	100.0
Size of loan:						
Median	$333	$355	$581	$1,062	$536	$602
Average	492	464	823	1,225	736	660
	Percentage distributions of aggregate net proceeds					
Less than $100	0.5	0.5	0.1	(1)	0.1	(1)
$100 to $199	8.9	5.7	1.4	0.7	1.6	0.8
$200 to $299	10.1	10.8	3.6	1.4	4.5	3.1
$300 to $399	11.5	12.1	5.1	2.0	6.5	5.3
$400 to $499	6.7	9.9	5.2	1.9	6.0	8.2
$500 to $599	6.3	9.2	5.6	2.9	6.3	12.0
$600 to $799	12.6	13.9	9.5	5.3	11.1	23.9
$800 to $999	9.8	10.6	10.1	4.7	10.3	17.0
$1,000 to $1,499	14.4	13.9	18.4	13.7	18.1	16.6
$1,500 to $1,999	7.3	6.4	10.8	14.0	10.8	6.0
$2,000 to $2,499	4.7	3.5	6.7	15.7	10.7	3.6
$2,500 to $2,999	5.8	3.5	12.5	34.3	12.1	3.3
$3,000 to $3,999	.7	---------	4.6	3.4	1.9	.2
$4,000 to $4,999	.3	---------	3.1	---------	---------	---------
$5,000 or more	.4	---------	3.3	---------	---------	---------
Total	100.0	100.0	100.0	100.0	100.0	100.0

[1] Less than 0.05 percent.

The duration of Section 2 loans insured in 1951 by type of property improved is covered in Table 61. Table 62 presents the 1951 distribution of these loans by type of major improvement financed and by duration intervals.

Claims paid on defaulted loans have corresponded somewhat to the distribution by major type of improvement of Section 2 loans insured under the 1947 reserve at the end of 1951. However, for three types of improvement some degree of variation is evident, as seen in Table 63 and in Chart XXIX. Heating repairs and installations accounted for 23 percent of the net proceeds insured, but related claims involved only 17 percent of the total. Loans for financing exterior finish, in contrast, accounted for 15 percent of the

TABLE 60.—*Size of Loan by Type of Improvement for FHA-insured Property Improvement Loans, 1951*

Net proceeds of individual loan	Total	Major type of improvement [1]								
		New nonresidential construction	Additions and alterations	Exterior finish	Interior finish	Roofing	Plumbing	Heating	Insulation	Miscellaneous
	Percentage distributions of number of loans									
Less than $100	2.9	0.3	1.1	0.7	3.1	2.2	2.6	1.0	4.3	4.8
$100 to $199	21.2	2.3	7.3	5.2	14.2	20.2	21.4	11.9	25.2	28.0
$200 to $299	20.4	6.2	10.6	9.8	14.7	27.6	23.0	17.6	28.1	25.5
$300 to $399	16.8	9.3	11.0	12.8	13.3	18.4	18.4	17.1	21.4	14.9
$400 to $499	7.6	11.4	10.1	12.8	10.1	9.8	8.3	12.5	10.4	7.4
$500 to $599	5.9	14.4	10.7	12.1	10.2	6.8	6.5	9.7	4.5	5.0
$600 to $799	9.1	21.4	13.2	18.7	9.6	6.4	7.2	13.5	3.4	4.7
$800 to $999	5.5	12.8	9.4	11.8	6.5	3.5	4.4	7.6	1.2	2.8
$1,000 to $1,499	6.1	11.6	13.2	11.2	9.5	3.4	4.9	6.2	1.0	3.4
$1,500 to $1,999	2.2	3.7	5.9	3.0	4.2	1.0	1.7	1.6	.3	1.5
$2,000 to $2,499	1.1	3.1	3.3	.9	2.0	.4	.8	.6	.1	.9
$2,500 to $2,999	1.1	2.5	3.5	.9	2.5	.3	.8	.5	.1	1.1
$3,000 to $3,999	.1	1.0	.3	.1	.1	(2)	(2)	.1	(2)	(2)
$4,000 to $4,999	(2)	----------	.2	(2)	(2)	(2)	(2)	.1	(2)	(2)
$5,000 or more	(2)	----------	.2	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Size of loan:										
Median	$333	$656	$592	$572	$447	$300	$316	$419	$273	$207
Average	492	789	779	656	608	386	435	518	307	385
	Percentage distributions of aggregate net proceeds									
Less than $100	0.5	(2)	0.1	0.1	0.4	0.5	0.5	0.2	1.1	1.0
$100 to $199	8.9	0.4	1.4	1.2	3.4	8.0	7.3	3.5	12.3	10.8
$200 to $299	10.1	2.0	3.3	3.7	5.7	17.3	12.9	8.3	22.5	16.0
$300 to $399	11.5	4.0	4.7	6.6	7.2	16.0	14.3	11.2	23.6	13.0
$400 to $499	6.7	6.4	5.7	8.6	7.2	11.1	8.4	10.6	14.8	8.4
$500 to $599	6.3	9.8	7.2	9.9	8.7	9.3	7.9	10.1	7.9	6.8
$600 to $799	12.6	18.4	11.4	10.5	10.5	11.1	11.2	17.7	7.4	8.1
$800 to $999	9.8	14.2	10.6	15.8	9.3	7.8	8.9	12.8	3.6	6.4
$1,000 to $1,499	14.4	16.9	19.6	20.0	17.6	9.9	12.9	13.8	3.9	10.1
$1,500 to $1,999	7.3	7.8	12.5	7.5	11.2	4.4	6.4	5.2	1.4	6.4
$2,000 to $2,499	4.7	8.3	8.9	3.0	7.0	2.2	4.0	2.4	.5	4.9
$2,500 to $2,999	5.8	8.1	11.3	3.3	10.5	1.9	4.6	2.6	.5	7.2
$3,000 to $3,999	.7	3.7	1.2	.5	.6	.2	.4	.7	.2	.2
$4,000 to $4,999	.3	----------	.9	.2	.3	.1	.2	.5	.2	.2
$5,000 or more	.4	----------	1.2	.1	.4	.2	.1	.4	.1	.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Type of improvement to which the major portion of the proceeds of the loan was devoted.

[2] Less than 0.05 percent.

TABLE 61.—*Duration of Loan by Type of Property for FHA-insured Property Improvement Loans, 1951*

Duration: Modal term	Duration: Interval	Total	Types of property improved: Single-family dwellings	Multi-family dwellings	Commercial and industrial	Farm homes and buildings	Others
		Percentage distributions of number of loans					
6 months	6 to 8 months	1.0	0.9	1.3	0.8	1.4	0.5
12 months	9 to 14 months	10.7	10.9	9.5	11.8	7.6	7.7
18 months	15 to 20 months	6.9	7.0	6.2	7.6	5.0	4.8
24 months	21 to 26 months	9.5	9.6	9.5	10.7	10.8	6.9
30 months	27 to 32 months	43.4	44.1	42.8	40.7	39.4	20.8
36 months	33 to 41 months	28.2	27.5	27.2	28.4	34.6	59.3
48 months	42 to 53 months	(1)		.1		.2	
60 months	54 to 63 months	.2		2.1		.8	
	Over 63 months	.1		1.3		.2	
Total		100.0	100.0	100.0	100.0	100.0	100.0
Duration in months: Median		30.6	30.5	30.6	30.5	30.7	36.2
Average		28.3	28.1	29.6	27.9	29.5	31.1
		Percentage distributions of aggregate net proceeds					
6 months	6 to 8 months	0.5	0.4	0.6	0.3	1.0	0.3
12 months	9 to 14 months	5.0	5.2	4.2	6.0	4.0	4.2
18 months	15 to 20 months	3.8	4.0	3.3	4.6	2.8	3.3
24 months	21 to 26 months	6.8	6.8	6.3	8.1	8.1	5.3
30 months	27 to 32 months	46.3	48.1	41.2	43.9	39.8	21.9
36 months	33 to 41 months	35.7	35.5	30.4	37.1	40.5	65.0
48 months	42 to 53 months	.1		0.4		.3	
60 months	54 to 63 months	1.1		8.1		2.5	
	Over 63 months	.7		5.5		1.0	
Total		100.0	100.0	100.0	100.0	100.0	100.0

[1] Less than 0.05 percent.

net proceeds and 20 percent of claims paid, with corresponding proportions for additions and alterations, 16 percent and 20 percent.

Table 64 shows the average amount of loans outstanding by years, claims paid on defaulted loans insured, and the ratio of claims paid annually to the average loans outstanding. It appears from the table that the best experience under Title I occurred during the years 1945, 1946, 1947, and 1951. In each of these years the ratio of claims paid during the year to the average outstanding balances did not exceed 1.2 percent.

Claims and Defaults

Default and recovery.—Claims paid from Title I insurance reserves in 1951 amounted to $12,165,000. The cumulative volume since the payment of the first claim in 1935 reached $122,594,000, or 2.29 percent of the $5,352,761,000 of insurance written, at December 31, 1951.

TABLE 62.—*Duration of Loan by Type of Improvement for FHA-insured Property Improvement Loans, 1951*

Duration: Modal term	Duration: Interval	Total	Major type of improvement [1]: New nonresidential construction	Additions and alterations	Exterior finish	Interior finish	Roofing	Plumbing	Heating	Insulation	Miscellaneous
		Percentage distributions of number of loans									
6 months	6 to 8 months	1.0	0.6	0.4	0.4	0.9	1.1	0.8	0.6	2.2	1.1
12 months	9 to 14 months	10.7	6.4	8.9	6.4	13.9	13.3	11.9	9.3	11.4	14.3
18 months	15 to 20 months	6.9	4.1	6.0	4.4	9.3	8.9	8.2	6.5	6.1	9.1
24 months	21 to 26 months	9.5	6.2	9.1	6.5	10.6	11.0	10.5	10.3	9.0	11.3
30 months	27 to 32 months	43.4	21.5	41.1	50.3	35.8	39.7	43.3	39.3	51.0	42.9
36 months	33 to 41 months	28.2	60.0	33.5	31.5	29.2	25.9	25.2	33.7	20.3	21.2
48 months	42 to 53 months	(2)	.2	(2)	(2)	(2)	(2)	(2)	(2)	------	(2)
60 months	54 to 63 months	.2	.8	.6	.2	.2	.1	.1	.2	(2)	.1
	Over 63 months	.1	.2	.4	.3	.1	(2)	(2)	.1	(2)	(2)
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Duration in months:											
Median		30.6	36.2	30.6	30.7	30.4	30.4	30.4	30.6	30.4	30.3
Average		28.3	31.9	29.4	29.9	27.4	27.2	27.6	28.9	27.4	26.7
		Percentage distributions of aggregate net proceeds									
6 months	6 to 8 months	0.5	0.5	0.2	0.2	0.4	0.6	0.4	0.3	1.7	0.5
12 months	9 to 14 months	5.0	3.6	3.7	3.1	5.8	7.2	5.6	5.3	6.6	6.8
18 months	15 to 20 months	3.8	2.7	3.0	2.4	5.2	5.7	4.9	4.1	3.5	5.3
24 months	21 to 26 months	6.8	4.4	6.3	4.5	7.8	8.2	7.9	7.8	6.8	8.2
30 months	27 to 32 months	46.3	23.3	43.4	52.0	42.0	44.8	48.8	42.3	56.8	47.1
36 months	33 to 41 months	35.7	62.4	30.1	35.7	37.4	32.9	31.9	38.4	24.1	31.2
48 months	42 to 53 months	.1	.3	.1	(2)	(2)	.1	(2)	.1	------	(2)
60 months	54 to 63 months	1.1	2.2	2.4	1.0	.8	.3	.3	1.3	.4	.6
	Over 63 months	.7	.6	1.8	1.1	.6	.2	.2	.4	.1	.3
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Type of improvement to which the major portion of the proceeds of the loan was devoted.
[2] Less than 0.05 percent

TABLE 63.—*Property Improvement Loans Insured and Claims Paid by Type of Improvement, 1947 Reserve, 1947–51*

Major type of improvement	Percentage distributions of number		Percentage distributions of amount		Average amount	
	Loans insured	Claims paid	Loans insured	Claims paid	Loans insured	Claims paid
New residential construction	0.2	(1)	1.6	(1)	$3,640	$2,873
New nonresidential construction	1.5	1.0	2.4	1.9	766	443
Additions and alterations	9.5	10.2	15.6	20.0	763	466
Exterior finish	11.9	18.5	14.7	19.9	579	255
Interior finish	7.0	6.7	7.8	8.1	522	288
Roofing	8.3	8.3	6.4	6.1	361	175
Plumbing	8.8	9.9	8.4	9.8	444	236
Heating	22.1	18.4	22.7	16.8	479	217
Insulation	21.6	18.5	13.2	10.7	285	137
Miscellaneous	9.1	8.5	7.2	6.7	368	187
Total	100.0	100.0	100.0	100.0	467	237

[1] Less than 0.05 percent.

DISTRIBUTION OF NUMBER OF LOANS INSURED AND CLAIMS PAID BY TYPES OF IMPROVEMENT

TITLE I, SECTION 2, 1947 RESERVE THROUGH 1951

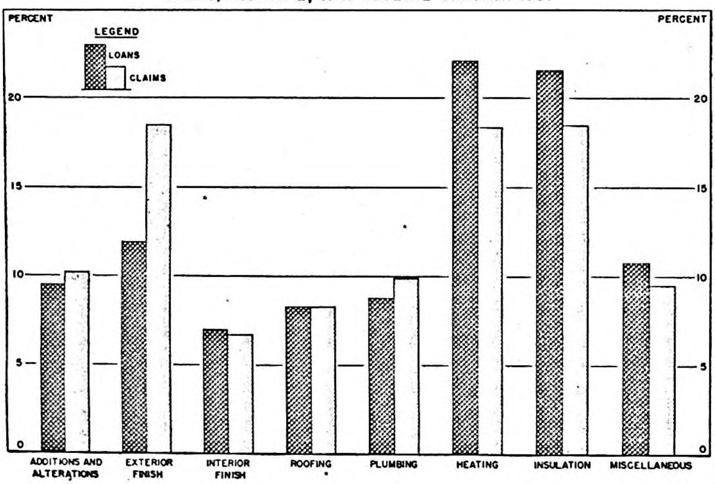

CHART XXIX

By relating the 1951 volume of claims paid to the 1950 volume, the largest amount paid by FHA in any year, a decline of 33.0 percent is obtained. Perhaps the paramount factor contributing to this decline was the general level of prosperity in 1951 and the typical increase in consumer incomes experienced during the year. Moreover, corresponding to the highly improved claim experience in 1951 was the substantial volume of cash recoveries on defaulted loans. From a

TABLE 64.—*Trend of Outstanding Section 2 Loans, Annual Claims Paid, and Ratio of Claims Paid to Loans Outstanding, 1934–51*

Year	Average face amount of loans outstanding	Annual amount of claims paid	Claims paid as percent of loans outstanding	Year	Average face amount of loans outstanding	Annual amount of claims paid	Claims paid as percent of loans outstanding
1934	$12,851,030	----------	----------	1943	$162,337,951	$3,718,643	2.3
1935	101,541,894	$447,448	0.4	1944	117,137,759	1,939,261	1.7
1936	270,087,794	5,884,885	2.2	1945	141,177,371	1,588,875	1.1
1937	235,397,325	6,890,897	2.9	1946	246,303,648	2,435,964	1.0
1938	158,101,318	6,016,306	3.8	1947	511,404,208	5,829,750	1.1
1939	239,665,715	4,728,346	2.0	1948	761,151,179	14,345,659	1.9
1940	311,314,156	6,543,568	2.1	1949	868,652,962	17,423,909	2.0
1941	354,719,535	7,265,059	2.0	1950	941,555,770	18,168,052	1.9
1942	291,903,562	7,132,210	2.4	1951	1,013,256,671	12,164,739	1.2

level of $2,346,000 collected in 1947, through FHA's collection efforts the annual recoveries in 1951 had climbed to $6,712,000. Since the beginning of operations, $45,874,000 in cash and in proceeds from the disposal of real properties has been received in payments on defaulted loans, representing 37.4 percent of the $122,594,000 claims paid during the same period.

In process of collection are defaulted Title I loans expected to yield future recoveries of $16,227,000, bringing the total value of recoveries to an estimated aggregate of $62,101,000 at the end of 1951. After total recoveries are deducted from claims paid, the net loss to FHA at the end of 1951 on loans insured under Section 2 since the beginning of operations is reduced to only 1.13 percent.

Payments made by borrowers prior to default.—Table 65 and Chart XXX show the number of payments made by borrowers prior to default on loans involving claim payments in 1951. Less than 12 payments had been made on half of the claims settled during the year. No payments were made on 8 percent of all defaulted notes settled by claim payments, 22 percent represented notes with from 1 to 5 payments, and 23 percent with from 6 to 11 payments.

The distribution in the table also shows a classification of the number of claims by duration intervals. Two-thirds of all claims were paid in 1951 on notes with maturities of 36 months. On these, approximately 25 percent of the borrowers defaulted between the sixth and eleventh payments, 20 percent between the twelfth and seventeenth payments, and 40 percent between the eighteenth and thirty-sixth payments.

TABLE 65.—*Number of Payments Made Prior to Default on FHA-insured Property Improvement Loans Involving Claim Payments, 1951*

Number of payments received prior to default	Percentage distributions							Average claim paid
	Loan duration for number of claims					Total number	Total amount	
	6 to 11 months	12 to 23 months	24 to 35 months	36 months	37 or more months			
0	28.2	14.3	20.6	2.3	6.1	7.8	12.5	$570
1	21.8	7.4	10.7	1.6	6.1	4.4	6.5	529
2	15.5	10.6	10.7	1.8	8.5	4.7	6.6	494
3	14.5	4.5	8.6	2.2	6.1	4.0	5.8	511
4	6.4	7.1	5.8	3.0	3.7	4.0	5.1	452
5	11.8	6.1	5.3	3.8	2.5	4.4	5.7	456
6 to 11	1.8	34.1	16.8	24.2	25.6	23.0	26.9	414
12 to 17		15.5	11.2	20.9	8.5	17.9	16.3	320
18 to 23		.3	8.2	14.8	4.9	12.0	8.7	256
24 to 29			1.9	12.2	1.2	8.7	4.0	164
30 to 35			.2	13.0	7.3	8.9	1.6	64
36		.1		.2	4.9	.1	.1	239
37 or more					14.6	.1	.2	786
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	342
Percent of total	.7	7.4	24.1	67.3	.5	100.0		

PAYMENTS MADE ON TITLE I, SECTION 2, LOANS PRIOR TO DEFAULT, 1951

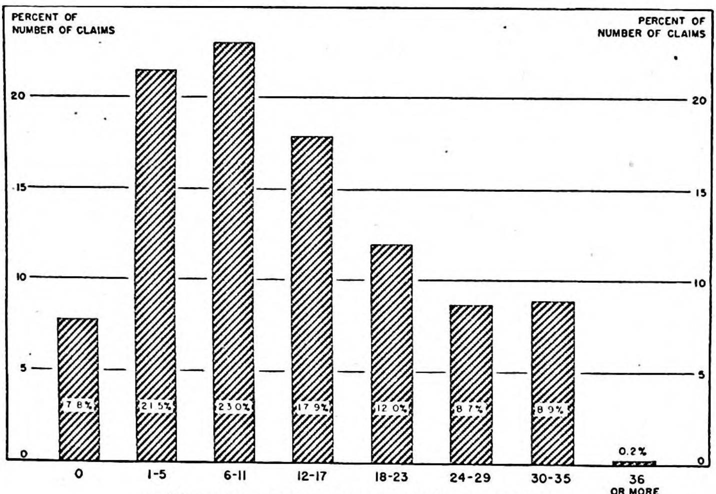

CHART XXX

Section III

ACCOUNTS AND FINANCE

The figures for 1950 and 1951 in the financial statements of this report have been prepared on an accrual basis and are shown for the fiscal year rather than the calendar year. Section II of the report, Statistics of Insuring Operations, is on a calendar year basis to coincide with the housing year. In order to provide comparable figures, those statements in the Accounts and Finance section which are coordinated with the statistical tables shown in Section II are also on a calendar year basis.

Before July 1, 1939, there was no provision in the National Housing Act for collecting premiums on insurance granted under Title I. Moneys for salaries and expenses and for the payment of insurance claims were advanced by the Federal Government, and recoveries on claims paid were required to be deposited to the general fund of the Treasury.

An amendment of June 3, 1939, to the National Housing Act authorized the collection of premiums, and an amendment of June 28, 1941, authorized the retention of recoveries on insurance granted on and after July 1, 1939. Therefore, only the results of operations with respect to insurance granted on and after July 1, 1939, are included in the June 30, 1951, combined statement of financial condition (Statement 1) and the combined statement of income and expenses (Statement 2). Transactions on insurance granted before July 1, 1939, have been shown separately in a statement of accountability for funds advanced (Statement 6).

Combined Funds

Gross Income and Operating Expenses, Fiscal Year 1951

Gross income of combined FHA funds for fiscal year 1951 under all insurance operations totaled $98,004,922 and was derived from fees, insurance premiums, and income on investments. Operating expenses of the Administration during the fiscal year 1951 totaled $31,203,973. This left $66,800,949, which was added to the various insurance funds.

Cumulative Gross Income and Operating Expenses, by Fiscal Years

From the establishment of FHA in 1934 through June 30, 1951, gross income totaled $539,238,014, while operating expenses totaled

$252,655,479. Gross income and operating expenses for each fiscal year are detailed below:

Income and operating expenses through June 30, 1951

Fiscal year	Income from fees, premiums, and investments	Operating expenses	Fiscal year	Income from fees, premiums, and investments	Operating expenses
1935	$539, 609	$6, 336, 905	1945	$29, 824, 744	$10, 219, 023
1936	2, 503, 248	12, 160, 487	1946	30, 729, 072	11, 192, 356
1937	5, 690, 268	10, 318, 119	1947	26, 790, 341	16, 064, 796
1938	7, 874, 377	9, 297, 884	1948	51, 164, 456	20, 071, 400
1939	11, 954, 056	12, 609, 887	1949	63, 983, 953	23, 378, 798
1940	17, 860, 296	13, 206, 525	1950	85, 705, 342	27, 455, 429
1941	24, 126, 366	13, 359, 588	1951	98, 004, 922	31, 203, 973
1942	28, 316, 764	13, 471, 496			
1943	25, 847, 785	11, 160, 452	Total	539, 238, 014	252, 655, 479
1944	28, 322, 415	11, 148, 361			

NOTE.—Operating expenses include profit or loss on sale and charges for depreciation of furniture and equipment.

The above income was derived from the following insurance operations: Title I Insurance Fund (property improvement loans), $65,455,074; Title I Housing Insurance Fund (home mortgages), $295,080; Title II Mutual Mortgage Insurance Fund (home mortgages), $303,935,390; Title II Housing Insurance Fund (rental housing projects), $8,107,955; Title VI War Housing Insurance Fund (war and veterans' emergency housing), $158,196,700; Title VII Housing Investment Insurance Fund (yield insurance), $8,691; and Title VIII Military Housing Insurance Fund (rental housing projects), $3,239,124.

Salaries and Expenses

The current fiscal year is the twelfth in which the Federal Housing Administration has met all expenditures for salaries and expenses by allocation from its insurance funds.

The amount that may be expended for salaries and expenses during a fiscal year is fixed by Congress. Under the terms of the National Housing Act, expenditures for the operations of each title and section are charged against the corresponding insurance fund.

The amounts charged against the various titles and sections of the Act during the fiscal year 1951 to cover operating costs and the purchase of furniture and equipment are as follows:

Salaries and expenses, fiscal year 1951 (July 1, 1950, to June 30, 1951)

Title and section	Amount	Percent	Title and section	Amount	Percent
Title I:			Title VI—Continued.		
Section 2	$2, 256, 523	7. 19	Section 608	$4, 209, 876	13. 42
Section 8	345, 928	1. 10	Section 609	11, 400	. 04
Title II:			Section 611	62, 571	. 20
Section 203	21, 631, 947	68. 96	Title VII	10, 876	. 04
Sections 207–210	662, 736	2. 11	Title VIII:		
Section 213	575, 751	1. 83	Section 803	721, 278	2. 30
Title VI:					
Section 603	882, 687	2. 81	Total	31, 371, 573	100. 00

Capital and Statutory Reserves of Combined FHA Funds

The combined capital and statutory reserves of all FHA funds on June 30, 1951, amounted to $275,267,843, and consisted of $177,391,759 capital ($67,497,433 investment of the United States Government and $109,894,326 earned surplus), and $97,876,084 statutory reserves, as shown in Statement 1.

STATEMENT 1.—*Comparative statement of financial condition, all FHA funds combined, as of June 30, 1950, and June 30, 1951*

	June 30, 1950	June 30, 1951	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$38,840,907	$40,959,571	$2,118,664
Investments:			
U. S. Government securities (amortized)	215,272,165	266,105,915	50,833,750
Other securities (stock in rental housing corporations)	326,985	412,680	85,695
Total investments	215,599,150	266,518,595	50,919,445
Loans receivable:			
Mortgage notes and contracts for deed	20,107,511	23,178,333	3,070,822
Less reserve for losses	334,795	393,147	58,352
Net loans receivable	19,772,716	22,785,186	3,012,470
Accounts and notes receivable:			
Accounts receivable—Insurance premiums	4,619,084	3,846,997	−772,087
Accounts receivable—Other	114,217	160,645	46,428
Total accounts and notes receivable	4,733,301	4,007,642	−725,659
Accrued assets:			
Interest on U. S. Government securities	488,823	489,493	670
Interest on mortgage notes and contracts for deed	232,339	471,253	238,914
Total accrued assets	721,162	960,746	239,584
Land, structures, and equipment:			
Furniture and equipment	1,799,373	[1] 2,080,441	281,068
Less reserve for depreciation	913,225	969,367	56,142
Net furniture and equipment	886,148	1,111,074	224,926
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	14,247,780	38,030,462	23,782,682
Less reserve for losses	2,417,150	6,379,598	3,962,448
Net real estate	11,830,630	31,650,864	19,820,234
Mortgage notes acquired under terms of insurance (at cost plus expenses to date)	5,867,501	13,837,638	7,970,137
Less reserve for losses	1,565,173	2,969,163	1,403,990
Net mortgage notes acquired under terms of insurance	4,302,328	10,868,475	6,566,147
Defaulted Title I notes	42,042,810	47,427,113	5,384,303
Less reserve for losses	23,546,298	27,365,632	3,819,334
Net defaulted Title I notes	18,496,512	20,061,481	1,564,969
Net acquired security or collateral	34,629,470	62,580,820	27,951,350
Total assets	315,182,854	398,923,634	83,740,780
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies	2,999,854	[2] 6,545,465	3,545,611
Group account participations payable	1,676,714	1,904,822	228,108
Total accounts payable	4,676,568	8,450,287	3,773,719

[1] Excludes unfilled orders in the amount of $37,573.
[2] Excludes unfilled orders in the amount of $145,663.

STATEMENT 1.—*Comparative statement of financial condition, all FHA funds combined, as of June 30, 1950, and June 30, 1951*—Continued

	June 30, 1950	June 30, 1951	Increase or decrease (−)
LIABILITIES—continued			
Accrued liabilities: Interest on debentures	$498, 711	$1, 189, 821	$691, 110
Trust and deposit liabilities:			
Fee deposits held for future disposition	1, 641, 700	5, 257, 696	3, 615, 996
Excess proceeds of sale	743, 447	757, 360	13, 913
Deposits held for mortgagors, lessees, and purchasers	404, 472	519, 593	115, 121
Due general fund of the U. S. Treasury	680	5, 185	4, 505
Employees' pay roll deductions for taxes, etc	942, 840	1, 175, 027	232, 187
Total trust and deposit liabilities	3, 733, 139	7, 714, 861	3, 981, 722
Deferred and undistributed credits:			
Unearned insurance premiums	46, 927, 656	52, 120, 514	5, 192, 858
Unearned insurance fees	1, 216, 729	816, 801	−399, 928
Other	43, 958	74, 635	30, 677
Total deferred and undistributed credits	48, 188, 343	53, 011, 950	4, 823, 607
Bonds, debentures, and notes payable: Debentures payable	29, 315, 786	53, 155, 986	23, 840, 200
Other liabilities: Reserve for foreclosure costs—Mortgage notes	20, 392	132, 886	112, 494
Statutory reserves:			
For transfer to general reinsurance account	18, 988, 881	22, 625, 580	3, 636, 699
Net balances of group accounts available for contingent losses, expenses, other charges, and participations	64, 504, 374	75, 250, 504	10, 746, 130
Total statutory reserves	83, 493, 255	97, 876, 084	14, 382, 829
Total liabilities	169, 926, 194	221, 531, 875	51, 605, 681
CAPITAL			
Investment of the U. S. Government:			
Allocations from the U. S. Treasury	21, 000, 000	21, 000, 000	
Appropriations for salaries and expenses	36, 164, 119	36, 164, 119	
Appropriations for payment of insurance claims	8, 333, 524	8, 333, 314	−210
Allocation to Housing Insurance Fund from general reinsurance reserve fund of the Mutual Mortgage Insurance Fund	1, 000, 000	1, 000, 000	
Allocation to Title I Housing Insurance Fund from insurance reserve fund of the Title I Insurance Fund	1, 000, 000	1, 000, 000	
Total investment of the U. S. Government	67, 497, 643	67, 497, 433	−210
Earned surplus (deficit −):			
Insurance reserve fund (cumulative earnings) available for future losses and related expenses	68, 887, 859	98, 006, 878	29, 119, 019
General reinsurance reserve fund (cumulative earnings or deficit −) available for future losses and related expenses	8, 871, 158	11, 887, 448	3, 016, 290
Total earned surplus	77, 759, 017	109, 894, 326	32, 135, 309
Total capital	145, 256, 660	177, 391, 759	32, 135, 099
Total liabilities and capital	315, 182, 854	398, 923, 634	83, 740, 780
Contingent liability for certificates of claim on properties on hand	403, 247	1, 146, 625	743, 378

The paid-in capital of $67,497,433 and the earned surplus of $109,-894,326 are available for future contingent losses and related expenses. The statutory reserves of $97,876,084 represent the net balances of the group accounts under the Mutual Mortgage Insurance Fund, and are earmarked for participation payments to mortgagors under the mutual provision of Title II of the National Housing Act after providing for contingent insurance losses, expenses, and related charges.

The capital and statutory reserves of each fund are given below:

Fund	Capital and statutory reserves
Title I Insurance Fund	$18,124,916
Title I Housing Insurance Fund	969,089
Mutual Mortgage Insurance Fund	151,757,627
Housing Insurance Fund	5,198,320
War Housing Insurance Fund	90,817,238
Housing Investment Insurance Fund	970,192
Military Housing Insurance Fund	7,400,461
Total	275,267,843

In addition, the various insurance funds had collected or accrued $816,801 unearned insurance fees and $52,120,514 unearned insurance premiums, as shown below. Since the accounts are on an accrual basis, these fees and premiums have been deferred and will be allocated to income each month as they are earned.

Fund	Deferred fee income	Deferred premium income	Total deferred fee and premium income
Title I Insurance Fund		$18,923,494	$18,923,494
Title I Housing Insurance Fund		35,197	35,197
Mutual Mortgage Insurance Fund		18,289,991	18,289,991
Housing Insurance Fund	$645,999	297,655	943,654
War Housing Insurance Fund	142,710	13,893,814	14,036,524
Military Housing Insurance Fund	28,092	680,363	708,455
Total	816,801	52,120,514	52,937,315

Combined Income, Expenses, and Losses, all FHA Funds

Total income from all sources during the fiscal year 1951 amounted to $99,305,617, while total expenses and insurance losses amounted to $35,668,438, leaving net income, before adjustment of valuation and statutory reserves, of $63,637,179. Increases in valuation reserves for the year amounted to $9,244,124, leaving $54,393,055 net income for the period. Cumulative income from June 30, 1934, through June 30, 1951, was $545,728,937, and cumulative expenses were $267,678,151, leaving net income of $278,050,786 before adjustment of valuation reserves.

Statement 2.—*Combined statement of income and expenses for all FHA funds, through June 30, 1950, and June 30, 1951*

	June 30, 1934 to June 30, 1950	July 1, 1950 to June 30, 1951	June 30, 1934 to June 30, 1951
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$26,766,458	$5,913,951	$32,680,409
Interest on mortgage notes and contracts for deed	47,641	5,242	52,883
Interest—Other	4,974,751	1,265,114	6,239,865
Dividends on rental housing stock	3,047	1,838	4,885
	31,791,897	7,186,145	38,978,042
Insurance premiums and fees:			
Premiums	316,348,270	74,674,076	391,022,346
Fees	97,272,134	16,437,487	113,709,621
	413,620,404	91,111,563	504,731,967
Other income:			
Profit on sale of investments	843,181	977,572	1,820,753
Miscellaneous income	167,838	30,337	198,175
	1,011,019	1,007,909	2,018,928
Total income	446,423,320	99,305,617	545,728,937
Expenses:			
Interest expenses:			
Interest on debentures	3,106,532	495,916	3,602,448
Administrative expenses:			
Operating costs (including adjustments for prior years)	213,421,766	[1] 31,264,504	244,686,270
Other expenses:			
Depreciation on furniture and equipment	1,254,738	149,460	1,404,198
Miscellaneous expenses	222,570	18,900	241,470
	1,477,308	168,360	1,645,668
Losses and charge-offs:			
Loss on sale of acquired properties	3,791,031	599,488	4,390,519
Loss (or profit –) on equipment	16,669	–19,467	–2,798
Loss on defaulted Title I notes	10,196,407	3,159,637	13,356,044
	14,004,107	3,739,658	17,743,765
Total expenses	232,009,713	35,668,438	267,678,151
Net income before adjustment of valuation reserves	214,413,607	63,637,179	278,050,786
Increase (–) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	–334,795	–58,352	–393,147
Reserve for loss on real estate	–2,417,150	–3,962,448	–6,379,598
Reserve for loss on mortgage notes acquired under terms of insurance	–1,565,173	–1,403,990	–2,969,163
Reserve for loss on defaulted Title I notes	–23,546,298	–3,819,334	–27,365,632
Net adjustment of valuation reserves	–27,863,416	–9,244,124	–37,107,540
Net income	186,550,191	54,393,055	240,943,246

ANALYSIS OF EARNED SURPLUS

Distribution of net income:			
Statutory reserves:			
Balance at beginning of period		$83,493,255	
Net income for the period	$106,791,174	22,257,746	$129,048,920
	106,791,174	105,751,001	129,048,920
Participations in mutual earnings distributed	–23,297,919	–7,874,917	–31,172,836
Balance at end of period	83,493,255	97,876,084	97,876,084
Earned surplus:			
Balance at beginning of period		77,759,017	
Net income for the period	79,759,017	32,135,309	111,894,326
	79,759,017	109,894,326	111,894,326
Allocation to Housing Insurance Fund from general reinsurance reserve fund of the Mutual Mortgage Insurance Fund	–1,000,000		–1,000,000
Allocation to Title I Housing Insurance Fund from the insurance reserve fund of the Title I Insurance Fund	–1,000,000		–1,000,000
Balance at end of period	77,759,017	109,894,326	109,894,326

[1] Excludes unfilled orders in the amount of $108,089.

Title I: Property Improvement Loans

Loans Insured and Claims Paid

Operations under Section 2 of Title I cover the insurance of qualified institutions against loss on loans made to finance the alteration, repair, and improvement of existing structures, and loans not exceeding $3,000 for the construction of new nonresidential structures.

Loans aggregating 12,871,546 in number and $5,352,761,470 in amount (net proceeds) had been reported for insurance under this section through December 31, 1951. Through that date, 404,982 claims had been paid for $122,593,572, or approximately 2.3 percent of the total net proceeds of loans insured, as shown in Statement 3.

In the calendar year 1951, 1,437,737 loans were insured for an aggregate of $706,962,734, and 35,600 claims were paid for $12,164,740.

STATEMENT 3.—*Summary of Title I notes insured, claims for insurance paid, and recoveries on defaulted notes purchased, by calendar years, 1934–51*

Year	Notes insured (net proceeds)	Claims for insurance paid	Recoveries on defaulted notes purchased			
			Total recoveries	Cash receipts		Proceeds from real property
				On notes	On sales of repossessed equipment	
1934	$27,405,525					
1935	201,258,132	$147,448	$9,916	$9,916		
1936	221,534,922	5,884,885	293,207	272,694	$20,513	
1937	54,344,338	6,890,897	942,295	913,758	28,537	
1938	150,709,152	6,016,306	1,552,417	1,489,044	63,373	
1939	203,994,512	4,728,346	1,941,953	1,919,524	22,429	
1940	241,734,821	6,543,568	1,902,540	1,888,681	13,859	
1941	248,638,549	7,265,059	2,539,496	2,335,107	11,853	$192,536
1942	141,163,398	7,132,210	2,831,754	2,705,685	−1,524	37,593
1943	87,194,156	3,718,643	4,168,859	4,024,096	717	144,046
1944	113,939,150	1,939,261	3,597,858	3,558,901	−159	39,116
1945	170,823,788	1,588,875	2,851,513	2,775,337	1,093	75,083
1946	320,593,183	2,435,964	3,058,351	2,772,487	7,270	278,594
1947	533,604,178	5,829,750	2,346,108	2,345,022	239	847
1948	621,612,484	14,345,659	2,503,044	2,499,536	752	2,756
1949	607,023,920	17,493,909	3,414,216	3,413,258	657	301
1950	706,224,528	18,168,052	5,208,863	5,187,283		21,580
1951	706,962,734	12,164,740	6,711,469	6,510,589	−50	200,930
Total	5,352,761,470	122,593,572	45,873,859	44,710,918	169,550	993,382

NOTES

In addition to the above recoveries, $3,874,050 interest on outstanding balances of Title I notes, $96,035 interest on mortgage notes, and $377,680 miscellaneous income had been collected through December 31, 1951.

Equipment in the total amount of $4,474,890 (claim amount) had been repossessed by FHA. However, only the cash recovery of $169,559 from sales is shown as a recovery, the balance of $4,305,331 having been treated as a loss. Of this amount, $3,979,654 represents equipment transferred to other Government agencies without exchange of funds; $322,092, loss on sale of equipment; $792, equipment available for transfer; and $2,793, equipment destroyed as worthless.

Recoveries

Upon payment of insurance claims, the notes and other claims against the borrowers become the property of the Federal Housing Administration and are turned over to the Liquidation Section of the Title I Division for collection or other disposition. If it becomes necessary to repossess equipment under a security instrument held in connection with a defaulted note, the General Services Administration is authorized to pick up such equipment and dispose of it for the account of the Federal Housing Administration.

Real properties acquired are managed and sold by the Property Management Division of the Federal Housing Administration, which also handles the acquisition, management, and disposition of real properties acquired under the various other FHA insurance programs.

Through December 31, 1951, there had been acquired under the terms of insurance a total of 481 real properties with a claim balance of $1,168,179. All but 49 of these, with a claim balance of $201,711, had been sold at a net loss of $61,947, including all expenses (such as taxes, repairs, and sales commissions) incurred by FHA in acquiring, managing, and disposing of the properties.

Insurance losses through December 31, 1951, amounted to $60,492,793. These losses represent 1.13 percent of the total amount of loans insured ($5,352,761,470). A summary of transactions through December 31, 1951, follows:

Summary of Title I transactions for the period June 30, 1934, to December 31, 1951

	Insurance fund	Claims account	Total Title I transactions to Dec. 31, 1951	Percent to notes insured
Total notes insured	$4, 573, 900, 849	$778, 860, 621	$5, 352, 761, 470	100. 000
Total claims paid	91, 104, 858	31, 488, 714	122, 593, 572	2. 290
Recoveries:				*Percent to claims paid*
Cash collections:				
On notes	28, 647, 471	16, 063, 447	44, 710, 918	36. 471
On sale of repossessed equipment	5, 668	163, 891	169, 559	. 138
Total cash	28, 653, 139	16, 227, 338	44, 880, 477	36. 609
Real properties (after deducting losses)	690, 659	302, 723	993, 382	. 811
Total recoveries	29, 343, 798	16, 530, 061	45, 873, 859	37. 420
Net notes in process of collection	16, 174, 591	52, 329	16, 226, 920	13. 236
Losses:				
Loss on sale of real properties	34, 040	27, 907	61, 947	. 051
Loss on repossessed equipment	46, 001	4, 259, 330	4, 305, 331	3. 512
Loss on defaulted Title I notes	14, 452, 489	9, 647, 394	24, 099, 883	19. 658
Reserve for loss on defaulted Title I notes	31, 053, 939	971, 693	32, 025, 632	26. 123
Total losses	45, 586, 469	14, 906, 324	60, 492, 793	49. 344

NOTE.—Included in the loss on repossessed equipment is $3,979,654 representing the cost (claim amount) of equipment repossessed by FHA and subsequently transferred to other Government agencies for their use. Although the Federal Government has received the benefit of the residual value of this equipment, the cost to Title I is shown as a loss, since the equipment was transferred without exchange of funds.

In addition to the above recoveries, $3,874,050 interest on outstanding note balances, $96,035 interest on mortgage notes, and $377,680 miscellaneous income had been collected through December 31, 1951.

Title I Insurance Fund

The Title I Insurance Fund was established by amendment of June 3, 1939, to the National Housing Act for the purpose of carrying out the provisions of Title I (Section 2) on insurance granted on and after July 1, 1939.

Section 2 (f) of the Act provides that moneys in the Title I Insurance Fund shall be available for defraying the operating expenses of the Federal Housing Administration under this title, and any amounts which are not needed for such purpose may be used for the payment of claims in connection with the insurance granted under this title.

Until sufficient funds from premiums and recoveries had accumulated in the Title I Insurance Fund, expenses and insurance claims relating to this title were paid from moneys allocated by the Federal Government. Since July 1, 1940, however, all operating expenses have been paid out of moneys in the Title I Insurance Fund. From July 1, 1940, through June 30, 1944, a portion of the insurance claims was met from income while the remainder was paid from funds advanced by the Federal Government. Since July 1, 1944, all insurance claims have been paid from income and recoveries.

The total capital of the Title I Insurance Fund as of June 30, 1951, as shown in Statement 4, was $18,124,916, of which $8,333,314 represented investment of the United States Government and $9,791,602 was earned surplus.

STATEMENT 4.—*Comparative statement of financial condition, Title I Insurance Fund, as of June 30, 1950, and June 30, 1951*

	June 30, 1950	June 30, 1951	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$11,065,627	$15,565,087	$4,499,460
Loans receivable:			
Mortgage notes and contracts for deed	129,067	132,429	3,362
Less reserve for losses	1,936	1,986	50
Net loans receivable	127,131	130,443	3,312
Accounts and notes receivable:			
Accounts receivable—Insurance premiums	3,037,989	2,205,251	−832,738
Accounts receivable—Other	20,985	14,946	−6,039
Accounts receivable—Inter-fund	153,183	141,342	−11,841
Total accounts and notes receivable	3,212,157	2,361,539	−850,618
Accrued assets: Interest on mortgage notes and contracts for deed	503	519	16
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	11,651	95,326	83,675
Less reserve for losses	1,748	14,261	12,513
Net real estate	9,903	81,065	71,162
Defaulted Title I notes	42,042,810	47,427,113	5,384,303
Less reserve for losses	23,546,298	27,365,632	3,819,334
Net defaulted Title I notes	18,496,512	20,061,481	1,564,969
Net acquired security or collateral	18,506,415	20,142,546	1,636,131
Total assets	32,911,833	38,200,134	5,288,301

STATEMENT 4.—*Comparative statement of financial condition, Title I Insurance Fund, as of June 30, 1950, and June 30, 1951*—Continued

	June 30, 1950	June 30, 1951	Increase or decrease (—)
LIABILITIES			
Accounts payable: Bills payable to vendors and Government agencies	$925, 094	$1, 147, 755	$222, 661
Trust and deposit liabilities: Deposits held for mortgagors, lessees, and purchasers	1, 960	3, 969	2, 009
Deferred and undistributed credits: Unearned insurance premiums	18, 384, 337	18, 923, 494	539, 157
Total liabilities	19, 311, 391	20, 075, 218	763, 827
CAPITAL			
Investment of the U. S. Government: Appropriations for payment of insurance claims	8, 333, 524	8, 333, 314	−210
Earned surplus:			
Insurance reserve fund (cumulative earnings) available for future losses and related expenses	5, 266, 918	9, 791, 602	4, 524, 684
Total capital	13, 600, 442	18, 124, 916	4, 524, 474
Total liabilities and capital	32, 911, 833	38, 200, 134	5, 288, 301

For the fiscal year 1951, Title I Insurance Fund income totaled $13,778,260, while expenses and losses amounted to $5,421,679, leaving $8,356,581 net income before adjustment of valuation reserves. After the valuation reserves were increased by $3,831,897, there remained $4,524,684 net income for the year.

STATEMENT 5.—*Income and expenses, Title I Insurance Fund, through June 30, 1950, and June 30, 1951*

	June 3, 1939 to June 30, 1950	July 1, 1950 to June 30, 1951	June 3, 1939 to June 30, 1951
Income:			
Interest and dividends:			
Interest on mortgage notes and contracts for deed	$47, 641	$5, 242	$52, 883
Interest—Other	1, 374, 223	298, 653	1, 672, 876
	1, 421, 864	303, 895	1, 725, 759
Insurance premiums and fees:			
Premiums	51, 640, 961	13, 444, 809	65, 085, 770
Fees	369, 304		369, 304
	52, 010, 265	13, 444, 809	65, 455, 074
Other income: Miscellaneous income	159, 494	29, 556	189, 050
Total income	53, 591, 623	13, 778, 260	67, 369, 883
Expenses:			
Administrative expenses: Operating costs (including adjustments for prior years)	13, 190, 507	2, 227, 406	15, 417, 913
Other expenses:			
Depreciation on furniture and equipment	115, 177	10, 629	125, 806
Miscellaneous expenses	204, 760	18, 885	223, 645
	319, 937	29, 514	349, 451

STATEMENT 5.—*Income and expenses, Title I Insurance Fund, through June 30, 1950, and June 30, 1951*—Continued

	June 3, 1939 to June 30, 1950	July 1, 1950 to June 30, 1951	June 3, 1939 to June 30, 1951
Expenses—continued			
Losses and charge-offs:			
Loss on sale of acquired properties	$24, 297	$6, 486	$30, 783
Loss (or profit −) on equipment	43, 575	−1, 364	42, 211
Loss on defaulted Title I notes	10, 196, 407	3, 159, 637	13, 356, 044
	10, 264, 279	3, 164, 759	13, 429, 038
Total expenses	23, 774, 723	5, 421, 679	29, 196, 402
Net income before adjustment of valuation reserves	29, 816, 900	8, 356, 581	38, 173, 481
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−1, 936	−50	−1, 986
Reserve for loss on real estate	−1, 748	−12, 513	−14, 261
Reserve for loss on defaulted Title I notes	−23, 546, 298	−3, 819, 334	−27, 365, 632
Net adjustment of valuation reserves	−23, 549, 982	−3, 831, 897	−27, 381, 879
Net income	6, 266, 918	4, 524, 684	10, 791, 602

ANALYSIS OF EARNED SURPLUS

Distribution of net income:			
Earned surplus:			
Balance at beginning of period		$5, 266, 918	
Net income for the period	$6, 266, 918	4, 524, 684	$10, 791, 602
	6, 266, 918	9, 791, 602	10, 791, 602
Allocation to Title I Housing Insurance Fund from the insurance reserve fund of the Title I Insurance Fund	−1, 000, 000		−1, 000, 000
Balance at end of period	5, 266, 918	9, 791, 602	9, 791, 602

Title I Insurance Authority

An amendment to Section 2 (a) of the National Housing Act approved April 20, 1950, provides for a revolving type of insurance authorization. This amendment provides that the aggregate amount of obligations that may be outstanding at any one time shall not exceed $1,250,000,000. The status of the Title I Section 2 insurance authorization as of December 31, 1951, is given below:

Status of Title I insurance authority, as of December 31, 1951

Insurance authority		$1, 250, 000, 000
Charges against insurance authority:		
Estimated outstanding balance of insurance in force:		
Amendment of June 3, 1939	$4, 752, 113	
Reserve of July 1, 1944	329, 893	
Reserve of July 1, 1947	170, 271, 194	
Reserve of March 1, 1950 (including 166,432 notes on loan reports in process)	934, 973, 170	
Total charges against authority		1, 110, 326, 370
Unused insurance authority		139, 673, 630

Title I Insurance Liability

The maximum amount of claims that a qualified institution may present for payment is limited to 10 percent of the eligible loans reported by that institution for insurance. As of December 31, 1951, the maximum possible liability of the Title I Insurance Fund for claims was $253,226,321.

Insurance reserves under Title I, established, released, and outstanding at December 31, 1951, as provided under Sections 2 and 6, National Housing Act

Item	Gross reserves established	Reserves released	Claims paid	Outstanding contingent liability
Insurance reserves:				
Section 2:				
20 percent, original act	$66,331,508	$50,769,728	$15,561,780	----------
10 percent, amendment April 3, 1936	17,257,563	10,647,672	6,609,891	----------
10 percent, amendment February 3, 1938	27,302,148	18,041,547	9,260,601	----------
10 percent, amendment June 3, 1939	86,069,549	60,898,611	20,418,825	$4,752,113
10 percent, reserve of July 1, 1944	85,461,529	60,897,974	24,233,662	329,893
10 percent, reserve of July 1, 1947	163,091,684	----------	41,730,122	121,361,562
10 percent, reserve of March 1, 1950	122,767,322	----------	4,722,249	118,045,073
Estimated loan reports in process	8,737,680	----------	----------	8,737,680
Section 6: [1]				
20 percent, amendment April 22, 1937	297,366	246,498	50,868	----------
10 percent, amendment April 17, 1936	11,913	6,339	5,574	----------
Total	577,328,262	201,508,369	122,593,572	253,226,321

[1] In effect from Apr. 17, 1936, to June 3, 1939, for disaster loans.

Title I Claims Account

Through June 30, 1951, the Federal Government had advanced a total of $38,243,526 to cover operations under Title I (Section 2) on insurance granted before July 1, 1939. Of this amount, $6,613,-811 had been advanced for salaries and expenses, and the remaining $31,629,715 for the payment of insurance claims and loans to insured institutions. In addition, $2,182,989 had been collected as interest and other income, making a total of $40,426,515 accountable funds.

Funds accounted for at June 30, 1951, amounted to $40,301,562: $18,725,227 representing recoveries and interest on claims deposited in the general fund of the Treasury, and $21,576,335 representing expenses and losses, leaving a balance to be accounted for of $124,953. This balance is accounted for by the net assets on hand at June 30, 1951, which consisted of $47,837 cash, $78,254 accounts and notes receivable, and $1,138 liabilities.

STATEMENT 6.—*Title I Claims Account: Statement of accountability for funds advanced as of June 30, 1951*

Advances from RFC for:			
Payment of claims	$31,488,715		
Loans to insured institutions	141,000		
Payment of salaries and expenses	6,613,811		
		$38,243,526	
Income from operations:			
Interest on defaulted notes	1,953,154		
Other income	229,835		
		2,182,989	
Total funds available			$40,426,515
Recoveries on claims and loans to insured institutions deposited in the general fund of the Treasury		$18,725,227	
Salaries and expenses		6,613,811	
Losses including estimated future losses:			
Sale of real property	$28,429		
Repossessed equipment	4,259,330		
Defaulted notes	10,674,765		
		14,962,524	
Total funds used			40,301,562
Balance of funds to be accounted for			124,953
Accountability represented by:			
Assets on hand:			
Cash		$47,837	
Accounts receivable and accrued assets		4,502	
Mortgage notes	$14,807		
Less estimated future losses	222		
		14,585	
Defaulted notes	1,090,065		
Less estimated future losses	1,030,898		
		59,167	
Total assets on hand		126,091	
Liabilities:			
Deposits held for account of mortgagors and lessees		1,138	
Net assets on hand			$124,953

Title I Housing Insurance Fund

An amendment of April 20, 1950, to the National Housing Act (Public Law 475, 81st Congress) created the Title I Housing Insurance Fund to be used by the FHA Commissioner as a revolving fund for carrying out the provisions of Section 8 of Title I of the Act. This section provides for the insurance of mortgages to assist families of low and moderate income, particularly in suburban and outlying areas. For the purposes of this fund, the Act authorized the Commissioner to transfer the sum of $1,000,000 from the Title I Insurance Fund.

Title I Section 8 Insurance Authority

Section 8 (a) of the National Housing Act provides that the aggregate amount of principal obligations of all mortgages insured and outstanding at any one time shall not exceed $100,000,000, except that with the approval of the President such amount may be increased by $150,000,000.

The status of the Title I Section 8 insurance authority at December 31, 1951, was calculated as follows:

Status of Title I, Section 8 insurance authority, as of December 31, 1951

Insurance authority		$100, 000, 000
Charges against insurance authority:		
Estimated outstanding balance of insurance in force	$29, 498, 559	
Outstanding commitments	33, 277, 600	
Total charges against authority		62, 776, 159
Unused insurance authority		37, 223, 841

Title I Housing Insurance Fund Capital and Net Income

Assets of the Title I Housing Insurance Fund at June 30, 1951, totaled $1,277,886, against which there were outstanding liabilities of $308,797, leaving $969,089 capital. Included in the capital is the sum of $1,000,000 transferred from the Title I Insurance Fund in accordance with Section 8 (h) of the Act, and an operating deficit of $30,911.

STATEMENT 7.—*Comparative statement of financial condition, Title I Housing Insurance Fund, as of June 30, 1950, and June 30, 1951*

	June 30, 1950	June 30, 1951	Increase or decrease (—)
ASSETS			
Cash with U. S. Treasury	$1, 050, 555	$318, 874	—$731, 681
Investments: U. S. Government securities (amortized)		958, 022	958, 022
Accrued assets: Interest on U. S. Government securities		990	990
Total assets	1, 050, 555	1, 277, 886	227, 331
LIABILITIES			
Accounts payable: Inter-fund		37, 713	37, 713
Trust and deposit liabilities: Fee deposits held for future disposition	28, 675	235, 887	207, 212
Deferred and undistributed credits: Unearned insurance premiums		35, 197	35, 197
Total liabilities	28, 675	308, 797	280, 122
CAPITAL			
Investment of the U. S. Government: Allocation to Title I Housing Insurance Fund from insurance reserve fund of the Title I Insurance Fund	1, 000, 000	1, 000, 000	
Earned surplus: Insurance reserve fund (cumulative earnings or deficit —) available for future losses and related expenses	21, 880	—30, 911	—52, 791
Total capital	1, 021, 880	969, 089	—52, 791
Total liabilities and capital	1, 050, 555	1, 277, 886	227, 331

The total income of the Title I Housing Insurance Fund for fiscal year 1951 amounted to $273,200, while expenses and losses totaled $325,991, leaving a net deficit for the year of $52,791.

STATEMENT 8.—*Income and expenses, Title I Housing Insurance Fund, from inception, April 20, 1950, through June 30, 1951*

	April 20, 1950 to June 30, 1950	July 1, 1950 to June 30, 1951	April 20, 1950 to June 30, 1951
Income:			
Interest and dividends: Interest on U. S. Government securities		$17,039	$17,039
Insurance premiums and fees:			
Premiums		17,386	17,386
Fees	$21,880	238,775	260,655
	21,880	256,161	278,041
Total income	21,880	273,200	295,080
Expenses:			
Administrative expenses: Operating costs (including adjustments for prior years)		324,635	324,635
Other expenses: Depreciation on furniture and equipment		1,540	1,540
Losses and charge-offs:			
Loss (or profit −) on equipment		−184	−184
Total expenses		325,991	325,991
Net income (or loss −)	21,880	−52,791	−30,911

ANALYSIS OF EARNED SURPLUS (OR DEFICIT −)

Distribution of net income:			
Earned surplus (or deficit −):			
Balance at beginning of period		$21,880	
Net income (or loss −) for the period	$21,880	−52,791	−$30,911
Balance at end of period	21,880	−30,911	−30,911

Investments

Section 8 (i) of the Act provides that moneys in the Title I Housing Insurance Fund not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by the United States; or the Commissioner may, with the approval of the Secretary of the Treasury, purchase debentures issued under the fund, provided that such purchases are made at a price that will produce an investment yield of not less than the yield obtainable from other authorized investments. During the fiscal year 1951, $950,000 (principal amount) of U. S. Treasury bonds Series 1967–72 were purchased for the account of this fund.

Investments of the Title I Housing Insurance Fund, June 30, 1951

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1967-72 Average annual yield 2.44 percent.	2½	$958,367	$950,000	$958,022

Title II: Mutual Mortgage Insurance Fund

The Mutual Mortgage Insurance Fund was established by Section 202 of the National Housing Act of June 27, 1934, as a revolving fund for carrying out the provisions of Title II with respect to insurance under Section 203 (mortgages on one- to four-family homes) and Section 207 (rental housing projects). An amendment to the Act approved February 3, 1938, established the Housing Insurance Fund to carry the insurance on rental housing projects insured under Section 207 after that date.

In accordance with Section 202 of the Act, the Mutual Mortgage Insurance Fund was originally allocated the sum of $10,000,000 by the Federal Government. It has been credited with all income received in connection with insurance granted under Section 203, and that received with respect to insurance granted before February 3, 1938, under Section 207.

Section 205 of the Act provides that mortgages insured under Section 203 shall be classified into groups in accordance with sound actuarial practice and risk characteristics. Each group account is credited with the income and charged with the expenses and losses of the mortgages in the group. If such income exceeds the expenses and losses, the resultant credit balance is distributed in the form of participation payments to mortgagors of the group upon payment in full of their mortgages, or upon termination of the group account. A group account is terminated when the amounts to be distributed are sufficient to pay off the unpaid principal of the mortgages remaining in the group, or when all outstanding mortgages in the group have been paid.

If the expenses and losses of a group account exceed the income, no participation payments can be made and the deficit balance is absorbed by the general reinsurance account.

The general reinsurance account was established by Section 205 (b) of the Act and, in accordance with this section, was credited with the original allocation of $10,000,000 provided by Section 202 of the Act. In addition, Section 205 (c) of the Act provides for the transfer to this account, upon the termination of each group account, of an amount equal to 10 percent of the total insurance premiums theretofore credited to the group. The general reinsurance account was provided as a secondary reserve to absorb the ultimate deficits of any group accounts which lack sufficient funds to meet all expenses and losses relating to the mortgages in the group; and to cover general expenses of mutual mortgage insurance not charged against the group accounts.

Title II Insurance Authority

Under the authority contained in Section 217 of the Act, approved September 1, 1951, the aggregate amount of principal obligations of all mortgages insured under Title II outstanding at any one time was raised by the President during 1951 from $9,000,000,000 to $9,400,000,000. This authorization applies to the insurance granted on home mortgages under Section 203, rental project mortgages under Sections 207 and 210, and mortgages on cooperative projects under Section 213. The Title II insurance authority at December 31, 1951, was calculated as follows:

Status of Title II insurance authority, as of December 31, 1951

Insurance authority			$9, 400, 000, 000
Charges against insurance authority:			
Section 203 estimated outstanding balance of insurance in force	$7, 500, 017, 266		
Section 203 outstanding commitments	1, 393, 770, 100		
		$8, 893, 787, 366	
Section 207 estimated outstanding balance of insurance in force	70, 818, 668		
Section 207 outstanding commitments	46, 138, 300		
		116, 956, 968	
Section 213 estimated outstanding balance of insurance in force	75, 887, 815		
Section 213 outstanding commitments [1]	96, 201, 000		
		172, 088, 815	
Total charges against authority			9, 182, 833, 149
Unused insurance authority			217, 166, 851

[1] Commitments include statements of eligibility.

Mutual Mortgage Insurance Fund Capital

As of June 30, 1951, the assets of the Mutual Mortgage Insurance Fund totaled $190,308,906, against which there were outstanding liabilities of $136,427,363, leaving $53,881,543 capital. Included in the liabilities are the statutory reserves of $97,876,084. This figure includes $22,625,580 for transfer to the general reinsurance account and $75,250,504 available for contingent losses, expenses, other charges, and participation payments to mortgagors under the mutual provision of the Act.

STATEMENT 9.—*Comparative statement of financial condition, Mutual Mortgage Insurance Fund, as of June 30, 1950, and June 30, 1951*

	June 30, 1950	June 30, 1951	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$9, 924, 985	$11, 151, 092	$1, 226, 107
Investments: U. S. Government securities (amortized)	146, 747, 463	172, 583, 386	25, 835, 923
Loans receivable:			
Mortgage notes and contracts for deed	1, 424, 827	2, 037, 327	612, 500
Less reserve for losses	21, 372	30, 555	9, 183
Net loans receivable	1, 403, 455	2, 006, 772	603, 317
Accounts and notes receivable:			
Accounts receivable—Insurance premiums	751, 122	900, 356	149, 234
Accounts receivable—Inter-fund	863, 488	1, 732, 706	869, 218
Total accounts and notes receivable	1, 614, 610	2, 633, 062	1, 018, 452
Accrued assets:			
Interest on U. S. Government securities	384, 247	359, 028	−25, 219
Interest on mortgage notes and contracts for deed	5, 910	8, 747	2, 837
Total accrued assets	390, 157	367, 775	−22, 382
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	221, 553	1, 822, 009	1, 600, 456
Less reserve for losses	32, 270	255, 190	222, 920
Net acquired security or collateral	189, 283	1, 566, 819	1, 377, 536
Total assets	160, 269, 953	190, 308, 906	30, 038, 953
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies	798	3, 118, 873	3, 118, 075
Group account participations payable	1, 676, 714	1, 904, 822	228, 108
Total accounts payable	1, 677, 512	5, 023, 695	3, 346, 183
Accrued liabilities: Interest on debentures	119, 784	169, 467	49, 683
Trust and deposit liabilities:			
Fee deposits held for future disposition	1, 613, 025	5, 021, 809	3, 408, 784
Excess proceeds of sale	51, 237	80, 185	28, 948
Deposits held for mortgagors, lessees, and purchasers	63, 560	65, 949	2, 389
Total trust and deposit liabilities	1, 727, 822	5, 167, 943	3, 440, 121
Deferred and undistributed credits:			
Unearned insurance premiums	14, 484, 385	18, 289, 991	3, 805, 606
Other	5, 306	8, 747	3, 441
Total deferred and undistributed credits	14, 489, 691	18, 298, 738	3, 809, 047
Bonds, debentures, and notes payable: Debentures payable	7, 896, 636	9, 891, 436	1, 994, 800
Statutory reserves:			
For transfer to general reinsurance reserve	18, 988, 881	22, 625, 580	3, 636, 699
Net balances of group accounts available for contingent losses, expenses, other charges, and participations	64, 504, 374	75, 250, 504	10, 746, 130
Total statutory reserves	83, 493, 255	97, 876, 084	14, 382, 829
Total liabilities	109, 404, 700	136, 427, 363	27, 022, 663
CAPITAL			
Investment of the U. S Government:			
Allocations from the U. S. Treasury	10, 000, 000	10, 000, 000	
Appropriations for salaries and expenses	31, 994, 095	31, 994, 095	
Total investment of the U. S. Government	41, 994, 095	41, 994, 095	
Earned surplus (deficit −):			
General reinsurance reserve fund (cumulative earnings or deficit −) available for future losses and related expenses	8, 871, 158	11, 887, 448	3, 016, 290
Total capital	50, 865, 253	53, 881, 513	3, 016, 290
Total liabilities and capital	160, 269, 953	190, 308, 906	30, 038, 953
Contingent liability for certificates of claim on properties on hand.	9, 230	62, 909	53, 679

Income and Expenses

During fiscal year 1951 the income to the fund amounted to $48,223,951, while expenses and losses amounted to $22,717,812, leaving $25,506,139 net income before adjustment of valuation reserves. After the valuation reserves had been increased $232,103, the net income for the year was $25,274,036.

The cumulative income of the Mutual Mortgage Insurance Fund from June 30, 1934, to June 30, 1951, amounted to $307,102,040, while cumulative expenses amounted to $164,879,927, leaving $142,222,113 net income before adjustment of valuation reserves. After $285,745 had been allocated to valuation reserves, the cumulative net income amounted to $141,936,368.

STATEMENT 10.—*Income and expenses, Mutual Mortgage Insurance Fund, through June 30, 1950, and June 30, 1951*

	June 30, 1934 to June 30, 1950	July 1, 1950 to June 30, 1951	June 30, 1934 to June 30, 1951
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$23, 266, 232	$3, 949, 468	$27, 215, 700
Interest—Other	2, 820, 287	337, 618	3, 157, 905
Dividends on rental housing stock	156	130	286
	26, 086, 675	4, 287, 216	30, 373, 891
Insurance premiums and fees:			
Premiums	177, 514, 115	33, 013, 928	210, 528, 043
Fees	54, 595, 049	10, 017, 080	64, 612, 129
	232, 109, 164	43, 031, 008	275, 140, 172
Other income:			
Profit on sale of investments	674, 286	904, 946	1, 579, 232
Miscellaneous income	7, 964	781	8, 745
	682, 250	905, 727	1, 587, 977
Total income	258, 878, 089	48, 223, 951	307, 102, 040
Expenses:			
Interest expense: Interest on debentures	3, 106, 532	495, 916	3, 602, 448
Administrative expenses: Operating costs (including adjustments for prior years)	135, 837, 439	22, 075, 658	157, 913, 097
Other expenses:			
Depreciation on furniture and equipment	785, 101	105, 359	890, 460
Miscellaneous expenses	17, 710	15	17, 725
	802, 811	105, 374	908, 185
Losses and charge-offs:			
Loss on sale of acquired properties	2, 426, 070	54, 402	2, 480, 472
Loss (or profit —) on equipment	−10, 737	−13, 538	−24, 275
	2, 415, 333	40, 864	2, 456, 197
Total expenses	142, 162, 115	22, 717, 812	164, 879, 927
Net income before adjustment of valuation reserves	116, 715, 974	25, 506, 139	142, 222, 113
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−21, 372	−9, 183	−30, 555
Reserve for loss on real estate	−32, 270	−222, 920	−255, 190
Net adjustment of valuation reserves	−53, 642	−232, 103	−285, 745
Net income	116, 662, 332	25, 274, 036	141, 936, 368

STATEMENT 10.—*Income and expenses, Mutual Mortgage Insurance Fund, through June 30, 1950, and June 30, 1951*—Continued

ANALYSIS OF EARNED SURPLUS (OR DEFICIT −)

	June 30, 1934 to June 30, 1950	July 1, 1950 to June 30, 1951	June 30, 1934 to June 30, 1951
Distribution of net income:			
Statutory reserves:			
Balance at beginning of period		$83, 493, 255	
Net income for the period	$106, 791, 174	22, 257, 746	$129, 048, 920
	106, 791, 174	105, 751, 001	129, 048, 920
Participation in mutual earnings distributed	−23, 297, 919	−7, 874, 917	−31, 172, 836
Balance at end of period	83, 493, 255	97, 876, 084	97, 876, 084
Earned surplus:			
Balance at beginning of period		8, 871, 158	
Net income for the period	9, 871, 158	3, 016, 290	12, 887, 448
	9, 871, 158	11, 887, 448	12, 887, 448
Allocation to Housing Insurance Fund from general reinsurance reserve fund of the Mutual Mortgage Insurance Fund	−1, 000, 000		−1, 000, 000
Balance at end of period	8, 871, 158	11, 887, 448	11, 887, 448

Investments

Section 206 of the Act provides that excess moneys in the Mutual Mortgage Insurance Fund not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by the United States; or the Commissioner may, with the approval of the Secretary of the Treasury, purchase debentures issued under the fund, provided such purchases are made at a price that will produce an investment yield not less than the yield obtainable from other authorized investments.

During the fiscal year 1951, $40,250 of Series A 3 percent Mutual Mortgage Insurance Fund debentures matured and were paid, $86,250 of Series E 2¾ percent were purchased from RFC, and $323,400 were called for redemption.

Purchases of United States Treasury bonds made during the year increased the holdings of the fund by $25,867,650 (principal amount). These transactions resulted in a decrease in the average annual yield from 2.48 percent to 2.47 percent. On June 30, 1951, the fund held United States Treasury bonds in the amount of $172,583,386, as follows:

Investments of the Mutual Mortgage Insurance Fund, June 30, 1951

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1952–54	2½	$2,300,000	$2,300,000	$2,300,000
1962–67	2½	5,000,000	5,000,000	5,000,000
1963–68	2½	4,500,000	4,500,000	4,500,000
1964–69	2½	19,173,672	19,300,000	19,174,014
1965–70	2½	15,568,226	15,650,000	15,568,526
1966–71	2½	10,850,000	10,850,000	10,850,000
1967–72	2½	115,263,337	114,267,000	115,190,816
Average annual yield 2.47 percent		172,655,235	171,867,000	172,583,386

Properties Acquired under the Terms of Insurance

Four hundred and seven homes insured under Section 203 were acquired by the Commissioner during the calendar year 1951 under the terms of insurance. During 1950, 225 foreclosed properties had been transferred to the Commissioner, and in 1949 there had been 37. Through 1951, a total of 4,740 small homes had been acquired under the Mutual Mortgage Insurance Fund, for which debentures and cash adjustments had been issued in the amount of $22,944,934. Statement 11 shows the turnover of Section 203 acquired properties since the acquisition of the first such property in 1936.

STATEMENT 11.—*Turnover of properties acquired under Section 203 of Title II contracts of insurance by years, and cumulative through December 31, 1951*

Properties acquired		Properties sold by calendar years															Properties on hand Dec. 31, 1951
Year	Number	1936–37	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	
1936	13	11	2														
1937	98	13	67	7	5	6											
1938	324		139	99	50	28	6	2	−1	1							
1939	753			278	331	110	28	3	2	1							
1940	1,123				611	448	46	14	3	1							
1941	1,044					754	257	29	2	2							
1942	502						355	139	8								
1943	168							140	27	1							
1944	33								26	7							
1945	8									7	1						
1946	1										1						
1947																	
1948	4												2	2			
1949	37													17	19	1	
1950	225														65	102	58
1951	407															188	219
Total	4,740	24	208	384	997	1,346	692	327	67	20	2		2	19	84	291	277

NOTES

On the 4,463 properties sold, the average time between acquisition and sale by the Federal Housing Administration was 6.10 months.

The number of properties sold has been reduced by 17 properties repossessed because of default on mortgage notes. All 17 reacquisitions had been resold by December 31, 1951.

Through December 31, 1951, 4,463 acquired properties insured under Section 203 had been sold at prices which left a net charge against the fund of $2,545,350, or an average of approximately $570 per case. One Section 207 rental housing project, insured under the Mutual Mortgage Insurance Fund before February 3, 1938, had been acquired and sold in 1941 at no loss to the fund.

STATEMENT 12.—*Statement of profit and loss on sale of acquired properties, Mutual Mortgage Insurance Fund, through December 31, 1951*

Item	Section 203 (4,463 properties)	Section 207 (1 property)	Total Title II (4,464 properties)
Proceeds of sales: [1]			
Sales price	$21,501,671	$1,000,000	$22,501,671
Less commission and other selling expenses	1,012,411		1,012,411
Net proceeds of sales	20,489,260	1,000,000	21,489,260
Income:			
Rental and other income (net)	417,322		417,322
Mortgage note income	2,584,510		2,584,510
Total income	3,001,832		3,001,832
Total proceeds of sold properties	23,491,092	1,000,000	24,491,092
Expenses:			
Debentures and cash adjustments	21,131,898	942,145	22,074,043
Interest on debentures	2,960,964	18,387	2,979,351
Taxes and insurance	424,948	5,012	429,960
Repairs and improvements	746,789		746,789
Maintenance and operating expense	97,350		97,350
Miscellaneous expense	5,154	1,669	6,823
Total expenses	25,367,103	967,213	26,334,316
Net profit (or loss —) before distribution of liquidation profits	—1,876,011	32,787	—1,843,224
Less distribution of liquidation profits:			
Certificates of claim	448,797	31,532	480,329
Increment on certificates of claim	30,770	1,255	32,025
Refunds to mortgagors	189,772		189,772
Loss to Mutual Mortgage Insurance Fund	2,545,350		2,545,350
Average loss to Mutual Mortgage Insurance Fund	570		

[1] Analysis of terms of sales:

Terms of sales	Number of properties	Number of notes	Cash	Mortgage notes	Sales price
Properties sold for all cash	759		$4,740,460		$4,740,460
Properties sold for cash and notes (or contracts for deed)	3,688	3,678	2,091,278	$15,608,956	17,700,234
Properties sold for notes only	17	17		60,977	60,977
Total	4,464	3,695	6,831,738	15,669,933	22,501,671

On December 31, 1951, 277 properties insured under the Mutual Mortgage Insurance Fund were held by the FHA. The cost of these properties was:

Mutual Mortgage Insurance Fund, statement of properties on hand at December 31, 1951 (277 properties)

	Section 203 (277 properties)
Expenses:	
Acquisition costs	$1,813,036
Interest on debentures	65,505
Taxes and insurance	36,778
Repairs and improvements	38,472
Maintenance and operating expenses	41,820
Miscellaneous expenses	470
Total expenses	1,996,081
Income. Rental and other income (net)	1,276
Net cost of properties on hand	1,994,805

Certificates of Claim and Refunds to Mortgagors

Section 204 (f) of the Act provides that if the net amount realized from any property acquired by the FHA under the terms of insurance with respect to which Section 204 (f) is applicable, after deducting all expenses incurred in handling, dealing with, and disposing of such property, exceeds the face value of debentures issued and cash paid in exchange for such property plus all interest paid on such debentures, such excess shall be applied to the certificate of claim issued to the mortgagee, and that any excess remaining after paying the certificate of claim and increment thereon shall be refunded to the mortgagor.

Certificates of claim issued in connection with the 4,463 Section 203 properties which had been acquired and sold through 1951 totaled $1,806,175. The amount paid or to be paid on these certificates of claim totaled $448,797 (approximately 25 percent), while certificates of claim totaling $1,357,378 (approximately 75 percent), had been or will be canceled.

In addition, there were excess proceeds on approximately 14 percent (or 681) of the 4,463 sold properties amounting to $189,772, for refund to mortgagors. The refund to mortgagors on these 681 cases averaged $279.

Mutual Mortgage Participation Payments

In carrying out the mutual provisions of Title II the Administration had established through June 30, 1951, a total of 294 group accounts, of which 162 had credit balances for distribution, and 132 had deficit balances. The 162 group accounts with credit balances included 18 from which participation payments had been made at the time of termination of the group, 14 from which payments will be made, and 130 from which participation shares are being currently disbursed to mortgagors who pay their mortgages in full prior to maturity.

Of the 132 deficit balance groups at June 30, 1951, 67 had been terminated with deficits totaling $147,838, and these deficits had been charged against the general reinsurance account. The income of the remaining 65 groups had not yet been sufficient to offset the expenses and reserves for losses.

The credit balances of the 18 group accounts that had matured and from which participation payments had been made amounted to $193,-574, and these balances were shared by 3,895 mortgagors. Payments to mortgagors ranged from $1.89 to $48.39 per $1,000 of original face amount of mortgage. The credit balances of the 14 groups from which participation payments will be made amounted to $1,172,499 on June 30, 1951, and will be shared by approximately 7,033 mortgagors.

The first participation payments in connection with insured loans prepaid in full were made as of January 1, 1944, and during the 7½ years following that date total payments of $31,172,836 were made or accrued on 293,253 insured loans.

The credit balances of the 130 groups, from which participation payments are being made as insured loans are paid in full, amounted to $59,652,826 on June 30, 1951. On that date there were still in force in these group accounts approximately 301,858 insured mortgages on which the original face amount had been $1,363,455,779.

Title II: Housing Insurance Fund

The insurance risks on rental and group housing insured under Sections 207 and 210 after February 3, 1938, and on cooperative housing insured under Section 213 are liabilities of the Housing Insurance Fund, which was established by an amendment to the National Housing Act approved February 3, 1938.

Section 213, which was added to the Act by an amendment approved April 20, 1950, authorizes the insurance of mortgages on cooperative housing projects. To be eligible for insurance under Section 213, the mortgagor must be a nonprofit cooperative ownership housing corporation, the permanent occupancy of the dwellings being restricted to members, or a nonprofit corporation organized for the purpose of building homes for members. In the latter instance provision is made for the release from the blanket mortgage of individual properties for sale to members and for the insurance of individual mortgages under Section 213 on such released properties.

Appraisal fees, insurance premiums, interest on investments, and income from projects acquired under the terms of insurance are deposited with the Treasurer of the United States to the credit of the Housing Insurance Fund. Foreclosure losses and general operating expenses of the Federal Housing Administration under Sections 207 and 210 since February 3, 1938, and under Section 213 are charged against the fund.

This is not a mutual insurance fund in the sense that any portion of the net income from operations will be shared by mortgagors in the form of participation payments. Any increase in the fund resulting from operations is retained as a general reserve to meet possible insurance losses and future expenses in connection with Sections 207, 210, and 213 insurance. In accordance with Section 207 (h) of the Act, the excess proceeds, if any, from the sale of an acquired project, after deducting all costs incident to the acquisition, handling, and final disposition of such project, are applied to the mortgagee's certificate of claim and increment thereon, and any balance is credited to the Housing Insurance Fund, except that, with respect to individual mortgages insured under the provisions of Section 213 (d), any excess remaining after payment of the certificate of claim and increment thereon is for refund to the mortgagor. Before enactment of the amendments of August 10, 1948, to the National Housing Act, any excess remaining after payment of the certificate of claim and increment thereon was refunded to the mortgagor.

Housing Insurance Fund Capital and Net Income

Assets of the Housing Insurance Fund as of June 30, 1951, totaled $7,738,106, against which there were outstanding liabilities of $2,539,-786. The capital of the fund amounted to $5,198,320, represented by $5,170,024 investment of the United States Government and earned surplus of $28,296. Included in the capital is the sum of $1,000,000, which was transferred in accordance with Section 207 (f) of the Act from appraisal fees collected under the Mutual Mortgage Insurance Fund.

STATEMENT 13.—*Comparative statement of financial condition, Housing Insurance Fund, as of June 30, 1950, and June 30, 1951*

	June 30, 1950	June 30, 1951	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$1,465,799	$1,998,943	$533,144
Investments:			
U. S. Government securities (amortized)	2,436,614	2,909,614	473,000
Other securities (stock in rental housing corporations)	4,750	7,700	2,950
Total investments	2,441,364	2,917,314	475,950
Loans receivable:			
Mortgage notes and contracts for deed	5,280,348	2,817,299	−2,463,049
Less reserve for losses	79,205	42,259	−36,946
Net loans receivable	5,201,143	2,775,040	−2,426,103
Accounts and notes receivable: Accounts receivable—Insurance premiums	-----	38,643	38,643
Accrued assets:			
Interest on U. S. Government securities	9,367	3,020	−6,347
Interest on mortgage notes and contracts for deed	13,041	5,146	−7,895
Total accrued assets	22,408	8,166	−14,242
Total assets	9,130,714	7,738,106	−1,392,608
LIABILITIES			
Accounts payable: Inter-fund	−11,942	112,576	124,518
Accrued liabilities: Interest on debentures	47,300	19,112	−28,188
Trust and deposit liabilities:			
Excess proceeds of sale	71,843	39,903	−31,940
Deposits held for mortgagors, lessees, and purchasers	68,547	34,541	−34,006
Total trust and deposit liabilities	140,390	74,444	−65,946
Deferred and undistributed credits:			
Unearned insurance premiums	95,601	297,655	202,054
Unearned insurance fees	453,861	645,999	192,138
Total deferred and undistributed credits	549,462	943,654	394,192
Bonds, debentures, and notes payable: Debentures payable	3,440,000	1,390,000	−2,050,000
Total liabilities	4,165,210	2,539,786	−1,625,424
CAPITAL			
Investment of the U. S. Government:			
Appropriations for salaries and expenses	4,170,024	4,170,024	-----
Allocation to Housing Insurance Fund from general reinsurance reserve fund of the Mutual Mortgage Insurance Fund	1,000,000	1,000,000	-----
Total investment of the U. S. Government	5,170,024	5,170,024	-----
Earned surplus (deficit −):			
Insurance reserve fund (cumulative earnings or deficit −) available for future losses and related expenses	−204,520	28,296	232,816
Total capital	4,965,504	5,198,320	232,816
Total liabilities and capital	9,130,714	7,738,106	−1,392,608

During the fiscal year 1951 the income of the fund amounted to $1,358,052, while expenses and losses amounted to $1,162,182, leaving $195,870 net income before adjustment of valuation reserves. After the valuation reserves had been decreased by $36,946, there remained $232,816 as net income for the year.

STATEMENT 14.—*Income and expenses, Housing Insurance Fund, through June 30, 1950, and June 30, 1951*

	Feb. 3, 1938 to June 30, 1950	July 1, 1950 to June 30, 1951	Feb. 3, 1938 to June 30, 1951
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$666, 962	$77, 181	$744, 143
Interest—Other	61, 007	61, 528	122, 535
Dividends on rental housing stock	1, 236	55	1, 291
	729, 205	138, 764	867, 969
Insurance premiums and fees:			
Premiums	5, 481, 909	289, 952	5, 771, 861
Fees	645, 382	856, 710	1, 502, 092
	6, 127, 291	1, 146, 662	7, 273, 953
Other income: Profit on sale of investments	15, 942	72, 626	88, 568
Total income	6, 872, 438	1, 358, 052	8, 230, 490
Expenses:			
Administrative expenses: Operating costs (including adjustments for prior years)	6, 915, 106	1, 152, 999	8, 068, 105
Other expenses:			
Depreciation on furniture and equipment	48, 177	5, 486	53, 663
Miscellaneous expenses	100		100
	48, 277	5, 486	53, 763
Losses and charge-offs:			
Loss on sale of acquired properties	34, 532	4, 377	38, 909
Loss (or profit −) on equipment	−162	−680	−842
	34, 370	3, 697	38, 067
Total expenses	6, 997, 753	1, 162, 182	8, 159, 935
Net income (or loss −) before adjustment of valuation reserves	−125, 315	195, 870	70, 555
Increase (−) or decrease (+) in valuation reserves: Reserve for loss on loans receivable	−79, 205	+36, 946	−42, 259
Net income (or loss −)	−204, 520	232, 816	28, 296

ANALYSIS OF EARNED SURPLUS (OR DEFICIT −)

Distribution of net income:			
Earned surplus (or deficit −):			
Balance at beginning of period		−$204, 520	
Net income (or loss −) for the period	−$204, 520	232, 816	$28, 296
Balance at end of period	−204, 520	28, 296	28, 296

Investments

Section 207 (p) of the National Housing Act provides that excess moneys not needed for current operations under the Housing Insurance Fund shall be deposited with the Treasurer of the United States to the credit of the Housing Insurance Fund or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by the United States, or, with the approval of the Secretary of the Treasury, used for the purchase of debentures issued under Section 207 and Section 204. During the fiscal year 1951, \$2,050,000 of Series D 2¾ percent Housing Insurance Fund debentures were called for redemption. Net purchases of Treasury bonds during the year increased the holdings of the fund \$469,250 (principal amount). These transactions resulted in a decrease in the average annual yield from 2.60 percent to 2.48 percent. On June 30, 1951, the fund held United States Treasury bonds in the amount of \$2,909,614, as follows:

Investments of the Housing Insurance Fund, June 30, 1951

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1962-67	2½	\$1,500,000	\$1,500,000	\$1,500,000
1967-72	2½	1,409,844	1,400,000	1,409,614
Average annual yield 2.48 percent		2,909,844	2,900,000	2,909,614

Property Acquired under the Terms of Insurance

No rental housing projects insured under Sections 207–210 or 213 were acquired by the FHA Commissioner under the terms of insurance in 1951. Through December 31, 1951, a cumulative total of 16 rental housing projects and one mortgage note insured under Sections 207–210 of the Housing Insurance Fund had been acquired, in exchange for which debentures and cash adjustments had been issued in the amount of \$14,661,895. The 16 projects and the mortgage note had been sold at an estimated loss to the Housing Insurance Fund of \$43,251.

In addition to the rental housing projects acquired under the Housing Insurance Fund, one Section 207 project insured under the Mutual Mortgage Insurance Fund had been acquired and sold at no loss to that fund.

STATEMENT 15.—*Statement of profit and loss on sale of acquired projects, Housing Insurance Fund, through December 31, 1951*

	Sections 207-210		Total HI Fund (16 projects and 1 mortgage note)
	(1 mortgage note)	(16 projects)	
Proceeds of sales: [1]			
Sales price (or proceeds of mortgage note)	$2,989,981	$12,109,904	$15,099,885
Less commissions		4,538	4,538
Net proceeds of sales	2,989,981	12,105,366	15,095,347
Income:			
Rental and other income (net)		1,667,737	1,667,737
Mortgage note income	428,893	2,061,320	2,490,213
Total income	428,893	3,729,057	4,157,950
Total proceeds of sold properties	3,418,874	15,834,423	19,253,297
Expenses:			
Debentures and cash adjustments	2,930,182	11,731,713	14,661,895
Interest on debentures	300,201	2,505,881	2,806,082
Taxes and insurance		469,595	469,595
Repairs and improvements		214,466	214,466
Maintenance and operating expense		751,524	751,524
Miscellaneous expense	2,501	29,331	31,832
Total expenses	3,232,884	15,702,510	18,935,394
Net profit before distribution of liquidation profits	185,990	131,913	317,903
Less distribution of liquidation profits:			
Certificates of claim	15,728	159,772	175,500
Increment on certificates of claim	1,789	11,576	13,365
Refunds to mortgagors	168,473	3,816	172,289
Loss to Housing Insurance Fund		43,251	43,251
Average loss to Housing Insurance Fund			2,544

[1] Analysis of terms of sales:

Terms of sales	Number	Cash	Mortgage notes	Sales price
Projects sold for cash	2	$3,062,401		$3,062,401
Projects sold for cash and mortgage notes (or contracts for deed)	13	228,789	$10,149,283	10,378,072
Projects sold for mortgage notes or contracts for deed only	2		1,659,412	1,659,412
Total	17	3,291,190	11,808,695	15,099,885

Certificates of Claim and Refunds to Mortgagors

Certificates of claim issued in connection with the 16 projects and one mortgage note which had been sold under the Housing Insurance Fund through December 31, 1951, totaled $290,400. The amount paid or to be paid on these certificates totaled $175,500, and the amount canceled, $114,900. In addition, excess proceeds on 3 projects had been refunded to mortgagors in the amount of $172,289, in accordance with provisions of the Act before amendment of August 10, 1948.

The certificate of claim issued in connection with the only rental housing project acquired under the Mutual Mortgage Insurance Fund amounted to $31,532. This certificate of claim had been paid in full, with increment thereon in the amount of $1,255.

Title VI: War Housing Insurance Fund

The insurance risks on privately financed emergency housing loans insured under Title VI are liabilities of the War Housing Insurance Fund, established by an amendment of March 28, 1941, to the National Housing Act. Section 603 of Title VI authorizes the insurance of home mortgages (one- to four-family); Section 608, the insurance of mortgages on rental and group housing; Section 609, the insurance of loans to finance the manufacture of housing; Section 610, the insurance under Sections 603 and 608 of any mortgage executed in connection with sales by the Government of specified types of permanent housing; and Section 611, the insurance of mortgages, including construction advances, on projects of 25 or more single-family dwellings.

The War Housing Insurance Fund was originally allocated the sum of $5,000,000 by the Federal Government. It has been credited with all income received in connection with insurance granted under Title VI, and has been charged with all expenses and losses relating to such insurance.

This is not a mutual fund, and any balance remaining in the fund after all Title VI expenses and insurance claims have been met will revert to the general fund of the Treasury.

Title VI Insurance Authority

As of December 31, 1951, Section 603 (a) of the National Housing Act provided that the aggregate amount of principal obligations of mortgages insured under Title VI should not exceed $7,150,000,000. This limitation applied to insurance granted on home mortgages insured under Section 603 and rental housing project mortgages insured under Section 608.

In addition to the above authorization, the Act provided that the aggregate amount of principal obligations of all mortgages insured pursuant to Sections 609, 610, and 611 should not exceed $750,000,000.

The status of the Title VI insurance authority at December 31, 1951, was calculated as follows:

Status of Title VI insurance authority as of December 31, 1951

	Sections 603 and 608	Sections 609, 610, and 611
Insurance authority	$7,150,000,000	$750,000,000
Charges against insurance authority:		
Mortgages insured	7,056,393,537	39,102,648
Less: Mortgages reinsured	107,078,540	15,800
Net mortgages insured	6,949,314,997	39,086,848
Commitments for insurance [1]	59,867,000	7,374,650
Total charges against authority	7,009,181,997	46,461,498
Unused insurance authority	140,818,003	703,538,502

[1] Commitments include statements of eligibility.

War Housing Insurance Fund Capital

Assets of the War Housing Insurance Fund as of June 30, 1951, totaled $149,030,657, against which there were outstanding liabilities of $58,183,419. The fund had capital of $90,847,238, consisting of $5,000,000 invested by the United States Government and $85,847,238 earned surplus.

STATEMENT 16.—*Comparative statement of financial condition, War Housing Insurance Fund, as of June 30, 1950, and June 30, 1951*

	June 30, 1950	June 30, 1951	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$9,631,469	$6,777,644	−$2,853,825
Investments:			
U. S. Government securities (amortized)	61,965,258	81,643,072	19,677,814
Other securities (stock in rental housing corporations)	320,135	398,180	78,045
Total investments	62,285,393	82,041,252	19,755,859
Loans receivable:			
Mortgage notes and contracts for deed	13,273,269	18,191,278	4,918,009
Less reserve for losses	232,282	318,347	86,065
Net loans receivable	13,040,987	17,872,931	4,831,944
Accounts and notes receivable:			
Accounts receivable—Insurance premiums	829,973	659,679	−170,294
Accounts receivable—Other	6,702	26	−6,676
Accounts receivable—Inter-fund	1,872	234,478	232,606
Total accounts and notes receivable	838,547	894,183	55,636
Accrued assets:			
Interest on U. S. Government securities	91,042	116,351	25,309
Interest on mortgage notes and contracts for deed	212,885	456,841	243,956
Total accrued assets	303,927	573,192	269,265
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	14,014,576	36,113,127	22,098,551
Less reserve for losses	2,383,132	6,110,147	3,727,015
Net real estate	11,631,444	30,002,980	18,371,536
Mortgage notes acquired under terms of insurance (at cost plus expenses to date)	5,867,501	13,837,638	7,970,137

STATEMENT 16.—*Comparative statement of financial condition, War Housing Insurance Fund, as of June 30, 1950, and June 30, 1951*—Continued

	June 30, 1950	June 30, 1951	Increase or decrease (−)
ASSETS—continued			
Acquired security or collateral—Continued Less reserve for losses	$1,565,173	$2,969,163	$1,403,990
Net mortgage notes acquired under terms of insurance	4,302,328	10,868,475	6,566,147
Net acquired security or collateral	15,933,772	40,871,455	24,937,683
Total assets	102,034,095	149,030,657	46,996,562
LIABILITIES			
Accounts payable: Bills payable to vendors and Government agencies	27,605	19,923	−7,682
Accrued liabilities: Interest on debentures	331,627	1,001,242	669,615
Trust and deposit liabilities:			
Excess proceeds of sale	620,366	637,272	16,906
Deposits held for mortgagors, lessees, and purchasers	270,406	415,134	144,728
Total trust and deposit liabilities	890,772	1,052,406	161,634
Deferred and undistributed credits:			
Unearned insurance premiums	13,755,929	13,893,814	137,885
Unearned insurance fees	698,839	142,710	−556,129
Other	38,652	65,888	27,236
Total deferred and undistributed credits	14,493,420	14,102,412	−391,008
Bonds, debentures, and notes payable: Debentures payable	17,979,150	41,874,550	23,895,400
Other liabilities: Reserve for foreclosure costs—Mortgage notes	20,392	132,886	112,494
Total liabilities	33,742,966	58,183,419	24,440,453
CAPITAL			
Investment of the U. S. Government: Allocation from the U. S. Treasury	5,000,000	5,000,000	
Earned surplus: Insurance reserve fund (cumulative earnings) available for future losses and related expenses	63,291,129	85,847,238	22,556,109
Total capital	68,291,129	90,847,238	22,556,109
Total liabilities and capital	102,034,095	149,030,657	46,996,562
Contingent liability for certificates of claim on properties on hand	394,017	1,083,716	689,699

Income and Expenses

During the fiscal year 1951 the fund earned $33,154,754 and had expenses of $5,381,575, leaving $27,773,179 net income before adjustment of valuation reserves. After the valuation reserves had been increased by $5,217,070, the net income for the year amounted to $22,556,109, which was added to the insurance reserve fund.

The cumulative income of the War Housing Insurance Fund from its establishment March 28, 1941, to June 30, 1951, amounted to $159,483,629, while cumulative expenses were $64,238,734, leaving $95,244,895 net income before adjustment of reserves. Valuation reserves of

$9,397,657 were established, leaving cumulative net income of $85,847,238.

STATEMENT 17.—*Income and expenses, War Housing Insurance Fund, through June 30, 1950, and June 30, 1951*

	Mar. 28, 1941 to June 30, 1950	July 1, 1950 to June 30, 1951	Mar. 28, 1941 to June 30, 1951
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$2,796,378	$1,729,236	$4,525,614
Interest—Other	719,234	567,315	1,286,549
Dividends on rental housing stock	1,655	1,653	3,308
	3,517,267	2,298,204	5,815,471
Insurance premiums and fees:			
Premiums	81,619,919	27,180,462	108,800,381
Fees	41,038,356	3,676,088	44,714,444
	122,658,275	30,856,550	153,514,825
Other income:			
Profit on sale of investments	152,953		152,953
Miscellaneous income	380		380
	153,333		153,333
Total income	126,328,875	33,154,754	159,483,629
Expenses:			
Administrative expenses: Operating costs (including adjustments for prior years)	57,261,703	4,827,338	62,089,041
Other expenses: Depreciation on furniture and equipment	305,337	23,313	328,650
Losses and charge-offs:			
Loss on sale of acquired properties	1,306,132	534,223	1,840,355
Loss (or profit —) on equipment	−16,013	−3,299	−19,312
	1,290,119	530,924	1,821,043
Total expenses	58,857,159	5,381,575	64,238,734
Net income before adjustment of valuation reserves	67,471,716	27,773,179	95,244,895
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−232,282	−86,065	−318,347
Reserve for loss on real estate	−2,383,132	−3,727,015	−6,110,147
Reserve for loss on mortgage notes acquired under terms of insurance	−1,565,173	−1,403,990	−2,969,163
Net adjustment of valuation reserves	−4,180,587	−5,217,070	−9,397,657
Net income	63,291,129	22,556,109	85,847,238

ANALYSIS OF EARNED SURPLUS

Distribution of net income:			
Earned surplus:			
Balance at beginning of period		$63,291,129	
Net income for the period	$63,291,129	22,556,109	$85,847,238
Balance at end of period	63,291,129	85,847,238	85,847,238

Investments

Section 605 (a) of Title VI contains a provision similar to that under Title II with respect to investment of moneys not needed for current operations by the purchase of United States Government securities or the retirement of debentures.

During the fiscal year 1951, excess funds not needed for current operations were used to retire $10,964,100 Series H 2½ percent and $1,115,350 Series J 2½ percent War Housing Insurance Fund debentures for a total retirement of $12,079,450, of which $8,440,300 were called for redemption and $3,639,150 were purchased from RFC.

During the fiscal year 1951, net purchases of $19,600,000, principal amount, of United States bonds increased the investment in United States securities held by the fund as of June 30, 1951, to $81,643,072. These transactions resulted in a decrease in the average annual yield from 2.39 percent to 2.36 percent.

Investments of the War Housing Insurance Fund, June 30, 1951

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1955	2	$6,600,000	$6,600,000	$6,600,000
1952-54	2½	400,000	400,000	400,000
1966-71	2½	4,000,000	4,000,000	4,000,000
1967-72	2½	70,723,047	69,600,000	70,643,072
Average annual yield 2.36 percent		81,723,047	80,600,000	81,643,072

Properties Acquired under the Terms of Insurance

The Federal Housing Administration acquired title in 1951, under the terms of insurance, to 735 properties (838 units) insured under Section 603 and sold 964 (1,022 units). Through December 31, 1951, a total of 9,109 Section 603 properties (11,880 units) had been acquired at a cost of $50,124,868 (debentures and cash adjustments), and 7,918 properties (10,533 units) had been sold at prices which left a net charge against the fund of $1,977,442, or an average of $250 per case. There remained on hand for future disposition 1,191 properties having 1,347 living units.

During 1951, 52 rental housing projects (3,085 units) and 30 mortgage notes (1,229 units) insured under Section 608 were assigned to the FHA Commissioner under the terms of insurance. Through December 31, 1951, a total of 100 projects (6,091 units) and 67 mortgage notes (2,702 units) had been assigned to the Commissioner. Nine projects (1,012 units) and 1 mortgage note (42 units) had been settled with no loss to the War Housing Insurance Fund, leaving 91 projects (5,079 units) and 66 mortgage notes (2,660 units) still held by the FHA.

There were no additional manufacturers' or purchasers' notes insured under Section 609 assigned to the FHA Commissioner during the calendar year 1951. Through December 31, 1951, 2 manufacturers' notes and 64 discounted purchasers' notes had been assigned.

All 64 discounted purchasers' notes and 1 manufacturer's note had been settled in full with a resultant loss to the fund of $413,761, leaving 1 manufacturer's note on hand at December 31, 1951.

STATEMENT 18.—*Statement of profit and loss on sale of acquired properties, War Housing Insurance Fund, through December 31, 1951*

	Section 603 (7,918 properties)	Section 608 (9 projects and 1 mortgage note)	Section 609 [2] (65 notes)	Total Title VI (7,993 properties)
Proceeds of sales: [1]				
Sales price (or proceeds of mortgage notes)	$45,637,507	$3,963,585	$212,300	$49,813,392
Less commissions and other selling expenses	1,655,314	391		1,655,705
Net proceeds of sales	43,982,193	3,963,194	212,300	48,157,687
Income:				
Rental and other income (net)	4,046,043	374,813		4,420,856
Mortgage note income	3,499,859	48,328	28,260	3,576,447
Total income	7,545,902	423,141	28,260	7,997,303
Total proceeds of sold properties	51,528,095	4,386,335	240,560	56,154,990
Expenses:				
Debentures and cash adjustments	43,029,930	4,058,838	641,907	47,730,675
Interest on debentures	4,523,244	135,617	12,414	4,671,275
Taxes and insurance	1,218,111	46,215		1,264,326
Repairs and improvements	1,296,578	7,725		1,304,303
Maintenance and operating expense	1,837,376	16,834		1,854,210
Miscellaneous expense	2,793	7,226		10,019
Total expenses	51,908,032	4,272,455	654,321	56,834,808
Net profit (or loss −) before distribution of liquidation profits	−379,937	113,880	−413,761	−679,818
Less distribution of liquidation profits:				
Certificates of claim	594,913	77,345		672,258
Increment on certificates of claim	64,014	1,574		65,588
Refunds to mortgagors	938,578			938,578
Loss to War Housing Insurance Fund	1,977,442	[3] −34,961	413,761	2,356,242
Average loss to War Housing Insurance Fund	250			

[1] Analysis of terms of sales:

Terms of sales	Number of properties	Number of notes	Cash	Mortgage notes	Sales price
Properties sold for all cash	2,110		$11,489,333		$11,489,333
Properties sold for cash and notes (or contracts for deed)	5,754	4,322	2,634,954	$34,239,410	36,874,364
Properties sold for notes only	129	4		1,449,695	1,449,695
Total	7,993	4,326	14,124,287	35,689,105	49,813,392

[2] Represents 64 discounted purchasers' notes and 1 manufacturer's note settled in full.
[3] Excess remaining to credit of War Housing Insurance Fund in accordance with the Act.

Statement 19.—*Statement of properties on hand, War Housing Insurance Fund, as of December 31, 1951*

	Section 603, 1,191 properties, 1,347 units	Section 608		Section 609, 1 note,[2] 100 units	Total 1,282 properties, 67 notes, 9,186 units
		91 properties, 5,079 units	66 mortgage notes,[1] 2,660 units		
Expenses:					
Acquisition costs	$7,094,938	$32,778,441	$19,483,814	$473,900	$59,831,093
Interest on debentures	334,313	1,554,888	639,109	9,851	2,538,161
Taxes and insurance	229,017	877,381			1,106,398
Repairs and improvements	237,678	500,314			737,992
Maintenance and operating	296,217	903,433			1,199,650
Miscellaneous	2,586	30,670	1,672		34,928
Total expenses	8,194,749	36,645,127	20,124,595	483,751	65,448,222
Income and recoveries:					
Rental and other income (net)	502,530	2,771,131	619,191		3,892,852
Collections on mortgage notes			105,433		105,433
Total income and recoveries	502,530	2,771,131	724,624		3,998,285
Net cost of properties on hand	7,692,219	33,873,996	19,399,971	483,751	61,449,937

[1] Acquired in exchange for debentures.
[2] Manufacturer's note acquired in exchange for debentures.

The turnover of Section 603 and 608 properties acquired and sold, by calendar year, is given below:

Statement 20.—*Turnover of properties acquired under Section 603 of Title VI through December 31, 1951*

Properties acquired		Properties sold, by calendar years									Properties on hand Dec. 31, 1951
Year	Number	1943	1944	1945	1946	1947	1948	1949	1950	1951	
1943	498	29	220	110	139						
1944	2,542		36	685	1,178	386	140	87	17	7	6
1945	2,062			187	1,050	317	350	139	6	8	5
1946	998				431	302	210	43	11	1	
1947	16					5	9	1		1	
1948	116						23	21	65	1	6
1949	507							93	243	74	97
1950	1,635								421	431	783
1951	735									441	294
Total	9,109	29	256	982	2,798	1,010	732	384	763	964	1,191

Note.—The number of properties sold has been reduced by three properties repossessed because of default on mortgage notes and resold by December 31, 1951.

Statement 21.—*Turnover of properties acquired and mortgage notes assigned under Section 608 of Title VI, through December 31, 1951*

Properties and notes acquired		Properties and notes sold, by calendar years									Properties and notes on hand Dec. 31, 1951
Year	Number	1943	1944	1945	1946	1947	1948	1949	1950	1951	
1943	1			1							
1944	1		1								
1945											
1946	1										1
1947											
1948											
1949	16										16
1950	66									7	59
1951	82									1	81
Total	167		1	1						8	157

Certificates of Claim and Refunds to Mortgagors

Section 604 (f) of the Act provides that, if the net amount realized from any property conveyed to the Commissioner under Section 603, after deducting all expenses incurred in handling, dealing with, and disposing of such property, exceeds the face value of the debentures issued and the cash paid in exchange for such property plus all interest paid on such debentures, such excess shall be applied to the certificate of claim issued to the mortgagee and any excess remaining after paying the certificate of claim and increment thereon shall be refunded to the mortgagor.

Certificates of claim in the total amount of $1,312,315 had been issued through 1951 in connection with the 7,918 properties that had been acquired and subsequently sold. The proceeds of sale were sufficient to provide for payment in full or in part on these certificates in the amount of $594,913, or approximately 45 percent. Certificates of claim canceled or to be canceled amounted to $717,402, or approximately 55 percent. In addition, the proceeds of sale were sufficient to pay refunds of $938,578 to 3,394 mortgagors, or an average of $277 per case.

With respect to the excess proceeds, if any, from the sale of an acquired project insured under Section 608, the Act provides that any amount remaining after the payment of the certificate of claim shall be credited to the War Housing Insurance Fund.

Certificates of claim totaling $78,041 had been issued in connection with the 10 Section 608 acquisitions that had been disposed of by December 31, 1951. The proceeds of sale were sufficient to provide $77,345 for payment in full or in part on these certificates. Certificates of claim canceled or to be canceled amounted to $696. Excess proceeds of $34,961 had been credited to the fund, as provided in the Act.

Title VII: Housing Investment Insurance Fund

The Housing Investment Insurance Fund was created by Section 710 of the National Housing Act as amended August 10, 1948 (Housing Act of 1948, Public Law 901, 80th Congress), which provides that this fund shall be used by the FHA Commissioner as a revolving fund for carrying out the rental housing yield insurance program authorized by Title VII and for administrative expenses in connection therewith.

Section 710 further provides that the Secretary of the Treasury shall make available to the Commissioner such funds as the Commissioner may deem necessary, but not to exceed $10,000,000, which amount is authorized to be appropriated out of any money in the Treasury not otherwise appropriated.

One million dollars has been allocated to the fund by the Secretary of the Treasury pursuant to the request of the Federal Housing Commissioner, and the remaining $9,000,000 is being retained in the United States Treasury. Up to December 31, 1951, no applications for insurance under Title VII had been submitted.

Housing Investment Insurance Fund Capital and Net Income

Assets of the Housing Investment Insurance Fund at June 30, 1951, totaled $970,192, and, since there were no outstanding liabilities, the capital also amounted to $970,192. Included in the capital is $1,000,000 that was transferred from the United States Treasury in accordance with Section 710 of the Act, and an operating deficit of $29,808.

STATEMENT 22.—*Comparative statement of financial condition, Housing Investment Insurance Fund, as of June 30, 1950, and June 30, 1951*

	June 30, 1950	June 30, 1951	Increase or decrease (—)
ASSETS			
Cash with U. S. Treasury	$972, 947	$260, 995	—$711, 952
Investments: U. S. Government securities (amortized)		704, 807	704, 807
Accounts and notes receivable: Accounts receivable—Inter-fund	52	3, 661	3, 609
Accrued assets: Interest on U. S. Government securities		729	729
Total assets	972, 999	970, 192	—2, 807
CAPITAL			
Investment of the U. S. Government: Allocation from the U. S. Treasury	1, 000, 000	1, 000, 000	
Earned surplus (deficit —): Insurance reserve fund (cumulative earnings or deficit —) available for future losses and related expenses	—27, 001	—29, 808	—2, 807
Total capital	972, 999	970, 192	—2, 807

The total income for fiscal year 1951 was $8,691, consisting entirely of interest on United States Government securities, while expenses amounted to $11,498, resulting in a net deficit for the year of $2,807.

STATEMENT 23.—*Income and expenses, Housing Investment Insurance Fund, through June 30, 1950, and June 30, 1951*

	Aug. 10, 1948 to June 30, 1950	July 1, 1950 to June 30, 1951	Aug. 10, 1948 to June 30, 1951
Income:			
Interest and dividends: Interest on U. S. Government securities		$8,691	$8,691
Total income		8,691	8,691
Expenses:			
Administrative expenses: Operating costs (including adjustments for prior years)	$26,883	11,451	38,334
Other expenses: Depreciation on furniture and equipment	116	55	171
Losses and charge-offs: Loss (or profit −) on equipment	2	−8	−6
Total expenses	27,001	11,498	38,499
Net income (or loss −)	−27,001	−2,807	−29,808

ANALYSIS OF EARNED SURPLUS (OR DEFICIT −)

Distribution of net income:			
Earned surplus (or deficit −):			
Balance at beginning of period		−$27,001	
Net income (or loss −) for the period	−$27,001	−2,807	−$29,808
Balance at end of period	−27,001	−29,808	−29,808

Investments

Section 710 of the Act provides that moneys in the Housing Investment Insurance Fund not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed by the United States; or the Commissioner may, with the approval of the Secretary of the Treasury, purchase debentures issued under this fund, provided that such purchases are made at a price that will produce an investment yield of not less than the yield obtainable from other authorized investments. During the fiscal year 1951, $700,000 (principal amount) of United States Treasury bonds, Series 1967–72, were purchased for the account of this fund.

Investments of the Housing Investment Insurance Fund, June 30, 1951

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1967–72	2½	$704,922	$700,000	$704,807
Average annual yield 2.45 percent.				

Title VIII: Military Housing Insurance Fund

An amendment to the National Housing Act approved August 8, 1949 (Pub. Law 211, 81st Cong.), created the Military Housing Insurance Fund to be used by the FHA Commissioner as a revolving fund for carrying out the provisions of Title VIII of the Act, the newly created title providing for the insurance of military housing mortgages. For the purposes of this fund, the Act authorized to be appropriated the sum of $10,000,000, of which $5,000,000 was made available by the Supplemental Appropriation Act, 1950 (Pub. Law 358, 81st Cong.).

This is not a mutual fund, and any balance remaining in the fund after all Title VIII expenses and insurance claims have been met will revert to the general fund of the Treasury.

Title VIII Insurance Authority

Section 803 (a) of the National Housing Act provides that the aggregate amount of principal obligations of all mortgages insured under Title VIII shall not exceed $500,000,000, except that with the approval of the President such amount may be increased to $1,000,000,000. The President increased the authorization from $500,000,000 to $700,000,000 on October 16, 1951.

The status of the Title VIII insurance authority at December 31, 1951, was calculated as follows:

Status of Title VIII insurance authority, as of December 31, 1951

Insurance authority		$700, 000, 000
Charges against insurance authority:		
Mortgages insured	$340, 775, 460	
Commitments for insurance [1]	121, 723, 500	
Total charges against authority		462, 498, 960
Unused insurance authority		237, 501, 040

[1] Commitments include statements of eligibility.

Investments

Section 804 (a) of the Act provides that moneys not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by the United States, or, with the approval of the Secretary of the Treasury, used to purchase debentures issued under this title. During the fiscal year 1951, $3,200,000 (principal amount) of United States Treasury bonds were purchased for the account of this fund. These transactions resulted in an increase in the average annual yield from 2.29 percent to 2.39 percent. On June 30, 1951, the fund held United States Treasury bonds in the amount of $7,307,014, as follows:

Investments of the Military Housing Insurance Fund, June 30, 1951

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1964-69	2½	$485,078	$500,000	$485,162
1966-71	2½	290,860	300,000	290,864
1967-72	2½	6,539,531	6,400,000	6,530,988
Average annual yield 2.39 percent		7,315,469	7,200,000	7,307,014

Military Housing Insurance Fund Capital and Net Income

As of June 30, 1951, the assets of the Military Housing Insurance Fund totaled $8,493,104, against which there were outstanding liabilities of $1,092,643, leaving $7,400,461 capital. Included in capital is $5,000,000 allocated from the United States Treasury and $2,400,461 earned surplus.

STATEMENT 24.—*Comparative statement of financial condition, Military Housing Insurance Fund, as of June 30, 1950, and June 30, 1951*

	June 30, 1950	June 30, 1951	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$1,679,551	$1,126,847	−$552,704
Investments:			
U. S. Government securities (amortized)	4,122,830	7,307,014	3,184,184
Other securities (stock in rental housing corporations)	2,100	6,800	4,700
Total investments	4,124,930	7,313,814	3,188,884
Accounts and notes receivable: Accounts receivable—Insurance premiums		43,068	43,068
Accrued assets: Interest on U. S. Government securities	4,167	9,375	5,208
Total assets	5,808,648	8,493,104	2,684,456
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies		292,856	292,856
Inter-fund	−2,238	91,332	93,570
Total accounts payable	−2,238	384,188	386,426
Deferred and undistributed credits:			
Unearned insurance premiums	207,404	680,363	472,959
Unearned insurance fees	64,029	28,092	−35,937
Total deferred and undistributed credits	271,433	708,455	437,022
Total liabilities	269,195	1,092,643	823,448
CAPITAL			
Investment of the U. S. Government: Allocation from the U. S. Treasury	5,000,000	5,000,000	
Earned surplus: Insurance reserve fund (cumulative earnings) available for future losses and related expenses	539,453	2,400,461	1,861,008
Total capital	5,539,453	7,400,461	1,861,008
Total liabilities and capital	5,808,648	8,493,104	2,684,456

Total income of the Military Housing Insurance Fund during the fiscal year 1951 amounted to $2,508,709, while expenses and losses amounted to $647,701, leaving a net income of $1,861,008.

STATEMENT 25.—*Income and expenses, Military Housing Insurance Fund, through June 30, 1950, and June 30, 1951*

	Aug. 8, 1949 to June 30, 1950	July 1, 1950 to June 30, 1951	Aug. 8, 1949 to June 30, 1951
Income:			
Interest on U. S. Government securities	$36,886	$132,336	$169,222
Insurance premiums and fees:			
Premiums	91,366	727,539	818,905
Fees	602,163	1,648,834	2,250,997
	693,529	2,376,373	3,069,902
Total income	730,415	2,508,709	3,239,124
Expenses:			
Administrative expenses: Operating costs (including adjustments for prior years)	190,128	645,017	835,145
Other expenses: Depreciation on furniture and equipment	830	3,078	3,908
Losses and charge-offs: Loss (or profit —) on equipment	4	—394	—390
Total expenses	190,962	647,701	838,663
Net income	539,453	1,861,008	2,400,461

ANALYSIS OF EARNED SURPLUS

Distribution of net income:			
Earned suplus:			
Balance at beginning of period		$539,453	
Net income for the period	$539,453	1,861,008	$2,400,461
Balance at end of period	539,453	2,400,461	2,400,461

Title IX: National Defense Housing Insurance Fund

The National Defense Housing Insurance Fund was created by Section 902 of the National Housing Act, as amended September 1, 1951 (Defense Housing and Community Facilities and Services Act of 1951, Public Law 139, 82d Congress), which provides that this fund shall be used by the Commissioner as a revolving fund for carrying out the provisions of Title IX of the Act. This new title of the Act provides for the insurance of mortgages in areas that the President shall have determined to be critical defense housing areas. To accomplish this purpose, the Act authorized the Commissioner to transfer from the War Housing Insurance Fund the sum of $10,000,000, of which $1,000,000 had been transferred at December 31, 1951.

Title IX Insurance Authority

Section 217 of the National Housing Act, which was added by Public Law 139, 82d Congress, approved September 1, 1951, provides that the aggregate dollar amount of mortgages insured under Title IX shall be prescribed by the President. Section 217 further provides that the President may increase the aggregate insurance authorization of any other title of the National Housing Act (except Title VI), with the limitation that the total increase to all titles, including Title IX, shall not exceed $1,500,000,000. On October 16, 1951, the President prescribed that the aggregate amount of principal obligations of all mortgages insured under Title IX be initially established at $400,000,000.

The status of the Title IX insurance authority at December 31, 1951, was calculated as follows:

Status of Title IX insurance authority, as of December 31, 1951

Insurance authority		$400,000,000
Charges against insurance authority:		
Mortgages insured		
Commitments for insurance	$30,964,400	
Total charges against authority		30,964,400
Unused insurance authority		369,035,600

Administrative Expense Account

A separate account, entitled Salaries and Expenses, Federal Housing Administration, is maintained for the purpose of handling all transactions with respect to the payment of salaries and other expenses involved in operating the FHA. Moneys for such expenses and for the purchase of furniture and equipment required in the operations of the Administration are allocated to this fund, and all disbursements for these purposes are made from it. Until the income of the insurance funds was sufficient to cover salaries and expenses, allocations were made to this account from the United States Treasury through the RFC in accordance with provisions contained in the National Housing Act and subsequent appropriation acts. Since July 1, 1937, a portion of the allocations, and since July 1, 1940, all allocations to salaries and expenses have been made from the various FHA insurance funds.

STATEMENT 26.—*Comparative statement of financial condition, Administrative Expense Account (salaries and expenses), as of June 30, 1950, and June 30, 1951*

	June 30, 1950	June 30, 1951	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$3,049,974	$3,760,089	$710,115
Accounts and notes receivable: Accounts receivable—Other	86,530	145,673	59,143
Land, structures, and equipment:			
Furniture and equipment	1,799,373	[1] 2,080,441	281,068
Less reserve for depreciation	913,225	969,367	56,142
Net furniture and equipment	886,148	1,111,074	224,926
Total assets	4,022,652	5,016,836	994,184
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies	2,046,357	[2] 1,966,058	−80,299
Inter-fund	1,032,775	1,870,566	837,791
Total accounts payable	3,079,132	3,836,624	757,492
Trust and deposit liabilities:			
Due general fund of the U. S. Treasury	680	5,185	4,505
Employees' pay roll deductions for taxes, etc	942,840	1,175,027	232,187
Total trust and deposit liabilities	943,520	1,180,212	236,692
Total liabilities	4,022,652	5,016,836	994,184

[1] Excludes unfilled orders in the amount of $37,573.
[2] Excludes unfilled orders in the amount of $145,663.

PART IV

OF THE

Fifth Annual Report

HOUSING AND HOME FINANCE AGENCY

Covering the Activities of the

PUBLIC HOUSING ADMINISTRATION

LETTER OF TRANSMITTAL

Honorable RAYMOND M. FOLEY,

Administrator, Housing and Home Finance Agency,

Washington, D. C.

DEAR MR. FOLEY: I am submitting herewith the annual report of the Public Housing Administration for the year ended December 31, 1951.

Sincerely yours,

JOHN TAYLOR EGAN,

Commissioner.

Enclosure.

Chapter I

PUBLIC HOUSING IN A DEFENSE ECONOMY

By continuing to authorize the construction of homes for low-income families at a time when demands of the defense economy had placed restrictions on all building operations, the Congress in 1951 reaffirmed a basic principle of the Housing Act of 1949 . . . "the realization as soon as feasible of the goal of a decent home and suitable living environment for every American family". Thus, though sharply curtailed, the low-rent public housing program, as an authorized part of the Nation's total residential construction, continued to give validity to the words "every American family" contained in the congressional declaration of National Housing Policy.

Just as the impact of the Korean hostilities and the accompanying defense mobilization affected nearly all other lines of activity, normal operations of the Public Housing Administration were complicated by necessary adjustments to new conditions which prevailed during the year.

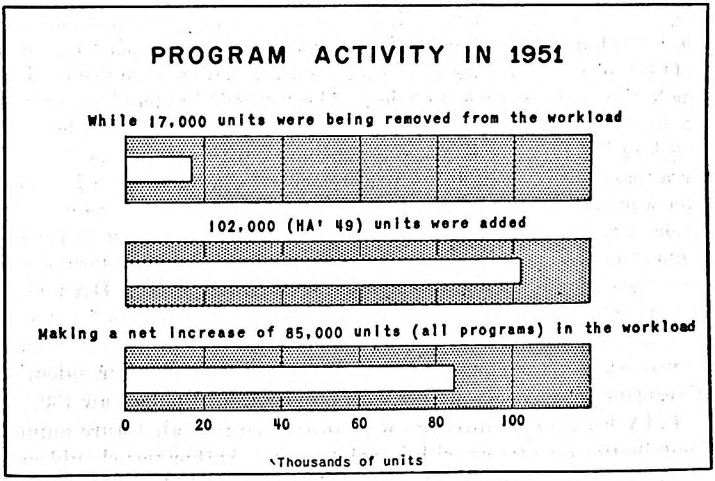

CHART 1

In his budget message to Congress in January 1951, the President set a limitation of 75,000 on the number of low-rent public housing units to be started during the year. This was one of the measures taken to reduce all residential construction for the calendar year to an estimated 850,000 starts. During the first half of the year, therefore, PHA was operating under the 75,000-unit-per-calendar-year limitation. In August, a new limitation of 50,000 on the number of units for which PHA could authorize the commencement of construction for the fiscal year ending June 30, 1952, was established by the Congress in the enactment of the agency's annual appropriation measure.

This further reduction in the program, along with a curtailment in administrative funds, necessitated a reorganization of the agency, involving the closing of four Field Offices. The functions of the Philadelphia Field Office were taken over by New York; Chicago absorbed activities formerly handled at Detroit; and operations at Los Angeles and Seattle were transferred to San Francisco.

It was made abundantly clear that the Congress intended that the low-rent public housing program should continue to serve the needs of low-income families. In Section 616 of Public Law 139, *An Act to assist the provision of housing and community facilities and services required in the National Defense*, it was set forth that until June 30, 1953, income limits in projects built under provisions of the Housing Act of 1937, as amended, could not be waived to admit what presumably would be higher-income defense workers and servicemen, as was authorized in Title II of Public Law 671, Seventy-sixth Congress.

Other phases of the agency's operations, however, were oriented to the Nation's preparedness policies. The "freeze" that had been placed on the disposition of war-emergency housing shortly after the outbreak of hostilities in Korea was continued, with exceptions handled on a "case" basis. Eligibility requirements for admission to Lanham Act war housing administered by the agency were relaxed to give, in some cases, preference to in-migrant defense workers; in other instances defense workers were given equal preference with veterans and servicemen for admission to the projects. In a few areas, PHA reactivated war housing that had been closed down and scheduled for demolition. Various deadlines for the relinquishment of projects pursuant to provisions of the Housing Act of 1950 were extended by Presidential Executive Order in accordance with provisions of Public Law 139.

PHA Field Office directors were instructed that all future annual contributions contracts with Local Housing Authorities should embody provisions whereby, if the necessity arose, and if necessary legislation were enacted, the projects could be operated in the best interests of national defense. This was in accordance with a Presidential di-

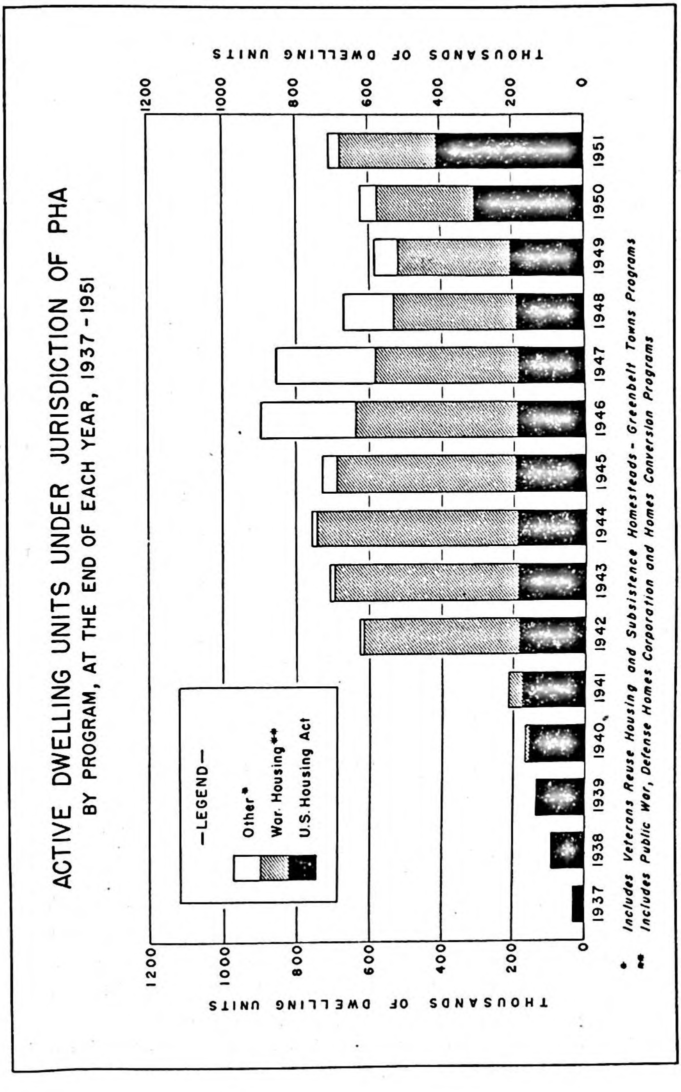
ACTIVE DWELLING UNITS UNDER JURISDICTION OF PHA
BY PROGRAM, AT THE END OF EACH YEAR, 1937-1951
—LEGEND—
Other*
War Housing**
U.S. Housing Act
THOUSANDS OF DWELLING UNITS
0
200
400
600
800
1000
1200
1937
1938
1939
1940
1941
1942
1943
1944
1945
1946
1947
1948
1949
1950
1951
* Includes Veterans Reuse Housing and Subsistence Homesteads - Greenbelt Towns Programs
** Includes Public War, Defense Homes Corporation and Homes Conversion Programs

CHART 2.

rective "to make sure (in the conduct of the low-rent public housing program) that the full defense potentialities are realized. . . ." In addition, President Truman had stated in his budget message that "construction of an estimated 75,000 units . . . will serve two major purposes. They will not only meet the long-neglected housing needs of low-income families, but will also make an important contribution to defense housing requirements."

Briefly, therefore, it can be stated that at the beginning of 1951 PHA was prepared to gear its principal activities to the defense mobilization program. The disposition and full utilization of war housing for emergency purposes was under strict control. Also, the agency was prepared, in response to Presidential directive, to channel much of the low-rent program into projects located in defense areas. As the year wore on, however, it became clear that the intent of the Congress was that the low-rent program should continue to serve the needs of low-income families, and that the disposition of war emergency housing should proceed in an orderly manner where such disposition would not have an appreciable impact on defense activities, particularly with respect to the military. At the year's end, PHA's principal activity with respect to defense was the procurement of temporary housing and the preparation of sites in critical areas under Title III of Public Law 139 (where needed permanent housing could not be provided by private enterprise) by delegation of authority by the Administrator of the Housing and Home Finance Agency.

During the first 6 months of 1951, Local Housing Authorities placed 60,000 units of low-rent housing under construction. It was now apparent that the long "tooling-up" period was over. Local Housing Authorities, it appeared, were ready to attain the goals fixed by the Presidential limitation of 75,000 units for the calendar year 1951. This created a new problem.

The agency found itself in a position where, instead of encouraging all possible speed in the carrying out of local programs, it was necessary to apply the brakes to Local Housing Authorities insofar as construction starts were concerned, although it was hoped that brakes would not be applied to all the intermediate stages of project development. With the large volume of starts in the first 6 months of 1951, and a ceiling of only 50,000 units for the entire fiscal year ending June 30, 1952, it was obvious that a system for allocating these units had to be established. The priority procedures which were established by PHA are discussed in greater detail later in this report.

In addition to the problem of allocating the number of units to be authorized for commencement of construction, the agency also had the responsibility of allocating critical materials under the Controlled Materials Plan, which was put into operation about midyear. This responsibility entailed the awarding of steel, copper, and aluminum quotas to authorized projects in such a manner that construction would not be delayed or stopped, and defense needs would not be obstructed.

Although in no way related to the problems of administering public housing programs in a defense economy, a notable achievement during the year was the development of a standard Annual Contributions Contract, the most basic document, apart from the housing statute itself, governing PHA's low-rent public housing activities. Under this contract, the agency and Local Housing Authorities successfully carried out the first long-term financing under the new and more attractive provisions of the Housing Act of 1949 through issuance of the first offerings of New Housing Authority Bonds.

At year's end PHA was in a position to go forward with its activities under the several limitations imposed on normal operations by the extraordinary conditions surrounding the life of the Nation. It was ready to resume such normal operations when circumstances permitted.

Chapter II

THE LOW-RENT PUBLIC HOUSING PROGRAM MOVES AHEAD

The Congress, in the Housing Act of 1949, declared that "governmental assistance . . . to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to *those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid.*"

The phrase "estimate their own needs" sets forth a basic tenet of Title III of the Housing Act of 1949. In this Title (the low-rent public housing portion of the Act) it is made abundantly clear that the locality, whether urban or rural nonfarm, and regardless of size, must itself assume the responsibility of determining whether its low-income families are without adequate housing. Such a determination is not arrived at in a haphazard fashion, for Federal financial assistance cannot be extended to a locality unless this local determination is amply supported by relevant and authentic data.

A. Project Initiation and Local Participation

The locality which seeks Federal aid in providing low-rent public housing must work through a local body—a Local Housing Authority or commission. This agency must be created in accordance with the provisions of applicable State statutes. It must be a legal entity, fully vested with the proper powers to engage in low-rent public housing and related activities. The members of Local Housing Authorities are usually appointed by the Mayor or other chief executive officer. It cannot be emphasized too strongly that Local Housing Authorities are created by State laws, whose constitutionality have been upheld by State courts.

By the end of 1951, there were more than 1,100 of these local housing bodies in the United States and its possessions.

Forty-three States, the District of Columbia, Hawaii, Alaska, the Virgin Islands, and Puerto Rico now have laws in effect which authorize the establishment of Local Housing Authorities. The States which have not yet enacted housing enabling laws are Iowa, Kansas, Oklahoma, Utah, and Wyoming.

In this connection, it is interesting to note that during 1951, Ohio, one of the pioneers in the original low-rent public housing program established by the United States Housing Act of 1937, was able to proceed with the local programs which had been initiated earlier under the Housing Act of 1949.

Low-rent public housing developments, built earlier by Ohio Local Housing Authorities under the terms of the 1937 Act, had been taken over in 1943 by the Federal Government, after a ruling by the Ohio State Supreme Court that the State enabling law did not provide for tax-exemption on existing low-rent public housing, an exemption necessary to meet the local contribution requirement then embodied in the Federal statute.

In July 1949, the Ohio Legislature passed a law granting such tax-exemption to federally aided low-rent public housing, and in 1951 such tax-exemption was held constitutional by the Ohio Supreme Court.

By the end of 1951, PHA had issued 998 allocations for 331,807 low-rent dwelling units in the form of program reservations to Local Housing Authorities. A program reservation is the method whereby PHA assigns to an Authority a specific number of low-rent dwellings from the total number of units available for allocation. Under the Housing Act of 1949, the Housing Authority must take the initiative if it wishes to build federally aided low-rent public housing for the community's low-income families.

A program reservation is issued after a thorough review of the Local Housing Authority's application for Federal aid. In its application the Authority submits in detail all available information on the extent of the housing situation in the locality. This includes data on the existing housing supply, the extent of substandard housing, availability of housing, and the present supply of low-rent public housing, if any. The Authority's application is carefully reviewed by PHA, and, if found satisfactory, a program reservation is issued.

The program reservation is assurance to the Housing Authority that PHA will reserve sufficient Federal loan and annual contribution funds to take care of the development and operation of the units reserved. Since the Housing Authority must present specific plans to PHA in order to qualify later for a development loan and annual contributions, and inasmuch as an Authority may not always have the necessary funds for planning work, the program permits preliminary loans to meet planning costs.

A preliminary loan is intended to cover the expenses incurred for: preliminary surveys, studies in connection with site selection, necessary land appraisals, all architectural and engineering plans except working drawings, and the preparation of definitive cost estimates. Before PHA can enter into a preliminary loan contract with an

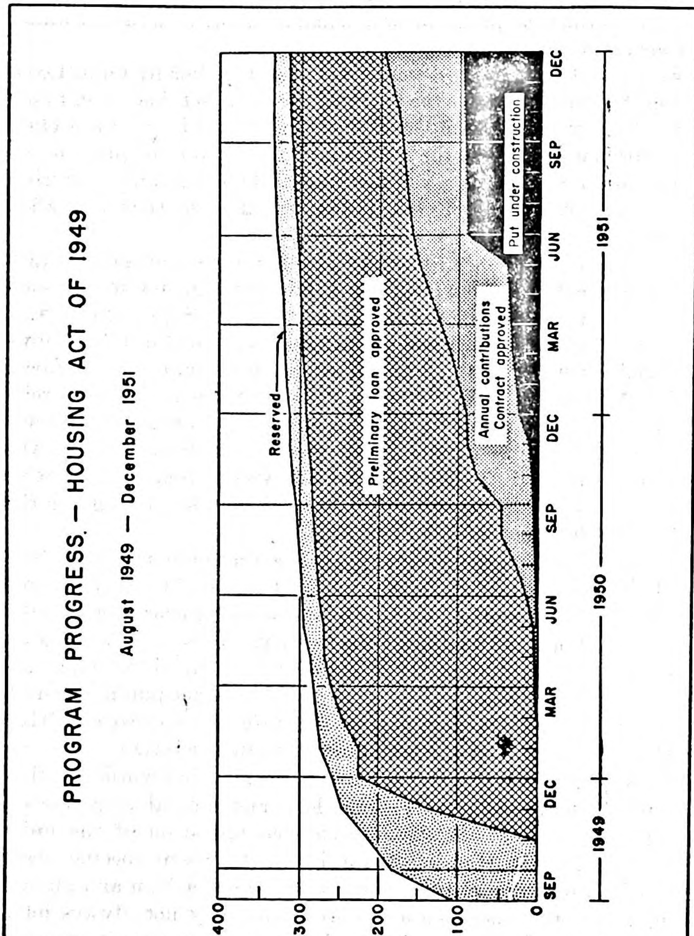
PROGRAM PROGRESS — HOUSING ACT OF 1949
August 1949 — December 1951
Reserved
Preliminary loan approved
Annual contributions
Contract approved
Put under construction
Thousands of dwelling units
400
300
200
100
0
SEP
DEC
MAR
JUN
SEP
DEC
MAR
JUN
SEP
DEC
1949
1950
1951

CHART 3.

Authority, the loan application must be approved by the local governing body of the community, and the Authority must have also entered into a cooperation agreement with the governing body. This agreement calls for the provision of the usual public services to the proposed projects, the elimination of unsafe and insanitary dwellings in the locality, and the payments in lieu of taxes by the Housing Authority to local taxing jurisdictions. Finally the Authority's request for a preliminary loan must be submitted by PHA to the President for his approval before PHA can enter into a preliminary loan contract with the Authority.

By the end of the year, PHA had been authorized by the President to enter into preliminary loan contracts with Housing Authorities to cover the planning of 310,659 new low-rent homes. 742 of the authorized contracts, totaling $56,923,035 had been executed by PHA, and advances totaling $20,780,000 had been made to 732 Local Housing Authorities.

All of the locally approved preliminary loan applications, and the more than 898 approved cooperation agreements, are evidence that the local governing body approved the low-rent public housing program proposed by the Housing Authority.

During 1951, PHA received 302 applications for 61,085 low-rent homes from Housing Authorities serving 283 localities. Of this total, 10,846 units were requested by Authorities serving rural nonfarm areas. PHA issued program reservations for 9,596 urban low-rent homes and 9,772 rural nonfarm low-rent dwellings during the year.

It is interesting to note that the federally aided low-rent public housing program has not been confined to large urban communities. An analysis of the program reservations issued to Housing Authorities in forty States, the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands showed that 44 percent went to localities with less than 5,000 population, and more than 58 percent went to places with less than 10,000 population. Over 75 percent of all reservations were issued to Housing Authorities serving places of less than 25,000 population.

Distribution of active reservations, by city size as of Dec. 31, 1951

Population [1]	Number of reservations	Population [1]	Number of reservations
Total	998	25,000 to 49,999	89
		50,000 to 99,999	72
Rural nonfarm localities	293	100,000 to 249,999	47
Under 5,000	145	250,000 to 499,999	21
5,000 to 9,999	136	500,000 and over	19
10,000 to 24,999	176		

[1] Based upon 1950 Census data.

After the Housing Authority has completed a general scheme for its housing project, it submits this scheme in the form of a development program to PHA. If the development program and cooperation agreement meet all requirements, PHA, after Presidential approval of the Authority's estimated development cost, will execute an annual contributions contract with the Housing Authority.

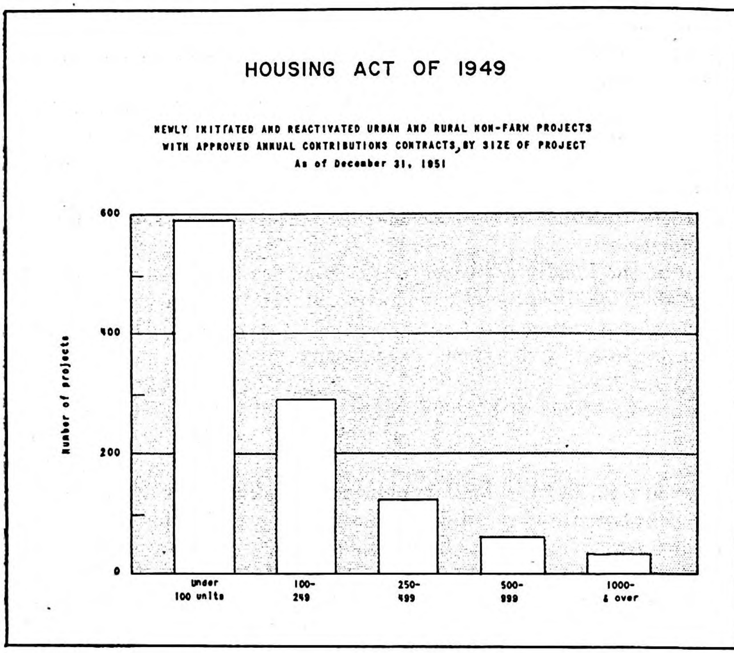

CHART 4.

By the end of 1951, PHA had received Presidential approval to enter into annual contributions contracts covering 192,379 low-rent dwellings in 1,035 projects. Construction had begun on 594 projects comprising 101,130 dwellings.

B. Allocation of 50,000 Units for Fiscal Year 1952

The Independent Offices Appropriation Act, passed by the Congress in August 1951, imposed a limitation of 50,000 on the number of low-rent public housing units for which PHA could authorize the commencement of construction in the fiscal year ending June 30, 1952.

As has been noted before, Local Housing Authorities by mid-1951 seemed to be in a position to put a substantially larger number of units under construction than the number authorized by the Congress. It was necessary, therefore, for PHA to devise a system of allocations under which on the one hand the commencement of 50,000 units for the period would be assured, but on the other hand Local Housing Authorities would not be embarrassed by having taken bids without being able to secure authorization to proceed into the construction stage.

At the time the allocation system was introduced there was a total of 83,395 units scheduled to be advertised for bids by February 1, 1952.

It was decided that only those projects scheduled to go under construction by March 30, 1952 (or out for bids by February 1, 1952) should be considered for PHA approval during this fiscal year because: (1) it would rightfully give an automatic preference to those projects in more advanced stages of planning, and (2) it was deemed advisable, under the strict controls required, to leave a 3-month's lag at the end of the year to take care of any delays which might be encountered in authorizing the commencement of construction.

Among various possible plans, it was decided to schedule approximately 62,000 units to meet the 50,000 limitation. This made allowance for the possibility that approximately 20 percent in a group of scheduled projects might not make the deadline for the authorization of construction because of land acquisition problems, the rejection of high bids, etc.

Of the 83,395 units scheduled for bid advertising by February 1, 1952, a total of 61,605 units were selected for the priority list. The following order of preference was established in selecting projects for that list:

1. All projects on which construction awards had been authorized or were in the bidding process.
2. All projects, the construction of which was necessary to maintain racial equity in a locality.
3. All projects in rural nonfarm localities.
4. All projects in defense areas as determined by the Office of the Administrator of the Housing and Home Finance Agency, except where the number of units involved was exceedingly large some reduction was effected to achieve a better distribution of the program and to equalize workload.
5. All projects in other localities with only one project scheduled. This preference was given to allocate at least one project to localities which had any projects scheduled for construction bid by February 1, 1952.
6. In all other localities with two projects scheduled:

(a) Both projects if a total of 100 or less units was involved.

(b) If a total of more than 100 units, the larger of the two projects. Because of local considerations, the Local Authority may choose to go ahead with the smaller of the two projects.

7. In localities with three or more projects scheduled, an allocation was made of approximately half of the units scheduled.

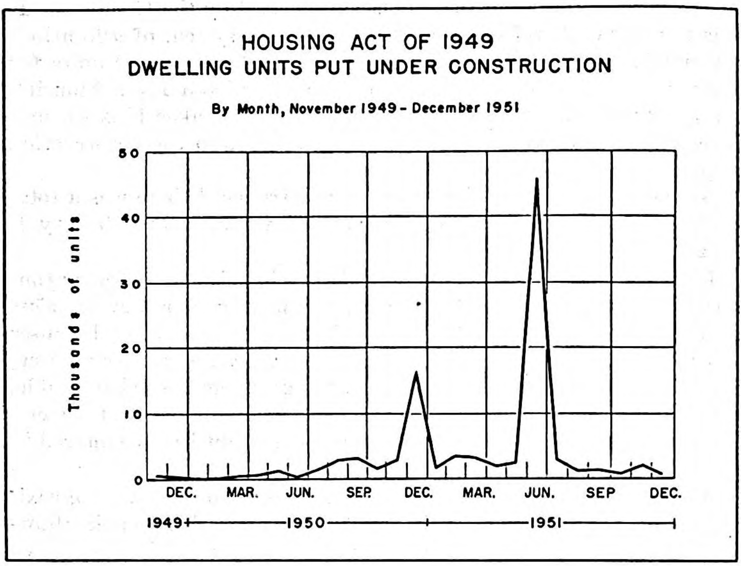

CHART 5.

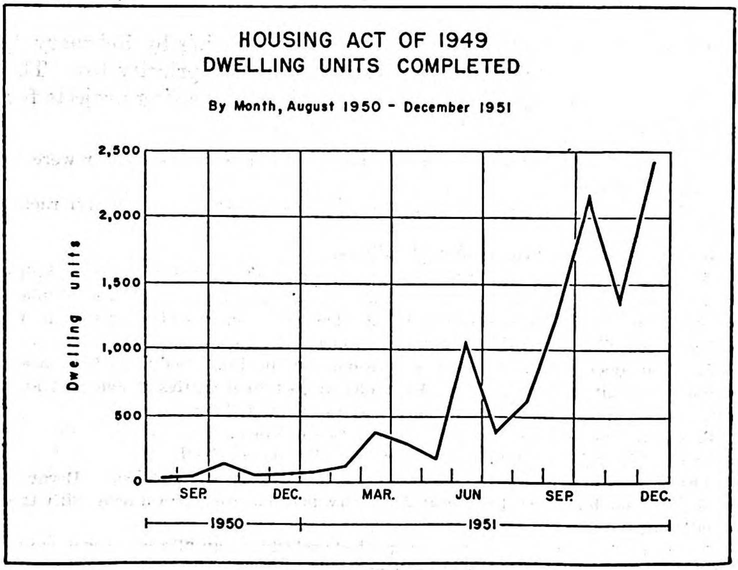

CHART 6.

After the allocation system got under way, it became evident that some projects would be delayed, but these were replaced by others meeting the above criteria, and in general the system appeared to work adequately and to be accepted favorably by the great majority of Local Housing Authorities.

C. Project Development

Rising prices plus a scarcity of certain critical construction materials in 1951 threatened the entire program of project development. For the Housing Authorities to get projects under construction and keep them on schedule for completion required special measures. The problem was to maintain standards of adequate, decent housing and yet build within reasonable cost limits.

Two principal methods were used to accomplish this purpose. Local Housing Authorities were encouraged to eliminate all unnecessary "frills" in their development plans (in many instances PHA minimum standards became maximum standards). Scarce materials were put under a system of allocation so that approved projects would not encounter costly delays through a shortage of necessary construction items.

It was generally conceded that the "cost clinics" sponsored by the Agency during the last weeks of 1950 and in January 1951 had an important effect on holding the line of construction prices. These meetings, which were held in every field office jurisdiction among Local Housing Authority personnel and PHA technicians, sought ways and means of achieving economy in construction without impairing adequate standards. It was a challenge which subsequent bidding experience indicated PHA and Local Housing Authorities had been generally successful in meeting.

Also the *Standards for PHA-Aided Low-Rent Housing*, embodying optional and mandatory construction requirements were revised as of May 25, 1951, superseding the *Standards* of October 18, 1950. The only changes of particular significance were those stressing the importance of economy. The chief item in this respect was a requirement that the system of construction for any project be no more costly than the minimum system which a local code would permit.

A number of other relatively minor changes were made, consistent with policy statements issued from time to time since the above-mentioned last general revision. Such revisions, the result of growing experience, included: increase of minimum density requirements for some types of structures; clarification and liberalization of spacing requirements, especially with regard to multistory apartment buildings; and adjustment of the mandatory and recommended sizes for playground and recreational areas.

Although the PHA *Standards* cover the use of prefabricated as well as conventional construction, the employment of prefabs in the program to date has been extremely limited. The prime reason seems to be reluctance on the part of Local Housing Authorities to accept this type of construction. There were, however, several small prefabricated projects started in Illinois and Indiana. In these cases, acceptance was based on the fact that they could be constructed at slightly less cost than the conventional project.

To assure an appropriate distribution of materials in critical supply to defense and other essential activities, the Controlled Materials Plan (CMP) was put into operation by the National Production Authority during the summer of 1951, and all construction was brought under this plan by October 1, 1951.

The controlled materials were steel, copper, and aluminum, all of which have important application in housing construction. PHA was assigned the responsibility by the HHFA Administrator of allotting controlled materials for public housing to Federal, State, or local public housing agencies.

The first allocation of controlled materials to PHA, applicable to the fourth quarter of 1951, was made on August 8, 1951. Except for a small reserve to cover new projects put under construction between August 15 and December 31, 1951, this allocation was immediately distributed to projects under construction. Many of the contractors who received construction awards in June had been unable to obtain delivery of controlled materials, consequently allotments requested for these projects were correspondingly larger than would normally be expected.

First consideration was given to projects which needed only small quantities of materials for early completion. Of almost equal urgency were the projects just starting which would be seriously handicapped by winter conditions if they failed to receive substantial allotments at once. Less urgent were the projects well under way, but whose completion did not depend upon receiving their total requirements in the fourth quarter of 1951.

As would naturally arise in a new undertaking of this nature, adjustments had to be made in some of our early allotments, but by the year's close no serious difficulties were being encountered in the allotment plan, due to a better understanding of CMP by Local Housing Authorities and contractors.

As a result of the "cost clinics," the revised *Standards* and an assurance of an adequate flow of materials, bidding conditions generally showed a marked improvement toward the end of the year, with the exception of a few large metropolitan areas, and other areas where large, high-priority defense projects were under construction.

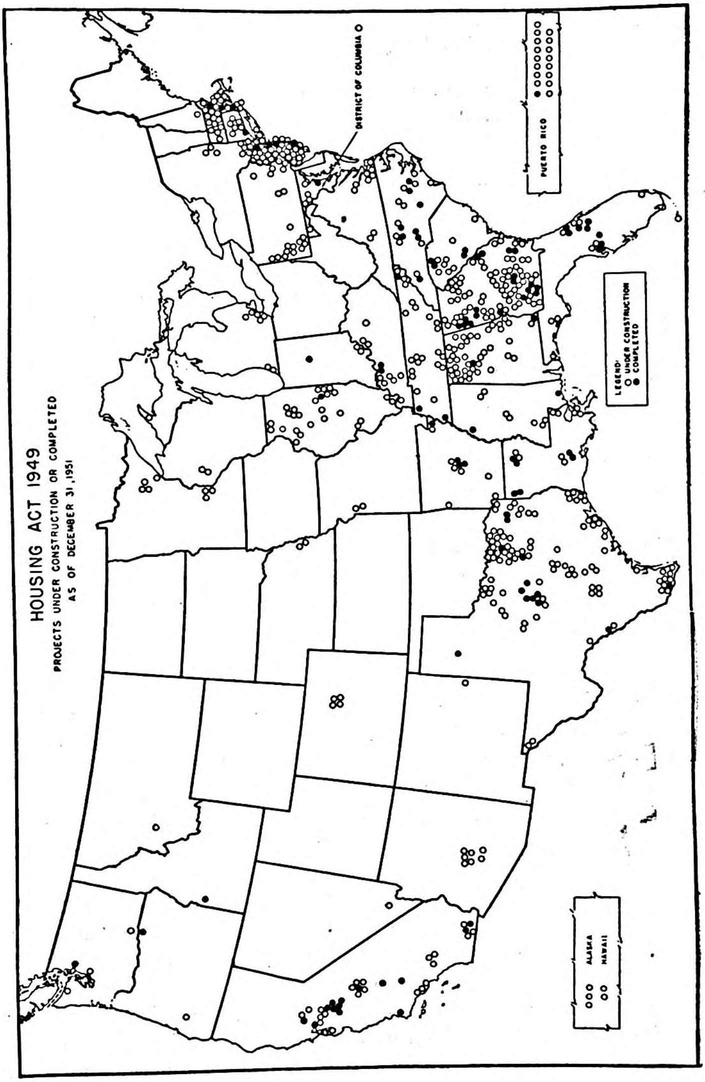
HOUSING ACT 1949
PROJECTS UNDER CONSTRUCTION OR COMPLETED
AS OF DECEMBER 31, 1951
DISTRICT OF COLUMBIA
PUERTO RICO
LEGEND:
UNDER CONSTRUCTION
COMPLETED
ALASKA
HAWAII

CHART 7.

In other localities, due to a general reduction in the amount of construction work and keen competition, a large number of bids were obtained, bid prices were reasonable and showed a tendency to decline in the general construction field.

Summary on rejection of construction bids as of Dec. 31, 1951

	Units	Projects
Bids rejected twice	3,334	19
Bids rejected once	14,576	74
Total	17,910	93

D. The Annual Contributions Contract and the Financing of Project Construction

In June 1951, the Annual Contributions Contract was put in its final form, climaxing more than a year of work, discussion, and negotiation between officials of PHA and representatives of Local Housing Authorities. This document covers the contractual relationship between the Federal Government and Local Housing Authorities on all new projects built under provisions of the Housing Act of 1949. It will also replace, insofar as provisions covering maintenance and operations are concerned, older contracts on units built under the United States Housing Act of 1937; and will be used, with certain adaptations, to cover Lanham Act projects transferred to low-rent use, and PWA projects sold to Local Housing Authorities. In other words, it is the document to which the entire low-rent program will be made to conform.

The Annual Contributions Contract is the basic contract which, pursuant to the United States Housing Act of 1937, as amended, PHA offers Local Housing Authorities in connection with its provision of Federal assistance for their low-rent public housing programs.

Although it is a contract offered by PHA, its genesis was no unilateral act on the part of the agency. On the contrary, it represented the culmination of long and careful negotiations between PHA and a Contract Committee representing the interests of the Local Authorities. Completion of the contract represented a reconciliation of what were perhaps divergent points of view between PHA and Local Housing Authorities. These were worked out in such a way that each made certain concessions to the other without compromising the basic objective of both sides, which was to maintain the integrity of the low-rent public housing program from both the Federal and local standpoints.

The contract is a kind of charter governing the relations between PHA and the respective Local Housing Authorities. It carefully sets forth the responsibilities and duties of the two parties to the contract, PHA and the signatory Local Housing Authority. These mutual responsibilities and duties conform to both the letter and the spirit of the basic housing statute.

In one sense this document constitutes a new charter for clarifying the very large fields of action in which primary responsibility lies with the Local Housing Authority. Under it, every possible local determination is reserved for the Local Housing Authority, subject only to approval where necessary by PHA. Special care was taken to assure that such approvals did not constitute a delegation to PHA of powers which the Local Housing Authority is required to exercise, pursuant to its own State legislation.

The contract calls for certain approvals by PHA required by the United States Housing Act. These include approval of the income limits set for tenants and approval of the amount of the main construction contracts. Other approvals by PHA under terms of the contract relate to matters involving the carrying out of the intent of the basic legislation.

In order to assure that the projects to be developed by a Local Housing Authority actually meet the needs of low-income families, PHA is required to approve a development program for each project. In order to assure that maximum economy is promoted in development and administration, as stipulated by the Act, PHA is required to approve Local Housing Authority budgets for development costs and for operating expenditures.

Perhaps the most important parts of the annual contributions contract are its provisions under which Local Housing Authorities obtain financing for the construction of their low-rent public housing projects.

Under the terms of the new contract, PHA will loan funds to Local Housing Authorities to cover planning, acquisition of land, etc., but the amount which PHA may borrow from the Treasury for this purpose is limited to $1,500 million. This restriction in a program the size that PHA is administering makes it highly important that new projects be permanently financed at the earliest possible date in order to release funds for further construction loans.

Provisions in the annual contributions contract make it possible for Local Housing Authorities to obtain permanent financing for their low-rent public housing projects from private investors at extremely favorable rates of interest. This is possible for two reasons:

(1) The bonds issued by the Local Housing Authorities have a virtual Federal guarantee as to the payment of principal and interest, and

(2) The bonds are "exempt from all taxation now or hereafter imposed by the United States," thus virtually guaranteeing tax exemption for their entire life.

In the opinion of PHA and Local Housing Authorities, the New Housing Authority Bonds are prime investments of the very highest quality and desirability. This opinion is shared by financial rating houses such as Moody's Investment Service and Standard & Poor's, which have assigned their highest ratings to the bonds. This opinion was obviously held by the Congress, which extended to these bonds the same waiver from a limitation of investment by national banks that is accorded to Federal bonds. And it is shared by the banks and investment houses that have competed for the purchase of the bonds.

The sponsors in Congress of the United States Housing Act of 1949 represented to the Congress that the provisions in that Act designed to improve the marketability of Local Housing Authority bonds would make it possible for the Local Authorities to borrow the entire development costs of their projects from private investors.

The first offerings of New Housing Authority Bonds which took place in July and October of 1951 demonstrated the soundness of their prediction. These offerings, involving the issues of 134 Local Housing Authorities, totaled approximately $330 million. These bonds were in active demand and established themselves as a new, very much desired type of security in the tax-exempt field. The first issue was sold at an average interest cost to the borrower of 2.073 percent for all issues. The second offering, in October, was sold at the slightly lower average interest cost of 2.051 percent.

As mentioned previously, PHA's borrowing from the United States Treasury for loans to Local Housing Authorities is limited to $1,500 million. In order to keep a substantial portion of the fund available for loan commitments to new projects, it is desirable that the Authorities make arrangements as early as possible to obtain funds on the private market to permanently finance their projects and to repay preliminary advances from PHA. In the meantime, however, Local Authorities obtain construction money through the issuance of temporary notes, or by direct borrowing from PHA, which obtains such funds from the United States Treasury. The advantage of this short-term borrowing from private sources is that these notes command a more favorable rate of interest than PHA could charge for its own funds and also are not a drain on the Federal Treasury. In 1951, Local Housing Authorities borrowed approximately $750 million in short-term notes at an average interest rate of 1.17 percent.

E. Federal Financial Assistance

As was pointed out, the Government's financial aid to low-rent public housing takes two forms: (1) capital loans to help finance the development of projects and (2) annual contributions to permit their operation at rents within the means of low-income families.

On December 31, 1951, 295 projects representing 140,988 units and a total development cost of $793,297,916 were under permanent financing. These comprised 163 Public Law 412 projects with 103,376 units and a total development cost of $460,316,286, and 132 Public Law 171 projects with 37,612 units and a total development cost of $332,981,630.

For the Public Law 412 projects, PHA's outstanding loans represented approximately 61 percent of the total development cost or $281,164,500; the balance of the outstanding loans were made by private investors. For the Public Law 171 projects, PHA's outstanding loans represented less than one one-hundredth of 1 percent of the total development cost, or $18,714.

Money borrowed from private investors is secured by PHA's agreement to pay annual contributions. Local Authority bonds mature in such a way that the debt service will be approximately the same amount each year and this level debt service is arranged so that it will never exceed the maximum contributions available as security for the bonds.

The amount of the maximum contribution which may be paid annually is limited to a percentage of the development cost of the project. This percentage is fixed at a rate equal to the cost of long-term money to the Federal Government (going Federal rate) plus 2 percent. The payment which is made each year is an amount which, together with other funds of the Local Authority actually available for such purpose, will be sufficient to pay the principal and interest on the bonds and notes when due, and for which annual contributions are pledged. In other words, the amount of contributions paid is restricted to the actual subsidy needed each year.

During 1951, under existing assistance contracts, the maximum amount of annual contributions for which Public Law 412 projects were eligible totaled $14,660,451. Subsidy payments for these projects actually totaled only $7,732,974, or about 52.7 percent of the maximum commitment. This represents a subsidy of $6.26 a month for each dwelling unit. No annual contributions had yet been paid on projects constructed under Public Law 171, the Housing Act of 1949.

F. Size of the Low-Rent Program

As of December 31, 1951, the low-rent housing program comprised 1,773 active projects and 404,834 active units. Of these, 1,004 projects representing 193,553 units were in the preconstruction stage or under construction. The balance comprising 769 projects and 211,281 units were under active management.

All of the projects under development, including 112 rural nonfarm projects with a total of 6,336 units, were being developed under the Housing Act of 1949, although included in this group are some projects which were originally programed under Public Law 412 but deferred because of World War II.

Those projects in active management fall into five categories.

The projects in the first category are those developed as low-rent housing by Local Authorities under the original United States Housing Act of 1937 (Public Law 412). Those in the second category were built under wartime legislation (Public Law 671) authorizing use of low-rent housing funds for projects which were to be used initially by war workers but were to be converted to low-rent use as soon as they were no longer needed for their original purpose; all but seven of them are now in low-rent use.

The third group—the PWA projects—were built by the Public Works Administration before the enactment of Public Law 412 but are now administered as part of the low-rent program.

A fourth group comprises the farm labor camps which were built prior to the passage of Public Law 412, to provide housing for persons employed primarily in agricultural work. They were transferred from the United States Department of Agriculture to PHA under the terms of the Housing Act of 1950, and are now administered as part of the low-rent public housing program.

The fifth category comprises the first of the projects to be completed under the Housing Act of 1949 (Public Law 171).

The following table indicates the number of projects and units in each category. Six Public Law 171 rural nonfarm projects, with 130 units, are under management.

Category	Number of projects	Number of units
PL–412	384	117,449
PL–671	196	50,094
PWA	50	21,640
Farm labor camps	39	9,360
PL–171	100	12,738
Total	769	211,281

All but 103 or about 13 percent of the projects under management are owned by the communities in which they are located and all but six (five PWA projects and one farm labor camp) are managed by Local Authorities.

G. Rural Nonfarm Housing

The Housing Act of 1949 provides that 10 percent of each annual authorization in that Act for annual contributions contracts shall be held available for 3 years thereafter for rural nonfarm low-rent public housing.

Such housing would be located outside of incorporated places of 2,500 or more population and is neither situated on a farm nor is an appurtenance of a particular farm or farms, although the tenants may be employed on a farm. As in the urban program, low income and lack of adequate housing are the principal eligibility requirements, regardless of an applicant's place of employment.

As would be expected, rural nonfarm projects are considerably smaller than urban projects. Of the rural nonfarm projects reaching site approval stage during 1951, almost half contained fewer than 15 units.

Since efficient and economical management is more difficult for small projects, PHA's policy provides that, in general, applications will be accepted only from Local Authorities which would either have programs large enough to permit successful financing and economical management or have arranged with other nearby Authorities for consolidated operation of the individual programs. Consideration is also given, however, to projects proposed by Local Authorities in small, incorporated, rural nonfarm communities where a workable management plan can be devised.

In 1951 approximately 75 percent of the rural nonfarm low-rent public housing reservations were for programs under county or Regional Authorities or under Authorities of nearby cities.

During 1951, 43 rural nonfarm projects representing 5,035 units were advertised for bid, 36 projects representing 4,609 units were put under construction, and 6 projects and 130 units were completed and under management. As of December 31, 1951, annual contributions contracts had been approved for 120 projects covering 6,622 units and sites had been tentatively approved for 216 projects representing 9,734 units.

Status of rural nonfarm program as of Dec. 31, 1951

	Number of units	Number of projects	Number of localities
Applications for reservation	39,209		339
Reserved	15,812		293
Preliminary loans approved	15,194		272
Cooperation agreements approved	15,051		271
Tentative sites approved	9,734	216	
Annual contributions contracts approved	6,622	120	
Under construction	4,609	36	
Under management	130	6	

H. Farm Labor Camps

Under the terms of the Housing Act of 1950, 39 farm labor camps were transferred to PHA from the United States Department of Agriculture. At that time, all were being operated under revocable use permits by county agencies, nonprofit associations, or Local Housing Authorities. The only eligibility requirement for occupancy was that the tenants should be employed primarily in agricultural pursuits.

In assigning these camps to PHA, the Congress recognized that the provision of low-rent housing for agricultural labor not living on farms was a phase of the rural nonfarm program.

The Act provided that the camps should be operated as low-rent housing under the terms of the United States Housing Act of 1937 for the principal purpose of housing farm workers at rents they could afford. The established rent-income ratios applicable to other low-rent housing were not, however, to apply to the camps.

PHA was authorized to continue operation of the camps under permits or leases, to pay deficits incurred while they were operated in that manner, and to repair and rehabilitate them. Funds transferred with the properties were authorized by the Act to be used for rehabilitation and for deficit operations.

It was intended, however (and the law transferring the camps to PHA so authorized) that as soon as practicable PHA would sell the camps to Local Housing Authorities for all net income derived from them over a period of at least 20 years. PHA would not meet deficits occurring during the period.

As of December 31, 1951, 37 of the projects were under sales contracts, 1 was still being operated under a use permit, and 1 was being operated directly by the PHA.

All properties were in need of extensive repairs when turned over to PHA. During 1951, $912,263 was expended for rehabilitation and deficit operations. It is estimated that about $665,000 will be expended for these purposes during 1952.

I. Families Housed

As of December 31, 1951, exclusive of farm labor camps, there were 193,503 families living in low-rent public housing. Of these, 68,290, or approximately 35 percent, were families of veterans or servicemen.

The unmet housing needs of Negroes still presents one of the major problems seeking amelioration today. The 1950 Housing Census reported that 59.9 percent of the urban dwelling units occupied by nonwhites were substandard.

It has long been recognized that the low-rent public housing program is one medium through which the housing needs of eligible Negro families might be eased. How this objective is being met is shown by the participation of nonwhite families in all PHA programs.

As of December 31, 1951, there were 466,000 occupied dwelling units in all of the programs administered by the Agency. Negroes occupied over 114,000 units, or 25 percent of the total administered. In the low-rent public housing program Negroes occupied over 70,000 units, or 38 percent. Veterans' reuse, Lanham Act war housing, homes conversion, greentowns, and subsistence homesteads programs accounted for the balance of PHA programs, with Negro occupancy ranging from one-tenth of a percent in the greentowns and subsistence homesteads projects to 17 percent in Lanham Act war housing.

To assure that only low-income families occupy low-rent public housing, two sets of maximum income limits are applied in each project—one limit for admission, one for continued occupancy. Both admission and continued occupancy limits vary according to family size. All income limits are set by the individual Authority subject to approval by PHA. The median annual income of families admitted to low-rent public housing during the third quarter of 1951 was $1,822.

The limit for continued occupancy, somewhat higher than that for admission, sets the highest income a family may have and be eligible to remain in the project.

The financial status of each family is reviewed periodically by the Housing Authority to determine if the family is eligible for continued occupancy. A family whose income is found to have increased beyond the maximum income limit must move from the project.

During the first half of 1951 the incomes of 106,572 families were reexamined. Of these families, 13.2 percent were found to be ineligible. The median income of all families reexamined was $2,052, that of the eligible families was $1,890, while that of the ineligible families was $3,536.

As of October 31, 1951, 14,268 families—less than 8 percent of all families living in low-rent public housing—were ineligible for continued occupancy. Of these families, 12,334 or 86 percent had been given notices to vacate, and legal action had been started in 3,227 cases where the vacate notices had expired and the families had failed to move out.

Throughout a family's residence in low-rent public housing, its rent is scaled to the family size and income. The median monthly gross rent (i. e., a figure which includes the cost of heating and all utilities, whether supplied by the project or the family) actually paid by families admitted during the third quarter of the year was $32.31. The median rent paid by the families whose incomes were reexamined during the first half of 1951 was $34.79.

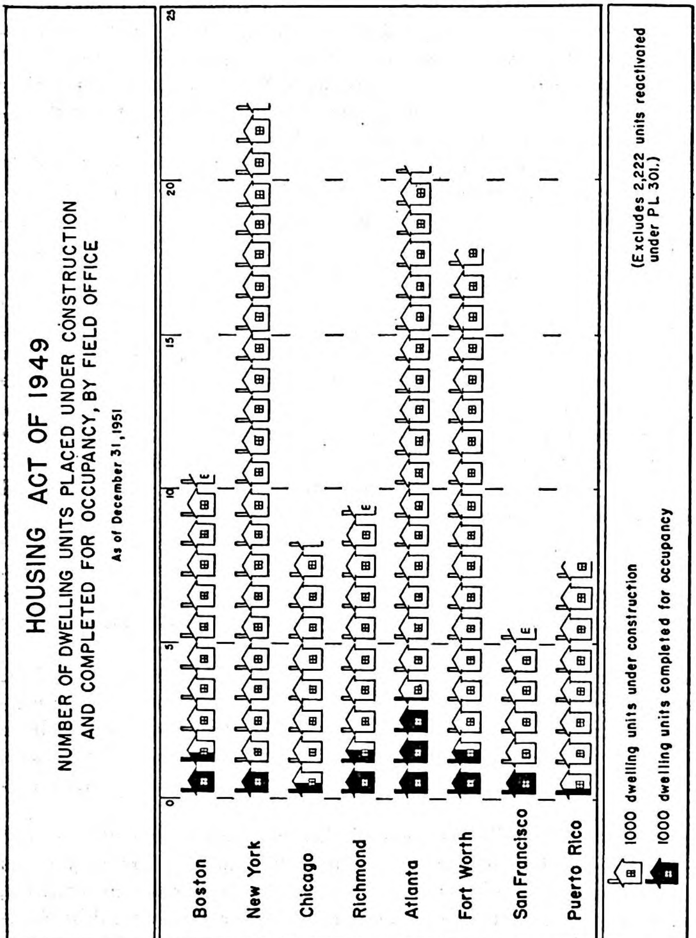
HOUSING ACT OF 1949
NUMBER OF DWELLING UNITS PLACED UNDER CONSTRUCTION AND COMPLETED FOR OCCUPANCY, BY FIELD OFFICE
As of December 31, 1951
0
5
10
15
20
25
Boston
New York
Chicago
Richmond
Atlanta
Fort Worth
San Francisco
Puerto Rico
E
1000 dwelling units under construction
1000 dwelling units completed for occupancy
(Excludes 2,222 units reactivated under PL 301.)

CHART 8.

Chapter III

WAR EMERGENCY HOUSING PROGRAMS

Ever since the defense mobilization of 1940, PHA has administered either directly or by delegation, various emergency housing programs. These have included:

(1) The World War II public housing program comprising permanent and temporary housing built under the provisions of the Lanham Act (Public Law 849, 76th Cong.) and related statutes, to provide accommodations for essential war workers and their families.

(2) The homes conversion program wherein the Federal Government leased private properties. Lanham Act funds were used to remodel them into rental accommodations for war workers.

(3) The veterans' reuse housing program, also a part of Lanham Act functions, was undertaken immediately after World War II to alleviate the housing shortage for veterans and their families.

(4) The greentowns and subsistence homesteads program, initiated under the National Industrial Recovery Act and the Emergency Relief Appropriation Act of 1935 by the Resettlement Administration.

Statutory responsibility for the administration of all Lanham Act housing is vested in the HHFA Administrator. PHA operates in this field under authority delegated by the Administrator. The greentowns and subsistence homesteads program was transferred to PHA's predecessor from the Department of Agriculture in 1942.

PHA is responsible for the ultimate disposition of the Government's interests in these emergency programs. These four programs totaled 948,961 housing units. By the beginning of 1951, almost 613,000 units had been removed from PHA's workload. During the year, another 16,000 units were disposed of, leaving 320,000 units on hand at the end of 1951.

In addition to these programs, PHA in 1951, through delegation of authority by HHFA, also participated in two other special programs: The Kansas flood relief program and the provision of mobile temporary defense housing under Public Law 139, the Defense Housing and Community Facilities and Services Act of 1951.

To utilize Lanham Act housing to the best possible advantage and to meet the changing conditions in critical defense areas, it was necessary from time to time to change admission policies and occupancy restrictions.

Under previous policies, preference was given to distressed veterans and servicemen in Lanham Act projects. This preference has been continued in Lanham housing in noncritical areas, but in designated defense areas admission policies have been changed or relaxed to give priority to civilian and military personnel determined to be essential to meet specific defense needs. In some instances, entire projects were restricted and reserved for exclusive use of defense workers.

It was also necessary to meet the steadily rising operating costs by increasing rents on war housing projects. In general, rents in these projects had not been increased since they were first established. PHA therefore felt the necessity for availing itself of the automatic 20 percent rent increase permitted in the Defense Production Act of 1951 in order to be compensated to a small degree for increased operating costs. The Lanham Act has always required that the rents charged shall be "fair rents, based on value," which has been interpreted to mean rents equivalent to those generally prevailing in the community for comparable private accommodations.

The Public Housing Administration in compliance with legislative directives makes annual payments in lieu of taxes on property to each taxing jurisdiction in which war emergency housing project property is located. These payments are in amounts that approximate full real property taxes that would be paid to each such taxing jurisdiction as "if the property were not exempt from taxation with such allowance as may be considered by the Administrator to be appropriate for expenditure by the Government for streets, utilities, or other public services to serve such property."

The authorized payments in lieu of taxes for war emergency housing were in excess of $15 million for the last full year for which complete payment dates have accrued.

A. Disposition of Lanham Act and Other Emergency Housing

Although it had been intended that Lanham Act war housing would be disposed of as soon as feasible after the end of World War II, it had been necessary in the intervening time to utilize these accommodations to meet emergency housing needs.

The Housing Act of 1950 provided a method for the orderly disposition of this housing through various means of transfer and relinquishment, but the outbreak of hostilities in Korea shortly after the passage of this Act created a situation wherein it appeared prudent to defer action on such relinquishments until it could be determined whether or not there would be an urgent need for such housing under the new conditions created by intensified defense activities.

The Housing Act of 1950 specifically listed certain permanent projects as eligible for transfer to local public housing agencies for low-rent use, and further provided that other projects could be considered for such transfer if requested by the localities within 60 days after the law was enacted. Because the "freeze" on disposition activities prevented the local public agencies from acquiring these properties, the dates for conveyance under the Housing Act of 1950 were authorized by the Congress to be extended by Public Law 139. This extension was further implemented by Executive Order 10284.

In order to protect the privileges afforded to the Local Housing Authorities by the Housing Act of 1950 while the suspension order remained in effect, PHA encouraged local bodies to take all steps short of actual conveyance. As a result of this policy, as of December 31, 1951, administration contracts covering 92 projects and 26,584 units had been executed. These contracts provide for the conveyance of the projects whenever the suspension order is so modified as to permit such transfer. Following the conveyance, the projects will be operated for 40 years as low-rent housing under the provisions of the United States Housing Act, with the exception that no annual contributions will be paid and all net income will accrue to the Federal Government.

With respect to temporary war housing built under the Lanham Act, restrictions which had been imposed in 1950 after the outbreak of Korean hostilities were relaxed so that relinquishment and transfer of properties in both critical and noncritical areas could be achieved after clearance with the Department of Defense and the Armed Services. Although some projects had been liquidated on a "case" basis, for the most part at year's end clearances had not been obtained from the Armed Services. PHA also continued its policy of transferring to the Army, Navy, or Air Force under authority of Section 4 of the Lanham Act any project certified to be permanently useful to a particular service.

B. Veterans' Reuse Housing

PHA has disposition responsibility for the veterans' reuse housing program which was authorized by the Congress in late 1945 and early 1946 by adding Title V to the Lanham Act. The program eventually provided more than a quarter million temporary housing accommodations to meet the critical housing needs of distressed veterans, servicemen, and their families. In this program, PHA allocated federally owned surplus temporary structures to municipalities or other local bodies where the housing shortage was particularly acute and to educational institutions for use by student veterans.

The Federal Government paid the cost of relocating and converting more than 181,000 accommodations—about two-thirds of the entire program. For the balance of the veterans' housing, however, the

Government merely provided the buildings, and the local sponsors met the costs of making the structures ready for reuse.

This reuse housing, like other temporary housing provided under the Lanham Act, was subject to the removal provisions of the Act.

In 1948, the Congress enacted the McGregor Act (Public Law 796). This was the first of several laws dealing with the relinquishment of the Federal Government's contractual rights and interests in veterans' reuse housing. Public Law 796 was concerned only with reuse housing operated by educational institutions. The theory of Public Law 796 was extended in 1949 by the Independent Offices Appropriation Act, Public Law 266. A provision in this Act authorized the Federal Government to relinquish its contractual interests in reuse housing operated by any State, county, city, or other public body.

The Housing Act of 1950 (Public Law 475) also included provisions dealing with veterans' reuse housing. Local sponsors who had not obtained relinquishments under prior statutes were able to do under this law.

Disposition of veterans' reuse housing as of Dec. 31, 1951

	Accommodations
Total provided	266, 813
Disposed of	235, 185
Under McGregor Act	125, 133
Under Independent Offices Appropriation Act	76, 123
Under Housing Act of 1950	5, 570
Otherwise	28, 359
Remaining for disposition	31, 628

C. Other Old Emergency Programs

Other emergency programs for which PHA also has disposition responsibility are the homes conversion and greentowns and subsistence homesteads programs.

The homes conversion program, inaugurated by the Home Owners' Loan Corporation and transferred to PHA in 1944, consisted of privately owned properties leased by the Federal Government and converted into dwelling accommodations for war workers and their families. Lanham Act funds were used to pay any conversion costs. Most leases ran for a 7-year period.

After the end of World War II, PHA adopted a policy of ending the leaseholds prior to their expiration date wherever a satisfactory settlement could be arranged. Other leaseholds ran their full term. By 1951, the homes conversion program, which had originally consisted of 8,842 individual properties converted into 49,565 rental accommodations had been reduced to two properties with leaseholds expiring in 1955.

The greentowns and subsistence homesteads program, begun in the 1930's, was administered by the Farm Security Administration and its predecessor agencies until 1942, when it was transferred to PHA by virtue of a Presidential Executive Order. The program included three planned suburban communities—Greenbelt, Md., outside of Washington, D. C.; Greendale, Wis., near Milwaukee; and Greenhills, Ohio, a suburb of Cincinnati—and the subsistence homesteads program.

The corporate area of Greenhills, Ohio, was sold early in 1950 to the nonprofit Greenhills Home Owners Corporation, composed mainly of veterans and tenants of Greenhills. On October 10, 1951, the Corporation obtained private financing on the property and paid in full the balance due the Federal Government. An agreement was reached in 1951 calling for conveyance of 401 acres of undeveloped land at Greenhills to the Hamilton County Park District, partially by sale and partially by dedication. Plans were being formulated for disposal of the remaining Greenhills property consisting of approximately 3,400 acres of farmland and undeveloped areas.

Negotiations had begun in 1950 with a veterans' nonprofit corporation for purchase of the developed areas and part of the undeveloped land at Greenbelt, Md. These negotiations were halted in August 1950, by the suspension of PHA's disposition program, but were resumed in May 1951, following a determination by the HHFA Administrator that the sale would not interfere with defense needs. The properties under negotiation include 1,891 dwelling units, of which 1,000 were built under the Lanham Act war housing program.

The Administrator also determined that the sale of Greendale would not impede the defense effort. Since no veterans' nonprofit corporation had qualified for the purchase of Greendale, it has been subdivided, and offers have been invited from the tenants of the urban parcels. Offers from these tenants have been received, together with deposits, on 97 percent of the parcels. It is expected that all of the 403 urban parcels containing 572 dwelling units will be purchased by present occupants of the project.

During 1951 three subsistence homesteads units were sold. The 15 units at three sites remaining for disposition were under sales contract.

D. Kansas Flood Relief Program

PHA was designated to procure and dispatch trailers to the Kansas City flood area, and otherwise assist in the emergency relief program set up by the HHFA Administrator early in August 1951. In order to accomplish this assignment with the greatest speed consistent with economy, proposals from approximately 60 trailer manufacturers were solicited for both immediate and 14-day delivery.

After a comparative analysis of costs, product, and availability, contracts were entered into progressively, as specific assignments of destination and required sizes were received from the Administrator. A total of 1,410 trailers were purchased and delivered to 8 localities by 27 vendors.

E. Public Defense Housing Under Public Law 139

Title III of the Defense Housing and Community Facilities and Services Act (Public Law 139), authorized direct Federal provision of defense housing in critical defense housing areas. That title of the Act provided that in locations where the defense housing need is temporary, housing of a mobile or portable character should be provided so as to be available for reuse in other localities. Subsequent to the passage of Public Law 139 the Congress appropriated $25 million to finance the Federal provision of housing under Title III.

The Act charged the HHFA Administrator with the responsibility for the administration of the Act and he, in turn, delegated authority for procurement and installation of temporary housing to PHA. By the end of the year, PHA had received assignments for 4,575 temporary accommodations, including family trailers, to be installed in 22 localities.

The Act was approved September 1, 1951, and PHA proceeded immediately to develop the necessary standards, drawings, specifications, and all details of procedure.

It should be noted that, while the volume of housing which can be procured under the appropriation is not large, the development of the standards, plans, and procedures' methods was an operation involving considerable time and effort in order to adapt former procedures to the precise intent of Public Law 139. Nonetheless the operations were handled with expediency and without interference with the heavy workload of the low-rent public housing program.

During the last months of 1951, PHA Field Offices had entered into preliminary negotiations for architectural and engineering services and had taken other necessary steps in connection with starting their work. It was estimated that during the early months of 1952 all of the projects for which funds had been appropriated would be under construction.

Chapter IV

ADMINISTRATION AND BUDGET

Several changes were made in the pattern of administrative organization within PHA during 1951. None of these changes affected the well-established practice of delegating authority to the field staff to exercise most of PHA's powers.

The Low-Rent Housing Division and the War Emergency Housing Division were abolished and a Development Division and a Management and Disposition Division were established. This satisfied a need to organize the Central Office staff along functional rather than program lines, and also made it possible to utilize more readily in the new defense housing program the experienced staff of the Low-Rent Housing Division.

The Field Offices in Detroit, Philadelphia, Los Angeles, and Seattle were closed, and the geographical areas formerly assigned to those offices were reassigned. Field Offices remain in Boston, New York, Richmond, Atlanta, Chicago, Fort Worth, San Francisco, and San Juan, P. R.

In line with these changes was the consolidation of the three Field Operations Divisions in the Central Office into a single Operations Division, which coordinates the operations of all of the Field Offices.

A. Management Improvement Program

During 1951, PHA gave considerable attention to improving its program operations and administrative functions. The Management Improvement Committee established by the Commissioner in June 1950 served as the focal point of the program; wherever feasible, operating officials assumed responsibility for directing and carrying out the studies.

Particular emphasis was given during the year to two improvement areas. The first consisted of a group of eight special projects undertaken to correct and strengthen Lanham Act war housing property records and controls. Generally, this work consisted of (1) establishing accurate records of all real and personal property on hand (including trailers, portable shelter units, and land holdings) by taking physical inventories at the project sites and examining available fiscal and property records, (2) establishing book values for the acquisition costs of the properties and for the charge-off of properties disposed of, (3) reconciling differences, (4) instituting stronger controls for documenting future property transactions, and (5) establishing procedures for the maintenance of fiscal and property accountability records on a sound basis. Several of the longer-term projects in this group were still under way at the end of the year but the greater part of this work has been completed.

During the latter months of the year, priority was given to developing a system for periodically reviewing all of the agency's operations—administrative and program—at the local, the Field Office, and the Central Office organizational levels. By the end of the year a test program for each level was near completion.

Other improvement work included the completion of conservation studies, a comprehensive study of PHA budget practices, and the adoption and initiation of a program for the orientation and training of PHA personnel.

Substantial progress was also made on several additional studies which were still under way at the end of the year. Each of the completed projects resulted in improvements, principally through the institution of sounder and better-controlled operating procedures.

B. Integrity of Operations

PHA made a special effort during the year to assure the efficient and impartial administration of its various programs and strengthen its safeguards against the possibility of improper activities. This effort was under the direction of the Assistant Commissioner for Administration serving as a member of a Committee established by the HHFA Administrator to study and report to him on the integrity of operations within the agency.

As a result of committee activity and recommendations, PHA's policy on gratuities and the statutory requirements and agency policy concerning private business and financial activities of employees were forcefully brought to the attention of each employee; the requirement of a certificate of outside interests was established for all present and new employees; and procedures were appropriately tightened in some instances and expended in other areas which were potentially subject to improper influence. This included the extension of internal audits to personal property and housekeeping functions.

At the end of the year, work on revising and strengthening procedures was still being carried on, particularly in connection with providing all possible safeguards in procedures for the new defense housing program.

C. Budget and Employment

The agency's budget for administrative expenses in the fiscal year which ended on June 30, 1951, was $14,724,000. The budget for the fiscal year which began July 1, 1951, provided for $12,780,000 for administrative expenses. After the passage of the Defense Housing and Community Facilities and Services Act of 1951, an additional $375,000 was made available to PHA for administrative expenses to carry out the provision of temporary defense housing under Title III of that Act.

A supplemental appropriation of $833,000 was requested to take care of an authorized pay increase and, if granted, would bring the total amount available for fiscal year 1952 to $13,988,000. This amount would be made up of an authorization to spend $3,887,000 from the proceeds of various PHA programs and $10,101,000 in appropriated funds.

UNITS ADMINISTERED BY PHA, AND NUMBER OF ADMINISTRATIVE EMPLOYEES - DECEMBER 31st OF EACH YEAR - 1942 - 1951

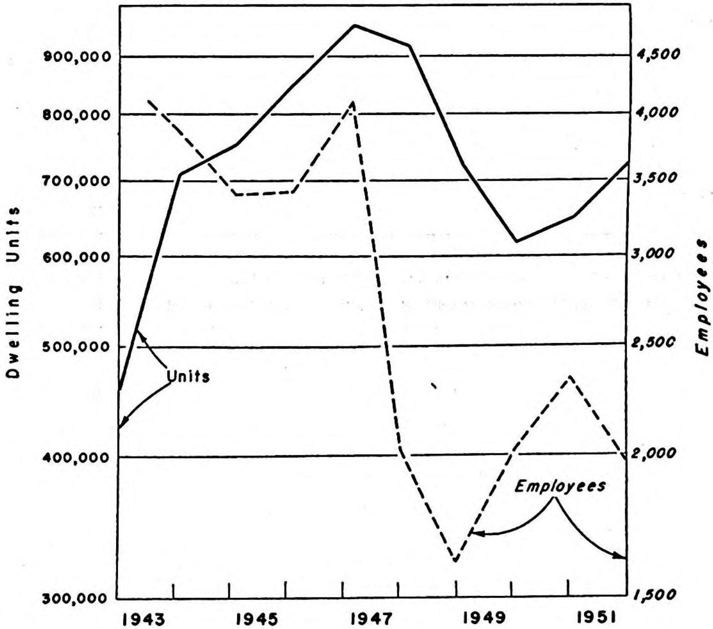

CHART 9.

PHA full-time administrative employment was at a fairly even level for the first half of 1951, but showed a decrease of 15 percent during the last 6 months. This was due to the curtailment in the agency's appropriation, and the limiting to 50,000 of the number of construction starts in the low-rent public housing program that PHA could authorize during the 1952 fiscal year. This limitation resulted in a reduction in the number of PHA employees engaged in the low-rent program.

At the start of the year, there were 2,341 full-time administrative employees in the agency. By the end of May 1951, there was a slight increase to 2,363. By the end of the year, the number of administrative employees had dropped to 2,001.

TABLE 1.—*Number of dwelling units owned or supervised by the Public Housing Administration*[1] *by program as of Dec. 31, 1951*

Program	Total		Federally owned	Locally owned
	Number	Net change since Dec. 31, 1950		
Total	727,197	+87,416	342,285	384,912
Active	709,896	+91,040	324,984	384,912
Veterans' reuse housing	31,628	−4,948	1,721	[2] 29,907
Public war housing (Lanham constructed)	271,866	−8,123	271,866	
United States Housing Act	404,834	+104,111	49,829	355,005
Under management	211,281	+9,545	49,829	161,452
Under construction	90,614	+59,107		90,614
Not under construction	[3] 102,939	+35,459		102,939
Public Law 171	206,291	+104,634		206,291
Public Law 412	117,449	[4] +223	10,840	106,609
Public Law 671	50,094	−500	7,989	42,105
PWA	21,640		21,640	
Farm labor camps	9,360	−246	9,360	
Subsistence homesteads and Greenbelt towns	1,568		1,568	
Inactive—public war housing (Lanham constructed)	14,944	−3,391	14,944	
Deferred—United States Housing Act	[5] 2,357	−234	2,357	

[1] Excludes units which have been sold to mutual housing associations, limited dividend corporations (PWA) and homestead associations on which PHA holds mortgages for collection.
[2] This veterans' housing is so classified even though title or income rights may not yet be formally transferred.
[3] Excludes 1,423 rural farm units not yet built but which are part of active rural projects which in 1950 and prior years were included here.
[4] Reflects reclassification to Public Law 412 of 232-unit project previously classified as Public Law 171.
[5] Excludes 6,460 deferred rural farm units which in 1950 and prior years were included here.

TABLE 2.—*Number of active projects and dwelling units owned or supervised by the Public Housing Administration*[1] *by program and by State, Dec. 31, 1951*

State	Total program		USHA[2]		War housing[3]		Veterans' reuse housing		Subsistence homesteads and Greenbelt towns	
	Number of projects	Number of units	Number of projects	Number of units	Number of projects	Number of units	Number of projects	Number of units	Number of projects	Number of units
Total	2,970	709,896	1,773	404,834	977	271,866	213	31,628	7	1,568
Alabama	130	20,149	95	11,949	30	7,465	5	735	-------	-------
Arizona	50	6,254	17	2,452	31	3,679	2	123	-------	-------
Arkansas	29	3,131	24	2,434	2	274	3	423	-------	-------
California	384	117,334	147	35,013	198	74,198	39	8,123	-------	-------
Colorado	19	4,547	15	3,784	2	198	2	565	-------	-------
Connecticut	83	20,360	31	9,324	49	10,676	3	360	-------	-------
Delaware	9	2,377	4	760	5	1,617	-------	-------	-------	-------
Florida	93	17,287	70	13,349	20	3,615	3	323	-------	-------
Georgia	226	25,086	202	19,623	18	4,831	6	632	-------	-------
Idaho	9	818	4	420	4	370	1	28	-------	-------
Illinois	115	29,235	96	26,717	13	1,902	6	616	-------	-------
Indiana	53	9,383	28	5,298	17	3,303	8	782	-------	-------
Iowa	10	1,855	-------	-------	4	871	6	984	-------	-------
Kansas	13	6,152	-------	-------	12	6,100	1	52	-------	-------
Kentucky	45	9,261	42	8,980	2	249	1	32	-------	-------
Louisiana	58	13,142	52	12,675	3	295	3	172	-------	-------
Maine	15	2,280	1	50	14	2,230	-------	-------	-------	-------
Maryland	57	20,617	26	8,702	30	11,038	-------	-------	1	877
Massachusetts	66	19,039	45	15,986	12	2,615	9	438	-------	-------
Michigan	82	26,726	20	9,487	57	16,782	5	457	-------	-------
Minnesota	12	2,639	10	2,506	-------	-------	2	133	-------	-------
Mississippi	49	5,104	37	2,828	8	1,710	3	565	1	1
Missouri	15	8,831	9	7,689	1	84	5	1,058	-------	-------
Montana	12	963	7	683	5	280	-------	-------	-------	-------
Nebraska	14	3,258	6	1,778	8	1,480	-------	-------	-------	-------
Nevada	13	1,698	1	100	12	1,598	-------	-------	-------	-------
New Hampshire	3	1,085	1	200	2	885	-------	-------	-------	-------
New Jersey	107	23,095	82	19,748	11	2,876	13	463	1	8
New Mexico	8	545	1	78	6	447	1	20	-------	-------
New York	89	54,345	56	44,879	17	4,264	16	5,202	-------	-------
North Carolina	66	11,249	54	8,414	11	2,781	1	54	-------	-------
North Dakota	2	69	-------	-------	-------	-------	2	69	-------	-------
Ohio	106	31,686	38	15,451	56	14,436	11	1,759	1	40
Oklahoma	8	1,002	2	434	2	274	4	294	-------	-------
Oregon	50	8,960	10	1,022	34	7,713	6	225	-------	-------
Pennsylvania	163	43,833	90	23,028	72	20,778	1	27	-------	-------
Rhode Island	16	4,823	12	3,932	2	800	2	91	-------	-------
South Carolina	52	7,496	38	4,799	13	2,619	1	78	-------	-------
South Dakota	1	60	-------	-------	1	60	-------	-------	-------	-------
Tennessee	76	15,934	66	14,254	7	1,084	2	588	1	8
Texas	239	37,541	190	27,032	35	9,069	14	1,440	-------	-------
Utah	13	2,979	-------	-------	13	2,979	-------	-------	-------	-------
Vermont	3	323	-------	-------	3	323	-------	-------	-------	-------
Virginia	66	27,007	32	8,695	29	17,715	4	596	1	1
Washington	87	24,327	17	4,295	64	19,512	6	520	-------	-------
West Virginia	17	2,326	13	2,076	-------	-------	4	250	-------	-------
Wisconsin	16	3,825	7	1,885	4	828	4	479	1	633
Wyoming	7	795	-------	-------	7	795	-------	-------	-------	-------
District of Columbia	35	8,421	16	4,957	17	2,566	2	898	-------	-------
Alaska	16	680	4	325	12	355	-------	-------	-------	-------
Hawaii	13	4,496	5	1,275	2	1,247	6	1,974	-------	-------
Puerto Rico	48	15,102	48	15,102	-------	-------	-------	-------	-------	-------
Virgin Islands	2	366	2	366	-------	-------	-------	-------	-------	-------

[1] See footnote, table 1.
[2] Includes PWA and farm labor camp projects.
[3] Consists of public war housing (Lanham constructed) and homes conversion programs.

TABLE 3.—*Disposition responsibility of the Public Housing Administration: Total number of dwelling units and number disposed of, by program, type of structure and accommodations, and method of disposition, Dec. 31, 1951*

Program	Disposition responsibility	Disposed of									
		Total	Relinquishments	Sale	Veterans' reuse	Transfer to other agencies	Reuse war housing	Lease termination	Demolition	Fire or accident	Other
Total	981,949	661,943	208,446	113,438	105,792	60,435	58,977	56,526	9,381	8,530	40,418
Public war housing (Lanham constructed)	627,164	340,562	1,620	83,964	99,995	59,691	58,577	6,800	9,381	8,524	12,010
Family dwelling	526,538	242,411	1,620	66,163	58,351	42,746	47,880	273	6,703	7,870	10,805
Permanent	147,845	31,454	----	18,004	8	12,207	843	273	----	34	85
Demountable	24,880	24,880	----	17,489	598	2,357	4,051	----	----	375	10
Temporary and stop-gap	353,813	186,077	1,620	30,670	57,745	28,182	42,986	----	6,703	7,461	10,710
Dormitory	100,626	98,151	----	17,801	41,644	16,945	10,697	6,527	2,678	654	1,205
Permanent	9,404	9,186	----	1,871	----	764	----	6,527	----	----	24
Temporary and stop-gap	91,222	88,965	----	15,930	41,644	16,181	10,697	----	2,678	654	1,181
Veterans' reuse	266,813	235,185	206,826	----	----	----	----	----	----	----	28,359
Subsistence homesteads and Greenbelt towns	5,419	3,851	----	3,824	----	7	----	----	----	----	20
United States Housing Act	4,965	4,965	----	4,321	----	209	400	----	----	6	29
Other	77,588	77,380	----	21,329	5,797	528	----	49,726	----	----	----

TABLE 4.—*Housing Act of 1949:* Number of presently active dwelling units processed through selected progress stages, by State, as of Dec. 31, 1951*

State	Reserved [1]	Preliminary loan approved [1]	Tentative site approved [1]	Annual contributions contract approved	Placed under construction	Completed
Total	331,807	310,659	229,120	204,069	101,130	10,516
Alabama	11,841	11,272	7,657	6,745	4,729	198
Arizona	1,817	1,817	1,661	701	654	-----
Arkansas	1,616	1,616	1,470	1,750	1,486	440
California	22,804	20,854	20,383	21,030	3,491	693
Colorado	3,125	3,125	2,724	2,724	1,000	2
Connecticut	4,255	4,139	3,954	3,091	1,946	504
Delaware	380	380	380	380	-----	-----
Florida	6,006	5,776	4,039	3,721	2,388	928
Georgia	15,348	14,604	12,390	9,465	6,512	1,255
Idaho	275	275	-----	75	75	75
Illinois	29,468	29,179	15,133	13,304	2,356	70
Indiana	3,643	3,643	2,395	2,185	422	24
Iowa [2]	-----	-----	-----	-----	-----	-----
Kansas [2]	-----	-----	-----	-----	-----	-----
Kentucky	5,423	5,423	4,538	4,627	2,776	176
Louisiana	6,697	6,697	6,240	6,871	2,627	656
Maine	50	50	50	50	-----	-----
Maryland	5,795	5,795	3,104	3,405	1,132	60
Massachusetts	9,075	9,350	8,573	8,073	6,253	508
Michigan	12,755	12,755	5,403	4,308	1,812	132
Minnesota	4,145	4,145	2,342	2,042	1,464	150
Mississippi	2,055	1,841	1,451	1,096	521	71
Missouri	10,100	9,200	7,067	6,374	936	-----
Montana	164	164	164	150	50	-----
Nebraska	700	700	700	700	400	-----
Nevada	250	250	100	100	100	-----
New Hampshire	725	525	325	200	200	-----
New Jersey	15,776	15,226	14,246	10,723	6,224	836
New Mexico	-----	-----	-----	78	78	-----
New York	30,640	30,640	27,966	26,203	8,641	35
North Carolina	7,555	7,030	5,325	5,445	3,435	1,330
North Dakota	24	24	-----	-----	-----	-----
Ohio	19,720	10,650	1,058	-----	-----	-----
Oklahoma [2]	-----	-----	-----	-----	-----	-----
Oregon	2,605	2,605	122	122	76	16
Pennsylvania	23,660	23,360	15,156	9,740	5,828	79
Rhode Island	2,048	2,048	1,606	2,004	1,888	398
South Carolina	3,980	3,955	2,745	2,381	1,593	408
South Dakota	-----	-----	-----	-----	-----	-----
Tennessee	9,414	9,392	7,868	7,293	4,496	268
Texas	20,857	18,257	15,811	15,914	12,437	520
Utah [2]	-----	-----	-----	-----	-----	-----
Vermont	-----	-----	-----	-----	-----	-----
Virginia	8,354	8,354	6,195	6,195	3,222	68
Washington	2,809	1,588	665	579	365	150
West Virginia	1,208	500	500	520	-----	-----
Wisconsin	3,220	3,220	2,820	982	786	78
Wyoming [2]	-----	-----	-----	-----	-----	-----
District of Columbia	4,000	4,000	1,966	1,810	348	-----
Alaska	325	325	325	325	175	-----
Hawaii	900	800	682	914	514	106
Puerto Rico	14,880	14,760	11,471	9,434	7,694	252
Virgin Islands	420	350	350	240	-----	-----

[1] Does not include data on reactivated units.
[2] No enabling legislation.

*Excludes 2,222 units reactivated under Public Law 301.

TABLE 5.—*Housing Act of 1949:* Reservations issued, places with approved preliminary plans, and projects processed through selected progress stages, by State, as of Dec. 31, 1951*

State	Places with reservations [1]	Places with preliminary loans approved [1]	Projects: Tentative site approved [1]	Projects: Annual contributions contract approved	Projects: Placed under construction	Projects: Completed
Total	988	922	1,280	1,101	594	97
Alabama	70	67	92	76	42	2
Arizona	8	8	11	8	7	----------
Arkansas	6	6	14	16	11	4
California	82	70	95	88	36	13
Colorado	2	2	9	9	4	----------
Connecticut	18	17	18	14	7	1
Delaware	1	1	2	2	----------	----------
Florida	23	22	35	30	18	8
Georgia	125	124	217	162	85	18
Idaho	2	* 2	----------	1	1	1
Illinois	78	64	64	62	27	1
Indiana	7	7	13	13	3	1
Iowa [2]	----------	----------	----------	----------	----------	----------
Kansas [2]	----------	----------	----------	----------	----------	----------
Kentucky	16	16	26	26	11	2
Louisiana	20	20	34	39	15	6
Maine	1	1	1	1	----------	----------
Maryland	5	5	12	13	6	1
Massachusetts	24	20	32	28	20	1
Michigan	19	19	16	12	8	----------
Minnesota	9	9	10	9	7	----------
Mississippi	19	16	26	18	9	2
Missouri	3	2	8	7	2	----------
Montana	4	4	4	3	1	----------
Nebraska	1	1	3	3	2	----------
Nevada	2	2	1	1	1	----------
New Hampshire	3	2	2	1	1	----------
New Jersey	36	36	57	49	32	4
New Mexico	----------	----------	----------	1	1	----------
New York	17	17	42	35	13	----------
North Carolina	25	23	38	39	19	7
North Dakota	1	1	----------	----------	----------	----------
Ohio	15	4	3	----------	----------	----------
Oklahoma [2]	----------	----------	----------	----------	----------	----------
Oregon	13	13	5	5	2	1
Pennsylvania	42	41	59	44	20	----------
Rhode Island	3	3	5	7	6	2
South Carolina	37	37	41	23	12	4
South Dakota	----------	----------	----------	----------	----------	----------
Tennessee	28	26	50	45	24	3
Texas	106	104	142	143	103	13
Utah [2]	----------	----------	----------	----------	----------	----------
Vermont	----------	----------	----------	----------	----------	----------
Virginia	9	9	19	19	9	----------
Washington	22	21	10	7	4	1
West Virginia	4	1	1	2	----------	----------
Wisconsin	5	5	9	4	2	----------
Wyoming [2]	----------	----------	----------	----------	----------	----------
District of Columbia	1	1	6	6	1	----------
Alaska	4	4	4	4	3	----------
Hawaii	2	1	3	3	2	----------
Puerto Rico	68	67	39	22	17	1
Virgin Islands	2	1	2	1	----------	----------

[1] Does not include data on reactivated projects.
[2] No enabling legislation.

*Excludes three projects reactivated under Public Law 301.

TABLE 6.—*Combined balance sheet, as of June 30, 1951* [1] [2]

	Total	United States Housing Act program	Public war housing program [3]	Homes conversion program	Veterans reuse housing program	Subsistence homestead and Greenbelt towns program
ASSETS						
Cash	[4] $46,106,465	$4,719,866	[4] $37,270,342	[4] $161,979	[4] $3,320,144	[4] $625,134
Accounts receivable:						
Government agencies	32,014	21,654	10,360			
Administrative program (PHA)	68,640	22,308	40,347	720	4,965	300
Other programs (PHA)	124,088		124,088			
Local authorities and other local bodies	7,304,752	1,904,009	3,544,989		[6] 1,855,754	
Other	522,910	40,853	358,688	63,930	33,166	26,273
Less allowance for losses	*647,534	*9,960	*181,561	*47,560	*[7] 407,470	*983
	7,404,870	1,978,864	3,896,911	17,090	1,486,415	25,590
Advances:						
Local authorities	3,244,831	1,044,743	2,200,088			
Other	152,045	58,863	8,803		84,379	
Less allowance for losses	*84,379				*[8] 84,379	
	3,312,497	1,103,606	2,208,891			
Accrued interest receivable:						
Accrued interest	4,259,558	4,218,666	35,808			5,084
Less allowance for losses	130,000	130,000				
	4,129,558	4,088,666	35,808			5,084
Loans and investments:						
Local authorities B bonds	279,995,000	279,995,000				
Local authorities loan notes	160,820,139	160,820,139				
Other	23,267,675	6,000,824	14,946,719			2,320,132
Less allowance for losses	*757,813	*700,000				*57,813
	463,325,001	446,115,963	14,946,719			2,262,319
Stores inventory	66,686					66,686
Land, structures and equipment:						
Development costs	1,207,305,892	236,289,738	1,011,949,910		25,003,270	24,152,974
Less allowance for depreciation	40,502,903	35,399,932				5,102,971
	[5] 1,256,892,989	[5] 200,889,806	[5] 1,011,949,910	(5)	[5] 25,003,270	19,050,003

See footnotes at end of table.

TABLE 6.—*Combined balance sheet, as of June 30, 1951* [1] [2]—Continued

	Total	United States Housing Act program	Public war housing program [3]	Homes conversion program	Veterans reuse housing program	Subsistence homestead and Greenbelt towns program
ASSETS—continued						
Prepaid payments in lieu of taxes and other prepaid expenses	$524,064	$2,302	$456,377		$26,905	$38,480
Annual leave accrued (contra)	3,261,163	1,248,233	1,848,362	$32,942	81,527	50,099
Total	1,785,023,293	660,147,306	1,072,622,320	212,011	29,918,261	22,123,395
LIABILITIES						
Liabilities:						
Government agencies	266,833	1,993	261,674		1,483	1,683
Other programs (PHA)	124,088	22,066		18,755	333	82,934
Local authorities and other local bodies	591,333	[10] 262,508	323,587		5,148	
Accounts payable and accrued liabilities	[9] 5,386,612	170,576	[9] 4,670,723	37,202	[9] 322,678	185,433
	6,368,866	457,233	5,255,984	55,957	329,642	270,050
United States Treasury—impounded appropriations for fiscal year 1951	300,000	300,000				
Trust and deposit liabilities	379,491	26	314,463	538		64,464
Deferred credits	1,046,542	[11] 899,651	142,121		3,519	1,251
Reserves	5,926,205	5,926,205				
Accrued annual leave (contra)	3,261,163	1,248,233	1,848,362	32,942	81,527	50,099
Appropriations for annual contributions to local authorities:						
Net appropriation available	78,546,559	78,546,559				
Less payments and obligations	77,818,328	77,818,328				
	728,231	728,231				
Net investment of U. S. Government (table 7)	1,767,012,795	650,587,727	1,065,061,390	122,574	29,503,573	21,737,531
Total	1,785,023,293	660,147,306	1,072,622,320	212,011	29,918,261	22,123,395

*Indicates negative item.

[1] This represents the combined balance sheet of all programs now under jurisdiction of the Public Housing Administration except the administrative program.

[2] At June 30, 1951, there were contingent liabilities for suits and claims against PHA in the amount of $16,398,784 applicable to the following programs:

United States Housing Act program	$1,293,488
Public war housing program	12,039,484
Homes conversion program	152,684
Veterans reuse housing program	2,913,128
Subsistence homestead and Greenbelt towns program	none
Total	16,398,784

It is the opinion of operating officials of PHA that these suits and claims will be settled for less than 20 percent of the stated amounts. There may also be additional claims of an indeterminate amount arising from contractual agreements to rehabilitate property upon termination of projects and leases.

[3] The balance sheet and accompanying related statements do not give effect to transactions consummated on or before June 30, 1951, and not reported until too late for inclusion in the records before the final closing of the books of account for the fiscal year as follows:

Loss on $624,664 on disposition of property as follows:

Cost of property:	
Dedications	$252,820
Fire and other hazards	8,918
Transfers to local bodies	178,378
Sold	300,698
Total	740,814
Less: Sales price	116,150
Loss on property disposition	624,664

Local authorities had entered into contracts for future conveyance to them of permanent war housing projects for low-rent use covering 91 projects having a capital asset book value of $108,382,560 at Sept. 30, 1951.

[4] Includes $9,051,203 of unobligated revenue receipts to be deposited into the general fund of the U. S. Treasury as follows:

Public war-housing program	$6,681,721
Homes-conversion program	9,459
Veterans reuse housing program	2,250,731
Subsistence homestead and Greenbelt towns program	109,292
Total	9,051,203

[5] Under the United States Housing Act of 1937 (Public Law 412) the Public Housing Administration was authorized to render financial assistance to communities to provide housing for families in the lowest-income group.

During the fiscal years 1943 and 1944 the Public Housing Administration took title to the 32 projects in the State of Ohio because of a decision of the State Supreme Court holding that such projects were not exempt from taxation which was one of the requirements for financial assistance of the Federal Government. Subsequent State legislation conferred tax exemption on such projects. One of the projects was reconveyed to a Local Authority during the fiscal year 1951. The validity of the amendatory tax-exemption legislation was recently upheld by a 2 to 5 vote of the Supreme Court of Ohio. While 5 members of the Court were of the opinion that the law was not valid, a provision of the State constitution requires concurrence of at least 6 members of the Court in any decision voiding a duly enacted law if the lower court has sustained the validity of such law. A motion to rehear this case has been denied by the Court.

This classification includes the book value of the 31 projects in Ohio to which title is held by the PHA. It also includes land acquired as a project site by the Local Housing Authority of Kimberly, Idaho, title to which was transferred to PHA, at a value of $21,914.01 representing the balance due from the local authority.

The Department of Agriculture transferred 39 farm-labor camps to the Public Housing Administration on June 19, 1950. 36 of these camps having a net book value of $10,792,891 are under "Contracts of Purchase and Sale" to local bodies. Sales become effective upon completion of rehabilitation work now in progress. In payment therefor the PHA is to receive all net income from the camps for a period of 20 years. One of the 3 other camps is directly operated by PHA and 2 camps are operated under a "Revocable Use Permit" by local bodies. The land included in this transfer has been recorded at the value stated by the transferor; structures and facilities were recorded at appraised values established by the Federal Land Banks on or about Nov. 1, 1947, after giving effect to a depreciation factor from the date of appraisal to the date of transfer; and, furnishings and equipment were recorded at an estimated average fair value as of the date of transfer.

A physical inventory of land, structures, and equipment (excluding nondwelling equipment) in the public war-housing program was taken as of Apr. 30, 1951. The book values of these assets, except nondwelling buildings, structures and equipment, have been adjusted to the physical inventory based on costs reflected by the records. No adjustment has been made for nondwelling buildings and equipment, because no physical inventory was taken of the nondwelling equipment and the acquisition costs for nondwelling structures and nondwelling equipment are merged in the books of account. The book values of the assets for which adjustments were made were decreased by $19,264,679 (as adjusted to Sept. 30, 1951) as a result of the physical inventory. No provision has been made for depreciation on structures and equipment.

With respect to the homes conversion program, at June 30, 1951, the active leaseholds were reduced to 2 properties located in California and 15 small properties operated under use permit from Public Building Services. In order to expedite the termination of the activities of this program, these remaining assets and liabilities were transferred

Footnotes continued on following page.

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to the public war housing program for administrative purposes. There will be no further operations in this program. Realization of the remaining assets and liquidation of liabilities and final settlement with the U. S. Treasury, will be made as soon as possible.

Land, structures, and equipment for the veterans reuse housing program are reflected substantially at cost. No provision has been made for depreciation on structures and equipment. Construction costs of temporary housing projects, to house war veterans and operated by local bodies, were paid from funds of this program. These projects are to be demolished when the emergency need ends. Construction and equipment costs for all such projects were written off upon completion of construction. This amount includes $250,770 of costs for project Vt-V-43062, Camp Ethan Allen, which was transferred to the Department of the Army on July 1, 1951.

[6] Does not include $503,245 of accumulated net income of projects operated by local bodies under contracts which provide for settlement, at the termination of the contract of any cumulative net income.

[7] Includes an amount of $344,137 for possible losses on accounts receivable from local bodies for expenditures which PHA has determined to be ineligible under the terms of the contracts with these local bodies.

[8] An allowance for loss has been established in the amount of claims against contractors ($84,379) pending settlement of litigation.

[9] The accounts payable and accrued liabilities and their related expense and cost accounts includes $1,461,892 of unliquidated obligations for services and materials which either had not been received or for which bills had not been rendered at June 30, 1951, as follows:

Public war housing program	$1,459,241
Veterans' reuse housing program	2,651
Total	1,461,892

[10] As of June 30, 1951, there was a maximum contingent liability of $1,476,773 for payments in lieu of taxes on (*a*) federally owned projects for which cooperation agreements had not been entered into with local taxing bodies or for which existing cooperation agreements do not provide for maximum payments in lieu of taxes as authorized in the Housing Act of 1949, and (*b*) locally owned projects for which existing annual contribution contracts do not provide for maximum payments in lieu of taxes.

Of this amount $241,643 have been recorded as expenses and direct liabilities in the books and accounts of local authorities operating federally owned projects under lease, and are so reflected in these statements, and $1,235,130 are not reflected in the accounts or accompanying statements, as follows:

Federally owned projects under lease to local authorities	$1,118,931
Locally owned projects	116,199
Total	$1,235,130

[11] Includes $898,618 of technical service fees for payment of costs of technical services to be rendered to local authorities. These fees are authorized in the annual appropriation act (Public Law 759, 81st Cong.), for technical services in connection with locally owned projects, financed under the provisions of Public Law 171, are based on development costs and are accumulated for the payment of the costs of such services rendered and to be rendered to the local authorities during the development and construction of projects.

TABLE 7.—*Combined statement of investment of U. S. Government, as of June 30, 1951* [1]

	Total	United States Housing Act program [2]	Public war housing program	Homes conversion program	Veterans reuse housing program	Subsistence homestead and Greenbelt towns program
Interest bearing investment:						
Notes (payable to U. S. Treasury)	$489,000,000	[3] $489,000,000				
Noninterest bearing investment:						
Capital stock issued to Secretary of the Treasury	1,000,000	1,000,000				
Appropriations for:						
Development of housing	2,123,145,857		$1,589,477,826	$90,182,756	$443,485,275	
Administrative expenses	12,950,000	12,950,000				
Assets transferred from other government agencies	354,974,187	160,710,144	115,958,341		15,824,166	$62,475,536
Assets acquired through claims settlements paid by other Government agencies for PHA	190,541		190,541			
Assets transferred from other programs (PHA)	[4] 29,216,947	69,281	142,508	73,242	28,931,916	
Surplus assets reassigned from other programs (PHA)	[5] 194,158			[5] 193,966		[5] 192
Reserve for expenses of disposition of properties (pursuant to sec. 605 (c) Public Law 475, 81st Cong.)	25,000,000		24,953,660	46,340		
Total noninterest bearing investment	2,546,671,690	174,735,425	1,730,722,876	90,496,304	488,241,357	62,475,728
Total investment	3,035,671,690	663,735,425	1,730,722,876	90,496,304	488,241,357	62,475,728
Reduction of investment:						
Assets transferred to other Government agencies	197,314,096		194,991,386	4,028	466,993	1,851,689
Assets transferred to other programs (PHA)	[4] 24,155,949		24,011,981	115,531	9,872	18,565
Amount withheld for reserve for expenses of disposition of properties	25,000,000		24,953,660	46,340		
Cash deposited into the general fund of the U. S. Treasury	384,878,790		311,907,399	29,263,240	28,745,025	14,963,126
Deficits	637,310,060	13,147,698	109,797,060	60,944,591	429,515,894	23,904,817
Total reduction of investment	1,268,658,895	13,147,698	665,661,486	90,373,730	458,737,784	40,738,197
Net investment of U. S. Government	1,767,012,795	650,587,727	1,065,061,390	122,574	29,503,573	21,737,531

[1] Excludes programs previously administered by the Public Housing Administration but which are now liquidated.
[2] Excludes unexpended balance of $728,231 of appropriations for annual contribution as follows:

Net appropriations available	$78,546,559
Less payments and obligations	77,818,328
	728,231

[3] The Public Housing Administration may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed $1,500,000,000.
[4] The difference of $5,060,998 between assets transferred from other programs ($29,216,947) and assets transferred to other programs ($24,155,949) consists of transfers to and from programs which are not included in this statement, as follows:

Transfer from the Surplus Property Act program to the veterans reuse housing program	$5,062,457
Transfer to the administrative program from the subsistence homestead and Greenbelt towns program	1,459
	5,060,998

Represents the value of reassigned surplus assets recorded in these programs for accountability purposes but not credited to transferring programs.

TABLE 8.—*United States Housing Act program, statement of income and expenses for the fiscal year ended June 30, 1951*

MANAGEMENT

Income:			
Directly operated projects:			
Net operating income before interest, depreciation, and adjustment of reserves	$134, 468		
Net casualty losses	*1, 010		
		$133, 458	
Leased projects:			
Net operating income before interest, depreciation, and adjustment of reserves	2, 395, 951		
Net casualty losses	*2, 479		
		2, 393, 472	
Contract managed project—net operating income		70	
			$2, 527, 000
Interest earned:			
On obligations of local authorities		9, 253, 737	
On mortgage loan notes		163, 731	
			9, 417, 468
Other			511
Total income			11, 944, 979
Expenses:			
Administrative expenses			[1] 9, 744, 700
Social Security fund contributions			396
Cost of technical services		464, 540	
Less technical service fees transferred from the reserve		464, 540	

Collection losses:				
Provision for losses on loans to local authorities			78, 200	
Provision for losses on accounts receivable—other			2, 418	
				80, 618
Interest on borrowings from U. S. Treasury:				
Applicable to leased projects			1, 628, 393	
Loaned to local authorities			6, 000, 159	
				7, 628, 552
Depreciation of structures and equipment:				
Directly operated projects			156, 966	
Leased projects			3, 406, 391	
				3, 563, 357
Adjustment of project reserves:				
Directly operated projects			3, 417	
Leased projects			*30, 546	
				*27, 129
Total expenses				20, 990, 494
Net management loss				9, 045, 515
PROPERTY DISPOSITIONS				
Proceeds from sales of property			[2] 128, 101	
Costs:				
Book values:				
Property sold	$122, 553			
Less allowance for depreciation	5, 795			
		116, 758		
Direct disposition expenses		3, 250		
			120, 008	
Net income from property dispositions				8, 093
Total net loss for the fiscal year ended June 30, 1951				9, 037, 422

See footnotes at end of table.

TABLE 8.—*United States Housing Act program, statement of income and expenses for the fical year ended June 30, 1951*—Continued

ANALYSIS OF DEFICIT

Deficit from operations		
Balance at beginning of fiscal year		$4, 585, 074
Adjustments to beginning balance:		
Development	$33, 389	
Management	*480, 211	
Disposition	6	
Administrative	*27, 982	
Net adjustments decreasing deficit		*474, 798
Deficit, June 30, 1950 as adjusted		4, 110, 276
Net loss for the fiscal year ended June 30, 1951		9, 037, 422
Deficit from operations, June 30, 1951		13, 147, 698

*Indicates negative item.

[1] Funds for administrative expenses are transferred from each participating program to the administrative program, from which expenditures are made for the various objective classes of administrative expenses.

[2] Includes $26,186 from sales of personal property.

TABLE 9.—*United States Housing Act program, statement of sources and application of funds for the fiscal year ended June 30, 1951*

FUNDS PROVIDED

By realization of assets:			
Sales of property		$128, 101	
Repayment of loans:			
Local authority obligations:			
B bonds	$1, 191, 000		
Advance loan notes	69, 096, 159		
Preliminary loan notes	10, 984, 054		
Interim loan notes	15, 339		
		81, 286, 552	
Mortgage loan notes		31, 872	
Total realization of assets			$81, 446, 525
By income:			
Gross income—directly operated projects	707, 381		
Net income before interest and depreciation:			
Leased projects	2, 424, 019		
Contract, managed projects	70		
		3, 131, 470	
Interest		9, 417, 468	
Technical service fees		464, 540	
Proceeds from casualty claims		1, 528	
Other		511	
Total income			13, 015, 517
By borrowings from U. S. Treasury			140, 000, 000
By appropriations:			
Administrative expenses		8, 700, 000	
Annual contributions		7, 500, 000	
Total appropriations			16, 200, 000
By funds transferred from other Government agencies—U. S. Department of Agriculture			488, 349
By net income applicable to prior years			480, 464
Total funds provided			251, 630, 855

TABLE 9.—*United States Housing Act program, statement of sources and application of funds for the fiscal year ended June 30, 1951*—Continued

FUNDS APPLIED

To acquisition of assets:			
Land, structures, and equipment		$1, 370, 587	
Purchase of local authority obligations:			
B Bonds	$463, 000		
Advance loan notes	213, 106, 326		
Preliminary loan notes	9, 561, 805		
Administrative loan notes	69, 000	223, 200, 131	
Total acquisition of assets			$224, 570, 718
To expenses:			
Directly operated projects:			
Operating expenses		$548, 907	
Nonoperating expenses		21, 000	
Collection losses—Accounts receivable written off		3, 006	
Provision for reserve for operating improvements		3, 417	
Casualty losses—Cost of replacements		2, 538	
Administrative expenses		9, 744, 700	
Cost of technical services		464, 540	
Social Security fund contributions		396	
Interest on borrowings from U. S. Treasury		7, 628, 552	
Disposition expenses		3, 250	
Total expenses			18, 420, 306
To lapsed and rescinded appropriations			656, 602
To annual contributions			6, 719, 682
To increase in working capital			1, 263, 547
Total funds applied			251, 630, 855

TABLE 10.—*United States Housing Act program, statement of financing commitments as of June 30, 1951*

Commitments financed:		
Outstanding obligations of local authorities held by PHA:		
Loan notes	$160, 820, 139	
Mortgage notes	5, 138, 000	
Series B bonds	279, 995, 000	
Total	[1] 445, 953, 139	
Federally owned projects:		
Development costs, Public Law 412 projects	53, 919, 662	
Development costs, Public Law 671 projects	43, 677, 797	
		$543, 550, 598
Commitments for financing:		
Guarantee of temporary financing by private investors, including provision for interest to maturity, for which the Public Housing Administration holds escrow notes of local authorities	398, 462, 000	
Other commitments not financed	518, 090, 450	
		916, 552, 450
Total financing commitments		1, 460, 103, 048

NOTE.—The initial financing of a project during its first development period is by means of direct loans from the PHA or through the sale of temporary loan notes of the local authorities. When total development costs can be determined with reasonable accuracy, permanent financing is provided through the sale of long-term serial bonds of the local authorities. It is anticipated that the major portion of the commitments that are still to be financed, will be financed by the sale of temporary loan notes and long-term serial bonds to private investors.

[1] In addition to the notes and series B bonds issued to and held by the Public Housing Administration in the amount of $445,953,139, local authorities had other notes and series A bonds outstanding at June 30, 1951, as follows:

Temporary loan notes (principal amount included in commitments of $398,462,000, stated above)	$395, 861, 000
Series A bonds (not included in commitments; payable from project income and annual contributions)	128, 967, 500
Total	524, 828, 500

TABLE 11.—*United States Housing Act program, statement of maximum development costs and financing of all projects as of Dec. 31, 1951* [1]

	Total all projects	Public Law 412				Public Law 671, not permanently financed	Public Law 171		
		Total	Permanently financed	Not permanently financed	Deferred		Total	Permanently financed	Not permanently financed
Maximum development costs of all projects	$2,961,661,410	$590,153,863	$463,902,336	$100,576,135	$25,675,392	$237,650,192	$2,136,857,355	$349,667,414	$1,787,189,941
Locally owned projects:									
Federal funds:									
Bonds purchased:									
Outstanding	272,066,000	272,066,000	272,066,000						
Retired	6,582,000	6,582,000	6,582,000						
Total	278,648,000	278,648,000	278,648,000						
Notes: [2]									
Advance loan notes	310,069,481	7,404,767		6,405,257	999,510	28,510,181	274,154,533		274,154,533
Permanent notes	18,714						18,714	18,714	
Total	310,088,195	7,404,767		6,405,257	999,510	28,510,181	274,173,247	18,714	274,154,533
Funds not yet advanced	361,385,533	53,679,154	5,843,049	26,238,363	21,597,742	17,931,458	289,774,921	17,014,070	272,760,851
Notes guaranteed by PHA:									
Temporary loan notes (purchased by private investors)	351,407,500	15,194,500	9,098,500	6,096,000		123,931,000	212,282,000		212,282,000
Notes liquidated from operating funds	27,834,725	812,485		812,485		22,406,610	4,615,630	4,615,630	
Total	379,242,225	16,006,985	9,098,500	6,908,485		146,337,610	216,897,630	4,615,630	212,282,000
Total PHA commitment	[3] 1,329,363,953	355,738,906	293,589,549	39,552,105	22,597,252	192,779,249	780,845,798	21,648,414	759,197,384
Non-Federal funds:									
Bonds issued:									
Outstanding	454,517,500	126,498,500	126,498,500				328,019,000	328,019,000	
Retired	42,848,500	42,848,500	42,290,500	558,000					
Total	497,366,000	169,347,000	168,789,000	558,000			328,019,000	328,019,000	
Capital donations	2,082,302	2,082,302	1,523,787	558,515					
Funds not yet advanced	1,035,981,892	7,989,335		4,911,195	3,078,140		1,027,992,557		1,027,992,557
Total non-Federal commitment	1,535,430,194	179,418,637	170,312,787	6,027,710	3,078,140		1,356,011,557	328,019,000	1,027,992,557

Maximum development costs—locally owned projects	2,864,794,147	535,157,543	463,902,336	45,579,815	25,675,392	192,779,249	2,136,857,355	349,667,414	1,787,189,941
Federally owned projects:									
Expenditures to date	96,584,982	53,930,954		53,930,954		42,654,028			
Funds not yet advanced	3,282,281	1,065,366		1,065,366		2,216,915			
Maximum development costs—Federally owned projects	99,867,263	54,996,320		54,996,320		44,870,943			

[1] Excludes costs for PWA projects and farm labor camps.

[2] Excludes loans in the amount of $11,650,106 as follows:
(a) Mortgage loan note of $5,138,000 for a project sold to a local authority.
(b) Preliminary loan notes of $6,443,106.
(c) Administrative loan of $69,000 to a local authority for operating purposes.

[3] Excludes net commitments of $33,700,439 as follows:

Excludes:				
(a) Mortgage loan note of		$5,138,000		
(b) Preliminary loan contracts:				
Funds advanced	$6,443,106			
Funds not yet advanced	34,129,448			
		40,572,554		
			$45,710,554	
Includes:				
Liquidations from operating funds:				
Bonds retired		6,582,000		
Notes retired:				
Public Law 412	812,485			
Public Law 171	4,615,630			
		5,428,115		
			12,010,115	
				33,700,439

TABLE 12.—*United States Housing Act program, statement of development cost and loans for locally owned projects as of Dec. 31, 1951*

	Development cost [1]	PHA loan commitments [1 2 3]	Outstanding loans of local authorities			
			From PHA [2 4 5]	Temporary from others	Permanent from others	Total outstanding loans
All PHA-aided locally owned projects	$2, 810, 803, 472	$1, 283, 571, 125	$587, 292, 195	$351, 407, 500	$454, 517, 500	$1, 393, 217, 195
Public Law 412 projects	525, 617, 153	344, 619, 000	284, 608, 767	15, 194, 500	126, 498, 500	426, 301, 767
Public Law 671 projects	180, 762, 042	180, 762, 042	28, 510, 181	123, 931, 000		152, 441, 181
Public Law 171 projects	2, 104, 424, 277	758, 190, 083	274, 173, 247	212, 282, 000	328, 019, 000	814, 474, 247
By State:						
Alabama	77, 772, 204	51, 391, 076	45, 595, 219	668, 000	4, 583, 000	50, 846, 219
Arizona	10, 069, 770	3, 509, 900	1, 785, 814	801, 000	5, 015, 000	7, 601, 814
Arkansas	20, 026, 982	5, 834, 969	2, 103, 024	2, 907, 000	12, 372, 000	17, 382, 024
California	256, 085, 240	122, 399, 761	24, 870, 973	32, 097, 000	21, 693, 000	78, 660, 973
Colorado	32, 262, 300	14, 642, 609	7, 962, 600	1, 221, 000	367, 000	9, 550, 600
Connecticut	60, 868, 882	33, 371, 396	18, 163, 207	10, 420, 000	12, 857, 000	41, 440, 207
Delaware	6, 390, 764	2, 709, 000	140, 145	1, 640, 000		1, 780, 145
Florida	50, 760, 203	29, 737, 054	25, 861, 184	189, 000	11, 852, 000	37, 902, 184
Georgia	115, 003, 322	56, 974, 559	51, 599, 930	486, 000	25, 287, 000	77, 372, 930
Idaho	1, 237, 000	450, 000	319, 306		743, 000	1, 062, 306
Illinois	145, 297, 346	52, 001, 339	19, 989, 088	16, 168, 000	30, 501, 000	66, 658, 088
Indiana	38, 089, 449	15, 384, 116	10, 206, 116	790, 000	787, 000	11, 783, 116
Kentucky	71, 197, 085	43, 000, 494	19, 716, 598	12, 705, 000	5, 128, 000	37, 549, 598
Louisiana	104, 284, 376	41, 268, 047	26, 453, 708	3, 702, 000	26, 810, 000	56, 965, 708
Maryland	67, 113, 477	36, 828, 459	8, 330, 650	16, 451, 000	5, 757, 000	30, 538, 650
Massachusetts	117, 137, 095	52, 043, 141	26, 681, 199	18, 502, 000	17, 332, 000	62, 515, 199
Michigan	64, 875, 261	52, 428, 578	16, 654, 141	13, 345, 000	3, 690, 000	33, 689, 141
Minnesota	20, 900, 100	4, 309, 000	3, 544, 400		9, 270, 000	12, 814, 400
Mississippi	16, 305, 777	9, 540, 184	5, 614, 032	413, 000	4, 240, 000	10, 267, 032
Missouri	88, 444, 990	14, 762, 300	2, 795, 485	1, 807, 000	15, 190, 000	19, 792, 485
Montana	4, 113, 244	2, 684, 544	1, 808, 766	353, 000	135, 000	2, 296, 766
Nebraska	12, 227, 105	1, 018, 000	751, 000		7, 347, 000	8, 098, 000
Nevada	1, 066, 000	959, 400	938, 600			938, 600
New Hampshire	2, 354, 319	1, 720, 000		1, 700, 000		1, 700, 000
New Jersey	175, 442, 041	91, 117, 618	46, 145, 204	28, 540, 000	24, 653, 000	99, 338, 204
New Mexico	759, 050	684, 819	531, 600			531, 600
New York	430, 875, 952	144, 880, 525	16, 307, 896	79, 051, 000	61, 762, 000	157, 120, 896
North Carolina	68, 687, 961	40, 030, 349	28, 739, 551	305, 000	12, 901, 000	41, 945, 551
Ohio		[2] 5, 138, 000	[2] 5, 138, 000			5, 138, 000
Oregon	3, 574, 713	3, 187, 994	578, 884	1, 891, 000		2, 469, 884
Pennsylvania	168, 081, 416	77, 572, 533	36, 745, 436	26, 839, 000	29, 712, 000	93, 296, 436
Rhode Island	30, 257, 263	9, 564, 488	6, 315, 947	952, 000	7, 579, 000	14, 846, 947
South Carolina	33, 519, 442	13, 694, 806	8, 705, 672	779, 000	9, 810, 000	19, 294, 672
Tennessee	87, 452, 002	26, 450, 940	20, 787, 371		32, 507, 000	53, 294, 371

Texas	192, 813, 600	103, 285, 228	54, 401, 380	29, 119, 000	24, 845, 500	108, 365, 880
Virginia	80, 941, 116	44, 254, 823	15, 290, 215	12, 922, 000	4, 829, 000	33, 041, 215
Washington	12, 089, 510	8, 174, 633	3, 661, 854	3, 112, 000	3, 329, 000	10, 102, 854
West Virginia	13, 297, 909	5, 302, 092	4, 482, 820		1, 786, 000	6, 268, 820
Wisconsin	13, 619, 925	11, 787, 124	11, 190, 935			11, 190, 935
District of Columbia	34, 289, 844	14, 041, 326	4, 502, 814	5, 425, 000	3, 157, 000	13, 084, 814
Alaska	6, 275, 612	2, 450, 886	678, 500			678, 500
Hawaii	12, 748, 600	2, 466, 200	1, 064, 000	509, 000	6, 090, 000	7, 663, 000
Puerto Rico	59, 324, 508	30, 184, 815	11, 931	25, 598, 500	10, 601, 000	36, 211, 431
Virgin Islands	2, 870, 717	328, 000	127, 000			127, 000

[1] Excludes unapplied funds representing the difference between the maximum amounts authorized by presidential approval and the latest requirements of local authorities.

	Development costs	PHA loan commitments
Public Law 412 projects	$9, 540, 390	$8, 863, 421
Public Law 671 projects	12, 017, 207	12, 017, 207
Public Law 171 projects	27, 817, 448	18, 040, 085
Total unapplied	49, 375, 045	38, 920, 713

Also includes $4, 615,630 liquidated from operating funds under Public Law 412 and 671 prior to permanent financing under Public Law 171.

[2] Includes a mortgage loan note of $5,138,000 for a project sold to a local authority.
[3] Excludes preliminary loan contract commitments of $40,572,554.
[4] Excludes preliminary loan notes of $6,443,106.
Excludes administrative loan of $69,000 to a local authority for operating purposes.

Table 13.—*United States Housing Act program, statement of annual contributions for locally owned projects for the calendar year ended Dec. 31, 1951*

	Maximum contributions payable in current year under existing contracts		Annual contributions actually paid during calendar year ended Dec. 31, 1951		
	All projects [1]	Projects having first annual contribution	Projects having first annual contribution	All other projects	Total
All PHA-aided locally owned projects	$117,156,927	$346,681	$99,630	$8,110,257	$8,209,887
Public Law 412 projects	16,902,677			7,299,051	7,299,051
Public Law 671 projects	5,546,839	316,169	93,776	811,206	904,982
Public Law 171 projects	94,707,411	30,512	5,854		5,854
By State:					
Alabama	3,235,864			240,123	240,123
Arizona	412,837			6,722	6,722
Arkansas	863,723			7,731	7,731
California	10,999,687	220,542	77,981	294,451	372,432
Colorado	1,400,307				
Connecticut	2,351,618	29,539	7,167	288,644	295,811
Delaware	267,284			40,424	40,424
Florida	1,991,843			228,722	228,722
Georgia	4,640,581			227,984	227,984
Idaho	48,735			7,627	7,627
Illinois	6,025,779	66,088	8,628	254,282	262,910
Indiana	1,568,334			82,044	82,044
Kentucky	2,971,600			438,989	438,989
Louisiana	4,234,359			811,839	811,839
Maryland	2,626,232			496,036	496,036
Massachusetts	4,725,512			639,559	639,559
Michigan	2,298,175			157,807	157,807
Minnesota	940,501				
Mississippi	644,348			72,791	72,791
Missouri	3,958,052				
Montana	148,334			42,966	42,966
Nebraska	521,854			115,956	115,956
New Jersey	7,338,536			480,971	480,971
New York	18,716,841			1,418,383	1,418,383
North Carolina	2,955,961			132,251	132,251
Nevada	47,970				
New Hampshire	105,944				
New Mexico	34,157				
Oregon	132,773			19,954	19,954
Pennsylvania	6,705,649			121,558	121,558
Rhode Island	1,307,481			12,403	12,403
South Carolina	1,370,539			112,128	112,128
Tennessee	3,659,496	30,512	5,854	296,771	302,625
Texas	8,110,811			310,108	310,108
Virginia	3,440,119			42,062	42,062
Washington	434,085			101,900	101,900
West Virginia	521,056			100,077	100,077
Wisconsin	602,880			1,113	1,113
District of Columbia	1,313,115			177,649	177,649
Hawaii	555,179			32,773	32,773
Puerto Rico	2,517,193			295,459	295,459
Alaska	282,401				
Virgin Islands	129,182				

[1] Excludes unapplied annual contribution commitments representing the difference between the maximum amounts authorized by presidential approval and the latest requirements of Local Authorities:

Public Law 412 projects	$306,200
Public Law 671 projects	367,329
Public Law 171 projects	1,251,758
Total unapplied	1,925,287

TABLE 14.—*United States Housing Act program, statement of capital funds and annual contribution commitments as of Dec. 31, 1951*

	Total all projects	Public Law 412				Public Law 671 not permanently financed	Public Law 171			
		Total	Permanently financed	Not permanently financed	Deferred		Total	Permanently financed	Not permanently financed	Preliminary loan contracts
CAPITAL FUNDS										
Capital funds committed:										
For locally owned projects:										
Bonds outstanding	$272,066,000	$272,066,000	$272,066,000	----------	----------	----------	----------	----------	----------	----------
Bonds retired	6,582,000	6,582,000	6,582,000	----------	----------	----------	----------	----------	----------	----------
Permanent notes	18,714	----------	----------	----------	----------	----------	$18,714	$18,714	----------	----------
Notes (short term)	[1] 321,650,587	12,542,767	----------	$11,543,257	$999,510	$28,510,181	280,597,639	----------	$274,154,533	$6,443,106
Temporary loan notes (guaranteed by PHA)	351,407,500	15,194,500	9,098,500	6,096,000	----------	123,931,000	212,282,000	----------	212,282,000	----------
Liquidations from operating funds	27,834,725	812,485	----------	812,485	----------	22,406,610	4,615,630	4,615,630	----------	----------
Funds not yet advanced	395,514,981	53,679,154	5,843,049	26,738,363	21,597,742	17,931,458	323,904,369	17,014,070	272,760,851	34,129,448
Total locally owned projects	1,375,074,507	360,876,906	293,589,549	44,690,105	22,597,252	192,779,249	821,418,352	21,648,414	759,197,384	40,572,554
For federally owned projects:										
Expenditures to date	96,584,982	53,930,954	----------	53,930,954	----------	42,654,028	----------	----------	----------	----------
Funds not yet advanced	3,282,281	1,065,366	----------	1,065,366	----------	2,216,915	----------	----------	----------	----------
Total federally owned projects	99,867,263	54,996,320	----------	54,996,320	----------	44,870,943	----------	----------	----------	----------
Total capital funds committed	1,474,941,770	415,873,226	293,589,549	99,686,425	22,597,252	237,650,192	821,418,352	21,648,414	759,197,384	40,572,554
Capital funds required and available:										
Capital funds committed	1,474,941,770	415,873,226	293,589,549	99,686,425	22,597,252	237,650,192	821,418,352	21,648,414	759,197,384	40,572,554
Less: Total loans made available and investments in federally owned projects	724,737,008	345,934,206	278,648,000	66,286,696	999,510	93,570,819	285,231,983	4,634,344	274,154,533	6,443,106
Net PHA loan commitment outstanding	750,204,762	69,939,020	14,941,549	33,399,729	21,597,742	144,079,373	536,186,369	17,014 070	485,042,851	34,129,448
Unused borrowing authority available from U. S. Treasury	855,000,000	----------	----------	----------	----------	----------	----------	----------	----------	----------
ANNUAL CONTRIBUTIONS FUNDS										
Maximum contribution locally owned projects	119,082,214	17,208,877	14,495,153	1,842,155	871,569	5,014,168	95,959,169	15,535,699	80,423,470	
Maximum contribution authorized	223,000,000	----------	----------	----------	----------	----------	----------	----------	----------	----------
Less: Maximum contribution committed	119,082,214	----------	----------	----------	----------	----------	----------	----------	----------	----------
Uncommitted balance of annual contribution authorized	103,917,786	----------	----------	----------	----------	----------	----------	----------	----------	----------

[1] Includes a mortgage loan note of $5,138,000 for a project sold to a local authority. Excludes administrative loan of $69,000 to a local authority for operating purposes.

TABLE 15.—*United States Housing Act program, statement of income and expenses for all federally owned projects for the fiscal year ended June 30, 1951*

	Total projects	Directly operated projects			Leased projects					Contract managed project
		Total	PWA	Farm labor camps [1, 2]	Total	PWA [3]	Public Law 412	Public Law 671	Farm labor camps	
Number of developments	141	7	6	1	133	44	31	20	38	1
Number of dwelling units	49,901	2,159	1,963	196	47,733	19,077	10,840	7,989	9,227	9
Number of dwelling units in operation	49,465	2,150	1,954	196	47,306	19,652	10,838	7,985	8,831	9
Latest development cost	$236,289,738	$10,394,449	$10,166,292	$228,157	$225,873,375	$116,787,470	$53,897,748	$43,677,797	$11,510,360	$21,914
Average development cost per unit	4,749	4,814	5,179	1,164	4,747	5,980	4,972	5,467	1,248	2,435
Income:										
Rentals:										
Dwellings	17,058,894	695,179	671,529	23,650	16,363,525	8,076,552	4,238,122	3,329,889	718,962	190
Less vacancy loss	136,760	11,793	1,894	9,899	124,967	35,868	18,568	70,531	(4)	
Dwellings (net)	16,922,134	683,386	669,635	13,751	16,238,558	8,040,684	4,219,554	3,259,358	718,962	190
Commercial facilities	172,434	10,784	10,784		161,650	127,537		24,492	9,621	
Dormitory and land	11,545				11,545	9,975	1,500		70	
Furniture	15,731				15,731			15,731		
Other	34,353	5,229	4,519	710	29,124	17,732	784	5,404	5,204	
Total	17,156,197	699,399	684,938	14,461	16,456,608	8,195,928	4,221,838	3,304,985	733,857	190
Sales and services to tenants	130,394	4,609	4,595	14	125,785	43,153	32,915	48,991	726	
Interest on investments	944				944	848		96		
Other	57,916	3,373	3,373		54,543	29,000	17,225	5,402	2,916	
Total income	17,345,451	707,381	692,906	14,475	16,637,880	8,268,929	4,271,978	3,359,474	737,499	190
Expenses:										
Operating expenses:										
Management	2,105,555	83,688	79,979	3,709	2,021,747	914,817	479,089	420,645	207,196	12
Operating services	1,038,934	40,587	39,498	1,089	998,347	529,802	199,414	190,236	78,895	
Dwelling and commercial utilities	4,713,730	195,667	192,769	2,898	4,518,063	2,304,806	1,288,331	764,350	160,576	
Repairs, maintenance, and replacements	5,156,980	176,863	171,561	5,302	4,980,117	2,657,538	1,010,537	1,086,374	225,668	
Public services	30,559	879	9	870	29,630	6,794	150	2,762	19,974	
Insurance	194,832	5,546	5,546		189,286	81,239	51,547	47,391	9,109	
Rents	8,341				8,341	181		8,160		
Taxes	12,345				12,345	60		6,403	5,882	
Payments in lieu of taxes	848,735	41,529	40,475	1,054	807,206	507,740		268,922	30,544	
Contributions to pension and insurance funds	223,682	25	25		223,657	124,387	80,006	18,415	849	

Cost of sales and services to tenants	128,859	4,123	4,123		124,736	42,141	32,848	49,193	554	
Other	708				708	65	113	*1,416	1,946	
Total operating expenses	14,463,260	548,907	533,985	14,922	13,914,233	7,169,570	3,142,035	2,861,435	741,193	120
Nonoperating expenses:										
Damages to persons and property	832				832	810	22			
Operating improvements	303,213	20,808	20,808		282,405	184,710	27,606	69,535	554	
Other	4,704	192	192		4,512	2,882	593	994	43	
Total nonoperating expenses	308,749	21,000	21,000		287,749	188,402	28,221	70,529	597	
Collection losses—accounts receivable written off	42,953	3,006	3,006		39,947	16,703	8,646	13,227	1,371	
Total expenses (before interest, depreciation and adjustment of reserves)	14,814,962	572,913	557,991	14,922	14,241,929	7,374,675	3,178,902	2,945,191	743,161	12
Net operating income (or loss**) before interest, depreciation and adjustment of reserves (forward)	2,530,489	134,468	134,915	**447	2,395,951	894,254	1,093,076	414,283	**5,662	70
Interest and depreciation										
Interest—portion applicable to federally owned projects	1,628,393				1,628,393		890,598	737,795		
Depreciation of structures and equipment	3,563,357	156,966	153,883	3,083	3,406,391	1,727,608	825,699	732,490	120,594	
Total interest and depreciation	5,191,750	156,966	153,883	3,083	5,034,784	1,727,608	1,716,297	1,470,285	120,594	
Adjustment of reserves:										
Project operations	*42,448				*42,448	*18,581	*12,006	*11,861		
Project operating improvements	15,319	3,417	3,417		11,902	11,902				
Net adjustment of reserves	*27,129	3,417	3,417		*30,546	*6,679	*12,006	*11,861		
Net operating income (or loss**)	**2,634,132	**25,915	**22,385	**3,530	**2,608,287	**826,675	**611,215	**1,044,141	**126,256	70
Casualty losses:										
Cost of replacements	23,764	2,538	2,538		21,226	9,872	312	9,811	1,231	
Proceeds from casualty claims	*20,275	*1,528	*1,528		*18,747	*7,960	*312	*10,475		
Net casualty losses	3,489	1,010	1,010		2,479	1,912		*664	1,231	
Net income (or loss **) for the fiscal year ended June 30, 1951	**2,637,621	**26,925	**23,395	**3,530	**2,610,766	**828,587	**611,215	**1,043,477	**127,487	70

* Indicates negative item.
** Indicates loss.

[1] 1 farm labor camp with 196 dwelling units became directly operated, effective Jan. 1, 1951. Income and expense data shown include 6 months' activity for this development.
[2] 1 farm labor camp with 304 dwelling units was transferred from direct operations to leased operations, effective Aug. 1, 1950. Income and expenses are prorated accordingly.
[3] Includes 1 development of 194 dormitory units as equivalent to 48 family dwelling units in computing average development cost per unit.
[4] No vacancy loss is shown for farm labor camps since they are not required to submit this information

TABLE 16.—*United States Housing Act program, statement of income and expenses per unit month of availability for all federally owned projects for the fiscal year ended June 30, 1951*

	Total projects	Directly operated projects			Leased projects				
		Total	PWA	Farm labor camps [1, 2]	Total	PWA	Public Law 412	Public Law 671	Farm labor camps
Number of developments	139	7	6	1	132	43	31	20	38
Number of dwelling units in operations	49,262	2,150	1,954	196	47,112	19,458	10,838	7,985	8,831
Number of unit months	548,468	24,928	23,448	1,480	523,540	233,487	130,056	95,764	[3] 64,233
Income:									
Rentals:									
Dwellings	$31.10	$27.89	$28.64	$15.98	$31.26	$34.59	$32.59	$34.77	$11.19
Less vacancy loss	.25	.47	.08	6.69	.24	.15	.14	.74	(4)
Dwellings (net)	30.85	27.42	28.56	9.29	31.02	34.44	32.45	34.03	11.19
Commercial facilities	.32	.43	.46		.31	.55		.26	.15
Dormitory and land	.02				.02	.04	.01		
Furniture	.03				.03			.16	
Other	.06	.21	.19	.48	.05	.08	.01	.06	.08
Total	31.28	28.06	29.21	9.77	31.43	35.11	32.47	34.51	11.42
Sales and services to tenants	.24	.19	.20	.01	.24	.19	.25	.51	.01
Other	.11	.13	.14		.11	.12	.13	.06	.05
Total income	31.63	28.38	29.55	9.78	31.78	35.42	32.85	35.08	11.48
Expenses:									
Operating expenses:									
Management	3.84	3.36	3.41	2.51	3.86	3.92	3.68	4.39	3.23
Operating services	1.89	1.63	1.68	.74	1.91	2.27	1.53	1.99	1.23
Dwelling and commercial utilities	8.59	7.85	8.22	1.95	8.63	9.87	9.91	7.98	2.50
Repairs, maintenance, and replacements	9.40	7.09	7.32	3.58	9.51	11.38	7.77	11.34	3.51
Public services	.06	.04		.59	.06	.03		.03	.31
Insurance	.35	.22	.24		.36	.35	.40	.49	.14
Rents	.02				.02			.09	
Taxes	.02				.02			.07	.09
Payments in lieu of taxes	1.55	1.67	1.72	.71	1.54	2.18		2.81	.48
Contributions to pensions and insurance funds	.41				.43	.53	.62	.19	.01
Cost of sales and services to tenants	.24	.16	.18		.24	.18	.25	.51	.01
Other								•.01	.03
Total operating expenses	26.37	22.02	22.77	10.08	26.58	30.71	24.16	29.88	11.54

Nonoperating expenses:									
Operating improvements	.55	.83	.89		.54	.79	.21	.73	.01
Other	.01	.01	.01		.01	.01	.01	.01	
Total nonoperating expenses	.56	.84	.90		.55	.80	.22	.74	.01
Collection losses—accounts receivable written off	.08	.12	.13		.07	.07	.07	.14	.02
Total expenses (before interest, depreciation and adjustment of reserves)	27.01	22.98	23.80	10.08	27.20	31.58	24.45	30.76	11.57
Net operating income (or loss**) before interest, depreciation and adjustment of reserves	4.62	5.40	5.75	**.30	4.58	3.84	8.40	4.32	**.09
Interest and depreciation:									
Interest—portion applicable to federally owned projects	2.97				3.11		6.85	7.70	
Depreciation of structures and equipment	6.50	6.30	6.56	2.08	6.51	7.40	6.35	7.65	1.88
Total interest and depreciation	9.47	6.30	6.56	2.08	9.62	7.40	13.20	15.35	1.88
Adjustment of reserves:									
Project operations	*.08				*.08	*.08	*.10	*.12	
Project operating improvements	.03	.14	.15		.02	.05			
Net adjustment of reserves	*.05	.14	.15		*.06	*.03	*.10	*.12	
Net operating loss	4.80	1.04	.96	2.38	4.98	3.53	4.70	10.91	1.97
Casualty losses:									
Cost of replacements	.04	.10	.11		.04	.05		.10	.02
Proceeds from casualty claims	*.03	*.06	*.07		*.04	*.03		*.11	
Net casualty losses	.01	.04	.04			.02		*.01	.02
Net loss for the fiscal year ended June 30, 1951	4.81	1.08	1.00	2.38	4.98	3.55	4.70	10.90	1.99

PUM less than $0.005 not reflected.
*Indicates negative item.
**Indicates loss.

[1] 1 farm labor camp with 196 dwelling units became directly operated effective Jan. 1, 1951. Income and expense data shown includes 6-months' activity for this development.
[2] 1 farm labor camp with 301 dwelling units was transferred from direct operations to leased operations, effective Aug. 1, 1950. Income and expenses are prorated accordingly.
[3] 34 farm labor camps were not operated under lease agreement for the full fiscal year.
[4] No vacancy loss is shown for farm labor camps since they are not required to submit this information.

NOTE.—The income and expense for the contract managed project is not included in this statement.

TABLE 17.—*United States Housing Act program, statement of income and expenses per unit month of availability for permanently financed Public Law 412 projects, by fiscal years ending in calendar years 1941–51*

Item	All projects with fiscal year ending in 1951		Average per unit month for groups of projects by fiscal years: Group 1—Projects completing eleventh fiscal year in 1951										
	Total	Average per unit per month	First fiscal year ending 1941 [1]	Second fiscal year ending 1942	Third fiscal year ending 1943	Fourth fiscal year ending 1944	Fifth fiscal year ending 1945	Sixth fiscal year ending 1946	Seventh fiscal year ending 1947	Eighth fiscal year ending 1948	Ninth fiscal year ending 1949	Tenth fiscal year ending 1950	Eleventh fiscal year ending 1951
Number of statutory projects	163	--------											33
Number of developments	340	--------											55
Number of dwelling units	103,376	--------											23,157
Average development cost per dwelling unit	$4,450	--------											$4,730
Number of dwelling units available for occupancy	103,046	--------											23,140
Income (excluding PHA annual contribution):													
Dwelling rent schedule	$36,339,561.14	$29.41	$19.31	$20.07	$23.51	$26.70	$27.88	$28.33	$30.60	$31.82	$32.68	$32.31	$32.90
Less: Dwelling vacancy loss	282,179.38	.23	.57	.12	.24	.17	.09	.04	.04	.06	.07	.08	.12
Net dwelling rental income	36,057,381.76	29.18	18.74	20.55	23.27	26.53	27.79	28.29	30.56	31.76	32.61	32.23	32.78
All other income	1,133,615.56	.92	.35	.51	.35	.33	.11	.71	1.04	1.09	1.15	1.23	1.41
Total income (excluding PHA annual contribution)	37,190,997.32	30.10	19.09	21.06	23.62	26.86	27.90	29.00	31.60	32.85	33.76	33.46	34.19
Expenses:													
Operating expense (excluding reserves):													
Management	4,930,459.22	3.99	2.40	2.67	2.58	2.66	2.76	2.97	3.45	3.83	4.31	4.48	4.74
Operating services	1,679,043.54	1.36	.90	1.00	1.07	1.18	1.30	1.53	1.94	2.13	2.23	2.25	2.37
Dwelling utilities	8,490,889.50	6.87	4.55	4.82	5.54	6.02	5.79	5.89	6.87	7.99	7.52	7.53	7.74
Repairs, maintenance, and replacements	9,517,399.41	7.70	1.12	2.14	3.09	3.70	5.19	4.39	6.16	8.29	6.74	7.14	9.07
Public services	67,782.14	.05	.02	.04	.09	.13	.13	.12	.14	.14	.14	.13	.12
Insurance	417,090.29	.34	.33	.47	.70	.50	.31	.31	.33	.35	.37	.37	.36
Collection losses	132,597.10	.11	.02	.02	.03	.02	.03	.02	.02	.03	.04	.06	.08
All other expenses	264,119.93	.22	.01	.06	.01	.01	.19	.31	.24	.18	.17	.09	.21
Subtotal: Operating expenses (excluding reserves)	25,499,381.13	20.64	9.35	11.22	13.11	14.22	15.70	15.54	19.15	22.94	21.52	22.05	24.69

Reserved from income for:													
Operating reserve	*1,306,553.60	*1 05									.32		*2.12
Repairs, maintenance, and replacements			4.55	3.57	2.43	2.18	.74	1.57	*.95	*3.02	*.45		
Vacancy and collection losses			.55	.61	1.39	2.29	1.61	.22	.11	.11	.03		
Annual contribution allowance	151,983.88	.12	.75	.04	*.22	.04	*.24	.03	.12	.02	.05	.07	.12
Operating improvement—regular	350,847.65	.28									*.06	.04	.37
Contingencies for postwar improvements	*1,992.06						.13						
All other reserves	59,398.72	.05						.37	.50	.33	.19	.20	.22
Subtotal: Reserved	*746,315.41	*.60	5.85	4.22	3.60	4.51	2.24	2.19	*.22	*2.56	.08	.31	*1.41
Payments in lieu of taxes	2,655,524.09	2.15	.48	.77	.93	1.98	2.15	2.17	.46	.76	.82	2.18	2.49
Debt service:													
Interest paid non-Federal bonds (A bonds)	2,655,093.10	2.15	.70	2.28	4.84	4.86	4.80	4.63	4.55	4.36	4.19	4.05	3.91
Interest paid PHA bonds (B bonds)	7,186,746.73	5.81	4.92	8.55	4.98	4.83	4.66	4.61	4.51	4.47	4.46	4.44	4.44
Non-Federal bonds retired (A bonds)	4,434,000.00	3.59	7.90	2.21	4.07	4.19	4.46	4.61	4.92	5.13	5.29	5.44	5.59
PHA bonds retired (B bonds)	1,102,000.00	.89				.10	.25	.22	.32	.58	.54	.29	.34
Reserved for debt service	147,746.70	.12	.96	1.54	*.24	1.17	.91	1.12	.96	.86	.96	.97	.52
Subtotal: Debt service	15,525,586.53	12.56	14.48	14.58	13.65	15.15	15.08	15.19	15.26	15.40	15.44	15.19	14.80
Total expense	42,934,176.34	34.75	30.16	30.79	31.29	35.86	35.17	35.09	34.65	36.54	37.86	39.73	40.57
Deficit—current year operations	5,743,179.02	4.65	11.07	9.73	7.67	9.00	7.27	6.00	3.05	3.69	4.10	6.27	6.38
Special Nonrecurring Items:													
Bond refunding			1.26	1.60	1.86	.01		.02	.01				
Earnings in excess of normal debt service [6]	*10,956.60	*.01								*.24	*.25		
Operating improvements	527,368.91	.42			.63	.45	.65	.37	.20	.20	.59	.16	.58
Creation of working capital					.18								
Adjustments to previous years	1,701,444.44	1.38		*.04	*.02	.19	.24	.21	*.11	*.07	*.21	1.42	1.22
Subtotal: Special nonrecurring items	2,217,856.75	1.79	1.26	1.56	2.65	.65	.89	.60	.10	*.11	.13	1.58	1.80
Total net deficit—current year	7,961,035.77	6.44	12.33	11.29	10.32	9.65	8.16	6.69	3.15	3.58	4.23	7.85	8.18
Total net deficit—current year	7,961,035.77	6.44	12.33	11.29	10.32	9.65	8.16	6.69	3.15	3.58	4.23	7.85	8.18
Less: Net amount applied to decrease (or increase**) in annual contributions [7]	228,060.91	.18							**.13	**.20	**.20	**.06	**.17
Annual contributions payable [8]	7,732,974.86	6.26	12.33	11.29	10.32	9.65	8.16	6.69	3.28	3.78	4.52	7.91	8.35
Maximum annual contributions payable under contracts	14,660,451.37	11.87	13.98	14.03	14.02	14.07	14.05	13.96	14.06	14.06	14.07	14.07	14.07
Percentage of maximum annual contributions payable to projects having operating deficits	52.7%		88.2%	80.5%	73.6%	68.6%	58.1%	47.9%	23.3%	26.9%	32.1%	56.2%	59.3%

See footnotes at end of table.

TABLE 17.—*United States Housing Act program, statement of income and expenses per unit month of availability for permanently financed Public Law 412 projects, by fiscal years ending in calendar years 1941–51*—Continued

Item	All projects with fiscal year ending in 1951		Average per unit month for groups of projects by fiscal years: Group 2—Projects completing tenth fiscal year in 1951									
	Total	Average per unit per month	First fiscal year ending 1942 [1]	Second fiscal year ending 1943	Third fiscal year ending 1944	Fourth fiscal year ending 1945	Fifth fiscal year ending 1946	Sixth fiscal year ending 1947	Seventh fiscal year ending 1948	Eighth fiscal year ending 1949	Ninth fiscal year ending 1950	Tenth fiscal year ending 1951
Number of statutory projects	163	------										88
Number of developments	340	------										177
Number of dwelling units	103,376	------										45,285
Average development cost per dwelling unit	$4,450	------										$4,291
Number of dwelling units available for occupancy	103,046	------										45,262
Income (excluding PHA annual contribution):												
Dwelling rent schedule	$36,339,561.14	$29.41	$14.81	$17.98	$20.85	$22.76	$23.91	$25.08	$25.96	$26.47	$26.21	$26.87
Less: Dwelling vacancy loss	282,179.38	.23	.25	.15	.13	.09	.06	.04	.05	.06	.10	.19
Net dwelling rental income	36,057,381.76	29.18	14.56	17.83	20.72	22.67	23.85	25.04	25.91	26.41	26.11	26.68
All other income	1,133,615.56	.92	.19	.43	.21	.11	.32	.51	.58	.64	.73	.79
Total income (excluding PHA annual contribution)	37,190,997.32	30.10	14.75	18.26	20.93	22.78	24.17	25.55	26.49	27.05	26.84	27.47
Expenses:												
Operating expense (excluding reserves):												
Management	4,930,459.22	3.99	2.06	2.32	2.37	2.41	2.57	2.74	2.96	3.31	3.45	3.54
Operating services	1,679,043.54	1.36	.45	.45	.46	.47	.57	.64	.68	.70	.72	.79
Dwelling utilities	8,490,889.50	6.87	3.70	4.20	4.54	4.63	4.83	5.17	5.64	5.77	5.74	6.04
Repairs, maintenance, and replacements	9,517,399.41	7.70	.92	1.71	2.21	3.02	3.70	5.09	5.25	5.82	6.11	7.12
Public services	67,782.14	.05	.03	.06	.14	.21	.16	.10	.09	.08	.03	.02
Insurance	417,090.29	.34	.27	.47	.44	.25	.22	.23	.26	.28	.30	.32
Collection losses	132,597.10	.11	.02	.03	.03	.03	.02	.03	.03	.05	.08	.11
All other expenses	264,119.93	.22	------	------	------	.01	.13	.21	.24	.16	.22	.22
Subtotal: Operating expenses (excluding reserves)	25,499,381.13	20.64	7.45	9.24	10.19	11.03	12.20	14.21	15.15	16.17	16.65	18.16

Reserved from income for:												
Operating reserve	•1,306,553.60	•1.05								24	•.25	•.96
Repairs, maintenance, and replacements			2.86	2.19	1.95	1.23	.91	.31	•.68	•.54		
Vacancy and collection losses			.59	1.36	1.72	1.48	.46	.24	.11	.05		
Annual contribution allowance	151,983.88	.12	.18	•.02	•.09	•.01	.14	•.03	.04	.06	.09	.12
Operating improvement—regular	350,847.65	.28								.30	.29	•.08
Contingencies for postwar improvements	•1,992.06											
All other reserves	59,398.72	.05					.01	.06	.04			
Subtotal: Reserved	•746,315.41	•.60	3.63	3.53	3.58	2.70	1.52	.58	•.49	.11	.13	•.92
Payments in lieu of taxes	2,655,524.09	2.15	.67	.78	1.34	1.74	1.85	1.12	.84	.37	1.59	1.96
Debt service:												
Interest paid non-Federal bonds (A bonds)	2,655,093.10	2.15	.45	1.11	1.12	1.27	1.27	1.33	1.30	1.23	1.16	1.09
Interest paid PHA bonds (B bonds)	7,186,746.73	5.81	4.00	7.75	7.67	7.32	7.33	7.11	6.97	6.95	6.94	6.93
Non-Federal bonds retired (A bonds)	4,434,000.00	3.59	6.15	1.81	1.93	2.11	2.17	2.39	2.44	2.55	2.65	2.72
PHA bonds retired (B bonds)	1,102,000.00	.89		.01	.19	.86	.98	.89	.95	.99	1.15	1.08
Reserved for debt service	147,746.70	.12	.97	1.18	.94	.23	.10	.20	.16	.12	•.05	.05
Subtotal: Debt service	15,525,586.53	12.56	11.57	11.86	11.85	11.79	11.85	11.92	11.82	11.84	11.85	11.87
Total expense	42,934,176.34	34.75	23.32	25.41	26.96	27.26	27.42	27.83	27.32	28.49	30.22	31.07
Deficit—current year operations	5,743,179.02	4.65	8.57	7.15	6.03	4.48	3.25	2.28	.83	1.44	3.38	3.60
Special nonrecurring items:												
Bond refunding			.17	.06		.01		.02				
Earnings in excess of normal debt service [6]	•10,956.60	•.01							•.02	•.02	•.02	•.02
Operating improvements	527,368.91	.42		.07	.06	.19	.21	.22	.23	.71	.47	.40
Creation of working capital				.01	.01							
Adjustments to previous years	1,701,444.44	1.38		.09	.05	.07	•.02	•.01	•.01	•.27	.99	1.12
Subtotal: Special nonrecurring items	2,217,856.75	1.79	.17	.23	.12	.27	.19	.23	.20	.42	1.44	1.50
Total net deficit—current year	7,961,035.77	6.44	8.74	7.38	6.15	4.75	3.44	2.51	1.03	1.86	4.82	5.10
Total net deficit—current year	7,961,035.77	6.44	8.74	7.38	6.15	4.75	3.44	2.51	1.03	1.86	4.82	5.10
Less: Net amount applied to decrease (or increase••) in annual contributions [7]	228,060.91	.18						••.30	••.84	••1.07	.27	
Annual contributions payable [8]	7,732,974.86	6.26	8.74	7.38	6.15	4.75	3.44	2.81	1.87	2.93	4.55	5.10
Maximum annual contributions payable under contracts	14,660,451.37	11.87	11.07	11.12	11.09	11.07	11.11	11.08	11.08	11.10	11.12	11.13
Percentage of maximum annual contributions payable to projects having operating deficits	52.7%		79.0%	66.4%	55.5%	42.9%	31.0%	25.4%	16.9%	26.4%	40.9%	45.8%

See footnotes at end of table.

TABLE 17.—*United States Housing Act program, statement of income and expenses per unit month of availability for permanently financed Public Law 412 projects, by fiscal years ending in calendar years 1941–51*—Continued

Item	All projects with fiscal year ending in 1951		Average per unit month for groups by fiscal years: Group 3—Projects completing ninth fiscal year in 1951								
	Total	Average per unit per month	First fiscal year ending 1943 [1]	Second fiscal year ending 1944	Third fiscal year ending 1945	Fourth fiscal year ending 1946	Fifth fiscal year ending 1947	Sixth fiscal year ending 1948	Seventh fiscal year ending 1949	Eighth fiscal year ending 1950	Ninth fiscal year ending 1951
Number of statutory projects	163										29
Number of developments	340										62
Number of dwelling units	103,376										21,628
Average development cost per dwelling unit	$4,450										$4,850
Number of dwelling units available for occupancy	103,046										21,622
Income (excluding PHA annual contribution):											
Dwelling rent schedule	$36,339,561.14	$29.41	$21.79	$27.36	$28.75	$29.95	$31.35	$32.88	$33.76	$33.53	$34.02
Less: Dwelling vacancy loss	282,179.38	.23	.28	.17	.12	.08	.06	.07	.10	.17	.50
Net dwelling rental income	36,057,381.76	29.18	21.51	27.19	28.63	29.87	31.29	32.81	33.66	33.36	33.52
All other income	1,133,615.56	.92	.20	.38	.86	.37	.55	.64	.79	.84	.88
Total income (excluding PHA annual contribution)	37,190,997.32	30.10	21.71	27.57	29.49	30.24	31.84	33.45	34.45	34.20	34.40
Expenses:											
Operating expense (excluding reserves):											
Management	4,930,459.22	3.99	2.76	2.95	3.08	3.29	3.44	3.77	3.87	4.08	4.30
Operating services	1,679,043.54	1.36	.84	.92	.93	1.09	1.34	1.44	1.44	1.43	1.51
Dwelling utilities	8,490,889.50	6.87	5.29	6.16	6.29	6.44	7.02	7.82	7.64	7.35	7.81
Repairs, maintenance, and replacements	9,517,399.41	7.70	2.16	3.29	4.07	4.90	6.46	6.77	8.09	7.38	8.04
Public services	67,782.14	.05	.06	.23	.45	.27	.04	.05	.04	.03	.02
Insurance	417,090.29	.34	.47	.47	.30	.28	.30	.31	.34	.36	.40
Collection losses	132,597.10	.11	.04	.04	.06	.04	.03	.02	.09	.12	.16
All other expenses	264,119.93	.22	.01		.01	.09	.19	.22	.23	.25	.28
Subtotal: Operating expenses (excluding reserves)	25,499,381.13	20.64	11.63	14.06	15.19	16.40	18.82	20.40	21.74	21.00	22.52

Reserved from income for:											
Operating reserve	*1,306,553.60	*1.05	-------	-------	-------	-------	-------	-------	*.49	*.09	*.69
Repairs, maintenance, and replacements	-------	-------	2.58	2.58	2.42	1.43	*.72	*1.00	*1.15	-------	-------
Vacancy and collection losses	-------	-------	1.78	2.07	2.05	.84	.15	.09	.04	-------	-------
Annual contribution allowance	151,983.88	.12	.23	-------	*.06	.15	.01	.10	.01	.15	.05
Operating improvement—Regular	350,847.65	.28	-------	-------	-------	-------	-------	-------	.01	*.40	1.12
Contingencies for postwar improvements	*1,992.06	-------	-------	-------	.62	.65	-------	-------	-------	-------	-------
All other reserves	59,398.72	.05	-------	-------	-------	.18	.13	*.03	*.03	-------	.01
Subtotal: Reserved	*746,315.41	*.60	4.59	4.65	5.03	3.25	*.43	*.84	*1.61	*.34	.49
Payments in lieu of taxes	2,655,524.09	2.15	.99	1.68	2.16	2.23	1.94	.33	.96	1.65	2.55
Debt service:											
Interest paid non-Federal bonds (A bonds)	2,655,093.10	2.15	1.32	2.54	2.46	2.47	2.39	2.30	2.23	2.16	2.10
Interest paid PHA bonds (B bonds)	7,186,746.73	5.81	3.34	6.67	6.75	6.64	6.63	6.62	6.64	6.62	6.62
Non-Federal bonds retired (A bonds)	4,434,000.00	3.59	7.14	2.49	2.59	2.70	2.78	2.88	2.94	3.02	3.08
PHA bonds retired (B bonds)	1,102,000.00	.89	-------	-------	.09	.48	.71	.75	.89	.87	1.57
Reserved for debt service	147,746.70	.12	1.06	1.26	1.09	.66	.52	.42	.30	.31	*.42
Subtotal: Debt service	15,525,586.53	12.56	12.86	12.96	12.98	12.95	13.03	12.97	13.00	12.98	12.95
Total expense	42,934,176.34	34.75	30.07	33.35	35.36	34.83	33.36	32.86	34.09	35.29	38.51
Deficit—current year operations	5,743,179.02	4.65	8.36	5.78	5.87	4.59	1.52	*.59	*.36	1.09	4.11
Special nonrecurring items:											
Earnings in excess of normal debt service [6]	*10,956.60	*.01	-------	-------	-------	-------	-------	-------	-------	-------	-------
Operating improvements	527,368.91	.42	.17	.98	.94	.52	.13	.50	.41	.68	.12
Adjustments to previous years	1,701,444.44	1.38	-------	.04	.10	*.59	.01	*.17	*.13	1.24	1.43
Subtotal: Special nonrecurring items	2,217,856.75	1.79	.17	1.02	1.13	*.07	.14	.33	.28	1.92	1.55
Total net deficit—current year	7,961,035.77	6.44	8.53	6.80	7.00	4.52	1.66	*.26	*.08	3.01	5.66
Total net deficit—current year	7,961,035.77	6.44	8.53	6.80	7.00	4.52	1.66	*.26	*.08	3.01	5.66
Less: Net amount applied to decrease (or increase**) in annual contributions [7]	228,060.91	.18	-------	-------	-------	-------	**.54	1.69	1.83	**.42	1.03
Annual contributions payable	7,732,974.86	6.26	8.53	6.80	7.00	4.52	2.20	1.43	1.75	3.43	4.63
Maximum annual contribution payable under contracts	14,660,451.37	11.87	12.20	12.01	12.03	12.04	12.05	12.09	12.10	12.11	12.14
Percentage of maximum annual contributions payable to projects having operating deficits	52.7%	-------	60.9%	56.6%	58.2%	37.5%	18.3%	11.8%	14.5%	28.3%	38.1%

See footnotes at end of table.

TABLE 17.—*United States Housing Act program, statement of income and expenses per unit month of availability for permanently financed Public Law 412 projects, by fiscal years ending in calendar years 1941–51*—Continued

Item	All projects with fiscal year ending in 1951		Average per unit month for groups of projects by fiscal years: Group 4—Projects completing eighth fiscal year in 1951							
	Total	Average per unit per month	First fiscal year ending 1944 [1]	Second fiscal year ending 1945	Third fiscal year ending 1946	Fourth fiscal year ending 1947	Fifth fiscal year ending 1948	Sixth fiscal year ending 1949	Seventh fiscal year ending 1950 [2]	Eighth fiscal year ending 1951 [3]
Number of statutory projects	163	----------								11
Number of developments	340	----------								44
Number of dwelling units	103,376	----------								[4] 13,150
Average development cost per dwelling unit	$4,450	----------								$3,848
Number of dwelling units available for occupancy	103,046	----------								12,866
Income (excluding PHA annual contribution):										
Dwelling rent schedule	$36,339,561.14	$29.41	$18.76	$20.94	$21.34	$21.76	$23.71	$24.82	$24.40	$24.41
Less: Dwelling vacancy loss	282,179.38	.23	.29	.23	.08	.03	.05	.03	.04	.11
Net dwelling rental income	36,057,381.76	29.18	18.47	20.71	21.26	21.73	23.66	24.79	24.36	24.30
All other income	1,133,615.56	.92	.27	.20	.25	.27	.30	.39	.51	.54
Total income (excluding PHA annual contribution)	37,190,997.32	30.10	18.74	20.91	21.51	22.00	23.96	25.18	24.87	24.84
Expenses:										
Operating expense (excluding reserves):										
Management	4,930,459.22	3.99	2.50	2.32	2.49	2.78	3.13	3.42	3.57	3.71
Operating services	1,679,043.54	1.36	.76	.78	.86	.95	.97	1.17	1.28	1.31
Dwelling utilities	8,490,889.50	6.87	5.01	4.97	5.12	5.54	6.74	7.17	6.37	6.69
Repairs, maintenance, and replacements	9,517,399.41	7.70	2.15	3.80	3.96	5.24	4.96	5.71	6.81	6.73
Public services	67,782.14	.05	.07	.14	.09	.11	.16	.15	.10	.10
Insurance	417,090.29	.34	.33	.20	.14	.17	.19	.21	.24	.26
Collection losses	132,597.10	.11	.02	.03	.01	.02	.03	.07	.06	.06
All other expenses	264,119.93	.22	----------	.03	.06	.07	.05	.04	.07	.07
Subtotal: Operating expenses (excluding reserves)	25,499,381.13	20.64	10.84	12.27	12.73	14.88	16.23	17.94	18.50	18.93

Reserved from income for:										
Operating reserve	*1,306,553.60	*1.05							.15	*.11
Repairs, maintenance, and replacements			1.94	.52	.96	*1.11	*1.00	*.64		
Vacancy and collection losses			1.04	1.22	1.30	.80	.64	.18		
Annual contribution allowance	151,983.88	.12	.19	*.02	*.16		.08	.06	.12	.24
Operating improvement—regular	350,847.65	.28						.02		.01
Contingencies for postwar improvements	*1,992.06									
All other reserves	59,398.72	.05				.02	.01			
Subtotal: Reserved	*746,315.41	*.60	3.17	1.72	2.10	*.29	*.27	*.38	.27	.14
Payments in lieu of taxes	2,655,524.09	2.15	.85	1.23	1.45	.56	.45	.43	.58	1.52
Debt service:										
Interest paid non-Federal bonds (A bonds)	2,655,093.10	2.15	1.52	2.98	3.20	2.73	2.85	2.53	2.73	2.83
Interest paid PHA bonds (B bonds)	7,186,746.73	5.81	1.56	3.35	3.11	3.43	3.20	3.61	3.04	3.01
Interest paid on temporary notes			.54							
Non-Federal bonds retired (A bonds)	4,434,000.00	3.59	5.45	2.80	3.45	3.66	3.74	2.84	3.74	3.91
PHA bonds retired (B bonds)	1,102,000.00	.89		.45		.02	.03	.70	.07	.07
Temporary bonds retired			.50							
Reserved for debt service	147,746.70	.12	1.01	.82	.68	.58	.61	.75	.76	.54
Subtotal: Debt service	15,525,586.53	12.56	10.58	10.40	10.44	10.42	10.43	10.46	10.34	10.36
Total expense	42,934,176.34	34.75	25.44	25.62	26.72	25.57	26.84	28.45	29.69	30.95
Deficit—current year operations	5,743,179.02	4.65	6.70	4.71	5.21	3.57	2.88	3.27	4.82	6.11
Special nonrecurring items:										
Earnings in excess of normal debt service [6]	*10,956.60	*.01								
Operating improvements	527,368.91	.42	.04	.35	1.00	.15	.14	.18	.36	.75
Adjustments to previous years	1,701,444.44	1.38		*.06	.17	.09	*.04	.29	.38	2.50
Subtotal: Special nonrecurring items	2,217,856.75	1.79	.04	.29	1.17	.24	.10	.47	.74	3.25
Total net deficit—current year	7,961,035.77	6.44	6.72	5.00	6.38	3.81	2.98	3.74	5.56	9.36
Total net deficit—current year	7,961,035.77	6.44	6.74	5.00	6.38	3.81	2.98	3.74	5.56	9.36
Less: Net amount applied to decrease (or increase**) in annual contributions [7]	228,060.91	.18					**.01	**.05	.03	.02
Annual contributions payable [8]	7,732,974.86	6.26	6.74	5.00	6.38	3.81	2.99	3.79	5.53	9.34
Maximum annual contributions payable under contracts	14,660,451.37	11.87	9.96	9.74	9.77	9.78	9.78	9.78	9.81	10.01
Percentage of maximum annual contributions payable to projects having operating deficits	52.7%		67.7%	51.3%	65.3%	39.0%	30.6%	38.7%	56.3%	93.3%

See footnotes at end of table.

TABLE 17.—*United States Housing Act program, statement of income and expenses per unit month of availability for permanently financed Public Law 412 projects, by fiscal years ending in calendar years 1941–51*—Continued

Item	All projects with fiscal year ending in 1951		Average per unit month for groups of projects by fiscal years: Group 5—Projects completing seventh fiscal year in 1951						
	Total	Average per unit per month	First fiscal year ending 1945 [1]	Second fiscal year ending 1946	Third fiscal year ending 1947	Fourth fiscal year ending 1948	Fifth fiscal year ending 1949	Sixth fiscal year ending 1950	Seventh fiscal year ending 1951
Number of statutory projects	163								1
Number of developments	340								1
Number of dwelling units	103,376								90
Average development cost per dwelling unit	$4,450								$4,211
Number of dwelling units available for occupancy	103,046								90
Income (excluding PHA annual contribution):									
Dwelling rent schedule	$36,339,561.14	$29.41	$17.82	$18.53	$17.42	$17.87	$20.82	$21.57	$20.84
Less: Dwelling vacancy loss	282,179.38	.23	.12	.02	.10	.09	.04		
Net dwelling rental income	36,057,381.76	29.18	17.70	18.51	17.32	17.78	20.78	21.57	20.84
All other income	1,133,615.56	.92	.05	27	*.17	.01	.01		.64
Total income (excluding PHA annual contribution)	37,190,997.32	30.10	17.75	18.78	17.15	17.79	20.79	21.57	21.48
Expenses:									
Operating expense (excluding reserves):									
Management	4,930,459.22	3.99	3.36	2.86	2.84	2.92	3.46	3.87	3.77
Operating services	1,679,043.54	1.36	.22	.28	.29	.21	.27	.24	.21
Dwelling utilities	8,490,889.50	6.87	3.15	3.70	3.96	4.03	4.21	4.45	4.35
Repairs, maintenance, and replacements	9,517,399.41	7.70	1.07	2.06	4.27	4.79	7.34	5.22	9.41
Public services	67,782.14	.05	.02	.04	.09	.13			
Insurance	417,090.29	.34	.40	.40	.42	.42	.59	.66	.22
Collection losses	132,597.10	.11		.19	*.03		.21		
All other expenses	264,119.93	.22		.01					
Subtotal: Operating expenses (excluding reserves)	25,499,381.13	20.64	8.22	9.54	11.84	12.50	16.08	14.44	17.96

Reserved from income for:									
Operating reserve	*1,306,553.60	*1.05	----	----	----	----	----	2.05	*2.15
Repairs, maintenance, and replacements	----	----	3.14	2.44	.23	.19	*2.35	----	----
Vacancy and collection losses	----	----	1.73	1.63	1.39	.06	----	----	----
Annual contribution allowance	151,983.88	.12	.34	.41	.35	.67	*1.19	1.57	1.10
Operating improvement—regular	350,847.65	.28	----	----	----	----	----	----	----
Contingencies for postwar improvements	*1,992.06	----	----	----	----	----	----	----	----
All other reserves	59,398.72	.05	----	----	----	----	----	----	----
Subtotal: Reserved	*746,315.41	*.60	5.21	4.48	1.97	.92	*3.54	3.62	*1.05
Payments in lieu of taxes	2,655,524.09	2.15	1.36	1.01	.80	.35	.47	.42	1.66
Debt service:									
Interest paid non-Federal bonds (A bonds)	2,655,093.10	2.15	.57	.44	.37	.32	.28	.24	.19
Interest paid PHA bonds (B bonds)	7,186,746.73	5.81	9.25	9.25	9.25	9.25	9.33	9.44	9.42
Non-Federal bonds retired (A bonds)	4,434,000.00	3.59	6.48	1.85	2.78	1.86	2.78	1.85	2.78
PHA bonds retired (B bonds)	1,102,000.00	.89	----	----	----	----	----	.92	----
Reserved for debt service	147,746.70	.12	*3.99	.85	*.01	.97	.23	.12	.16
Subtotal: Debt service	15,525,586.53	12.56	12.31	12.39	12.39	12.39	12.62	12.57	12.55
Total expense	42,934,176.34	34.75	27.10	27.42	27.00	26.16	25.63	31.05	31.11
Deficit—current year operations	5,743,179.02	4.65	9.35	8.64	9.85	8.37	4.84	9.48	9.63
Special nonrecurring items:									
Earnings in excess of normal debt service [6]	*10,956.60	*.01	----	----	----	----	----	----	----
Operating improvements	527,368.91	.42	----	----	----	----	----	----	----
Adjustments to previous years	1,701,444.44	1.38	----	.11	*.04	----	.16	*.13	*.08
Subtotal: Special nonrecurring items	2,217,856.75	1.70	----	.11	*.04	----	.16	*.13	*.08
Total net deficit—current year	7,961,035.77	6.44	9.35	8.75	9.81	8.37	5.00	9.35	9.55
Total net deficit—current year	7,961,035.77	6.44	9.35	8.75	9.81	8.37	5.00	9.35	9.55
Less: Net amount applied to decrease (or increase**) in annual contribution [7]	228,060.91	.18	----	----	----	----	----	----	----
Annual contributions payable [8]	7,732,974.86	6.26	9.35	8.75	9.81	8.37	5.00	9.35	9.55
Maximum annual contributions payable under contracts	14,660,451.37	11.87	12.06	12.06	12.06	12.06	12.28	12.28	12.28
Percentage of maximum annual contributions payable to projects having operating deficits	52.7%	----	77.5%	72.0%	81.3%	69.4%	40.7%	76.1%	77.7%

See footnotes at end of table.

TABLE 17.—*United States Housing Act program, statement of income and expenses per unit month of availability or permanently financed Public Law 412 projects, by fiscal years ending in calendar years 1941–51*—Continued

Item	All projects with fiscal year ending in 1951		Average per unit month for groups of projects by fiscal years: Group 6—Projects completing sixth fiscal year in 1951					
	Total	Average per unit per month	First fiscal year ending 1946[1]	Second fiscal year ending 1947	Third fiscal year ending 1948	Fourth fiscal year ending 1949	Fifth fiscal year ending 1950	Sixth fiscal year ending 1951
Number of statutory projects	103	----------						1
Number of developments	340	----------						1
Number of dwelling units	103,376	----------						66
Average development cost per dwelling unit	$4,450	----------						$3,848
Number of dwelling units available for occupancy	103,046	----------						66
Income (excluding PHA annual contribution):								
Dwelling rent schedule	36,339,561.14	$29.41	$24.76	$26.89	$24.40	$24.71	$24.71	$25.89
Less: Dwelling vacancy loss	282,179.38	.23	.01	.03	.01	.06	.21	.22
Net dwelling rent income	36,057,381.76	29.18	24.75	26.86	24.39	24.65	24.50	25.67
All other income	1,133,615.56	.92	.13	.14	.21	.14	.33	.31
Total income (excluding PHA annual contribution)	37,190,997.32	30.10	24.88	27.00	24.60	24.79	24.83	25.98
Expenses:								
Operating expenses (excluding reserves):								
Management	4,930,459.22	3.99	2.86	3.46	3.66	3.91	3.97	4.00
Operating services	1,679,043.54	1.36	.50	.55	.63	.82	.69	.61
Dwelling utilities	8,490,889.50	6.87	6.47	5.84	5.65	6.13	5.92	6.49
Repairs, maintenance, and replacements	9,517,399.41	7.70	2.17	7.77	3.10	4.11	4.90	6.28
Public services	67,782.14	.05	.01	----------	----------	----------	----------	.01
Insurance	417,090.29	.34	.25	.17	.17	.17	.18	.21
Collection losses	132,597.10	.11	----------	.01	----------	.03	----------	.01
All other expense	264,119.93	.22	----------	.01	.11	.01	.11	*1.19
Subtotal: Operating expenses (excluding reserves)	25,499,381.13	20.64	12.26	17.81	13.32	15.18	15.77	16.42

Reserved from income for:								
Operating reserve	*1,306,553.60	*1.05				1.28	.37	*1.02
Repairs, maintenance, and replacements			1.97	*1.60	2.69			
Vacancy and collection losses			2.47	2.65	1.15			
Annual contribution allowance	151,983.88	.12	.24	*.03	*.02		*.16	*.01
Operating improvement—regular	350,847.65	.28						
Contingencies for postwar improvements	*1,992.06					.11		
All other reserves	59,398.72	.05						
Subtotal: Reserved	*746,315.41	*.60	4.68	1.02	3.82	1.39	.21	*1.03
Payments in lieu of taxes	2,655,524.09	2.15	1.83				1.86	1.92
Debt service:								
Interest paid non-Federal bonds (A bonds)	2,655,093.10	2.15	.49	.50	.46	.41	.37	.33
Interest paid PHA bonds (B bonds)	7,186,746.73	5.81	7.41	8.64	8.64	8.64	8.02	8.60
Non-Federal bonds retired (A bonds)	4,434,000.00	3.59	5.41	1.26	2.52	2.53	1.26	2.53
PHA bonds retired (B bonds)	1,102,000.00	.89					1.26	
Reserved for debt service	147,746.70	.12	*3.22	1.29	.07	.11	.19	.26
Subtotal: Debt service	15,525,586.53	12.56	10.09	11.69	11.69	11.69	11.70	11.72
Total expense	42,934,176.34	34.75	28.86	30.52	28.83	28.26	29.54	29.03
Deficit—current year operations	5,743,179.02	4.65	3.98	3.52	4.23	3.47	4.71	3.05
Special nonrecurring items:								
Earnings in excess of normal debt service [6]	*10,956.60	*.01						
Operating improvements	527,368.91	.42						
Adjustments to previous years	1,701,444.44	1.38			.01		3.84	.01
Subtotal: Special nonrecurring items	2,217,856.75	1.79			.01		3.84	.01
Total net deficit—current year	7,961,035.77	6.44	3.98	3.52	4.24	3.47	8.55	3.06
Total net deficit—current year	7,961,035.77	6.44	3.98	3.52	4.24	3.47	8.55	3.06
Less: Net amount applied to decrease (or increase **) in annual contribution [7]	228,060.91	.18						
Annual contributions payable [8]	7,732,974.86	6.26	3.98	3.52	4.24	3.47	8.55	3.06
Maximum annual contributions payable under contracts	14,660,451.37	11.87	11.22	11.22	11.22	11.22	11.22	11.22
Percentage of maximum annual contributions payable to projects having operating deficits	52.7%		35.5%	31.4%	37.8%	31.0%	76.1%	27.2%

*Indicates negative item.

[1] Averages per unit per month are adjusted for the varying periods applicable to different accounts in respect to projects in their first fiscal year.

[2] Averages per unit per month include PR-1-2, for Ponce, P. R., with respect to development in its first fiscal year.

[3] Averages per unit per month include 231 units for PR-2-3, San Juan, P. R., covering period for 9 months with respect to project in its first fiscal year.

[4] Includes 252 dwelling units for PR-2-3, San Juan, P. R., with respect to development under construction.

[5] Items less than $0.005 not shown.

[6] Applies to IND-3-1 (120 units) which project is permitted under contract to apply excess earnings to debt service.

[7] Prior years surplus used to reduce required annual contributions ... $467,825.27
Less: Current year surplus from projects not requiring annual contributions ... 239,764.36
Net amount applied ... 228,060.91

[8] Project NY-5-8, New York City, N. Y., for 1,190 units formerly reported under Group 7 has been eliminated under Public Law 412 program and permanently financed under Public Law 171 program.

TABLE 18.—*Public War Housing program, statement of income and expenses for the fiscal year ended June 30, 1951*

MANAGEMENT

Income:		
Directly operated projects:		
Family dwelling units	$37, 580, 136	
Dormitory units	7, 865	
Stop-gap units	203, 775	$37, 791, 776
Leased projects (net):		
Family dwelling units	15, 168, 087	
Dormitory units	*113, 766	
Stop-gap units	*100, 219	14, 954, 102
Rented projects and project property		139, 525
Contract managed project		3, 837
Interest on mortgage notes		528, 445
Other income		50, 788
Total income		53, 468, 473
Expenses:		
Operating expenses:		
Directly operated projects:		
Family dwelling units	$26, 661, 385	
Dormitory units	19, 082	
Stop-gap units	284, 766	26, 965, 233
Rented projects and project property		13, 225
Contract managed project		2, 997
Nonoperating expenses—directly operated projects		43, 907
Social Security fund contributions		14, 237
Administrative expenses		[1] 2, 893, 300
Total expenses		29, 932, 899
Net operating income before collection losses		23, 535, 574
Collection losses:		
Directly operated projects—accounts receivable:		
Tenants accounts written off	$99, 376	
Other project accounts written off	60, 898	160, 274
Less accounts chargeable to allowance for losses previously provided, not allocated to projects:		
Tenants accounts	[2] 51, 396	
Other accounts	60, 402	111, 798
Net collection losses applicable to directly operated projects		48, 476
Other accounts receivable written off	$53, 935	
Less accounts chargeable to allowance for losses previously provided	52, 501	1, 434
Adjustment of provision for losses on other accounts receivable		*12, 344
Net collection losses		37, 566

See footnotes at end of table.

TABLE 18.—*Public War Housing program, statement of income and expenses for the fiscal year ended June 30, 1951*—Continued

MANAGEMENT—continued		
Net operating income		$23, 498, 008
Casualty losses—directly operated projects		48, 829
Net management income (forward)		23, 449, 179
PROPERTY DISPOSITIONS		
Costs:		
Book values:		
Property sold	$24, 754, 739	
Less allowance for losses under offer and acceptance contracts	6, 595, 499	
	18, 159, 240	
Dedications	1, 272, 817	
Demolitions	759, 314	
Fire losses and other hazards	32, 877	
Transfers to local bodies	708, 431	
Reused for public war housing program	30, 853	
Total	20, 963, 532	
Provision for losses on dwelling units subject to disposition under offer and acceptance contracts	92, 278	
Disposition expenses:		
Direct expenses	429, 053	
Administrative expenses	[1] 791, 200	
Accounts receivable written off	9, 677	
Total	1, 229, 930	22, 285, 740
Proceeds from sales of property		[3] 10, 328, 464
Net loss on property dispositions		11, 957, 276
Total net income for the fiscal year ended June 30, 1951		11, 491, 903
ANALYSIS OF DEFICIT		
Deficit:		
Balance at beginning of fiscal year		133, 861, 497
Adjustments to beginning balance:		
Management	*$469, 135	
Disposition	*12, 103, 399	
Net adjustments decreasing deficit		*12, 572, 534
Deficit, June 30, 1950, as adjusted		121, 288, 963
Net income for the fiscal year ended June 30, 1951		*11, 491, 903
Deficit, June 30, 1951		109, 797, 060

*Indicates negative item.

[1] Funds for administrative expenses are transferred from each participating program to the administrative program from which expenditures are made for the various objective classes of administrative expenses.

[2] Represents adjustment to estimated required allowance for losses on tenants accounts as of June 30, 1951, not allocated to projects.

[3] Includes $225,302 from sales of personal property.

TABLE 19.—*Public War Housing program, statement of income and expenses per unit month of availability for all fully active projects by type of accommodation, for the fiscal year ended June 30, 1951*

	Total	Family dwellings	Dormitories	Stopgap accommodations
Number of projects	632	622	2	8
Number of units	226,809	225,302	138	1,369
Number of unit months	2,712,201	2,694,141	1,656	16,404
Income:				
Rentals:				
Dwellings	$33.66	$33.72	$16.90	$25.13
Less vacancy loss	.99	.99	.76	1.00
Dwellings (net)	32.67	32.73	16.14	24.13
Commercial facilities	.43	.43		.03
Furniture	1.02	1.02		2.00
Other	.05	.05		.17
Total	34.17	34.23	16.14	26.33
Sales and services to tenants	.21	.21		.37
Other	.09	.09	.06	.20
Total income	34.47	34.53	16.20	26.90
Expenses:				
Operating expenses:				
Management	3.29	3.28	2.82	4.90
Operating services	.71	.69	1.01	4.00
Dwelling and commercial facilities	6.56	6.57	2.89	5.53
Repairs, maintenance, and replacements	8.27	8.28	1.91	8.06
Public services	1.18	1.18	.08	.67
Housekeeping services			5.13	
Insurance	.10	.10	.05	.13
Rents	.28	.26	.18	2.70
Taxes	.06	.06		.23
Payments in lieu of taxes	4.55	4.57	.84	2.06
Contributions to pension and insurance funds	.13	.13	.33	.39
Cost of sales and services to tenants	.21	.21		.37
Other	.05	.05	.05	.03
Total operating expenses	25.39	25.38	15.29	29.07
Nonoperating expenses:				
Operating improvements	.09	.09		
Moving expenses—PHA property	.01	.01		.01
Other	.01	.01		
Total nonoperating expenses	.11	.11		.01
Collection losses—accounts receivable: Written off	.08	.08		.12
Total expenses	25.58	25.57	15.29	29.20
Net operating income (or loss*)	8.89	8.96	.91	*2.30
Casualty losses: Cost of replacements	.04	.04		.01
Net income (or loss*) for the fiscal year ended June 30, 1951	8.85	8.92	.91	*2.31

PUM less than $0.005 not reflected.

*Indicates negative item.

TABLE 20.—*Public War Housing program, statement of sources and application of funds for the fiscal year ended June 30, 1951*

FUNDS PROVIDED		
By realization of assets:		
Sale of property:		
Applicable to current fiscal year	$2, 234, 165	
Applicable to offer and acceptance contracts executed in prior fiscal year	4, 697, 487	
Adjustment of development obligations previously capitalized	226, 328	
Repayment of principal of mortgage notes	660, 085	
Net current assets transferred from other programs (PHA)	19, 346	
Total realization of assets		$7, 837, 411
By income:		
Rents	$52, 889, 240	
Interest	528, 445	
Other	50, 788	
Proceeds from casualty claim	230	
Total income		53, 468, 703
By net income applicable to prior years		768, 996
Total funds provided		62, 075, 110
FUNDS APPLIED		
To acquisition of assets:		
Land, structures, and equipment		299, 585
To expenses:		
Management:		
Operating expenses	$26, 981, 455	
Nonoperating expenses	43, 907	
Social Security fund contributions	14, 237	
Administrative expenses	2, 893, 300	
Collection losses	214, 209	
Casualty losses	49, 059	
Disposition:		
Direct expenses	428, 973	
Social Security fund contributions	80	
Administrative expenses	791, 200	
Collection losses	9, 677	
Total expenses		31, 426, 097
To retirement of borrowings and capital:		
Cash deposited into the general fund of the U. S. Treasury	$20, 637, 212	
Rescinded appropriations	500, 000	
Revenue transferred to homes conversion program	73, 242	
Credits to lapsed appropriations	845	
Offsets to retirement fund	1, 583	
Total retirement of borrowings and capital		21, 212, 882
To increase in working capital		9, 136, 546
Total funds applied		62, 075, 110

TABLE 21.—*Homes conversion program, statement of income and expenses for the fiscal year ended June 30, 1951, and from inception through June 30, 1951* [1]

MANAGEMENT

	For the fiscal year ended June 30, 1951		From inception through June 30, 1951	
Income:				
Rentals:				
Dwellings	$1,848,847		$121,107,293	
Less vacancy loss	84,019		5,910,996	
Dwellings (net)		$1,764,828		$115,196,297
Furniture		7,018		297,045
Total		1,771,846		115,493,342
Interest on investments		339		6,071
Other		2,660		78,555
Total income		1,774,845		115,577,968
Expenses:				
Contract managers expenses:				
Management fees	$120,820		8,474,264	
Operating services and utilities	629,311		34,474,270	
Repairs, maintenance, and replacements	513,346		10,397,222	
Total	1,263,477		53,345,756	
Fixed operating expenses:				
Insurance	14,494		426,555	
Rental payments to lessors	197,255		19,373,114	
Payments to mortgagees	35,403		5,082,624	
Taxes	179,674		9,231,907	

Total	426, 826		34, 114, 200	
Nonoperating expenses		1, 690, 303	12, 640	87, 472, 596
Administrative expenses		[2] 150, 700		[2] 4, 667, 649
Total expenses		1, 841, 003		92, 140, 245
		**66, 158		23, 437, 723
Less provision for net income on properties operated under use permit from Public Building Services		*4, 239		21, 369
Net operating income before collection losses and amortization and depreciation of leaseholds and improvements		**61, 919		23, 416, 354
Collection losses:				
Accounts receivable written off	$60, 045		282, 378	
Provision for losses on accounts receivable	*48, 318		47, 561	
Total collection losses	11, 727		329, 939	
Amortization and depreciation of leaseholds and improvements:				
Direct conversion costs	480, 026		62, 535, 078	
Indirect conversion costs	24, 957		3, 249, 155	
Operating improvements	25, 640		718, 220	
Equipment	2, 097		249, 723	
Furniture	3, 534		196, 348	
Total	536, 254	547, 981	66, 948, 524	67, 278, 463

See footnotes at end of table.

TABLE 21.—*Homes conversion program, statement of income and expenses for the fiscal year ended June 30, 1951, and from inception through June 30, 1951* [1]—Continued

MANAGEMENT—continued	For the fiscal year ended June 30, 1951		From inception through June 30, 1951	
Net operating loss		$609, 900		$43, 862, 109
Casualty losses:				
Cost of replacements	$1, 291		$180, 093	
Proceeds from casualty claims	*617	674	*134, 077	46, 016
Net management loss		610, 574		43,908,125
LEASEHOLD TERMINATIONS				
Costs written off:				
Lease cancellations:				
Direct conversion costs	$178, 031		21, 314, 059	
Indirect conversion costs	9, 233		1, 107, 226	
Operating improvements	9, 203		432, 527	
Equipment	560		77, 308	
Furniture	122		18, 147	
Total	197, 149		22, 949, 267	
Properties abandoned prior to completion:				
Direct conversion costs			1, 256, 020	
Indirect conversion costs			65, 217	
Total			1, 321, 237	

Disposition expenses:				
Direct expenses	129, 172		426, 799	
Administrative expenses	²187, 580		²1, 736, 360	
Total	316, 752	513, 901	2, 163, 159	26, 433, 663
Proceeds from leasehold cancellations		150, 058		9, 397, 197
Net loss on leasehold terminations		363, 843		17, 036, 466
Total net loss for the fiscal year ended June 30, 1951		974, 417		
Deficit, June 30, 1951				60, 944, 591

*Indicates negative item.
**Indicates loss.

[1] As of June 30, 1951, the active leaseholds were reduced to 2 properties located in California and 13 small properties operated under use permit from Public Building Services. In order to expedite the termination of the activities of this program, these remaining assets and liabilities were transferred to the public war housing program for administrative purposes. There will be no further operations in this program. Realization of the remaining assets and liquidation of liabilities and final settlement with the U. S. Treasury, will be made as soon as possible.

[2] Funds for administrative expenses are transferred from each participating program to the administrative program, from which expenditures are made for the various objective classes of administrative expenses.

TABLE 22.—*Homes conversion program, statement of sources and application of funds for the fiscal year ended June 30, 1951*

FUNDS PROVIDED			
By realization of assets:			
Proceeds from leasehold cancellations		$139, 058	
Repayment of loans		22, 610	
Total realization of assets			$161, 668
By income:			
Rentals	$1, 771, 846		
Other income	2, 999		
		1, 774, 845	
Proceeds from casualty claims		617	
Total income			1, 775, 462
By reimbursement from reserve for deficits			4, 239
By funds transferred from public war housing program (PHA)			73, 242
By decrease in working capital			522, 018
Total funds provided			2, 536, 629
FUNDS APPLIED			
To acquisition of assets:			
Leaseholds and improvements			8, 190
To expenses:			
Management:			
Operating expenses	1, 690, 303		
Administrative expenses	150, 700		
Collection losses	60, 045		
Casualty losses	1, 291		
		1, 902, 339	

Disposition:			
Direct expenses	129, 172		
Administrative expenses	187, 580		
		316, 752	
Total expenses			2, 219, 091
To net loss applicable to prior years			56, 014
To cash deposited into the general fund of the U. S. Treasury			251, 017
To current assets transferred to other Government agencies			76
To net current assets transferred to other programs (PHA)			2, 241
Total funds applied			2, 536, 629

TABLE 23.—*Veterans reuse housing program, statement of income and expenses for the fiscal year ended June 30, 1951*

MANAGEMENT			
Net operating income, directly operated projects before administrative expenses:			
Income		$664,044	
Expenses		561,179	$102,865
Collection losses			322
Net operating income, directly operated projects before administrative expenses			102,543
PROPERTY DISPOSITIONS			
Costs:			
Property sold	$108,922		
Transfers to local bodies	705,676	814,598	
Disposition expenses:			
Direct expenses	6,163		
Nonadministrative allocated expenses	72,000	78,163	892,761
Proceeds:			
Net income from properties transferred to local bodies under contracts	[1] 2,241,151		
Less retained operating reserves	117,306	2,123,845	
Less collection losses—Accounts receivable:			
Written off	8,680		
Provision for losses	250,530	259,210	
Net		1,864,635	
Sales of personal property	56,985		
Sales of real property	24,347	81,332	1,945,967

Net income on property dispositions before administrative expenses		1, 053, 206
Total net operating income		1, 155, 749
Administrative expenses		[2] 471, 900
Total net operating income from directly operated projects and net income from property dispositions		[3] 683, 849
Other income	$1, 262	
Other expenses and losses	*2, 945	*1, 683
Net income for the fiscal year ended June 30, 1951		[3] 682, 166

ANALYSIS OF DEFICIT

Deficit:		
Balance at beginning of fiscal year		409, 507, 780
Adjustments to beginning balance:		
Management	*33, 898	
Disposition	20, 730, 678	
Administrative	*6, 500	
Net adjustments increasing deficit		20, 690, 280
Deficit, June 30, 1950 as adjusted		430, 198, 060
Net income for the fiscal year ended June 30, 1951		682, 166
Deficit, June 30, 1951		429, 515, 894

*Indicates negative item.

[1] Represents income under contracts provided for the transfer of properties to the jurisdiction of local bodies with a retention of net income by PHA. The costs of these properties were written off upon completion of construction.

[2] Funds for administrative expenses are transferred from each participating program to the administrative program, from which expenditures are made for the various objective classes of administrative expenses.

[3] Does not include $80,736 of accumulated net income of projects operated by local bodies under contracts which provide for settlement, at the termination of the contract, of any cumulative net income.

Table 24.—*Veterans reuse housing program, statement of sources and application of funds for the fiscal year ended June 30, 1951*

FUNDS PROVIDED		
By realization of assets:		
Net income from properties transferred to local bodies under contracts	$2, 241, 151	
Proceeds from sales	81, 332	
Net adjustment of development obligations previously capitalized	125, 378	
Credit to lapsed appropriations	6	
Total realization of assets		$2, 447, 867
By income		
Operating income	$664, 044	
Other income	1, 262	
Total income		665, 306
By net income applicable to prior years		755, 932
By decrease in working capital		1, 478, 905
Total funds provided		5, 348, 010
FUNDS APPLIED		
To acquisition of assets:		
Land, structures, and equipment—development costs		644, 495
To expenses:		
Operating expenses	$561, 179	
Disposition expenses	6, 163	
Nonadministrative expenses	72, 000	
Collection losses	9, 102	
Administrative expenses	471, 900	
Other expenses and losses	2, 945	
Total expenses		1, 123, 289
To retirement of borrowings and capital:		
Lapsed appropriations	$65, 760	
Cash deposited into the general fund of the U. S. Treasury	3, 514, 466	
Total retirement of borrowings and capital		3, 580, 226
Total funds applied		5, 348. 010

TABLE 25.—*Subsistence homestead and Greenbelt towns program, statement of income and expenses for the fiscal year ended June 30, 1951*

MANAGEMENT

Income:		
Projects:		
Greenbelt towns	$1, 162, 819	
Other	20, 511	$1, 183, 330
Interest earned:		
On mutual ownership corporation obligations		109, 472
On subsistence homestead association obligations	$2, 362	
On other mortgages	1, 399	113, 233
Other		6, 002
Total income		1, 302, 565
Expenses:		
Project operating expenses:		
Greenbelt towns	913, 210	
Other	8, 374	921, 584
Nonoperating expenses		176
Social Security fund contributions		394
Administrative expenses		[1] 57, 900
Total expenses		980, 054
Net income before collection losses and depreciation		322, 511

See footnotes at end of table.

TABLE 25.—*Subsistence homestead and Greenbelt towns program, statement of income and expenses for the fiscal year ended June 30, 1951*—Continued

MANAGEMENT—continued			
Collection losses:			
Accounts receivable written off	$965		
Provision for losses on accounts receivable	*3, 119	*$2, 154	
Provision for losses on notes receivable		25, 000	
Total collection losses		22, 846	
Depreciation		380, 089	
Total collection losses and depreciation			$402, 935
Net management loss			80, 424
PROPERTY DISPOSITIONS			
Costs:			
Book values:			
Property sold	192, 924		
Less allowance for losses on subsistence homesteads under lease and purchase contracts	11, 300		
		181, 624	
Dedications		561	
Demolitions		220	
Fire losses		850	
Surplus assets reassigned to other programs (PHA) without reimbursement		6, 014	
		189, 269	
Less allowance for depreciation		28, 708	
Net book values		160, 561	

Disposition expenses:			
Direct expenses	$12, 322		
Administrative expenses	[1] 69, 800		
		82, 122	
			242, 683
Proceeds from disposition of property			60, 200
Net loss on property dispositions			182, 483
Total net loss for the fiscal year ended June 30, 1951			262, 907

ANALYSIS OF DEFICIT

Deficit:		
Balance at beginning of fiscal year		23, 687, 540
Adjustments to beginning balance:		
Management	*71, 169	
Disposition	26, 539	
Administrative	*1, 000	
Net adjustments decreasing deficit		*45, 630
Deficit, June 30, 1950, as adjusted		23, 641, 910
Net loss for the fiscal year ended June 30, 1951		262, 907
Deficit, June 30, 1951		23, 904, 817

*Indicates negative item.

[1] Funds for administrative expenses are transferred from each participating program to the administrative program from which expenditures are made for the various objective classes of administrative expenses.

TABLE 26.—*Subsistence homestead and Greenbelt towns program, statement of sources and application of funds for the fiscal year ended June 30, 1951*

FUNDS PROVIDED		
By realization of assets:		
Sales of property		$59, 350
Proceeds on fire loss		850
Repayment of loans:		
Mutual ownership corporation mortgage notes	$921, 377	
Subsistence homestead association mortgage notes	18, 638	
Industrial cooperative association mortgage notes	274, 250	
Other mortgage notes	18, 185	
		1, 232, 450
Total realization of assets		1, 292, 650
By income:		
Rents	1, 183, 330	
Interest	113, 233	
Other	6, 002	
Total income		1, 302, 565
By net income applicable to prior years		19, 412
By decrease in working capital		821, 696
Total funds provided		3, 436, 323
FUNDS APPLIED		
To expenses:		
Management:		
Operating expenses	921, 584	
Nonoperating expenses	176	
Social Security fund contributions	394	
Administrative expenses	57, 900	
Collection losses—accounts receivable written off	965	
Disposition:		
Reduction of stores inventory	26, 733	
Direct disposition expenses	12, 322	
Administrative expenses	69, 800	
Total expenses		1, 089, 874
To stores inventories transferred to other programs (PHA)		1, 116
To cash deposited into the general fund of the U. S. Treasury		2, 345, 333
Total funds applied		3, 436, 323

TABLE 27.—*Administrative program, statement of administrative expenses by object of expense and by source of funds for the fiscal year ended June 30, 1951*

Object of expense:		
Personal services:		
Personal services		$11,313,297
Terminal leave		302,839
Cash incentive awards		365
Other		1,238
		11,617,739
Less reimbursements for personal services		31,541
Total personal services		11,586,198
Travel:		
Regular		867,844
Convention		6,005
Total travel		873,849
Transportation of things		37,443
Communication services		266,977
Rents and utility services		1,006,925
Printing and binding		122,102
Other contractual services		234,924
Supplies and materials		128,495
Equipment		[1] 104,400
Tort claims		28
Taxes and assessments		5,739
Total obligations for administrative expenses		14,367,080
Sources of funds:		
United States Housing Act program:		
Development	$6,898,000	
Management	2,846,700	
		[2] 9,744,700
Public war housing program:		
Management	2,893,300	
Disposition	791,200	
		3,684,500
Homes conversion program:		
Management	150,700	
Disposition	187,580	
		338,280
Veterans reuse housing program		471,900

[1] Does not include expenditures of $4,629 for new equipment purchased with the proceeds from the sale of similar equipment.

[2] Funds contributed by the United States Housing Act program consist of $8,700,000 of appropriated funds and $1,044,700 of funds derived from the operation of the program.

TABLE 27.—*Administrative program, statement of administrative expenses by objdct of expense and by source of funds for the fiscal year ended June 30, 1951*—Continued

Sources of funds—Continued		
Subsistence homestead and Greenbelt towns program:		
Management	$57, 900	
Disposition	69, 800	
		$127, 700
Total		14, 367, 080
Unallotted funds		356, 920
Total apportionments		14, 724, 000
Nonexpendable reserve from appropriations		300, 000
Total administrative expense limitations		15, 024, 000
Appropriated funds—United States Housing Act:		
Appropriation		9, 000, 000
Less nonexpendable reserve		300, 000
Net appropriated funds		8, 700, 000
Funds derived from operations of programs		6, 024, 000
Total apportionments		14, 724, 000

TABLE 28.—*Statement of cumulative expenditures for project development, by program and State, as of June 30, 1951* [1]

State	Combined total	United States Housing Act program	Emergency housing programs			
			Total	War housing	Veterans reuse	Subsistence homestead and Greenbelt towns
Alabama	$54, 943, 544	$3, 344, 963	$51, 598, 581	$43, 083, 813	$5, 978, 667	$2, 536, 101
Arizona	22, 090, 599	1, 099, 937	20, 990, 662	18, 164, 009	2, 703, 184	123, 469
Arkansas	16, 857, 139		16, 857, 139	15, 475, 870	1, 381, 269	
California	343, 433, 307	5, 814, 812	337, 618, 495	305, 869, 061	31, 749, 434	
Colorado	12, 492, 102	233, 257	12, 258, 845	5, 817, 460	6, 319, 417	121, 968
Connecticut	63, 427, 754	2, 786, 061	60, 641, 693	55, 569, 934	5, 071, 759	
Delaware	6, 929, 655		6, 929, 655	6, 502, 956	426, 699	
Florida	43, 181, 896	7, 394, 307	35, 787, 589	32, 318, 446	3, 469, 143	
Georgia	47, 561, 769	6, 587, 648	40, 974, 121	36, 527, 740	4, 446, 381	
Idaho	7, 723, 276	400, 601	7, 322, 675	3, 786, 706	3, 535, 969	
Illinois	76, 102, 901	29, 988, 436	46, 204, 465	24, 818, 642	20, 829, 194	556, 629
Indiana	58, 527, 928	4, 120, 562	54, 407, 366	41, 541, 910	12, 865, 456	
Iowa	16, 982, 561		16, 982, 561	5, 497, 982	11, 484, 579	
Kansas	43, 240, 961		43, 240, 961	39, 504, 338	3, 736, 623	
Kentucky	14, 706, 787	3, 573, 874	11, 132, 913	5, 944, 999	5, 187, 914	
Louisiana	18, 752, 795		18, 752, 795	11, 311, 768	7, 441, 027	
Maine	19, 234, 547		19, 234, 547	18, 212, 233	1, 022, 314	
Maryland	83, 949, 664	3, 670, 357	80, 279, 307	64, 629, 427	2, 201, 011	13, 448, 860
Massachusetts	30, 616, 953	8, 717, 052	30, 929, 001	14, 103, 406	16, 825, 595	
Michigan	112, 648, 339	9, 185, 175	103, 463, 164	85, 898, 864	16, 215, 403	1, 348, 897
Minnesota	12, 752, 649	3, 535, 991	9, 216, 658	318, 073	8, 898, 585	
Mississippi	24, 211, 371		24, 211, 371	19, 762, 637	4, 217, 230	231, 495
Missouri	18, 613, 822		18, 613, 822	9, 553, 143	9, 060, 679	
Montana	6, 183, 825		6, 183, 825	1, 639, 167	4, 544, 658	
Nebraska	13, 685, 493		13, 685, 493	10, 709, 026	2, 976, 467	
Nevada	8, 000, 152		8, 000, 152	7, 292, 882	707, 270	
New Hampshire	8, 426, 864		8, 426, 864	6, 625, 392	1, 801, 472	
New Jersey	55, 424, 609	7, 311, 721	48, 112, 888	24, 133, 573	20, 815, 174	3, 164, 141
New Mexico	7, 868, 503		7, 868, 503	6, 994, 344	874, 159	
New York	146, 177, 558	24, 564, 001	121, 612, 657	43, 760, 593	77, 809, 043	43, 021
North Carolina	35, 931, 955		35, 931, 955	29, 170, 253	6, 761, 702	
North Dakota	2, 203, 641		2, 203, 641		2, 203, 641	
Ohio	193, 962, 040	81, 173, 606	112, 788, 434	76, 448, 140	24, 342, 553	11, 997, 741
Oklahoma	17, 704, 721	2, 500, 361	15, 204, 360	8, 362, 030	6, 842, 330	
Oregon	70, 870, 873	375, 272	70, 495, 601	65, 039, 556	5, 456, 045	
Pennsylvania	135, 887, 055	7, 009, 854	128, 877, 201	105, 779, 977	21, 238, 475	1, 858, 749
Rhode Island	4, 325, 562		4, 325, 562	3, 621, 447	704, 115	
South Carolina	26, 573, 438	1, 910, 076	24, 663, 362	21, 162, 286	3, 474, 183	26, 893

See footnotes at end of table.

TABLE 28.—*Statement of cumulative expenditures for project development, by program and State, as of June 30, 1951* [1]—Continued

State	Combined total	United States Housing Act program	Emergency housing programs			
			Total	War housing	Veterans reuse	Subsistence homestead and Greenbelt towns
South Dakota	$4,084,052		$4,084,052	$2,340,543	$1,743,509	
Tennessee	29,719,870	$11,849,867	17,870,003	8,480,203	6,532,721	$2,857,079
Texas	97,539,080	2,121,667	95,417,413	78,350,029	16,991,896	75,488
Utah	27,608,456		27,608,456	24,342,631	3,265,825	
Vermont	3,022,392		3,022,392	2,111,157	911,235	
Virginia	117,743,391	1,015,602	116,727,789	109,876,755	5,565,865	1,285,169
Washington	184,211,712	8,827,149	175,384,563	170,306,472	5,078,091	
West Virginia	14,148,488		14,148,488	7,157,258	2,650,997	4,340,233
Wisconsin	35,302,542	2,446,690	32,855,852	13,626,257	8,485,603	10,743,992
Wyoming	5,963,858		5,963,858	3,224,552	2,739,306	
District of Columbia	26,849,008	4,399,167	22,449,841	18,430,612	4,019,229	
Alaska	6,148,794		6,148,794	5,254,703	894,091	
Canal Zone	1,675,142		1,675,142	1,675,142		
Hawaii	14,495,268		14,495,268	13,402,897	1,092,371	
Puerto Rico	4,699,525	229,735	4,469,790	4,257,249	212,541	
Administrative expenses	52,248,274		52,248,274	30,254,768	21,993,506	
Trailers	26,446,542		26,446,542	26,446,542		
Costs not chargeable to projects	14,351,784		14,351,784	3,957,216	10,394,568	
Total	2,557,586,786	[2] 246,189,601	2,311,397,185	[3] 1,798,447,069	[4] 458,190,182	[5] 54,759,934

[1] This statement does not include interprogram transfers of development costs.
[2] Includes $11,353,959 of costs for 39 farm labor camps transferred from the Department of Agriculture.
[3] Includes $115,529,493 of costs for projects transferred from other Government agencies. Also includes $90,109,406 of costs for the homes conversion program.
[4] Includes $15,824,166 of costs for projects transferred from other Government agencies.
[5] All projects in this program were developed by the Farmers Home Administration and transferred to PHA.

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