Fourth Annual Report

HOUSING AND HOME FINANCE AGENCY

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

Calendar Year

1950

THE HOUSING AND HOME FINANCE AGENCY
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Federal Housing Commissioner
Public Housing Commissioner
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Administrator of Veterans' Affairs (or his designee)
Chairman, Reconstruction Finance Corporation (or his designee)
Secretary of Commerce (or his designee)
Secretary of Labor (or his designee)
Federal Security Administrator (or his designee)

Fourth Annual Report

HOUSING AND HOME FINANCE AGENCY

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LETTER OF TRANSMITTAL

SIRS: I have the honor to transmit herewith the Fourth Annual Report of the Housing and Home Finance Agency covering the housing activities of the Federal Government for the calendar year 1950.

In this Fourth 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 ONE

In Part One of the Fourth 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 Two, Three, and Four, respectively, of this report. The material presented in Part One deals with both the housing economy in 1950 and HHFA programs and activities. It is preceded by a chronology of significant events in housing in 1950 and is followed by four 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 1950; Appendix C lists HHFA publications; Appendix D lists the 1950 contracts for housing research projects.

CHRONOLOGY OF SIGNIFICANT EVENTS IN HOUSING, 1950

1–16 HHFA Administrator announces appointment of 21-member advisory committee to assist in formulating policies for the Slum Clearance and Urban Redevelopment program.

1–18 Slum Clearance Advisory Committee holds first of four 1950 meetings.

1–19 First reservations of funds made under Slum Clearance and Urban Redevelopment program, as HHFA Administrator approves preliminary allocations of Federal grant funds for first six cities to file applications.

1–27 Home Owners' Loan Corporation completes retirement of all bond issues. During its period of operations, HOLC issued for value bonds amounting to $3.5 billion.

1–31 Ten-millionth property improvement loan made by a private lending institution and insured by FHA under Title I is recorded.

2–3 Advisory group of architects holds initial conference with PHA to discuss planning and designing for low-rent public housing.

2–6 Division of Slum Clearance and Urban Redevelopment releases application forms for preliminary and final planning advances.

2–16 South Dakota becomes forty-third State to enact enabling legislation permitting communities to set up local housing authorities under low-rent public housing program.

3–20 FNMA halts new commitments to purchase mortgages because of unavailability of funds.

3–27 HHFA Administrator announces formation of Advisory Committee to assist in development and coordination of housing research activities.

4–1 Bureau of Census starts enumeration for second decennial census of housing in the United States.

4–20 President signs Housing Act of 1950. Title I liberalizes mortgage insurance programs of FHA (of special interest are new Section 8 which broadens FHA insurance of small homes in outlying and suburban areas and new Section 213 extending the provisions for housing cooperative projects) and provides an increase of $250 million in the authorization of FNMA to make more home financing available through secondary mortgage market operations. In addition, FNMA is no longer permitted to make commitments to purchase mortgages. It may contract to purchase only those eligible mortgages which are guaranteed or insured at the time of the contract of purchase. Title II defines and revises previous laws and policies relating to disposal of federally owned war and veterans' housing. Title III amends Servicemen's Readjustment Act of 1944 by increasing the maximum amount of veterans' home loan guarantees, and authorizes direct loans to financially responsible veterans unable to obtain private credit under VA-guaranteed loan program. Title IV authorizes loans to educational institutions for student and faculty housing.

4–21 HHFA Administrator and the FHA Commissioner jointly announce reduction of maximum interest rate on FHA home mortgages to 4¼ percent.

5–2 President signs Public Law 498, which amends Title VIII of the National Housing Act (FHA mortgage insurance for military housing) to permit military services to employ architects to draft plans for housing projects, thus obviating necessity of each prospective sponsor preparing separate plans and specifications.

5–10 FNMA resumes mortgage purchase program on an over-the-counter basis, limiting purchases to eligible mortgages guaranteed or insured by a lending institution for at least 2 months and not more than 12 months at the date of the FNMA contract to purchase.

5–24 Community Facilities Service is transferred to the Office of the Administrator, HHFA, under President's Reorganization Plan No. 17 of 1950.

5–26 PHA issues regulations and procedures for program reservations under rural nonfarm housing program authorized by Housing Act of 1949.

5–31 149,100 nonfarm dwelling units started during month, breaking all previous monthly records.

6–19 Forty farm labor camps, formerly administered by Secretary of Agriculture, are transferred to the jurisdiction of PHA.

6–23 First program reservations are issued by PHA under rural nonfarm provisions of the Housing Act of 1949.

President signs Public Law 574, Housing and Rent Act of 1950, which extends rent control until December 31, 1950, and continues veterans' preference in new housing until June 30, 1951.

6–27 President signs Public Law 576, which amends Federal Home Loan Bank Act and Title IV of the National Housing Act to strengthen savings and loan industry and increase to $10,000 per investor insurance protection provided by Federal Savings and Loan Insurance Corporation for savings in insured institutions of the savings and loan type. Public Law 576 also reduced the annual premium paid by associations insured by FSLIC, retroactive to July 1, 1949, from one-eighth to one-twelfth of 1 percent of the total of all accounts of insured savers or investors plus creditor obligations.

6–30 Division of Housing Research completes assignment of contracts to colleges, universities, and public and private research agencies for first year of the broad housing research program authorized under Title IV of the Housing Act of 1949. The research projects divide roughly into five categories: $725,000 for technical work; $25,000 for local housing regulations; $325,000 for housing economics; $100,000 for housing finance; and $150,000 for urban studies.

7–8 Advisory Committee established to assist Office of Administrator, HHFA, in formulation of research program in field of Housing Finance.

7–18 President signs Public Law 615, Territorial Enabling Act of 1950, which enables governments of Puerto Rico, Alaska, Hawaii, and Virgin Islands to authorize public bodies or agencies to undertake slum clearance and urban redevelopment activities, and revises low-rent public housing enabling statutes of Puerto Rico, Alaska, and Hawaii to facilitate the program.

President requests Housing and Home Finance Administrator, Veterans' Administrator, chairman of Reconstruction Finance Corporation, and Secretary of Agriculture, because of Korean situation, to move to curtail housing credit in order to conserve materials and to reduce inflationary tendencies. President also requests HHFA Administrator to suspend commitments for loans for college housing and to set maximum limit of 30,000 units in new construction under public housing program during July–December 1950, pending reexamination of program in terms of international situation.

HHFA Administrator orders temporary suspension of disposition of federally owned World War II or veterans' emergency housing, in keeping with President's request.

8–11 Division of Slum Clearance and Urban Redevelopment releases application forms for loan and grant contracts.

9– Community Facilities Service participates in Great Bend, Kans., disaster relief operations under delegation from General Services Administration.

9–7 Federal National Mortgage Association is transferred from Reconstruction Finance Corporation to Housing and Home Finance Agency under Reorganization Plan No. 22 of 1950.

RFC lending functions with respect to production and distribution of prefabricated houses and components are transferred to HHFA under Reorganization Plan No. 23.

9–8 President signs Public Law 774, Defense Production Act of 1950. The Act authorizes the President to control real estate credit, to use priority and allocations powers, to requisition defense equipment, supplies, or parts; authorizes certain Government agencies to guarantee loans made by financial institutions for production and delivery of defense materials; provides for price and wage stabilization; and prohibits hoarding of scarce materials.

9–9 In Executive Order 10161, pursuant to Defense Production Act of 1950, the President delegates to HHFA the function of imposing credit controls on Government-aided housing and to the Federal Reserve Board the function of imposing credit controls on non-Government-aided new construction. The concurrence of the HHFA Administrator is required on FRB credit controls involving residential property.

9–23 The President signs Public Law 815, which authorizes Federal aid for planning and construction of schools in areas affected by Federal activity and the transfer to local authorities of remaining schools built under Lanham Act. Community Facilities Service is directed to certify to the United States Commissioner of Education amounts of previous Federal expenditures for construction of schools, to be deducted from Federal aid available to local agencies under Public Law 815.

9–30 In Public Law 875, Congress provides for "orderly and continuing assistance by Federal Government to States and local governments in carrying out their responsibilities to alleviate suffering and damage resulting from major disasters." This legislation replaces all previous enactments on the Federal Government's role in disaster relief.

10–12 Federal Reserve Board, with concurrence of HHFA, issues Regulation X, under the authority of the Defense Production Act of 1950, placing credit restrictions on conventionally financed residential property. FHA, VA, and the Department of Agriculture simultaneously issue regulations placing parallel restrictions on Government-aided home financing.

10–18 HHFA Administrator instructs Community Facilities Service to redirect Second Advance Planning Program for non-Federal public works to relate more directly to the defense program. New criteria established are: (a) whether projects contribute directly to defense operations, or (b) whether projects meet essential and immediate civilian requirements.

11–17 Community Facilities Service and Office of Education enter into agreement whereby CFS performs certain functions under the Public Law 815 program for Federal aid to construction of schools in federally "affected" areas.

12– Community Facilities Service participates in Reno, Nev., disaster relief operations under delegation from General Services Administration.

12–6 Technical Advisory Committee on Credit and Production Statistics—composed of industry and Government members appointed jointly by Federal Reserve Board and Housing and Home Finance Agency—holds first meeting.

12–13 Technical Advisory Committee on Housing Consumer Statistics—under HHFA sponsorship—representing industry, labor, veterans', and consumer groups—holds first meeting.

12–29 HOLC makes final payment of its $200 million capital stock held by the United States Treasury.

12–31 HOLC announces that liquidation of its total mortgage portfolio is 99.7 percent completed. Program for public sale of mortgages on a Statewide basis, which originated in June 1949, has resulted in complete liquidation of portfolios in 30 States, the District of Columbia, and Puerto Rico. Mortgages still held in portfolios for remaining 18 States are under contract to be sold.

Home Loan Bank Board reports that member-owned capital stock of its 11 Federal Home Loan Banks has increased to $183 million, or 77 percent of the total, compared with Government-owned stock of $56 million, or 23 percent of the total.

SECTION I: HOUSING IN 1950

Chapter I

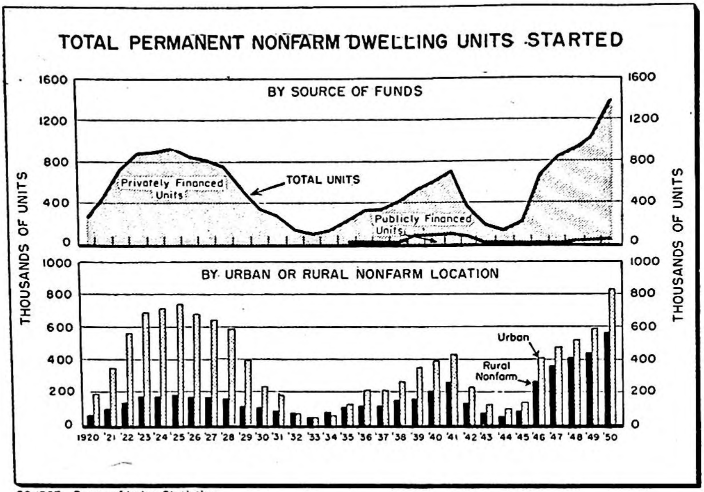
SUMMARY

A. The Housing Economy in 1950

The crossing of the thirty-eighth parallel in mid-1950 was an invasion, not only of South Korea but of the American home as well. And, as the year drew to a close, the critical international situation overshadowed all domestic activity. In housing—which had witnessed far and away the most productive year in history—the basic questions related to the use of our housing resources in the national defense effort and the adjustment of long-range programs to the period of partial mobilization that seemed in prospect at year's end. Since the onset of the crisis, these questions have been of overriding importance to the activities of the Housing and Home Finance Agency—the Government's central housing agency. They have been considered not only in relation to the paramount needs of the current defense program, but also as to how best to carry out—within the defense framework—the national housing policy set forth in the Housing Act of 1949: "The realization, as soon as feasible, of the goal of a decent home and a suitable living environment for every American family."

1950 Progress

Despite the complications resulting from the Korean outbreak in midyear and the necessary realignment of programs and activities, very significant progress was made in 1950 in dealing with our long-range problems. The 1.4 million new nonfarm houses started during the year were a 36 percent increase over 1949, the previous record year, and brought to nearly 5 million the new dwelling units started in the postwar period. This tremendous production achievement emphasized the continuing growth of the private home-building and home-financing industry which, with the aid of Government credit programs, had recovered and vastly expanded from war-year lows. Underlying the extent of this support, the mortgage insurance programs of FHA ($4.3 billion insurance written during 1950) were at all-time peaks during 1950, as were activities of the Federal Home Loan Bank System, which provides a credit reserve for savings and loan institutions. Meanwhile, the Veterans' Administration program of guaran-



SOURCE: Bureau of Labor Statistics

CHART 1.

teeing home loans for veterans had recovered from the lows of the previous 2 years and was at a new peak in 1950. About half of the year's 1.4 million new housing starts were begun under the FHA and VA programs. In addition, considerable support was given the private mortgage market during the year by the operations of the Federal National Mortgage Association which purchased more than $1 billion of mortgages during 1950.

1950 was also the first full year of operations under the Housing Act of 1949 which, in addition to setting forth a new national housing policy, also authorized significant new and expanded programs in the housing field, most of them to be undertaken through HHFA. Here, too, significant progress was made during the year. The considerable local interest in the newly authorized program of slum clearance and urban redevelopment was reflected in the progress made during the year in the earlier stages of this program: 222 localities in 31 States, the District of Columbia, Hawaii, Puerto Rico, and the Virgin Islands had obtained capital grant reservations of $173 million to aid in clearing urban blight and decay, and 71 of them had by year's end obtained planning advances of more than $3 million. In the expanded program of aid to communities in providing low-rent housing for low-income families, more than 700 communities had obtained reservations for more than 300,000 units; by the end of December more than 30,000 of these had been approved for construction.

The housing research program was well under way with 60 projects launched by midyear, utilizing the research facilities of more than 30 contractors, including educational institutions, Government agencies, and other nonprofit institutions; in addition, a considerable amount of staff research activity was undertaken. The program of aids to farm housing, authorized in 1949 and undertaken through the Department of Agriculture, had also gotten under way with nearly 30,000 applications and approval of about 6,600 loans totaling almost $30 million at the end of 1950.

Under Agency encouragement, private industry showed mounting progress in supplying new housing to minority groups in response to the increasing stress upon serving this long-neglected segment of the market. For example, during the first 2 months of 1950, FHA issued commitments to insure mortgages on more housing available to Negroes than were issued during all of 1949. This growing trend was further reflected in policy declarations made by lenders' and builders' groups to provide needed housing open to this portion of our population.

Problems in Housing

While these evidences of progress are encouraging, it must be remembered that the basic housing problems are long-range ones, and years will be required for their satisfactory solution.

We have learned much in recent years about the many complex problems in housing. The Housing Act of 1949, which provided a broad basis for approaching these problems specifically, noted many of them and their interrelationships and provided significant new programs for meeting them.

Volume production of housing and stabilization of the construction industry are aspects of the problems, as are slum and blight and urban development. The basic problems of costs affect not only adequate housing for lower-income families but also suitable housing, both sales and rental, for families of moderate means, as well as the special housing problems of minority groups. Moreover, these problems reach into, and in turn are affected by, the need not only for utilities such as streets and sewers to accompany housing development, but also for schools, hospitals, and other facilities made necessary by our housing requirements. The need for more information about these and related housing problems has also been recognized in recent years, and the Housing Act of 1949 provided for a broad research program designed to throw more light on them and aid in their solution.

At the end of 1949, as pointed out by the HHFA Administrator in the Agency's Annual Report for that year, it was obvious that measures additional to those already provided by the Congress would be needed to deal with some of these problems in a manner consistent with our national housing objectives, and that some of the emergency financing aids should be curtailed. The housing of lower- and many middle-income families, including larger families needing additional space, was of major and immediate concern. This included many families of limited income who, at current costs, could not satisfy their needs on the private housing market, but nevertheless had sufficient income to make them ineligible for low-rent public housing. Among the possibilities under discussion at the beginning of 1950 was use of the cooperative device—which had worked well in other connections—to aid lower-income urban families to construct and own their own dwellings on a cooperative basis. Other suggestions dealt with expansion of FHA credit-aid programs to be specifically geared to stimulate the production of lower-priced sales and rental housing with additional bedrooms for larger families, and to encourage more lower-priced home building in outlying nonfarm areas.

Despite the 1950 achievement, at year's end there were still many vexing long-range problems in addition to the complications resulting from the international crisis. Slum clearance and community development cannot be solved overnight, nor can the problems of adequate housing for low-income or minority groups. Moreover, from the standpoint of price and size, many of the houses currently being produced are not adequately suited to the needs of large sectors of our population.

Also, the high volume of home building in 1950 was accompanied by evidences of strain in the housing economy. The 1949 production volume had been attained without overtaxing our resources. Materials and manpower were in adequate supply to meet the effective demand. There were ample credit resources, strongly supported by Government programs, to meet the needs of both home buyers and home builders. There were even some evidences of cost reduction by mid-1949. As the starts trend continued upward through early 1950, indications of danger appeared, particularly in imbalances between materials supply and demand. Despite high output, shortages developed early in the building season, especially in lumber, cement, gypsum products, and later in metal building items; also, manpower became increasingly scarce. Even though production, especially of lumber, increased sufficiently to close the supply-demand gap by late 1950, it was clear that difficult materials problems were in the offing for the home builder.

Construction costs were rising steadily in early 1950 and, even before Korea, there were evidences of strong inflationary trends in home building. The construction cost index, which had started to rise in late 1949, continued to rise all through the first half of 1950, reaching a new record high in August, more than 10 percent higher than at the beginning of the year. After some slight decreases in the autumn, the index continued to rise and, by year's end, was again at a new high of 229.9 (1939=100).

B. Activity Before Korea

The year's activities were divided into two phases: pre- and post-Korea. 1950 had opened with the expectation that full attention could be devoted during the months ahead to the housing objectives laid down by the Congress. With the start of the year, the problems of conversion and transition to a peacetime economy were already things of the past, although the effects of World War II on the housing economy would continue to be felt for a long time to come.

Early in the year HHFA's new programs of slum clearance, housing research, and the expanded low-rent public housing activity were being geared to produce the results already mentioned; procedures were developed for their operation; and initial phases of activity and discussion with local communities and institutions were well under way. Consideration was also being given to the types of additional measures needed to meet national housing objectives.

The high levels of building activity already noted made their appearance early in the year. Month after month new highs were established not only in housing but also in other sectors of the economy. However, in the face of high income and great demand, even this proved inadequate to stem upward-price pressures.

In February, as had been earlier recommended by the HHFA Administrator, the Congress permitted the expiration of authority to accept applications for large-scale rental projects under the emergency financing provisions of Section 608 of the National Housing Act; the Congress, however, authorized an additional $500 million in insurance authorization for this program for applications received by March 1. Moreover in March, because of the exhaustion of its available authorization, FNMA discontinued the issuance of advance commitments. These advance commitments had been of considerable importance in stimulating the expansion of home building beginning in late 1949, and the backlog of such commitments continued to be an important factor in the 1950 home-building volume. FNMA holdings of, and commitments to purchase, eligible FHA and VA mortgages totaled nearly $2.5 billion by the middle of March. Originally, FNMA had been planned as a device to provide secondary market assistance for, and liquidity in, home financing. At the level of late 1949 and early 1950 operations, it threatened to develop into a major source of home-financing funds flowing directly from the Federal Government. In the Housing Act of 1950, the Congress directed the discontinuance of this advance commitment procedure, thereby permitting FNMA to purchase only those eligible mortgages which had been insured or guaranteed at the time of purchase.

The Housing Act of 1950

This Act, which became law on April 20, 1950, supplemented programs earlier authorized by the Congress and incorporated measures, previously suggested by HHFA, aimed at the housing problems of lower- and middle-income families.

It authorized a new program of FHA mortgage insurance and technical assistance for cooperative housing. This was the result of considerable discussion and study by the Congress to develop measures to assist middle-income families through the cooperative device to construct and own their own dwellings. A new Section 213 to Title II of the National Housing Act was authorized, replacing previous authority for FHA to insure loans for cooperative housing projects. It permitted expanded insurance provisions for loans up to 95 percent of cost for individual veteran members, 90 percent for nonveterans; up to 40-year terms on 4-percent mortgages; and recognition of higher cost limits, particularly for larger-family units. Also, assistance was provided to both management and sales-type cooperatives. The law provided for appointment of an Assistant FHA Commissioner to administer mortgage insurance for cooperatives and authorized technical assistance in their organization and operation in the housing field.

To stimulate the production of more lower-priced sales housing, the Act expanded Section 203, the regular FHA program for one- to four-family dwellings. For new homes valued at no more than $7,000—or up to $8,000 in higher-cost areas—provision was made for lower down payments and up to 30-years' maturity, with 95-percent insurance of value for owner-occupiers and 85 percent for operative builders. Specifically aimed at providing units with more bedrooms, the expanded Section 203 provided more liberal mortgage limits for three- and four-bedroom new houses.

Provision was also made to enlarge the scope of Section 207, the regular FHA program for rental housing, with more liberal terms for lower-cost and larger-sized rental units; thus, to obtain maximum mortgage loans, any such insured rental project must have an average size of not less than four-and-one-half rooms per unit—a two-bedroom average. Since rentals, as determined by FHA, reflect the costs, this provision tends to restrict insured rental projects to lower rents or larger units than had been provided recently in rental housing.

This law also broadened FHA insurance of small homes in outlying and suburban areas to meet the demand for such housing where normal FHA property requirements were not feasible or necessary.

For owner occupants, the new Section 8, Title I of the National Housing Act, permitted 95-percent mortgages for loans up to $4,750, with authorization to FHA to permit increases up to $5,600 in high-cost areas. Such houses were now to be individually inspected and insured by FHA, and the mortgages were made eligible for FNMA purchase. The Act enlarged and liberalized the loan-guaranty privileges of veterans of World War II and authorized direct loans for veterans in areas where private home financing was unavailable under the provisions of the Servicemen's Readjustment Act. The Act also authorized a program of direct Federal loans to finance housing at institutions of higher learning. In addition, the Act provided disposition policies to govern the disposal of surplus war and postwar emergency housing owned by the Federal Government.

Later, on May 24, in recognition of the interrelationships between housing and community development, there was transferred to HHFA the advance planning of public works administered by the Bureau of Community Facilities, until then a part of the General Services Administration.

All in all, by mid-June progress was evident in many phases of housing. And the new and expanded programs just authorized by the Congress were being put in operation. Among other things, FHA was establishing its new organizational unit for aiding cooperatives; an Assistant Commissioner was appointed to direct this activity, and by year's end, under this program, 303 applications had been received covering nearly 38,000 cooperative units. Then, on June 23, came the outbreak of hostilities in Korea and many new problems. The realignment of housing programs and activities to the changing situation became of major importance, and much of the activity anticipated under the Housing Act of 1950 was curtailed or deferred.

C. Korea and the Impact on the Housing Economy

The outbreak of hostilities in Korea came at a time when peacetime activity, including housing, was straining our productive capacity. Unlike the situation at the onset of World War II when we were recovering from a depression, there was little slack to undertake additional production required for defense needs. These circumstances focused attention on the need for cutting back peacetime production.

July Restrictions

Housing was among the first sectors of the domestic economy to be affected. The existence in the housing field of a central housing agency, with means for coordinating the various phases of Government housing activities, and the relations between the housing industry and the Government, made possible a speedy concentration of resources on this problem. On July 18, the President addressed letters to the Housing and Home Finance Agency and to other agencies concerned outlining steps to be taken in the initial cutbacks in Government housing programs. Action was taken promptly, in keeping with the President's letter, to restrict the availability of FHA insurance and VA mortgage guarantee credit. Low-rent public housing was limited to 30,000 units to be put under construction in the last 6 months of 1950, advance planning of public works was restricted, and disposition of war housing and initiation of the program of loans for college housing were temporarily suspended pending their review in the light of defense needs. Moreover, a careful reexamination of all Government programs was instituted, so that they might be realigned to the partial mobilization then indicated. These measures had the twin purposes of reducing inflationary pressures and of conserving materials for the defense effort and were concerned exclusively with Government-aided programs.

Defense Production Act

The Defense Production Act of 1950, effective September 8, provided broader powers to control Government-supported residential credit and authorized similar controls on conventionally financed housing started after noon on August 3, 1950. By Executive Order No. 10161 issued on September 9, the President delegated to the Federal Reserve Board, power to regulate non-Government-aided housing credit subject to the concurrence of the HHFA Administrator; powers with respect to the Government-aided programs were delegated to the HHFA Administrator to be consistent with restrictions applied to conventional credit. In the following weeks, the Federal Reserve Board and HHFA worked closely together to prepare the regulations necessary to accomplish the purposes of the Act in the field of housing.

The issuance of Regulation X by the Federal Reserve Board on October 12 provided rules for the granting of credit for conventional financing of new homes; concurrently, revised regulations were announced by the HHFA Administrator for FHA, VA, and the Farmers' Home Administration programs, still maintaining relative preferences for veterans. Basically, both regulations shortened the maturity of the loans and increased the down payment. The regulations called for down payments ranging from 10 percent in the $5,000-and-under class to 50 percent at $25,000 and over, except that in the case of VA-guaranteed and farm housing loans to veterans, a preference was given amounting to 10 percentage points less on down payments in the medium-priced brackets and 5 percentage points in the higher and very low price ranges.

It was announced that these regulations were geared to permit the starting of 800,000 to 850,000 new units in 1951, a reduction of about two-fifths from 1950's extraordinarily high levels. It was also announced, however, that this production target and the terms of the credit restrictions would be subject to modification later if defense and economic developments required. These regulations applied to one- and two-family homes and did not affect multifamily rental projects. Regulations covering these were being prepared by year's end for issuance early in 1951.

Effect of the Credit Restrictions

In the days immediately preceding the effective date of these regulations, a large volume of applications was received by FHA and VA field offices. In the week which included October 12, FHA received applications for mortgage insurance on 23,000 new home units, as compared to a weekly average of only 4,800 units during the preceding month. The VA experience was similar: on the single day of October 11, VA received appraisal requests for 51,900 dwelling units, as compared to a daily average of 2,400 in the preceding half-month period. After this sudden upsurge, both FHA applications and VA appraisal requests dropped sharply. In the period following credit restrictions in October until the year's end, applications to the Government for insurance or guarantee of mortgages were at a substantially lower rate than in the preceding period.

The foregoing indicates the extent of the reduction in applications for Government credit aid as a result of the credit restrictions. However, despite credit restrictions, rising prices, materials shortages, and general uncertainties, 1950 housing volume continued at very high levels to the end of the year, reflecting both the momentum earlier attained and the continuing high demand. Because of the nature of the home-building process and particularly because of the large volume of commitments already outstanding, it could not be expected that the effect of credit restrictions would show up very soon in statistics on construction activity. However, there were indications in field reports that builders were shelving or reducing their plans for future development and that some builders had telescoped their sequence of housing starts in anticipation of more stringent controls. Also, in the latter part of the year, there were indications of changes in the buying habits of builders, particularly those with sufficient resources to enter protective advance orders. Trade journals reported both a tendency toward advance buying of building materials by builders, and the reappearance in contracts of so-called "escalator" clauses to protect contractors against price changes and other contingencies.

D. Realignment of Other Government Programs

In addition to credit restrictions, the latter part of the year witnessed a continuing process of reexamination and adjustment of Government housing programs. The resulting realignments were based on the assumption that we were then, and would be for some time, in a period of partial rather than complete mobilization. Basically, the principles followed were these: those programs that could make an immediate contribution to defense, consistent with their statutory purposes, were adjusted accordingly; to the extent that any programs might impede the defense effort, they were restricted; and other programs were continued toward their ultimate objectives to the extent that that could be done without adverse effect on the defense effort. Thus, under the slum clearance and urban redevelopment program, localities have been encouraged to proceed with their plans. The program, however, is being reviewed and controlled at key points; decisions will be made at such points, in the light of the then current defense situation, as to whether they should go ahead. By and large, by year's end, none of these projects was yet at such a stage, and most communities will be at the planning stage for another year or more.

With respect to low-rent housing, the restriction was applied in terms of the number of units that would be permitted to start within the 6-month period—30,000 for the last half of 1950. Within this limitation, an effort was made to give preference to projects that might assist in relieving shortages in defense housing areas. The low-rent program was also seriously affected during the year, particularly after Korea, by rising costs which made necessary the rejection of bids on a number of projects and also sparked a major review of all projects, with the aim of reducing costs to the minimum consistent with the provision of adequate housing. As a result, plans for many projects were revised and resubmitted and acceptable bids obtained, so that starts authorized in the latter part of the year ran only slightly under the permitted maximum.

Also, the disposition of war and postwar emergency housing was temporarily halted, with exceptions granted in the last half of 1950 only for special cases. Meanwhile, occupancy rules in a number of war housing projects were relaxed to permit tenancy by in-migrant employees of defense plants.

The college housing loan program, the inauguration of which had been deferred in July, was scheduled at year's end to proceed on a limited and defense-related basis. The advance planning of public works was also restricted as a result of such reexamination.

Certain of the home-financing programs, such as the FHA programs for Alaska and military housing, which were deemed important to the defense effort were exempted from credit restriction. And, with the exception of a few projects being completed in the latter part of the year, practically all of the housing research program had been redirected in support of the defense programs, including such matters as materials conservation and credit and programming studies. Moreover, as the year drew to a close, the major issue of interest to housing on the legislative front was legislation designed to permit the fullest possible mobilization of our housing resources, where and when required in the national defense effort.

E. The Situation at the End of the Year

The 1951 Credit Restriction Target in Home Building

The credit restriction target for 1951—starting from 800,000 to 850,000 new permanent units—while two-fifths less than 1950's high output, is still a very substantial figure and one that has been exceeded only in five other years in our history.

This volume, however, falls far short of achieving the needed further over-all improvement of our housing supply that had been anticipated prior to the defense mobilization period. Even with a substantial amount of defense housing this year, most of 1951's housing production will be available for general use. Also, to the extent that the defense housing can be well planned and well built, it, too, can contribute to our long-term housing progress. In numbers alone, the 850,000 is no more than enough to meet the number of units estimated to be required to provide housing for a majority of newly formed families, replace losses resulting from disaster, and provide the new units needed in defense areas for in-migrant workers. However, there are other segments of housing which must also be considered, including the needs of doubled-up families seeking homes of their own and the replacement of substandard dwellings. So far as is possible in the light of defense needs, and, so long as we can continue to produce housing for civilian needs, every effort will be made to adjust Federal policies and operations so as to maintain a distribution of this limited volume that is consistent with the legislative enactments and basic objectives laid down by the Congress.

Experience during the past war demonstrated the importance to any large-scale labor recruitment program of an adequate supply of housing in defense production areas for in-migrant workers and their families. While it is not anticipated that the total need for emergency construction in such areas will necessarily be as great as during World War II, the housing supply is now tighter in many areas than it was at that time, and little reserve can be expected in most of them, since the over-all effective vacancy rate is only 1.7 percent. Moreover, the experience of the last war suggests the necessity for taking measures against allowing the effective strength of our people to be drained away and the centers of production to be exposed to easy disruption through neglect of the urban functions necessary to their efficiency and protection.

The expectation that the emergency period will be of extended duration, together with the probable stringent limitations on manpower and materials for the construction of new dwellings, makes the conservation of our present housing stock a matter of prime importance. This maintenance and repair consideration is particularly pertinent in view of the large segment of the inventory that is already in a dilapidated condition or lacks basic plumbing facilities.

Long-Range Housing Requirements

Defense considerations apart, the over-all housing job involves both improving our current supply and distribution of housing and community facilities and adding to it so that all families, including newly formed ones, may have the opportunity to obtain good quality housing with sufficient space and a decent living environment.

More of our people are now well housed than a decade ago. This is pointed up by data available from the 1950 Censuses of Housing and Population, discussed in some detail in Chapter II. Analysis of these data indicates that appreciable gains were made in the number of homes in relation to population, in improvement of our housing stock, and in the proportion of home ownership. Careful analysis, however, shows there is little justification for complacency. The census data also clearly reveal that some segments of our population are still ill-housed, especially large families with inadequate living space, married couples having to share households, and families living in dilapidated slum housing, some of which is unfit for human habitation. High housing costs and other factors have also adversely affected the outlook for better housing for those whose housing situation is most seriously in need of improvement—families of lower income, minority groups, and many families with low or moderate income in need of larger or otherwise more satisfactory homes.

A detailed estimate of our housing needs for the period 1949–60 was presented to the Congress during the hearings on the Housing Act of 1949. Reviewed in terms of the recently available—though as yet incomplete—1950 Census population and housing data, the general magnitude of the estimate still seems valid at the end of 1950.

Thus, annually, for the remainder of the decade, about 1,500,000 farm and nonfarm units still need to be provided through new construction, through remodeling of existing structures, or through rehabilitation of substandard units. This number will provide for the increase in families, for the improvement or replacement of units now substandard, and for the replacement of units which will be lost through deterioration, demolition, and as a result of disasters of various kinds. Viewed solely from a production standpoint, the prospects for accomplishing this long-range housing job appeared to be very good just prior to the beginning of the present national emergency, since the industry had in 1950 reached a rate of home building which, if maintained, could do the housing job envisaged for the decade.

The home-building industry was able to expand its productive capacity to the 1950 level primarily because of the tremendous backlog of demand resulting from the acute housing shortage during the war years and sustained by the high rate of new family formation during the postwar years, coupled with full employment and record high incomes during the postwar years. Buttressed by this extremely favorable demand situation, the industry in recent years geared itself to the production of higher-cost housing which it had little or no difficulty disposing of in the seller's market. But, at these prices, hundreds of thousands of the lower-income families living in unsafe and substandard housing will continue to be priced out of the market, and many moderate income families still will not find it economically feasible to replace their inadequate housing.

The demand situation in the next decade should be different in nature from the immediate postwar years, for the backlog of families without their own homes has been on a decline and it is anticipated that the annual net formation of new families will not continue at the high rates of the '40's. Thus, much of the effective demand for the continuing high rate of home production, after the defense emergency, will depend on the replacement market. The production of lower-priced housing of adequate standards and of needed types would, no doubt, aid in translating these replacement needs into effective market demand, thus providing the base needed for the required broad expansion in the housing market. Moreover, the program of slum clearance and urban redevelopment initiated by the Housing Act of 1949 makes available for the first time effective devices to aid cities to clear out their slum areas and to plan for redevelopment, including replacement of units where most needed. The Act provides that primary reliance for such replacement be on private enterprise—an important key to sustaining and broadening private construction activity in the years ahead.

Production for replacement needs and for the lower-income groups may also point the way to the solution of a related long-term problem, the stabilization of the residential construction industry. This industry is characterized by sharp cyclical fluctuations. It is difficult to say how long the building boom of 1947–50 would have lasted had it not been interrupted by the national emergency. Past experience suggests that after another year or two there might have been a sharp decline. However, if the building industry can tap the potential market in housing replacement and in new housing for the middle- and lower-income groups, it can hope to stabilize production at a high level for many years, once the immediate objectives of the national defense program have been achieved.

Reduction in housing costs and the production of houses at prices families in all income groups can afford thus appears to be at the heart of the housing problem.

F. The Outlook

We enter 1951 with a vast improvement in the Nation's housing resources—an outstanding demonstration of the possibilities of successful teamwork in housing by industry and Government. The home-building and home-financing industry, in large measure as a result of legislation enacted by the Congress, is in a much stronger position and has far greater capacity than at the beginning of World War II. Moreover, the principal housing functions of the Federal Government are no longer scattered among various agencies but are centered in HHFA where they can be readily and effectively mobilized to support whatever defense measures circumstances may require. In addition, we have expanded our legislative aids for housing to cover more of the problem areas and have related all of the Federal activity in housing to a common objective and policy. Technological improvement in home building, while slower than in some other sectors of our economy, is nevertheless taking place, and a wise investment of a small part of our resources in a major program of housing research has been initiated.

While, as had been indicated, there are still many problems, the 1950 balance sheet in housing has many favorable aspects. What has been shown is a striking demonstration of American capacity to expand and produce, of our adaptability in meeting major national problems—demonstrations that hold great promise for the future in housing.

However, like the outlook in other phases of our economy in these grave days, the housing outlook, too, is colored by unsettled international conditions.

The rate at which continued progress can be made during the next few years toward solution of the underlying housing problems is dependent on the resources that can be made available for this purpose in addition to those required for the paramount needs of our national defense, and on our ability to relate defense planning and development to the long-term requirements for housing and community developments. So long as it is possible to meet our defense needs with only partial diversion of resources and output rather than through all-out mobilization, progress can be expected, even though at a reduced rate, toward our long-range housing and community development goals.

Chapter II

HOUSING SUPPLY AND NEEDS

The Housing Act of 1948, as amended by Section 301 (b) of the Housing Act of 1949, requires the Administrator of HHFA to "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." In line with this responsibility, close watch is kept over the housing needs and housing supply situation. In analyzing the needs situation, considerable use is made of material collected by the Bureau of the Census and the Bureau of Labor Statistics, as well as by other fact-gathering organizations.

A. Results of the 1950 Census of Housing

The paucity of complete and up-to-date information on such matters as the quantity and condition of housing and the number of families seeking housing at various price levels has in the past been an obstacle to a thorough analysis and evaluation of the housing situation. The year 1940 marked an important milestone in the efforts to remove this obstacle. In that year the first Nation-wide census of housing produced data on the type, size, condition, facilities, and equipment of living quarters, and on such characteristics as the extent of home ownership, value of homes and mortgage status, and tenancy and monthly rent.

During the 1940's, several sample housing surveys, made in conjunction with the Census Bureau's regular surveys of population and labor force, provided interim data on the housing situation. Characterized by many refinements in concepts and terminology, as well as by improvements in enumeration procedures, the 1950 Census of Housing marked the second milestone in the development of more complete basic information of the type needed for accurate measurement of the housing inventory and analysis and evaluation of the Housing situation throughout the Nation. Final data from the 1950 Census of Housing are not yet available. Tabulations from a representative sample of cases, however, provide preliminary data which permit a highlighting of the housing situation in early 1950 and a review of significant changes over the preceding 10 years. The following analysis relates only to the nonfarm portion of the housing inventory, with

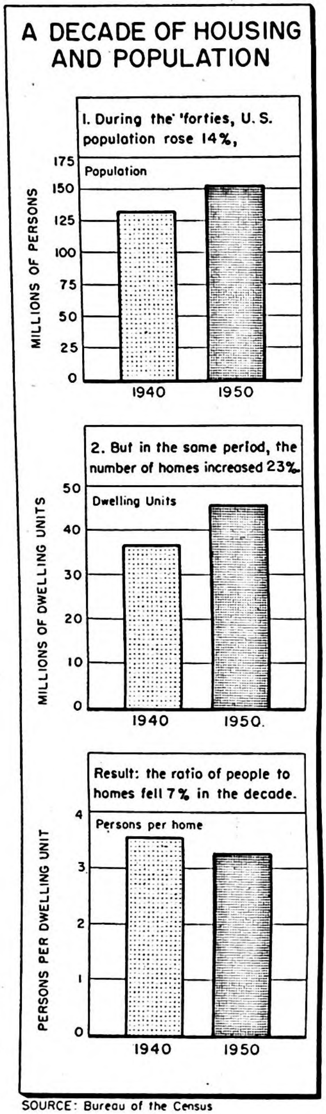


CHART 2.

which the Housing and Home Finance Agency is primarily concerned.

1. Nonfarm Inventory

The first significant fact to be noted is the increase since 1940 in the nonfarm housing inventory. About 39.4 million of the 45.9 million dwelling units counted as of April 1 in the 1950 census were located in the Nation's cities and towns or used for nonfarm residence in rural areas. This was 9.7 million or 33 percent above the 1940 census figure. New construction accounted for 5.7 million of this increase, and much of the remaining increase came from the creation of new units through remodeling of existing residential and nonresidential structures. Some of the increase resulted because many houses enumerated as farm residences in 1940 are now used to house nonfarm families. Finally, some of the increase resulted merely from a change in census definitions, particularly the broadening of the definition of nonfarm areas and the consequent reclassification of many dwelling units formerly classified as farm. The 39.4 million dwelling units classified as nonfarm in 1950 constituted 86 percent of all dwelling units, compared with 80 percent in 1940.

There was no substantial change over the decade in the types of dwellings housing our nonfarm population. In both 1940 and 1950 about 55 percent were one-family detached structures.

2. Size of Units

A second significant change is in the size of the dwelling units in the inventory. The median number of rooms for occupied dwelling units declined only slightly, from 4.8 to 4.6 during the decade. These averages tend, however, to obscure the changes that have occurred, since there were relatively fewer of both small and large units in 1950 than in 1940. In fact, one-room units declined not only relatively but also numerically, while those of seven or more rooms increased a mere 6 percent. The number of four-room units, on the other hand, increased 58 percent and the number of three-room units 42 percent. Units of 3 to 5 rooms comprised nearly 60 percent of all units, compared to 54 percent 10 years ago. Owner-occupied units, with a median of 5.3 rooms, were substantially larger than rented units, which had a median of only 3.8 rooms.

3. Quality of Housing

Another important area of change is that of housing quality. Changes between 1940 and 1950 can be measured directly only with respect to two indices—availability of a private indoor flush toilet and of a private bath or shower. The increase in the proportion of occupied dwelling units with a private indoor flush toilet from 73 percent in 1940 to 80 percent in 1950 indicates relative improvement in terms of the inventory as a whole, although 7.4 million units still lacked this facility in 1950 as in 1940. Similarly, even though the proportion of occupied units with private bathing facilities rose from 68 percent in 1940 to 77 percent in 1950, the number of units without such facilities fell only slightly—from 8.7 million in 1940 to 8.3 million in 1950. Thus the relative improvement in the extent of plumbing facilities resulted largely from the addition to the inventory of new units with these facilities rather than from the equipping of units previously without them..

The other census data on condition and plumbing facilities, while not comparable with 1940, nevertheless indicate that there is still much to be done to raise our total housing inventory to adequate standards of decency and livability. Nearly 2.5 million nonfarm dwellings were found to be dilapidated—that is, had serious deficiencies, were rundown or neglected, were of inadequate original construction, or were generally in such poor physical condition that they did not provide adequate shelter or protection against the elements and seriously endangered the safety of their occupants. Moreover, 6.3 million additional units—that is, units that were not dilapidated—were without running water or had running water but lacked a private toilet or bath. Nearly 3.4 million of these were in urban places.

4. The Vacancy Rate

Despite the fact that we have recently witnessed the biggest home-building boom on record, the effective vacancy rate remains low, perhaps critically so. Although the gross vacancy rate was reported to be 6.8 percent of all nonfarm units, the effective vacancy rate was much smaller. Many of the units included in the gross vacancy rate were for seasonal use only, others though vacant were not for rent or sale, and still others were dilapidated. Excluding seasonal and dilapidated units and those held off the market, the effective vacancy rate was 1.7 percent. Since about one-fifth of these vacant units lacked a private inside toilet or bath, however, the effective vacancy rate may be considered to be even lower than 1.7 percent. As to size, the vacant units tended to be smaller than the occupied units in the nonfarm inventory, the median size of effective vacant units being only 3.8 rooms, compared with 4.6 rooms per occupied dwelling. Also, vacant units were available only to families of somewhat greater than average means or income. The median asking price of vacant single-unit structures offered for sale was $8,800, or $1,400 more than the median estimated value of owner-occupied units, and the median rental asked of vacant units offered for rent was $45—$10 higher than for renter-occupied units.

The high volume of family formation during the decade, coupled with the high level of incomes which enabled many doubled-up families to seek quarters of their own, kept the supply of new units from catching up with demand. It is true that the situation had been eased to some extent since 1947 when a sample survey conducted by the Bureau of the Census revealed an extremely low effective vacancy rate of only eight-tenths of 1 percent. Despite this improvement, however, the 1950 rate appeared to be lower than it is estimated to have been in 1940 and was probably too low for adequate mobility of the population. This low rate means, moreover, that we can count on little or no reserve of available housing in many defense areas for in-migrant defense workers in the critical times ahead.

In absolute terms there were, according to Bureau of the Census data, a total of 2.7 million vacant nonfarm dwelling units. Of these only 700,000 were available for year-round use, were not dilapidated, and were being offered for rent or sale. Moreover, 135,000 of the latter had no private flush toilet or bathing facilities. In other words, in April 1950 there were only about one-half million vacant dwellings in the country that were not dilapidated, had at least a private bath and toilet, and were available for sale or rent.

5. Home Ownership

Home ownership in nonfarm areas reached an all-time high in 1950, as the number of nonfarm dwelling units occupied by their owners stood at 19.5 million or 53 percent of all units, compared with 11.4 million units or 41 percent in 1940. This is the first time on record that home owners exceeded renters. The increase in home ownership, 71 percent, was record-breaking for any decade in the Nation's history. Even more striking was the simultaneous increase of 93 percent for nonwhites, although the proportion of home ownership among nonwhites remained lower—35 percent compared to 55 percent of the white households.

The rise in home ownership was in large part a result of three principal factors affecting our general economy during the forties: the unusually high level of consumer liquid assets, the accumulated demand for housing coupled with a dearth of available rental housing during the war and postwar years, and the Federal programs of mortgage insurance which facilitated the borrowing of money for home purchase.

The increase in home ownership was accompanied by a concurrent numerical increase in mortgaged owner-occupied one- to four-family dwelling unit structures without businesses. However, the proportion of mortgaged homes, 44 percent, was no larger in 1950 than in 1940. The number of mortgage-free homes was almost 10 million, the highest in our history.

Typical owner-occupied American homes—one-dwelling unit structures without businesses and with no other dwellings on the property—had a median value of $7,400 in 1950, with three-tenths of them valued at $10,000 or more and nearly three-tenths at less than $5,000. In urban places the median was $8,400, as against $5,000 in rural nonfarm areas.

6. Rental Housing

Nonfarm dwelling units occupied in 1950 by renters numbered 17.1 million or 47 percent of the total. This was an increase of only about 5 percent over 1940. The monthly contract rent—cash paid for shelter and such facilities as were included in the rentals—averaged (median) $35 in 1950, as against $21 in 1940, an increase of 67 percent. Units renting for less than $15 represented only 8 percent of the total in 1950, but 31 percent in 1940, while units renting for $50 or more amounted to 25 percent in 1950 and only 7 percent in 1940. The increases from 1940 to 1950 do not necessarily measure changes in rentals for identical units. The 1950 inventory of rental housing includes a large group of units added by construction and conversion during the decade, while at the same time it does not include rental units existing in 1940 which have since become owner-occupied.

7. Size of Household

The size of the average American nonfarm household continued its long-term downward trend. By 1950 the median household consisted of 3 persons, compared to 3.2 in 1940. This decrease was due chiefly to the large additional number of one- and two-person households, the former increasing 55 percent and the latter 45 percent over 1940. Households of five and six persons declined relatively, and those of seven or more persons declined numerically. The high marriage rate after World War II and the "undoubling" of married couples sharing living space with other families undoubtedly were important factors in this "spreading out" of the population into more and smaller household units.

Concurrently the population seemed to be "spreading out" over more rooms. At least the number of dwelling units with one or less persons per room increased from 82 percent in 1940 to 85 percent in 1950. On the other hand, the number with more than 1.5 persons per room declined from 7 percent in 1940 to 5.5 percent in 1950. Nevertheless there were just as many units, nearly 2 million, in 1950 as in 1940, with more than 1.5 per room.

8. Housing of Minority Groups

The above analysis should not be concluded without reference to the fact that the advantages of such good housing as we have are not shared equally by all segments of the population. In urban places, for example, 54 percent of nonwhite households were still living in dwellings that were either dilapidated or lacked a private bath or toilet or running water, as compared with only 18 percent for all urban households. Similarly, for nonwhites in urban places the proportion of dwelling units with more than 1.5 persons per room was 17 percent, compared with 5 percent for all households.

B. Housing Needs

Data on the extent and quality of the housing inventory acquire real meaning only insofar as they are related to housing need. In considering housing need, the primary factors of relevance are the size and number of family units, the rate of family formation, and the need for replacement of substandard and overage dwellings.

1. Family Formation

The preliminary results of the 1950 Census of Population, taken concurrently with the 1950 Census of Housing, indicate that in 1950 there were 74.6 million married persons in the United States, representing 67 percent of the population 14 years old or over, compared with 60 percent in 1940. This was an unprecedented proportion of married persons and reflected the high marriage rate during the decade. Marriages reached an all-time peak of 2.3 million in 1946—about 65 percent above the 1939 level—and then began to decline, dropping to 1.6 million in 1949, a figure still substantially above the levels of the prewar years. As a result, the number of families (two or more persons related by blood, marriage, or adoption and residing together) also increased sharply, reaching 38.8 million, an increase of 6.6 million or 20 percent over the estimated 32.2 million families in 1940. Thus the 23 percent expansion in the housing inventory (farm and nonfarm) was greater than both the growth of the total population, which was 14 percent, and the net increase in family units, which was 20 percent. A corollary of these changes was the decrease in the median size of households, from 3.3 persons in 1940 to 3.1 persons in 1950. Thus, the decade saw a definite improvement in the relationship between the housing inventory and the population in need of housing.

Although the marriage rate has again increased rather sharply after the outbreak of hostilities in Korea, it is still likely that the rate of net family formation will continue to decline until it levels off in the middle fifties at between 400,000 and 500,000 a year. Even at this level, new family formation will constitute a major segment of our continuing housing needs.

2. Families Sharing Households

While the increase in the housing inventory more than kept pace with the expanding population and net family formation over the past decade, it did not increase sufficiently to provide housing for all the families and individuals who, because of the general housing shortage during and immediately after the war, had to share living quarters with other families or were forced to live in rooming houses or hotels. However, the backlog of doubled-up families has been on the decline. By April 1950 the number of all married couples without their own households totaled 2.3 million. This was about 600,000, or more than one-fifth below the peak of 2.9 million estimated for 1947, but still about one-fifth above the 1940 figure of 1.9 million. It was expected that in view of the record volume of residential construction in 1949 and 1950, the backlog would continue to decline until the number of doubled-up families would consist only of those who prefer to share housing quarters or cannot afford to establish their own households. Further immediate declines, however, may well be delayed due to curtailments in residential construction during the period of mobilization for the national emergency. Separate living space for doubled-up families and individuals desiring their own households may, therefore, continue as one of our basic housing needs.

3. Replacement Needs

As noted above, a large number of dwelling units in the housing inventory is in a dilapidated condition or lacks essential plumbing facilities. Some of these can be rehabilitated or brought up to an acceptable standard by the installation of the necessary facilities. Many, however, are in such poor shape that they will have to be replaced. Closely related to this group are the temporary units constructed during World War II to house in-migrant defense workers. Several hundred thousand of these units are still in active use. Replacement needs also include some 50,000 units destroyed annually by fire, flood, or other disaster, or demolished because of age or to make room for other improvements.

When additional data are available from the 1950 census, it will be possible to evaluate more completely the extent of our replacement needs.

CHAPTER III

HOME BUILDING IN 1950

A. Housing Production

Total Nonfarm Starts

It took nearly a quarter of a century to break the 1925 record of homes started. But it took only 1 year to break the new record set in 1949.

In 1950—biggest year in American home-building industry—starts totaled 1,400,000 nonfarm units, a gain of 36 percent above the short-lived 1949 peak and almost 50 percent greater than the previous record of 937,000 units started in 1925.

Credit restrictions, which were imposed following the outbreak of hostilities in Korea, had little effect in reducing the volume for the year, since the tremendous momentum built up earlier brought the year's total starts to a peak.

As the following table indicates, home building was already at a high level at the end of 1949 and kept increasing all through the first part of 1950:

	Nonfarm housing starts (thousands of units)		
	1950	1949	Percent gain
First quarter	279	170	64
Second quarter	427	279	53
Third quarter	407	298	37
Fourth quarter	285	278	2

Source: Bureau of Labor Statistics.

Location

As in previous postwar years, the construction of new permanent dwelling units in rural nonfarm areas (areas outside incorporated places of 2,500 or more) remained at about 40 percent of all starts. This compares with 20 percent in the 1920's and 36 percent in the 1930's.

Sales-Type Housing Starts

The emphasis on one-family dwelling units during the past decade was further demonstrated in 1950, when 1,157,000 starts of this type—83 percent of the total—were made. This was 46 percent higher than in 1949 and more than double the 1925 total, when only 61 percent of all starts were of the sales type. During the 1920's approximately three-fifths of all units started were one-family dwellings. In the next decade, this figure rose to 78 percent and, in the 1940's, to 83 percent. The first two full postwar years found sales-type housing comprising seven-eighths of the total. However, one-family dwelling unit starts dropped to 82 percent in 1948 and to 77 percent in 1949.

Rental Housing

During 1950, rental-type starts totaled 240,000 dwelling units—the highest since the midtwenties, but only 4 percent higher than in 1949. The major part (195,000) of the rental-type units were in the multifamily (3 or more units) group, with only 45,000 in the two-family type of structure.

About 201,000 units were privately financed, the remainder being constructed with public funds. Of the privately financed units, 147,000 (73 percent) were given FHA first compliance inspections.

Dollar Volume

The value of all new construction put in place, both public and private, totaled $27.7 billion in 1950—up 23 percent from 1949 and at the highest point in history. Nonfarm residential new construction, valued at $12.8 billion, comprised 46 percent of this total, as compared with 38 percent in 1949, and further emphasizes the recent concentration of the building industry on residential construction. The proportion of total new construction represented by home building was highest since 1926.

During World War II, nonfarm housing represented about one-third of the value of all new buildings constructed. After the war, this proportion rose steadily, reaching 68 percent in 1950, highest proportion since 1924.

	1948		1949		1950	
	Amount ($000,000)	Percent of total	Amount ($000,000)	Percent of total	Amount ($000,000)	Percent of total
Total—All types of nonfarm buildings	14,329	100.0	14,554	100.0	18,918	100.0
Residential	9,407	65.7	9,270	63.7	12,841	67.9
Nonresidential	4,922	34.3	5,284	36.3	6,077	32.1
Industrial	1,593	11.1	1,149	7.9	1,279	6.8
Commercial	1,253	8.7	1,027	7.1	1,282	6.8
Educational	871	6.1	1,203	8.3	1,456	7.7
Hospital and institutional	349	2.4	679	4.7	812	4.3
Religious	251	1.8	360	2.5	407	2.2
All other types	605	4.2	866	6.0	841	4.4

The record number of new nonfarm dwelling units started in 1950 topped 1949 by 36.1 percent, while dollar volume was up 48.5 percent.

This seeming discrepancy between the increase in starts and in dollar volume reflects the increase in costs of labor and materials plus the large carry-over of homes started in 1949 for completion in 1950.

B. Materials for Housing

With the unprecedented volume of new home building in 1950, shortages of construction materials developed early in the building season and continued through the year, reaching their most acute stage in September and October.

These shortages had been aggravated by the relatively low level of building materials inventories in the latter part of 1949. That year had generally been one of inventory liquidation, as dwindling stocks followed the downtrend in prices. Few of the shortages were due to falling levels of production. With little exception, the producing industries appreciably surpassed their previous records. For example, in 1950 shipments of gypsum board amounted to 3 billion square feet, an increase of 19 percent over 1949 and 13 percent over 1948. 1950 shipments of gypsum lath were 2.7 billion feet, 34 percent more than in 1949 and 8 percent more than in 1948. Yet these two products were in most stringent and continuing scarcity in 1950. The rate of housing construction simply outstripped a record-breaking rate of materials output.

Other shortages delaying housing construction in 1950 were in cement, steel products, plumbing fixtures and materials, hardwood flooring, and brick, in all of which there were not only production increases but new records. Lumber was in short supply in the early months of 1950, but supply overtook consumption as the year advanced. The following summary shows the magnitude of this and other notable production increases in 1950:

	1950 production	Percent change 1950 from—	
		1949	1948
Softwood lumber	29,160,000,000 board feet	+10	+2
Hardwood flooring	1,077,000,000 board feet	+28	+19
Softwood plywood	2,598,000,000 square feet	+31	+33
Doors	15,050,000	+36	+18
Window sash	9,414,000 pair	+6	[1] −0
Door and window frames	4,644,000	+34	+27
Brick	6,176,000,000	+12	+6
Portland cement	226,000,000 barrels	+8	+10
Asphalt roofing [2]	64,016,000 squares	+22	+7
Nails [2]	875,000 tons	+20	+2
Reinforcing bars [2]	1,674,000 tons	+6	+9
Cast-iron soil pipe and fittings [2]	761,000 tons	+35	+19
Bathtubs	2,261,000	+53	+16
Lavatories	3,447,000	+33	+4
Sinks	2,784,000	+20	−3
Water-closet bowls	3,792,000	+11	+11
Water-closet tanks	3,412,000	+21	+11

[1] Decrease of less than ½ of 1 percent.
[2] Shipments. Data on production not available, but shipments are approximately proportionate to production.

The Department of Commerce composite index of building materials production for the year 1950 showed production at a rate about 60 percent greater than that of 1939. That would indicate that the year's total production of construction materials was the highest on record, exceeding 1949 by about 16 percent and 1948 by 9 percent.

Only two of the items in the Department of Commerce index, mechanical stokers and structural clay tile, showed lower output in 1950 than in 1949. New high records were registered for hardwood flooring, softwood plywood, portland cement, cast-iron soil pipe, asphalt siding and felts, and gypsum board and lath; while the index showed 1950 output of brick and clay sewer pipe as exceeding every year since 1929 and factory shipments of nails as greater than each year since 1923. The 1950 lumber production exceeded that of every year since 1929.

As the year closed, however, scarcities were becoming numerous in copper and aluminum products, and curtailment of output for civilian needs was in prospect for many other building items. Loss of manpower to defense industries and the Armed Forces, and diversion to defense uses of large proportions of steel, copper, aluminum, lumber and their products, loomed as virtually inevitable deterrents to a repetition in 1951 of 1950's record output of building products. Moreover, the first claim of defense activities on fuel, transportation, electric power, and critical components such as nickel, chromium, cobalt, manganese, and synthetic resins, likewise portended difficulty.

C. Manpower for Home Building

Employment by construction contractors exceeded 2,000,000 workers during each of the last 9 months of 1950. A record total of 2,629,000 was employed in October. The 1950 annual average of 2,311,000 employees, the highest since data became available in 1929, was more than 7 percent greater than average 1949 employment and 6 percent above the previous peak reached in 1942. Contract construction employment during the first quarter of the year did not reach the levels of the comparable months of 1949. During each of the last 7 months of 1950, however, employment by construction contractors exceeded the peak month of 1949.

Average monthly total civilian employment in the United States was estimated for 1950 at the record level of nearly 60,000,000 workers, about one-tenth above the wartime peak reached in 1942. Since the end of World War II, contract construction has continued to attract an increasing share of the civilian labor force. The proportion of the labor force employed by construction contractors reached 3.9 percent in 1950, in contrast to 3.7 percent in 1949, 3.5 percent in 1948, 3.3 percent in 1947, and 3 percent in 1946.

D. Prices and Costs

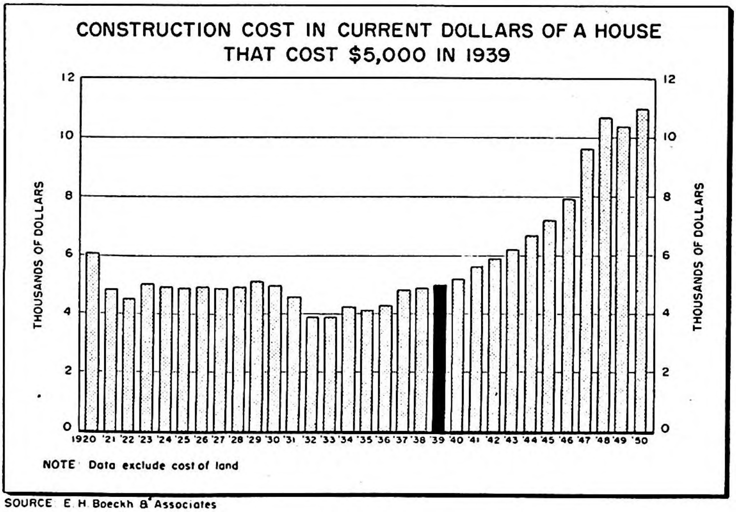
The Inflationary Setting

The postwar economic boom, which started right after VJ-day, continued almost uninterruptedly until 1949, when most economic indicators—with the notable exception of housing starts—turned downward somewhat. But toward the end of 1949 the reversal began, lifting production, employment, and retail sales. At the same time wholesale and retail prices and wages also moved upward again. The recovery from the 1949 "recession" along with gradually rising price levels carried over into 1950, when most economic indicators rose to new-record levels.

Construction Costs

Housing construction costs generally followed the above pattern. (It should be noted that there are gaps in our knowledge of movements of housing sales prices; there are no generally reliable price indexes for housing, although there are several useful indexes of construction costs, among them those prepared by E. H. Boeckh and Associates.)

The Boeckh index of residential construction costs, which turned upward in the fall of 1949, continued to rise slowly in the first quarter of 1950, then gathered momentum and climbed more rapidly to 228



SOURCE E. H. Boeckh & Associates

CHART 3.

percent of the 1939 average in August 1950. This represented an increase of more than 10 percent over January 1950. Then, in September and October, construction costs slipped somewhat, as lumber prices declined slightly. But the rise that began in November pushed home-building costs to a new high at the year's end, when the Boeckh index stood at 230 percent of the 1939 average.

Indexes of construction cost of residences and apartments, 1949 and 1950

[Base 1939=100]

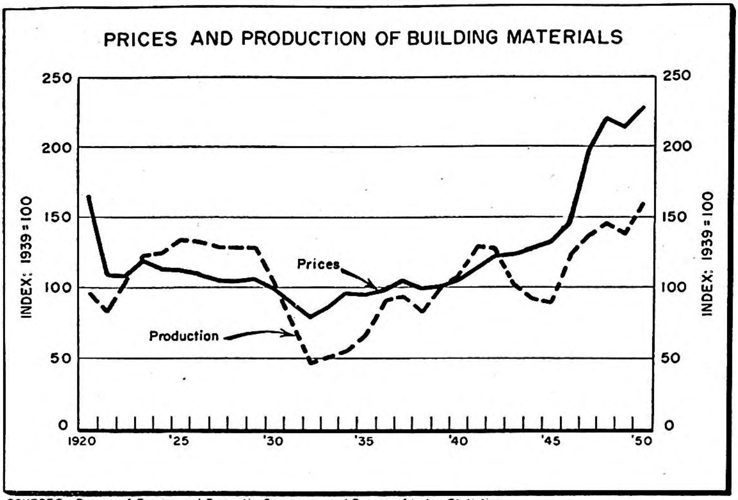
Month and average for year	Residences		Apartments, hotels, and office buildings	
	1949	1950	1949	1950
January	214.6	206.7	197.1	194.3
February	214.8	208.8	197.4	195.6
March	213.0	210.4	196.7	196.5
April	211.9	211.3	195.9	197.1
May	208.7	217.9	193.8	201.1
June	208.3	220.6	194.1	202.6
July	204.0	224.2	191.8	205.3
August	203.0	228.3	191.7	207.6
September	204.2	227.8	192.2	208.0
October	206.0	226.6	193.2	208.0
November	206.6	226.7	193.6	209.3
December	206.4	[1] 229.8	193.8	[1] 211.7
Average for year	208.4	219.9	194.3	203.1

[1] All-time high.

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

Prices of Building Materials

In the opening months of 1950 the composite index of wholesale prices for all building materials continued the slow upward climb evident in the closing months of 1949. This rise took place against a background of increasing optimism on the part of builders and a cautious inventory policy on the part of their suppliers. A mild winter had brought a contraseasonal rise in housing starts and heightened pressure on prices, as increasing demand for materials pushed against minimum inventories. With the outbreak of hostilities in Korea, prices pushed upward at an accelerated rate. As indicated in table on page 30, the composite wholesale price index for all building materials rose 5.5 percent in the first 6 months of 1950 but increased 8.7 percent from June to September. The 8.7 percent increase compares with a 7 percent rise during the same period in the wholesale price index of industrial commodities (exclusive of farm products and food). In October 1950, seasonal declines, credit curbs, the feeling of general uncertainty as to the future, and a spurt in lumber production combined to ease the pressure on prices, and the composite index of building materials turned down temporarily. After slipping slightly from 219.7 in September (1926=100) to 217.8 in November, prices turned upward again to establish an all-time high of 221.5 in



SOURCES: Bureau of Foreign and Domestic Commerce and Bureau of Labor Statistics

CHART 4.

the last month of 1950. At this point the index stood at 16.3 percent over the corresponding month in 1949.

The movements of the composite index of all building materials prices reflect the net effect of the diverse movements of the individual groups of building materials, of which lumber is the most important. During the winter of 1949–50, severe weather in the Northwest retarded lumber production in that area; at the same time, mild weather in the East accelerated starts in that area. This contraseasonal rise in starts lifted demand beyond the ability of the lumber industry to produce in the face of adverse weather conditions. This pressure on lumber prices persisted through the first half of 1950, as starts continued to outpace rising lumber production. From January to June, 1950, wholesale lumber prices rose 12.2 percent.

In the ensuing months the lumber industry increased its production at a record-breaking pace. Unfortunately, the outbreak of hostilities in Korea placed a heavy burden on American northwest transportation facilities, both rail and water, negating a part of the increased lumber production by leaving it at the mill. The pressure on prices continued. By September, lumber prices had risen to 371.5 (1926=100)—an all-time high, 29.2 percent over January 1950. With the easing of transport bottlenecks, output caught up with demand, and prices turned downward in October and November. A slight rise in prices then brought the lumber price index to 348.4 in the closing month of the year. At that point the index had receded 6.2 percent from the September high but remained 21.2 percent above the January 1950 level.

The dip in lumber prices in October was offset in a very large part by the accelerated rise in the prices of other groups of building materials. Demand—spurred by the outbreak of the Korean conflict—had been building up since July. It had pushed up raw material prices, hitting such sensitive items as copper, tin, cement, and chemicals. The increases in raw materials prices had traced their way through the productive processes to finished products, at which level rising labor costs and increasing demand had a further impact on prices. Thus, the wholesale price index of paint and paint products which had dropped rapidly in 1949, leveled off in the first 6 months of 1950, and then climbed rapidly in the closing months of the year. In the 16-month period from January 1949 to April 1950, these prices had dropped 18 percent, but by December 1950 they had regained two-thirds of this decline. Similarly, the wholesale price index for plumbing and heating supplies declined very slowly in 1949 and in the opening months of 1950, but started an upward rise in March 1950. By December, the index had risen to an all-time high, 23 percent above the February 1950 low point.

Selected wholesale price indexes, 1949 and 1950

[Base 1926=100]

Month and average for year	Commodities (other than farm products and food)	Total building materials	Brick and tile	Cement	Lumber	Paint and paint products	Plumbing and heating	Structural steel	Other
1949									
January	152.9	202.3	162.5	133.9	299.5	166.3	156.9	178.8	179.1
February	152.1	201.5	162.4	133.9	296.9	165.6	156.1	178.8	179.1
March	151.0	200.0	162.4	133.9	294.7	162.5	155.3	178.8	178.3
April	149.0	196.5	160.8	133.7	290.6	158.1	154.9	178.8	173.8
May	146.9	193.9	160.8	133.7	285.2	157.7	154.8	178.8	170.5
June	145.5	191.4	160.8	133.7	280.7	153.8	154.7	178.8	168.5
July	145.1	189.0	161.5	133.1	277.4	145.4	154.7	178.8	168.8
August	145.0	188.3	161.5	133.0	277.4	144.0	154.7	178.8	167.3
September	145.3	189.4	161.8	133.0	279.8	144.1	154.6	178.8	168.9
October	145.0	189.3	161.8	134.5	282.0	141.4	154.6	178.8	168.1
November	145.0	189.6	161.9	134.5	283.5	140.1	154.6	178.8	168.6
December	145.4	190.4	161.9	134.5	285.2	139.6	154.6	185.2	169.2
Average for 1949	147.3	193.4	161.7	133.8	286.0	151.3	154.8	179.3	171.7
1950									
January	145.8	191.6	163.5	134.8	287.5	139.0	151.7	191.6	170.5
February	145.9	192.8	163.2	134.9	292.1	139.0	148.7	191.6	171.1
March	146.1	194.2	163.3	134.9	295.9	138.2	151.9	191.6	172.2
April	146.4	194.8	163.4	134.9	299.4	136.7	154.7	191.6	172.0
May	147.6	198.1	163.9	134.9	310.9	136.8	156.4	191.6	172.7
June	148.8	202.1	164.3	134.9	322.6	137.7	156.3	191.6	175.0
July	151.5	207.3	167.4	135.3	338.0	138.6	156.5	191.6	177.2
August	155.5	213.9	167.8	135.5	357.6	142.4	164.6	191.6	178.9
September	159.2	219.7	168.7	136.3	[1] 371.5	145.9	166.9	191.6	182.5
October	161.5	218.9	178.1	140.2	358.4	145.7	177.2	191.6	186.6
November	163.7	217.8	178.5	140.8	347.6	148.2	182.5	191.6	189.4
December	[1] 166.6	[1] 221.5	[1] 179.9	[1] 141.2	348.4	155.3	[1] 183.6	[1] 204.3	[1] 193.8
Average for 1950	153.2	206.0	168.5	136.6	327.4	142.0	162.6	192.6	178.4

[1] All-time high. Source: U. S. Department of Labor.

The wholesale price index for cement was steady in the first half of 1950, but then rose almost 5 percent in the last half of the year. Brick and tile prices started a persistent climb in March 1950, accelerating sharply in the closing months of the year to reach an all-time high, 11 percent above the 1949 average.

Average Earnings and Hours of Work in Construction

Average hourly earnings and average weekly earnings were up in 1950, as compared with 1949.

Average hourly earnings of workers employed by building construction contractors stood at $1.98 in January 1950. By December 1950 they had risen 7 percent to an all-time high.

Average weekly earnings continued to decline in the opening months of 1950 from their high point of $71.95 in August 1949, reaching $67 in February 1950. This decline reflected the drop in average weekly hours in the same months from 37.2 to 33.7. Thereafter, weekly earnings rose sharply until they reached an all-time high of $78.07 in November. This represented an increase from February to November 1950 of 16.5 percent. In the same period the number of hours worked per week rose from 33.7 to 37.3, an increase of 10.7 percent. December 1950 saw a seasonal drop to $77.80 in weekly earnings, as hours worked per week dropped to 36.7. The year closed, therefore, with average weekly earnings 9.7 percent higher than the average for 1949, and with average hourly earnings at an all-time high of $2.12.

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Chapter IV

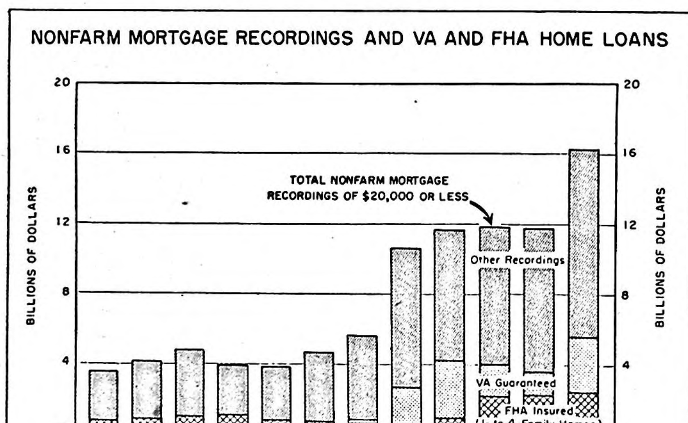
HOME FINANCING DURING 1950

A. The Mortgage Market

1. The Over-All Situation

1950 witnessed an unprecedented flow of funds into the financing of residential properties. The highest annual volume of mortgage recordings of $20,000 or less—principally mortgages on one- to four-family properties—was achieved, exceeding $16 billion, an increase of 37 percent over the previous year. The number of recorded mortgages of $20,000, or less, increased by 22 percent. In addition, indications are that mortgage volume on long-term loans secured by multi-family housing was at least equal to 1949 volume, with FHA-insured mortgages for such housing amounting to more than $1 billion. In conjunction with the availability of long-term funds there was also an adequate supply of construction loan money.

FHA-insured and VA-guaranteed loans accounted for slightly more than one-third of the dollar volume of nonfarm mortgages of



SOURCES: Home Loan Bank Board, Veterans Administration and FHA.

CHART 5.

$20,000 or less recorded in 1950. The comparable proportion in 1949 had been about 30 percent. The increase in FHA and VA mortgage financing reflects not only the favorable financing terms provided by these programs but also the market for these mortgages furnished by the Federal National Mortgage Association, the Government secondary mortgage market. During the year, FNMA purchased from private lenders over $1 billion of FHA-insured and VA-guaranteed loans, with the latter type predominating. Most of the year's purchases were based on advance commitments, a procedure discontinued in March, at which time more than $1 billion in commitments were outstanding.

The large flow of private investment funds into the mortgage market during 1950 occurred despite a slowly rising bond yield in long-term issues of the United States Government—a trend which would ordinarily tend to discourage mortgage investment. The rise in the long-term bond yield from 2.20 at the beginning of the year was sufficiently retarded, however, so that the yield remained below 2.40 throughout the year. In comparison, a 4- or 4¼-percent Government-insured mortgage loan evidently proved sufficiently attractive to induce many lenders to dispose of some of their long-term Government bond holdings in order to acquire mortgages. The advent of direct VA loans to veterans in areas where 4-percent home-mortgage loans were not available from private sources is also believed to have spurred private lenders to make VA loans in many areas where they previously had not done so.

Although the Federal Budget called for greatly increased expenditures, actual cash income exceeded cash disbursements, so that for 1950, as a whole, the Government operated on a cash surplus basis and reduced the Federal debt slightly. The net effect was that Government refinancing did not have to draw upon new long-term investment funds, and the latter were free to flow into mortgage investment.

Rising personal incomes throughout the year led to an increased rate of personal savings and the flow of such savings into mortgage lending institutions. Although the rate of savings during the third quarter was retarded by the buying spree which followed the beginning of the Korean conflict, savings were again on the rise during the last quarter of the year; this was reflected in a high inflow of savings into mortgage-lending institutions as the year came to a close.

Under the authority of the Defense Production Act of 1950, Regulation X and accompanying FHA and VA housing credit regulations were instituted on October 12 to curtail the flow of mortgage credit into housing construction. Mortgage lending volume was only slightly affected by these restrictions during the balance of the year. The restrictions became effective toward the close of the year, and at the time they went into effect there was outstanding a backlog of some 250,000 units in new one- and two-family dwellings exempt from the regulations because of prior commitments; also, the regulation did not apply to conventionally financed existing housing. Moreover, the mortgage loan is the last phase in the home financing cycle, and much of late 1950 mortgage volume reflected preregulation commitments and starts. It is expected that the full impact of the housing credit regulations imposed in October will not be reflected in mortgage loan statistics until after the bulk of the prior commitments has been exhausted in 1951.

2. Mortgage Loan Volume

The record-breaking total of homes started in 1950 was reflected in a new high in nonfarm mortgage recordings of $20,000 or less. For each of the 3 years from 1947 through 1949, the dollar volume of such recordings was somewhat under $12 billion. But in 1950, the volume jumped to $16.2 billion, a gain of 37 percent over 1949 and nearly five times as great as in 1939.

The number of loans made in 1950, at slightly over 3 million, similarly was at a new high—22 percent above the 1949 total. The average mortgage in 1950 was considerably larger than in 1949. Thus, the increase in the number of loans was not as great as the gain in dollar volume, continuing the trends that have persisted since the end of World War II, as shown in the following table:

Year	Number (in thousands)	Amount (in millions)	Average amount of mortgage
1939	1,288	$3,507	$2,722
1945	1,639	5,650	3,447
1946	2,497	10,589	4,241
1947	2,567	11,729	4,569
1948	2,535	11,882	4,687
1949	2,488	11,828	4,754
1950	3,032	16,179	5,336

NOTE.—These statistics on mortgages reflect principally 1- to 4-family nonfarm residential properties, although they actually include all nonfarm mortgages recorded of $20,000 or less.

Source: Home Loan Bank Board.

Savings and loan associations accounted for nearly one-third of the nonfarm mortgages recorded, slightly higher than the proportion in 1949 and 1939. Commercial banks and trust companies—second largest lenders—maintained their 1949 proportion of the total mortgage recordings, below their prewar ratio. The proportion accounted for by individuals was below the 1949 distribution—14.2 percent against 17.2 percent. The proportions of mutual savings banks and of "other" investors increased somewhat over the 1949 and 1939 proportions. The following table shows the annual volume of nonfarm mortgage recordings ($20,000 or less) with percentage distribution by type of lenders:

	1939	1945	1947	1948	1949	1950
Total dollar amount (millions)	$3.507	$5,650	$11,729	$11,882	$11,828	$16,179
Total percent	100.0	100.0	100.0	100.0	100.0	100.0
Savings and loan associations	30.2	35.7	31.1	30.5	30.8	31.3
Insurance companies	8.2	4.4	7.2	8.6	8.9	10.0
Banks and trust companies	25.4	19.4	25.6	22.4	20.7	20.8
Mutual savings banks	4.0	3.9	5.1	6.3	6.3	6.6
Individuals	16.8	24.8	17.1	18.1	17.2	14.2
All others [1]	15.4	11.8	13.9	14.1	16.1	17.1

[1] Includes mortgage companies, fiduciaries, educational institutions, etc.

Source: Home Loan Bank Board.

3. Mortgage Debt Outstanding

Reflecting the sharp increase in home building in 1950, the outstanding mortgage debt on one- to four-family nonfarm homes rose to another new peak in 1950. At $44 billion, the mortgage debt increased about $7 billion above the previous year, the largest year-to-year increase on record. How rapid the growth in the home mortgage debt has been is indicated by the fact that from between 1927 and 1945 the debt increased by a total of $2.8 billion. In each of the four following years, the debt increased 130 to 175 percent of that amount. And the increase in 1950 was well above the average rate of gain from 1945 through 1949. As a result, the mortgage debt at

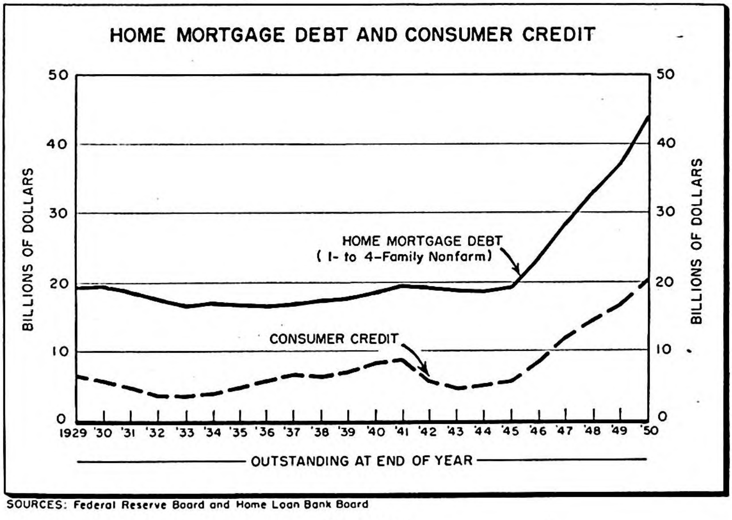


CHART 6.

the end of 1950 was more than double the level outstanding at the end of 1945.

4. Nonfarm foreclosures

Generally, nonfarm foreclosures are highest in times of economic depressions, lowest in times of prosperity. However, changes in the rate of foreclosures, when at low levels, do not necessarily represent significant changes in the economic environment. Nonfarm foreclosures rose to an estimated 21,000 in 1950, a gain of about one-fifth from 1949, and the highest in 7 years. But the 1950 total was less than one-tenth as great as in the depression year of 1932, when foreclosures totaled over one-quarter of a million. Furthermore, the number of foreclosures in the latter half of 1950 was below that of the first half, indicating a slowing down in the rate of increase in foreclosings.

B. The Federal Government's Role in Home Financing

An important part of Federal Government housing activity is in the credit field. Devices used in this field are aimed at facilitating the flow of credit so as to benefit both the consumer and the home-financing and home-building industry. In line with the established national housing policy, nearly all these devices support private enterprise activity in the home-financing field. These measures played an extremely large part in 1950 housing activity, affecting directly about three-fifths of all new home financing during the year.

The brief paragraphs below indicate the extent of Government support of home financing in 1950. HHFA's programs in this field are discussed in detail elsewhere in this report.

Provision of credit reserve for home-financing institutions and the encouragement of savings in such institutions through insurance of accounts.—Largely utilizing small investors' savings insured by the Federal Savings and Loan Insurance Corporation, savings and loan association members of the Federal Home Loan Bank System accounted for $4.9 billion of the mortgage loans written during 1950 on one- to four-family homes, or 33 percent of the year's total.

Mortgage insurance and guarantee.—Loans insured by the Federal Housing Administration or guaranteed by the Veterans' Administration on one- to four-family structures accounted for 38 percent of the dollar volume of nonfarm mortgages on one- to four-family homes recorded in 1950.

FHA insurance of mortgages and loans in 1950 under all titles of the National Housing Act reached a new peak for the fourth consecutive year. At $4.3 billion, the total was up 13 percent from 1949 and almost five times as great as in 1939. Home loans guaranteed by VA amounted to over $3 billion, more than double the 1949 total.

The number of home loans closed by the Veterans' Administration in 1950 sharply reversed the downtrend evident during the two previous years, rising to nearly 500,000—about four-fifths above the 1949 level. The number of units started under VA inspection in 1950 rose to 200,000—almost double the 1949 level—and accounted for about 15 percent of total private nonfarm starts, though still slightly below the peak reached in 1947.

Provision of a secondary mortgage market.—During 1950, the Federal National Mortgage Association purchased slightly over $1 billion and sold almost $470 million of mortgages in providing a secondary mortgage market for certain FHA-insured and for VA-guaranteed loans.

Loans for production of prefabricated houses or large-scale modernized production.—Some $38 million in loans were outstanding or committed when the program for financial assistance to the home-prefabrication industry was transferred to the HHFA Administrator in September 1950. At the end of the year, net uncommitted lending authority of $11 million was available to support the industry under appropriate circumstances.

Home Owners' Loan Corporation.—By the close of 1950, the HOLC had liquidated 99.7 percent of the approximately $3.5 billion of distressed mortgages refinanced between 1933 and 1936. Final liquidation is expected to be accomplished early in 1951 with a profit to the Government as well as full repayment of the bonds guaranteed by the Government and the return to the United States Treasury of the $200 million of capital originally subscribed.

Aids to farm housing.—In its programs dealing generally with the farm economy, the Department of Agriculture is engaged in activities affecting farm housing. These include credit and credit aids, technological and economic research, and technical services.

The Farmers' Home Administration of the Department of Agriculture aids in providing credit for operators of family-type farms unable to obtain such credit elsewhere. This includes credit aid in the construction and improvement of farm dwellings. Title V of the Housing Act of 1949 authorized 4-percent loans (up to 33-year terms), grants, and other assistance for the improvement of farm housing and farm buildings or for land development or purchase. From November 1949—the start of this program—through 1950, almost 30,000 applications were received by the Farmers' Home Administration for such aid; more than 6,600 building loans totaling nearly $30 million were made. After the Korean outbreak, restrictions were instituted on this program in line with general credit restrictions.

Chapter V

HHFA STRUCTURE AND PROGRAMS

The year 1950 witnessed significant developments in the functions and organization of the Housing and Home Finance Agency in its role as the Federal Government's central housing agency. By legislation, by Executive order, and under several of the President's Reorganization Plans as approved by the Congress, existing programs were extended, additional related responsibilities were transferred from other agencies, and certain new programs were authorized. The actions of the President and the Congress with respect to housing during 1950 represented further steps in the direction of bringing together into one agency most of the Government programs relating to housing, home finance, and related community development, and in expanding the programs of Government assistance to housing in a manner consistent with the national housing policy.

A. Development of HHFA

The Housing and Home Finance Agency was established as successor to the National Housing Agency on July 27, 1947. At its establishment, HHFA consisted of the Office of the Administrator and three constituent units—the Home Loan Bank Board, the Federal Housing Administration, and the Public Housing Administration. The Administrator was charged with supervision and coordination of the programs of the three constituent agencies. The Administrator was also given direct responsibility for the public financed war and veterans' emergency housing constructed under the Lanham and related acts. The National Housing Council was also created in HHFA to serve as a medium for coordinating the policies and procedures of the several Federal agencies carrying on other phases of the Government's housing activities.

The housing programs authorized at the time HHFA was established were subsequently expanded and redirected under various congressional enactments. Increasing emphasis was placed in the last 3 years on aids for lower-priced and larger, sales and rental housing including cooperatives; the program to aid in providing low-rent housing for low-income families was expanded; and new programs were authorized in such areas as slum clearance and urban redevelopment, housing research, and farm housing. In these years, liberal

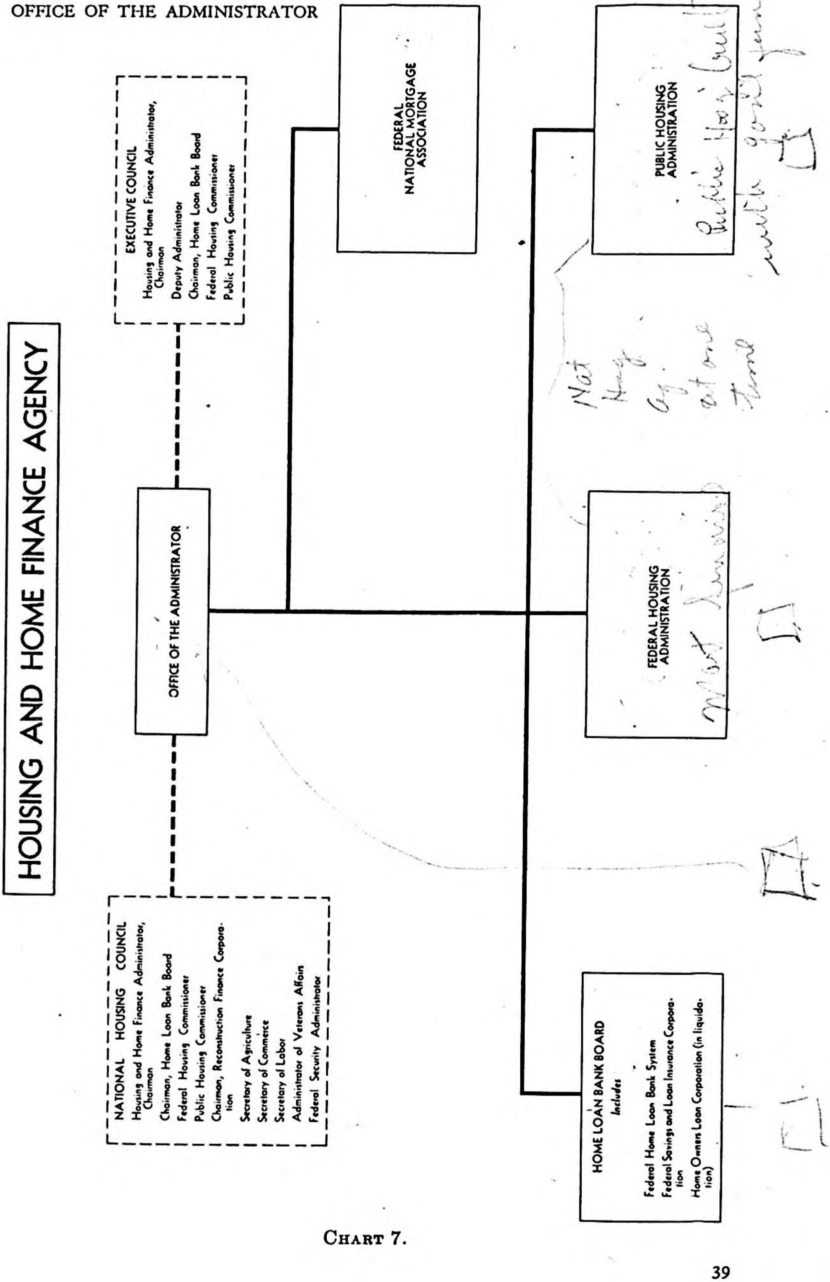

HOUSING AND HOME FINANCE AGENCY
EXECUTIVE COUNCIL
Housing and Home Finance Administrator, Chairman
Deputy Administrator
Chairman, Home Loan Bank Board
Federal Housing Commissioner
Public Housing Commissioner
OFFICE OF THE ADMINISTRATOR
NATIONAL HOUSING COUNCIL
Housing and Home Finance Administrator, Chairman
Chairman, Home Loan Bank Board
Federal Housing Commissioner
Public Housing Commissioner
Chairman, Reconstruction Finance Corporation
Secretary of Agriculture
Secretary of Commerce
Secretary of Labor
Administrator of Veterans Affairs
Federal Security Administrator
FEDERAL NATIONAL MORTGAGE ASSOCIATION
PUBLIC HOUSING ADMINISTRATION
Public Hou'g built with gov't funds
Not Hsg Ag. at one time
FEDERAL HOUSING ADMINISTRATION
Most Known
HOME LOAN BANK BOARD
Includes
Federal Home Loan Bank System
Federal Savings and Loan Insurance Corporation
Home Owners Loan Corporation (in liquidation)

CHART 7.

emergency credit programs, which had served so well to stimulate the postwar home-building expansion, were dropped, and long-range permanent credit programs were revised and strengthened in line with national housing objectives. Programs to aid in construction of rental housing in areas adjacent to military installations, to stimulate home building in Alaska, and to aid in providing housing at colleges were also authorized.

Moreover, the Housing Act of 1949, which was a landmark in the field of housing legislation, established a national housing policy and objective to serve as a guide for future actions in the housing field; based on recognition of the fact that proper housing of our people is a matter of national concern, this policy statement reflected nearly two decades of experience by the Federal Government in the housing field.

The national housing objective was defined in the Housing Act of 1949 to be the achievement, as soon as feasible, of a decent home in a suitable environment for every American family. The Act stated that the national policy should be for private enterprise to do as much of the housing job as possible, with the Federal Government providing (1) maximum encouragement and assistance to private enterprise in serving the major portion of the Nation's housing needs, and (2) direct assistance, primarily through local agencies, in serving those housing needs that could not be met by private enterprise.

Reorganization Plans of 1950

During 1950, additional steps were taken by the President to strengthen the HHFA's administrative organization for achieving the housing objectives. Three reorganization plans were submitted to the Congress and approved in accordance with the provisions of the Reorganization Act of 1949. The measures were based in large part on the recommendations of the Hoover Commission with respect to bringing into one agency the major Government functions affecting housing.

Plan No. 17, effective May 24, 1950, transferred to HHFA, from the General Services Administration, functions of the Community Facilities Service in connection with advance planning of non-Federal public works and related programs, and the administration and disposition of federally owned community facilities built during World War II under the Lanham Act. The objectives of the transfer, as stated by the President, were (*a*) "the more economical administration of those activities of the Federal Government which are concerned with the over-all planning and development of communities * * * avoid(ing) duplication of technical staffs and * * * simplify(ing) relationships with State and local agencies," and (*b*) "consolidating the responsibility for the management and disposal of all properties built or acquired under the Lanham Act of 1940, as amended, in the Agency which already has the greater part of the total job."

Plan No. 22, effective September 7, 1950, transferred the Federal National Mortgage Association to HHFA from the Reconstruction Finance Corporation. As stated in the President's message submitting the Plan to the Congress, the transfer was designed to "assure the necessary coordination of * * * operations with other housing programs, thus providing a sounder basis for future progress toward a better-housed America."

Plan No. 23, also effective September 7, 1950, transferred to HHFA the lending programs previously administered by the Reconstruction Finance Corporation with respect to prefabricated housing or large-scale site fabrication. In recommending congressional approval, the President stated that the transfer "will place most of the Government functions concerning such housing in the Housing and Home Finance Agency * * * make possible greater consistency between governmental assistance available for the production or manufacture of prefabricated houses with Government assistance available for the distribution, erection, and marketing of such housing * * * and also assure coordination and integration of the prefabricated housing functions with other programs within the Housing and Home Finance Agency and thus materially assist in carrying out the national housing policy."

B. Programs of HHFA

Detailed discussions of HHFA programs will be found later in this report. At the end of 1950 these programs might be grouped as follows:

1. Private Home-Financing Aids

Reserve credit service provided by the Federal Home Loan Bank System to member institutions; insurance of savers' accounts in local associations is provided by the Federal Savings and Loan Insurance Corporation.

Insurance of home mortgage loans for new and existing dwellings and for improvement of existing residential, commercial, and industrial structures—administered by the Federal Housing Administration.

Secondary market for FHA-insured and VA-guaranteed mortgages provided by the Federal National Mortgage Association as a corporation established administratively in the Office of the Administrator.

Loans for the manufacture of prefabricated housing and large-scale site fabrication—administered by the Office of the Administrator.

2. Aids to Local Communities

Financial assistance to local communities or governments under long-range programs to provide housing for low-income families—administered by the Public Housing Administration.

Financial assistance to local communities for the clearance of slums and blighted areas and the preparation of sites for redevelopment—administered by the Office of the Administrator.

Federal advances to local communities for planning of public works and facilities, and the maintenance, pending transfer to appropriate local governmental units, of federally built World War II public works—administered by the Office of the Administrator.

Participation in disaster relief operations administered through the Community Facilities Service by the Office of the Administrator.

3. Housing Research

Research covering all aspects of the housing field, including technology, economics, finance, local regulation, and urban relationships—administered by the Office of the Administrator.

4. Special Housing Programs

Management and disposition of housing accommodations constructed to meet special World War II and postwar emergency conditions—administered by the Public Housing Administration, under policies and determinations made by the Administrator.

Management and liquidation of the subsistence homesteads, Greenbelt projects, and farm labor camps built during the 1930's—administered by the Public Housing Administration.

Direct loans to the Alaska Housing Authority for the construction of sale or rental housing, for loans by the Authority for residential construction by public agencies or regulated private corporations, and for character loans in small amounts for the improvement or construction of housing in remote areas—administered by the Office of the Administrator.

Direct loans to colleges and universities for the construction of housing for students and faculty—administered by the Office of the Administrator.

C. Defense Relationships

The impact of the defense effort on HHFA programs has already been indicated. Primarily, the Agency's defense activities in the latter half of 1950 involved modification of existing programs rather than the assumption of new and nondefense-related responsibilities.

Thus, the first credit restrictions in July involved the use of existing powers and functions but with a different objective.

In addition to the redirection of existing programs, a number of new defense-related functions were undertaken during 1950. By Executive Order 10161, the President, using the authority made available in the Defense Production Act of 1950, delegated to the Federal Reserve Board control over conventional credit financing for new housing, subject to the concurrence of the HHFA Administrator. In the same delegation of powers, the Administrator was authorized to administer controls over Government-supported housing credit programs. As a corollary function, the Administrator shares with the Federal Reserve Board responsibility for the relaxation of credit restrictions in situations in which housing shortages impede specific local defense projects. Later in 1950, representatives of HHFA were sent to several such areas for on-the-scene study of the problem. At year's end, regulations easing the general credit restrictions imposed in October were being readied for issuance early in 1951 to facilitate the construction of needed housing in connection with the Savannah River, South Carolina, and Paducah, Kentucky, installations of the Atomic Energy Commission.

An important function and a considerable workload are involved in maintaining liaison with the defense agencies and keeping in touch with the changing defense program. HHFA has been designated as the claimant agency with respect to materials requirements for all housing and most community facilities relating to housing. In connection with this responsibility, members of the staff of the Agency participate in the work of committees of the National Production Authority concerned with the supply and allocation of materials in short supply. The Administrator also serves as a member of the Advisory Committee on Defense Manpower to the Secretary of Labor. The coordination of these defense activities requires not only frequent contact with the Agencies directly involved but also continuous work with the operating divisions of the Office of the Administrator and with the constituent agencies to assure that they are kept aware of developments affecting their operations and that their facilities are utilized to maximum advantage in defense planning.

D. National Housing Council

The National Housing Council serves as an instrument for facilitating over-all coordination of Government housing activity, including the programs conducted both by HHFA and by other agencies. Primarily, the Council functions as a consultative body to promote the fullest use of the Government's housing resources, to avoid duplication and conflict, and to assure consistency of housing policies with the general fiscal and economic policies of the Government.

The Council was created within the Housing and Home Finance Agency in July 1947. The HHFA Administrator serves as chairman, and membership includes the heads of the three HHFA constituent agencies and the heads, or their designees, of the Veterans' Administration, Department of Agriculture, Department of Commerce, Department of Labor, Federal Security Agency, and the Reconstruction Finance Corporation. The results of the Council's deliberations are manifested in the actions and programs of the member agencies rather than in direct action on its own behalf.

An important aspect of the Council's operations is providing a medium through which the resources of the participating agencies can be brought to bear upon a common problem. The value of this activity was frequently demonstrated in 1950. The relationships formed through the Council's regular meetings speeded development of credit restrictions on residential construction in the wake of the invasion of South Korea. The machinery of the Council was also used to develop a series of weekly reports measuring the effects of credit restrictions, thus providing for the Government's housing agencies a firm factual basis for deciding on necessary measures relating to residential construction.

E. Budget and Expenditures

1. Administrative and Nonadministrative Operating Expenses

The programs and functions given to the Housing and Home Finance Agency by substantive legislation, reorganization plans, and defense measures necessitate a more detailed breakdown of expenses than has been offered in previous years. The estimated increase in total expenses of these types, from \$54.4 million to \$63.7 million (Table 16a), is the composite of a number of increases and decreases for individual programs. Noteworthy changes in estimated fiscal 1951 expenditures, discussed more fully by program in other sections of this report, are as follows:

(*a*) Agency-wide program coordination and supervision responsibilities have increased substantially. This reflects legislation and reorganization plans which added a number of functions to the Office of the Administrator, as well as the defense effort, which also brought many new problems and an added workload of coordination, including contact with the agencies responsible for planning and administering the defense mobilization program.

(*b*) Estimates for the Division of Slum Clearance and Urban Redevelopment for fiscal year 1950 reflect a full year's operation for the staff recruited largely in the latter part of fiscal year 1950. Actual staff increase over 1950 is relatively minor.

(*c*) Housing research has been reduced in scale, and new projects have been limited to those immediately useful in the planning and execution of the defense production program.

(*d*) The college housing program, authorized by the Housing Act of 1950 and suspended prior to the beginning of active operations, is to be reinstated late in fiscal year 1951 at a sharply restricted rate for projects with a specific defense value.

(*e*) Reorganization Plan No. 23, effective September 7, 1950, transferred from the Reconstruction Finance Corporation the functions of the latter agency with respect to making loans to manufacturers of prefabricated housing or to builders using large-scale site fabrication. No comparable expenditure figure for the preceding year, when the program was combined with the RFC programs, is available.

(*f*) Reorganization Plan No. 17, effective May 24, 1950, transferred to the Agency from the General Services Administration the Community Facilities Service with its functions under the first and second advance planning programs and certain residual functions with respect to management and liquidation of war public works under the Lanham Act. Since the major function—the second advance planning program—got under way late in calendar year 1949, the increase in expenditures represents a full year of activity, compared with a little more than a half year.

(*g*) The Federal National Mortgage Association was transferred to the Agency from RFC, effective September 7, 1950, under Reorganization Plan No. 22. The first effects of recent policy revisions have permitted the consolidation of field offices and a reduction in expenditures.

(*h*) A marked decrease in the expenses of HOLC occurs as the final stage of liquidation is reached.

(*i*) FHA started the 1951 fiscal year at the highest volume of operations in its history. The budgetary effects of credit restrictions, first imposed in July 1950 prior to the similar restrictions applied to unassisted home-financing activity several months later, will not be felt appreciably in the 1951 fiscal year due to the tremendous volume of housing under construction with preregulation commitments and requiring inspection services.

(*j*) The increase in PHA administrative expenditures reflects chiefly the additional staff recruited in the latter part of the year to handle the new low-rent program under the Housing Act of 1949. Nonadministrative expenditures for site audit and inspection will rise steeply as the first substantial number of projects enters the construction stage.

Except for appropriations aggregating $14.7 million for 1951, funds for administrative and operating expenses are obtained from the operations of the programs involved. The Congress annually authorizes the use of available funds from operations for all other administrative expenses, and reviews the estimates of expenditures defined as nonadministrative.

2. Summary Comparative Statement of Sources and Application of Funds

Table 16b provides a concise picture of all financial actions under the Agency programs. The most important uses of funds in the 1950 and 1951 fiscal years are for the purchase of Government-insured and guaranteed mortgages and for loans to promote various housing programs. Funds are provided chiefly from the sale or repayment of mortgages and from Treasury borrowings. Appropriations from general funds of the Treasury provide less than 2.5 percent of present support for these programs.

Comments on more important items to assist in understanding the necessarily brief titles are as follows:

Investments in securities include the purchase for insurance reserves of Government bonds amounting to $65.2 million in 1950 and $82.6 million in 1951. Virtually all the remainder of this item consists of FHA-insured and VA-guaranteed loans purchased by FNMA.

The increase in *loans* in fiscal 1951 is chiefly occasioned by temporary loans for the planning and early stages of construction of low-rent housing under the United States Housing Act of 1937.

Security and collateral are chiefly the acquisition of notes and real estate by FHA following the presentation of insurance claims. Most of the funds for this purpose was provided by the item of *debentures issued to the public* shown under funds provided.

Of the total $22.7 million in interest for the 1950 fiscal year and $32.8 million for 1951, all except half a million in each year is paid to the Treasury on borrowings under the various programs.

Operating expenses in support of private home finance consist of mortgage servicing fees paid by FNMA and the expenses of initiating and settling insurance by FHA.

Retirement of capital includes such items as advances repaid by local governments under the first and second advance planning programs, net receipts from management and disposition of Government-owned war and emergency housing, and retirement of corporate stock by FSLIC and HOLC.

3. Consolidated Report of Lanham Act and Related Housing Funds

Comparatively minor financial transactions occurred in the 1950 calendar year. At the close of the year, activity was believed at an end except for Titles I and V of the Lanham Act. With respect to all other appropriations, final adjustment and liquidation of obligations had occurred, and unused balances had been transferred to or lapsed into the general fund. A small number of contractors' claims and unsettled land condemnation cases remain under Title I, and litigation on a few contractors' claims prevents final winding up of Title V records.

F. HHFA Personnel

During the calendar year 1950, HHFA operated with an average staff of slightly over 13,000 employees. The following table shows actual full-time employment within HHFA at the beginning and end of the calendar year:

	Jan. 1, 1950	Dec. 31, 1950
Office of the Administrator	276	1, 645
Home Loan Bank Board	951	680
Federal Housing Administration	5, 415	6, 378
Public Housing Administration	5, 369	5, 340
	12, 011	14, 043

The staff of OA increased by approximately 300 in May as a result of the transfer of the Community Facilities Service and by approximately 900 in September as a result of the transfer of the Federal National Mortgage Association.

The staff employees of HLBB at the end of the year were distributed as follows: 245 with the Home Owners' Loan Corporation, 71 with the Federal Savings and Loan Insurance Corporation, 235 with the Examining Division, and 129 on the immediate staff of the Board, including the employees concerned with the Federal Home Loan Banks.

The staff of PHA at the end of the year included 2,943 employees on directly operated Lanham Act war housing projects.

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Chapter VI

OFFICE OF THE ADMINISTRATOR

A. Nature and Scope of the Office of the Administrator

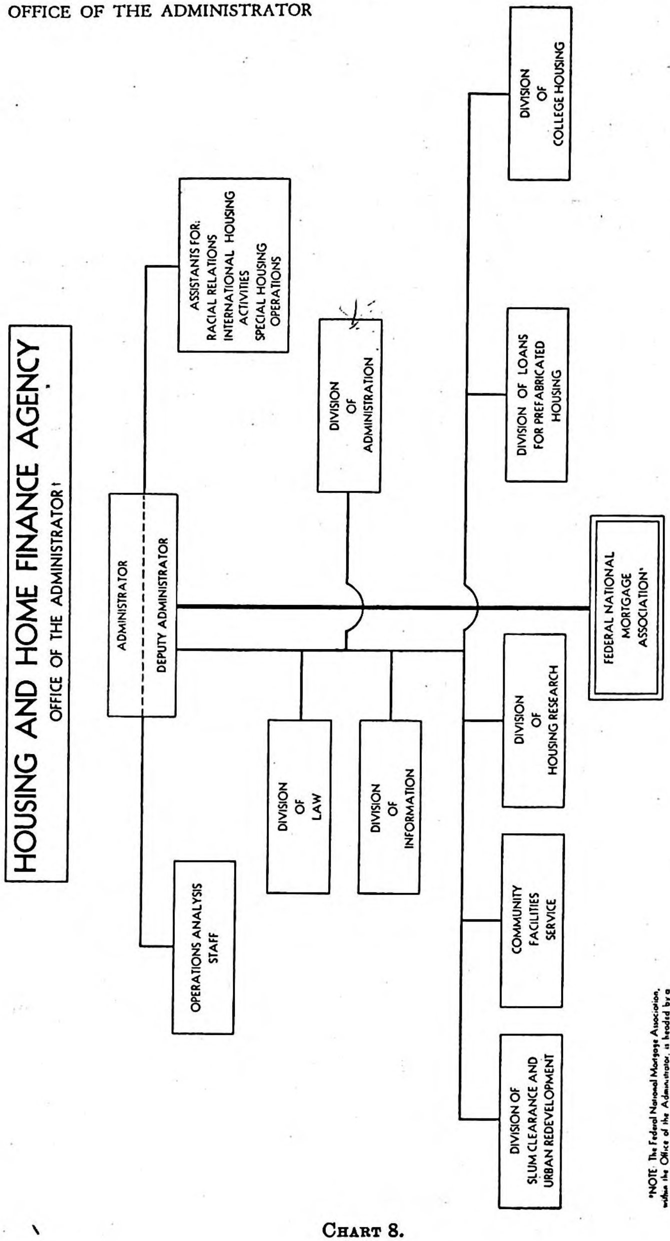
The Administrator of HHFA is charged with a wide range of duties—supervisory, coordinating, advisory, and operating—in his role as principal housing official of the United States Government. An important aspect of his responsibilities is that of advising and assisting the President and the Congress in the formulation and execution of coordinated housing policies. He is also responsible for promoting, through the National Housing Council, of which he is Chairman, coordination of related fiscal and economic policies involving housing.

The Office of the Administrator is the staff organization which assists the Administrator in the performance of his various duties. As such, it is one of the four major organizational units of HHFA. The accompanying chart, which includes new responsibilities assigned OA during the past year, reflects the manner in which OA is organized for efficient performance of its duties.

B. Supervision and Coordination Functions of OA

Activities under this head range clear across the board of the Government's housing and community development functions and are aimed at assuring the fullest possible realization of the benefits intended by the Congress and the President in creating a central housing agency. As might be anticipated in a period of transition from peacetime to defense operations, there has been a considerable increase in the nature and complexity of these supervision and coordination responsibilities during the past year, and increasingly since the middle of 1950, many of these responsibilities have been concerned with housing aspects of the defense mobilization program.

For the HHFA programs and operations, these functions run the gamut from broad policy coordination to unified budget presentation and close cooperation on Agency-wide administrative matters, such as personnel policy, compliance investigations, congressional liaison, and the like. In addition to the responsibility for general supervision and coordination of the housing functions and programs administered by HHFA, the Administrator has certain further coordinating responsibilities affecting related activities of other Government



† As of December 31, 1950. Since then organizational changes, not shown above, have been made to reflect added responsibilities.

*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 and whose other members are officers and employees of the Agency. It has staff and administrative facilities separate from those of the over-all office.

CHART 8.

agencies. This aspect of the Administrator's coordination responsibilities is carried out largely through the National Housing Council and involves housing programs administered by other agencies as an adjunct to their main purposes, such as the home loan guarantee program of the VA. In addition, as has been described elsewhere, in Executive Order 10161 the President delegated to the HHFA Administrator responsibilities in the field of residential real estate credit restrictions affecting these programs.

An outstanding example of such coordination, on both an Agency basis and a Government-wide basis, is the development of credit regulations under the Defense Production Act of 1950 and Executive Order 10161. The Act required that similar credit terms be applied to both the conventionally financed and Government-aided segments of the housing market and that the relative preference accorded veterans be maintained in whatever regulations were issued. Under Executive Order 10161, the Federal Reserve Board was made responsible for administering controls over credit for conventionally financed new housing. FRB regulations in this field were, however, made subject to concurrence by the HHFA Administrator who at the same time was given authority for the administration of controls over Government housing credit programs.

The problem of developing appropriate regulations to accomplish these purposes was one of the most complex and difficult ever encountered in the housing field. The closest kind of coordination was required on top policy and on technical staff levels. Extensive staff work was required on the part of the Office of the Administrator, not only with the Federal Reserve Board but also with FHA, HLBB, Veterans' Administration, and the Bureau of the Budget, among others. The result of this coordinated action was the issuance on October 12 of the now widely known Regulation X of FRB and the concurrent regulations of the same date of FHA, VA, and the Department of Agriculture. The administration of these regulations and plans for future action all require the same kind of coordinated activity.

Also, in line with these general coordinating responsibilities, OA provides a central point of contact for the Congress, the public generally, the housing industry, interested organizations, and local communities, for the exchange of views and dissemination of information on housing matters. A considerable amount of staff time is involved in such information, discussion, and reference services, particularly under current circumstances. A significant aspect of this function was in providing various types of assistance—technical, statistical, and economic, as required—to the Congress in connection with the numerous housing bills under consideration during the year and with respect to housing developments generally.

C. Operating Programs of OA

In addition to its broad supervisory and coordinating functions, the Office of the Administrator is responsible for the operation of certain substantive housing programs. In the past year, these direct operating responsibilities were substantially increased through Reorganization Plans Nos. 17, 22, and 23 of 1950, which already have been described in Chapter V.

At the end of 1950, OA's operating programs, which must be coordinated generally with other Government housing programs, included:

1. Slum clearance and urban redevelopment.
2. Housing research.
3. Management and disposition of World War II and postwar emergency housing.
4. Alaska housing.
5. Housing loans to educational institutions. lesser extent
6. Public works advance planning.
7. Maintenance and disposition of war public works.
8. Secondary mortgage market (FNMA).
9. Loans for production of prefabricated housing.
10. Participation in a program of aid for school construction in federally impacted areas.

Direct operating responsibility for the management and disposition of World War II and postwar emergency housing, provided under the Lanham and related acts, has been delegated to the Public Housing Administration. These delegated functions are performed under the supervision and policy direction of OA, which exercises additional undelegated powers in this field. With this one exception, the operation of the above-mentioned programs is carried on by OA personnel. Detailed discussions of the OA operating programs will be found in subsequent chapters of this report.

D. Organization and Administration of OA

The organization of OA reflects both aspects of the Administrator's responsibilities—supervisory and coordinating, staff and operating line functions. Directly assisting the Administrator in his supervisory functions are the Office of the Deputy Administrator, including the Congressional Liaison and Group Services Staffs, the Operations Analysis Staff, and parts of the Divisions of Law, Administration, and Information. In addition, small staffs aid the Administrator on problems dealing with housing for minority groups and with international housing activities.

Other organizational units within OA are specifically assigned certain operating programs. Within OA's central framework are the Community Facilities Service and the Divisions of Housing Research, Loans for Prefabricated Housing, and Slum Clearance and Urban Redevelopment. Operating functions with respect to management and disposition of World War II and postwar emergency housing and Alaska housing are carried on by the Office of the Assistant for Special Housing Programs.

The Office of the Administrator is operated as a single administrative organization, promoting economy and avoidance of duplication in administrative functions as well as maximum utilization of technical skills. Thus, the Divisions of Administration and Law provide general administrative and legal staff services to all offices and divisions in the entire OA organization, with the sole exception of the Federal National Mortgage Association.

Within the framework of OA, the Federal National Mortgage Association operates as a separate organizational unit in corporate form, with its own administrative and operating staffs.

The transfers of the Community Facilities Service, FNMA, and the program of loans for prefabricated housing constituted a major task for over-all OA management during 1950. Close cooperative relationships with the Bureau of the Budget and the transferor agencies (General Services Administration and Reconstruction Finance Corporation) were required so that the transfer of personnel and facilities, as well as functions, could be effected with the minimum upset to going programs.

E. Personnel

On January 1, 1950, staffing for the new functions established under the Housing Act of 1949 was well under way, and employment in the Office of the Administrator stood at 276. By May, the OA staff included 423 employees stationed in Washington and 3 stationed in Anchorage in connection with the Alaska Housing Program.

During May, with the transfer of most of the functions and staff of the Community Facilities Service, 324 employees located in 9 division offices and 30 district offices were added to the OA organization.

In September, both the Federal National Mortgage Association and the program of loans to producers of prefabricated housing were transferred to the Office of the Administrator.

The Federal National Mortgage Association was set up as a separate operating unit in OA with 954 positions in 22 field offices. A survey conducted by the new president and board of directors immediately after FNMA was established in OA resulted in streamlined operating procedures. Field offices were reduced to 16 by year's end, and personnel were reduced to 869.

The prefabricated-housing-loan program was set up within OA as the Division of Loans for Prefabricated Housing. A staff of 10 employees located in Atlanta, Chicago, Los Angeles, and Washington, also were transferred to the OA.

Thus, during 1950, OA grew—largely by transfers of functions—from 276 employees, all located in Washington, to 1,645 employees in 57 separate locations in Washington and the field.

Chapter VII

SLUM CLEARANCE AND URBAN REDEVELOPMENT

A. Community Participation at Year End

In the face of the uncertainties brought on by the outbreak of the Korean war, the subsequent international tension, and the undertaking of national defense measures, interest and activity in the slum clearance and urban redevelopment program continued unabated among communities throughout the Nation as 1950 drew to a close.

This was demonstrated by the fact that, at the end of the calendar year, a total of 222 localities in 31 States, the District of Columbia, Hawaii, Puerto Rico, and the Virgin Islands had obtained reservations of capital grant funds amounting to $172,896,023. Of these localities, 71 had obtained Agency approval of planning advances amounting to $3,065,639, and 41 had obtained prior approval of expenditures from local funds.

B. Program Policy in 1950

Much of 1950's activity in the field of slum clearance and urban redevelopment was given over to planning and survey work. The Division of Slum Clearance and Urban Redevelopment, continuing its late 1949 activity, devoted early 1950 to staffing and the development of necessary organizational and operational procedures. The Agency, after the outbreak of hostilities in Korea, adopted the policy of proceeding in all phases of the program as far as possible without interfering with defense requirements. This policy involved continuance of making reservations of capital grant funds and advances of planning funds to those localities qualifying for them. The policy also stated that the Agency would enter into loan and grant contracts—when localities are sufficiently well advanced—to finance land acquisition subject to controls through which relocation, demolition, and actual redevelopment can be deferred if circumstances make it necessary in any particular locality. As was expected, however, no community had submitted an application for a loan and grant contract by the end of the year. This was in line with Agency expectations that no actual construction for the redevelopment of cleared sites under the program would get under way until 1951 and that no substantial volume of construction in connection with projects could take place until 1952. These expectations were due to the fact that most of the participating communities faced a long period of planning, project development, land acquisition, and clearance before disposal of land for actual new construction in accordance with redevelopment plans.

Funds Available

Available under the program, set up by Title I of the Housing Act of 1949, is a total authorization—over a 5-year period—of $500 million for capital grants and $1 billion for loans outstanding at any one time. These funds are to assist communities in undertaking projects which qualify for assistance under the Act.

Reservation of Capital Grant Funds

First step for community participation in the program is the submission by its governing body of a request for a reservation of capital grant funds. 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 cost representing the difference between the resale value of the land and the cost of acquiring, clearing, and preparing it for new uses.

The Division of Slum Clearance and Urban Redevelopment, in December 1949, had issued a bulletin entitled *Information for Local Communities Desiring To Submit Requests for Initial Reservations of Federal Capital Grant Monies for Slum Clearance and Urban Redevelopment Projects Under Title I of the Housing Act of 1949.* This authorized local requests for capital grant reservations, which began coming in shortly after release of the bulletin. This first bulletin was superseded by another called *Initial Reservations of Capital Grant Funds* which made its appearance in July 1950. The latter extended for 6 months—until January 1, 1951—the period during which communities could submit requests for capital grant reservations for projects which they planned to start before July 1, 1951. It also authorized increasing the reservation of a community which showed that it could not carry out a feasible project, to be started before July 1, 1951, with the capital grant funds originally reserved for it.

Types of Communities Participating

The 222 localities for which capital grant reservations were outstanding on December 31, 1950 (see table on p. 120) represent all sections of the Nation and all population classes. Populations involved range from Clayton, Ill., with 864, to New York City, with 7,835,099. Included are all 18 of the cities in the United States with a population of more than 500,000. Twice that number of reservations, however, are held by localities with populations of less than 10,000. Approximately one-half of the 222 localities have populations of less than 50,000, while about two-thirds are under the 100,000 mark.

A breakdown by population group follows:

Under 10,000	36
10,000 to 25,000	36
25,000 to 50,000	36
50,000 to 100,000	36
100,000 to 250,000	43
250,000 to 500,000	14
500,000 to 1,000,000	13
Over 1,000,000 (including 2 counties)	7

(Not included in the above tabulation is a grant reservation for the Puerto Rico Housing Authority for 73 localities on that island. They are considered in the total of 222 localities with approved reservations as one locality rather than as 73.)

C. Local Operations

As noted above, 71 localities (see table on p. 120) received approval of advances of planning funds during the year. These advances—broken down into *Preliminary* and *Final*—are intended to cover all necessary expenditures in connection with identifying eligible projects, determining project costs, preparing redevelopment plans, and other steps prerequisite to the signing of loan and grant contracts. They will be repaid out of any funds made available to localities for execution of the projects. The Division, in February 1950, made available to communities application forms for both preliminary and final advances.

A total of 25 localities (see table on p. 120) with planning advances also obtained the Administrator's approval of expenditures from local funds during the year. Sixteen other localities (see table on p. 120) which did not obtain planning advances during the year nevertheless proceeded with work on slum clearance and urban redevelopment projects by expending local funds under prior approval. Local funds so expended may later be qualified as part of gross project costs.

Application forms and instructions covering loan and capital grant contracts were made available to communities in August 1950. No community, however—as has been pointed out—had advanced far enough in its operations by the end of the year to make application for such a contract. Division estimates in December pointed to a probable total of 40 loan and grant commitments made by the summer of 1951.

Types of Local Public Agencies

In making funds available, Title I stipulates that the Housing and Home Finance Agency may enter into contracts for financial aid only with duly authorized local public agencies empowered by State and local law to carry out slum clearance and urban 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." Legal and administrative machinery established locally to plan and undertake redevelopment programs, in line with the above definition, varies from locality to locality, depending on the enabling legislation of the jurisdiction involved. In some cities, special municipal corporations have been created, such as the Chicago Land Clearance Commission and the Providence Redevelopment Agency. In others—many southern cities, for example—the responsibility has been vested in local housing authorities. For some, like New York City and Baltimore, the city, county, or other political subdivision itself acts as the local public agency through its chief executive, its planning commission, or another department or combination of departments. In still others, like St. Paul and Nashville, local housing authorities together with the city and State are jointly developing programs.

Variety of Local Activity

Local progress in operations during the year indicated a wide variety of redevelopment activity. While a few localities are directing their programs toward the acquisition and clearance of central city slums to provide sites for public low-rent housing projects, most envision broad programs in which central slums and commercial and industrial areas will be redesigned for residential, commercial, and industrial uses realistically related to changing patterns of community life. It was apparent from local project plans being completed during the year that localities are contemplating a wide range of redevelopment in line with over-all community plans. The general emphasis in these plans is, of course, on private enterprise redevelopment. The projects involved will serve a variety of new uses, including housing, community facilities, public buildings and improvements, and needed industrial and commercial expansion.

There follow a dozen sketches of programs now under way:

New York City.—In New York City the first eight areas under survey amount to approximately 280 acres. Present use is predominantly residential. Size of the areas range from about 8 acres to approximately 50 acres. Redevelopment, in all cases, will be for predominantly residential purposes, with some mixture of public, commercial, and industrial uses. The city acts for itself as local public agency.

Puerto Rico.—The Housing Authority of Puerto Rico acts as local public agency for all communities on the island except San Juan, Ponce, and Mayaguez. With surveying activities under way in 15 localities, one or more projects are expected to result in each. All areas under consideration are extremely bad residential slums characterized by high density, lacking essential sanitary and other facilities, and inhabited by families with little or no income. Reuse, of course, will be mainly residential, although in some cases slum areas will be cleared to provide sites for expansion of local industries. Vacant land will be redeveloped to reduce present high densities. The individual housing authorities of the three cities mentioned above also are proceeding with preliminary planning activities. San Juan, for example, is studying 25 major slum areas. Most new uses, there, will be residential, including housing for low-income families. There is also contemplated in some areas the rehabilitation of old structures for both residential and commercial use. Some areas, in addition, may be cleared to make way for public parks and automobile parking facilities.

New Brunswick, N. J.—Preliminary studies in New Brunswick, centered on the oldest area in the city, have drawn considerable interest from private enterprise. Rutgers University is assisting in the development of local plans. The area under study includes many antiquated three-story tenements, a number of which have first-floor stores used exclusively for residential purposes. Centrally located, the area is potentially one of the most desirable in the city and will probably be used for both residential and commercial purposes.

Nashville, Tenn.—Nashville has taken a bold, realistic approach to slum areas which bracket the State capitol building on three sides. The capitol itself and Nashville's central business district are constricted by the Cumberland River and a railroad line. The street pattern in this area fails to conform to topography and, in consequence, the capitol—situated on the heights of Capitol Hill—is approached by streets graded as much as 20 percent. This varied steepness contributed much to early commercial abandonment of the Capitol Hill section and the deterioration of its environs. Twenty-five or more blocks in the vicinity have become commercial and residential slums.

The Housing Authority, which is also Nashville's redevelopment agency, the City Planning Commission, and State officials cooperated in local action with these results: a revised major thoroughfare plan produced, sites selected for seven low-rent housing projects and a proposed farmers' market, changes recommended for existing zoning ordinances, and the Capitol Hill redevelopment area selected. This area, about 93½ acres, will be cleared and redeveloped into an arterial boulevard arrangement circling Capitol Hill. Approximately three-fourths of the area is intended almost entirely for private enterprise redevelopment, while the remainder will be devoted to new State buildings, parks, and gardens. Conformance of new streets to topography is planned to eliminate the steep grade problem. The site for a new bridge over the river has been relocated in order to contribute to the new development, and a site for a new auditorium has been proposed.

St. Louis, Mo.—Unlike many American cities, St. Louis has little undeveloped land within its limits. Slums and blighted areas take up about half the city's residential areas. About 86,000 dwellings—34 percent of the total housing supply—are substandard, with about 280,000 people living in them. St. Louis, however, is taking vigorous steps to attack its problem. An Urban Redevelopment Committee organized by Mayor Darst, with participation of a wide range of local business interests, has formed a corporation to redevelop slum land acquired from the local redevelopment agency. Substantial tax relief for redevelopment projects, authorized by the Missouri Urban Redevelopment Corporation Act, is intended to attract private capital for redevelopment purposes.

The St. Louis Plan Commission, basing its findings on a survey of housing conditions, has divided the city's dwelling areas into three categories: First, *reconstruction* or *obsolete* areas which are slums suitable for redevelopment; second, *rehabilitation* areas which are blighted and will need intensive enforcement of minimum housing standards; and, third, *areas in good condition* which will be protected through zoning regulations. Present redevelopment plans call for a 5-year program. For that part of the program aided with Federal funds under Title I, it is contemplated that slightly less than half of the redevelopment will be privately built housing, with rents ranging from just above low-rent public housing to high levels. St. Louis also will have a low-rent public housing program.

Norfolk, Va.—Norfolk is undertaking one of the most comprehensive slum clearance and redevelopment programs in the Nation through the Norfolk Redevelopment and Housing Authority. Local plans, calculated on a 5-year period, involve the clearing and redeveloping of three of the city's worst slum areas, one of which—roughly 70 acres—will be devoted to industrial uses. The other two areas, about 115 acres, will be used mainly for residential purposes, with some commercial uses. These last areas will be devoted chiefly to low-rent public housing because relocation of present slum dwellers—as required by Title I—would be otherwise impossible in view of the financial inability of most of them to rent the least expensive private housing available in Norfolk. Five low-rent housing projects, to be built on open land, will be completed in time to allow rehousing of slum tenants before slum demolition begins. Total relocation involves about 3,600 families.

Also planned by Norfolk for the 5-year period is an effective overhaul of the major thoroughfare system. A minimum housing code, designed to prevent the spread and recurrence of slums and blight, has been developed and awaits city council action.

MONTGOMERY, ALA.—The Montgomery Housing Authority is surveying three major areas amounting to more than 300 acres. Negro families occupy the approximately 1,500 substandard dwelling units within these areas. It is probable that two of these will be redeveloped for residential use. The third area—in a light industrial district—will be redeveloped for industrial purposes.

BATTLE CREEK, MICH.—Battle Creek, operating with local funds under prior approval, is surveying a downtown residential slum subject to frequent flooding through river overflow. Contemplated is redevelopment of this area combined with a separate project for the straightening of the river and elimination of the flood hazard, thus making possible complete rehabilitation. New uses probably will be completely residential or a combination of residential and light industrial.

SAN FRANCISCO, CALIF.—The Redevelopment Agency of the city and county of San Francisco is surveying four areas. One slum area, predominantly residential with minor commercial use, probably will be redeveloped for residential use. A second area, now devoted to mixed uses, will be cleared for reuse by commerce and industry. The remaining two areas are predominantly open and extremely hilly. These last have not been developed by private enterprise because of the terrain and unsuitable platting. There is a possibility of using them for relocating families displaced by clearance of the first two.

STAMFORD, CONN.—In Stamford, where the city itself acts as local public agency, two areas are under survey—one of approximately 281 acres, the other amounting to about 138 acres. The first is three-quarters residential, the second slightly less, and both have some commercial and industrial use. New uses will be commercial and industrial.

CINCINNATI, OHIO.—The city of Cincinnati is devoting special study to the "Basin" area, which for years has been one of the city's worst problem areas. In it are located several potential project areas consisting mainly of close-in, predominantly residential slums. New uses will probably be predominantly residential, with a possibility that certain sections will prove suitable for commercial and industrial use.

PHILADELPHIA, PA.—The Redevelopment Authority of the city of Philadelphia is proceeding with work on 3 areas of the 10 which have been certified as suitable for redevelopment by the Philadelphia

Planning Commission. Consisting of about 40 acres of residential slums, one area will be redeveloped for residential use, with a portion reserved for parks and open space. A second area, bordering on the grounds of the University of Pennsylvania and Drexel Institute, will be taken up by garden apartments when redeveloped. Reuse is still under consideration for the last area, which is now characterized by a mixture of uses—residential, commercial, and historical buildings. Redevelopment plans for each of the areas involve extensive street changes and a substantial amount of rehabilitation of existing structures.

D. The Slum Clearance Advisory Committee

The Division, during the year, obtained much help from the Slum Clearance Advisory Committee. This 21-member group, appointed especially for the program by the Administrator and the Director in January, consists of city and housing officials, representatives of labor and private enterprise, and others interested in the redevelopment and city planning field. Chosen for their long experience in municipal activities and housing, the committee met in January, March, May, and December. Their advice, given on both broad and particular phases of the program, contributed greatly to the creation of new policies, the modification of existing policies, and the solution of a wide range of operational problems.

E. Division Activities in the Field

Members of the Field Operations Branch of the Division, charged with maintaining field liaison and providing on-the-scene help to committees in their program operations, made initial visits to 225 localities in the course of the year. Revisits to various communities totaled 209. Members of the five other branches of the Division and the Slum Clearance Branch of the Division of Law, in handling specific local technical problems, made 111 field trips.

F. Division Publications

First major Division publication to make its appearance was *A Guide to Slum Clearance and Urban Redevelopment Under Title I of the Housing Act of 1949*. Intended to provide guidance to local public agencies and others interested in the program, the first edition of the booklet was published in February. Revised editions followed in April and July. The Division also disseminated, during the year, various releases of a more particular nature. Among these was *The General Community Plan—A Preliminary Statement*, which constituted a pioneering definition of the elements necessary for a general plan for development of the community as a whole. This publication found much use among participating communities. At year end, work was being completed on a considerable portion of the Local Public Agency Manual, preparatory to release early in 1951. The Manual will contain all definitive instructions, requirements, and information materials necessary to carry out local programs.

G. Legislation

At the end of 1950, a total of 27 States, along with the District of Columbia, Hawaii, Puerto Rico, and the Virgin Islands, had legislation designed to enable slum clearance and urban redevelopment programs. Participation for the last three named was authorized by Public Law 615, Eighty-first Congress. Their participation, however, is contingent upon appropriate legislation by the individual territorial legislatures. The 27 States are: Alabama, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Virginia, and Wisconsin.

Six States, during the year, enacted legislation amending existing enabling laws. These included California, Louisiana, Massachusetts, New Jersey, New York, and Rhode Island. Sixteen other States, at year end, were contemplating the introduction of enabling legislation in 1951 sessions of state legislatures. Alaska, whose participation had been authorized—along with the insular possessions—by Public Law 615, indicated that it intended to submit the required specific legislation to its 1951 legislature.

Chapter VIII

HOUSING RESEARCH IN 1950

A. Introduction and Scope of the Program

The Division of Housing Research was organized as an operating unit in HHFA during 1950. It profited from the core of experienced personnel and momentum acquired under the limited research program previously authorized. On January 3, 1950, the newly appointed Director of Research, Dr. Richard U. Ratcliff, reported for duty. Before midyear, 58 research projects involving $1.4 million had been started, under contract, in housing technology, the socio-economic fields of housing, and related areas.

The present comprehensive HHFA research program was authorized by Title IV of the Housing Act of 1949. As developed in 1950, the program reflects the broad concept of housing embodied in both the language and legislative history of the Act. Every major decision in formulating the program has been concerned with the end product of the housing process—the individual home. The principle that maximum aid to housing consumers also yields greater benefits to the housing industry has guided the research program in support of HHFA's work towards the national housing objective set by the Congress.

The Housing Act of 1949 required that existing research facilities be used insofar as possible in carrying out the research program. This involved negotiating contracts with more than a score of universities, research laboratories of other Government agencies, and private nonprofit research organizations. Most of the contract projects were scheduled for completion within 1 or 2 years. The longest contract negotiated was for 4 years. Final reports on 12 of the 58 projects were submitted by contractors before the end of 1950.

In addition to administering the contract research program, the Division during 1950 engaged in numerous staff research projects and other activities designed to enhance the value of housing research generally. The Division's staff research was aimed at five distinct and related goals: integration of all housing research activity through full interchange of informataion, stimulation of housing research activity of others, translation of scientific findings into practical applications, dissemination of information on research developments to all potential users, and encouragement of the general adoption of proven innovations.

B. Staff Organization and Development

The Division of Housing Research was organized into six major functional groups: Office of the Director, Housing Technology Branch, Housing Economics Branch, Housing Finance Branch, Local Housing Regulations Branch, and Urban Studies Branch. The immediate office of the Director was organized to include an Assistant Director in Charge of Program Coordination and an Executive Officer. Four staffs were created within the Office of the Director: Statistical Research and Development, Agency Reports and Statistics, Research Intelligence, and Research Publications.

C. Advisory Committees and Special Activities

In accordance with the HHFA policy of obtaining information and advice from experts in appropriate fields, several advisory committees were organized by the Division of Housing Research during 1950 in connection with different activities.

1. *General Advisory Committee.*—An over-all committee on housing research was created early in the year, with a membership of 23 persons with outstanding experience in the economic, financial, consumer interest, and technical aspects of housing. The committee was designed to provide advice and guidance on the research program, assistance in projecting the program into fruitful areas for further investigation, coordination of housing research activities inside and outside Government, and promotion of the application of research results. The first meeting of the committee was in April.

2. *Branch Advisory Committees.*—To insure close coordination between the Research Division and particular segments of the housing and home financing industries, small advisory groups were planned for each of the branches, with membership to comprise specialists in appropriate professional fields. During 1950, such committees were formed and held meetings for the Housing Finance and Urban Studies Branches. Groundwork was laid for creating a local housing regulations committee, with the first meeting scheduled for March 1951.

3. *Advisory Committees on Credit Curbs.*—Two special committees representing industry, labor, veterans, and consumers groups were formed and held their first meetings near the end of 1950 in connection with real estate credit restrictions. The Technical Advisory Committee on Credit and Production Statistics, a joint body of HHFA and the Federal Reserve Board, concerns itself with the effect of credit controls on home production and financing. The Technical Advisory Committee on Housing Consumer Statistics, under HHFA sponsorship, deals with the same problems from the consumer approach.

4. *Modular Coordination.*—During 1950, significant progress was

achieved in developing the concept of modular coordination and its acceptance among professional and industrial groups. To accompany the previously published popular guide, *Modular Coordination*, a professional manual for architects, *The Modular Method in Dwelling Design*, was prepared in 1950 for publication in 1951. Plans were completed for a third publication, for use by builders, to be produced and distributed in 1951. Technical services were also made available on requests by the Joint Committee of the American Institute of Architects, National Association of Home Builders, and the Producers' Council. Plans are also under way for a series of lectures on modular coordination for use at chapter meetings of the American Institute of Architects and in construction courses in the architectural and engineering schools of the country.

Late in 1950, the Division completed plans for a project to develop a larger, more universally acceptable working module—some multiple of 4 inches which will guide the dimensioning of large components and materials. Its use would assure less cutting and fitting in site assembly than is now necessary.

5. *A Survey of Housing Research.*—A contract was negotiated during 1950 with the Building Research Advisory Board of the National Academy of Sciences for a survey of current housing research by private organizations throughout the United States. This information was needed to complement facts on housing research by Government agencies. Contract funds totaling $34,000 were allocated for this project. Results of the survey, scheduled for completion in 1951, will be used to highlight important gaps in current knowledge and prevent duplication in housing research.

D. Adjustment of the Research Program to the Emergency

During the last half of 1950, the program of the Division was adjusted to yield maximum service in meeting emergency needs. The Division moved quickly to fulfill special research requirements related to mobilization and defense, such as those dealing with problems of materials supply in home building and with housing credit restrictions. This was done in response to the need for information to administer controls properly and to help other Government agencies with problems of mobilization related to housing.

A project-by-project review of the entire research program was made to insure its greatest contribution to over-all mobilization. Approximately three-fourths of the 58 contract projects started in fiscal 1950, prior to the Korean crisis, were found to have immediate or potential defense applications.

Adjusting the housing research program to meet requirements of the emergency was accomplished without a major shift in direction.

Primarily, the adjustment involved narrowing the scope of the program to problems intensified by considerations of national security and economic stability. The Division worked closely with the national defense agencies and with the home-building industry to develop means of conserving critical building materials and to direct their use in ways most effectively advancing the defense effort.

As the year ended, more intensive research was being planned to insure that residential construction was properly distributed in relation to need, particularly in defense areas. While contract research continued to represent a large part of the program, an increased proportion of staff research was made necessary by the emergency, reflecting the increasing needs of the Administrator, the constituent agencies of HHFA, the National Housing Council, and other Government agencies for services from the Division.

E. Research Projects of the Branches

The activities of the five branches of the Division were developed in 1950 to perform major functions in their respective research areas. A brief commentary on the activities of each branch follows. A publication, *Housing Research: Capsule Descriptions of Projects Started Under Contract in 1950*, is available upon request. A classified list of all contract projects undertaken—including the contractor, amount of funds allotted, and status—is found in Appendix D to the OA section of this report.

1. *Technology.*—Housing Technology, the largest of five branches, inherited a core of experienced personnel and projects of the limited program established under the Housing Act of 1948. Major staff activities of the Branch covered technical research in home design, structure, components, and methods for site development and building construction; in the production, distribution, assembly, construction, and testing of components; and in the development of performance standards for housing.

During the first half of 1950, 36 contracts were negotiated and assigned to the Housing Technology Branch. Final reports on seven of these were submitted by contractors before the year ended. The Branch also developed special staff research projects tailored to defense needs. One such project, started early in the summer as the result of a request from the National Security Resources Board, was the preparation of standby emergency housing standards. This staff activity was nearing completion as the year ended. The standards were intended to serve as a basis for action by the National Production Authority, and were designed to cover both private and public permanent housing.

Meanwhile, a national survey was undertaken jointly with the

Housing Economics Branch to determine the amounts of all materials used in building and equipping homes. Another staff project of this Branch was a *Survey of the Prefabricated Housing Industry*, to determine its potential value in the emergency. Other special staff activities were getting under way as the year ended, focused on techniques for the conservation of critical materials and manpower in the home-building industry.

2. *Housing Economics.*—The activities of the Housing Economics Branch during 1950 fell within the areas of housing production problems, industry organization and operation, housing needs, demand and supply, cost analysis, market analysis, and related subjects. Before midyear, 13 contract research projects were started with 8 universities and 2 Government agencies. Contract work on one was completed before the end of 1950.

Staff activities of the Branch were expanded, beginning in midyear, to complement results of research projects and to direct application of these results to mobilization problems. Information was assembled and techniques developed to help localities determine emergency housing needs and supply. Studies in the operation and organization of the home-building industry were focused on the service of the housing industry in the emergency. Other defense-related staff activities during the year included participation with the Housing Technology Branch on the *Building Materials Use Survey.*

3. *Housing Finance.*—Housing Finance Branch activities during the year were aimed at improving methods and practices in financing the construction and purchase of residential properties, lowering financing costs, encouraging adequate and balanced flow of investment capital, and providing a better understanding of the relationships of residential financing to housing prices, construction volume, and the national economy. After midyear, staff activities of the Housing Finance Branch were expanded markedly with the development of real estate credit controls.

Before the Korean outbreak five contract research projects were negotiated in Housing Finance. Three represent closely related analyses of local mortgage markets in different kinds of communities. The other two were designed to analyze production credit methods available to builders, and to determine possible simplifications of the construction financing processes to reduce costs and risks. Preliminary reports on two of the five projects were submitted before the end of 1950.

4. *Local Housing Regulations.*—For the first time, through the Local Housing Regulations Branch in 1950, the Federal Government undertook a comprehensive program centered on the legal and administrative problems of building code improvement, paralleling

previous and current work on the technological development of building codes. Through the activities outlined below, this program took its first steps toward removing legal and administrative obstacles to the adoption and effective use of code improvements evolving from technological advances.

The major objectives of the Branch program during 1950 were to develop improved legal tools and administrative devices for local governments to use in regulating building and to facilitate local adoption of improved performance standards for building codes. By midyear, four specific staff research activities had been initiated.

(*a*) Analysis of the local processes of code development and the role and contribution of various groups and organizations. Groups covered include those representing building materials manufacturers and other industrial interests, fire underwriters, code-writing organizations, and others.

(*b*) Comparative analysis and tabular presentation of the administrative sections of building codes of different major code-writing groups. This research was undertaken in connection with the newly formed Joint Committee for Unification of Building Codes, as a contribution toward development of more effective consistency among local codes.

(*c*) Survey of local housing regulations to determine structure and practices of building code administration in localities throughout the United States, and to ascertain legal and administrative relationships between local building departments and other local government agencies concerned with different phases of building regulations involving zoning, planning, sanitation, and other functions. Before the year ended, 400 comprehensive survey questionnaires were mailed to municipalities and other local jurisdictions.

(*d*) Study of different kinds of building regulations—ranging from simple permits to comprehensive codes—used in cities throughout the United States, to compare differences among cities and to determine the extent to which local codes are based on model codes prepared by national code-writing groups, including geographic distribution of use of such codes.

5. *Urban Studies Branch.*—The field of research for this Branch was defined during 1950 to include the environmental aspects of housing, including emergency housing, covering physical, economic, and social factors, plus the growth and structure of neighborhoods and urban communities. No permanent staff was recruited for the Branch during the year. Its program was conducted by the Office of the Director of Research and the Housing Economics Branch. Nongovernmental experts in this field were engaged as consultants. Four contract research projects were started.

Following the outbreak of hostilities in Korea, the study of residential mobility was adjusted to enhance its usefulness in the development of civil defense plans for dispersal and urban decentralization. The project on the growth of metropolitan areas was focused on providing background on the relationship between industrial expansion and population movements during the emergency. Other urban studies projects were also expected to yield results of definite emergency value.

F. Research Publications

Technical publications initiated during the limited research program previously authorized were continued during the year, including the bimonthly HHFA *Technical Bulletin* and the *Technical Paper* series. Meanwhile, plans were made and production started on a broadened program to publish, disseminate, and promote results of the expanded research program. An analysis of publication potentialities from the 1950 contracts disclosed that they might be expected to yield 73 publications—including 21 monographs or research papers, 26 pamphlets or booklets, 4 manuals, 2 books, and at least 20 articles for HHFA periodical use. All of these on which development was started in 1950 were focused on highlighting solution of emergency problems. In this connection, a special series of *Housing Conservation Bulletins* was outlined to be tailored to aid builders in coping with problems of materials and manpower scarcities through the use of substitute materials and construction methods.

Chapter IX

FEDERAL NATIONAL MORTGAGE ASSOCIATION

On September 7, 1950, the Federal National Mortgage Association was transferred from the Reconstruction Finance Corporation to the Housing and Home Finance Agency, pursuant to the provisions of Reorganization Plan No. 22 of 1950. From its inception in February 1938 until the transfer in September 1950, FNMA had been a subsidiary of RFC. It had originally come into existence to provide an expanded Government-financed market for the purchase and sale of mortgages. This transfer, in line with the general objective of more efficient organization of the responsibilities of the Federal Government, placed the Government's secondary market for home mortgages in the Federal agency primarily concerned with housing and housing finance.

The purpose of a secondary market is to provide a place where mortgages can be bought and sold, thus providing assistance for, and additional liquidity in, the field of home financing. Funds for new homes or for mortgages are usually supplied by sources such as mortgage companies, financial institutions, and private investors. A market where such mortgages may be bought or sold provides a means whereby lenders and investors are afforded an opportunity to convert their mortgage holdings into cash, as well as to purchase mortgages for income purposes. This buying and selling process in the aggregate is commonly described as a "secondary mortgage market."

A. Prewar and Wartime Operations

The need for a secondary mortgage market was widely recognized in the depression years of the 'thirties when home construction had fallen to very low levels. Title III of the National Housing Act of 1934 authorized the creation of national mortgage associations for the purchase and sale of home mortgages. Although the requirements precedent to obtaining a charter for such an association were liberalized in May 1935 and again in February 1938, no private mortgage associations were chartered pursuant to this authority. The first step in establishing a Government-financed market where certain types of mortgages could be bought and sold was the creation of The RFC Mortgage Company in 1935. It soon became apparent, however, that the purchases by The RFC Mortgage Company would be

ORGANIZATION AND FUNCTION CHART OF THE

FEDERAL NATIONAL MORTGAGE ASSOCIATION

Chartered February 10, 1938, to provide a market for the purchase and sale of eligible housing mortgages, the Association was transferred from the jurisdiction of the Reconstruction Finance Corporation to that of the Housing and Home Finance Agency pursuant to Reorganization Plan No. 22, effective September 7, 1950.

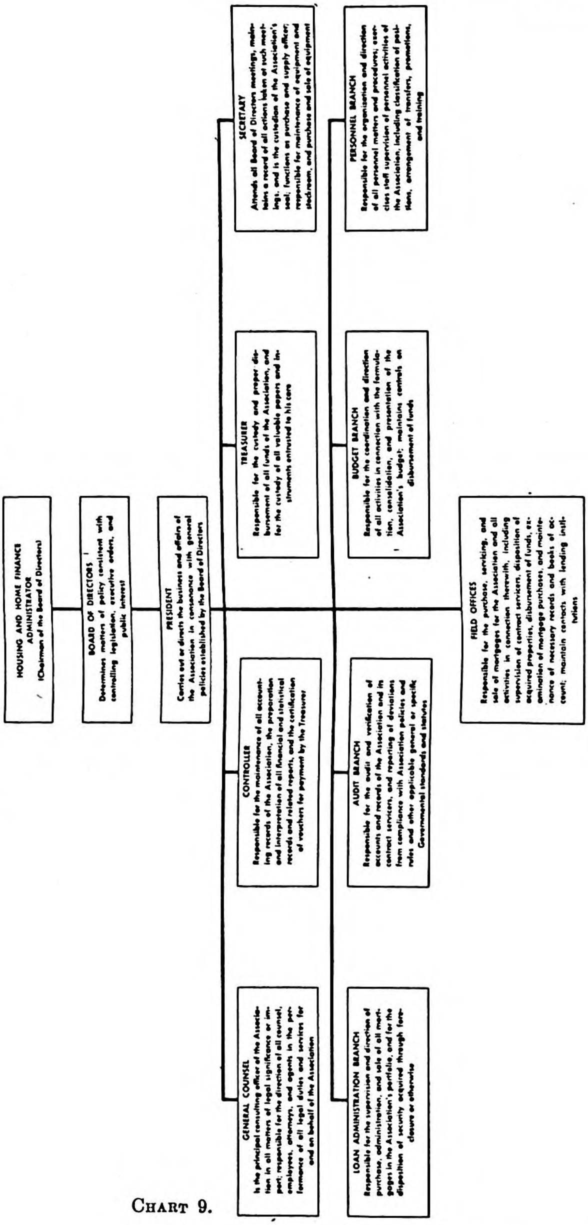


CHART 9.

insufficient to meet the needs of the building industry for home construction credits. Consequently, on February 10, 1938, the then Federal Housing Administrator chartered FNMA (for a brief initial period known as "The National Mortgage Association of Washington") to provide a market for eligible FHA-insured mortgages.

Purchases and Liquidation, 1938–45

In the prewar period (to December 31, 1941) the Association purchased FHA-insured Title II mortgages in an aggregate amount of $246.6 million. During the war years (1942 through 1945) additional purchases amounting to $24.9 million were made. Curtailed home construction during the war limited opportunities for mortgage fund investments. The Association during the period sold mortgages from which it realized $165.6 million. The Association's mortgage investments were further reduced by $98.5 million as the result of repayments and other credits. The Association's liquidation program during this period thus reduced its portfolio from a peak of $215.5 million to $7.4 million.

B. Postwar Operations

The Association's activities in recent years have been influenced largely by two factors:

1. The Servicemen's Readjustment Act of 1944, as amended, gave veterans an opportunity to purchase new or existing homes on very liberal terms.
2. Title VI of the National Housing Act was revived on a more liberal basis in May 1946 as a part of the Veterans' Emergency Housing Program.

Prior to July 1, 1948, FNMA had no authority to purchase VA-guaranteed mortgages. However, The RFC Mortgage Company, which was authorized to purchase these mortgages, made such purchases to the extent of $140.8 million during the period of its VA operations. Since The RFC Mortgage Company discontinued operations in June 1947, there was no longer a Government secondary market for these mortgages. To assist the VA home-loan program, Congress authorized the Association, effective July 1, 1948, to purchase mortgages guaranteed or insured after April 30, 1948, under Sections 501, 502, or 505 (a) of Title III of the Servicemen's Readjustment Act of 1944 and, subject to certain restrictions, to continue to purchase FHA-insured Section 203 and 603 mortgages. The authority to purchase FHA-insured mortgages was redefined on August 10, 1948, to include mortgages insured under Titles II or VI of the National Housing Act, as amended. Title VIII mortgages were qualified for purchase on August 8, 1949, and on April 20, 1950, FNMA's authority was extended to embrace mortgages insured under Section 8 of Title I. Direct FHA-insured loans may be made in Alaska under authority of the Alaska Housing Act (April 23, 1949).

Mortgage Eligibility Requirements

The Association's authority to purchase FHA-insured and VA-guaranteed mortgages is subject to certain statutory restrictions. For example, the statute requires that:

1. Mortgages purchased by the Association must cover residential property and may not cover property owned by a Federal, State, or municipal instrumentality.
2. The amount of the mortgage must not have exceeded $10,000 for each single-family dwelling unit.
3. The homes covered by the mortgages must have met certain prescribed construction requirements.
4. Mortgages offered for sale to FNMA may not have been sold previously by the original mortgagee before being offered to FNMA.
5. No mortgage may be purchased at more than par (principal balance, plus accrued interest at the time of purchase).
6. Purchases of mortgages, except those which are VA-guaranteed or mortgages insured by FHA under Section 803 (military housing) or covering Alaska property, are limited to not more than 50 percent of the over-all dollar amount of mortgage loans originated by the seller which would otherwise be eligible.

In addition to the foregoing statutory restrictions, the following are other major eligibility requirements:

1. The original principal debt of a VA-guaranteed mortgage, dated on or after March 1, 1950, may not exceed the purchase price or cost of the property (computed without the inclusion of "closing costs"), unless the mortgage was covered by a commitment contract executed by the Association before March 1, 1950.
2. VA-guaranteed mortages, dated on or after March 1, 1950, must have been processed through the prior approval procedure of the Veterans' Administration, unless the mortgage was covered by a commitment contract executed by the Association before March 1, 1950.
3. When a mortgage is delivered to the Association, all payments must be current; the insurance or guaranty must be fully effective; the improvements must be undamaged and in all respects ready for occupancy; the seller must have no knowledge of any existing condition affecting the mortgagor or his affairs which, in the opinion of the seller, will cause the mortgage to become delinquent.

Purchases and Liquidation 1946–49

During the period January 1946 through December 1949, FNMA purchased FHA-insured mortgages aggregating \$439.6 million and VA-guaranteed loans totaling \$430.7 million. The purchases of FHA mortgages included home mortgages amounting to \$334.1 million insured under Section 603 and \$28.9 million of Section 608 mortgages on multifamily housing. The Association's mortgage investments were reduced during the period by sales of FHA-insured and VA-guaranteed mortgages amounting to \$19.4 million and \$0.4 million, respectively. These sales were confined to the last 5 months of 1949 and represented the beginning of a new FNMA sales program. In addition to these sales, further portfolio reductions of \$29.6 million occurred as the result of repayments and other credits.

C. Policy and Operations During 1950

1950 was one of the most eventful years in the Association's history. Commitments, purchases, and sales were all at record levels and the portfolio rose during the year to a volume of \$1,350 million. In addition, during the year the Association was brought into closer relationship with other Government activities in the housing field, under the President's Reorganization Plan No. 22 of 1950. Moreover, as has been elsewhere described, inflationary pressures were evident in the housing economy early in the year. In recognition of this and in an endeavor to reduce dependence upon the Government for secondary mortgage market assistance and to bring about a larger entry of private capital in this area, the quantity of FNMA support for private home financing was curtailed and an effort made to stimulate sales of its portfolio. The following paragraphs describe the various phases of program policies and operations during 1950:

1. Eligible Sellers

Eligible VA-guaranteed mortgages may be offered for sale to the Association by any lender that is classified by VA as a "supervised lender," or by any lender that is approved by the Association for the sale to it of FHA-insured mortgages, or by any lender satisfactory to the Association that is adequately equipped to service mortgages and has a net worth of not less than \$50,000. Eligible FHA-insured mortgages may be offered for sale to the Association by any FHA-approved mortgagee, not including a mortgagee which has been approved on the basis of being a duly authorized correspondent of an approved mortgagee which has qualified with FHA to originate loans under the National Housing Act.

2. Purchases—Methods

Purchases of VA-guaranteed mortgages and FHA-insured mortgages have been made by two different methods:

(*a*) Pursuant to advance commitment contracts entered into prior to March 21, 1950, to purchase specific mortgages at par plus accrued interest at any time within 1 year if examination at the time of delivery shows that all Association requirements have been met.

(*b*) On an "over-the-counter" or immediate cash payment basis at par plus accrued interest for those mortgages which examination shows have met all Association requirements and are, therefore, eligible for purchase.

3. Commitment Purchases

The advance commitment procedure played a very important role in the recent development and expansion of home building. The commitment program made it possible for the lending institution receiving the commitment to arrange the needed financing for construction, since the commitment assured a market for the permanent mortgage on the completed house. The procedure was of particular significance in facilitating the flow of credit for housing programs involving FHA-insured mortgages and VA-guaranteed mortgages. The continuance of this procedure, however, required additional authorizations from the Congress at a time when it was considered that there should be some contraction rather than a continued expansion of housing credit. In April 1950 the Congress, in considering the mortgage purchase program, adopted legislation which directed the discontinuance of this advance commitment procedure.

From July 1, 1948, through December 31, 1949, FNMA made advance commitments to purchase mortgages insured by FHA amounting to $578.6 million and mortgages guaranteed by VA totaling $942.2 million. During the first 3 months of 1950 commitment contracts amounting to $963 million were made, representing FHA and VA mortgages of $42.3 million and $920.7 million, respectively. At the end of March 1950, when the advance commitment procedure was discontinued, commitment contracts aggregating $1,456 million were outstanding. These had been reduced to $485 million at the end of 1950.

4. Over-the-Counter Purchases

After the enactment of the Housing Act of 1950 (April 20, 1950), the Association could contract to purchase only those eligible mortgages which were guaranteed or insured at the time of the contract; and, therefore, except for purchasing those mortgages which were delivered pursuant to prior commitments, its purchases of VA-guaranteed Sections 501, 502, and 505 (a) and FHA-insured Sections 8, 203, 603, and 803 mortgages were made on an over-the-counter basis only. The Association requires that, except for VA-guaranteed Section 505 (a) mortgages, such over-the-counter mortgages may not be presented to it for purchase earlier than 2 months or later than 12 months after they have been guaranteed or insured.

5. 1950 Mortgage Purchases

During 1950 the Association purchased 139,065 mortgages in the aggregate amount of $1,044 million. Of these, 6,119 represented FHA-insured mortgages, amounting to $49 million, and the remainder, 132,946, were VA-guaranteed mortgages, involving an investment of $995 million. The dollar volume of the 1950 purchases was 55 percent greater than those in 1949 and equal to 90 percent of all purchases from the inception of FNMA in 1938 through 1949. Purchases of VA-guaranteed mortgages dollarwise accounted for 62 percent of the total FNMA purchases in 1949 and 95 percent in 1950; purchases of FHA-insured mortgages, on the other hand, declined approximately 80 percent from the 1949 peak. From mid-1948, when the purchase of VA mortgages was first authorized, through the end of 1950, FNMA purchased over 200,000 VA-guaranteed mortgages, with two-thirds of such purchases occurring in 1950.

6. Mortgage Servicing

Coincident with the purchase by the Association of eligible VA-guaranteed and FHA-insured Section 8, 203, and 603 mortgages, arrangements are made to have the accounts serviced locally by qualified servicers. Usually the selling institution becomes the servicer and is required, as a part of the purchase transaction, to agree to effect collections of the principal and interest installments and tax and insurance deposits, to inspect the properties securing the investments, to pay taxes or other charges or assessments and hazard insurance from the deposit funds, to personalize the servicing of accounts which become delinquent, to maintain required records, and to make accountings of funds collected or, if uncollected, a report thereof, together with a summary of the action taken to effect collection. As compensation for the performance of these functions, the servicer is permitted to retain the late charges collected, if any, and in addition is allowed an amount payable from collections equal to one-half of 1 percent per annum on the unpaid principal balance of the mortgage computed in the same manner as interest for the period during which the seller is servicing the mortgage. The contract relationship of the Association with the servicer may be terminated by the Association in whole or in part on 30 days' written notice.

The servicing obligations of the servicer do not include the responsibility for foreclosure of mortgages for the Association or for bearing any part of the expense of any foreclosure proceeding. The Association conducts direct servicing of all accounts involving large-scale projects (FHA-insured Sections 207, 608, and 803 mortgages).

7. Sales

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

(a) Sales Prices

The prices at which mortgages are offered for sale include the unpaid principal balance plus accrued interest to date of payment and, in addition a premium computed on the unpaid principal balance as follows:

	Interest rate	Premium
	Percent	*Percent*
FHA-insured mortgages:		
Title II, sec. 203	5	2¼
Title II, sec. 203	4½	2
Title II, sec. 203	4¼	1½
Title VI, sec. 603	4	¾
VA-guaranteed mortgages:		
Sec. 501	4	½
Sec. 502	4	½
Combination FHA and VA:		
FHA sec. 203—4½ percent and VA sec. 505 (a)—4 percent		1⅝
FHA sec. 603—4 percent and VA sec. 505 (a)—4 percent		⅝

The price at which any specific FHA Section 207 or 608 mortgage will be sold is determined by negotiation. Investors may obtain information from the Association with respect thereto.

(b) Sales Procedure

Any investor that, in the opinion of the Association, is qualified to service the mortgage is eligible to purchase VA-guaranteed mortgages. Any FHA-approved mortgagee is eligible to purchase FHA-insured mortgages. Prospective purchasers may secure an option for a reasonable period in which to inspect mortgaged premises and to examine at the Association's office the notes, mortgages, and related documents in connection with the mortgages included in the schedule covered by the option. The Association endeavors to comply with the wishes of purchasers with respect to arranging closing schedules and other matters incidental to consummating sales.

All negotiations relating to the purchase of Association-owned mortgages are with principals or their representatives; the Association pays no commissions to brokers in connection with any mortgage sales.

(c) 1950 Mortgage Sales

During 1950 the Association sold a total of 69,996 mortgages with unpaid balances aggregating $469 million. Of these, 35,905 mortgages or 51.3 percent of the total, with balances of $261 million, were FHA mortgages, and the remainder, 34,091 mortgages or 48.7 percent, with balances of $208 million, were VA mortgages. For 1950 as a whole, the dollar volume of the sales was more than double the total mortgage sales of FNMA since its inception through 1949. During the first 7 months of 1950 the dollar volume of sales of FHA-insured mortgages exceeded sales of VA-guaranteed mortgages by almost two-thirds; in the last 5 months, this ratio was reversed. In dollar totals almost three-fifths of all FHA-insured mortgages purchased by FNMA from 1938 through 1950 have been resold, but less than one-sixth of its VA-guaranteed mortgages have been sold. In the aggregate, 30 percent of the dollar investment in FNMA purchases made cumulatively through 1950 have been sold. The following table shows the relationship between purchases and sales from 1938 through 1950:

FNMA purchases and sales, 1938 through 1950, cumulatively

[Millions of dollars]

	Mortgage purchases	Mortgage sales	Sales as percent of purchases
FHA	760.5	446.4	58.7
Section 203	374.6	231.2	61.7
Section 207	5.4	.3	5.6
Section 210	.3		
Section 603	339.3	193.1	56.9
Section 608	40.9	21.8	53.3
VA	1,425.8	208.5	14.6
Section 501 (home)	1,397.8	196.4	14.1
Section 501 (multifamily)	6.0	.8	13.3
Section 502	.8		
Section 505 (a)	21.2	11.3	53.3
Total	2,186.3	654.9	30.0

8. Other Liquidation

During calendar year 1950 foreclosure proceedings were completed on 1,120 mortgages with unpaid balances of $12.3 million, and 1,099 mortgages were fully repaid. Repayments of all types including principal amortization payments aggregated $44.3 million. Repayments of FHA-insured and VA-guaranteed were represented to the extent of $11.6 million and $32.7 million, respectively.

9. Status of Purchasing Authority

The Association's original capital stock of $10 million and $1 million paid-in surplus were subscribed and paid for by RFC. Borrowing was authorized to the extent of 20 times the total of capital and surplus. In July 1948 the capital stock and surplus were increased to $21 million and borrowings were authorized up to 40 times that amount. In July 1949 the authorization was increased to $1,500 million as a fixed amount without regard to the amount of capital and

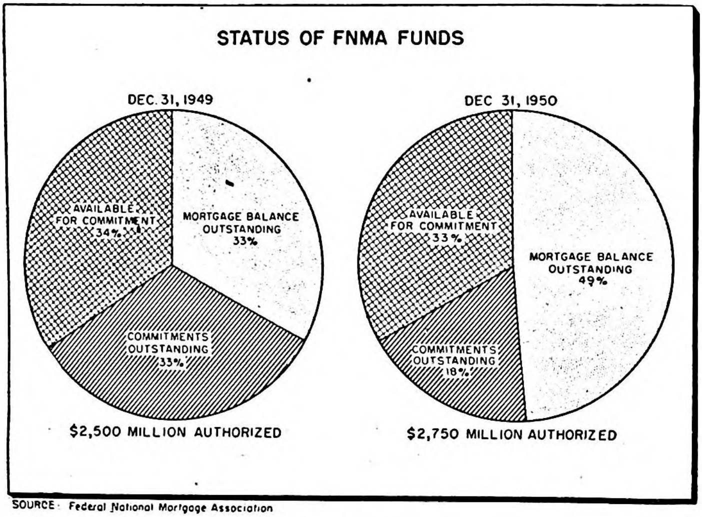


CHART 10.

surplus. Three months later, in October 1949, the authorization was increased to $2,500 million and, in April 1950, it was increased by $250 million, to $2,750 million.

The effect of the change in purchasing procedure, together with funds released by sales of the Association's mortgages and by cancellation of purchase commitments, has been to increase the volume of funds immediately available for mortgage purchases. The discontinuance of the commitment procedure, cancellation of outstanding commitments, principal repayments, mortgage sales, and other credits, and the additional authorization of $250 million in April 1950, increased the amount of funds available for new purchases from $848 million on December 31, 1949, to $918 million on December 31, 1950. The following table shows the status of FNMA purchasing authority as of December 31, 1949 and 1950:

Status of FNMA authorization

[In millions of dollars]

	Dec. 31, 1950	Dec. 31, 1949
Total authorizations	2,750	2,500
Mortgage balances outstanding	1,347	828
Commitments outstanding	485	824
Available for new purchases	918	848

10. Administration

Prior to September 7, 1950, the activities of the Association were directed from the 31 offices maintained by the RFC. Coincident with the transfer of the Association to the Housing and Home Finance Agency, nine of these FNMA locations were consolidated into other offices. During the period between September 7 and December 31, 1950, six additional offices were consolidated into other offices. In addition to the 16 field offices that remained on December 31, the Association maintains a small branch office in Puerto Rico and a principal or administrative office in Washington. The personnel of the Association, which at the time of the transfer totaled 954 positions, had been reduced to 869 on December 31, 1950.

The Association is a wholly owned and self-supporting agency of the Government; it receives no direct Government appropriations for the payment of administrative or other expenses. During the period of its existence it has paid, or has authorized the payment of, from net earnings, dividends of $30.6 million, or almost 150 percent of its total capitalization and paid-in surplus. During the 1950 calendar year FNMA's net income totaled $21.5 million, and, cumulatively to December 31, 1950, it aggregated $52.8 million.

Chapter X

THE COMMUNITY FACILITIES SERVICE

The Community Facilities Service, which administers the program of advance planning of public works and related programs, became a part of the Office of the Administrator on May 24, 1950, in accordance with Reorganization Plan No. 17 of 1950. Previously, the Community Facilities Service had been a part of the General Services Administration. In the past, CFS administered a wide range of programs, most of which were concerned with Federal aid for either advance planning or construction of various State and local public works.

A major objective of Reorganization Plan No. 17 was to bring the program of advance planning of State and local public works into the same agency with the slum clearance and urban redevelopment program, which since its inception has been in HHFA. Housing and such auxiliary facilities as sewers, water, and streets are closely related; sound administration and economy require that their advance planning be coordinated. Shortly after the transfer, the fiscal, budget, office services, personnel, and legal section of the Community Facilities Service in Washington, D. C., were merged with the corresponding sections in the Office of the Administrator, leaving CFS as an operating group solely.

In addition to the advance planning program, the functions of CFS included participation, on several occasions during 1950, in disaster relief operations in a number of localities and—late in the year—participation in a program of Federal aid for the construction of school buildings in areas affected by an expansion of Federal activities.

A. Advance Planning Program

1. The First Advance Planning Program

The idea of advance planning of public works is not a new one; it had been urged for many years prior to World War II. It was not until that war had entered its closing phases, however, that Federal aid was authorized to State and local governments for the advance blueprinting of proposed public works. The First Advance Planning Program was launched in May 1945 under the authority of Title V of the War Mobilization and Reconversion Act of 1944. The immediate objective was the provision of Federal aid in the advance planning of useful State and local public works. The ultimate Federal aim, however, was to assist in the creation of an adequate reserve of State and local public works projects, ready to be placed under construction should private construction slump badly after the war.

During 1945 and 1946, program activities consisted mainly of the reviewing and approving of useful projects for blueprinting and the making of first payments to get the blueprinting under way. The statutory authorization for the approval of further projects ended on June 30, 1947. From then until new program activities were authorized in October 1949, the main emphasis was on insuring completion of plans for which initial advances had been made and on securing repayment of advances as the projects were placed under construction by the various State and local governments.

The accomplishments of the First Advance Planning Program may be briefly stated as follows. Federal advances in the amount of close to $50 million were made available for the blueprinting of State and local projects having an estimated construction cost of about $2.7 billion. Through December 31, 1950, plans had been brought to completion on 85 percent of the projects which had been approved. Approximately 30 percent of all completed planning had been put under construction, and the Federal planning advances repaid to the United States Treasury in accordance with the requirements of the law.

2. Legislative Provisions Governing the Second Advance Planning Program

To assure that the shelf of plans authorized under the First Advance Planning Program would not be depleted, as blueprinted projects were placed under construction, the Congress passed Public Law 352 in October 1949, authorizing a Second Advance Planning Program in the amount of $100 million. This law is much the same as that authorizing the first program, except that it permits greater discretion in apportioning planning funds among the States.

Summed up briefly, the law authorizes the making of advances of Federal funds to State and local public bodies to assist them in financing the advance planning of their public works, exclusive of housing projects and certain special categories of State and local public works. Advances are required to be repaid to the United States Treasury, as construction is started on the public works so planned. The law specifically states that the granting of a planning advance is in no way to be construed as creating an obligation on the part of the Federal Government to help in financing the construction of a project. These limitations are substantially the same as those existing under the first program.

More specifically, the authorizing legislation provides for the apportionment of funds as follows:

"Funds appropriated for the making of loans or advances hereunder shall be allocated * * * among the several States in the following proportion: Seventy-five per centum in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available United States census, and 25 per centum in accordance with the needs of the States as determined by the said Administrator: *Provided*, That the allotments to any State shall aggregate not less than one-half of 1 per centum of the total funds available for allotment hereunder." The term "State" includes the District of Columbia, Alaska, Hawaii, and Puerto Rico.

Each planning advance approved is a sum made available to help meet the cost of drawings, specifications, and other definite plan preparations for a State or local public work. It is to be repaid, without interest, if and when the construction of the public works is undertaken or started.

Any non-Federal public agency which is authorized to construct public works may apply for a planning advance. These public agencies include State governments and their agencies and political subdivisions, such as counties, cities, towns, townships, school districts, water and sewer districts, levee districts, irrigation districts, special taxing districts, and other duly authorized public agencies. Private or privately controlled organizations are not eligible.

Public works for which planning advances are not eligible under the authorizing legislation and the regulations issued pursuant thereto include public housing projects of Federal, State, or local housing agencies or authorities, and public works for which Federal funds are already available under various Federal aid programs. Included in the latter category are Federal-aid highway projects of the Bureau of Public Roads; Federal-aid airport projects of the Civil Aeronautics Administration; and Federal-aid hospital projects of the Public Health Service. All other non-Federal public works projects are eligible for planning, including such types as schools and other educational facilities; hospitals and health facilities; highways, roads, and streets; bridges, viaducts, and grade separations; airports; sewer, water, and sanitation facilities; other public buildings; parks and other recreational facilities; and miscellaneous public facilities.

Planning under Public Law 352, Eighty-first Congress, includes the preparation of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, estimates of costs, procedures, and other planning activities in advance of the construction of a specific public work. No loan or advance can be made with respect to any individual project unless it conforms to an over-all State, local, or regional plan approved by a competent State, local, or regional authority.

(a) *Program Operations Under the Second Advance Planning Program*

It is essential to an understanding of program operations to realize that there have been two distinct phases thus far in the Second Advance Planning Program. The first funds made available for the program were voted under Public Law 430, Eighty-first Congress (Second Supplemental Appropriation Act of 1950, passed October 28, 1949); $25 million was given under this appropriation to reactivate the program in fiscal year 1950. Program operations in late 1949 and during the first half of 1950 were conducted much the same as under the first planning program.

In certain respects, the Second Advance Planning Program had been largely directed to defense and essential civilian requirements from its inception. Many of the projects approved for blueprinting were in areas with military camps or defense industrial plants. A substantial majority of all projects for which planning advances had been approved prior to June 30, 1950, were of a type essential to normal community life. For example, schools and other educational facilities and sewer and water facilities had accounted for nearly three-fourths of all the applications approved up to that time.

However, at the onset of the Korean crisis, the decision was made to discontinue approvals under the broader criteria previously used and to limit project approvals *exclusively* to defense-connected or essential civilian public works.

The new policy was set forth by the HHFA Administrator in a letter to the CFS Commissioner. The following is quoted therefrom:

> Accordingly, it is my determination that in the advance of Federal funds for the planning of State and local public works these advances should be made only in those circumstances where the public works projects fall within the following categories:
>
> 1. Projects contributing directly to defense operations.
> 2. Projects which are required to meet essential civilian requirements.
>
> It is my desire that these criteria be strictly adhered to, and when a project is approved on the basis of defense-connection it be truly a defense-connected project. Where essential civilian requirements are to be met it is your responsibility to determine that these are truly "essential" civilian requirements, and not simply the planning of public work to meet normal civilian requirements which can be deferred until a later date.

The new orientation outlined above had important repercussions on program operations during the latter part of 1950. It was necessary to issue revised forms and instructions for the benefit of State and local applicants for planning advances and to begin afresh the review of all applications which had not yet been approved. In this connection, additional data were necessary in connection with all previously submitted applications to furnish the basis for determining whether the applications could qualify under the new and tighter requirements governing the program. As a result, during the last quarter of 1950 only $761,000 was allotted, under the revised criteria for the planning of projects estimated to cost $30.6 million.

Under the new standards, of eligibility, the reviewing process consists of the following major steps. If a project is found ineligible even under the old standards, it is placed in a category of "projects disapproved." If a project is found eligible under the old standards but ineligible under the new standards, it falls within the category of "projects deferred due to program restrictions." Projects in this group are indefinitely suspended. Finally, if a project meets the new standards as to eligibility and if funds are available, it is placed in the category of "projects approved under the restricted program."

The following table shows the status of all applications filed as of December 31, 1950.

TABLE A.—*Status of applications and advances as of Dec. 31, 1950*

	Number of applications	Advances requested (in $1,000)
Total filed in division offices	2,344	$49,63[illegible]
1. Revisions, withdrawals, disapprovals, cancellations	362	6,67[illegible]
2. Deferred due to program restrictions	76	1,12[illegible]
3. Approved	1,083	18,93[illegible]
4. Under review	823	22,8[illegible]

Applications approved under the Second Advance Planning Program as of December 31, 1950, cover projects with an estimated construction cost of $659 million; applications under review involve projects with an estimated construction cost of $910 million. Many of the latter will be deferred or disapproved because they do not meet the eligibility requirements of the current standards.

The 1,083 projects approved as of December 31, 1950, will result in the planning of a wide variety of public works; however, schools, sewer facilities, and water facilities account for close to three-quarters of all advances approved. Most of these projects were approved in the predefense period; however, it is safe to assume that the great bulk will help in meeting defense needs or essential civilian requirements.

TABLE B.—*Normal and restricted programs advances approved, by type of project, as of Dec. 31, 1950*

Type of project	Number of applications	Estimated cost of public works	Advances approved	
			Amount	Percent distribution
Total	1,083	$659,317,327	$18,938,163	100.0
Schools and other educational facilities	323	170,569,400	5,638,704	29.8
Sewer facilities	414	265,228,282	7,070,318	27.3
Water facilities	132	45,515,285	1,473,259	7.8
Sanitary facilities	12	4,306,512	175,576	.9
Hospitals and health facilities	13	19,048,155	467,040	2.5
Highways, roads and streets	50	14,627,976	491,736	2.6
Bridges, viaducts, and grade separations	31	27,752,072	655,860	3.5
Airports	4	4,862,750	128,200	.7
Other public buildings	57	70,328,683	2,013,740	10.6
Parks and other recreational facilities	29	9,298,521	294,480	1.5
Miscellaneous public facilities (NEC)	18	27,778,791	529,250	2.8

There were 823 applications under active review as of the end of 1950. A careful screening of these projects (most of which were filed before the defense period) is necessary. Processing of these applications will extend well into 1951.

As of December 31, 1950, blueprinting under the Second Advance Planning Program had been completed on 100 projects having an estimated total construction cost of $31 million.

Table 15 of Appendix A furnishes basic information on the status of the program as of the close of 1950.

(b) Status of Funds

Public Law 352 (81st Cong., approved October 13, 1949) authorized the use of $100 million for the Second Advance Planning Program. Public Law 430 (81st Cong., approved October 28, 1949) appropriated $25 million to start the program in fiscal year 1950, with all but three-quarters of a million available for planning advances. An additional appropriation under Public Law 759 (81st Cong., approved September 6, 1950) provided almost $33 million of new funds for fiscal year 1951, with slightly more than $31 million earmarked for planning advances. The latter amount was subsequently reduced by the Bureau of the Budget by a total of $25 million, to approximately $6 million. Of the $25 million cut, $15 million was taken under Section 1214 of Public Law 759 which contains a proviso that the Director of the Bureau of the Budget shall make an over-all reduction in appropriations. The other $10 million was placed in a contingency reserve.

Of the total of $30.4 million for program operations in fiscal years 1950 and 1951, $25.5 million was provided in cash and $4.9 million in contract authority. Through December 31, 1950, applications for nearly $19 million in planning advances had been approved, leaving about $11.5 million for approval during the second half of fiscal year 1951.

3. Volume of the Actual and Potential Reserve of Non-Federal Public Works

As a result of the First and Second Advance Planning Programs a reserve of fully planned non-Federal public works amounting to about $1.6 billion was available to State and local governments as of December 31, 1950. In addition, plans were in process on projects

ADVANCE PLANNING PROGRAMS
STATUS OF RESERVE OF NON-FEDERAL PUBLIC WORKS
(Estimated Cost of Public Works in Billions of Dollars)

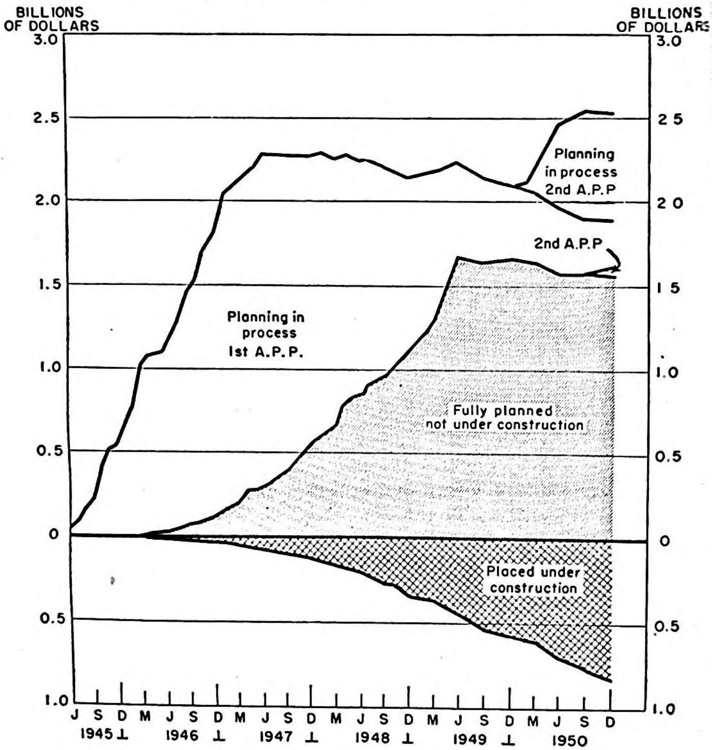


CHART 11.

with an estimated construction cost of slightly less than $1 billion. These figures do not include the $800 million of projects planned under the First Advance Planning Program and already placed under construction.

Table C and Chart 11 show the status of planning under the two programs in tabular and graphic form, respectively.

TABLE C.—*Advance planning programs for non-Federal public works, status of actual and potential reserves, as of Dec. 31, 1950*

	Estimated Total cost of public works (in millions)
Available reserve: Projects fully planned, not under construction—total	$1,604
First advance planning program	1,573
Second advance planning program [1]	31
Projects in process of planning—total	917
First advance planning program	289
Second advance planning program [1]	628
Potential reserve	2,521
Projects fully planned, now under construction or completed—total	822
Total planned and in process of planning	3,343

[1] Refers to both "normal" and "restricted" programs.

B. School Construction Program

Public Law 815, passed on September 23, 1950, authorized a Federal-aid program for the construction of school facilities on Federal property or in areas affected by Federal activities. Under this program, Federal grants are authorized to eligible State and local educational agencies. The "entitlement" to Federal aid is determined under formulas laid down by the authorizing legislation. The Office of Education, Federal Security Agency, is authorized to direct the program with the cooperation of the Community Facilities Service, to which certain specific functions are delegated under the Act.

To carry out the purposes of the legislation, an appropriation of $49.5 million, $24.5 million in cash and $25 million in contract authority, was provided in Public Law 843, Eighty-First Congress, passed on September 27, 1950 (Supplemental Appropriation Act, 1951).

The program was just getting under way as the year 1950 drew to a close. The major function of Community Facilities Service at that time was to provide the Office of Education with information concerning the deductions necessary to arrive at the amount of entitlement. These deductions are measured by the amount of Federal aid furnished to the various school districts for school construction since June 30, 1939, minus an adjustment for building depreciation. The bulk of such Federal aid came under the Public Works Administration program, Work Projects Administration program, and that given under the Lanham Act during World War II.

As the program gets further under way, the major task of CFS will be to examine and approve the blueprints accompanying the applications for Federal aid filed with the United States Office of Education, and to supervise the actual construction of the schools.

Preliminary steps necessary to place the program in active operation were taken in the latter part of 1950. Application forms and instructions were drawn up and reproduced in quantity, and procedures were promulgated for the guidance of the field and central offices.

In conformity with Public Law 815, a formal agreement was made on November 17, 1950, between the United States Office of Education and the Administrator of HHFA, delineating the functions of the Community Facilities Service with respect to the program. Broadly, these CFS functions are as follows:

(1) To review parts of applications from State and local educational agencies.

(2) To furnish certain additional information required for the proper review of applications (including estimates of the present value of any school facilities provided to the applicant with Federal aid since June 30, 1939).

(3) To advise on the amount expended from local sources for school construction since June 30, 1939 (in case of applications for "reimbursement").

(4) To examine final drawings and specifications of school facilities submitted by applicants.

(5) To make inspection and to review the progress of actual school construction.

(6) To prepare cost estimates and aid in the construction of educational facilities to be constructed federally.

Under a working fund agreement of Novmber 24, 1950, between the United States Office of Education (FSA) and the Office of the Administrator (HHFA), $115,000 was made available to the latter Administration for administrative expenses during fiscal 1951 out of the funds appropriated under Public Law 843 for such purposes.

Disposal of Federally Constructed Schools Under the Lanham Act

The Community Facilities Service has one other major responsibility under Public Law 815. This has to do with the disposal of schools constructed entirely with Federal funds under the Lanham Act.

Many such properties had been disposed of by sale to local public agencies prior to the passage of Public Law 815. This law specifically provides that the title and all rights to facilities not yet disposed of at the time of the passage of the Act be transferred to the appropriate local educational agency without reimbursement, including facilities sold on a time-payment basis prior to the Act and with respect to which further payments were due. In accordance with the above, 129 school projects had been transferred outright, as of December 31, 1950, including 107 school projects sold on a time-payment basis but not completely paid for. The original cost of the 129 projects to the Federal Government was $13,862,000.

C. Emergency Disaster Relief

During 1950, CFS, as has been the case in each year since 1947, was called upon to assist in areas affected by disasters; work performed consisted of emergency repairs to damaged public facilities.

CFS began these operations under Public Law 233, Eightieth Congress, at a time when it was a constituent agency of the Federal Works Agency. Public Law 233 authorized the transfer of surplus Government property to FWA for use in designated disaster areas. FWA was then authorized to lend or transfer this property to State and local governments with or without remuneration. The law also made available unused balances of the Veterans' Educational Facilities Program funds and authorized the appropriation of such additional sums as might be necessary. However, these funds were not available for the purchase of materials and repair operations, but were to be used solely for costs incurred in transferring surplus property and the administration of the program. As the volume of surplus materials and equipment suitable for disaster aid dwindled, the meeting of emergency needs became increasingly difficult.

During 1950 such aid as was available came almost entirely from the President's Emergency Fund, the appropriation language containing broad principles concerning the initiation and scope of Federal participation in disaster operations. Under this language no Federal expenditures from the fund may be made in a disaster area until the Governor of the State gives assurance of expenditure of a reasonable amount of State and local funds; and no Federal funds may be expended for departmental personal services or for permanent construction.

During 1950 the President's Emergency Fund was used in seven disaster areas. The date and type of each disaster, funds allocated, and major use of funds allocated, are shown in the table below.

Date of disaster	Disaster area	Type of disaster	Funds allocated	Use of funds
1950				
January	Montana	Unusual snows	$105,000	Clearing roads and restoring communication.
April	Red and James River Valleys, N. Dak.	Flood	250,000	Emergency road and bridge work to restore communication and emergency repairs to public facilities.
April	Red River Valley and other areas in Minnesota.	do	150,000	Do.
May	Blue River Valley, Nebr.	do	125,000	Do.
May	Perkins, Corson, and Harding Counties, S. Dak.	do	40,000	Do.
September	Great Bend, Kans.	do	30,000	Repairing and cleaning of sanitary and storm sewers and draining of storm area.
December	City of Reno and surrounding area, including town of Sparks, Nev.	do	75,000	Emergency repairs to sewer lines and treatment plant, removing debris and sand bags, cleaning main drainage ditches and street and sidewalk repair and cleanup.

Five of the disasters listed above occurred during the period CFS was a part of GSA. In the case of the two occurring in September and December, however, the Administrator of GSA delegated to HHFA, acting through CFS, the work of assisting in alleviating conditions caused by the disasters.

Public Law 875 (81st Cong., passed September 30, 1950) repealed Public Law 233. It is designed to provide for "an orderly and continuing means of assistance by the Federal Government to States and local governments in carrying out their responsibilities to alleviate suffering and damage resulting from major disasters."

In essence, the law provides that upon proper certification by a State governor of the need for disaster assistance and assurance of a reasonable use of State and local funds in meeting the situation, the President may invoke the provisions of the Act in any major disaster area and name the Federal agency or agencies which are to administer aid in the area.

Section 3 of the Act provides that Federal agencies may give assistance "(*a*) by utilizing or lending, with or without compensation therefor, to States and local governments their equipment, supplies, facilities, personnel, and other resources, other than the extension of credit under the authority of any Act; (*b*) by distributing, through the American National Red Cross or otherwise, medicine, food, and other consumable supplies; (*c*) by donating to States and local governments equipment and supplies determined under the existing law to be surplus to the needs and responsibilities of the Federal Government; and (*d*) by performing on public or private lands protective and other work essential for the preservation of life and property, clearing debris and wreckage, making emergency repairs to, and temporary replacements of, public facilities of local governments damaged or destroyed in such major disaster, and making contributions to States and local governments for purposes stated in subsection (d). * * *"

The Act authorizes an appropriation of $5 million to carry out its purposes, but no appropriation was made in 1950 under this Act.

D. Disposal of Public Works Built During World War II

In addition to the programs outlined above, CFS has the responsibility of winding up the disposal of certain public works built by the Federal Government during World War II under the Lanham Act. During World War II, it was necessary for the Federal Government to undertake directly the construction of a number of public works in war-congested areas, the local governments at that time being unable to contribute a fair share of the total cost of the project. Since that time the great bulk of these facilities has been disposed of to public bodies or nonprofit groups.

At the outset of calendar year 1950, 211 projects, having a total estimated cost of $38 million, remained for disposal. At the end of the calendar year, only 139 projects, representing $24 million in cost, remained for disposal. Of these, 87 projects which had originally cost $12 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 52 projects estimated to have cost $12 million.

Chapter XI

SPECIAL HOUSING PROGRAMS AND ACTIVITIES

A. War and Emergency Housing Management and Disposition

During the past decade approximately a million units of emergency housing have been provided by the Federal Govenment to meet special war and postwar housing needs. About three-fourths were provided under the defense and war housing provisions of the Lanham and related acts; the remainder was provided during the postwar emergency period, under the Veterans' Reuse provisions of those acts, to house returning servicemen and their families.

Responsibility for the management and disposition of this housing is vested in the Administrator of HHFA. A small staff group has been established in OA in connection with the policy determinations and supervisory responsibilities necessary to carry out the instructions of the Congress. Actual management and disposition activities have been conducted by the Public Housing Administration. By the beginning of 1950, these activities had resulted in removal from the workload of some 60 percent of total inventory of emergency housing, leaving 400,000 dwelling accommodations on hand.

Disposition of permanent housing units has been aimed at assisting veterans in achieving home ownership through individual purchase or, where individual sales are not feasible, through mutual ownership purchases. Projects requested by local communities for low-rent use were withheld from sale until a congressional determination could be made on the policy involved. Temporary dwelling units were scheduled for removal shortly after the termination of the period of national emergency caused by World War II. Most of the units developed under the Veterans' Reuse program were made eligible for transfer to States, counties, cities, or other public bodies, or to educational and nonprofit organizations.

At various times, the Congress has approved measures facilitating the disposition of portions of the inventory of dwelling units provided under the emergency programs, notably the units developed under the Veterans' Reuse program. Recognition of factors impeding the disposition effort, particularly the continuing shortage of rental accommodations for moderate-income families, led the Congress twice to extend the removal date originally established for the temporary units made available under the War Housing program. Through the addition of Title VI to the Lanham Act, as part of the Housing Act of 1950, the Congress established a comprehensive policy framework for disposition of the balance of Lanham Act housing and also authorized specific terms designed to accelerate the disposition process.

The Act also authorized the transfer of certain permanent projects—suitable for low-rent use on a basis comparable with those under Title III of the Housing Act of 1949—to local housing agencies, provided the projects were requested by the local government for operation as part of its local low-rent program by December 31, 1950.

Permanent projects not transferred for low-rent use would be disposed of by sale for private residential use. The Title modified existing sales preferences so as to avoid the displacement of a nonveteran tenant wishing to purchase for his own use the unit he was already occupying. Sales terms, including authority for Federal financing where necessary, were also provided in connection with the sale of permanent housing units.

Title VI broadened the authority to transfer veterans' reuse housing to local sponsors, as well as to transfer temporary war housing projects to local bodies owning or controlling the underlying land. To facilitate such transfers, the sale of federally owned land was authorized at the original purchase price plus certain acquisition costs, excluding the cost of general site improvements. Requests for the transfer of projects in this category were required to be filed by December 31, 1950, but discretion to extend this date, where justified, was given to the HHFA Administrator.

There was also provided a schedule for vacating and removing by July 1, 1952, any temporary housing not transferred to local governmental units or to educational and nonprofit organizations.

Also, it was required that by December 31, 1950, all of the so-called demountable projects be reexamined, in consultation with the local communities affected, and classified as either permanent or temporary housing. On the basis of such reclassification, each project was to be handled under the appropriate disposition section of the title.

The general uncertainty that prevailed while the Congress was considering the proposals that culminated in the Housing Act of 1950 had the effect of impeding disposition activity during the early part of 1950. Immediately after the Act took effect, steps were taken to develop policies and procedures to carry out the new title.

Upon the outbreak of hostilities in Korea, the President called upon the Executive departments to conserve all federally owned resources related to the projected defense program. Disposition activities were suspended until the current inventory of housing could be evaluated in terms of the new emergency.

It was decided to limit disposition activities to carrying through only sales already committed and transfers of veterans' reuse housing as required by law. Other activities were to be confined to reclassifying the demountable projects and to processing requests from local communities in order to permit them to meet the established time schedules for the transfer of temporary and permanent projects. Disposition activities were later broadened to include part of the preliminary work, such as the dedication or sale of utilities and the sale of commercial facilities, in connection with the offer of some of the permanent projects for sale. The Administrator also approved the sale or release of small land parcels not required in the operation of housing projects, particularly parcels suitable for use as sites for needed school facilities.

The expansion of the defense program was immediately followed by requests for assistance in housing military personnel and civilian defense workers. In cooperation with the defense agencies, PHA management policies and procedures were revised to permit the utilization of certain Lanham Act housing needed in meeting these requests. To add to the stock of housing available to meet urgent local defense needs, a few temporary projects, previously closed as a prelude to removal, were reactivated.

B. Alaska Housing Program

Considerable progress was made during 1950 under the provisions of the Alaska Housing Act (Public Law 52, 81st Cong.) toward the general objective of promoting the settlement and development of Alaska by facilitating the construction of necessary housing. The provisions of this Act were described in detail in the 1949 Annual Report of the Housing and Home Finance Agency.

With the support of loans by the HHFA Administrator from the $10 million revolving fund voted by the Congress, activities of the Alaska Housing Authority resulted in a start on the construction of 383 housing units in urban areas and the improvement or construction of 170 units in 6 Eskimo villages in the remote Bering Sea region. Loan commitments by the Administrator to the Authority during 1950 totaled over $4.5 million, of which $1.6 million had been disbursed as of the close of the year.

Loans were made, starting in June and continuing through the balance of the 1950 building season, in support of 10 urban projects with 383 housing units—all covered by FHA mortgage insurance or mortgage insurance commitments. With the exception of 25 single-family houses at Palmer and 5 units at Ketchikan, all of the housing aided by the Alaska Housing Authority was located in Anchorage, where the greatest need exists. Included are 2 FHA-insured Section 608 multiple rental projects with 273 units, for which the Alaska

Housing Authority provided special "preconstruction" loans to finance the purchase and transportation of materials and equipment in addition to mortgage financing. The Authority also made first mortgage loans, with advances during construction, to 7 private corporations for the construction of 85 single- and duplex-family units.

A loan of $20,000 by the Administrator in January, for the initial overhead expenses of the Alaska Authority, was repaid in September from funds made available by territorial appropriations. In April, a loan commitment of $70,000 was made to the Authority, of which $63,300 was disbursed in support of the 170-unit remote dwelling program, resulting in dry, sanitary dwellings being made available for the first time to Eskimo families in six remote villages. The Authority reported repayments of principal and interest by the close of the year totaling more than 10 percent of the amount lent under this program.

For 1951 the Alaska Housing Authority expects to commence lending operations earlier in the building season and to expand the geographic scope of its operations.

During 1950 there was also a significant expansion of housing activities under the provisions of the Act providing liberalized aids to private builders independent of the revolving fund assistance. The Federal Housing Administration issued mortgage insurance commitments on 14 additional Section 608 and 207 rental housing projects with 1,798 units, boosting total commitments to 25 projects containing 3,237 units. Mortgages were insured and construction begun on 7 of the newly committed projects with 1,431 units, bringing the total projects started to 17 and covering 2,180 units. Of this total, 10 projects (1,284 units) were located in Anchorage, 4 projects (619 units) in Fairbanks, and 1 project each in Juneau (132 units), Ketchikan (108 units), and Sitka (37 units). One Anchorage project of 68 units was completed and occupied during the year. The FHA-insured mortgages on the 17 projects started by December 31, 1950, amount to $24.7 million, of which private mortgageholders are carrying $9.7 million (7 projects), the Federal National Mortgage Association $11.8 million (8 projects), and the Alaska Housing Authority $3.1 million (2 projects).

The FHA mortgage insurance commitments outstanding at the close of 1950 extended to 7 projects with 996 units—5 in Anchorage (816 units), 1 in Fairbanks (150 units), and 1 in Ketchikan (30 units). The commitment on 1 project of 61 units for Fairbanks had expired. At the end of the year, applications for 1 project (108 units) for Fairbanks and 1 project (36 units) for Ketchikan were pending.

During 1950 the Federal Housing Administration also issued commitments under Section 203 for 503 one- to four-family units in all

Alaskan cities. Three-fourths of the units under these commitments involved new construction. This total compares favorably with the 217 units under Section 203 commitments issued in 1949 and the 57 units for which FHA issued commitments in 1948 prior to passage of the Alaska Housing Act.

The specific objectives of the Alaska Housing Act are not intended to meet directly the housing needs of military personnel in the Territory. These needs are expected to be met through the Department of Defense, under its own programs or under the provisions of the Wherry Act for assistance to military housing construction. The primary objective of the Alaska Housing Act program is to remedy shortages and generally improve conditions in civilian housing, taking into consideration the effects of the expansion of military operations. However, until the military departments have succeeded in providing the housing needed at their various installations, members of the Armed Forces, as well as civilians employed by military establishments, will occupy a large proportion of the housing produced under the Alaska Housing Act.

C. Prefabricated Housing Loan Program

On September 7, 1950, under Reorganization Plan No. 23, those functions which dealt predominantly with prefabricated housing were transferred to HHFA from the Reconstruction Finance Corporation. The transfer involved the administrative and operating functions arising under Section 102 of the National Housing Act of 1948, as well as functions arising under the RFC Act, as amended, and other laws dealing with prefabricated housing or large-scale site production.

The transfer included other functions incidental to this main purpose, such as the authority to issue obligations to the Secretary of the Treasury for financing the program. The plan also transferred to the HHFA Administrator the assets, contracts, loans, liabilities, commitments, property, and records of RFC relating to the functions transferred, as well as the staff engaged in the program in RFC. The loan portfolio, as transferred, contained loans made under Section 102 of the Housing Act of 1948 and Sections 4 (a) 1 and 5 (d) 2 of the Reconstruction Finance Corporation Act.

Because the program is a complex one, the change of jurisdiction involved many problems. The multiplicity of transactions due to the nature of the loans created a substantial amount of detail. The wide latitude provided in the law creating the lending authority was designed to provide financing assistance to an infant industry, still largely in an experimental stage and necessarily feeling its way. Loan security in many instances was represented by pledged inventories under warehouse receipts and assigned receivables—invoices, chattels, notes, deeds of trust, mortgages, and the like.

1. Nature and Extent of Authority

Section 102, which provides a revolving fund, requires that not more than $50 million in loans and commitments can be outstanding at any one time. At the time of the transfer, the net uncommitted balance of the authorization amounted to approximately $11 million.

The loans transferred under Section 4 (a) 1 represented approximately $7 million in commitments, of which approximately $1 million had been disbursed. To the extent of the commitments, this lending authority may be considered a revolving fund and may be reloaned as repayments are made.

Authority under Section 5 (d) 2 of the Reconstruction Finance Corporation Act was terminated some time ago, and therefore no further loans under this Section can be made. Collections against this authority must be used to retire outstanding notes to the Treasury and cannot be reloaned.

The following table shows the status of loans made as of September 7, 1950:

[Dollars in millions]

Type of loan	Number	Commitments	Disbursed	Undisbursed
Sec. 102	20	$28.1	$18.0	$10.1
Sec. 4 (a) 1	14	7.0	1.0	6.0
Sec. 5 (d) 2	102	3.0	3.0	
VEHA 1946	1	1.0	1.0	

All loans were made through offices of RFC in the field, with the administration and servicing performed locally. Thus, it was necessary to arrange for RFC to continue servicing certain loans, pending the orderly transfer of documents and controls to the Administrator. The actual flow of documents from the various RFC field offices to OA in Washington started simultaneously with the transfer.

A number of examiners and engineers were transferred from RFC and are presently stationed at Atlanta, Chicago, and Los Angeles. Because of the nature of transactions relating to loans, it has been found advisable to retain these representatives in the field, and they have been stationed in the field offices of the Federal National Mortgage Association. At other points, where personnel were not transferred and local representation was required to provide day-to-day servicing, RFC field offices were requested to furnish such service temporarily. Full administration of these loans is being undertaken as rapidly as possible. In some instances, it is contemplated that servicing arrangements will be made with Federal Reserve banks or other banks in locations where the workload does not justify an HHFA field representative.

The functions performed for the RFC by its Controller, Accounting Officer, and Cashier have been centralized under the OA Accounting Officer. Legal work formerly performed in the RFC offices and by outside fee counsel has been assigned to the OA Division of Law. Where counsel is not available in the field offices of the constituent agencies to handle local problems, outside fee counsel has been employed as required.

2. Loan Review Committee

A Loan Review Committee, whose members are appointed by the HHFA Administrator, has been established. This Committee reviews the recommendations of the Director of the Division of Loans for Prefabricated Housing with respect to applications for new or increased loans, release or substitution of collateral resulting in a substantial reduction of loan security, extension of maturity date, reamortization of the loan, recasting of terms, or other substantial modification of the loan agreement; actual or imminent discontinuance of operations; and commencement or imminence of foreclosure, bankruptcy, or insolvency proceedings.

3. Loan Procedure

Applications for loans are processed through the Division of Loans for Prefabricated Housing, with technical advice from the Division of Research and FHA technicians, and legal advice from the Division of Law. Disbursements are made through the OA Accounting Officer upon request of the Division Director, who has been vested with necessary authority, and upon meeting all requirements of loan authorization. Since the prefabricated housing program was transferred to the Agency in September 1950, most attention has been given to the outstanding loans, all of which have been reviewed on a case basis to determine future prospects of successful operation.

4. Defense Impact on Policy

Changing conditions have altered to some extent the basic policies guiding this phase of the Government's housing program. Since it has been determined to restrict rather than expand housing production, the program can no longer be viewed primarily in terms of the industry's contribution to expansion of the housing supply. Strong emphasis must be placed on the industry's possible contribution to the defense effort through its specialized techniques of factory manufacture, with the attending conservation of materials and manpower. The objective is to maintain the industry throughout the emergency period, keeping available its full capacity as circumstances warrant.

D. Housing Loans to Educational Institutions

Title IV of the Housing Act of 1950 authorized direct Federal loans at low interest rates to aid institutions of higher learning to develop housing facilities for students and faculty. Responsibility for the program was vested in the HHFA Administrator. Loans were authorized for the construction of dormitories, apartment houses, and single dwellings, as well as for the rehabilitation, alteration, conversion, or improvement of existing structures.

Both public and private colleges and universities were made eligible to apply for loans, provided that they could demonstrate inability to obtain housing loans from other sources under generally comparable terms and conditions. Private institutions were required further to show that they were nonprofit in character.

The Act provided a borrowing authorization for a total of $300 million. Loans were to be amortized over a period of not more than 40 years at a fixed rate of interest equal to one-quarter of 1 percent above that on the most recently issued Government bonds having a maturity of 10 or more years.

As a result of the President's request of July 18, 1950, to reconsider the Government's 1950 housing program in the light of the defense requirements occasioned by the Korean outbreak, the college housing program was temporarily halted. After careful reexamination of the housing requirements of such possible defense measures as the assignment of military training or large research contracts to colleges, it was decided, late in 1950, to activate a program limited to $40 million in borrowings.

E. International Cooperation

The year 1950 was one of increased housing action throughout the world. This was characterized not only by the breaking of national home-building records in many countries but also by a greater awareness of the scope of the problem and the activation of measures, national and international, to cope with the situation. It is true, however, with few execptions, that home-building activity throughout the world has not made up the housing lost through the war, has not kept pace with population growth, and has done little to replace slums and detriorating housing.

The International Housing Activities Office of HHFA continued its work during 1950 of service to housing in this country and to United States international programs. In line with the increased world-wide housing activities of this year, the interchange of housing knowledge and experience between HHFA, agencies of foreign countries, and international organizations has increased substantially.

HHFA received 95 housing missions from foreign countries. This was an increase of 50 percent over this type of activity during the previous year 1949. These included representatives of foreign governments as well as professionals, labor representatives, and businessmen interested in housing. These persons and groups were supplied with information and documentation and put in touch with the operating divisions and constituents, as well as other Government agencies, for appropriate help. HHFA provided advice and assistance to 30 United States housing groups going abroad to study and/or to advise in foreign countries. These included representatives of the Department of State, ECA, the Congress, *et al.*, and private individuals and research fellows in housing and city planning. Arrangements were made for HHFA representation in important international conferences, such as the Conference on Building Documentation, the Conference on Coordination and Building Research, and the Pan American Seminar on Social Affairs.

During 1950, 1,800 documents relating to foreign housing and community planning were acquired, reviewed, and catalogued. These materials make up an increasingly significant part of the OA Library. A series of British technical research and prefabricated housing movies were arranged and shown to members of the Research Division and other HHFA people.

HHFA worked closely with the Department of State in developing governmental policy on international questions concerning housing. Staff members of HHFA are included, along with other Federal agencies, in membership on various interdepartmental committees, such as the Interdepartmental Committee on International Social Policy and its Subcommittees, and the Advisory Council on Technical Cooperation.

Through representation on the Advisory Committee on Technical Assistance, HHFA has continued to work with the Department of State in the development of the housing phase of the Point Four Program, which includes the assignment of experts abroad, the training of foreign housing and city planning professionals in this country, and the establishing of regional-international research stations.

The United States international programs affecting housing matters have necessitated a close cooperation with the Department of State in a variety of projects. A reporting system was developed by HHFA and the Department of State for the guidance of United States embassies and consulates in their reporting on housing and town and country planning matters. Comprehensive reports have been received from United States missions in 55 countries. These have added greatly to our fund of knowledge on housing and city planning methods and programs in foreign countries. HHFA publications were provided through the Department of State to all the United States missions abroad to help meet the demands of other countries for information concerning United States experience. Housing materials were provided for the Voice of America.

HHFA assisted the Department of State with arrangements for sending a United States prefabricated model house for exhibition at the Berlin Trade Fair. This included assistance in selection and purchase of the house and furnishings, as well as constructing the house on site and having a member of HHFA there to answer questions and explain United States housing methods. The interest in this example of American housing was so great that 43,000 Germans visited the housing in the 2 weeks of exhibit. Approximately 45 percent of the visitors were people from Eastern Germany.

HHFA has played an important part in advising and assisting other United States agencies: ECA, in its housing responsibilities and activities in Europe and Southeast Asia; the Export-Import Bank, in regard to its loans to Chile, Haiti, Israel, and Ecuador; and NSRB, in its studies of wartime housing experience in England and Germany.

HHFA continued its advice and assistance, through the Department of State, to international organizations, such as the United Nations, on tropical housing experience and documentation for a special UN bulletin on the subject; the Pan American Union for the preparation of regional seminars on housing and city planning, as well as housing personnel for their technical assistance missions; Caribbean Commission for housing discussions at the West Indian Conference (Fourth Session); and the International Bank for Reconstruction and Development for the housing part of its technical assistance program for Iraq.

F. Meeting Special Housing Difficulties Confronting Minorities

In the past decade, the 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. This will continue to be so until housing opportunity to all can be more nearly equalized. It is generally recognized that Negroes and other minorities experience special difficulties in acquiring decent housing, beyond those which confront other groups. Restrictive practices, involving land use and lending policies, community attitudes and other related factors, have operated generally to limit the supply and quality of housing available to minority groups and to induce disproportionate overcrowding, often under deteriorating slum conditions. All these factors are intensified when housing is in short supply, and especially in a period of defense mobilization.

A prime objective is to secure 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, to enlarge the production of decent housing available to such groups at prices and rents more nearly suited to their needs and ability to pay.

Extremely difficult, complex, and sensitive problems of minority group participation are to be faced, particularly in the national emergency programs for defense mobilization, as well as in long range programs such as slum clearance and urban redevelopment projects. In these situations, usually a higher proportion of the families to be relocated from slum project areas are Negroes or other racial minorities, and frequently there is no adequate housing available to them elsewhere in the community.

A Racial Relations Service, headed by an Assistant to the HHFA Administrator, with a small staff, 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 implementing 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 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 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 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. This Service will continue its method of doing business, with continued emphasis upon the described functions and the present organization carrying the workload until such time as the role of housing in the ensuing national defense emergency is further clarified.

1. Objective Definition of Distinctive Difficulties in Housing Minorities

Collaboration with the Division of Housing Research on delineation of minority group implications and considerations in the planning and allocation or conduct, as well as appraisal and dissemination of findings, of housing studies, surveys and reports such as: population shifts and distribution; dimensions of the effective market; estimates of housing requirements, condition of housing, income and rent or purchase price relationships; mobility and filtration processes within nonfarm areas; extent and impact of nonfarm land use restrictions, financing practices, credit or other controls, and intergroup adjustment and relations in housing, with particular reference to equalizing the opportunity of minority groups in acquiring decent housing within their means.

2. Development and Execution of Techniques to Overcome Problems

From the inception of this Service, it was found that basic techniques to improve and expand decent housing opportunities to racial minorities had to be continuously revised to meet the changing conditions involved in devising approaches to local realtors, developers and lenders, coordinating their interest with city officials, planning bodies, local housing authorities, redevelopment agencies, representatives of CFS, DSCUR, PHA, FHA, and HLBB, and with community leadership of both majority and minority racial groups; encouraging and reinforcing minority group builders and lenders; assistance with land acquisition and mortgage financing; promotion of the FHA cooperative housing program; enlisting community understanding and cooperation for sound developments; mobilizing private and public endeavor at local, State, and Federal levels to aid private builders and lenders. Growing emphasis upon these activities will follow as national defense mobilization proceeds.

3. Review and Evaluation of Agency Operations

Adaptation or initiation and analysis of field reporting systems; consultation with administrative officials at local, State, and Federal levels; recommendations of necessary adaptations or changes in established policy and procedure, including FHA aids to private developments, HLBB aids to savings and loan associations, PHA low-rent housing policy; CFS aids for local public facilities, and DSCUR procedures, particularly as applied to relocation and redevelopment; participation in decisions on disposition of war housing; and consistent advice to Agency officials on the needs and viewpoints of minority groups.

Currently, with the levels of concern and approaches in resolving minority group problems lifted by recent Supreme Court decisions and accentuated by international considerations, these basic activities in the operations of this Service will be further heightened and expanded by evolving national defense mobilization.

4. Consistent Liaison With Leadership and Organizations Concerned With Minorities

Among key activities of this Service, forming the basis of a continuous chain of activity, are: interpretation of programs and policies—potentialities and limitations; cooperation with industry and consumer groups in the planning and development of their housing and community development programs; liaison with minority group publishers, press services, publications; assisting in developing and executing demonstration or "pilot" programs for all types of group meetings or programs involving housing policy and programs; interpretation of minority group reactions and viewpoints to the Agency.

5. Coordination of Functions and Operations of OA-RRS in Relation to the HHFA Constituents and Other OA Divisions and Subdivisions

A primary activity involves this Service in the assembly, evaluation and sharing of experiences and techniques utilized; development of consistent policy and procedure; coordination between private and public endeavor; training and development of advisers; provision of supplementary field assistance from OA. Appointment of an administrative officer for minority group housing by FHA, enabling heightened coordination activity with that office, and additional central office and field racial relations personnel in the constituent agencies call for increase in such activity.

6. Assembly and Dissemination of Experience in Housing Minority Groups

This Service is continuously engaged in assembling and analyzing experience in planning, land assembly, financing, development, tenancy and management of public and private properties involving minority groups; and in compilation of a city data index of a wide variety of relevant facts and information on housing and related problems and conditions among racial minorities.

These data and their implications are for use in day-to-day operations and appropriate publication as appears warranted. Such documents as *Selected References on Housing of Minorities*, April 1950, and *Nondiscrimination Clauses in Regard to Public Housing and Urban Redevelopment Undertakings*, will be revised and published at least once annually.

Appendix A

STATISTICAL AND FISCAL TABLES

TABLE 1.—*New permanent nonfarm dwelling units started, by source of funds and location: 1920–50*

Year	Total dwelling units	Source of funds					
		Private			Public		
		Total	Location		Total	Location	
			Urban	Rural nonfarm		Urban	Rural nonfarm
1920	247,000	247,000	196,000	51,000	----------	----------	----------
1921	449,000	449,000	359,000	90,000	----------	----------	----------
1922	716,000	716,000	574,000	142,000	----------	----------	----------
1923	871,000	871,000	698,000	173,000	----------	----------	----------
1924	893,000	893,000	716,000	177,000	----------	----------	----------
1925	937,000	937,000	752,000	185,000	----------	----------	----------
1926	849,000	849,000	681,000	168,000	----------	----------	----------
1927	810,000	810,000	643,000	167,000	----------	----------	----------
1928	753,000	753,000	594,000	159,000	----------	----------	----------
1929	509,000	509,000	400,000	109,000	----------	----------	----------
1930	330,000	330,000	236,000	94,000	----------	----------	----------
1931	254,000	254,000	174,000	80,000	----------	----------	----------
1932	134,000	134,000	64,000	70,000	----------	----------	----------
1933	93,000	93,000	45,000	48,000	----------	----------	----------
1934	126,000	126,000	49,000	77,000	----------	----------	----------
1935	221,000	215,700	112,600	103,100	5,300	4,400	900
1936	319,000	304,200	197,600	106,600	14,800	13,400	1,400
1937	336,000	332,400	214,400	118,000	3,600	3,600	----------
1938	406,000	399,300	255,300	144,000	6,700	6,700	----------
1939	515,000	458,500	303,600	154,900	56,500	55,400	1,100
1940	602,600	529,600	333,200	196,400	73,000	63,400	9,600
1941	706,100	619,500	369,500	250,000	86,600	64,800	21,800
1942	356,000	301,200	184,900	116,300	54,800	42,500	12,300
1943	191,000	183,700	119,700	64,000	7,300	4,700	2,600
1944	141,800	138,700	93,200	45,500	3,100	3,000	100
1945	209,300	208,100	132,700	75,400	1,200	1,200	----------
1946	670,500	662,500	395,700	266,800	8,000	8,000	----------
1947	849,000	845,600	476,400	369,200	3,400	3,400	----------
1948	931,600	913,500	510,000	403,500	18,100	14,900	3,200
1949	1,025,100	988,800	556,600	432,200	36,300	32,200	4,100
1950 [1]	[2] 1,395,600	[2] 1,353,000	[2] 786,000	[2] 567,000	42,600	41,000	1,600

[1] All 1950 data are preliminary.

[2] All-time high.

Source: U. S. Department of Labor.

TABLE 2.—*New permanent nonfarm dwelling units started, by type of structure: 1920–50*

Year	Total dwelling units started	Number of dwelling units in—			Percentage of total units in—			
						Rental-type structures		
		One-family structures	Two-family structures	Multi-family structures	One-family structures	Total	Two-family	Multi-family
1920	247,000	202,000	24,000	21,000	81.8	18.2	9.7	8.5
1921	449,000	316,000	70,000	63,000	70.4	29.6	15.6	14.0
1922	716,000	437,000	146,000	133,000	61.0	39.0	[1] 20.4	18.6
1923	871,000	513,000	[1] 175,000	183,000	58.9	41.1	20.1	21.0
1924	893,000	534,000	173,000	186,000	59.8	40.2	19.4	20.8
1925	937,000	572,000	157,000	208,000	61.0	39.0	16.8	22.2
1926	849,000	491,000	117,000	241,000	57.8	42.2	13.8	28.4
1927	810,000	454,000	99,000	257,000	56.1	[1] 43.9	12.2	[1] 31.7
1928	753,000	436,000	78,000	239,000	57.9	42.1	10.4	[1] 31.7
1929	509,000	316,000	51,000	142,000	62.1	37.9	10.0	27.9
1930	330,000	227,000	29,000	74,000	68.8	31.2	8.8	22.4
1931	254,000	187,000	22,000	45,000	73.6	26.4	8.7	17.7
1932	134,000	118,000	7,000	9,000	88.1	11.9	5.2	6.7
1933	93,000	76,000	5,000	12,000	81.7	18.3	5.4	12.9
1934	126,000	109,000	5,000	12,000	86.5	13.5	4.0	9.5
1935	221,000	183,000	8,000	30,000	82.8	17.2	3.6	13.6
1936	319,000	244,000	14,000	61,000	76.5	23.5	4.4	19.1
1937	336,000	267,000	16,000	53,000	79.4	20.6	4.8	15.8
1938	406,000	317,000	18,000	71,000	78.1	21.9	4.4	17.5
1939	515,000	399,000	29,000	87,000	77.5	22.5	5.6	16.9
1940	602,600	485,700	37,300	79,600	80.6	19.4	6.2	13.2
1941	706,100	603,500	34,300	68,300	[1] 85.5	14.5	4.8	9.7
1942	356,000	292,800	20,100	43,100	82.3	17.7	5.6	12.1
1943	191,000	143,600	17,800	29,600	75.2	24.8	9.3	15.5
1944	141,800	117,700	10,600	13,500	83.0	17.0	7.5	9.5
1945	209,300	184,600	8,800	15,900	88.2	11.8	4.2	7.6
1946	670,500	590,000	24,300	56,200	88.0	12.0	3.6	8.4
1947	849,000	740,200	33,900	74,900	87.2	12.8	4.0	8.8
1948	931,600	766,600	46,900	118,100	82.3	17.7	5.0	12.7
1949	1,025,100	794,300	36,500	194,300	77.5	22.6	3.6	19.0
1950 [2]	[1] 1,395,600	[1] 1,158,000	42,000	[1] 195,600	83.0	17.0	3.0	14.0

[1] All-time high.

[2] All 1950 data are preliminary.

Source: U. S. Department of Labor.

TABLE 3.—*FHA and VA starts compared with total private nonfarm starts: 1935–50*

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	One- to four-family homes	Project housing [2]		Total	One to two-family homes	Multi-family housing	FHA starts	VA starts
	Cumulative data								
1935–50	2,630,276	2,168,050	462,226	707,000	8,454,500	7,439,400	1,015,100	31	--------
	Annual data								
1935	13,964	13,226	738	----------	216,000	190,000	26,000	6	--------
1936	49,376	48,752	624	----------	304,000	255,000	49,000	16	--------
1937	60,003	56,980	3,023	----------	332,000	280,000	52,000	18	--------
1938	112,896	100,966	11,930	----------	399,000	331,000	68,000	28	--------
1939	147,336	133,874	13,462	----------	458,000	391,000	67,000	32	--------
1940	169,897	166,451	3,446	----------	530,000	474,000	56,000	32	--------
1941	211,242	207,946	3,296	----------	620,000	562,000	58,000	34	--------
1942	161,652	156,194	5,458	----------	301,000	269,000	32,000	54	--------
1943	145,847	125,812	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	208,100	193,400	14,700	20	3
1946	69,033	67,122	1,911	83,000	662,500	614,300	48,200	10	13
1947	228,818	178,052	50,766	[4] 211,000	845,600	774,100	71,500	27	[4] 25
1948	291,053	213,443	77,610	102,000	913,500	809,500	104,000	32	11
1949	360,293	249,465	110,828	105,000	988,800	827,100	161,700	36	11
1950	474,448	[4] 327,266	[4] 147,182	200,000	[4] 1,353,000	[4] 1,190,000	[4] 163,000	35	15

[1] Based on FHA first compliance inspection.
[2] Includes rental projects, co-ops and military housing (secs. 207, 213 and 803); sec. 611 projects included under 1- to 4-family homes.
[3] Estimated on basis loans closed prior to June 1950, since then based on VA first compliance inspection.
[4] All-time high.

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

TABLE 4.—*Total new construction and nonfarm residential repairs*

[In millions of dollars]

Year	New construction [1]							Maintenance and repairs, nonfarm residential
	Total	Nonfarm buildings			All other	Ownership		
		Residential		Non-residential		Private	Public	
		Private	Public					
1920	$6,749	$2,015	----------	$2,247	$2,487	$5,397	$1,352	$625
1921	6,004	2,105	----------	1,821	2,078	4,440	1,564	670
1922	7,647	3,360	----------	1,938	2,349	5,963	1,684	714
1923	9,332	4,400	----------	2,178	2,754	7,710	1,622	759
1924	10,407	5,060	----------	2,169	3,178	8,506	1,901	833
1925	11,439	5,515	----------	2,633	3,291	9,301	2,138	908
1926	12,082	5,600	----------	3,116	3,366	9,938	2,144	982
1927	12,034	5,160	----------	3,130	3,744	9,625	2,409	1,056
1928	11,641	4,770	----------	3,211	3,660	9,156	2,485	1,131
1929	10,793	3,625	----------	3,353	3,815	8,307	2,486	1,222
1930	8,741	2,075	----------	2,663	4,003	5,883	2,858	1,111
1931	6,427	1,565	----------	1,711	3,151	3,768	2,659	959
1932	3,538	630	----------	917	1,991	1,676	1,862	752
1933	2,879	470	----------	636	1,773	1,231	1,648	728
1934	3,720	625	$1	819	2,275	1,509	2,211	837
1935	4,232	1,010	9	800	2,413	1,999	2,233	909
1936	6,497	1,565	61	1,414	3,457	2,981	3,516	1,066
1937	6,999	1,875	93	1,635	3,396	3,903	3,096	1,154
1938	6,980	1,990	35	1,436	3,519	3,560	3,420	1,068
1939	8,198	2,680	65	1,756	3,697	4,389	3,809	1,154
1940	8,682	2,985	200	1,640	3,857	5,054	3,628	1,256
1941	11,957	3,510	430	3,128	4,889	6,206	5,751	1,333
1942	14,075	1,715	545	4,320	7,495	3,415	[2] 10,660	1,232
1943	8,301	885	[2] 739	2,243	4,434	1,979	6,322	1,111
1944	5,259	815	211	1,712	2,521	2,186	3,073	1,105
1945	5,633	1,100	80	1,957	2,496	3,235	2,398	1,188
1946	12,000	4,015	374	3,695	3,916	9,638	2,362	1,561
1947	16,627	6,310	200	3,741	6,376	13,131	3,496	2,200
1948	21,572	8,580	156	4,922	7,914	16,665	4,907	2,500
1949	22,594	8,290	359	5,284	8,661	16,204	6,390	2,700
1950	[2] 27,715	[2] 12,500	341	[2] 6,077	[2] 8,797	[2] 20,648	7,067	[2] 2,900

[1] Footnote given on table 4, monthly-page 9, are applicable also to this table.
[2] All-time high.

Source: U. S. Department of Commerce.

TABLE 5.—*Construction cost indexes: 1920–50*

[Base 1939=100]

Year	U. S. Department Commerce composite index [1]	American Appraisal Co.	Associated General Contractors	E. H. Boeckh & Associates			Engineering News-Record	
				Residences	Apartments, hotels, and office building	Commercial and factory building	Building	Construction
1920	133.9	141.1	132.0	121.1	113.6	112.0	104.7	107.6
1921	108.9	107.7	107.0	97.3	91.3	91.5	83.9	83.4
1922	97.7	99.7	99.0	89.5	85.7	84.8	78.3	74.8
1923	107.1	111.7	107.0	100.3	94.7	94.7	94.0	91.7
1924	106.2	110.7	108.0	98.8	93.0	94.3	93.6	91.1
1925	104.8	108.2	106.0	98.1	93.7	93.7	92.4	87.5
1926	105.2	108.2	105.0	98.8	94.5	94.4	93.6	88.4
1927	104.4	108.2	107.0	97.5	93.2	93.3	93.9	87.2
1928	104.5	108.2	106.0	97.8	93.6	93.4	95.2	87.9
1929	106.7	108.2	108.0	102.0	95.8	96.0	96.5	87.8
1930	102.4	99.7	107.0	99.5	94.3	94.6	93.3	85.5
1931	93.8	88.7	104.0	91.7	87.0	87.6	84.4	75.8
1932	81.1	77.3	91.0	77.6	74.2	75.4	70.8	66.4
1933	87.1	74.8	87.0	77.7	76.2	77.3	75.5	73.3
1934	94.4	80.3	95.0	84.6	84.1	84.4	84.5	84.3
1935	90.8	80.8	94.0	82.1	82.4	82.8	83.8	83.4
1936	92.8	84.7	95.0	85.9	85.7	86.2	87.7	88.2
1937	100.9	98.7	100.0	95.6	95.3	96.1	99.7	100.2
1938	99.7	99.2	100.6	98.2	98.9	99.1	99.4	99.8
1939	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1940	102.7	101.9	100.6	103.7	101.8	101.9	102.7	103.0
1941	112.3	108.5	105.3	111.8	106.6	106.9	107.2	110.0
1942	129.1	120.2	111.6	118.1	112.5	112.4	112.8	117.7
1943	135.7	125.4	115.2	123.6	116.8	116.8	115.8	123.4
1944	133.3	129.9	119.1	134.7	125.0	125.0	118.8	127.0
1945	137.4	135.1	123.0	143.7	132.7	132.2	121.1	131.0
1946	159.6	160.6	136.8	159.2	146.3	145.4	134.5	149.0
1947	190.3	214.3	157.8	193.0	172.3	171.0	159.8	177.1
1948	209.3	244.0	176.6	214.7	192.7	191.4	175.0	196.6
1949	206.5	244.4	182.2	208.4	194.3	192.7	177.8	202.5
1950	[2] 217.2	[2] 249.4	[2] 190.2	[2] 219.9	[2] 203.1	[2] 201.4	[2] 191.1	[2] 217.5

[1] Not included in the composite index.
[2] All-time high.

Source: U. S Department of Commerce.

TABLE 6a.—*Indexes of production of construction materials: 1920–50*

Year	Composite index 1939=100 [1]	Lumber	Hardwood flooring	Brick	Cement	Wire nails [2]	Fabricated structural steel [2]	Concrete reinforcing bars [2]	Cast iron radiation	Rigid steel conduit and fittings [2]	Mechanical stokers
1920	95.9	121.7	32.5	119.3	81.8	122.0	117.0	50.6	n. a.	n. a.	n. a.
1921	82.2	100.9	37.8	112.6	80.8	88.2	77.3	20.1	n. a.	n. a.	n. a.
1922	104.7	122.6	70.1	154.8	93.9	111.7	151.5	50.9	n. a.	n. a.	n. a.
1923	123.8	142.6	90.2	194.9	112.4	131.1	151.0	60.2	n. a.	n. a.	n. a.
1924	125.4	137.4	112.2	194.4	122.2	112.0	184.5	58.0	n. a.	n. a.	n. a.
1925	134.0	142.6	138.9	212.4	132.2	114.7	208.2	72.5	n. a.	n. a.	n. a.
1926	133.3	138.2	147.2	210.7	134.6	110.3	223.5	72.1	n. a.	n. a.	n. a.
1927	128.9	129.5	135.8	200.5	141.7	106.8	198.2	72.2	n. a.	n. a.	n. a.
1928	129.5	127.8	142.4	186.7	144.2	105.6	216.8	84.2	266.3	n. a.	n. a.
1929	129.2	134.7	111.8	161.7	139.6	97.2	220.6	85.2	211.1	n. a.	n. a.
1930	102.4	102.1	94.4	108.2	131.8	70.9	207.4	75.2	129.8	n. a.	n. a.
1931	73.4	69.5	61.2	68.1	102.6	56.3	125.8	56.9	111.1	n. a.	n. a.
1932	46.2	42.8	34.2	29.6	62.8	40.0	65.4	34.1	66.5	n. a.	n. a.
1933	50.9	57.1	34.9	27.3	51.9	66.2	57.5	32.7	65.8	n. a.	n. a.
1934	55.2	59.8	32.0	29.7	63.6	45.9	71.8	43.1	72.2	n. a.	n. a.
1935	65.9	75.9	52.3	48.3	62.8	65.8	76.1	49.3	101.2	n. a.	n. a.
1936	91.0	96.1	88.4	80.7	92.3	88.4	107.5	91.0	133.2	n. a.	n. a.
1937	93.8	100.9	93.6	88.7	95.0	80.6	115.3	74.7	104.6	103.6	97.4
1938	82.2	81.4	88.8	74.8	86.2	71.5	80.5	69.3	88.6	70.7	92.9
1939	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	105.2	112.6	128.0	109.8	148.3
1941	129.2	127.1	127.6	104.5	131.2	113.2	156.3	144.9	139.6	223.2	186.6
1942	126.9	126.4	84.9	71.7	149.5	122.5	141.7	144.5	99.1	183.3	82.5
1943	101.3	119.2	46.1	40.5	109.1	114.4	57.8	37.5	51.5	71.5	26.5
1944	92.1	114.5	45.1	39.7	74.4	91.1	41.5	49.7	28.9	72.7	38.6
1945	89.8	97.8	45.6	48.4	84.1	86.5	55.4	65.9	29.5	96.5	125.2
1946	125.1	121.9	58.3	103.0	134.0	89.6	107.7	93.9	63.8	149.7	184.7
1947	137.7	123.1	111.0	106.3	152.6	118.6	133.0	114.3	95.2	195.0	65.0
1948	146.3	128.1	146.6	123.6	168.0	127.5	138.5	121.8	100.2	212.8	81.6
1949	137.2	119.7	136.1	116.8	171.6	108.5	128.9	124.1	59.6	160.8	32.5
1950 [3]	160.1	137.0	174.0	130.6	184.9	129.8	134.1	132.2	79.3	201.8	22.0

Year	Galvanized range boilers [2]	Cast-iron soil pipe and fittings	Soft wood plywood	Gypsum board [2]	Gypsum lath [2]	Asphalt prepared roofing [2]	Asphalt siding felts [2]	Warm air furnaces	Structural clay tile	Clay sewer pipe
1920	n. a.	67.2	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
1921	n. a.	61.8	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
1922	n. a.	96.0	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
1923	n. a.	116.4	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
1924	n. a.	128.0	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
1925	n. a.	137.1	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
1926	n. a.	126.1	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
1927	n. a.	129.6	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
1928	n. a.	134.7	27.6	147.4	35.7	107.0	n. a.	n. a.	n. a.	176.1
1929	n. a.	96.0	35.8	162.3	36.2	116.7	n. a.	n. a.	n. a.	155.7
1930	n. a.	67.2	30.5	109.5	30.0	81.6	n. a.	n. a.	n. a.	118.1
1931	n. a.	49.5	23.5	89.3	20.0	66.1	n. a.	n. a.	n. a.	76.5
1932	n. a.	31.7	20.0	51.3	11.3	66.7	n. a.	n. a.	n. a.	40.8
1933	n. a.	33.9	39.0	50.6	10.3	72.4	n. a.	n. a.	n. a.	41.9
1934	n. a.	29.8	38.4	51.6	11.2	70.3	n. a.	n. a.	n. a.	61.4
1935	n. a.	48.4	48.0	63.3	22.2	76.3	n. a.	n. a.	n. a.	62.3
1936	n. a.	83.1	70.0	83.9	42.1	94.4	n. a.	n. a.	n. a.	92.1
1937	85.5	84.9	72.5	93.9	65.0	87.7	90.7	89.3	126.7	90.4
1938	88.6	66.1	65.0	90.5	71.2	101.4	106.8	79.7	107.7	80.9
1939	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1940	102.7	106.7	120.0	141.4	127.5	95.5	94.1	121.0	96.9	84.3
1941	102.4	110.5	160.0	227.0	162.2	124.1	113.9	129.4	105.1	104.8
1942	61.5	76.1	184.0	357.4	84.3	158.8	121.5	64.0	97.8	128.3
1943	103.3	40.3	149.5	407.3	55.5	150.4	101.6	45.1	79.1	86.2
1944	93.5	44.4	148.5	362.5	55.1	143.2	103.3	70.0	67.0	68.7
1945	93.6	54.3	122.2	365.9	52.7	144.0	107.7	83.1	69.8	64.9
1946	113.2	108.3	144.1	486.1	101.1	178.3	105.1	160.8	119.2	100.5
1947	78.0	155.2	169.9	521.9	150.1	204.5	125.1	201.8	120.4	126.0
1948	61.4	171.9	195.4	659.4	220.1	175.6	150.4	182.6	118.2	139.0
1949	47.3	151.6	197.7	616.5	177.1	153.4	136.0	159.8	127.1	135.9
1950 [3]	54.6	204.9	259.8	734.6	257.2	187.5	162.8	261.3	121.8	143.6

[1] Covers 6 materials in addition to the 20 listed. [2] Shipments. [3] Preliminary.

Source: U. S. Department of Commerce.

TABLE 6b.—*Production of principal building materials: 1948–50*

Material	Unit	1950	1949	1948	Percent change, 1950 from— 1949	Percent change, 1950 from— 1948
Lumber:						
All species	MM board feet	36,722	32,158	35,781	+14.2	+2.6
Softwoods	do	29,160	26,455	28,494	+10.2	+2.3
Hardwoods	do	7,562	5,702	7,287	+32.6	+3.8
Hardwood flooring	do	1,077	843	907	+27.8	+18.7
Millwork:						
Doors	000	15,050	11,039	12,736	+36.3	+18.2
Window sash	000 pairs	9,414	8,899	9,448	+5.8	−.4
Window and door frames	000	4,644	3,454	3,667	+34.5	+26.6
Softwood plywood	MM square feet	2,598	1,977	1,954	+31.4	+33.0
Brick	MM	6,176	5,524	5,845	+11.8	+5.7
Portland cement	MM barrels	226	210	205	+7.6	+10.2
Gypsum board and lath	MM square feet	5,710	4,548	5,164	+25.5	+10.6
Board	do	3,016	2,536	2,661	+18.9	+13.3
Lath	do	2,694	2,012	2,503	+33.9	+7.6
Asphalt roofing [1]	000 squares	64,016	52,357	59,939	+22.3	+6.8
Wire nails and staples [1]	000 tons	875	731	860	+19.6	+1.6
Reinforcing bars [1]	do	1,674	1,573	1,542	+6.4	+8.6
Galvanized steel sheets [1]	do	2,262	1,755	1,643	+28.9	+37.6
Cast-iron soil pipe and fittings [1]	do	761	563	640	+35.2	+18.9
Cast-iron pressure pipe and fittings [1]	do	1,204	1,030	1,150	+16.9	+4.7
Plumbing fixtures:						
Bathtubs	000	2,261	1,475	1,947	+53.3	+16.1
Lavatories	do	3,447	2,601	3,303	+32.5	+4.4
Sinks	do	2,784	2,324	2,868	+19.8	−2.9
Water-closet bowls	do	3,792	3,413	3,408	+11.1	+11.3
Water-closet tanks	do	3,412	2,823	3,082	+20.9	+10.7
Warm-air furnaces [2]	do	1,093	720	777	+51.8	+40.8

[1] Shipments: Production data not available. Shipments roughly proportionate to production.
[2] Shipments: Production data not available. Shipments not necessarily proportionate to production.

Source: Census; Bureau of Mines; American Iron and Steel Institute; National Association of Lumber Manufacturers; FirDoor Institute; National Woodwork Manufacturers Association.

TABLE 7.—*Indexes of selected wholesale prices (1926=100): 1920–50*

Year	Commodities (other than farm products and foods)	Building materials: All	Brick and tile	Cement	Lumber	Paint and paint materials	Plumbing and heating	Structural steel	Other
1920	[1] 161.3	150.1	118.4	117.2	165.2	148.1	n. a.	144.4	135.0
1921	104.9	97.4	105.7	110.8	88.9	83.9	n. a.	104.4	111.1
1922	102.4	97.3	99.4	103.5	99.1	93.8	n. a.	88.5	95.3
1923	104.3	108.7	103.6	107.9	111.8	101.3	n. a.	123.7	105.5
1924	99.7	102.3	103.4	105.7	99.3	99.7	n. a.	114.2	104.0
1925	102.6	101.7	100.1	102.6	100.6	109.3	n. a.	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	90.3	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	[1] 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	[1] 206.0	[1] 168.5	[1] 136.6	[1] 327.4	142.0	[1] 162.6	[1] 192.6	[1] 178.4

[1] All-time high.
n. a. Not available.

Source: U. S. Department of Labor.

TABLE 8.—*Nonfarm real estate foreclosures: 1926–50*

Year	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
No. (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**	------
No. (000)	100	76	59	42	25	17	13	10	11	13	18	[1] 21	------

[1] Preliminary.

Source: Home Loan Bank Board.

TABLE 9.—*Estimated growth in home mortgage debt on 1- to 4-family nonfarm residences: 1925–50*

Year	Outstanding balance at beginning of year ($000,000)	Mortgages made during year				Reductions in mortgage investment during year [1]		Outstanding balance at end of year	
		Total		FHA amount ($000,000)	VA amount ($000,000)				
		Amount ($000,000)	As percent of outstanding balance [2]			Amount ($000,000)	As percent of outstanding balance [2]	Amount ($000,000)	Compared with end preceding year, net change ($000,000)
1925	11,000	4,144	37.7	----------	----------	2,402	21.8	12,742	+1,742
1926	12,742	4,764	37.4	----------	----------	2,858	22.4	14,648	+1,906
1927	14,648	4,814	32.9	----------	----------	3,084	21.1	16,378	+1,730
1928	16,378	4,843	29.6	----------	----------	3,082	18.8	18,139	+1,761
1929	18,139	4,407	24.3	----------	----------	3,065	16.9	19,481	+1,342
1930	19,481	3,148	16.2	----------	----------	3,014	15.5	19,615	+134
1931	19,615	2,140	10.9	----------	----------	2,742	14.0	19,013	−602
1932	19,013	1,354	7.1	----------	----------	2,495	13.1	17,872	−1,141
1933	17,872	1,041	5.8	----------	----------	2,170	12.1	16,743	−1,129
1934	16,743	3,110	18.6	----------	----------	2,895	17.3	16,958	+215
1935	16,958	2,178	12.8	94	----------	2,205	13.5	16,841	−117
1936	16,841	2,232	13.3	309	----------	2,383	14.1	16,690	−151
1937	16,690	2,497	15.0	424	----------	2,360	14.1	16,827	+137
1938	16,827	2,399	14.0	486	----------	2,153	12.8	17,073	+246
1939	17,073	2,845	16.7	695	----------	2,310	13.5	17,608	+535
1940	17,608	3,287	18.7	762	----------	2,495	14.2	18,400	+792
1941	18,400	3,953	21.5	911	----------	2,953	16.0	19,400	+1,000
1942	19,400	3,201	16.5	973	----------	3,382	17.4	19,219	−181
1943	19,219	3,252	16.9	763	----------	3,690	19.2	18,781	−438
1944	18,781	3,857	20.5	707	----------	3,860	20.6	18,778	−3
1945	18,778	4,721	25.1	474	192	4,291	22.9	19,208	+430
1946	19,208	9,470	[3] 49.3	422	2,302	5,109	[3] 26.6	23,569	+4,361
1947	23,569	10,657	45.2	895	[3] 3,286	5,656	24.0	28,570	+5,001
1948	28,570	10,834	37.8	2,118	1,881	5,953	20.8	33,451	+4,881
1949	33,451	10,820	32.3	2,213	1,424	7,090	21.2	37,181	+3,730
1950	37,181	[3] 14,800	39.8	[3] 2,496	3,073	[3] 7,981	21.5	[3] 44,000	[3] +6,819
1951 [4]	[3] 44,000	----------	----------	----------	----------	----------	----------	----------	----------

[1] Derived, subtract outstanding balance at end of year from the sum of outstanding balance at beginning of year and mortgages made during year. Reduction derived results from payments by borrowers and terminations arising from refinancing, foreclosures, and voluntary surrender of titles to properties.
[2] At beginning of year.
[3] All-time high.
[4] Preliminary.

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

TABLE 10.—*FHA and VA home loans compared with mortgage recordings of $20,000 or less: 1939–50*

Year and month	Total nonfarm mortgage recordings of $20,000 or less (estimated $000)	Federal Housing Administration: home loans insured		Veterans' Administration: home loans guaranteed	
		Face amount ($000)	As a percent of total	Principal amount ($000)	As a percent of total
	Annual data				
1939	3, 506, 536	694, 764	20		
1940	4, 031, 368	762, 084	19		
1941	4, 731, 960	910, 770	19		
1942	3, 942, 613	973, 271	[1] 25		
1943	3, 861, 401	762, 779	20		
1944	4, 605, 931	707, 437	15		
1945	5, 649, 819	474, 344	8	192, 240	3
1946	10, 589, 168	422, 009	4	2, 302, 307	22
1947	11, 728, 677	894, 747	8	[1] 3, 286, 165	[1] 28
1948	11, 882, 114	2, 117, 927	18	1, 880, 966	16
1949	11, 828, 001	2, 213, 203	19	1, 423, 591	12
1950	[1] 16, 179, 196	[2] 2, 495, 583	15	3, 073, 309	19
	Monthly data				
1950—January	1, 024, 000	234, 090	23	183, 395	18
February	1, 003, 090	208, 337	21	218, 000	22
March	1, 221, 644	212, 606	17	221, 416	18
April	1, 171, 148	172, 581	15	217, 610	19
May	1, 377, 918	178, 130	13	218, 315	16
June	1, 465, 469	182, 906	12	214, 433	15
July	1, 470, 812	184, 367	13	234, 071	16
August	[1] 1, 624, 913	217, 884	13	268, 611	17
September	1, 497, 824	216, 322	14	258, 401	17
October	1, 544, 410	[1] 242, 496	16	332, 201	22
November	1, 457, 073	237, 878	16	[1] 356, 491	24
December	1, 320, 895	205, 233	16	350, 366	27

[1] All-time high.
[2] Annual data includes revisions that are not reflected in monthly data.

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

TABLE 11a.—*Dwelling units in the United States, by urban, rural nonfarm, and farm location, number and percent: 1950 and 1940*

Location	1950		1940		1950 change, over 1940	
	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent
United States, total	45, 875	100. 0	37, 325	100. 0	+8, 550	+22. 9
Nonfarm	39, 390	85. 9	29, 683	79. 5	+9, 707	+32. 7
Urban	29, 256	63. 8	21, 616	57. 9	+7, 640	+35. 3
Rural nonfarm	10, 134	22. 1	8, 067	21. 6	+2, 067	+25. 6
Farm	6, 485	14. 1	7, 642	20. 5	−1, 157	−15. 1

Source: U. S. Census Bureau.

TABLE 11b.—*Race of occupants and tenure of occupied nonfarm dwelling units, number and percent: 1950 and 1940*

Tenure and race	1950						1940 total		1950 total number: percent increase over 1940
	Total		Urban		Rural nonfarm				
	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	
Total units reporting	36,626	100.0	28,108	100.0	8,518	100.0	27,748	100.0	32.0
White	33,632	91.8	25,730	91.5	7,902	92.8	25,459	91.8	32.1
Nonwhite	2,993	8.1	2,378	8.5	615	7.2	2,288	8.2	30.8
Owner-occupied	19,528	53.3	14,195	50.5	5,332	62.6	11,413	41.1	71.1
White	18,473	50.4	13,420	47.7	5,053	59.3	10,867	39.2	70.0
Nonwhite	1,055	2.9	776	2.8	279	3.3	546	2.0	93.2
Renter-occupied	17,098	46.7	13,913	49.5	3,185	37.4	16,335	58.9	4.7
White	15,159	41.4	12,310	43.8	2,849	33.4	14,592	52.6	3.9
Nonwhite	1,938	5.3	1,602	5.7	336	4.0	1,742	6.3	11.3

Source: U S. Census Bureau.

TABLE 11c.—*Condition and plumbing facilities for occupied nonfarm dwelling units, number and percent: 1950*

Condition and plumbing facilities	Total		Urban		Rural nonfarm	
	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent
Total units reporting both condition and facilities	35,297	100.0	27,179	100.0	8,118	100.0
1. Not dilapidated	32,827	93.0	25,639	94.3	7,189	88.5
With private toilet, bath, and hot running water	25,309	71.7	21,393	78.7	3,916	48.2
With private toilet, bath, and only cold running water	1,174	3.3	852	3.1	323	4.0
With running water but lacking private toilet or bath	4,036	11.4	2,823	10.4	1,213	14.9
No running water	2,308	6.6	571	2.1	1,737	21.4
2. Dilapidated	2,469	7.0	1,540	5.7	929	11.5
With private toilet, bath, and hot running water	564	1.6	485	1.8	79	1.0
Lacking hot water, private toilet, or bath	1,905	5.4	1,055	3.9	850	10.5

Source: U. S. Census Bureau.

TABLE 11d.—*Persons per room in occupied nonfarm units, by tenure, number and percent: 1950 and 1940*

Persons per room	1950						1940 total		1950 total number: percent increase over 1940
	Total		Owner-occupied		Renter-occupied				
	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	
Total units reporting	36,104	100.0	19,263	100.0	16,840	100.0	27,430	100.0	31.6
1 or less	30,761	85.2	17,334	90.0	13,427	79.7	22,598	82.4	36.1
1.01 to 1.50	3,348	9.3	1,325	6.9	2,023	12.0	2,875	10.5	16.4
1.51 or more	1,995	5.5	605	3.1	1,390	8.3	1,957	7.1	1.9

Source: U. S. Census Bureau.

TABLE 11e.—*Number of rooms for occupied nonfarm dwelling units and percentage distribution: 1950 and 1940*

Number of rooms	1950						1940 total		1950 total number: percent increase over 1940
	Total		Urban		Rural nonfarm				
	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	Number (000)	Percent	
Total units reporting	36,104	100.0	27,733	100.0	8,731	100.0	27,430	100.0	+31.6
1 room	950	2.6	724	2.6	226	2.7	982	3.6	−3.3
2 rooms	2,721	7.5	2,081	7.5	641	7.7	2,262	8.2	+20.3
3 rooms	5,477	15.2	4,355	15.7	1,122	13.4	3,864	14.1	+41.7
4 rooms	7,922	21.9	5,806	20.9	2,116	25.3	4,997	18.2	+58.5
5 rooms	8,035	22.3	6,266	22.6	1,769	21.1	5,841	21.3	+37.6
6 rooms	6,273	17.4	4,963	17.9	1,311	15.7	5,036	18.4	+24.6
7 or more rooms	4,725	13.1	3,538	12.8	1,187	14.2	4,448	16.2	+6.2

Source: U. S. Census Bureau.

TABLE 12a.—*Analysis of dollar volume of FNMA authorizations and commitments to purchase mortgages, commitments canceled, undisbursed commitments, purchases, repayments, sales and other credits by sections of acts*

[In millions of dollars]

	Advance commitments and purchase authorizations made	Commitments canceled	Undisbursed commitments at Dec. 31, 1950	Purchases	Repayments	Sales	Other credits	Mortgage portfolio at Dec. 31, 1950
	During calendar year 1950							
FHA insured mortgages total	$43.0	$215.9	$124.8	$49.3	$11.6	$261.4	$10.3	$169.2
Sec. 203, NHA	23.4	74.4	8.8	32.0	2.9	60.9	.4	40.3
Sec. 207, NHA				.1				.1
Sec. 603, NHA	.7	2.4	.1	5.2	8.6	187.4	4.2	115.6
Sec. 608, NHA	18.9	139.1	115.9	12.0	.1	13.1	5.7	13.2
VA guaranteed mortgages total	1,026.7	148.5	360.3	995.0	32.7	208.0	2.0	1,177.5
Sec. 501, SRA (home)	1,020.6	141.9	357.5	986.4	31.9	196.3	1.9	1,162.9
Sec. 501, SRA (multiple dwelling)	1.6	1.6	1.4	3.5	.1	.7		5.1
Sec. 502, SRA	.3		.1	.5	.1			.7
Sec. 505 (a), SRA	4.2	5.0	1.3	4.6	.6	11.0	.1	8.8
Total	1,069.7	364.4	485.1	1,044.3	44.3	469.4	12.3	1,346.7
	Cumulative (Feb. 10, 1938–Dec. 31, 1950)							
FHA insured mortgages total	1,193.1	307.8	124.8	760.5	129.5	446.4	15.4	169.2
Sec. 203, NHA	495.8	112.4	8.8	374.6	99.9	231.2	3.2	40.3
Sec. 207, NHA	6.5	1.1		5.4	5.0	.3		.1
Sec. 210, NHA	.9	.6		.3	.1		.2	
Sec. 603, NHA	366.9	27.5	.1	339.3	24.4	193.1	6.2	115.6
Sec. 608, NHA	323.0	166.2	115.9	40.9	.1	21.8	5.8	13.2
VA guaranteed mortgages total	1,950.9	164.8	360.3	1,425.8	37.8	208.5	2.0	1,177.5
Sec. 501, SRA (home)	1,911.6	156.3	357.5	1,397.8	36.6	196.4	1.9	1,162.9
Sec. 501, SRA (multiple dwelling)	9.0	1.6	1.4	6.0	.1	.8		5.1
Sec. 502, SRA	1.0	.1	.1	.8	.1			.7
Sec. 505 (a), SRA	29.3	6.8	1.3	21.2	1.0	11.3	.1	8.8
Total	3,144.0	472.6	485.1	2,186.3	167.3	654.9	17.4	1,346.7

Source: Federal National Mortgage Association.

TABLE 12b.—*Analysis of dollar volume of FNMA authorizations to purchase mortgages, commitments canceled, undisbursed commitments, purchases, repayments, sales, other credits, and mortgage portfolio by months, calendar year 1950*

[Dollar amounts are in millions]

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	$176.8	$21.4	$890.5	$89.1	$2.9	$20.8	$1.4	$892.3
February	477.4	18.5	1,268.8	80.6	3.2	27.6	1.1	941.1
March	308.9	21.5	1,456.0	100.2	4.2	50.6	.3	986.2
April	3.7	30.6	1,337.2	91.1	3.7	60.9	.2	1,013.4
May	10.6	33.0	1,219.5	95.2	3.9	61.0	2.0	1,041.6
June	8.0	36.9	1,100.4	90.2	4.5	70.6	1.0	1,055.6
July	10.2	32.9	996.9	80.9	2.9	51.6	.5	1,081.5
August	14.5	42.5	887.7	81.2	3.9	28.6	.5	1,129.7
September	15.2	30.6	806.2	66.1	3.6	19.2	4.4	1,168.6
October	16.7	31.4	687.5	104.0	3.8	29.7	.3	1,238.8
November	17.8	29.1	590.0	86.2	4.0	24.3	.3	1,296.5
December	9.9	36.0	485.1	78.7	3.7	24.5	.3	1,346.7
Total	1,069.7	364.4	----------	1,044.3	44.3	469.4	12.3	----------

Source: Federal National Mortgage Association.

TABLE 12c.—*Analysis of FNMA authorizations to purchase mortgages, cancellations, outstanding commitments, purchases, sales, repayments, and other credits and unpaid mortgage balances by calendar years*

[Dollars in millions]

Year	Advance commitments and purchase authorizations made	Cancellations	Outstanding commitments (year end)	Purchases	Sales	Repayments and other credits	Unpaid mortgage balances
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	1,356.1	86.5	824.1	672.2	19.8	23.4	828.4
1950	1,069.7	364.4	485.1	1,044.3	469.4	56.6	1,346.7

[1] Less than $0.05 million.

Source: Federal National Mortgage Association.

TABLE 12d.—*Federal National Mortgage Association, sales and purchases: 1949–50*

[Thousands of dollars]

Year and month	FNMA total	Federal Housing Administration				Veterans' Administration			
		Total	Sec. 203	Sec. 603	Sec. 608	Total	Sec. 501	Sec. 502	Sec. 505a
	Purchases by month								
1949									
January	34,024	25,176	3,206	20,426	1,544	8,847	7,766	5	1,077
February	32,858	23,056	3,148	18,201	1,706	9,803	8,708	-	1,094
March	45,207	28,458	4,913	22,652	893	16,749	15,403	-	1,346
April	47,235	26,679	6,610	18,075	1,994	20,556	19,217	19	1,320
May	49,977	25,573	3,750	19,866	1,957	24,404	23,151	17	1,236
June	63,668	29,106	5,965	17,635	5,506	34,562	33,034	6	1,522
July	53,513	20,514	5,190	12,460	2,864	32,999	31,745	4	1,250
August	63,471	20,380	7,769	8,881	3,730	43,091	41,693	64	1,334
September	64,142	16,341	6,496	7,719	2,126	47,801	46,670	40	1,091
October	66,107	15,520	5,990	5,192	4,338	50,587	49,367	26	1,194
November	72,632	10,720	7,026	3,174	520	61,912	60,705	26	1,181
December	79,378	11,148	9,090	1,875	183	68,230	66,804	43	1,383
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
	Sales by month								
1949									
August [1]	449	449	291	158	-	-	-	-	-
September	1,311	1,299	777	522	-	12	-	-	12
October	1,299	1,178	823	248	107	121	-	-	121
November	2,406	2,259	1,541	71	647	147	50	-	97
December	14,287	14,180	1,490	4,712	7,978	107	51	-	56
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	31,230	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
July	51,593	27,525	7,000	20,525	-	24,068	22,413	-	1,655
August	28,582	10,793	1,418	9,375	-	17,789	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	24,499	7,426	1,288	6,138	-	17,073	16,293	-	780

[1] Sales program was resumed on Aug. 5, 1949.

Source: Federal National Mortgage Association.

TABLE 13.—*Loans for prefabricated housing*

Item	Cumulative at end of— Sept. 6, 1950	Cumulative at end of— Dec. 31, 1950	Net change from Sept. 7 1950 through Dec. 31, 1950
	Amount in thousands of dollars		
1. Lending authorization	$59,382	$59,332	−$51
Revolving, amount remains as of Sept. 7, 1950	56,903	56,903	
Sec. 102	50,000	50,000	
Sec. 4 (a) 1[1]	6,903	6,903	
Nonrevolving, amount always=outstanding loan amount	2,479	2,428	−51
Section 5 (d) 2	2,032	2,009	−23
VEHA (1945)	447	419	−28
2. Outstanding loan balance	20,090	21,917	+1,827
3. Undisbursed commitments	15,803	12,230	−3,571
4. Funds available for additional commitments (item 1 − (item2+item 3)=item 4)	23,489	25,185	+1,696
5. Commitments canceled, cumulative	576	644	+68
6. Repayments, cumulative	3,141	4,511	+1,370
	Number of applications and loans		
7. Applications considered	57	63	+6
8. Loans partially or completely disbursed	134	134	0
9. Loans in default	[2] 105	[2] 114	+9

[1] Sum of outstanding loans and undisbursed commitments at end of Sept. 6, 1950.
[2] Includes 99 related loans in which proceeds went to 1 company.

Source: Housing and Home Finance Agency.

TABLE 14a.—*Slum clearance and urban redevelopment, by quarter: 1950*

[Housing Act of 1949, Title I]

	Reservation of capital grant funds	Approval of planning advances	Execution of contracts for advance	Disbursement of advance funds
	Number			
Cumulative July 15, 1949 through Dec. 31, 1950	222	82	50	37
During the quarter ended:				
Mar. 31, 1950	76			
June 30, 1950	119	28	1	1
Sept. 30, 1950	21	24	25	14
Dec. 31, 1950	6	30	24	22
	Amount in thousands of dollars			
Cumulative July 15, 1949 through Dec. 31, 1950	$172,896	$3,066	$2,273	$882
During the quarter ended:				
Mar. 31, 1950	[1] 113,487			
June 30, 1950	46,953	1,098	61	16
Sept. 30, 1950	8,005	1,091	1,233	335
Dec. 31, 1950	4,451	876	979	531

[1] Net increase in outstanding reservations as of the end of the quarter.

TABLE 14b.—*Slum clearance and urban redevelopment, by location, at end of 1950*

[Housing Act of 1949, Title I]

Locality	Local public agency			Capital grant reservation	Activities under		Areas under study								
	Local housing authority	Local redevelopment authority	Municipality		Prior approval	Advance of funds	Number	Present use			Probable new use				
								Residential	Commercial or industrial	Open	Residential	Commercial	Industrial	Public	Undetermined
Alabama: (5 localities)				$4,377,750											
Birmingham	x			2,500,000											
Florence	x			180,250											
Huntsville	x			124,110	x										
Mobile	x			635,180		$22,000	3	x	x		x	x		x	
Montgomery	x			938,210		16,050	3	x			x	x	x		
Arkansas: (1 locality)				659,680											
Little Rock	x			659,680	x	15,500	4	4			x	x	x		
California: (8 localities)				7,040,960											
Colton		x		35,210											
Los Angeles		x		4,089,330	x	191,135	3	x			x	x			
National City		x		36,820	x	30,000	3	x		x	x	x	x	x	
Redlands		x		73,570											
Richmond		x		107,730	x	54,076	4	x			x	x			
Sacramento		x		364,630											
San Bernardino		x		179,340											
San Francisco		x		2,154,330	x	194,552	4	x		x	x	x	x		
Colorado: (1 locality)				2,248,540											
Denver			x	2,248,540	x	20,000	3	x			x	x	x		
Connecticut: (17 localities)				3,099,373											
Bridgeport			x	656,880											
Bristol			x	68,810											
East Haven			x	58,800											

Hartford			x	388,360		21,500	3	x			x	x	x	
Meriden			x	94,780										
Milford			x	65,380										
New Haven			x	465,640										
New London			x	123,060										
Norwalk			x	163,660		11,746	2	x			x	x	x	
Norwich, city			x	79,520										
Norwich, town			x	84,653										
Seymour			x	33,600										
Shelton			x	56,240		5,500	2	x		x	x	x	x	
Southington			x	30,660										
Stamford			x	399,770										
Waterbury			x	259,140										
Willimantic			x	70,420										
District of Columbia: (1 locality)				2,250,000										
Washington		x		2,250,000		170,185	3	x			x			
Florida: (7 localities)				2,557,240										
Dade County	x			419,580										
Daytona Beach	x			161,140	x	6,240	1	x				x	x	
Lakeland	x			203,070		9,660	1	x			x			
Miami	x			666,610		19,300	1	x			x	x		
Orlando	x			211,610	x	15,000	1	x			x	x		
Tampa	x			699,650	x	20,000	1	x			x	x		
West Palm Beach	x			195,580	x	11,000	1	x			x			
Georgia: (5 localities)				4,249,630										
Albany	x			200,830		8,560	3	x			x	x		x
Athens	x			235,550		14,150	2	x			x	x		
Atlanta	x			2,705,710	x	32,560	2	x			x		x	
Griffin	x			164,430										
Savannah	x			943,110		24,000	3	x			x	x		
Illinois: (53 localities)				21,813,140										
Alton	x			250,950										
Aurora		x		186,410										
Bartonville	x			17,920										
Camp Point	x			21,429										
Carterville	x			51,000										
Centralia	x			185,000										
Champaign	x			155,470										
Chester	x			59,920										

TABLE 14b.—*Slum clearance and urban redevelopment, by location, at end of 1950*—Continued

[Housing Act of 1949, Title I]

Locality	Local public agency			Capital grant reservation	Activities under		Areas under study								
	Local housing authority	Local redevelopment authority	Municipality		Prior approval	Advance of funds	Number	Present use			Probable new use				
								Residential	Commercial or industrial	Open	Residential	Commercial	Industrial	Public	Undetermined
Illinois—Continued															
Chicago	...	x	...	$14,420,910	x										
Chicago Heights	x	...	...	132,860	...	$11,195	2	x	...	...	x	x			
Chillicothe	x	...	...	15,960											
Clayton	x	...	...	15,330											
Collinsville	x	...	...	122,920											
Cook County	x	...	...	500,000											
Danville	x	...	...	333,970											
East St. Louis	x	...	...	629,370											
Effingham	x	...	...	58,520											
Fairfield	x	...	...	35,280											
Flora	x	...	...	72,870											
Galesburg	x	...	...	182,140											
Granite City	x	...	...	241,780	...	9,150	2	x	...	...	...	...	...	...	x
Grayville	x	...	...	36,820											
Greenfield	x	...	...	18,760											
Harvey	x	...	...	78,540											
Joliet	x	...	...	273,350											
Kankakee	x	...	...	102,830											
LaSalle	x	...	...	69,300											
Lincoln	x	...	...	88,200											
Madison	x	...	...	101,570											
Mattoon	x	...	...	181,720											
Morris	x	...	...	34,370											
Mt. Vernon	x	...	...	170,800											
North Chicago	x	...	...	37,310											
Odin	x	...	...	31,150											
Pana	x	...	...	72,380											
Peoria	x	...	...	700,000	...	15,700	2	x	...	...	x	...	x		
Quincy	x	...	...	294,420											
Robbins	x	...	...	26,110											
Rock Falls	x	...	...	51,240											
Rockford	x	...	...	401,520											
Rosiclare	x	...	...	28,140											
St. Elmo	x	...	...	35,000											
Salem	x	...	...	85,120											
Sparta	x	...	...	49,280											

Springfield	x			528, 640										
Staunton	x			68, 600										
Streator	x			91, 140										
Urbana	x			90, 400										
Venice	x			80, 710										
Villa Grove	x			29, 890										
Waterloo	x			28, 280										
Waukegan	x			182, 280	x	8, 375	2	x					x	
Wood River	x			46, 270										
Indiana: (1 locality)				2, 676, 730										
Indianapolis		x		2, 676, 730	x									
Kentucky: (4 localities)				1, 060, 070										
Henderson	None designated.			150, 000										
Lexington	Do.			448, 700										
Newport	Do.			212, 100										
Owensboro	Do.			249, 270										
Louisiana: (4 localities)				4, 281, 200										
Baton Rouge	x			216, 510										
Monroe	x			326, 760										
New Orleans	x			2, 897, 930	x	38, 000	1	x			x			x
Shreveport	x			840, 000										
Maine: (1 locality)				395, 000										
Portland	No legislation.			395, 000										
Maryland: (1 locality)				4, 312, 700										
Baltimore			x	4, 312, 700	x									
Massachusetts: (15 localities)				6, 273, 540										
Boston	x			2, 982, 770		120, 000	3	x		x	x	x		x
Brookline	x			82, 810										
Cambridge	x			450, 000		23, 650	5	x			x	x		x
Chelsea	x			125, 300										
Chicopee	x			107, 800										
Clinton	x			81, 550										
Fall River	x			670, 110		17, 000	1	x			x	x	x	
Lowell	x			436, 380										
Medford	x			80, 920										

TABLE 14b.—*Slum clearance and urban redevelopment, by location, at end of 1950*—Continued

[Housing Act of 1949, Title I]

Locality	Local public agency			Capital grant reservation	Activities under		Areas under study									
								Present use			Probable new use					
	Local housing authority	Local re-develop-ment authority	Munici-pality		Prior ap-proval	Advance of funds	Num-ber	Resi-den-tial	Commer-cial or industrial	Open	Resi-den-tial	Com-mer-cial	Indus-trial	Pub-lic	Un deter-mined
Massachusetts—Continued															
Quincy	x	----------	----------	$164, 640	--------	$10, 000	3	x	--------	x	x	x	x		
Revere	x	----------	----------	81, 900											
Somerville	x	----------	----------	309, 320											
Taunton	x	----------	----------	180, 000											
Woburn	x	----------	----------	79, 030	--------	10, 100	1	x	--------	--------	--------	x			
Worcester	x	----------	----------	381, 010	--------	16, 000	2	x	--------	--------	--------	x	x		
Michigan: (5 localities)	----------	----------	----------	4, 744, 320											
Albion	----------	----------	x	58, 240	--------										
Battle Creek	----------	----------	x	291, 480	x										
Detroit	----------	----------	x	4, 311, 440	x										
Manistee	----------	----------	x	65, 590	--------										
Reed City	----------	----------	x	17, 570	--------										
Minnesota: (5 localities)	----------	----------	----------	3, 857, 950											
Chisholm	x	----------	----------	77, 630											
Fridley	x	----------	----------	12, 670											
Hibbing	x	----------	----------	115, 780											
Minneapolis	x	----------	----------	2, 375, 000											
St. Paul	x	----------	----------	1, 276, 870											
Missouri: (3 localities)	----------	----------	----------	7, 833, 530											
Columbia	----------	----------	x	147, 350											
Kansas City	----------	----------	x	2, 490, 180	--------	45, 800	4	x	--------	--------	x	x	x		
St. Louis	----------	----------	x	5, 196, 000	x	55, 185	6	x	x	--------	x	x	x		

Nebraska: (1 locality)				1,195,320											
Omaha	No legislation			1,195,320											
New Hampshire: (2 localities)				369,000											
Dover	x			102,000		10,000	3	x		x	x	x	x		
Manchester	x			267,000											
New Jersey: (13 localities)				6,208,460											
Asbury Park	x			48,370		4,550	1	x				x			
Atlantic City	x			260,000											
Harrison	None designated			72,240											
Hoboken	x			430,780											
Jersey City		x		1,402,800	x	29,800	2	x			x	x			
Long Branch	x			71,750		2,825	3	x	x	x	x				
Newark	x			2,212,980	x	15,300	12	x			x	x	x		
New Brunswick	x			141,540		11,200	1	x			x	x			
Passaic		x		276,990											
Paterson	x			577,500	x	20,650	3	x			x	x			
Perth Amboy	x			177,170	x	13,600	2	x		x	x				
Plainfield	None designated			21,000											
Trenton	x			515,340											
New York: (9 localities)				19,989,940											
Albany			x	516,300		10,500	1	x			x	x			
Buffalo			x	1,574,040											
New York			x	16,000,000		182,000	8	x	x		x	x		x	
Port Chester			x	82,980											
Schenectady			x	210,240											
Syracuse			x	633,300		9,960	5	x	x		x	x			
Troy			x	293,820											
Utica			x	317,460											
Yonkers			x	361,800		18,100	7	x	x						x
North Carolina: (1 locality)				747,810											
Charlotte	No legislation			747,810											

TABLE 14b.—*Slum clearance and urban redevelopment, by location, at end of 1950*—Continued

[Housing Act of 1949, Title I]

Locality	Local public agency: Local housing authority	Local public agency: Local redevelopment authority	Local public agency: Municipality	Capital grant reservation	Activities under: Prior approval	Activities under: Advance of funds	Areas under study: Number	Present use: Residential	Present use: Commercial or industrial	Present use: Open	Probable new use: Residential	Probable new use: Commercial	Probable new use: Industrial	Probable new use: Public	Probable new use: Undetermined
Ohio: (8 localities)				$12,235,970											
Cincinnati			x	3,742,830	x	$141,000	7	x			x	x	x		
Cleveland			x	3,000,000		49,850	4	x			x	x	x	x	
Columbus			x	1,304,170		45,000	1	x			x				
Dayton			x	1,347,080											
Hamilton			x	423,500	x										
Springfield			x	495,000											
Toledo			x	1,100,610											
Youngstown			x	822,780											
Pennsylvania: (19 localities)				17,046,540											
Ambridge		x		155,190											
Allegheny County		x		1,795,150		44,220	7	x	x		x	x			
Baden		x		9,730											
Beaver County		x		385,350											
Beaver Falls		x		84,560		12,757	1	x							x
Chester		x		304,010											
Clairton		x		111,510											
Dauphin County		x		222,250											
Easton		x		203,490		10,725	1	x				x			
East Rochester		x		7,420											
Harrisburg		x		404,250											
Johnstown		x		511,210											
McKeesport		x		538,300											
New Kensington		x		181,510											
Philadelphia		x		6,300,000	x	176,460	5	x	x	x	x				
Pittsburgh		x		5,000,000											
Reading		x		425,000											
Rochester, borough		x		33,040											
York		x		374,570		10,900	2	x			x				

Rhode Island: (2 localities)				1, 268, 960										
Newport		x		103, 390		10, 400	1	x			x	x		
Providence		x		1, 165, 570	x	98, 469	12	x			x		x	
South Carolina: (1 locality)				402, 430										
Greenville	x			402, 430		17, 818	2	x			x	x		
Tennessee: (6 localities)				7, 195, 510										
Chattanooga	x			1, 054, 830		17, 400	1	x				x		
Johnson City	x			192, 290										
Knoxville	x			1, 025, 710		24, 400	4	x			x	x		x
Memphis	x			2, 942, 660		25, 100	2	x			x		x	
Murfreesboro	x			118, 790										
Nashville	x			1, 861, 230		172, 771	1	x	x			x	x	x
Texas: (7 localities)	Additional State legislation required			8, 049, 790										
Austin				558, 250										
Corpus Christi				506, 800										
Dallas	x			1, 758, 400		60, 950	2	x			x	x		
Galveston				582, 330										
Houston				2, 206, 470										
San Antonio				1, 970, 360										
Waco				467, 180										
Virginia: (7 localities)				3, 792, 000										
Alexandria	x			159, 950		12, 165	1	x			x	x		
Bristol	x			74, 200										
Newport News	x			280, 000										
Norfolk	x			1, 000, 000		196, 300	1	x			x	x		x
Portsmouth	x			400, 280		18, 700	3	x			x	x		
Richmond	x			1, 312, 080		31, 000	2	x			x	x		
Roanoke	x			475, 580										
West Virginia: (2 localities)				1, 192, 860										
Charleston	No legislation			419, 860										
Kanawha County	do			773, 000										

TABLE 14b.—*Slum clearance and urban redevelopment, by location, at end of 1950*—Continued

[Housing Act of 1949, Title I]

Locality	Local public agency			Capital grant reservation	Activities under		Areas under study								
								Present use			Probable new use				
	Local housing authority	Local redevelopment authority	Municipality		Prior approval	Advance of funds	Number	Residential	Commercial or industrial	Open	Residential	Commercial	Industrial	Public	Undetermined
Wisconsin: (1 locality)				$2,498,440											
Milwaukee	x			2,498,440											
Puerto Rico: (4 localities)				6,232,840											
Mayaguez	x			565,110		$35,700	13	x			x	x	x		
Ponce	x			1,057,600		46,000	15	x			x				
San Juan	x			1,152,060		61,000	25	x			x				
Puerto Rico Housing Authority.	x			3,458,070		125,200	15	x			x	x	x		
Territory of Hawaii: (1 locality)				472,360	x										
Honolulu		x		472,360											
Virgin Islands: (1 locality)				266,350											
St. Johns, St. Thomas, St. Croix.	x			266,350											

TABLE 15.—*Community Facilities Service: Second advance planning program for non-Federal public works, as of Dec. 31, 1950*

STATUS OF APPLICATIONS

Filed in division offices		Revisions, withdrawals, disapprovals, and cancellations		Deferred due to program restrictions		Total approved and under review	
Number	Amount ($000)	Number	Amount ($000)	Number	Amount ($000)	Number	Amount ($000)
2,344	49,630	362	6,670	76	1,129	1,906	41,830

Approved						Under review	
Total		Restricted program		Normal program		Restricted program	
Number	Amount ($000)	Number	Amount ($000)	Number	Amount ($000)	Number	Amount ($000)
1,083	18,938	49	761	1,034	18,177	823	22,892

Proposed public works for which advances for plan preparation have been approved	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)
A. Restricted program, total	49	30,611	949	27,120	383	1,114	1,046	761
Sewer facilities	22	15,001	118	13,796	41	518	528	407
Water facilities	10	1,758	15	1,509	66	71	97	70
Schools, etc	11	4,616	54	4,020	257	197	88	191
All other	6	9,236	762	7,795	19	328	333	93
B. Normal program, total	1,034	628,706	17,533	529,206	32,434	21,783	27,750	18,177
Sewer facilities	392	250,227	3,282	212,236	12,502	8,422	13,786	6,663
Schools, etc	312	165,953	1,912	139,680	12,487	6,307	5,566	5,448
Water facilities	122	43,757	1,710	37,443	986	1,510	2,107	1,404
Bridges, viaducts, etc.	30	19,254	530	17,074	----------	628	1,023	596
Hospitals, etc	13	19,048	210	16,044	1,751	647	396	467
All other	165	130,467	9,889	106,729	4,708	4,269	4,872	3,599

Source: Community facilities.

TABLE 16a.—*Comparison of HHFA administrative and nonadministrative operating expenses, fiscal years 1950 and 1951*

Program or agency	Actual fiscal year 1950	Estimate fiscal year 1951	Increase (+) or decrease (−) 1951 over 1950
Office of the Administrator:			
Agency-wide program coordination and supervision	$614,172	$702,700	+88,528
Slum clearance and urban redevelopment	798,874	1,412,000	+613,126
Housing research	2,050,168	1,802,000	−248,168
Alaska housing	72,463	108,300	+35,837
Housing loans to educational institutions		75,000	+75,000
Subtotal	3,535,677	[1] 4,100,000	+564,323
Loans for production of prefabricated housing		150,000	+150,000
Public works advance planning	1,056,744	1,921,364	+864,620
Maintenance and disposition of project properties	135,483	122,428	−13,055
Federal National Mortgage Association	4,784,675	4,512,800	−271,875
Total—Office of the Administrator	9,512,579	10,806,592	+1,294,013
Home Loan Bank Board:			
Office of the Board and Federal Home Loan Bank System	795,772	770,696	−25,076
Examining division—HLBB (nonadministrative)	(1,598,026)	(1,600,000)	(+1,974)
Federal Savings and Loan Insurance Corporation	406,445	397,081	−9,364
Home Owners' Loan Corporation:			
Administrative liquidation	1,675,963	1,015,000	−660,963
Nonadministrative	(360,000)	(330,000)	(−30,000)
Federal Housing Administration:			
Administrative	5,145,034	[2] 5,125,000	−20,034
Nonadministrative	(22,608,543)	(27,325,200)	(+4,716,657)
Public Housing Administration:			
Administrative	12,263,463	[3] 14,724,000	+2,460,537
Nonadministrative	(41,627)	(1,637,400)	(+1,595,773)
Total:			
Administrative expense	29,815,752	33,138,369	+3,322,617
Nonadministrative expense	(24,608,196)	(30,892,600)	(+6,284,404)
Grand total	54,423,948	63,730,969	+9,307,021

[1] Excludes $100,000 reserve for savings under sec. 1214.
[2] Excludes $300,000 in reserve for savings.
[3] Excludes $300,000 reserve for savings under sec. 1214.

TABLE 16b.—*Summary comparative statement of sources and application of funds, fiscal years 1950 and 1951*

	Actual fiscal 1950	Estimate fiscal 1951
Funds applied		
To acquisition of assets:		
Investments in securities	$1,011,767,070	$872,773,200
Loans	22,574,048	397,131,514
Land, property, and equipment	4,182,866	2,917,049
Security and collateral	42,659,262	49,691,294
Total	1,081,183,246	1,322,513,057
To expenses:		
Administrative	29,802,629	32,776,592
Interest	22,689,060	30,574,175
Development	41,627	1,383,400
Operating expenses in support of private home finance	23,808,510	28,571,900
Management and maintenance	41,590,985	40,942,536
Disposition	941,181	917,730
Other	899,442	10,200
Total	119,773,434	135,176,533
To repayments to Treasury:		
Repayment of borrowings	125,000,000	
Retirement of capital	225,663,423	112,264,395
Dividends	2,000,000	15,000,000
Total	352,663,423	127,264,395
To payments to public:		
Retirement of FHA debentures	3,518,025	18,214,450
Repayment of participation dividends (FHA)	6,707,409	10,602,200
Grants in support of low-rent housing	5,737,706	7,500,000
Total	15,963,140	36,316,650
Total funds applied	1,569,583,243	1,621,270,635
Funds provided		
By realization of assets:		
Sale or repayment of loans	607,349,855	837,705,798
Disposal of assets including acquired security	66,282,862	46,176,931
Total	673,632,717	883,882,729
By income:		
Premiums, fees, and assessments	101,271,284	117,364,900
Rents	71,364,935	59,168,030
Interest	61,331,328	72,194,772
Other	4,653,574	1,207,598
Total	238,621,121	249,935,300
By appropriations	39,981,556	40,898,929
By borrowings from Treasury	591,804,104	414,991,486
By debentures issued to public	17,552,900	30,709,750
By net decrease in working capital	7,990,845	852,441
Total funds provided	1,569,583,243	1,621,270,635

TABLE 17.—*Consolidated report of Lanham Act and related housing funds, Dec. 31, 1950*

Funds	Available funds	Allotments	Obligations	Expenditures	Un-alloted balance
HOUSING AND HOME FINANCE AGENCY FUNDS					
Public Law 849—Lanham:					
Title I—Other than District of Columbia	$1,445,320,730.36	$1,445,221,325.81	$1,444,261,707.38	$1,443,988,726.02	$99,404.55
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	438,712,365.91	438,712,365.91	437,927,712.85	437,519,574.31	
Public Law 256—Veterans' reuse	22,812,408.21	22,812,408.21	22,812,408.21	22,812,408.21	
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	308,981,102.87	308,981,102.87	308,981,102.87	308,981,102.87	
Public Law 781—Army-Navy appropriation	54,614,892.95	54,614,892.95	54,614,892.95	54,614,892.95	
Totals	2,288,866,828.71	2,288,866,828.71	2,287,122,557.22	2,286,441,437.32	99,404.55

Table 18.—*Veterans' Administration guaranty of home loans: 1944–50*

[Dollar amounts in thousands]

Year and month	Number of home applications received	Home loans closed						Guaranty of first mortgages as a percentage of principal amount
		Number		Principal amount		Amount of guaranty or insurance		
		First mortgages	Second [1] mortgages	First mortgages	Second [1] mortgages	First mortgages	Second [1] mortgages	
	Cumulative data							
June, 1944—Dec. 1950 [2]	2,427,012	1,741,880	378,577	$11,620,547	$30,445	$5,508,892	$530,446	47
	Annual data							
1945 [3]	51,035	38,250	5,006	191,874	366	72,383	366	38
1946	519,848	402,044	9,993	2,285,832	16,475	1,076,416	16,475	47
1947	559,320	[4] 494,423	47,499	[4] 3,228,053	58,113	[4] 1,500,587	58,113	46
1948	330,367	256,266	93,668	1,743,102	137,865	789,715	137,865	45
1949	344,947	177,889	98,904	1,275,881	147,710	578,294	147,710	45
1950	[4] 622,924	373,906	[4] 123,690	2,903,163	[4] 170,146	1,493,575	[4] 170,146	51
	Monthly data							
1949—December	37,569	17,928	9,271	130,793	12,812	59,709	12,812	46
1950—January	42,024	22,518	12,167	166,339	17,056	75,755	17,056	46
February	41,244	26,434	[4] 13,662	198,660	[4] 19,340	90,400	[4] 19,340	46
March	43,885	26,933	12,125	204,351	17,065	92,922	17,065	45
April	48,825	26,833	10,365	203,104	14,506	92,815	14,506	46
May	50,394	27,073	8,879	206,031	12,284	94,500	12,284	46
June	51,429	27,024	7,587	203,814	10,619	97,417	10,619	48
July	59,789	29,322	8,456	222,303	11,768	113,210	11,768	51
August	[4] 69,327	32,885	10,028	255,150	13,461	136,568	13,461	54
September	64,003	31,686	8,438	247,144	11,257	136,056	11,257	55
October	67,000	40,002	11,233	317,001	15,199	177,745	15,199	56
November	46,803	41,949	11,590	341,007	15,484	192,770	15,484	[4] 57
December	38,201	41,247	9,160	338,259	12,107	[4] 193,417	12,107	[4] 57

[1] Corresponding first mortgages were FHA insured.
[2] Annual data do not add precisely to cumulative due to adjustments made only in cumulative data.
[3] Program authorized in June 1944, all 1944 activity included in 1945 data.
[4] All-time high.

Source: Veterans' Administration.

TABLE 19.—*Loans and grants under farm housing program* [1]

[Housing Act of 1949, Title V]

Item	Number of individuals					Amount, in thousands of dollars				
	Aug. 1949 through Dec. 1950	Aug. 1949 through Dec. 1949	During 1950			Aug. 1949 through Dec. 1950	Aug. 1949 through Dec. 1949	During 1950		
			12 months	First 6 months	Last 6 months			12 months	First 6 months	Last 6 months
A. Applications received	29, 588	8, 130	21, 458	13, 617	7, 841	(2)	(2)	(2)	(2)	(2)
1. From veterans	11, 476	3, 032	8, 444	5, 330	3, 108	(2)	(2)	(2)	(2)	(2)
B. Applications on hand	9, 434	7, 194	9, 434	11, 807	9, 434	(2)	(2)	(2)	(2)	(2)
1. From veterans	3, 610	2, 683	3, 610	4, 502	3, 610	(2)	(2)	(2)	(2)	(2)
C. Loans and grants obligated, total	6, 886	34	6, 852	4, 141	2, 711	[3] 30, 001	149	29, 852	18, 054	11, 798
1. Loans, total	6, 624	33	6, 591	3, 973	2, 618	29, 859	149	29, 710	17, 965	11, 745
a. Building loans for housing and other buildings	6, 624	33	6, 591	3, 973	2, 618	29, 509	148	29, 361	17, 774	11, 587
(1) Sec. 502	6, 137	32	6, 105	3, 675	2, 430	28, 149	144	28, 005	16, 850	11, 155
(2) Sec. 503	367	1	366	228	138	1, 276	4	1, 272	874	398
(3) Sec. 504										
(a) Without grants	66		66	35	31	59		59	33	26
(b) With grants	54		54	35	19	25		25	17	8
b. Land development and purchase loans	[4] (257)	[4] (0)	[4] (257)	[4] (151)	[4] (106)	350		350	191	159
(1) Sec. 503	250		250	149	101	347		347	190	157
(2) Sec. 504										
(a) Without grants	3		3	1	2	1		1	(5)	1
(b) With grants	4		4	1	3	2		2	(5)	1
2. Grants for building repair, sec. 504, total	262	1	261	168	93	142	(5)	142	89	53
a. With loans	[6] (54)	[6] (0)	[6] (54)	[6] (35)	[6] (19)	24		24	15	9
b. Without loans	262	1	261	158	93	118	(5)	118	74	44

[1] Program authorized under Public Law 171 on Aug. 15, 1949.
[2] Not available.
[3] Funds authorized for loans and grants through June 1951 amounted to $44,400,000.
[4] Each land loan was accompanied by a building loan and counted as 1 loan in item C.
[5] Less than $500.
[6] Each building grant was accompanied by a building loan and counted as 1 loan and grant in item C.

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

Appendix B

EXECUTIVE MESSAGES AND FEDERAL AND STATE LEGISLATION AFFECTING HOUSING IN 1950

A. Executive Messages

In his messages to Congress in the first half of 1950 the President referred to housing as an important factor in the economy and growth of the country. The President pointed out that Congress had enacted housing legislation in 1949 to help low-income families but that supplemental legislation was needed to authorize a vigorous program to help cooperatives and other nonprofit groups to build housing which middle-income families can afford. The President requested other housing legislation to meet specific problems and indicated that there should be a reduction in the Federal secondary market activities.

Presidential action affecting housing in the latter half of 1950 was prompted by the defense mobilization program following the invasion of Korea and was directed toward curbing the record high volume of residential construction. This action was designed to conserve materials for national defense purposes, and to lessen inflationary tendencies created by the demand for materials.

The President also recommended three reorganization plans which further coordinated housing and community facilities functions and activities of the Federal Government into the Housing and Home Finance Agency and carried out certain recommendations of the Commission on Organization of the Executive Branch of the Government (the Hoover Commission).

In his address on the State of the Union on January 4,[1] the President named "more good up-to-date housing" as one of the most important factors in the continued growth of the country. The Housing Act of 1949 had laid the groundwork for relieving the plight of low-income families, he told Congress, but legislation was needed to aid middle-income families.

In his Economic Report transmitted to Congress on January 6,[2] the President reported that employment and production, which had declined during the first few months of 1949, had swung upward again. Construction was given credit as being an important stabilizing force in the economy. Residential construction had been particularly strong in the second half of 1949, he stated. The report listed housing as one of the major fields in which more private investment was required to meet the growing needs of the people. The report stated that the Federal Government should supplement comprehensive legislation enacted in the Housing Act of 1949 with a new program to stimulate the flow of private money into the development of middle-income housing, mainly through cooperative and nonprofit ventures.

In his Budget Message on January 9[3] the President told Congress it should be possible in future years to reduce the cost of certain programs which had helped to meet the postwar transition problems of specific major areas of the economy and named the secondary market for housing mortgages as one of

[1] H. R. Doc. 389, 81st Cong., 2d sess. (1950).
[2] H. R. Doc. 388, 81st Cong., 2d sess. (1950).
[3] H. R. Doc. 405, 81st Cong., 2d sess. (1950).

these programs. The Budget Message stated that activities of Government agencies in all fields had been closely reviewed to eliminate all but minimum operations but that in a very few cases—mainly middle-income housing—the exigencies of the situations justified the recommendation of limited new domestic programs. The President recommended legislation for cooperative housing for middle-income families, to further the construction of lower-cost sales housing and housing of a more adequate size for family living, to provide on a standby basis authority for the Federal Home Loan Banks and the Federal Savings and Loan Insurance Corporation to borrow from the Treasury, and for an additional authorization of $25 million for loans to producers of prefabricated housing and large-scale builders using advanced construction methods.

When the Housing Act of 1950 was under consideration in the House of Representatives in March, the President sent a special message to the Chairman of the Committee on Banking and Currency, who was in charge of the bill, endorsing in particular the provisions of the bill for stimulating home ownership through cooperative methods and urging enactment of the bill.

On July 18, 1950, shortly after the invasion of Korea, the President addressed letters to the Housing and Home Finance Administrator, the Chairman of the Reconstruction Finance Corporation, and the Veterans' Administrator. The letters requested administrative action by those agencies to restrict Government-aided housing credit in order to lessen inflationary tendencies and curb housing construction, thereby serving the additional purpose of conserving materials for national defense. The President requested the suspension of the college housing loan program and that the commencement of construction of low-rent public housing during the last half of 1950 should be limited to 30,000 dwelling units pending reexamination of the program in terms of the developing international situation. The Chairman of the RFC was asked to reexamine the regulations of the Federal National Mortgage Association governing both the purchase and sale of housing mortgages in order to make sure that further mortgage purchases were held to a minimum and sales efforts were intensified in order to absorb surplus funds seeking investment in residential mortgages.

In a report to the Congress on July 19, on the situation in Korea,[4] the President reported on his action to curb Government-aided housing credit. He requested legislation to authorize the establishment of priorities and allocations of materials for defense purposes, and further authorizations to restrain credit expansion, including additional controls to restrain expansion of privately financed real estate.

In his Midyear Economic Report to the Congress on July 26,[5] the President presented the need for certain changes in the national economic policy to provide for national defense. He referred to the construction industry "then operating at very high levels" as a major user of critical materials. The President recommended legislation to, among other things, restrain mortgage credit, particularly for housing, as a safeguard against inflationary buying and to reduce the demand for scarce materials.

Reorganization Plan No. 17[6] (effective May 24, 1950) transferred two programs from the General Services Administration to the Housing and Home Finance Agency—(1) administration of advances to State and local governments for the planning of public works, and (2) management and disposal of sewers, schools, hospitals, and other community facilities constructed under Title II of the Lanham Act, the World War II war housing act.

[4] H. R. Doc. 646, 81st Cong., 2d sess. (1950).
[5] H. R. Doc. 644, 81st Cong., 2d sess. (1950).
[6] H. R. Doc. 522, 81st Cong., 2d sess. (1950).

Reorganization Plan No. 22[7] (effective September 7, 1950) transferred the Federal National Mortgage Association from the Reconstruction Finance Corporation to the Housing and Home Finance Agency. The Association provides a secondary market for home mortgages insured or guaranteed by Federal Government agencies through the purchase, service, and sale of such mortgages.

Reorganization Plan No. 23[8] (effective September 7, 1950) transferred from the Reconstruction Finance Corporation to the Housing and Home Finance Agency the lending functions of the Government with respect to the production and distribution of prefabricated houses and components.

B. The Congress and Federal Legislation

As in previous years, starting with the depression years of the early thirties, the Congress spent much time in 1950 considering housing, community facilities, and related problems. The Banking and Currency Committees completed and published reports on their studies of housing programs in Europe[9] and completed detailed studies and investigations of cooperative housing,[10] the disposition of Government-owned war and emergency housing,[11] and transitional problems in connection with the emergency Title VI FHA mortgage insurance programs.[12] The Senate Committee investigated hurricane damage to GI homes in Florida.[13]

The Joint Committee on the Economic Report studied and reported on the problems of low-income families and their relation to economic stability.[14] Their studies included housing of such families as one of the circumstances related to the basic economic goals of the Employment Act of 1946. In addition, the Committee studied the effectiveness and coordination of credit policies in dealing with general economic policy,[15] and the President's recommendations in his Economic Report, including the stimulation of private investment in middle-income housing.[16]

The Senate Committee on Expenditures in the Executive Departments studied the Reorganization Plans submitted by the President to further coordinate housing and community facilities functions of the Federal Government into the Housing and Home Finance Agency.[17]

The House Select Committee on Lobbying Activities included housing and organizations interested in housing in its investigations and reports.[18]

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[7] H. R. Doc. 587, 81st Cong., 2d sess. (1950).

[8] H. R. Doc. 588, 81st Cong., 2d sess. (1950).

[9] Senate Doc. 148, 81st Cong., 2d sess. (1950), *Cooperative Housing in Europe*. Committee Print, Final Report of Subcommittee No. 1 of the Committee on Banking and Currency, House of Representatives, February 10, 1950, *Cooperative Housing Abroad*.

[10] See also footnote 9, *supra*. Committee Print, *Report on Domestic Cooperative Housing* by Staff of Subcommittee on Housing and Rents of the Committee on Banking and Currency of the United States Senate, March 1950.

[11] Committee Print, Final Report of Subcommittee No. 2 of the Committee on Banking and Currency, House of Representatives, *Disposition of Permanent and Temporary Government-owned War Housing*, January 31, 1950.

[12] Committee Print, Report of the Committee on Banking and Currency, United States Senate, *Conference on Section 608*, February 28, 1950.

[13] Committee Print, Report on *Investigation of Hurricane Damage to GI Homes in Miami* by the Staff of the Committee on Banking and Currency, United States Senate, December 7, 1950.

[14] Senate Documents 146 and 231, 81st Cong., 2d sess. (1950), *Low-Income Families and Economic Stability*.

[15] Senate Doc. 129, 81st Cong., 2d sess. (1950), *Monetary, Credit and Fiscal Policies*.

[16] Senate Report 1843, 81st Cong., 2d sess. (1950), *Joint Economic Report*.

[17] Senate Reports 1676, 1774, 1870, 2581, and 2680, 81st Cong., 2d sess. (1950).

[18] H. R. Reports 3137, 3138, 3139, 3239 (Prs. 1 and 2), and 3238, 81st Cong., 2d sess. (1950).

The Housing Act of 1950 was enacted to supplement the Housing Act of 1949 (which set forth the goal of a decent home and suitable living environment for every American family and policies and provisions for attaining that goal) and other existing housing legislation. The 1950 Act was designed primarily to give additional stimulus to housing for lower-and middle-income families and housing of more adequate size and quality for families with children. During the consideration of the Housing Act of 1950 the Congress considered and rejected various proposals for more Federal assistance in the financing of cooperative housing as a means of providing housing for middle-income families. In addition to amendments to the FHA mortgage insurance program designed to stimulate housing for lower- and middle-income families and housing of more adequate size and quality for families with children, the Act provided for the transition of the World War II rental housing program (under sec. 608 of the National Housing Act) to a nonemergency program (under sec. 207 of that Act); increased the GI home loan guaranty; authorized direct home loans to veterans who are found to be good credit risks where they are unable to obtain 4 percent loans from private sources; authorized Federal loans for educational housing; provided additional secondary mortgage market funds; and provided in detail for the disposal of Government-owned war and veterans' emergency housing.

The Defense Production Act of 1950 was enacted to authorize strengthened control of real-estate credit, priorities and allocations powers, and to prohibit the hoarding of scarce materials.

The Congress also strengthened the savings and loan industry by the enactment of Public Law 576, and enabled the Territories to undertake slum clearance and urban redevelopment. In addition, the authority to make grants for housing for veteran paraplegics was extended to additional veterans, rent control was continued, and various other laws (discussed below) related to Federal housing programs were enacted.

1. Housing Act of 1950

The Housing Act of 1950, Public Law 475, was approved April 20, 1950.

New FHA Low-Cost Home Program Authorized

The Housing Act of 1950 added a new Section 8 to the National Housing Act providing a new FHA mortgage insurance program for low-cost homes in suburban and outlying areas. This program replaces the former Title I, Class 3, FHA loans. The Section 8 authorization is limited to $250,000,000.

FHA Insurance of Modernization and Repair Loans Continued

The FHA Title I authorization to insure lenders against losses on home modernization and repair loans was extended to July 1, 1955. A new maximum authorization formula was provided which limits the total amount of such outstanding insured loans to $1,250,000,000. This amounted to an increase in authorization of approximately $5,000,000.

FHA Title II Home Mortgage Insurance Program Improved to Provide Larger and Lower-Cost Homes

The FHA Title II home mortgage insurance authorization was increased by $2,250,000,000 to a total authorization of not more than $9,000,000,000, and the program was revised to stimulate more lower-cost homes of a size adequate for families with children.

The Section 207 FHA rental housing mortgage insurance program was amended to continue the stimulation of rental housing construction formerly provided by the temporary Section 608 rental housing program. Provisions were added to Section 207 requiring certification by the mortgagor that there will be no discrimination in the selection of tenants by reason of the fact that there are children in the families.

FHA Cooperative Housing Mortgage Insurance Liberalized

New provisions were added to the National Housing Act liberalizing the FHA program of mortgage insurance for projects of housing cooperatives. The 1950 Act required the appointment of a new Assistant Commissioner of FHA to administer cooperative housing mortgage insurance, and to furnish technical advice and assistance to such housing.

Temporary Section 608 FHA Rental Housing Program

An increase of $500,000,000 in the mortgage insurance authority under Section 608 of the National Housing Act was provided in order that applications for Section 608 mortgage insurance on rental housing received in the FHA field offices on or before March 1, 1950, might be processed. Section 608 authority was the temporary World War II and veterans' emergency rental housing program and no more applications can be processed under that section. The amendments to Section 207 referred to above were designed to make that section more adequate to continue to stimulate rental housing which had been provided under Section 608.

FHA Mortgage Insurance for Additional War Housing Sales Provided

Section 610 of the National Housing Act was amended to make mortgage insurance in connection with the sale of war housing held by the Federal Government under the Lanham Act applicable also to the sale by the Federal Government or any public housing agency of war housing aided under Public Law 671, Seventy-sixth Congress.

FHA Insurance of Loans for Manufactured Houses and Large-Scale Site Construction Liberalized

The FHA mortgage insurance authorization was liberalized covering insurance of loans to finance the manufacture of houses and to finance large-scale modernized site construction of housing.

GI Home Loan Guaranty Increased—Direct Loans to Veterans Provided

The Servicemen's Readjustment Act of 1944 (administered by the Veterans' Administration) was amended by raising the maximum maturity of GI loans from 25 to 30 years; by raising the maximum home loan guaranty from $4,000 or 50 percent of the loan to $7,500 or 60 percent of the loan; to require all homes financed by GI home loans to meet construction requirements prescribed by the Veterans' Administration; to abolish combination VA-FHA loans effective December 31, 1950; and to provide for standby direct home loans to veterans unable to obtain loans under the terms of the Act from private sources.

Disposal of War and Veterans' Housing Facilitated

The Housing Act of 1950 provided for the disposition of all war and veterans' housing under the jurisdiction of the Housing and Home Finance Agency and for the transfer of the farm labor camps under the jurisdiction of the Secretary of Agriculture to the Public Housing Administration for management and disposal.

Loans for Student and Faculty Housing Authorized

The Housing and Home Finance Administrator was authorized to make loans to educational institutions of higher learning for the construction of housing for their students and faculties. To provide funds for the loans, the Administrator was authorized to issue and have outstanding at any one time obligations for purchase by the Treasury in an amount not to exceed $300,000,000.

Home Mortgage Secondary Market Operations Enlarged—Restricted to "Over Counter" Purchases

An additional authorization of $250,000,000 was provided to the Federal National Mortgage Association for the purchase of home mortgages. The new Section 8 FHA home mortgages were made eligible for purchase by the Federal National Mortgage Association. GI farm-home mortgages were added to the home mortgages exempted from the 50 percent limitation on the amount of eligible mortgages in a lender's portfolio which may be sold to the Association. FNMA's authority to make commitments to purchase mortgages was terminated, thereby limiting FNMA to "over-the-counter" purchases of mortgages.

2. Housing Credit Restrictions—Conservation of Construction Materials for Defense Purposes

The Defense Production Act of 1950, Public Law 774, approved September 8, 1950, authorized the control of real estate credit in order to conserve materials for defense use and to protect the national economy against inflation. The Act provides that regulations may be prescribed governing maximum loan or credit values, minimum down payments, and trade-in values, as well as the amount, form and time of various payments involving real estate credit. The President had previously (on July 18, 1950), issued administrative instructions to Government agencies requesting certain curtailments of housing credit extended by them in order to assist in curbing inflation and to conserve materials for national defense purposes. Under the provisions of Executive Order 10161, credit controls on Government-aided housing (old or new houses financed with the aid of FHA, VA, etc.) are administered by the Housing and Home Finance Agency, and controls on new construction the financing of which is not aided by Government agencies are administered by the Federal Reserve Board in consultation with the Housing and Home Finance Administrator.

The Act provided for priority and allocation powers which are designed to conserve materials for defense purposes. The hoarding of scarce materials (including building materials) is authorized to be prohibited. The Act is designed not only to assure conservation of materials for defense purposes but, if it becomes necessary, may be used to allocate available materials for the most essential housing purposes, such as housing for military personnel and war workers, and lower cost housing.

3. FHA Mortgage Insurance on Military Housing Facilitated

Public Law 211, approved August 8, 1949, had added a new Title VIII to the National Housing Act providing additional incentives through FHA mortgage insurance to rental housing for military and civilian personnel in areas adjacent to military installations. Public Law 498, approved May 2, 1950, amended Title VIII to permit the military services to employ architects to draft plans for such military housing projects. Upon the basis of these plans and specifications prospective sponsors of projects bid competitively for the privilege of supplying the housing so that the necessity of each prospective sponsor preparing separate plans and specifications is eliminated, thus expediting and encouraging the provision of military housing by private enterprise.

4. Savings and Loan Industry Strengthened

Public Law 576, approved June 27, 1950, contained provisions designed to strengthen the savings and loan industry, thus further aiding in the financing of homes and the encouragement of savings.

The Act requires lending institutions which are members of Federal Home Loan Banks (principally savings and loan associations) to maintain a certain minimum liquidity. In order to assure a source of funds to savings and loan associations to meet demands upon them for mortgage funds and to meet withdrawal requests by savers and account holders, the Secretary of the Treasury is authorized to purchase the obligations of Federal Home Loan Banks up to $1,000,000,000. The proceeds of these obligations would be used for advances by the Banks to savings and loan associations and other members of the Federal Home Loan Banks.

The insurance protection afforded by the Federal Savings and Loan Insurance Corporation to the accounts of savers in savings and loan associations was increased from $5,000 to $10,000 for each account. The Federal Savings and Loan Insurance Corporation is also authorized by Public Law 576 to borrow from the Treasury such funds as in the judgment of the Home Loan Bank Board are required for insurance purposes.

The Act also accelerates retirement of the Government-owned capital stock in the Federal Home Loan Banks and the Federal Savings and Loan Insurance Corporation.

5. Federal Criminal Statute Amended to Protect Savings and Loan Associations

Public Law 634, approved August 3, 1950, amended the criminal provisions of the United States Code to include savings and loan associations within the definition of the word "bank" as used in the provisions of the Code with respect to bank robbery and incidental crimes.

6. Federal Aid to Schools in Federally Affected Areas

Public Law 815, approved September 23, 1950, authorized Federal financial aid by the Office of Education for surveys and State plans for school construction and payments to local educational agencies for school construction in federally affected areas. The Community Facilities Service in the Housing and Home Finance Agency is required by the Act to make certain determinations with respect to past expenditures by the Federal Government for school construction so that the Commissioner of Education can reduce the payments that would otherwise be made to local agencies. The Office of Education is authorized to construct schools for children who reside on Federal property if no local educational agency is able to provide suitable schools, and is also authorized to provide funds to assist local school agencies to construct schools themselves. The Commissioner of Education has effected arrangements with the Community Facilities Service of the Housing Agency whereby the latter will take the action necessary to construct the schools which are federally constructed and to supervise the construction of the other schools aided under the Act. Public Law 815 also authorizes the transfer of schools constructed under the Lanham Act to local educational agencies.

Public Law 843, approved September 27, 1950, appropriated $24,500,000 for the purposes of Public Law 815, and in addition provided that contracts may be entered into aggregating up to $25,000,000 for such purposes.

7. Federal Assistance to Disaster Relief

Publi Law 875, approved September 30, 1950, authorized Federal agencies, when directed by the President, to provide disaster relief assistance to States and local governments, including, among other things, making contributions for clearing debris and wreckage, and making emergency repairs to and temporary replacements of public facilities, as well as performing such services. Executive Order 10221 ordered the Housing and Home Finance Administrator to exercise the functions conferred upon the President to direct Federal agencies to provide disaster assistance, to prepare proposed rules and regulations for the administration of the Act, and to prepare the reports to Congress required by the Act.

8. Loans and Advances for Local Planning of Public Works

Public Law 352, approved October 13, 1949, authorized the making of advances during a 2-year period to States and local governments to finance the cost of surveys, engineering investigations, and plans preliminary to the construction of local public works. Appropriations not to exceed a total of $100,000,000 were authorized to carry out the Act. The Second Supplemental Appropriation Act, 1950, Public Law 430, approved October 28, 1949, appropriated $8,000,000 and authorized contracts in an amount not to exceed $17,000,000 for loans and advances for public works planning pursuant to Public Law 352. The General Appropriation Act, 1951, Public Law 759, approved September 6, 1950, provided $20,000,000 and an additional $27,000,000 in contract authorizations.

9. Transfer of Temporary Veterans' Reuse Housing to Public Bodies—Time for Receiving Applications Extended

The General Appropriation Act, 1951, Public Law 759, approved September 6, 1950, extended to December 31, 1950, the time during which applications might be accepted from State and local bodies, educational institutions or nonprofit organizations for the transfer to them of temporary Lanham Act housing under the terms of the McGregor Act, Public Law 796, Eightieth Congress.

10. Provisions Related to Specific Housing Projects

Public Law 567, approved June 20, 1950, transferred Veterans' Temporary Housing Project NM-VN-29166, known as Wingate Navajo Village, Gallup, N. Mex., to the Navajo Indian Tribe.

Public Law 643, approved August 3, 1950, transferred without reimbursement to the Secretary of the Interior, lands required for construction of the Baltimore-Washington Parkway located within the Greenbelt, Md., housing project.

Public Law 684, approved August 10, 1950, authorized the Housing and Home Finance Administrator to convey to the State of New York all right, title, and interest of the United States in any real estate (except the veterans' housing project located thereon which is under contract of lease between the Public Housing Administration and the State of New York) at Manhattan Beach now under the jurisdiction of the Administrator.

Public Law 737, approved August 29, 1950, authorized the Housing and Home Finance Administrator to convey to the Board of Trustees of State Colleges of the State of Rhode Island, all right, title and interest of the United States in and to the site of a stone house and former dock and all improvements thereon (technically a part of a veterans' temporary housing project RI-V-37053B) located on a portion of the former Fort Phillip Kearney Military Reservation, Narragansett, R. I., upon receipt of a consideration equivalent to 50 percent of the appraised value of the property.

Public Law 827, approved September 23, 1950, authorized the Housing and Home Finance Administrator to release the trustees of Columbia University and the Citizens' Veterans' Home Association of Rockland County, from obligations under their contracts in connection with the operation of veterans' temporary housing project, NY-V-30212.

Public Law 868, approved September 30, 1950, authorized the conveyance to the State of Iowa, without consideration, of all right, title and interest of the United States in and to lands with improvements thereon situated at Fort Des Moines. The conveyance would be subject to the continued use by the city of Des Moines of veterans' temporary housing projects Iowa-V-13140, V-13077, and VN-13115, for so long as they may be needed for veterans' temporary housing purposes.

Public Law 842, approved September 26, 1950, authorized the Secretary of the Interior to sell certain land to the city of Flagstaff, Ariz., at appraised value. The land is to be used as a site for a low-rent public housing project.

11. Territories Enabled To Undertake Slum Clearance and Urban Redevelopment

The Territorial Enabling Act of 1950, Public Law 615, approved July 18, 1950, enabled the Governments of Puerto Rico, Alaska, Hawaii, and the Virgin Islands to authorize public bodies or agencies to undertake slum clearance and urban redevelopment activities. The low-rent public housing enabling statutes of Puerto Rico, Alaska, and Hawaii were revised.

12. Veterans' Preference in Occupancy of New Housing Continued

Public Law 574, approved June 23, 1950, continued veterans' preference and priority of opportunity in the sale or rental of new housing completed after June 30, 1947, until June 30, 1951. These laws are administered by the Office of the Housing Expediter.

13. Rent Control Continued

Public Law 574, approved June 23, 1950, and Public Law 880, approved December 20, 1950, continued Federal rent control (administered by the Office of the Housing Expediter) until December 31, 1950, and March 31, 1951, respectively, except where local governments adopt resolutions requiring the continuance of rent control beyond those dates. In such instances Federal rent control will cease June 30, 1951. The Act also provides that rent control shall be terminated in localities where the local governing body adopts a resolution, after public hearing, that the shortage of housing is no longer such as to require rent control in that community.

Public Law 592, approved June 30, 1950, and Public Law 883, approved December 21, 1950, continued rent control in the District of Columbia until January 31, 1951, and March 31, 1951, respectively.

14. Codification of Housing Laws

S. Res. 252, agreed to by the Senate on June 8, 1950, requested the Housing and Home Finance Agency to prepare and transmit to the Senate, on or before January 15, 1951, a codification of all Federal laws relating to housing.

15. Administrative Expense Appropriations

Public Law 529, approved May 26, 1950, Public Law 585, approved June 29, 1950, Public Law 627, approved July 31, 1950, and Public Law 752, approved September 2, 1950, made temporary appropriations pending approval of the Deficiency Appropriation Act, 1950, the General Appropriation Act, 1951, and the Supplemental Appropriation Act, 1951.

Public Law 583, approved June 29, 1950, the Deficiency Appropriation Act, 1950, made funds available for expenses in connection with the termination of accounts carried on the books of the Home Owners' Loan Corporation and for annual contributions in connection with low-rent public housing projects by the Public Housing Administration.

Public Law 759, approved September 6, 1950, the General Appropriation Act, 1951, made administrative expense appropriations for the Housing and Home Finance Agency, and its constituent agencies.

Public Law 843, approved September 27, 1950, the Supplemental Appropriation Act, 1951, provided funds for carrying out the provisions of Public Law 815 for Federal aid to schools.

C. State and Territorial Legislation in 1950

The legislatures of 26 States met in regular or special session during 1950 and more than half of these bodies enacted housing legislation.

Low-Rent Public Housing

South Dakota became the forty-third State to enact enabling legislation to permit participation in the federally aided low-rent housing program. The Legislative Assembly of the Virgin Islands repealed enabling legislation passed in 1949 and enacted a comprehensive law creating a Virgin Islands Housing and Redevelopment Authority authorized to undertake low-rent housing projects throughout the Territory.

Louisiana, Mississippi, New Hampshire, New Jersey, Rhode Island, and Puerto Rico changed their tenant eligibility requirements for admission to low-rent housing projects so as to conform to the new provisions of Federal law. Louisiana, New Hampshire, New Jersey, and Rhode Island amended their housing authorities laws to permit compliance with the provisions of the Federal law relating to the determination or payment of prevailing salary or wage rates.

Louisiana, Mississippi, and Rhode Island extended the applicability of their housing authorities laws to additional cities or towns. New York created new housing authorities in Orangetown, Ogdensburg, and Jamestown and enacted several amendments to the Public Housing Law.

Slum Clearance and Urban Redevelopment

The new statutes in South Dakota and the Virgin Islands authorized the housing and redevelopment agencies created thereunder to carry out slum clearance and urban redevelopment projects. Kentucky enacted a new law in 1950 authorizing the newly created redevelopment agency, the housing commission or the city itself, at the option of the city council, to carry out such projects. Louisiana enacted extensive amendments to its housing authority law clarifying the power of housing authorities to carry out slum clearance and urban redevelopment projects. Rhode Island repealed the 1946 urban redevelopment law and enacted a new law designed to clarify and perfect the provisions of the 1946 law. A number of other States enacted amendments clarifying or broadening the powers and duties of redevelopment agencies.

Other Housing Legislation

Connecticut transferred the powers and duties of the State housing authority to the Commissioner of Public Works and increased the authorized bond issue for its moderate cost housing program from $30,000,000 to $60,000,000.

New York amended its Civil Rights Law to prohibit discrimination or segregation in housing accommodations constructed with State or local assistance. New Jersey supplemented its housing and redevelopment laws to prohibit discrimination in carrying out the purposes of such laws.

Rent Control

Illinois, Massachusetts, and Rhode Island have authorized municipalities to provide for the continuance of Federal rent controls pursuant to the Federal Housing and Rent Act of 1950. Laws in Connecticut and New Jersey provide for State rent control to go into effect upon the termination of Federal control. The New York Emergency Rent Control Law has been continued until 1952. The legislatures in Mississippi and Virginia enacted laws during 1950 to provide for the decontrol of rents in those States.

Summary of Laws Enacted in the States and Territories in 1950

California.—Chapter 53, Laws of 1950, approved May 1, 1950, amended the Community Redevelopment Act to further define certain powers and duties of redevelopment agencies and planning commissions.

Connecticut.—H. 51–XXXX, approved June 9, 1950, established a Public Works Department and provided for the appointment of a Public Works Commissioner with certain powers and duties. Among other things the powers vested in the State housing authority and its supervisory committee (as provided for in sec. 924 (r) of the general statutes) were transferred to the Public Works Commissioner. The law also provided for a citizens' advisory commission on housing. S. 32–XXXX, approved June 2, 1950, amended the law relating to State aid for moderate rental housing (Act 299 of 1949, as amended) relative to the payment of State service charges by local housing authorities, the semiannual reports of such authorities, and FHA-insured State loans for moderate rental housing. H. 2–XXXXX, approved September 19, 1950, expanded the moderate cost housing program which provides for State assistance for home ownership by increasing the authorized bond issue for such purpose from $30,000,000 to $60,000,000. H. 40–XXXX, approved June 9, 1950, provides for State rent control upon the termination of Federal rent control.

Illinois.—H. 2–X, approved June 30, 1950, authorizes any municipality subject to Federal rent control to continue such controls by resolution of the governing body.

Kentucky.—H. 444, approved March 25, 1950, provides for the creation of city and county slum clearance and redevelopment agencies to acquire, clear and dispose of land in slum or blighted areas for development or redevelopment. The housing commission of a community may be designated as the agency to undertake redevelopment projects. H. 274, law.

Louisiana.—Act No. 482, Acts of 1950 (H. 154), approved July 8, 1950, amended the Housing Authorities Law to make its provisions applicable to any incorporated municipality (formerly limited to cities having a population of more than 5,000). Act No. 401, Acts of 1950 (S. 297), approved July 7, 1950, amended the Housing Authorities Law and the Housing Cooperation Law to create housing authorities in additional cities and parishes; to permit compliance with Federal requirements relating to rural housing, tenant eligibility or preference, and salary or wage rates; to provide for agreements to secure Federal contributions; to authorize housing authorities to undertake slum clearance and redevelopment projects; and to provide that agreements of State public bodies shall inure to the benefit of any public body or governmental agency holding title to or possession of a project.

Maryland.—Chapter 30, Laws of 1950 (S. 72), approved March 28, 1950, provides among other things, that not less than the prevailing rate of *per diem* wages for similar work in the locality (such rate to be determined by a commission created by this act) shall be paid to laborers, workmen, or mechanics employed by a contractor or subcontractor in the execution of any construction contract for the State, or any department, commission, or agency thereof.

Massachusetts.—Chapter 486, Laws of 1950 (H. 2229, App. C), approved May 25, 1950, amended the Housing Authority Law to authorize a city or town in which a housing authority has been organized to appropriate money or incur debt to defray part of the expense of undertaking low-rent housing and redevelopment projects. Chapter 631, Laws of 1950 (H. 2705), approved July 13, 1950, amended the Housing Authority Law to authorize any housing authority, in determining net income for the purpose of tenant eligibility, to exclude all veteran disability benefits paid to a tenant. Chapter 105, Laws of 1950 (H. 842), approved February 20, 1950, amended the Housing Authority Law and the Veterans' Housing Law to provide that money appropriated to a housing authority by a municipality may be disbursed by either the treasurer of the authority or by any other officer of the authority authorized by it to so act. Chapter 25, Laws of 1950 (H. 1098), approved January 27, 1950, authorizes the City of Medford to subdivide and sell a certain tract of land to veterans for the erection of single-family dwellings in conformance with existing veterans' housing legislation. Chapter 624, Laws of 1950 (H. 2229, App. A), approved July 13, 1950, amended chapter 372, Acts of 1946 (Housing for Veterans of World War II) to redefine "veteran." Chapter 386, Laws of 1950 (S. 299), approved May 2, 1950, amended the Housing Auhtority Law to provide certain preferences in the sale of State-aided projects. Chapter 753, Laws of 1950 (H. 2573), approved August 10, 1950, amended the Housing Authority Law to authorize the conversion of any State low-rent housing project to a project with Federal assistance. Chapter 752, Laws of 1950 (H. 2751), approved August 10, 1950, provides for the declaration by referendum in cities and towns subject to Federal rent control, as to whether a shortage of rental housing accommodations exists which requires the continuance of Federal rent control therein. Chapter 33, Laws of 1950 (H. 1962), approved February 3, 1950, continues from March 31, 1950, to March 31, 1951, certain provisions for stay of judgment and execution in actions of summary process.

Mississippi.—H. 828, approved April 18, 1950, amended the Housing Authorities Act to create town housing authorities as well as city and county authorities. H. 929, approved April 18, 1950, amended the Housing Authorities Law to provide for an exemption of $100 for each minor member of a family in determining tenant eligibility. H. 930, approved April 18, 1950, added the provision in the tax exemption section of the Housing Authorities Law that annual payments in lieu of taxes may be in an amount not exceeding 10 percent of the aggregate shelter rent and no payment shall exceed the amount of taxes which would have been paid for such year if the project were not exempt from taxation. H. 552, approved April 6, 1950, declared that rent control is no longer necessary in the State and directed the Secretary of State to so notify the Housing Expediter. The act does not apply to any municipalities where there is established a permanent military base unless the municipal council declares controls are no longer necessary therein.

New Hampshire.—S. 3–X, approved May 19, 1950, amended the Housing Authorities Law to permit compliance with Federal conditions concerning the determination of or payment of prevailing wages, and tenant selection and preferences, and to provide that agreements inure to the benefit of any public body or governmental agency holding title to or possession of a project. H. 3–X, approved May 18, 1950, appropriated $500,000 for the construction of housing facilities for students and faculty at the University of New Hampshire. Provides for such sum to be made available either by issuing State obligations or by borrowing from the Federal Government under the terms of a Federal act known as "Housing Amendments of 1949."

New Jersey.—Chapter 326, Laws of 1950 (S. 227), approved July 24, 1950, amended the Local Housing Authorities Law to tie in that law with the new Federal requirements relative to prevailing wages and tenant eligibility or preference. Chapter 298, Laws of 1950 (S. 228), approved July 6, 1950, amended the Housing Cooperation Law to provide that the provisions of that law shall apply to redevelopment projects as well as housing projects; to provide that agreements between any public body and a housing authority shall inure to the benefit of any public body or governmental agency holding title to or possession of any project; and to authorize any public body to incur indebtedness to aid any housing authority or redevelopment agency in the undertaking of a project with Federal financial assistance. Chapter 262, Laws of 1950 (S. 226), approved June 28, 1950, amended the Act providing for redevelopment by housing authorities (ch. 300, Laws of 1949) to authorize an authority to accept financial assistance from the Federal Government and to provide that bonds issued pursuant to the Act shall be (1) tax exempt, (2) negotiable, (3) security for public deposits, and (4) legal investments within the State. Chapter 105, Laws of 1950 (S. 178), approved May 5, 1950, supplements the law providing for redevelopment by local housing authorities (P. L. 1949, c. 300) to prohibit, for all of the purposes of the act, any discrimination because of race, religious principles, color, national origin or ancestry. Chapter 106, Laws of 1950 (S. 179), approved May 5, 1950, supplements the Defense Housing Law (P. L. 1941, c. 213) to prohibit, for all of the purposes of the act, any discrimination because of race, religious principles, color, national origin, or ancestry. Chapter 107, Laws of 1950 (S. 180), approved May 5, 1950, supplements the Redevelopment Companies Law to prohibit, for all of the purposes of the act, any discrimination because of race, religious principles, color, national origin, or ancestry. Chapter 108, Laws of 1950 (S. 181), approved May 5, 1950, supplements The State Housing Law of 1949 (P. L. 1949, c. 303) to prohibit, for all of the purposes of the act, any discrimination because of race, religious principles, color, national origin, or ancestry. Chapter 109, Laws of 1950 (S. 182), approved May 5, 1950, supplements the Local Housing Authorities Law to prohibit, for all the purposes of the act, any discrimination because of race, religious principles, color, national origin, or ancestry. Chapter 110, Laws of 1950 (S. 183), approved May 5, 1950, supplements the Housing Cooperation Law to prohibit, for all of the purposes of the act, any discrimination because of race, religious principles, color, national origin, or ancestry. Chapter 111, Laws of 1950 (S. 184), approved May 5, 1950, supplements the Urban Redevelopment Law to prohibit, for all of the purposes of the act, any discrimination because of race, religious principles, color, national origin, or ancestry. Chapter 112, Laws of 1950 (S. 185), approved May 5, 1950, supplements the Limited-Dividend Housing Corporations Law (P. L. 1949, c. 184) to prohibit, for all of the purposes of the act, any discrimination because of race, religious principles, color, national origin, or ancestry. Chapter 264, Laws of 1950 (S. 325), approved June 28, 1950, provides for the payment into the General State Fund of the net proceeds from the operation or sale of emergency housing projects.

Chapter 69, Laws of 1950 (A. 4), approved April 25, 1950, supplements the Limited-Dividend Housing Corporation Law (P. L. 1949, c. 184) to provide that under certain conditions any limited-dividend housing corporation, after 15 years from the date of first tenant occupancy, may be released from the restrictions and limitations imposed on such corporations under said act. Chapter 21, Laws of 1950 (A. 9), approved April 11, 1950, supplements the Limited-Dividend Housing Corporation Law of 1949 to define the term "surplus" as used in that act. Chapter 234, Laws of 1950 (S. 264), approved June 14, 1950, establishes rent-control boards with authority to regulate and control rents until June 30, 1951. The act is not to be effective as long as Federal rent-control continues. Chapter 85, Laws of 1950 (A. 126), approved April 28, 1950, extends until July 1, 1951, the law granting a certain discretionary authority to judges in issuing writs for removal in cases where the tenant would suffer hardship.

New York.—Chapter 615, Laws of 1950 (S. 916), approved April 14, 1950, amended the Public Housing Law to include as legal investments and security for public deposits obligations of a housing authority secured by an agreement between the authority and a government for loans to refund other obligations. Chapter 26, Laws of 1950 (S. 458), approved February 23, 1950, amended the Public Housing Law to extend until July 1, 1951, 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 270, Laws of 1950 (S. 438), approved March 29, 1950, amended the Public Housing Law and the Local Finance Law to provide that municipalities undertaking low-rent housing projects shall be subject to the provisions of the local finance law except that with respect to such projects, municipalities may issue evidences of indebtedness to the State as provided in the Public Housing Law. Chapter 41, Laws of 1950 (S. 437), approved February 27, 1950, permits State Comptroller, upon request of municipality, to invest proceeds of State housing bonds not immediately required for application to a loan to such municipality. Chapter 524, Laws of 1950 (S. 1407), approved April 10, 1950, provides that the 6 days of advertisement for sale of certain bonds, including State housing bonds, may be within a period of 15 days from the date of first publication instead of 6 successive days. Chapter 464, Laws of 1950 (S. 2186), approved April 5, 1950, amended the Personal Property Law to authorize fiduciaries to invest in certain obligations and securities, including obligations issued by any public housing authority or agency. Chapter 287, Laws of 1950 (S. 2068), approved March 30, 1950, amended the Civil Rights Law to prohibit discrimination or segregation because of race, color, religion, national origin, or ancestry in any housing accommodations, the construction or maintenance of which is assisted or supported to any extent by the State (assistance includes tax exemption). Chapter 25, Laws of 1950 (S. 41), approved February 23, 1950, created the Ogdensburg Housing Authority. Chapter 222, Laws of 1950 (S. 2230), approved March 28, 1950, created the Jamestown Housing Authority. Chapter 305, Laws of 1950 (A. 2421), approved March 30, 1950, created the Orangetown Housing Authority. Chapter 295, Laws of 1950 (S. 1063), approved

March 30, 1950, amended the Public Authorities Law to renumber certain sections thereof.

Chapter 119, Laws of 1950 (A. 1078), approved March 13, 1950, repealed Subsection 6 of Section 52 of the Public Housing Law (added by ch. 769, Laws of 1942) which authorized municipalities to grant partial tax exemption of uncompleted State-aided projects. Chapter 203, Laws of 1950 (A. 93), approved March 27, 1950, amended the Public Housing Law to continue the emergency housing provisions (art. IX–A) until March 31, 1951. Chapter 194, Laws of 1950 (S. 1154), approved March 27, 1950, amended the Administrative Code of the city of New York to continue until June 30, 1952, the provisions permitting sale and removal to another lot of dwellings taken by the city by condemnation. Chapter 799, Laws of 1950 (S. 2802), approved April 19, 1950, amended the General Municipal Law to authorize municipalities to cooperate with the Federal Government and accept financial assistance as provided in Title I of the Housing Act of 1949; to provide local grants-in-aid in the form of municipal services and facilities; and, among other things, to enter into such agreements with the Federal Government as may be necessary or desirable. Chapter 195, Laws of 1950 (A. 419), approved March 27, 1950, amended the Public Housing Law relative to the amount and duration of State subsidies for low-rent projects and to provide that subsidies for a State-aided project shall begin on the date of substantial completion of the project. Chapter 196, Laws of 1950 (A. 1087), approved March 27, 1950, amended the Public Housing Law to provide that State loans to housing authorities or municipalities for low-rent housing projects may include an amount for working capital not to exceed 2 percent of the project cost or $100,000, whichever is less. Chapter 642, Laws of 1950 (S. 917), approved April 14, 1950, amended the Public Housing Law relative to the determination of the amount of subsidy to be paid by a municipality. Chapter 357, Laws of 1950 (S. 2105), approved April 1, 1950, authorizes Albany, by local law, to transfer certain lands to the Albany Housing Authority for low-rent public housing purposes. Chapter 250, Laws of 1950 (A. 3261), approved March 29, 1950, amended the Emergency Rent Control Law generally and continued the provisions of that law until June 30, 1952. It exempts from the provisions of that law housing accommodations constructed pursuant to the Public Housing Law. Chapter 359, Laws of 1950 (S. 1955), approved April 1, 1950, continues until July 1, 1951, the temporary commission created in 1948 to study rents and rental conditions. Chapter 1, Laws of 1950 (A. 25), approved January 10, 1950, legalized and validated certain local laws enacted by the New York City Board of Estimate and the mayor relating to evictions and maximum rents, from date of enactment to May 1, 1950. Chapter 501, Laws of 1950 (A. 570), approved April 8, 1950, continues until July 1, 1951, the provision for stay of execution for a limited time in proceedings for recovering dwelling premises where tenant holds over after expiration of his lease. SR 107, adopted March 22, 1950, continues the joint committee on State-wide building codes and directs the committee to make its report not later than March 15, 1951.

Rhode Island.—Chapter 2619, Public Laws of 1950 (S. 344), approved April 25, 1950, amended the Housing Authorities Law to permit compliance with Federal conditions with respect to the determination of or payment of prevailing wages, and tenant selection and preferences; and to provide for agreements to secure Federal contributions, agreements to inure to the benefit of any public body or governmental agency holding title to or possession of a project, creation of town authorities, and rural housing.

Chapter 2620, Public Laws of 1950 (H. 629), approved April 25, 1950, amended the Housing Authorities Law to remove the limitation that payments in lieu of taxes could not exceed the sum last levied as an annual tax upon the property prior to acquisition by the authority. Chapter 2574, Public Laws of 1950 (H. 793), approved April 25, 1950, created city and town redevelopment agencies to acquire blighted or slum areas and to sell or lease such property for redevelopment in accordance with a project plan. Repealed the Community Redevelopment Act (ch. 1802, Public Laws of 1946, as amended) and ratified and declared legal all actions heretofore taken in accordance with the provisions of said Act. Chapter 2577, Public Laws of 1950 (H. 833), approved April 25, 1950, amended the Veterans' Housing Law for the city of Providence relative to the maturity of bonds issued by the city for the purposes of that Act. Chapter 2421, Public Laws of 1950 (H. 627), approved February 2, 1950, provides that until January 31, 1951, no tenant may be evicted from a dwelling which he entered under a rental agreement except for nonpayment of rent, committing a nuisance, violation of any law or ordinance so that the condition of his lease has thereby been broken, or where owner needs the premises for his own occupancy. H. 781, approved April 25, 1950, created a special commission to study the advisability of revising the State fire and building laws and to report before December 1, 1950. Chapter 2525, Public Laws of 1950 (S. 371), approved April 24, 1950, authorizes towns and cities to pass ordinances regulating the manner of constructing and equipping of all buildings. H. 504–X, approved July 31, 1950, authorizes every city and town in the State to make the declaration specified in the Federal Housing and Rent Act of 1950 (where there is a need for Federal rent control to continue).

South Carolina.—Governor's Act No. 1118, Acts of 1950 (H. 2291), approved May 11, 1950, authorizes any municipality with a population between 15,250 and 16,000 to create a planning commission and sets forth the powers and duties of such commissions.

South Dakota.—S. 3–X, approved February 16, 1950, created municipal housing and redevelopment commissions to undertake slum clearance, low-rent housing and redevelopment projects. S. 5–X, approved February 16, 1950, authorizes municipalities to cooperate with housing and redevelopment commissions in undertaking housing and redevelopment projects. S. 4–X, approved February 16, 1950, provides that bonds and other obligations issued pursuant to the Municipal Housing and Redevelopment Act of the State shall be legal investments when such obligations are secured by a pledge of annual contributions or other financial assistance to be paid by the Federal Government. Such obligations shall also be authorized security for public deposits. S. 12–X, approved February 16, 1950, authorizes incorporated municipalities of the State to acquire, own, operate, maintain, and dispose of any existing federally owned housing, if the Federal Government has signified an intention to terminate its operation of such housing within 1 year.

Virginia.—Chapter 253, Laws of 1950 (H. 390), approved April 3, 1950, amended the city charter of Lynchburg to authorize the city council to exercise the rights and privileges conferred upon the Lynchburg Redevelopment and Housing Authority by the Housing Authorities Law, and for other purposes.

Chapter 317, Laws of 1950 (H. 572), approved April 4, 1950, provides that, instead of appointing a planning commission for a town, the council of such town may request the county planning commission to serve for such town. Chapter 455, Laws of 1950 (S. 161), approved April 7, 1950, provides for the creation of a regional planning and economic development commission by any municipality or county for the purpose of making and adopting a regional plan for the physical, economic, and social development of the region. Chapter 143, Laws of 1950 (H. 17), approved March 10, 1950, declared that Federal rent control was no longer necessary in the State and directed the keeper of the rolls and the clerk of the House of Delegates to so notify the Housing Expediter. Act became effective on June 10, 1950.

Puerto Rico.—Act 125, Laws of 1950, approved April 26, 1950, amended the Housing Authorities Law to permit exemptions for minor dependents in computing income for determining tenant eligibility for admission and continued occupancy in low-rent housing projects.

Virgin Islands.—Bill No. 13, First Session 1950, approved September 19, 1950, created the Virgin Islands Housing and Redevelopment Authority to undertake low-rent housing and redevelopment projects throughout the Territory. This law also repealed the Virgin Islands Housing Authority Law enacted in 1949.

Appendix C

PUBLICATIONS OF HHFA

A. Office of the Administrator

Aided Self-Help Shelter Improvement in Puerto Rico, with supplement. The applications of the aided self-help principle in the improvement of housing in underdeveloped areas. Available from HHFA.

Annual Report.—Third annual report of HHFA covering calendar year 1949. Available from Government Printing Office, Washington 25, D. C., $1.

Cooperative Housing.—An annotated bibliography of housing built or managed cooperatively in the United States, Denmark, Great Britain, France, Switzerland, Holland, Norway, and Sweden. Available from HHFA.

Facts About Housing Credit Controls.—Multiunit residences. An explanation of real estate credit controls established in connection with the program of national defense. Available at the Government Printing Office, Washington 25, D. C., 8 pp. 5 cents.

Facts About Housing Credit Controls.—One- to four-family residences. An explanation of real estate credit controls established in connection with the program of national defense. Available at the Government Printing Office, Washington 25, D. C., 10 pp. 5 cents.

Reading List on Housing in the United States.—Selected references from both public and private sources, including a list of agency publications, a topical listing of public and private materials, a listing of periodicals, and a list of recent legislative documents. 56 pp. Available from HHFA.

The Relationship Between Slum Clearance and Urban Redevelopment and Public Low-Rent Housing.—A statement of the relationships and distinctions between the program of federally aided slum clearance and urban redevelopment as authorized by Title I of the Housing Act of 1949 and the program of federally aided low-rent public housing as authorized by the United States Housing Act of 1937, as amended. 15 pp. Available from HHFA.

Selected References on the Housing of Minorities.—An annotated bibliography of the housing of minorities. Available at the Government Printing Office, Washington 25, D. C., 46 pp. 5 cents.

Septic Tank Studies.—Technical Paper 14. Procedures and data accumulated in six series of tests on septic tanks and on the study of septic tanks in the field jointly sponsored by the Housing and Home Finance Agency and the Public Health Service, Federal Security Agency. 84 pp. Available from HHFA.

Summaries of Local Redevelopment Programs.—Factual summaries of slum clearance and urban redevelopment programs contemplated or under way in selected cities and towns in the United States. Available from HHFA.

A Summary of the Evolution of Housing Activities in the Federal Government.—The growth of Federal housing functions in the period 1930 to 1950. Available from the Government Printing Office, Washington 25, D. C., 24 pp. 10 cents.

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

No. 1. *Crawl Spaces.*—The proper design and construction of basementless houses with crawl spaces and the effects of crawl spaces upon structures. 16 pp. 15 cents.

No. 2. *Wood Roof Trusses for Small Dwellings.*—Structural and cost advantages of preassembled wood roof trusses in small dwelling construction. 4 pp. 10 cents.

No. 3. *Basements vs. No Basements for Houses, parts i, ii, and iii.* Analyses of design problems to determine extent of cost savings possible through basementless house construction. 23 pp. 20 cents.

No. 4. *Insulation: Where and How Much.*—The determination of heating and insulation requirements. 9 pp. 10 cents.

No. 5. *Fuel Consumption in the Home.*—Present fuel consumption, heating plant problems, fuel supply situation, economy of correct heating plant operation, selection of the fuel, and service required. 10 pp. 15 cents.

No. 6. *What to Do About Condensation.*—Causes of condensation, its effects upon dwellings and the placement of vapor barriers. 6 pp. 10 cents.

No. 7. *Concrete Masonry.*—Materials, standard, manufacturing processes, curing procedures, and good practice recommendations for building masonry dwelling walls. 8 pp. 15 cents.

No. 8. *Insulation of Concrete Floors in Dwellings.*—Insulation of concrete floors in slab-on-ground and in unheated crawl space construction. 8 pp. 10 cents.

No. 9. *Application of the Floor Furnace in the Heating of Small Houses.*—An explanation of the fundamental principle of the floor furnace and a description of its application to the heating of small houses. 9 pp. 15 cents.

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

Technical Bulletin No. 12, January 1950, 15 cents.
Technical Bulletin No. 13, March 1950, 20 cents.
Technical Bulletin No. 14, May–July 1950, 20 cents.
Technical Bulletin No. 15, September 1950, 20 cents.
Technical Bulletin No. 16, November 1950, 20 cents.

What the Consumer Wants to Know About Federal Housing Aids.—An explanatory folder relating to the major Federal housing programs and containing a list of sources from which additional information may be obtained. Available from HHFA.

When You Buy a Home Look at the Lot and Neighborhood.—Information and checklist for use in the selection of a home site. Available from the Government Printing Office, Washington 25, D. C., 14 pp. 5 cents.

The General Community Plan—a Preliminary Statement.—An interim preliminary statement intended to provide guidance to communities as to the general kind of planning programs and objectives which they will be expected to have in planning slum clearance and urban redevelopment with Federal financial aid. October 31, 1950. 4 pp. Available from HHFA.

Guide to Slum Clearance and Urban Redevelopment Under Title I of the Housing Act of 1949.—Advisory material for local public agencies, officials, and others interested in the slum clearance and urban redevelopment program authorized by Title I of the Housing Act of 1949 and the requirements of that Act as they affect the planning and administration of local programs. Revised July 1950 30 pp. Available from HHFA.

B. Home Loan Bank Board

Annual Report of the Home Loan Bank Board.—(Covering the calendar year 1949.) Covers Federal Home Loan Bank System, Federal Savings and Loan System, Federal Savings and Loan Insurance Corporation, and the Home Owners' Loan Corporation (in liquidation). 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.

Statistical Summary.—Annual booklet of statistics pertaining to home financing and the operation of savings and loan associations. Available from the Home Loan Bank Board.

C. Federal Housing Administration

Annual Report.—Sixteenth Annual Report of the Federal Housing Administration. Available from the Government Printing Office, Washington 25, D. C., 40 cents.

Administrative Rules and Regulations Under Section 8 of the National Housing Act.—April 20, 1950, and subsequent amendments. Available from the Federal Housing Administration.

Cooperative Housing Insurance, Administrative Rules and Regulations Under Section 213 of Title II of the National Housing Act.—May 2, 1950, and subsequent amendments. Available from the Federal Housing Administration.

Dealer Guide for FHA Title I Loans.—Brief explanation of procedures dealers must follow in home modernization and repair work financed by leading institutions insured by FHA under Title I of the National Housing Act. Available from the Federal Housing Administration.

Digest of Insurable Loans.—Charts setting forth primary provisions for the insurance of loans authorized under the National Housing Act and FHA rules and regulations. Available from the Federal Housing Administration.

A Guide to Cooperative Housing.—Folder explaining FHA program of special technical assistance to, and mortgage insurance for, cooperative housing projects under Section 213 of the National Housing Act. Available from the Federal Housing Administration.

Insured Mortgage Portfolio.—(Issued quarterly.) Contains articles of interest to FHA approved lenders. Available from the Government Printing Office, Washington 25, D. C., annual subscription, 50 cents; single copies, 20 cents.

A Kit of Tools for Cooperative Housing.—Among other items, contains FHA rules and regulations governing technical assistance to, and mortgage insurance for, cooperative housing projects under Section 213 of the National Housing Act. Available from the Federal Housing Administration.

Multifamily Housing. Administrative Rules and Regulations Under Section 207 of Title II of the National Housing Act.—April 20, 1950, and subsequent amendments. Available from the Federal Housing Administration.

Mutual Mortgage Insurance, Administrative Rules and Regulations Under Section 203 of the National Housing Act.—April 20, 1950, and subsequent amendments. Available from the Federal Housing Administration.

Space and Equipment for Rental Housing.—The most efficient use of space and equipment in rental projects to assure maximum livability at minimum cost. Available from the Government Printing Office, Washington 25, D. C., 40 pp. 20 cents.

D. The Public Housing Administration

Annual Report.—Third annual report of the Public Housing Administration covering the calendar year 1949. 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 and How It Works.—A brief description of the federally aided low-rent public housing program. Available from the Public Housing Administration.

Selecting an Architect for a Low-Rent Public Housing Project.—Recommendations of architects and planners. 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.

Appendix D

HOUSING RESEARCH PROJECT CONTRACTS

A. Housing Technology

Dwelling Space and Room Arrangement

Residential Space Utilization.—University of Illinois, Urbana, Ill. Housing Technology Project O–T–37. Contract funds: $52,904. Final report due December 31, 1951, with interim reports by schedule.

Factors Influencing Recent Home Purchases.—University of Michigan, Ann Arbor, Mich. Housing Technology Project O–T–84. Contract funds: $35,000. Final report due June 30, 1951, with interim reports by schedule.

Structural Components of Houses

Long-range Effect of Weather on Wood-Frame Construction.—Pennsylvania State College, State College, Pa. Housing Technology Project 1950–51. Contract funds: $15,000. Final contract report submitted September 1950.

Temperature and Humidity in Selected Pennsylvania Houses.—Pennsylvania State College, State College, Pa. Housing Technology Project 1950–52. Contract funds: $7,076. Final contract report submitted August 1950.

Temperature and Humidity in Selected Minnesota Houses.—University of Minnesota, Minneapolis, Minn. Housing Technology Project STR–3. Contract funds: $6,270. Final report due August 1951, with interim reports by schedule.

Studies of Light-gage Tubular Steel Columns.—National Bureau of Standards, Washington, D. C. Housing Technology Project STR–7. Contract funds: $10,000. Final report due June 30, 1951, with interim reports by schedule.

Measurement of Snow Loads for Use in Roof Design.—United States Weather Bureau, Washington, D. C. Housing Technology Project STR–8. Contract funds: $15,700. Final report due June 30, 1951, with interim reports by schedule.

Methods of Termite Control in Gulf State Dwellings.—United States Department of Agriculture, Beltsville, Md. Housing Technology Project STR–18. Contract funds: $3,000. Final contract report submitted February 1951.

Rain Penetration of Wood Siding.—United States Department of Agriculture, Beltsville, Md. Housing Technology Project STR–20. Contract funds: $3,000. Final contract report submitted September 1950.

Design of Concrete Floor Slabs To Withstand Soil Movement.—Southwest Research Institute, San Antonio, Tex. Housing Technology Project O–T–22. Contract funds: $46,074. Final report due December 30, 1951, with interim reports by schedule.

Recommended Practices for Wood-Frame Dwelling Construction.—Forest Products Laboratory, Madison, Wis. Housing Technology Project O–T–23. Contract funds: $18,000. Final report due June 30, 1951, with interim reports by schedule.

Performance of Wood Homes Built Using Current Construction Practices.—Forest Products Laboratory, Madison, Wis. Housing Technology Project O–T–24. Contract funds: $25,000. Final report due June 30, 1951, with interim reports by schedule.

Stiffness Requirements for Wood Floor Systems.—Forest Products Laboratory, Madison, Wis. Housing Technology Project O–T–25. Contract funds: $30,000. Final report due June 30, 1951, with interim reports by schedule.

Tests on Performance Standards for New Wall and Floor Construction.—Forest Products Laboratory, Madison, Wis. Housing Technology Project O–T–26. Contract funds: $8,000. Final contract report due July 1951.

Effect of Large Window and Door Openings on Strength of Walls.—Forest Products Laboratory, Madison, Wis. Housing Technology Project O–T–27. Contract funds: $26,000. Final report due June 30, 1951, with interim reports by schedule.

Materials of House Structure

Investigation of Properties of Flashing Materials.—National Bureau of Standards, Washington, D. C. Housing Technology Project STR–10A. Contract funds: $2,000. Final contract report due June 30, 1951.

Design Standards for Lightweight Aggregate Concrete.—National Bureau of Standards, Washington, D. C. Housing Technology Project STR–11. Contract funds: $16,000. Final report due June 30, 1951, with interim reports by schedule.

Effect of Cleaning Detergents on Paint Vapor Barriers.—National Bureau of Standards, Washington, D. C. Housing Technology Project STR–14. Contract funds: $3,000. Final contract report due March 1951.

Durability of Soil Covers Used in Crawl Spaces.—United States Department of Agriculture, Beltsville, Md. Housing Technology Project STR–19. Contract funds: $1,000. Final report due March 15, 1951, with interim reports by schedule.

Moisture and Decay in Crawl Spaces Beneath Houses.—United States Department of Agriculture, Beltsville, Md. Housing Technology Project STR–21. Contract funds: $3,000. Final contract report submitted November 1950.

Relation of Moisture Content to Change in Volume of Concrete Building Blocks.—University of Toledo, Toledo, Ohio. Housing Technology Project STR–22. Contract funds: $15,000. Final report due August 1951, with interim reports by schedule.

Measurement of Burning Characteristics of Building Materials.—Forest Products Laboratory, Madison, Wis. Housing Technology Project O–T–28. Contract funds: $20,000. Final report due June 30, 1951, with interim reports by schedule.

Improvement of Mastic Cements for Floor, Wall, and Ceiling Surface Materials.—Forest Products Laboratory, Madison, Wis. Housing Technology Project O–T–29. Contract funds: $16,000. Final report due June 30, 1951, with interim reports by schedule.

Performance Standards for Improvement of Low-Cost Flooring.—Forest Products Laboratory, Madison, Wis. Housing Technology Project O–T–30. Contract funds: $20,000. Final report due June 30, 1951, with interim reports by schedule.

Miscellaneous Research on Doors, Lumber, and Insulation Board.—Forest Products Laboratory, Madison, Wis. Housing Technology Project O–T–31. Contract funds: $12,000. Final report due June 30, 1951, with interim reports by schedule.

Housing Sanitation

Sewage Disposal Systems for Homes Isolated from Trunk Sewers.—United States Public Health Service, Cincinnati, Ohio. Housing Technology Project ME–1. Contract funds: $25,000. Final report due March 1951, with interim reports by schedule.

Improvement of Conventional Household Plumbing Systems.—National Bureau of Standards, Washington, D. C. Housing Technology Project ME–2. Contract funds: $25,000. Final report due July 1951, with interim reports by schedule.

Performance Requirements for Household Sewer Materials.—National Bureau of Standards, Washington, D. C. Housing Technology Project ME–4. Contract funds: $9,000. Final contract report due October 1951.

Development of Simplified Plumbing Systems.—University of Illinois, Urbana, Ill. Housing Technology Project 1950–51. Contract funds: $23,178. Final contract report submitted January 1951.

Heating and Air Conditioning

Development of Improved Heating Systems for Small Homes.—National Bureau of Standards, Washington, D. C. Housing Technology Project ME–7. Contract funds: $40,000. Final report due June 30, 1951, with interim reports by schedule.

Thermal Conductance Factors of Insulating Materials.—National Bureau of Standards, Washington, D. C. Housing Technology Project ME–12. Contract funds: $12,000. Final report due July 1951, with interim reports by schedule.

Design Data for House Chimneys.—National Bureau of Standards, Washington, D. C. Housing Technology Project ME–13. Contract funds: $43,000. Final report due December 31, 1951, with interim reports by schedule.

Measurement of Heat Losses Through Ventilation.—National Bureau of Standards, Washington, D. C. Housing Technology Project ME–14. Contract funds: $18,000. Final report due June 30, 1951, with interim reports by schedule.

Miscellaneous

Guides for Cooperative Self-Help Dwelling Construction.—Tuskegee Institute, Ala. Housing Technology Project O–T–42. Contract funds: $60,000. Final report due January 1952, with interim reports by schedule.

Cost Comparisons Among Industrialized House Builders.—Massachusetts Institute of Technology, Cambridge, Mass. Housing Technology Project O–T–85. Contract funds: $48,500. Final report due July 1, 1951, with interim reports by schedule.

B. Housing Economics

Housing Market Analysis

A Study of Housing Market Analysis.—Columbia University, New York, N. Y. Housing Economics Project O–E–48. Contract funds: $23,885. Final report due December 31, 1951, with interim reports by schedule.

Comparison of Housing Market in Different Parts of a Locality.—Georgia Institute of Technology, Atlanta, Ga. Housing Economics Project O–E–69. Contract funds: $16,610. Final report received January 31, 1951.

Techniques for Measuring Vacancy Rates in a Community.—University of Denver, Denver, Colo. Housing Economics Project O–E–70. Contract funds: $16,481. Final report due March 15, 1951, with interim reports by schedule.

Techniques for Forecasting the Residential Housing Market.—University of Miami, Miami, Fla. Housing Economics Project O–E–71. Contract funds: $10,140. Final report received November 15, 1950.

Housing Supply Analysis

Techniques for Making Intercensal Housing Surveys.—Bureau of Census, Washington, D. C. Housing Economics Project O–E–46. Contract funds:

$100,000. Final report due September 30, 1951, with interim reports by schedule.

Measuring the Volume of Residential Conversions and Demolitions.—Bureau of Labor Statistics, Washington, D. C. Housing Economics Project O–E–47. Contract funds: $20,000. Final report due March 31, 1951, with interim reports by schedule.

Housing Production and Cost Analysis

Study of Marketing Functions in Building Products Distribution.—University of Pennsylvania, Philadelphia, Pa. Housing Economics Project O–E–49. Contract funds: $40,000. Final report due June 30, 1952, with interim reports by schedule.

Structure and Problems of the Home Building Industry.—University of California, Berkeley, Calif. Housing Economics Project O–E–50. Contract funds: $24,164. Final report due May 30, 1951, with interim reports by schedule.

Cost Accounting Systems for Home Builders.—University of Michigan, Ann Arbor, Mich. Housing Economics Project O–E–52. Contract funds: $29,460. Final report due December 31, 1951, with interim reports by schedule.

Labor Relations in the Building Industry.—University of Michigan, Ann Arbor, Mich. Housing Economics Project O–E–57. Contract funds: $17,576. Final report due August 1951, with interim reports by schedule.

Size of Operations of Residential Builders.—Bureau of Labor Statistics, Washington, D. C. Housing Economics Project O–E–74. Contract funds: $35,000. Final report due April 30, 1951, with interim reports by schedule.

Miscellaneous

Survey of Cooperative Housing Associations.—Bureau of Labor Statistics, Washington, D. C. Housing Economics Project; O–E–76. Contract funds: $9,834. Final report due April 30, 1951, with interim reports by schedule.

Planning Survey of Interracial Housing.—New York University, New York City, N. Y. Housing Economics Project O–E–77. Contact funds: $23,423. Final report due June 30, 1951, with interim reports by schedule.

C. Housing Finance

Financing Housing Construction in Selected Northwestern Cities.—University of Washington, Seattle, Wash. Housing Finance Project O–F–79. Contract funds: $9,224. Final report received November 1, 1950.

Financing Housing Construction in Selected Midwestern Cities.—Indiana University, Bloomington, Ind. Housing Finance Project O–F–61. Contract funds: $55,800. Part I report received October 1, 1950. Part II final report due October 1, 1951, with interim reports by schedule.

The Mortgage Market of Jacksonville, Fla.—University of Florida, Gainesville, Fla. Housing Finance Project O–F–63. Contract funds: $18,894. Final report due June 1, 1951, with interim reports by schedule.

The Mortgage Market of Hagerstown, Md.—University of Maryland, College Park, Md. Housing Finance Project O–F–73. Contract funds: $12,790. Final report received January 26, 1951.

The Mortgage Market of the San Francisco Bay Area.—University of California, Berkeley, Calif. Housing Finance Project O–F–80. Contract funds: $15,541. Final report due July 1, 1951, with interim reports by schedule.

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D. Urban Studies

Study of Residential Mobility.—Columbia University, New York, N. Y. Urban Studies Project O–U–65. Contract funds: $51,750. Final report due September 1, 1951, with interim reports by schedule.

Growth Patterns of Metropolitan Areas.—Miami University, Oxford, Ohio. Urban Studies Project O–U–66. Contract funds: $66,000. Final report due May 15, 1954, with interim reports by schedule.

Cost of Municipal Services for Residential Areas.—Harvard University, Cambridge, Mass. Urban Studies Project O–U–68. Contract funds: $32,000. Final report due August 1, 1951, with interim reports by schedule.

Survey of a Potential Redevelopment Area.—American University, Washington, D. C. Urban Studies Project O–U–81. Contract funds: $11,800. Final report received.

PART II

OF THE

Fourth Annual Report

HOUSING AND HOME FINANCE AGENCY

Covering the Activities of the

HOME LOAN BANK BOARD

MARCH 30, 1951

TRANSMITTAL

To the Congress of the United States:

In accordance with Section 20 of the Federal Home Loan Bank Act, we submit herewith 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 1950.

Respectfully,

WILLIAM K. DIVERS, *Chairman*,
J. ALSTON ADAMS, *Member*,
O. K. LAROQUE, *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).

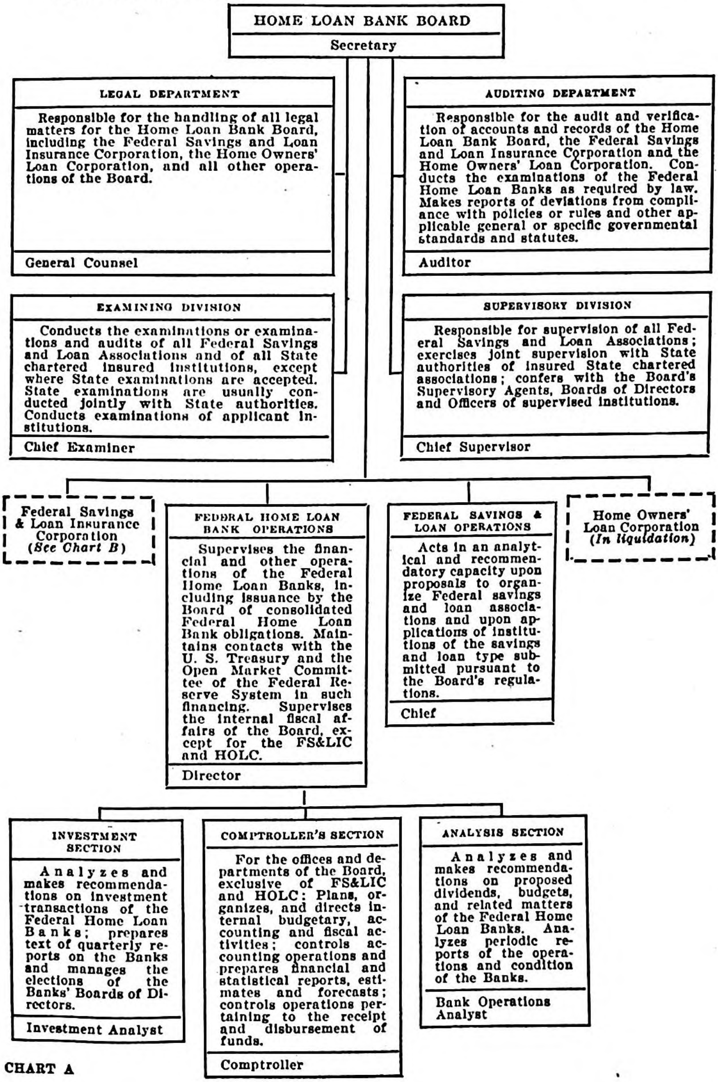

CHART A

Section 1

REPORT OF THE HOME LOAN BANK BOARD FOR CALENDAR YEAR 1950

The Home Loan Bank Board was established by Act of Congress July 22, 1932, to create and supervise a system of Federal Home Loan Banks which would provide reserve credit facilities for home financing institutions. Subsequent legislation authorized the Board to charter and supervise Federal savings and loan associations as a means of encouraging local thrift and local home financing; to establish and direct the Federal Savings and Loan Insurance Corporation which guarantees savings in savings and loan associations and institutions of the savings and loan type; and to operate the Home Owners' Loan Corporation.

The Board's basic purposes of encouraging and protecting savings and promoting economical home ownership remain unchanged. Through its agencies the Board provides reserve credit and maintains safeguards which stimulate the flow of savings into the fields of home financing and home ownership.

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.

This report covers the administrative and supervisory activities of the Board with respect to its operating units during the calendar year 1950.

Effect of International Situation

The Korean outbreak in midsummer led to a series of actions by the Federal Government and its instrumentalities calling for the cooperation of the Board and the savings and home financing institutions within its jurisdiction in the national defense effort. On July 18, 1950, the President addressed a letter to the Administrator of the Housing and Home Finance Agency requesting the cooperation of the Agency and its constituents in conserving materials and manpower and in reducing inflationary tendencies in the housing and mortgage markets.

In response, the Home Loan Bank Board, on July 19, called upon the 11 regional Federal Home Loan Banks to "reduce the borrowing limit of each member for use in making new loan commitments, or for loan expansion purposes, from an amount not exceeding 50 percent of its borrowing capacity to an amount not exceeding 30 percent of its borrowing capacity." Moreover, as an emergency and temporary provision, the Board required, as to Federal associations, that a 10 percent down payment be obtained on unsecured improvement loans and urged that all member institutions employ stricter credit standards wherever they were necessary. Consistent with action by the Federal Housing Administration and the Veterans' Administration, the regional banks were requested to urge their member institutions to make no change in basis or formula being used at July 1, 1950, for appraisal of real estate that would result in higher valuations than were being assigned at that date.

In this situation, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Home Loan Bank Board, and the National Association of Supervisors of State Banks, on August 4, 1950, issued a joint statement of policy concerning the need of credit restraint applying "alike to governmental agencies, national and State, as well as to private institutions and individuals." They urged "that banks and other institutions engaged in extending credit, exercise special care in their lending and investments" and asked particularly that financial institutions "decline to make loans to business or consumers which might be used for speculative purposes or otherwise interfere with defense requirements."

Subsequently, Regulation W of the Federal Reserve Board (dealing with consumer credit), effective September 18, 1950, and Regulation X (dealing with real-estate construction credit) effective October 12, 1950, issued by the Federal Reserve Board with the concurrence of the Administrator of the Housing and Home Finance Agency, imposed more specific credit restrictions on housing loans not insured, guaranteed, or extended by Government agencies. Companion restrictions on Government-aided housing finance, on a basis conforming to those applied to other types of private credit, were announced by the Housing and Home Finance Administrator.

Inasmuch as Regulation X was not put into effect until October 12, 1950, its effects on member institutions of the Federal Home Loan Bank System and their borrowers were relatively small in total volume of mortgage financing done during the year. In addition, the credit restrictions of Regulation X, which apply only to construction or major improvements begun after August 3, 1950, did not extend to loans for the purchase of existing houses or for the refinancing of existing mortgages with respect to such properties when the purchase is accomplished without any Federal aid such as mortgage insurance or G.I. guarantees.

New Liquidity Requirement

An amendment of the Federal Home Loan Bank Act, which was approved June 27, 1950, prohibits any member of the Federal Home Loan Bank System from making or purchasing any loan when its cash and obligations of the United States do not equal such amount as the Home Loan Bank Board may prescribe by regulation. The amendment also requires that the amount to be prescribed shall not be less than 4 percent or more than 8 percent of the obligation of the member on withdrawable accounts. The Board's regulation, which became effective December 27, 1950, established this "liquidity requirement," pursuant to the statutory amendment, at 6 percent of withdrawable accounts.

The Examining Division

The Examining Division of the Board is responsible for the conduct of examinations of all Federal savings and loan associations, State-chartered associations whose savings or share accounts are insured by the Federal Savings and Loan Insurance Corporation, and, in States where examinations are not made by State Departments, uninsured State-chartered members of the Federal Home Loan Bank System. Generally, examinations of insured State associations are made jointly by the State and Federal examiners.

In 1950, there was a further increase in mortgage lending and operations subject to the review of examiners. New loans made by insured institutions during the year aggregated $4,352,000,000 as compared with $2,887,000,000 in 1949. At the end of the calendar year there were 2,860 insured associations with total assets of $13,691,000,000, whereas at the beginning of the year they numbered 2,756 and assets totaled $11,305,000,000. The average size of these thrift and home-financing institutions subject to examination has almost doubled in the past 5 years, and during this 1 year grew from $4,102,000 to $4,787,000, or 17 percent.

The Supervisory Division

The Board's supervisory function is performed by the Supervisory Division, directed by the chief supervisor, and the immediate supervisory work in the field is carried on by the presidents and other designated officers of the Federal Home Loan Banks who serve as supervisory agents for the Board in their respective Bank Districts. In addition to adapting supervisory actions and decisions to varying local conditions and special circumstances, this decentralization also fosters cooperative relationships between the Board's supervisory officials and the managements of individual associations, and with the several State officials who exercise primary supervisory authority over State-chartered institutions.

The chief purpose of regulating and supervising Federal savings and loan associations and State-chartered institutions insured by the Federal Savings and Loan Insurance Corporation is to protect the interests of the public and of the millions of individuals whose savings are entrusted to their care. Since the institutions supervised are privately owned, the primary responsibility for their operation must rest upon their directors, elected by the members, who formulate policies and select the active management. The Board's supervisory attention is therefore centered on the more important features of policy and operation such as compliance with governing laws and regulations, the adequacy of reserves and reserve building programs, the soundness of lending, investment and other financial policies, and the effectiveness of collection procedures and of programs for the disposition of foreclosed real estate.

As of January 1, 1950, 2,535 insured institutions had received supervisory classifications as to reserve position; all but 618 of these institutions had reserves and surplus equal to 5 percent or more of net assets. Reserve classifications during 1950 disclosed that 471 of the 618 institutions had not yet attained the accepted minimum 5 percent free reserve position, but that 120 additional institutions were included in the lower category, with the result that at the end of the year, 591 insured institutions had reserves and surplus equal to less than 5 percent of net assets.

Inasmuch as any consideration of true reserve position must, of course, take into account the degree of risk to which assets are exposed, it is pertinent to point out that 14.4 percent of insured institutions' assets were invested in either United States Government obligations or carried as cash at December 31, 1950, and 29 percent of their total mortgage loan investment was represented by loans that were insured or guaranteed under the provisions of the National Housing Act or the Servicemen's Readjustment Act of 1944.

From 1946 through 1949, the Supervisory Division's study of uninsured and unguaranteed loans to finance home purchases had shown an increasing tendency on the part of insured institutions to confine such lending to less than 65 percent of purchase price, the concentration in that category having increased from 52.6 percent in 1946 to 67.3

percent in 1949. In 1950, however, loans below 65 percent of purchase price represented 56.9 percent of the total volume of uninsured and unguaranteed home purchase lending. This study should take on added significance in the months immediately ahead since, for the most part, it measures lending on existing houses not subject to Regulation X as distinguished from loans on new construction which now are subject to real estate credit controls.

No conservatorships or receiverships were established or were in existence during 1950.

Federal Savings and Loan Advisory Council

As a statutory body, the Federal Savings and Loan Advisory Council is charged with responsibility of advising the Home Loan Bank Board on matters of policy and administration. It is made up of 17 members—1 elected from each of the 11 districts into which the Bank System is divided, and 6 at large representing "the public interest" who are appointed by the Home Loan Bank Board.

The Act which created the Advisory Council authorizes it 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. It is authorized to request information and to make recommendations with respect to matters within the jurisdiction of the Board.

During 1950, the Council held two meetings in Washington—one on May 15–16, the other on November 24–25. The following members of the Council served for the period from January 1 through December 31,1950:

Advisory Council Members Appointed by Home Loan Bank Board

BOSTON: Frederick J. Dillon, judge, Probate Court for Suffolk County, Boston, Mass.

PITTSBURGH: Ernest T. Trigg, chairman of the Board, Federal Home Loan Bank of Pittsburgh, Land Title Building, Philadelphia, Pa.

DES MOINES: Robert E. Lee Hill, secretary, Missouri Bankers Association, Columbia, Mo.

LITTLE ROCK: B. H. Wooten, president, First National Bank in Dallas, Dallas, Tex.

TOPEKA: A. O. Johnson, vice president, Columbia Savings, Building and Loan Association, Denver, Colo.

SAN FRANCISCO: Archibald B. Young, Pasadena, Calif.

Advisory Council Members Elected by Federal Home Loan Banks

BOSTON: William J. D. Ratcliff, treasurer, The Peabody Cooperative Bank, Peabody, Mass.

NEW YORK: Cadman H. Frederick, president, Suffolk County Federal Savings and Loan Association, Babylon, N. Y.

INDIANAPOLIS: Walter Gehrke, president, First Federal Savings and Loan Association of Detroit, Detroit, Mich.

CHICAGO: Arthur G. Erdmann, president, Bell Savings and Loan Association, Chicago, Ill.

PITTSBURGH: Francis E. McGill, director, Manayunk Savings and Loan Association, Philadelphia, Pa.

GREENSBORO: Frank Muller, Jr., president, Liberty Federal Savings and Loan Association, Baltimore, Md.

CINCINNATI: W. Megrue Brock, president, The Gem City Building and Loan Association, Dayton, Ohio.

DES MOINES: John C. Shenk, president, First Federal Savings and Loan Association of Davenport, Davenport, Iowa.

LITTLE ROCK: O. W. Boswell, president, First Federal Savings and Loan Association of Paris, Paris, Tex.

TOPEKA: Louis W. Grant, president, Home Federal Savings and Loan Association of Tulsa, Tulsa, Okla.

SAN FRANCISCO: Douglas H. Driggs, president, Western Savings and Loan Association, Phoenix, Ariz.

Administrative Expenses of the Home Loan Bank Board

Administrative expenses of the Home Loan Bank Board are paid from assessments against the 11 Federal Home Loan Banks, the Federal Savings and Loan Insurance Corporation, the Home Owners' Loan Corporation, and the Examining Division. None of these expenses is paid out of the general funds of the United States Treasury. (The administrative and other expenses of the Federal Savings and Loan Insurance Corporation and the Home Owners' Loan Corporation are paid from corporate funds derived from income from operations and investments.)

Section 2

FEDERAL HOME LOAN BANK SYSTEM

Through the creation of the Federal Home Loan Banks under the Act of Congress approved July 22, 1932, whereby a permanent reservoir of credit was afforded thrift and home financing institutions, home mortgage finance has been better protected against economic fluctuations, and the construction of homes and home ownership has been encouraged. Membership in the Banks may, upon meeting specified requirements, be obtained by building and loan associations, savings and loan associations, homestead associations, cooperative banks, savings banks, and insurance companies. Through the supply of funds, the Banks aid the member institutions in maintaining liquidity and providing for mortgage lending when local funds are insufficient.

As prescribed by Section 4 (a) of the Federal Home Loan Bank Act, as amended, each applicant for membership in a Federal Home Loan Bank shall be duly organized under the laws of any State or the United States, be subject to examination and regulation by the State or the United States, and make long-term home mortgage loans. As a prerequisite to eligibility as a Bank member, the financial condition of each applicant shall, in the opinion of the Home Loan Bank Board, be such that advances may safely be made to such institution and the character of its management and its home financing policy be consistent with sound and economical home financing.

On December 31, 1950, the membership of the Federal Home Loan Bank System comprised 3,930 institutions, with estimated assets of $16,250,000,000, consisting of 3,894 savings and loan associations, 29 savings banks, and 7 insurance companies. This total membership represents a net increase of 70 members during the year, resulting from the admission of 76 State-chartered savings and loan associations and 7 new Federal savings and loan associations and the cancellation of 13 memberships through withdrawals. Of the withdrawals, 6 represent voluntary liquidations, 4 consolidations, one through sale of assets to another member, and 2 resulted from members' requests. During the year, 14 State-chartered savings and loan association members changed their status by converting to Federal charter. As of December 31, 1950, 34 applications for membership in the Bank System were pending.

From October 15, 1932, when the 12 Federal Home Loan Banks (now 11 Banks) first opened for business, to December 31, 1950, as reflected in Table 1, advances by the Banks to home financing institutions aggregated $3,617,468,320, thereby evidencing the extent to which they have functioned as a credit reservoir. Of the amount advanced, $2,801,511,602 has been repaid, leaving a balance outstanding of $815,956,718 on December 31, 1950, the largest amount outstanding at any year end since the creation of the System.

As previously stated, on July 18, 1950, the President of the United States requested, through the Home Loan Bank Board, that Federal Home Loan Bank credit to member institutions for business expansion purposes, and particularly for construction financing, be curtailed substantially, in order to reduce the demand for labor and materials for home construction, thereby making same available for defense purposes, and relieving the inflationary tendencies. Notwithstanding the cooperation of the regional banks, outstanding advances made to member institutions increased for the purpose of enabling them to fulfill existing loan commitments already on their books. The increase in advances may also be attributed to the fact that various member institutions required additional funds for the purpose of enabling them to meet withdrawals.

During the calendar year 1950 the Federal Home Loan Banks advanced $674,756,650, while repayments totaled $292,229,082. Since the close of last year, however, there has been a gradual decrease in the demand for advances made upon the Federal Home Loan Banks by their member institutions. This is reflected by the fact that as of March 29, 1951, the amount of advances outstanding had been reduced to $752,329,748.

Of the total membership on December 31, 1950, 2,278 member institutions, or 57.9 percent, were borrowers from the Federal Home Loan Banks as compared with 1,799 member borrowers, or 46.6 percent of the membership, on December 31, 1949. One nonmember borrower was indebted to a Federal Home Loan Bank as of December 31, 1950. During the year 1950 the average number of borrowers was 1,841, representing an increase of 7.3 percent over the average of 1,715 borrowers during the preceding calendar year.

The 2,278 borrowing members as of December 31, 1950, consisted of 1,005 Federal savings and loan associations having $530,785,064 of advances outstanding, 778 insured State-chartered associations having advances outstanding of $222,167,028, and 494 noninsured State-chartered associations with advances outstanding of $57,225,750. One insurance company member held advances from a Federal Home Loan Bank in the amount of $5,731,375, while the borrowings of the nonmember mortgagee, a noninsured savings and loan association, aggregated \$47,500.

Comparative figures on the number and percent of borrowing members as of December 31, 1950, and December 31, 1949, are reflected in the following tabulation:

	Dec. 31, 1950			Dec. 31, 1949		
	Number	Percent of type	Percent of total	Number	Percent of type	Percent of total
Borrowing members:						
Federals	1,005	65.9	44.1	761	50.5	42.3
Insured State	778	58.4	34.2	584	46.9	32.5
Noninsured State	495	46.2	21.7	454	41.0	25.2
Total	[1] 2,278	[2] 58.0	100.0	[1] 1,799	[2] 46.6	100.0
Nonborrowing members	1,652	[2] 42.0		2,061	[2] 53.4	
Total members	3,930	100.0		3,860	100.0	

[1] Also 1 nonmember borrower.
[2] Percentage of total membership.

Secured advances outstanding on December 31, 1950, reached a new peak of \$567,972,508, representing the borrowings of 1,496 members and one nonmember mortgagee and were 69.6 percent of the total advances outstanding on that date. Of these advances, \$269,003,029 were for terms of more than 1 year. These advances were collateralized by 180,659 home mortgages having unpaid balances of \$933,074,334, United States Government obligations having a face value of \$104,723,700, and other collateral permitted by the regulations having a face value of \$3,515,000. Exclusive of \$121,332,900 par value of Federal Home Loan Bank stock owned by borrowing members, on which the Banks held a statutory lien, the face value of all collateral aggregated \$1,041,313,034, or 183 percent of the secured advances, to which a collateral value of \$749,267,604 had been assigned by the Banks.

Unsecured advances on December 31, 1950, to 1,053 members totaled \$247,984,210, also constituting a new peak for that type of advance, and represented 30.4 percent of total advances outstanding on that date.

Table 2 of this report reflects the rates of interest charged by the Banks on advances to members which were in effect on January 1, 1951, and the rates of interest on time deposits as of that date.

The funds of the Federal Home Loan Banks are obtained from the proceeds of sales of their capital stock to members, sales of consolidated Federal Home Loan Bank obligations to the public, and deposits received from members. Originally the capital stock of each Bank was owned by both members and the United States Government, the latter's investment in all Banks originally being $124,741,000, while each member was required to invest in the stock of its Federal Home Loan Bank in an amount at least equal to 1 percent of the aggregate of the unpaid principal of its home mortgage loans, but in no event less than $500. Under an amendment to the Federal Home Loan Bank Act approved June 27, 1950, each member will, within 1 year thereof, be required to hold stock of its Bank in an amount equal to at least 2 percent of the aggregate of the unpaid principal of its home mortgage loans, home-purchase contracts, and similar obligations, but not less than $500. The Federal Home Loan Bank Act further requires that each member shall at all times hold capital stock of its Bank in an amount of not less than one-twelfth of its borrowings from such Bank. As a result of the increase in the number and assets of members, total member-owned stock equaled that owned by the United States Government on November 30, 1948. By December 31, 1950, the percentage of such member-owned stock to the total had risen to 76.5 percent.

Under the provisions of the original Federal Home Loan Bank Act, 50 percent of all payments on capital stock made by members subsequent to the time the amount of member-owned stock equaled that originally owned by the Government had to be applied to the retirement of such Government-owned stock. Provision was also made for the voluntary retirement of Government-owned stock in the Banks by direction or with the approval of the Home Loan Bank Board. During the year ended December 31, 1950, seven of the Federal Home Loan Banks made statutory retirements of Government-owned stock totaling $3,723,300, while six of the Banks voluntarily retired such stock to the extent of $36,073,600. As a result, Government-owned stock declined to $56,021,900 on December 31, 1950, as compared with $95,818,800 on December 31, 1949. During the year, three of the Banks completed the retirement of all Government-owned stock resulting in four Banks having stock owned solely by its members. Member-owned stock in the Banks increased $46,307,250 during such period to $182,546,500, or 76.5 percent of the total paid-in stock on December 31, 1950, as compared with $56,021,900, or 23.5 percent of Government-owned stock. (By February 28, 1951, all but $10,000,000 of Government-owned stock—of two Federal Home Loan Banks—had been retired. It is anticipated that complete retirement of all Government-owned stock will be accomplished not later than July 1951.)

The capital structure of the Federal Home Loan Banks as of December 31, 1950, and December 31, 1949, is reflected by the following tabulation:

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

As indicated, funds are obtained by the Federal Home Loan Banks through the sale of consolidated Federal Home Loan Bank obligations which are the joint and several obligations of the 11 Banks and are not guaranteed by the United States Government. The first public sale of such consolidated obligations was made in May 1937, in the amount of $24,700,000. Since then through January 1, 1950, total obligations of $1,866,700,000 had been issued, of which $1,660,200,000 had been retired, leaving a balance of $206,500,000 outstanding at the beginning of 1950. During the year, four public offerings totaling $476,000,000 and an equal number of private sales aggregating $261,000,000 were made. During the same period retirements totaled $382,500,000, leaving a balance outstanding of $561,000,000 on December 31, 1950.

The maturities and amounts of such outstanding issues are indicated below:

Series and maturity	*Amount*
Series A–1951, 1⅜-percent notes due Feb. 15, 1951	$97,000,000
Series B–1951, 1⅝-percent notes due May 15, 1951	174,000,000
Series C–1951, 1.70-percent notes due Aug. 15, 1951	116,000,000
Series D–1951, 1¾-percent notes due Apr. 2, 1951	85,000,000
Series E–1951, 1.80-percent notes due June 15, 1951	89,000,000
Total	561,000,000

All issues of consolidated Federal Home Loan Bank obligations are cleared with the United States Treasury Department pursuant to the provisions of the Government Corporation Control Act of December 6, 1945.

By amendment of the Federal Home Loan Bank Act, approved June 27, 1950, the Secretary of the Treasury is authorized to purchase obligations of a Federal Home Loan Bank, the issuance of which has been approved by the Home Loan Bank Board, and consolidated Federal Home Loan Bank obligations issued by the Home Loan Bank Board. At no time shall the holdings of obligations so purchased exceed $1,000,000,000. No purchases of such obligations by the Secretary of the Treasury have been made to date.

The transfer of excess funds of one Federal Home Loan Bank to another Bank in need thereof through the medium of interbank deposits continued at a somewhat accelerated pace during the first half of the year as evidenced by an increase in such deposits from $28,700,000 on January 1 to $62,500,000 in early July. While subsequently subject to fluctuation, the general trend has been downward, the balance outstanding at the end of the year being $1,000,000. Such deposits were made during the year in an aggregate of $121,500,000, while repayments totaled $149,200,000.

Deposits of member institutions continued to represent one of the principal sources of funds of the Federal Home Loan Banks, as evidenced by an increase from approximately $267,000,000 as of December 31, 1949, to approximately $320,000,000 at the end of June 1950, followed by a gradual decrease to $224,096,859 as of December 31, 1950, of which amount $183,967,090 were time and $40,129,769 were demand deposits. Members' demand deposits bear no interest, while interest on time deposits remaining for 30 days or more is paid at rates ranging from 1 to 1½ percent per annum. Table 2 reflects, by Banks, the rates paid.

During the year ended December 31, 1950, United States Government obligations and other investment securities were purchased by the Federal Home Loan Banks in the face amount of $556,429,000, and $633,061,500 of such obligations were matured and/or sold. The face amount of all investments held by the Banks as of December 31, 1950, totaled $198,435,500.

Section 16 of the Federal Home Loan Bank Act, as amended, requires that each Federal Home Loan Bank shall carry semiannually to a reserve account 20 percent of its earnings until the balance of such account is equal to 100 percent of the paid-in capital of the Bank, after which time 5 percent of the Bank's net earnings shall be added thereto annually. As heretofore indicated, this reserve amounted to $14,476,647 on December 31, 1950, which amount, together with a reserve for contingencies totaling $5,624,807, made total surplus reserves of $20,101,454. As of the same date, undivided profits of the Banks aggregated $9,801,851, resulting in a total earned surplus of $29,903,305.

A consolidated statement of condition of the 11 Federal Home Loan Banks as of December 31, 1950, and December 31, 1949, is contained in Table 3.

Table 4 sets forth a consolidated statement of income and expense of the 11 Federal Home Loan Banks for the calendar years 1949 and 1950, from which it will be noted that the total gross operating income of the Banks increased from $13,426,355 for 1949 to $15,479,472 for 1950, or by 15.3 percent. This was primarily due to the upward trend in advances outstanding during the last half of the year and the resultant increased interest received therefrom. Advances outstanding during 1950 averaged $511,801,000, compared with $370,400,000 during 1949, thereby accounting for the increase of $2,916,871 in interest earned on advances. During the calendar year 1950, however, there was a decrease of $864,635, or 14.9 percent, in interest earned on investments owned by the Banks.

It will also be noted that total operating expenses for the calendar year 1950 amounted to $9,533,385 as compared with $9,016,829 for the preceding year. Interest on consolidated Federal Home Loan Bank obligations decreased $184,389 during the year by reason of a smaller average amount of such obligations outstanding. However, there was an increase of $599,737 in interest on members' deposits. The average monthly balance of members' deposits during 1950 totaled $271,371,000, and represented an annual cost to the Banks of 1.16 percent.

Consolidated Federal Home Loan Bank obligations outstanding during 1950 averaged $286,353,000, as compared with $274,738,000 the previous year. The annual cost to the Banks of these obligations was 1.57 percent and 1.71 percent for 1950 and 1949, respectively.

Nonoperating income for 1950 amounted to $595,392 and $366,331 for 1949, while nonoperating charges for the 2 years aggregated $78,473 and $17,875, respectively.

Net income of the Federal Home Loan Banks for 1950 amounted to $6,463,006, while net income for the preceding year aggregated $4,757,983, an increase of 35.8 percent. Net income for the calendar year 1950 was distributed as follows:

	Amount	Percent
Dividends paid:		
U. S. Government	$956,010	14.8
Members	2,582,292	39.9
Retirement fund—prior service	17,980	.3
Legal reserve	1,292,601	20.0
Contingent reserve	839,156	13.0
Undivided profits	774,967	12.0
Total net income	6,463,006	100.0

The net income of the Federal Home Loan Banks from the beginning of their operation in October 1932, through December 31, 1950, aggregated $71,751,676, and was distributed as follows:

	Amount	Percent
Dividends paid:		
U. S. Government	$26,113,670	36.4
Members	15,078,742	21.0
Retirement fund—prior service	655,959	.9
Legal reserve	14,476,647	20.2
Contingent reserve	5,624,807	7.8
Undivided profits	9,801,851	13.7
Total net income	71,751,676	100.0

Dividends for the year 1950 were distributed by the Federal Home Loan Banks in an aggregate amount of $3,538,302, as compared with a distribution totaling $3,142,373 for the preceding year. Of the dividends distributed for 1950, the United States Government received $956,010, and member institutions received $2,582,292. Dividend rates ranged from 1 percent to 2¼ percent per annum. Since the beginning of operations in October 1932, through December 31, 1950, the United States Government has received dividends totaling $26,113,670.

The following tabulation reflects the total dividend distribution by the Federal Home Loan Banks from the beginning of operations through December 31, 1950:

Federal Home Loan Bank of—	Members	U. S. Government	Total
Boston	$1,102,624.67	$2,114,204.61	$3,216,829.28
New York	1,414,738.47	3,561,988.75	4,976,727.22
Pittsburgh	1,097,540.10	2,469,593.39	3,567,133.49
Greensboro	1,514,048.18	1,827,945.29	3,341,993.47
Cincinnati	2,977,677.24	3,234,798.08	6,212,475.32
Indianapolis	1,703,555.09	1,523,465.34	3,227,020.43
Chicago	1,888,480.67	3,865,163.95	5,753,644.62
Des Moines	1,102,819.05	1,717,899.59	2,820,718.64
Little Rock	553,760.80	1,757,509.62	2,311,270.42
Topeka	526,191.67	1,291,131.06	1,817,322.73
San Francisco	1,197,306.04	2,749,970.74	3,947,276.78
Total	15,078,741.88	26,113,670.42	41,192,412.40

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 expenses to be incurred. All dividend declarations by the boards of directors of the Banks are likewise subject to approval of the Home Loan Bank

Board, as are the appointment and salaries of all officers and attorneys of the Banks and the range of interest rates on advances, members' deposits, and interbank deposits.

Pursuant to an amendment of the Federal Home Loan Bank Act approved June 27, 1950, the Federal Home Loan Banks are examined at least annually (rather than semiannually as heretofore) by examiners attached to the staff of the Auditor of the Home Loan Bank Board. In addition to such examination, the Banks as well as 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. However, the representatives of the General Accounting Office at present are confining 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, thereby giving full recognition to the requirements of the Government Corporation Control Act to the effect 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. 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.

The management of each Federal Home Loan Bank is, under the Federal Home Loan Bank Act, as amended, vested in a board of 12 directors, 4 of whom are appointed by the Home Loan Bank Board for terms of 4 years and 8 of whom are elected by the members for terms of 2 years. Annual elections of directors are held by the Home Loan Bank Board pursuant to the regulations governing such elections. The following table lists the directors and officers of each Federal Home Loan Bank as of December 31, 1950, and indicates the designation of each director. (Note: In May 1950 the Federal Home Loan Bank of Winston-Salem was moved to Greensboro, North Carolina, and its name changed to "Federal Home Loan Bank of Greensboro.")

FEDERAL HOME LOAN BANKS

List of directors and officers, as of December 31, 1950

Boston

DIRECTORS

Frederick J. Dillon[1] (public interest).
William J. Pape (public interest).
Rockwell C. Tenney (public interest).
Ralph R. Crosby (at large).
Milton A. Barrett[2] (at large).
Frederick T. Backstrom (class A).
Ralph M. Smith (class A).
William J. D. Ratcliff (class B).
Frederic E. Small (class B).
Leo G. Shesong (class C).
A. Hadley Shumway (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

George MacDonald[1] (public interest).
James Bruce (public interest).
Francis V. D. Lloyd (public interest).
Eustace Seligman (public interest).
Arthur F. Smethurst (at large).
Walter J. Babcock (at large).
Leon Fleischmann (class A).
Cadman H. Frederick[2] (class A).
Frank C. Hobler (class B).
John W. Cadman (class B).
Arthur C. Blackwell (class C).
James W. Cullen (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

Ernest T. Trigg[1] (public interest).
Charles S. Tippetts (public interest).
Arthur B. Koontz (public interest).
Walter B. Gibbons (public interest).
Fred A. Werner (at large).
Alexander Salvatori (at large).
Norman E. Clark[2] (class A).
C. Elwood Knapp (class A).
N. F. Braun (class B).
Matthew L. Leib (class B).
Charles Warner (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 (formerly Winston-Salem)

DIRECTORS

W. Waverly Taylor (public interest).
Horace S. Haworth[1] (public interest).
Raymond D. Knight (public interest).
James Grayson Luttrell (public interest).
Marion M. Hewell (at large).
Frank Muller, Jr. (at large).
Wallace O. DuVall (class A).
Edward C. Baltz[2] (class A).
George E. Comer (class B).
D. R. Fonville (class B).
George E. Rutledge (class C).
H. L. Sudduth (class C).

OFFICERS

Joseph W. Holt, president and secretary.
John M. Sink, Jr., vice president.
James T. Spence, treasurer.

List of directors and officers, as of December 31, 1950—Continued

Cincinnati

DIRECTORS

Frank K. Vaughn (public interest).
W. D. Gradison (public interest).
Howard L. Bevis [1] (public interest).
Frazer D. LeBus (public interest).
W. Megrue Brock [2] (at large).
W. B. Furgerson (at large).
A. E. Albright (class A).
Allen C. Knowles (class A).
John C. Mindermann (class B).
E. A. Covington (class B).
Eric L. Schulte (class C).
R. A. Stevens (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

Herman B. Wells [1] (public interest).
Charles T. Fisher, Jr. (public interest).
Ralph W. Hayward (public interest).
E. Kirk McKinney (public interest).
Arthur H. Deitsch (at large).
Fermor S. Cannon [2] (at large).
W. B. Burdick (class A).
Walter Gehrke (class A).
Harold F. Harrison (class B).
Grant H. Longenecker (class B).
D. L. Cooley (class C).
Amos N. Adams (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

Charles E. Broughton [1] (public interest).
George F. Rowe (public interest).
John E. Stipp (public interest).
Ralph M. Monk (public interest).
Arthur G. Erdmann [2] (at large).
Edward J. Czekala (at large).
Robert J. Pittelkow (class A).
Robert M. Brown (class A).
Earl S. Straight (class B).
Rilen McConachie (class B).
Owen J. Snodgrass (class C).
Austin J. Waldron (class C).

OFFICERS

A. R. Gardner, president.
John P. Domeier, vice president and treasurer.
Allan Anderson, secretary.
Ralph Menard, assistant treasurer.

Des Moines

DIRECTORS

E. Raymond Hughes (public interest).
Robert E. Lee Hill [1] (public interest).
John D. Adams (public interest).
Harry H. Welsh, Jr. (public interest).
C. A. Draeger (at large).
C. A. Williams (at large).
Harry M. Miller (class A).
John W. Ballard (class A).
T. H. Glasener (class B).
E. A. Kamp (class B).
Nicholas J. Caldwell (class C).
Stanton R. Dahlen [2] (class C).

OFFICERS

Robert J. Richardson, president and secretary.
W. H. Lohman, vice president and treasurer.
A. E. Mueller, assistant treasurer.
J. M. Martin, assistant secretary.

List of directors and officers, as of December 31, 1950—Continued

Little Rock

DIRECTORS

B. H. Wooten[1] (public interest).
Claude H. Roberts (public interest).
T. J. Butler (public interest).
Gordon H. Campbell (public interest).
Wilbur P. Gulley[2] (at large).
O. W. Boswell (at large).
Irvin H. Schonberg (class A).
Meredith Queen (class A).
Albert J. Emke (class B).
R. H. McCune (class B).
Louis D. Ross (class C).
Robert T. Love (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

L. C. Aicher (public interest).
Harrington Wimberly[1] (public interest).
Paul F. Good (public interest).
A. O. Johnson (public interest).
F. J. McCue (at large).
Fred Brimmer (at large).
G. A. Olmstead (class A).
Louis W. Grant (class A).
Henry L. Neuschaeffer (class B).
J. L. Coffman (class B).
Cecil Calvert[2] (class C).
Carl A. Hammel (class C).

OFFICERS

C. A. Sterling, president and secretary.
R. H. Burton, vice president and treasurer.

San Francisco

DIRECTORS

Ben A. Perham[1] (public interest).
William A. Davis (public interest).
Archibald B. Young (public interest).
C. W. Leaphart (public interest).
I. W. Dinsmore (at large).
Guy E. Jaques (at large).
Thomas T. Taylor (class A).
Roy E. Hegg[2] (class A).
R. Floyd Hewitt (class B).
Douglas H. Driggs (class B).
Joseph E. Swindlehurst (class C).
F. M. Donahoe (class C).

OFFICERS

Frederick W. Ruble, president and secretary.
Irving Bogardus, vice president.
Frank O. 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

The Federal Savings and Loan System was established pursuant to Section 5 of the Home Owners' Loan Act of 1933. In this legislation Congress made provision for the chartering of Federal savings and loan associations by the Home Loan Bank Board either through the granting of new charters to local organizing groups or through the conversion of existing institutions of the savings and loan type from State to Federal charter. The basic purpose was to meet a need in many communities throughout the country for more adequate thrift and home-financing facilities by providing, on a national scale, for local institutions that would operate on a uniform plan embodying the best practices and operating principles of savings institutions specializing in the financing of homes.

Federal savings and loan associations are mutual institutions, their capital being represented entirely by the savings accounts of their members, who are the sole owners. In the distribution of the association's earnings all savings accounts participate equally, on a pro rata basis, payments being made semiannually at a rate determined by the directors on the basis of net earnings. Such accounts are nonassessable. Federal savings and loan associations receive funds that are primarily of a savings or investment nature and make their loans largely on a long-term, monthly amortization basis on the security of local home properties. Federal associations may not accept deposits and may not issue certificates of indebtedness except for such borrowed money as is authorized by regulations of the Board.

Federal savings and loan associations are examined regularly and supervised by the Home Loan Bank Board and are subject to its regulations. Such 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.

Granting of Charters and Branches

As provided in the enabling act, applications for permission to organize new Federal associations are considered by the Board in the light of all available information relative 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. No application is approved without provision having been made for a public hearing, notice of which must be published locally. During the year 1950, seven new Federal savings and loan associations were organized.

Observing a policy of strict impartiality as between State-chartered and Federally chartered associations, the Board uses 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. The fact that the total assets of all savings and loan associations are quite evenly divided between State and Federal associations is considered a healthy situation. 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. There were no conversions from Federal to State charter during 1950, while 14 State associations converted to Federal charter.

During the year 1950, approvals were granted for 20 branch offices, bringing the total as of December 31, 1950, to 100 branch offices operated by 79 Federal associations.

Growth and Development to Date

There were 1,526 Federal savings and loan associations in operation as of December 31, 1950, of which 663 were new associations organized under Federal charter, while 863 were associations converted from State to Federal charter. Federal associations are located in each of the 48 States, District of Columbia, Alaska, Hawaii, and Puerto Rico. Combined assets of all Federals at the year end amounted to approximately $8,457,000,000, reflecting a growth of 19 percent during the year. Assets of all Federal associations now represent one-half of the total assets of all savings and loan associations in the country. During the year the average size of Federal associations increased from $4,713,000 to $5,542,000.

During 1950 there were 21 Federal charters issued, 7 of which were for newly organized associations and 14 for converted State associations. Since 3 charters were canceled by reason of mergers between Federal associations, there was a net increase of 18 for the year in the number of Federals in operation.

Savings Activity and Trends During Year

The flow of savings into Federal associations during 1950 represented the largest net gain in dollar amount for any year in their 17-year history. The record increase of $887,000,000, or 14.5 percent, was accomplished despite heavy withdrawals experienced in common with all types of savings institutions for several months following the outbreak in Korea. New savings invested in Federals during the year totaled $2,899,000,000, while withdrawals amounted to $2,064,-000,000, representing a withdrawal ratio of 71 percent as compared with 66 percent for 1949. At the year end, total savings accounts of all Federal associations amounted to $7,018,000,000. There were 4,811,000 investors in these institutions as compared with 4,260,000 at December 31, 1949, or an increase of 12.9 percent.

Lending Activity and Trends During Year

In keeping with the large growth during 1950 in the Nation's home mortgage debt arising out of an unprecedented home building volume, Federal savings and loan associations increased their mortgage portfolios by $1,220,000,000, the largest amount for any single year. At the end of the year their mortgage loans, secured primarily by one- to four-family homes, represented 82 percent of their total assets. Total mortgage loans rose from $5,673,000,000 to $6,893,000,000, or 22 percent, as compared with 15 percent in 1949.

Composing the mortgage loan portfolio at the year end were FHA loans of $512,000,000, or 7 percent of the total, GI loans of $1,657,000,-000, representing 24 percent, and conventional loans of $4,724,000,000, representing 69 percent; percentagewise, the distribution was approximately the same as one year earlier. The total volume of mortgage loans made by Federal associations during 1950 came to $2,696,-000,000, which was 52 percent greater than the amount made in 1949. In the following tabulation is shown a brief comparative summary of new loans made by Federal asociations during 1949 and 1950, classified as to purpose of loan:

New mortgage loans made by all Federal savings and loan associations

[Dollar amounts in thousands]

Purpose	1950		1949		Percent change in 1950
	Amount	Percent of total	Amount	Percent of total	
Construction	$998,000	37.0	$573,166	32.4	74.1
Purchase	1,101,000	40.9	719,892	40.7	52.9
Refinancing	222,000	8.2	189,737	10.7	17.0
Reconditioning	97,000	3.6	77,517	4.4	25.1
Other	278,000	10.3	210,087	11.8	32.3
Total	2,696,000	100.0	1,770,399	100.0	52.3

Liquidity and Reserves

Liquid assets in the form of cash and United States Government obligations held by Federal savings and loan associations increased $55,000,000, or 4.7 percent, during 1950. The total amount of $1,231,-

000,000 in cash and Government obligations on December 31, 1950, was equivalent to 17.5 percent of all savings accounts and 14.6 percent of total assets, as compared with respective ratios of 19.2 percent and 16.5 percent at the end of 1949. General reserves and undivided profits accounts of all Federals increased during 1950 from $471,000,000 to $565,000,000, or 20 percent, and these reserve accounts equaled 6.7 percent of assets at December 31, 1950, as compared with 6.6 percent at the end of 1949, and 6.4 percent at the end of 1948. The corresponding reserve-to-savings ratios were 8.1 percent for 1950, 7.7 percent for 1949, and 7.5 percent for 1948. The maintenance of strong liquidity and reserve positions is encouraged by the Board and, as evidenced by the above percentages, Federal associations generally are continuing substantial ratios in these respects.

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.

HOME LOAN BANK BOARD

The Board provides a number of staff services for itself and the subordinate Corporations. They include legal services by the Board's General Counsel; Personnel Department functions; Auditing; coordination of budget estimates and justifications, and such housekeeping services as procurement, files and records, mail and messenger services and the like.

GENERAL MANAGER

Under supervision and authority of the Home Loan Bank Board, plans, organizes, and directs the operations of the Corporation.

UNDERWRITING DIVISION

Develops programs for insurance of accounts; passes upon all applications for insurance of accounts; coordinates underwriting activities with officials of Federal Home Loan Banks and State supervisory authorities.

ASSISTANT GENERAL MANAGER

OPERATING ANALYSIS DIVISION

Provides analyses of financial and other operating information pertaining to the administrative and supervisory problems of the Corporation and the Federal Home Loan Bank System; compiles and analyzes statistical series in thrift, home mortgage, housing and real estate activities; provides economic background and other data bearing upon problem cases of the Corporation.

CHIEF

INSURANCE SETTLEMENT DIVISION

Supervises the payment and settlement of insurance to insured shareholders of institutions in receivership. In addition to this primary function the services of the division are used to pass upon amendments to Charter, bylaw and security forms and fidelity bond coverage for all insured associations.

ASSISTANT GENERAL MANAGER

REHABILITATION AND RECOVERIES DIVISION

Responsible for taking necessary steps as provided by law to prevent a default in an insured institution or restore an insured institution in default to normal operation. Supervises recoveries and conversion into cash of assets in institutions for which Corporation has been appointed receiver.

ASSISTANT GENERAL MANAGER

COMPTROLLER'S DIVISION

Plans, organizes and directs accounting and fiscal activities of the Corporation. Controls all accounting operations including receiverships and prepares financial statements, reports and analyses. Controls all operations pertaining to the receipt and disbursement of funds of the Corporation; maintains internal control of allotted budgetary funds.

COMPTROLLER

CHART B

Section 4

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

The year 1950 brought significant changes to the Federal Savings and Loan Insurance Corporation and to the savings and loan institutions which it serves. In large part these improvements were a result of legislative action during the year. As a result, not only has the foundation of the Corporation been strengthened, but the advantages to institutions and to their savers have been increased.

The Corporation was established during 1934 to guarantee savings in savings and loan associations—both Federal and State-chartered institutions—upon application and approval. Insurance is mandatory for Federal savings and loan associations but optional with State-chartered institutions. Through the new approach of establishing a Nation-wide program of savings insurance, it was expected that, with this secondary support, the savings and loan industry would be strengthened and, as a result of increased public confidence, the flow of new savings into savings and loan institutions would grow, providing additional funds for more widespread home financing. Both of these objectives have been achieved.

Extent of Insurance Coverage

During the year the upward trend in the number of savings and loan associations offering insurance to their savers and investors continued, with a new high being established on December 31. Insured institutions at year end numbered 2,860 with total assets of $13,700,-000,000; over 80 percent of the assets of the entire savings and loan business are held by the insured group. Of the 2,860 associations, 1,526 are Federal savings and loan institutions and 1,334 are institutions chartered and supervised by State, Territorial, or District authorities. A detailed breakdown, by States and Federal Home Loan Bank Districts, of the number and assets of insured associations at the end of 1950 and 1949, will be found in Table 5.

In all the States, the District of Columbia, and the Territories of Alaska, Hawaii, and Puerto Rico, a total of 8,100,000 savers and investors are using insured institutions as their savings medium. By December 31, 1950, the savings of these individuals and organizations amounted to $11,400,000,000, of which 98 percent, or $11,200,000,000 was fully insured.

Membership

Eligibility requirements.—Within the framework of the standards of qualifications established by the insurance law (Title IV of the National Housing Act), the Corporation analyzes all available facts bearing upon the management, condition, and operations of an institution applying for insurance and determines whether the association is eligible for insurance without change, whether it might qualify through the adoption of specific improvements or whether the application must be rejected.

In general, an institution to become insured must have unimpaired capital and must operate under safe financial policies and management. If the Corporation 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, it may reject the application.

Admissions.—Reflecting not only the increasing demand from the public for insurance, but also an appreciation of the advantages brought by new legislation during the year, a total of 111 institutions with assets of $388,000,000 qualified for insurance during 1950. Included among these associations were four institutions having assets of more than $25,000,000 each, and a large number of associations which had been in operation for periods exceeding 50 years.

Terminations.—All insured associations, with the exception of Federal associations which are required by law to be insured, have the right of terminating their insurance, provided they meet certain legal requirements. During 1950, seven institutions withdrew from the insured membership; four of these institutions consolidated with other insured associations, two voluntarily dissolved, and one continued in operation.

Also under the provisions of the insurance law, the Corporation has the right to cancel the insurance of any insured association for a violation of the law or the rules and regulations of the Corporation. Proceedings to act under this authority have been instituted in a few instances, but by means of conferences and the development of individual programs, it has been possible to avoid termination.

Under legislation enacted during the year, the provisions relative to voluntary and involuntary termination were equalized. Under the amended law, any member, whether its insurance is terminated by the Corporation or at its own request, is required to pay a 2-year premium and, in exchange, the accounts of its savers which were insured at the time of termination will continue to be protected by the Corporation for a 2-year period.

Cost of insurance.—During 1950, the annual premium paid by insured associations was reduced from one-eighth of 1 percent to one-twelfth of 1 percent of the total amount of all accounts of their insured savers or investors plus creditor obligations. The new rate was retroactively made effective as of July 1, 1949, and all institutions which had paid premiums at the higher rate were given credit on future premiums for the amount of reduction.

Nature of Insurance Protection

Prior to September 21, 1950, the Federal Savings and Loan Insurance Corporation guaranteed the safety of savings against loss in each insured association up to $5,000 for each saver or investor; in September of 1950 the maximum insurance was increased by Congress to $10,000.

In broad terms, the Corporation protects the individual saver or investor in an insured association 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. This method of payment, resulting from legislation enacted in 1950, supersedes the previous option of the saver to select, in settlement of his account, either an insured account in another institution or cash and debentures of the Corporation.

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

During 1950, for the first time in nearly 6 years, the Corporation was called upon to assist an insured association in financial difficulty. In this case, in accordance with a course of action developed by the State authorities and the Corporation, the latter purchased all the assets of the association, enabling it to liquidate voluntarily and to pay all savers in cash in full. The assets purchased by the Corporation are being liquidated and it is anticipated that, upon final closure of the case within the near future, various gains will have offset most of the losses.

Condition of Corporation

Total assets of the Corporation at the end of 1950 amounted to $199,592,517, of which 97 percent consisted of cash and United States Government securities. The Corporation's investment in assets purchased from the association described above had been reduced during the year from the original amount of $4,405,175 to $3,325,473 on December 31.

Through legislative enactment, provision was made during the year for the eventual retirement of the $100,000,000 of capital stock of the Corporation, which is owned by the United States Treasury. Beginning with the fiscal year ending June 30, 1951, the Corporation will retire capital stock in an amount equal to one-half of its income after expenses and losses. It is estimated that, if current conditions continue, a period of about 10 to 15 years will be required for complete retirement of the capital.

During 1950, the Corporation was also authorized to pay to the United States Treasury in place of cumulative dividends on the capital stock an amount equal to 2 percent simple interest per year on its capital stock since the Corporation was created; this amount was computed at $28,981,112 after allowance for dividends previously paid. Hereafter, annual payments in lieu of dividends will be made by the Corporation on the average amount of its unretired capital stock at a rate to be determined by the Secretary of the Treasury.

In large part the payment to the United States Treasury in lieu of accumulated dividends caused a drop of 17.3 percent in the reserve of the Corporation, which amounted to $93,590,275 at year end. This reserve for losses is equivalent to 0.78 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 1.60 percent of risk.

The Corporation's ability to pay losses in case of emergency was strengthened during the year by legislation authorizing and directing the United States Treasury to lend to the Corporation such funds as may be needed up to a total of $750,000,000 outstanding at any one time; at the same time, the Corporation's previous authority to borrow funds from other sources was revoked.

A complete statement of condition of the Corporation as of December 31, 1950, and December 31, 1949, appears in Table 6. As explained in the table, the 1949 statement is partially estimated because of the impracticalities of attempting to allocate the retroactive premium adjustment to interim periods.

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Operations of Corporation

Income of the Corporation is derived from two main sources—the annual premiums paid by the insured member institutions and earnings of United States Government securities owned by the Corporation. Operating expenses of the Corporation are paid out of funds received from these sources, no portion being paid out of the general funds of the United States Treasury. These expenses amount to less than 5 percent of the total income of the Corporation, with the balance of income being transferred to the reserve and surplus accounts.

The income from premiums and earnings on investments decreased as a result of legislation enacted in June of 1950. With the reduction in the annual premium rate from one-eighth of 1 percent to one-twelfth of 1 percent of the savings and creditor obligations of member institutions, the amount of premium income was reduced by one-third. Since the revised premium rate was retroactively made effective as of July 1, 1949, the resultant decrease in income necessitates revision in the previously published statement of income and expense for 1949. An estimated statement of income and expense for 1950, together with the revised statement for 1949, appears in Table 7.

Further decrease in the annual income of the Corporation resulted from the direction in Public Law 576, Eighty-first Congress, to pay to the United States Treasury an amount in lieu of cumulative dividends on the capital stock of the Corporation. As stated previously, this payment amounted to $28,981,112 as of June 30, 1950, after allowing for dividends of $3,035,326 previously paid on the capital stock. In order to obtain funds for this payment, United States Government security holdings in the amount of $29,000,000 were liquidated.

Gross operating income of the Corporation during 1950 amounted to $13,209,008 as compared with $13,831,555 during 1949. Premium income during 1950 amounted to $8,451,489 and interest income, $4,624,020. A further source of income, the admission fees paid by associations upon qualifying for insurance, realized $134,337 during 1950. The admission fee is computed at $400 for each $1,000,000 of the premium computation base of the applicant institution.

Condition of Insured Associations

Registering an increase of 20 percent during the year, the assets of all insured associations on December 31, 1950, approximated $13,700,000,000. The dollar amount of increase, $2,400,000,000 included the amount of $388,000,000 due to the admission of new members and an increase of about $2,000,000,000, attributable to the growth of institutions already insured.

Nearly $2,000,000,000 of the assets on December 31 consisted of cash and United States Government securities, equivalent to 14.4 percent of assets and 17.3 percent of savings capital. About 82 percent of assets consisted of loans made on the security of first home mortgages. Of the $11,188,000,000 of mortgage loans outstanding at year end, $2,507,000,000, or 22.2 percent, were insured or guaranteed by the Veterans' Administration and $734,000,000, or 7 percent, were insured by the Federal Housing Administration.

During 1950, insured associations granted more loans to home owners or purchasers than during any other year on record. Loans made during the year totaled $4,352,000,000, as compared with $2,887,000,000 during 1949.

Total savings capital on December 31, 1950, aggregated $11,400,000,000 revealing a net increase of $1,661,000,000, or 17 percent during the year. Withdrawals for the entire year were equivalent to 71 percent of new savings received, with the greatest withdrawals experienced during the third quarter of the year.

The reserve and undivided profits accounts of insured institutions, which would be available for absorbing business losses in case of need, continued to increase during 1950, with about 33 percent of the net income of the institutions being allocated to these accounts. At year end, reserves and undivided profits amounted to $955,000,000, or 7 percent of assets.

Section 5

HOME OWNERS' LOAN CORPORATION

14 Years of Liquidation

On June 12, 1936, the 3-year lending period of the Home Owners' Loan Corporation terminated. Since that time, the major activity of the Corporation has been the liquidation of its great volume of loans. The results attained during this 14-year period of liquidation have been gratifyingly favorable. Of the total lending of approximately \$3½ billion, over 99 percent has been liquidated. Less than \$10 million of the cumulative investment was outstanding at the end of the calendar year 1950.

The loans of the Corporation were originally made to refinance the mortgages of more than a million American home owners who were victims of the depression. Most of these home owners were in arrears nearly 2 years on principal and interest and 3 years on taxes. At the time, it was generally believed that this rescue operation might result in a loss to the Government of \$300 million to half a billion dollars. Instead, at the end of 14 years of liquidation, the Corporation has retired all of the \$3½ billion of bonds guaranteed by the Government, has repaid in full the \$200 million of capital originally subscribed by the Government; has paid all operating, administrative, and other expenses to the extent of \$1,065,000,000, none of which have been paid from the general funds of the United States Treasury; and has a surplus of over \$13 million as of December 31, 1950.

General Operations

From June 13, 1933, through June 12, 1936, the Corporation loaned \$3,093,451,321. These loans were made to finance the home mortgages of 1,017,821 individuals who were unable to finance their loans elsewhere and were, therefore, dependent on the credit of the Government. The financial conditions prevailing then and later were so adverse that some of these home owners, despite the efforts of the Corporation, were unable to work out of their financial difficulties. However, the Corporation has enabled more than 800,000 families to avoid foreclosure on their homes.

The Corporation's original investment has been increased by supplementary advances made for the payment of taxes, insurance, maintenance and reconditioning, the capitalization of delinquent interest, and acquisition costs. From the beginning of operations to December 31, 1950, the supplemental capitalizations totaled $405,445,-363 and brought the Corporation's gross cumulative investment to $3,498,896,684.

Liquidation

Liquidation of this investment progressed substantially from year to year without disrupting the real-estate market or the normal procedure of home financing. At the end of calendar year 1950, the balance of original loans and vendee accounts was only $9,595,895. Of the $3,498,896,684 gross cumulative investment, $3,489,300,789, or 99.7 percent, had been liquidated. The reduction in these assets is summarized in the following table:

Original amount loaned		$3, 093, 451, 321. 01
Subsequent advances		405, 445, 362. 63
Cumulative investment to Dec. 31, 1950		3, 498, 896, 683. 64
Outstanding on Dec. 31, 1950:		
Original loans and advances	$6, 718, 367. 97	
Vendee accounts and advances	2, 873, 812. 04	
Loans in foreclosure	3, 714. 96	
Total outstanding		9, 595, 894. 97
Net reduction in mortgage and property assets (99.7 percent)		3, 489, 300, 788. 67

Accelerated Liquidation

The Corporation has always encouraged its borrowers to pay off their loans in full before maturity dates. This program has been successful, particularly during the war and postwar periods. As a result, the portfolio in some States was reduced to a point where the cost of servicing was uneconomical.

Accordingly, in March 1948, a new speed-up program was launched in States having small loan balances. Borrowers were encouraged by letter to pay off their balances in full, if possible, or to refinance them with local institutions of their own choice. This program was gradually extended into 20 States and the District of Columbia; and by December 31, 1949, all loans in 3 States had been entirely liquidated, and in 15 other States the loan balances had been reduced by more than 99 percent.

In June 1949, after previous consultations with the House and Senate Independent Offices Appropriations Subcommittees regarding the complete liquidation of the Corporation's outstanding mortgages by June 30, 1951, the Home Loan Bank Board, which serves as the board of directors of the Home Owners' Loan Corporation, instituted a program to sell or assign all mortgages by publicly offering them for sale on a State-wide basis.

The first public offering was made on June 6, 1949, for the sale of the loan portfolio of New York State, consisting of 40,000 loans with an unpaid loan balance of $102 million. As a result of this offer, a bid was accepted and the contract of sale executed on September 1, 1949. Since then, the portfolios of all remaining States have been sold, and by the close of the calendar year 1950 all but 18 States were completely liquidated, 9 States having a total of only 78 loans on hand. The purchasers—including mutual savings banks, commercial banks, trust companies, and savings and loan associations—have paid par and accrued interest plus premiums of up to 2.5 percent of balances. The Corporation continued to service these mortgages and accepted maturity payments where offered until date of actual transfer of the mortgages.

Status of Accounts

As previously stated, the Corporation made loans to 1,017,821 individuals during its 3 years of lending operations. Adding to this original number, 1,968 subsequent divisions and acquisitions of property, and subtracting 103 subsequent consolidations, made a net total of 1,019,686 accounts. Of this number, 1,010,774, or over 99 percent, have been terminated, leaving 8,912 accounts (including 3 in foreclosure) outstanding as of December 31, 1950.

Properties

As a result of foreclosure, voluntary deeds, abandonments, etc., the Corporation had acquired up to December 31, 1950, a total of 198,217 properties. Of this total, 4,007 were reacquisitions of properties sold and 74 other properties acquired, leaving 194,136 properties acquired from original borrowers. Subtracting these latter acquisitions from the 1,017,821 total original borrowers, leaves 823,685, or 80.9 percent of original borrowers whose homes have been saved from impending foreclosure which they faced when the loans were made.

Investments in Savings and Loan Associations

In 1935 Congress authorized the Home Owners' Loan Corporation to purchase shares of savings and loan associations in order to make funds available to stimulate the local financing of home loans. The cumulative investment in savings and loan shares made by the Corporation totaled $223,856,710 by December 31, 1950. Of this investment, only $414,200 remained outstanding at the end of the 1950 calendar year. Dividends aggregating $44,745,332 have been received by the Corporation from these investments.

Bond Retirements

The Home Owners' Loan Act of 1933 requires that all payments upon principal of the Corporation's loans must be used to retire outstanding bonds. In order to retire bonds, the Corporation also used certain other receipts such as amounts received as a result of the repurchase of shares in savings and loan associations. The total bonds issued for value amounted to $3,489,453,550, and on January 27, 1950, the last of these was retired.

Capital Stock

The Home Owners' Loan Act of 1933 authorized the Corporation to issue $200 million capital stock, to be subscribed for by the Government. At the end of calendar year 1950, all of the capital stock had been retired and the $200 million advanced by the Government had been repaid in full.

Financial Operations

The balance sheet of the Corporation as of December 31, 1950, is presented in Table 8. Because of the rapid progress of the Corporation's liquidation during the calendar year 1950, the total assets decreased 93.7 percent during the year. Table 9 presents a cumulative statement of income and expense from the beginning of operations through December 31, 1950, and Table 10 a statement of income and expense for calendar year 1950.

From the beginning of operations, June 13, 1933, to December 31, 1950, the total income of the Corporation amounted to $1,416,934,258. Operating and other expenses during the same period totaled $1,064,687,196, leaving a net income of $352,247,062 at the close of the calendar year 1950. Losses and provision for losses on property sales, principal, interest and properties charged off, fire and other hazards, and fidelity and casualty losses left the Corporation with a surplus of $13,910,654 on December 31, 1950.

During the calendar year 1950, the total income of the Corporation amounted to $6,554,096. Expenses, including interest on bonds and administrative expense, amounted to $1,838,059, leaving a net income of $4,716,037. Losses during the year amounted to $12,116, leaving a net profit of $4,703,921. The $6,554,096 income for the year included $1,897,496 premium on the sale of loans.

TABLE 1.—*Federal Home Loan Banks—Summary of lending operations*

	Year 1950		Balance outstanding end of year
	Advances	Repayments	
Boston	$40,692,625.00	$17,817,498.00	$50,734,183.00
New York	94,558,300.03	28,636,671.60	96,152,751.26
Pittsburgh	44,675,800.00	19,050,960.00	62,377,945.00
Greensboro	66,120,500.00	34,825,017.34	90,082,389.31
Cincinnati	41,317,550.00	17,137,675.00	51,235,675.00
Indianapolis	34,850,718.75	12,585,478.90	53,513,189.96
Chicago	100,518,012.91	29,615,034.80	132,151,037.61
Des Moines	47,102,776.00	15,280,289.45	55,347,656.36
Little Rock	32,943,600.00	13,259,955.00	42,604,306.00
Topeka	30,596,097.00	12,742,172.50	39,650,216.47
San Francisco	141,380,670.00	91,278,329.14	142,107,367.85
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	----------	837,500.00
Grand total	3,617,468,319.84	2,801,511,602.02	----------

TABLE 2.—*Federal Home Loan Banks—Schedule of interest rates on new advances and interest rates paid on members' time deposits Jan. 1, 1951*

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 1 rate in effect	------	------	------	2.0	2.25	------	------	2.25	2.0	2.5	2.25
Secured advances:											
Not exceeding 1 year	2.0	2.25–2.5	2.0	------	------	2.0	2.0	------	------	------	------
1 to 5 years	------	------	2.5	------	------	------	2.25	------	------	------	------
1 to 10 years	2.5	2.5	------	------	------	2.5	2.5	------	------	------	------
Unsecured advances: 1 year or less	2.0	2.25–2.5	2.0–2.5	------	------	2.0	2.0	------	------	------	------
Rates paid on:											
Time deposits remaining:											
Over 30 days	1.0	1.5	1.0	1.0	1.0	1.5	1.0	------	1.0	1.0	1.0
Over 90 days	------	------	------	------	------	------	------	1.0	------	------	------
Over 6 months	------	------	------	1.25	------	------	------	------	------	------	------
Certificates of deposit (1 year)	1.5	------	1.5	1.5	1.5	------	1.25	1.5	------	1.5	1.5

TABLE 3.—*Federal Home Loan Banks—Consolidated statement of condition as of Dec. 31, 1950 and 1949*

	Dec. 31, 1950	Dec. 31, 1949
ASSETS		
Cash:		
On hand—including imprest funds	$39, 881. 58	$112, 872. 10
On deposit with:		
Treasurer of the United States	22, 020, 069. 89	7, 314, 843. 32
Commercial banks	18, 419, 169. 32	15, 951, 168. 70
Total cash	40, 479, 120. 79	23, 378, 884. 12
Investments:		
U. S. Treasury bills	33, 450, 748. 68	6, 886, 093. 41
Other U. S. Treasury obligations	165, 863, 072. 85	268, 082, 257. 55
Total investments	199, 313, 821. 53	274, 968, 350. 96
Advances outstanding:		
1 year or less	546, 906, 188. 48	230, 880, 919. 05
Amortized—1 to 10 years	269, 003, 029. 34	202, 323, 230. 81
Total to members	815, 909, 217. 82	433, 204, 149. 86
Nonmember mortgagee	47, 500. 00	225, 000. 00
Total advances outstanding	815, 956, 717. 82	433, 429, 149. 86
Accrued interest receivable:		
Investments	934, 351. 79	1, 647, 365. 97
Advances	1, 490, 982. 93	751, 327. 25
Total accrued interest receivable	2, 425, 334. 72	2, 398, 693. 22
Deferred charges:		
Prepaid consolidated obligations expense	214, 328. 61	69, 056. 43
Prepaid surety bond premiums	4, 367. 65	6, 591. 72
Other prepaid expenses	53, 047. 74	7, 666. 18
Total deferred charges	271, 744. 00	83, 314. 33
Other assets:		
U. S. savings bonds redeemed	3, 082. 03	2, 948. 21
Accounts receivable	8, 561. 11	12, 854. 75
Furniture and equipment	11. 00	11. 00
Total other assets	11, 654. 14	15, 813. 96
Total assets	1, 058, 458, 393. 00	734, 274, 206. 45

TABLE 3.—*Federal Home Loan Banks—Consolidated statement of condition as of Dec. 31, 1950 and 1949*—Continued

	Dec. 31, 1950	Dec. 31, 1949
LIABILITIES AND CAPITAL		
Liabilities:		
Deposits:		
Members—time	$183, 967, 090. 18	$231, 677, 602. 61
Members—demand	40, 129, 769. 01	35, 434, 558. 70
Government instrumentalities—demand	180, 000. 00	-0-
Applicants for membership	86, 850. 00	147, 550. 00
Total deposits	224, 363, 709. 19	267, 259, 711. 31
Accrued interest payable:		
Deposits—members' time	620, 498. 42	717, 190. 09
Consolidated obligations	2, 807, 541. 90	1, 242, 975. 67
Total accrued interest payable	3, 428, 040. 32	1, 960, 165. 76
Dividends payable:		
Member institutions	1, 415, 374. 66	1, 087, 133. 43
U. S. Treasury	465, 233. 50	681, 879. 25
Total dividends payable	1, 880, 608. 16	1, 769, 012. 68
Accounts payable	314, 330. 05	5, 685. 99
Consolidated obligations (net) [1]	560, 000, 000. 00	204, 225, 000. 00
Total liabilities	789, 986, 687. 72	475, 219, 575. 74
Capital:		
Capital stock outstanding (par):		
Members (fully paid)	182, 494, 800. 00	136, 182, 900. 00
Members (partially paid)	103, 100. 00	88, 200. 00
Total member subscriptions	182, 597, 900. 00	136, 271, 100. 00
Less: Unpaid subscriptions	51, 400. 00	31, 850. 00
Total paid in by members	182, 546, 500. 00	136, 239, 250. 00
U. S. Government subscriptions (fully paid)	56, 021, 900. 00	95, 818, 800. 00
Total paid in on capital stock	238, 568, 400. 00	232, 058, 050. 00
Surplus—earned:		
Legal reserve	14, 476, 647. 07	13, 184, 045. 91
Reserve for contingencies	5, 624, 806. 68	4, 785, 650. 60
Total surplus reserves	20, 101, 453. 75	17, 969, 696. 51
Undivided profits	9, 801, 851. 53	9, 026, 884. 20
Total earned surplus	29, 903, 305. 28	26, 996, 580. 71
Total capital	268, 471, 705. 28	259, 054, 630. 71
Total liabilities and capital	1, 058, 458, 393. 00	734, 274, 206. 45

[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—Consolidated statement of operations for the calendar years 1950 and 1949*

	Year ended Dec. 31, 1950	Year ended Dec. 31, 1949
Earned operating income:		
Interest on advances	$10,524,968.23	$7,608,097.09
Interest on securities	4,950,588.99	5,815,223.81
Miscellaneous	3,915.18	3,034.48
Total earned operating income	15,479,472.40	13,426,355.38
Operating expenses:		
Compensation, travel, and other expenses	1,412,834.91	1,276,097.79
Interest on consolidated obligations	4,233,301.61	4,417,690.97
Consolidated obligations expense—concessions	253,085.01	273,150.58
Paid through office of fiscal agent	49,366.32	49,872.03
Interest on members' deposits	3,136,596.14	2,536,858.69
GAO audit expense	6,951.47	20,729.74
Assessment for expenses of HLB Board	441,250.00	442,420.29
Total operating expenses	9,533,385.46	9,016,820.09
Net operating income	5,946,086.94	4,409,526.29
Nonoperating income:		
Profit—sales of securities	590,569.45	286,571.48
Assessment credit		78,679.29
Furniture and equipment sales	4,748.96	333.99
Miscellaneous	73.61	746.29
Total nonoperating income	595,392.02	366,331.05
Nonoperating charges:		
Loss—sales of securities	28,260.40	4,579.32
Furniture and equipment purchased	50,212.72	13,295.35
Total nonoperating charges	78,473.12	17,874.67
Net income	6,463,005.84	4,757,982.67

DETAIL OF COMPENSATION, TRAVEL, AND OTHER EXPENSES

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

TABLE 5.—*Federal Savings and Loan Insurance Corporation—Number and assets of insured savings and loan associations, by type, Dec. 31, 1950 and 1949*

[Dollar amounts in thousands]

	All Insured				Federal				Insured State			
	1950		1949		1950		1949		1950		1949	
	Number	Assets	Number	Assets	Number	Assets	Number	Assets	Number	Assets	Number	Assets
United States	2,860	$13,691,410	2,756	$11,304,868	1,526	$8,457,420	1,508	$7,107,202	1,334	$5,233,990	1,248	$4,197,666
District No. 1—Boston	72	678,847	71	533,544	53	530,136	53	464,000	19	148,711	18	69,454
Connecticut	32	207,392	31	179,180	17	153,424	17	132,916	15	53,968	14	46,273
Maine	5	7,823	5	7,094	5	7,823	5	7,094				
Massachusetts	27	323,991	27	285,737	26	317,304	26	279,534	1	6,687	1	6,203
New Hampshire	3	27,378	4	23,732	2	26,729	2	22,092	1	649	2	1,640
Rhode Island	3	98,318	2	25,665	1	10,911	1	10,327	2	87,407	1	15,338
Vermont	2	13,945	2	12,127	2	13,945	2	12,127				
District No. 2—New York	307	1,829,383	288	1,514,402	85	894,882	85	750,067	222	934,501	203	764,335
New Jersey	148	571,157	140	465,901	18	68,718	18	56,974	130	502,439	122	408,927
New York	158	1,254,472	147	1,046,711	66	822,410	66	691,303	92	432,062	81	355,408
Puerto Rico	1	3,754	1	1,790	1	3,754	1	1,790				
District No. 3—Pittsburgh	265	860,212	262	717,774	142	570,920	138	468,633	123	289,292	124	249,141
Delaware	2	2,154	1	1,655	2	2,154	1	1,655				
Pennsylvania	238	800,865	236	665,444	119	519,779	116	423,693	119	281,086	120	241,751
West Virginia	25	57,193	25	50,675	21	48,987	21	43,285	4	8,206	4	7,390
District No. 4—Greensboro	375	1,839,315	353	1,348,905	251	1,272,514	242	1,056,923	124	566,801	111	291,982
Alabama	28	69,054	28	58,040	20	57,097	20	47,890	8	11,957	8	10,150
District of Columbia	22	371,495	17	141,939	9	91,601	8	78,516	13	279,894	9	63,423
Florida	53	373,973	51	312,583	51	369,913	50	309,620	2	4,060	1	2,963
Georgia	61	241,467	59	200,845	56	231,226	53	191,180	5	10,241	6	9,665
Maryland	45	268,253	43	208,445	33	206,008	32	160,734	12	62,245	11	47,711
North Carolina	87	246,412	77	197,876	29	118,431	27	100,087	58	127,981	50	97,789
South Carolina	47	128,732	47	107,162	32	99,076	32	82,887	15	29,656	15	24,275
Virginia	32	139,929	31	122,015	21	99,162	20	86,009	11	40,767	11	36,006
District No. 5—Cincinnati	366	1,934,833	363	1,738,420	222	1,128,439	221	1,008,839	144	806,394	142	729,581
Kentucky	56	185,389	56	170,174	54	181,116	54	166,009	2	4,273	2	4,165
Ohio	273	1,591,512	270	1,435,681	132	790,285	131	710,845	141	801,227	139	724,836
Tennessee	37	157,932	37	132,565	36	157,038	36	131,985	1	894	1	580
District No. 6—Indianapolis	191	799,716	187	691,488	104	593,595	102	478,729	87	206,121	85	212,759
Indiana	142	466,513	140	412,828	70	318,481	69	278,096	72	148,032	71	134,732
Michigan	49	333,203	47	278,660	34	275,114	33	200,633	15	58,089	14	78,027
District No. 7—Chicago	384	1,636,322	356	1,322,304	144	868,911	143	704,177	240	767,411	213	618,127
Illinois	280	1,313,098	258	1,056,213	104	749,640	103	607,692	176	563,458	155	448,521
Wisconsin	104	323,224	98	266,091	40	119,271	40	96,485	64	203,953	58	169,606

District No. 8—Des Moines	173	758,455	165	630,502	107	559,095	106	470,552	66	199,300	59	159,950
Iowa	45	125,881	43	99,478	32	94,740	32	78,601	13	31,141	11	20,877
Minnesota	37	300,115	36	244,740	30	285,306	30	238,241	7	14,809	6	6,499
Missouri	78	292,851	73	252,415	35	155,975	34	134,588	43	136,876	39	117,827
North Dakota	7	28,620	7	24,926	6	15,685	6	13,172	1	12,935	1	11,754
South Dakota	6	10,988	6	8,943	4	7,389	4	5,050	2	3,509	2	2,993
District No. 9—Little Rock	281	778,914	275	652,332	160	358,338	159	296,837	121	420,576	116	355,495
Arkansas	39	65,446	38	55,368	35	56,808	34	47,459	4	8,638	4	7,909
Louisiana	72	250,677	72	216,874	14	42,486	14	33,936	58	208,191	58	182,938
Mississippi	26	45,573	25	37,479	21	38,497	20	32,110	5	7,076	5	5,369
New Mexico	14	32,867	14	25,839	7	21,606	7	16,445	7	11,261	7	9,394
Texas	130	384,351	126	316,772	83	198,941	84	166,887	47	185,410	42	149,885
District No. 10—Topeka	169	530,653	164	451,598	97	377,163	97	327,146	72	153,490	67	124,452
Colorado	39	140,383	38	117,056	23	98,335	23	83,797	16	42,048	15	33,259
Kansas	65	163,484	62	134,879	28	96,589	28	81,705	37	66,895	34	53,174
Nebraska	20	32,101	19	27,434	15	25,544	15	22,022	5	6,557	4	5,412
Oklahoma	45	194,685	45	172,229	31	156,695	31	139,622	14	37,990	14	32,607
District No. 11—San Francisco	277	2,044,760	272	1,703,599	161	1,303,427	162	1,081,209	116	741,333	110	622,390
Alaska	1	1,804	1	1,674	1	1,804	1	1,674				
Arizona	4	38,360	3	30,512	2	27,511	2	22,647	2	10,849	1	7,865
California	156	1,438,914	151	1,184,100	74	865,195	74	708,190	82	573,719	77	475,910
Hawaii	4	13,118	4	11,211	1	7,732	1	6,584	3	5,386	3	4,627
Idaho	8	38,500	8	34,518	8	38,500	8	34,518				
Montana	10	29,777	10	26,366	3	4,855	3	4,309	7	24,922	7	22,057
Nevada	1	5,667	1	5,152	1	5,667	1	5,152				
Oregon	21	82,613	21	68,205	21	82,613	21	68,205				
Utah	10	72,363	10	58,542	6	34,714	6	26,028	4	37,649	4	32,514
Washington	53	305,213	54	267,472	35	216,405	36	188,055	18	88,808	18	79,417
Wyoming	9	18,431	9	15,847	9	18,431	9	15,847				

TABLE 6.—*Federal Savings and Loan Insurance Corporation—Statement of condition as of Dec. 31, 1950 and 1949*

	Dec. 31, 1950	Dec. 31, 1949
ASSETS		
Cash	$535, 657. 47	$551, 245. 92
Accounts receivable:		
Insurance premiums—payments due	117, 549. 52	134, 451. 30
Insurance premiums—payments deferred	2, 116, 669. 61	[1] 907, 884. 84
Admission fees receivable	2, 106. 72	2, 299. 22
Advances for traveling expenses	300. 00	
Due from governmental agencies	469. 49	64. 20
Miscellaneous		875. 43
Total	2, 237, 095. 34	[1] 1, 045, 574. 99
Investments:		
U. S. Government securities (par value)	192, 612, 000. 00	213, 962, 000. 00
Unamortized premium on investments	15, 632. 39	16, 568. 15
Total	192, 627, 632. 39	213, 978, 568. 15
Accrued interest on investments	927, 787. 27	1, 117, 765. 53
Pending and unclaimed insured accounts in liquidated institutions	10, 146. 38	10, 146. 38
Less: Allowance for losses	710. 35	710. 35
Total	9, 436. 03	9, 436. 03
Assets purchased from insured institutions to prevent default	3, 325, 473. 08	
Less: Allowance for losses	132, 155. 25	
Total	3, 193, 317. 83	
Furniture, fixtures and equipment	53, 960. 38	50, 981. 32
Less: Reserve for depreciation	53, 960. 38	50, 981. 32
Total		
Deferred charges:		
Home Loan Bank Board	61, 590. 48	71, 879. 65
Fidelity bond and other insurance premiums		463. 64
Preliminary expenses on problem cases		2, 924. 38
Total	61, 590. 48	75, 267. 67
Total assets	199, 592, 516. 81	[1] 216, 777, 858. 29
LIABILITIES AND CAPITAL		
Liabilities:		
Accounts payable		151. 42
Accrued liabilities	29, 977. 38	30, 932. 28
Accrued payments in lieu of dividends on capital stock	1, 000, 000. 00	
Deductions from employees' salaries	15, 921. 23	13, 861. 15
Funds held in escrow	12, 227. 15	
Pending and unclaimed insured accounts in liquidated institutions	10, 146. 38	10, 146. 38
Custodial funds—receiverships	11, 120. 29	11, 115. 01
Total	1, 079, 392. 43	66, 206. 24
Deferred credits:		
Unearned insurance premiums	4, 576, 185. 89	[1] 3, 807, 041. 75
Prepaid insurance premiums	346, 088. 75	[1] 1, 816, 037. 46
Unapplied collections	574. 79	37. 25
Total	4, 922, 849. 43	[1] 5, 623, 116. 46
Capital:		
Capital stock	100, 000, 000. 00	100, 000, 000. 00
Reserve fund as provided by law	88, 205, 486. 31	[1] 105, 194, 656. 22
Unallocated income	5, 384, 788. 64	[1] 5, 893, 879. 37
Total	93, 590, 274. 95	[1] 111, 088, 535. 59
Total liabilities and capital	199, 592, 516. 81	[1] 216, 777, 858. 29

[1] Adjusted to reflect the effect of estimated changes due to retroactive reduction of premium rate on June 27, 1950, by Public Law 576, 81st Cong.

TABLE 7.—*Federal Savings and Loan Insurance Corporation—Statement of operations for the calendar years 1950 and 1949*

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

[1] Reflects estimated reduction due to retroactive change in premium rate on June 27, 1950, by Public Law 576, 81st Cong.

TABLE 8.—*Home Owners' Loan Corporation—Balance sheet at Dec. 31, 1950*

ASSETS

Mortgage loans, vendee accounts and advances—at present face value		$9, 592, 180. 01
Interest receivable		38, 897. 20
Property in process of acquiring title		3, 714. 96
		9, 634, 792. 17
Less: Reserve for losses		76, 388. 27
		9, 558, 403. 90
Investments—at cost:		
Savings and loan associations:		
Federal chartered	$84, 200. 00	
State chartered	330, 000. 00	
		414, 200. 00
Cash:		
Operating funds (includes $754,788.19 deposited by borrowers and employees—see contra)	5, 586, 017. 11	
Special funds—Federal tax withheld (see contra)	35, 903. 50	
		5, 621, 920. 61
Fixed assets:		
Furniture, fixtures, and equipment—at cost	128, 511. 20	
Less: Reserve for depreciation	128, 511. 20	
	—0—	
Other assets:		
Accounts receivable	107, 069. 86	
Less: Reserve for uncollectible accounts receivable	82, 955. 76	
	24, 114. 10	
Dividends receivable—savings and loan associations	4, 798. 00	
		28, 912. 10
Deferred and unapplied charges		161, 206. 19
		15, 784, 642. 80

LIABILITIES

Accounts payable:		
Accrued payroll	$25, 073. 38	
Insurance premiums	15, 134. 80	
Commissions to sales brokers	275. 50	
Special deposits:		
By borrowers	748, 045. 13	
By employees (savings bonds)	2, 427. 99	
Civil service retirement deductions	4, 315. 07	
Federal tax withheld (see contra)	35, 903. 50	
Miscellaneous	15, 971. 96	
		847, 147. 33
Accrued liabilities		29, 769. 69
Deferred and unapplied credits:		
Prepayments on sales contracts—loan accounts	$634, 234. 74	
Other	112, 836. 73	
		747, 071. 47
Reserve for fidelity and casualties		250, 000. 00
Surplus		13, 910, 654. 31
		15, 784, 642. 80

TABLE 9.—*Home Owners' Loan Corporation—Statement of income and expense from beginning of operations, June 13, 1933, to Dec. 31, 1950*

Operating and other income:		
Interest:		
Mortgage loans and advances	$1, 055, 754, 663. 78	
Vendee accounts and advances	136, 207, 716. 91	
	1, 191, 962, 380. 69	
Special investments	1, 417, 726. 52	
		$1, 193, 380, 107. 21
Property income		138, 645, 668. 78
Dividends received—F. S. & L. I. C		28, 217, 076. 07
Dividends on investments in savings and loan associations		44, 745, 331. 53
Premium on sale of loans		2, 177, 343. 29
Miscellaneous		9, 768, 731. 01
		1, 416, 934, 257. 89
Operating and other expenses:		
Interest on 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	272, 410, 223. 84	
General expenses	18, 712, 108. 35	
Property expense	112, 826, 726. 95	
		1, 064, 687, 195. 73
Net income before provision for losses which may be sustained in the liquidation of assets		352, 247, 062. 16
Losses and provision for losses:		
On mortgage loans, interest and property	$349, 737, 153. 25	
For fidelity and casualties	1, 372, 053. 31	
For fire and other hazards	881, 252. 50	
For uncollectible accounts receivable	75, 944. 89	
Total provision for losses	352, 066, 403. 95	
Losses on investments	[1] 34, 264. 80	
Total losses and provision for losses		352, 100, 668. 75
Net income after losses and provision for losses for period June 13, 1933, to Dec. 31, 1950		146, 393. 41
Add: Surplus adjustments—reserve against fire and other hazards, reserve for losses on mortgage loans, interest and property and unlocated payments (net)		13, 764, 260. 90
Surplus at Dec. 31, 1950		13, 910, 654. 31

[1] Excess liquidating dividends of $31,080.61 included in income "Dividends on investments in savings and loan associations."

TABLE 10.—*Home Owners' Loan Corporation—Statement of income and expense for calendar year 1950*

Operating and other income:	
Interest:	
Mortgage loans and advances	$2, 955, 181. 38
Vendee accounts and advances	1, 478, 607. 92
	4, 433, 789. 30
Special investments	42, 756. 87
Total	4, 476, 546. 17
Property income	
Dividends received from savings and loan associations	13, 454. 25
Premiums on sale of loans	1, 897, 495. 86
Miscellaneous	166, 599. 91
Total income	6, 554, 096. 19
Operating and other expenses:	
Interest on bonded indebtedness	17, 368. 78
Administrative expenses	1, 783, 484. 87
General expenses	36, 693. 51
Property expense	511. 90
Total expense	1, 838, 059. 06
Net income before provision for losses which may be sustained in the liquidation of assets	4, 716, 037. 13
Provision for losses:	
On mortgage loans, interest, and property	
For fidelity and casualties	275. 00
For fire and other hazards	
For uncollectible accounts receivable	8, 134. 11
Total provision for losses	8, 409. 11
Losses on investments in savings and loan associations	[1] 3, 707. 32
Total losses	12, 116. 43
Net income for calendar year after provision for losses	4, 703, 920. 70
Add: Surplus adjustments—reserve against fire and other hazards, reserve for losses on mortgage loans, interest and property and unlocated payments (net)	415, 433. 26
Surplus at Dec. 31, 1949	8, 791, 300. 35
Surplus at Dec. 31, 1950	13, 910, 654. 31

[1] Excess liquidating dividends of $31,080.61 included in income "Dividends on investments in savings and loan associations"—table 9.

PART III

OF THE

Fourth 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 Seventeenth Annual Report of the Federal Housing Administration. This report covers the calendar year 1950.

Respectfully,

FRANKLIN D. RICHARDS,
Commissioner.

Functions of the Federal Housing Administration

Under authority provided in Titles I, II, VI, VII, and VIII of 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 itself makes no loans and does not plan or build housing.

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 16½ 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 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.

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.

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.

Section I

GENERAL REVIEW

FHA operations in 1950 were affected by both domestic and international conditions.

The writing of a volume of mortgage insurance much larger than in any previous year reflected, along with other factors, the continuing demand for new homes in the United States. Records were made in the number and amount of mortgages insured on both individual homes and rental projects, and also in the number and amount of property improvement loans insured.

The Housing Act of April 20, 1950, which amended the National Housing Act with the object of encouraging greater production of homes for middle-income families, placed additional responsibilities on the FHA.

In the second half of the year, events on the international scene caused an expansion of the national defense program which accentuated the need for action to conserve critical materials and counteract inflationary tendencies. Measures taken by the Federal Government for this purpose included credit controls on real estate, which affected FHA operations by causing a downward trend in the number of mortgage insurance applications received and in the number of property improvement loans reported for insurance.

Legislative Changes

Amendments made to the National Housing Act by the Housing Act of 1950 (Public Law 475, 81st Cong., approved April 20, 1950) included the following:

1. The property improvement loan insurance authorization under Section 2 of Title I was extended (retroactive to March 1, 1950) to apply to loans made before July 1, 1955. The total amount of loan principal outstanding at any one time under this section may not exceed $1,250,000,000. The insurance no longer covers loans for the construction of dwellings.

2. A new Section 8 was added to the act to provide for the insurance of mortgages in amounts up to $4,750 on single-family homes when the mortgagor is the owner-occupant, or up to $4,250 when the mortgagor is a builder. The dollar amount may be increased in high-cost areas to

as much as $5,600 for an owner-occupant mortgagor and $5,000 for a builder. Section 8 insurance is intended to apply particularly to low-cost homes in small communities and outlying areas. The aggregate amount of principal outstanding at any one time may not exceed $100,000,000, provided that increases aggregating not more than $150,000,000 may be authorized by the President.

3. The insurance authorization under Section 203 of Title II was increased to $7,750,000,000, with provision for the President to increase the amount by an additional $1,250,000,000 if he found such increase to be in the public interest.[1] Authorization was given to increase the $16,000 maximum amount of a mortgage insured under Section 203(b)(2)(A) by not not over $4,500 on a three-family dwelling and not over $9,000 on a four-family dwelling. Section 203(b)(2)(B) was repealed. Increases were made in the dollar amount limitations on mortgages insured under Sections 203(b)(2)(C) and (D).

4. Section 207 was amended to encourage low-cost projects by changing the basis on which the maximum mortgage amount per family unit is computed so as to allow 90 percent mortgages on the first $7,000 of value per unit. Debentures issued under Section 207 may be dated as of the date of default, and may include insurance premiums paid after default. Other minor amendments were made in this section, and the provisions for mortgage insurance on cooperative housing projects were eliminated.

5. A new Section 213 was added to Title II, authorizing the insurance of mortgages on cooperative projects. The FHA was authorized to furnish technical advice and assistance in the organization of the cooperatives and in the planning, development, construction, and operation of their housing projects.

6. The insurance authorization under Section 603 of Title VI was increased by $500,000,000,[2] with the provision that the increase was to be used for the insurance of mortgages under Section 608 pursuant to applications submitted on or before March 1, 1950.

Section 603(a) was further amended to make the unused authorization under Section 610 available for mortgages insured under Section 609 (loans to prefabricators) and Section 611 (blanket mortgages on projects of 25 or more single-family dwellings built for sale).

7. Certain technical amendments were made to Section 610, which is designed to assist in the disposal of Government-owned property.

[1] Presidential approval of the additional increase was given in three stages during the year, on request: $650 million on July 18, $300 million on September 20, and $300 million on November 15.

[2] Presidential approval of an increase of $300 million had been given on February 23, 1950, bringing the authorization to the maximum of $6,650,000,000 provided under the amendments of October 25, 1949.

8. Section 611 was amended by increasing the maximum loan-value ratio from 80 percent to 85 percent; by changing the maximum mortgage amount computed on the appraised value of the individual dwellings from $6,000 per dwelling to $5,950, with provision for increasing this amount by $850 for each bedroom in excess of two and not in excess of four; and by providing for the inclusion of a release clause in the blanket mortgage to permit the release of individual dwellings and the placin gof individual mortgages on the dwellings so released. The individual mortgages may be insured under Section 611, and, if the mortgagor is the owner-occupant, may involve a principal obligation in such amount and having such maturity and interest rate as a mortgage eligible for insurance under Section 203(b)(2)(D).

9. Authorization was given to the Commissioner to process applications and issue commitments under the various sections and titles of the act even though the permanent mortgage financing may not be insured under the act.

Public Law 498, Eighty-first Congress, approved May 2, 1950, amended Title VIII of the National Housing Act by authorizing the Secretary of the Army, Navy, or Air Force to engage architects and engineers outside the Government to prepare plans and specifications for military housing to be built under this title. The amendment also authorized the Secretary to negotiate for the purchase of land on which the housing is to be built, and to negotiate with the owner of the project for acquisition of the project by the Government at a later date without cost to the Government.

Cooperative Housing

Possibly the most significant amendment made to the National Housing Act in 1950 was the addition of Section 213, which authorizes the insurance of mortgages in amounts up to $5,000,000 on housing projects built by nonprofit cooperatives to provide housing for their members. The projects may be either "management type," with occupancy limited to the cooperative members, or "sales type," permitting release of dwellings to the individual members when the project is completed.

A Cooperative Housing Division under the direction of an Assistant Commissioner has been established in the Washington headquarters of the FHA. It includes a legal advisory section prepared to advise groups on organization steps and FHA legal requirements; a technical advisory section to render advice and assistance on land planning and architectural matters; and a management advisory section to assist cooperative groups in all phases of management, including their administrative, fiscal, and maintenance activities. A public interest group comprising representatives of labor and veterans' organizations, community interest groups, housing associations, and others meets regularly with the staff of the division to discuss policies and procedures governing FHA cooperative housing activities.

Meetings held with representatives of lending institutions have demonstrated that mortgage financing is readily available for projects built by cooperative groups under Section 213, and builders have shown an enthusiastic acceptance of this form of activity.

Interest Rate

Announcement was made on April 21, 1950, that the maximum interest rate on home mortgages insured by the Federal Housing Administration would be reduced to 4¼ percent, effective with respect to all applications received in FHA field offices on and after April 24, 1950.

This announcement followed a study of the mortgage market over a period of several months, which indicated that long-term mortgage money would be available throughout the country at 4¼ percent. The reduction had the effect of lowering home financing costs and thereby broadening the applicability of the FHA program.

Credit Restrictions

Pursuant to a request of the President on July 18, 1950, that additional credit controls be inaugurated in all Government programs of assistance for housing finance, to conserve building materials that might be needed for national defense and to curb inflationary tendencies, the FHA Commissioner put into effect the following restrictions with respect to applications or requests for eligibility statements received on and after July 19, 1950:

1. Construction cost figures used in analyzing property for mortgage insurance or yield insurance were frozen as of July 1, 1950.
2. Maximum loan-value ratios and loan-cost ratios specified in the administrative rules were reduced by 5 percent of value or cost.
3. The maximum amount of a mortgage on a single-family dwelling was reduced from $16,000 to $14,000.

Also, with respect to applications dated on and after August 1, 1950, for Title I property improvement loans, the borrower was required to make a down payment of 10 percent of the cost of the improvements.

Military housing and housing in Alaska were excepted from these controls.

By Executive Order 10161, dated September 8, 1950, the President delegated to the Federal Reserve Board the authority given to him in the Defense Production Act to control credit on conventionally financed real estate, and stipulated that the Board should obtain the concurrence of the Housing and Home Finance Administrator in regulations affecting residential property. Presidential authority with respect to real estate loans made, insured, or guaranteed by the Government was delegated by the same Executive order to the Housing and Home Finance Administrator, with the requirement that regulations authorized by the Administrator conform in general with those of the Federal Reserve Board in which he concurred.

As of October 12, 1950, when Regulation X of the Federal Reserve Board became effective, FHA administrative rules with respect to insured mortgage loans were amended so as to conform substantially with the provisions of Regulation X. The effect of the amendments was to restrict the loan-value or loan-cost ratios and the maturities of loans in excess of $2,500. From October 12, 1950, to January 12, 1951, Regulation X applied only to one- and two-family dwellings. Loans to finance major additions and improvements, as well as loans to finance the purchase, construction, and refinancing of properties, are included under its provisions.

Regulation X was expected to curtail the 1951 volume of residential construction by about one-third of the estimated 1950 volume. This would result in the building of 800,000 to 850,000 units in 1951. By the end of 1950 there had not yet been time to test thoroughly the effect of the regulation. The rate of new construction started was still high, reflecting both the momentum of the high rate of operations earlier in the year and the backlog of units approved for mortgage insurance before the imposition of credit controls. However, the number of applications for home mortgage insurance under Section 203, which had declined after the July restrictions became effective and then increased sharply in October, was considerably lower in the last 2 months of the year than at any time in the preceding 10 months.

Title I property improvement loans of $2,500 or less are subject to the provisions of Regulation W of the Federal Reserve Board affecting consumer credit.

Minority Groups

FHA field offices reported a notable increase during the year in the proportion of new housing available to minority groups. It is apparent that the building industry is increasingly aware of the market that exists among members of these groups for more and better housing. The reports of the Housing Census of 1950 will provide a statistical basis for estimating the nature and extent of this market in specific localities.

In order to strengthen FHA efforts to encourage improvement in housing standards and conditions among minority groups, the Commissioner appointed in May 1950 an administrative officer for minority-group housing, who acts as consultant and adviser to the Commissioner and his staff in Washington and to FHA State and district directors, and maintains contacts with financial institutions, builders, architects, and others, for the purpose of devising practical measures for the development of housing open to minority groups by means of the various FHA mortgage insurance programs.

Field Organization

The field organization was expanded in 1950 by the establishment of 4 new insuring offices, 12 new service offices, and 15 new valuation stations. One valuation station was closed during the year. Since a number of offices were newly designated as insuring or field offices by changing the functions of existing offices, there was a net increase of 19 new field offices, bringing the total at the end of the year to 139. These included 72 insuring offices, in which applications for mortgage insurance are received and undergo complete processing; 26 service offices, which receive applications for mortgage insurance and process them for submission to insuring offices for review, issuance of commitments, and endorsement for insurance; and 41 valuation stations in which technical personnel prepare architectural and valuation reports for the insuring offices having jurisdiction in their respective areas.

In the interests of achieving economy, efficiency, and effectiveness in the administration of FHA programs, a permanent field management improvement committee was established in the Washington headquarters of the FHA on February 27, 1950, with the Assistant Commissioner in charge of field operations as chairman.

On April 21, 1950, the field offices were regrouped into five geographical zones. The activities of the offices in each zone are supervised by a Zone Commissioner at Washington headquarters.

Aggregate Volume of Insurance

By the end of 1950, total insurance written by the FHA from the beginning of its operations exceeded $22.7 billion. Of this amount, $8.3 billion had been terminated and it was estimated that about $1.7 billion had been amortized, leaving slightly less than $12.8 billion outstanding.

The largest amount of insurance written under any single FHA program to date is the $10.9 billion on home mortgages under Section 203. The second largest amount is the $4.6 billion in Title I property improvement loan insurance.

Despite the expiration of new operations under the popular Section 608 program in the spring, and the dampening effect of credit curbs on home mortgage operations in the fall, the $4.3 billion of insurance written under all titles in 1950 was the largest volume in any one year of FHA history, representing a 14 percent increase over the 1949 total of $3.8 billion. The number of applications received, housing units started, and units completed in 1950 also established new records, as did the $700 million of property improvement loans insured.

About 57 percent of the year's dollar volume of insurance was under the home mortgage provisions of the National Housing Act, 27 percent under the rental and cooperative provisions, and 16 percent under the Title I property improvement provisions. About 343,000 home mortgages, 1,600 project mortgages (involving 154,100 units), and 1,450,000 property improvement loans were insured.

Chart I and Table 1 show the yearly volume of FHA insurance written. Table 2 shows the status of insurance under all titles at the end of 1950.

New dwelling units started in 1950 under FHA inspection totaled 475,000. (See Chart II and Table 3.) This number was almost one-third greater than the number started in 1949, and nearly two-thirds above the 1948 total. About 70 percent of the units started in 1950 were in one- to four-family structures.

FHA starts accounted for 35.1 percent of the total number of privately financed nonfarm starts reported by the Bureau of Labor Statistics, as compared with 36.4 percent in 1949. FHA's share of the total was high during the second half of the year—38.3 percent—compared with 32.0 percent during the first half.

As of December 31, 1950, the FHA had acquired through foreclosure 24,358 units of housing, representing 7/10 of 1 percent of the 3,276,652 units covered by mortgage insurance since the beginning of operations. Of the acquired units, 18,495 had been sold and 5,863 remained on hand at the end of 1950.

Losses on the total amount of mortgage insurance written from 1934 through 1950, including mortgages on war housing, amounted to 2/100 of 1 percent.

TABLE 1.—*Yearly volume of mortgages and loans insured by FHA: Face amount of mortgages and net proceeds of loans insured, all titles, 1934–50*

[Dollar amounts in thousands]

Year	Total all titles	Title I				Title II					
		Classes 1, 2, and 3 loans		Sec. 8		Sec. 203 home mortgages		Sec. 207 [1] rental and cooperative projects		Sec. 213 cooperative projects	
	Amount	Number	Net proceeds	Number	Amount	Number	Amount	Units	Amount	Units	Amount
1934	$27,406	72,658	$27,406								
1935	297,495	635,747	201,258			23,397	$93,882	738	$2,355		
1936	532,581	617,697	221,535			77,231	308,945	624	2,101		
1937	489,200	124,758	54,344			102,076	424,373	3,023	10,483		
1938	671,593	382,325	150,709			109,279	473,246	11,930	47,638		
1939	925,262	513,091	203,995			153,747	669,416	13,462	51,851		
1940	991,174	662,948	241,735			168,293	736,490	3,559	12,949		
1941	1,152,342	687,837	248,639			198,709	876,707	3,741	13,565		
1942	1,120,839	432,755	141,163			149,635	691,445	1,547	5,792		
1943	933,986	308,161	87,194			52,408	244,514	185	714		
1944	877,472	389,592	113,939			46,677	216,368	2,181	7,176		
1945	664,985	501,401	170,824			46,572	210,300	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
Total	22,738,905	11,433,809	4,645,799	209	964	2,000,812	10,948,684	[3] 45,902	[3] 186,350	285	2,691

TABLE 1.—*Yearly volume of mortgages and loans insured by FHA: Face amount of mortgages and net proceeds of loans insured, all titles, 1934–50*—Continued

[Dollar amounts in thousands]

Year	Title VI												Title VIII, Sec. 803 military housing	
	Sec. 603 home mortgages		Section 608 war and VEH rental projects		Sec. 603–610 home mortgages		Sec. 608–610 rental and cooperative projects		Sec. 609 manufactured housing		Sec. 611 site-fabricated homes			
	Number	Amount	Units	Amount	Number	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
1941	3,778	$13,431												
1942	68,706	267,016	4,295	$15,423										
1943	113,659	517,656	19,994	83,908										
1944	100,320	491,069	10,249	48,920										
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	336,321	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
Total	624,399	3,645,148	[4] 427,829	[3]3,145,420	2,777	11,968	3,905	8,325	1,474	3,907	748	4,527	16,669	135,123

[1] Includes rental and release clause projects insured under Sec. 210.
[2] Increase in amount of a mortgage insured prior to 1947.
[3] Includes 41,274 units provided in new and rehabilitation projects securing mortgages totaling $169,670,906.
[4] Includes 426,668 units provided in new and rehabilitation projects securing insured mortgages totaling $3,141,711,650.

YEARLY VOLUME OF FHA INSURANCE WRITTEN
1934 - 1950

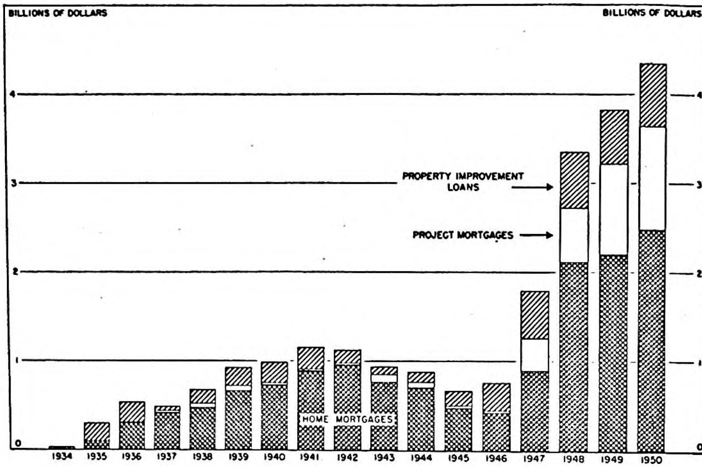
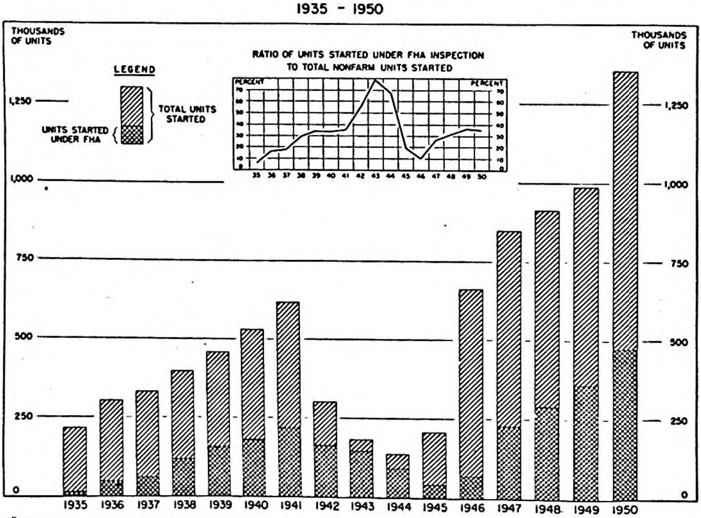


CHART I.

NEW DWELLING UNITS STARTED UNDER FHA INSPECTION
AND TOTAL NUMBER OF NONFARM DWELLING UNITS STARTED *
1935 - 1950



* BASED ON TOTAL PRIVATELY FINANCED NONFARM DWELLING UNITS STARTED AS REPORTED BY THE BUREAU OF LABOR STATISTICS

CHART II.

TABLE 2.—*New dwelling units started under FHA inspection and total number of privately financed nonfarm dwelling units started, 1935–50*

Year	1- to 4-family homes					Rental and cooperative projects					Total FHA units	Total United States units [3]	Percent FHA to total
	Class 3 and Sec. 8 [1]	Sec. 203	Sec. 603	Sec. 611	Total	Sec. 207 [2]	Sec. 213	Sec. 608	Sec. 803	Total			
1935		13,226			13,226	738				738	13,964	216,000	6.5
1936		48,752			48,752	624				624	49,376	304,000	16.2
1937		56,980			56,980	3,023				3,023	60,003	332,000	18.1
1938	5,845	100,966			106,811	11,930				11,930	118,741	399,000	29.8
1939	10,783	133,874			144,657	13,462				13,462	158,119	458,000	34.5
1940	10,194	166,451			176,645	3,446				3,446	180,091	530,000	34.0
1941	9,145	180,156	27,790		217,091	3,296				3,296	220,387	619,000	35.6
1942	4,010	41,578	114,616		160,204	1,163		4,295		5,458	165,662	301,000	55.0
1943	307	338	125,474		126,119	41		19,994		20,035	146,154	184,000	79.4
1944		208	83,396		83,604			9,655		9,655	93,259	139,000	67.1
1945		17,049	21,848		38,897	200		2,062		2,262	41,159	208,000	19.8
1946		44,244	22,878		67,122	41		1,870		1,911	69,033	662,000	10.4
1947	(1)	20,884	157,168		178,052			50,766		50,766	228,818	846,000	27.0
1948	(1)	82,979	130,464		213,443			77,610		77,610	291,053	914,000	31.8
1949	(1)	241,559	7,806	100	249,465	813		109,747	268	110,828	360,293	989,000	36.4
1950	2,440	324,937	117	372	327,866	2,277	141	132,461	12,315	147,194	475,060	1,352,000	35.1
Total	42,724	1,474,181	691,557	472	2,208,934	41,054	141	408,460	12,583	462,238	2,671,172	8,453,000	31.6

[1] 1938–43 figures are Class 3 data; 1947–50 Class 3 figures for reactivated program are not available; 1950 figure records 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.

TABLE 3.—*Status of insurance written under all titles: As of Dec. 31, 1950*

[Dollar amounts in thousands]

Status of insurance written	Total all titles, amount	Title I				Title II, Sec. 203 home mortgages	
		Classes 1, 2, and 3 loans [1]		Sec. 8 home mortgages			
		Number	Net proceeds	Number	Amount	Number	Amount
Total insured	$22,738,905	11,433,809	$4,645,799	209	$964	2,000,812	$10,948,684
Less: Terminated	8,259,223	8,379,825	2,946,499	-----	-----	880,845	3,972,610
Total in force	14,479,682	3,053,984	1,699,303	209	964	1,119,967	6,976,073
Less: Estimated amount amortized	1,693,619	-----	666,493	-----	-----	-----	745,853
Net balance outstanding	12,786,064	3,053,984	1,032,807	209	964	1,119,967	6,230,221

Status of insurance written	Title II				Title VI, Sec. 603 home mortgages [3]	
	Sec. 207 rental and cooperative projects [2]		Sec. 213 cooperative projects			
	Units	Amount	Units	Amount	Number	Amount
Total insured	45,902	$186,350	285	$2,691	627,176	$3,657,117
Less: Terminated	37,252	141,317	-----	-----	235,950	1,122,812
Total in force	8,650	45,033	285	2,691	391,226	2,534,304
Less: Estimated amount amortized	-----	5,130	-----	-----	-----	231,619
Net balance outstanding	8,650	39,903	285	2,691	391,226	2,302,685

Status of insurance written	Title VI						Title VIII, Sec. 803 military housing projects	
	Sec. 608 rental projects [3]		Sec. 609 manufactured housing [4]		Sec. 611 site-fabricated homes			
	Units	Amount	Units	Amount	Units	Amount	Units	Amount
Total insured	431,734	$3,153,745	1,474	$3,907	748	$4,527	16,669	$135,123
Less: Terminated	14,880	72,251	1,142	3,133	100	600	-----	-----
Total in force	416,854	3,081,493	332	773	648	3,927	16,669	135,123
Less: Estimated amount amortized	-----	44,455	-----	61	-----	8	-----	-----
Net balance outstanding	416,854	3,037,039	332	712	648	3,919	16,669	135,123

[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.

Mortgage Insurance Operations in 1950

The scope of FHA mortgage insurance operations was expanded in the first half of the year by the Housing Act of 1950, which added two new programs—cooperative housing under Section 213, and lower-cost homes under Section 8—and liberalized the provisions of other programs. The chief purpose of the amendments was to encourage the production of housing for middle-income families in accordance with the recommendation made by the President in his State of the Union Message on January 4, 1950, in which he said:

"There is still an acute shortage of housing for the lower- and middle-income groups, especially in large metropolitan areas. To aid middle-income families, I recommend that the Congress enact new legislation authorizing a vigorous program to help cooperatives and other nonprofit groups build housing which these families can afford."

The reduction by FHA in the maximum interest rate on insured mortgages, which became effective with respect to applications received on and after April 24, 1950, also had this purpose in view.

The Housing Act of 1950 was signed by the President on April 20. The new provisions had been in effect less than three months when the midsummer crisis in the international situation caused a change in the outlook for housing, making it desirable to slow down the tremendous volume of homebuilding. The credit restrictions of July 19 and October 12 on mortgages insured by the FHA affected the trend of applications for mortgage insurance but, because of the large volume of outstanding commitments and applications on hand on the effective dates, did not prevent the insurance written during the year from rising to the highest point ever reached, both in dollar amount and in number of mortgages insured.

Throughout the year the FHA continued its efforts to improve the quality and promptness of its service.

Mortgage procedure representatives were appointed in a number of FHA field offices to assist lending institutions in interpreting FHA rules, regulations, policies, and procedures. It is planned eventually to have these representatives in all but the smallest offices.

A number of field offices have held conferences or series of conferences attended by personnel of lending institutions taking part in the FHA program. The meetings have been highly successful in promoting better understanding between these institutions and the FHA of their common objectives and methods.

Early in the year the FHA put into effect in both its Washington and its field offices a management improvement plan for the purpose of reducing costs of operation, improving efficiency of personnel, and eliminating unnecessary work.

A special field committee met in Washington in October 1950 to discuss proposed amendments to FHA procedures.

A series of regional administrative and underwriting conferences was also held during the year.

Approximately 150 proposed special methods of construction were investigated and reported on by FHA engineers during the year.

Some 60 conclusions and recommendations were made following analysis and investigation of proposed use of new construction and finishing materials and household equipment. A similar number of reports were made of new mechanical equipment in the electrical and heating fields. About 100 reports were made on proposed sanitary equipment and improved methods of sewage disposal.

The FHA continued during the year, through its housing market analysis program, to give encouragement to housing market research carried on by local groups having an interest in the orderly compilation and dissemination of pertinent data. In a number of cities the efforts of these groups, which include builders, realtors, lenders, government agencies, universities, and other organizations and individuals, have been consolidated through the formation of local residential research committees that pool statistics and research facilities for the common benefit.

Preparations were made in 1950 for summarizing the characteristics of home mortgage cases insured in individual metropolitan districts, for comparison with 1950 Housing Census information. A similar comparison with 1940 Housing Census statistics was made in the early 1940's in a monograph entitled "FHA Homes in Metropolitan Districts" (now out of print).

The volume of mortgage insurance written during the year under the various provisions of the National Housing Act is summarized in the following paragraphs. More detailed discussions of both volume and characteristics of insured mortgages are given in Section II of this report.

Home Mortgage Insurance

Home mortgages were insured in 1950 under the provisions of Sections 8, 203, 603, and 611 of the National Housing Act.

Section 8, added to the act in April 1950, provides for the insurance of individual mortgages on new single-family homes for families of low and moderate income, particularly in localities where it may not be practicable to obtain conformity with all the requirements essential in urban residential areas. The mortgage amount may not exceed $4,750 when the borrower is the owner-occupant, or $4,250 when the borrower is an operative builder. In addition to broader acceptability with respect to sites, Section 8 differs from Section 203 in permitting the relaxation of certain construction requirements.

From the enactment of Section 8 in April 1950 to the end of the year, 209 mortgages totaling $964,400 were insured under its provisions. Applications received during the year totaled 5,652.

Section 203 contains the original home mortgage insurance provisions of the National Housing Act, as amended by subsequent legislation. Under FHA administrative rules currently in effect, a Section 203 mortgage on a single-family home may not exceed $14,000. The maximum mortgage on a two-family home is limited by the act to $16,000. The Housing Act of 1950 authorized increases to $20,500 and $25,000, respectively, in the maximum amounts of mortgages insured under Section 203 on three- and four-family units.

In 1950 the number of mortgages insured under Section 203 totaled 338,125 in an aggregate amount of $2.5 billion—an increase of 31.2 percent in number and 33.0 percent in amount over the figures for the preceding year. Nearly 65 percent of the 1950 mortgages were on new homes.

Although no new-construction commitments have been issued since April 30, 1948, under the emergency-housing provisions of Section 603, mortgages insured in 1950 under these provisions totaled 2,094 and amounted to over $16 million.

Under Section 603–610 there were 604 mortgages, totaling $2.9 million, insured during the year on one- to seven-family properties sold by the Government.

Mortgages insured under Section 611 on projects of 25 or more site-fabricated single-family homes covered 473 units and amounted to $2.9 million.

Cooperative Housing

From the enactment of Section 213 in April 1950 to the end of the year, the FHA received applications for mortgage insurance totaling nearly $360 million on 303 cooperative projects representing 37,748 dwelling units. As of December 31, 1950, statements of eligibility and commitments of insurance issued totaled $46 million on 33 projects, and 250 projects in the aggregate amount of $299 million were under consideration at the end of the year. Mortgages had been insured on six projects in the total amount of $2.7 million, representing 285 units.

Rental Housing

Mortgages on rental projects were insured in 1950 under the provisions of Sections 207, 608, 608–610, and 803.

Section 207 embodies the long-range rental housing program authorized by the National Housing Act. From August 1948 to April 1950, this section also authorized the insurance of mortgages on cooperative projects. The cooperative provisions were eliminated from Section 207 by the Housing Act of 1950, which provided a broader authorization for cooperative housing insurance under Section 213.

In 1950, mortgages totaling $18.1 million on 2,514 units of housing were insured under the rental and cooperative provisions of Section 207.

Section 608, enacted in 1942, has provided mortgage insurance on rental housing during the war and the postwar housing emergency. Although no applications have been accepted since March 1, 1950, for insurance on new-construction mortgages under this section, the volume of mortgages insured in 1950 was the largest of any year since its enactment, reaching a total of over a billion dollars on 135,092 rental units.

Under Section 608–610, providing for mortgage insurance on specific types of projects sold by the Government, mortgages amounting to $1.9 million on 1,104 units of housing were insured in 1950.

Title VIII, added to the act in August 1949, has been instrumental in providing badly needed housing for military and civilian personnel at installations of the armed services in many parts of the country. Mortgages insured under the provisions of Section 803 of this title in 1950 covered 15,129 units and amounted to over $123 million.

Prefabricated Housing

Section 609 of the National Housing Act authorizes the FHA to insure short-term loans to provide working capital for manufacturers of houses. One loan of this type, in the amount of $275,000 and involving 150 housing units, was insured in 1950.

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 is financed under Section 609. During the year, 174 of these purchasers' loans for $461,000 were insured. Allowance made for amendments in manufacturers' contracts insured in earlier years brought the total insurance written under Section 609 for the year to $569,000.

The manufacturer can file a preliminary application with FHA for review, and, if it appears from this review that satisfactory arrangements can be made leading to a formal commitment, preliminary approval is indicated. An application for insurance can then be filed by an approved lending institution. In 1950, 5 preliminary applications were received, 3 of which resulted in formal applications totaling $450,000 and involving 216 units. One of these, in the amount of $275,000, involving 150 units, was insured in 1950. On another, a commitment was outstanding as of December 31, 1950, while the third remained in the formal application stage at that date. One preliminary application was never brought to a conclusion, and the other was rejected.

From the enactment of Section 609 in June 1947 to the end of 1950, 8 loans aggregating $2.9 million for the manufacture of 1,108 units had been insured. As of December 31, 1950, 3 loans had been repaid, 3 were outstanding, and debentures had been issued on the remaining 2 under the terms of the insurance contracts. Of the 366 purchasers' notes for $960,000 insured under Section 609, 92 notes totaling $254,-000 were still in force at the end of 1950, 210 notes totaling $524,000 had been paid in full, and 64 notes totaling nearly $182,000 had been defaulted and assigned to FHA.

Property Improvement Loans

In 1950 the FHA insured 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 property improvement 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.
Class 3 [3]	Construction of a new structure to be used for residential purposes.	20 years, 5 months	4,500	Interest at 4½ percent per year, or equivalent charge on discount basis.

[1] Subject to Regulation W of the Board of Governors, Federal Reserve System.
[2] With respect to any loan applied for on or after Aug. 1, 1950, the borrower is required to make a cash down payment of at least 10 percent of the cost of the improvement.
[3] Discontinued Mar. 1, 1950, by Public Law 475, 81st Cong., approved Apr. 20, 1950.

Application for a Title I loan is made to a lending institution either 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.

The Housing Act of 1950 (Public Law 475, 81st Cong., approved April 20, 1950) extended until June 30, 1955, the Commissioner's authority to insure Title I loans. This extension made it possible to amend FHA regulations so that the insurance reserves of insured lending institutions could be placed on a continuing basis in place of the intermittent periodic plan previously used. Under the amended regulations, effective March 1, 1950, each lending institution has until the 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 thereafter, 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 also changed the basis for establishing the Commissioner's total liability from a rather complicated formula to a simple limitation of $1,250,000,000 of insured Title I loans which may be outstanding at any one time. The estimated amount of loans outstanding as of December 31, 1950, was $1,032,807,007.

Several amendments to the governing regulations, in addition to the one mentioned above, were put into effect during the year, most of them for purposes of clarification. Three amendments are noteworthy. In July 1950, pursuant to the request of the President that certain administrative actions be taken in order to combat inflation, the Commissioner amended the regulations to provide that, with respect to any property improvement loan for which the application was dated on or after August 1, 1950, the borrower would be required to make a cash down payment of at least 10 percent of the cost of the improvements.

In two other important amendments to the regulations the Commissioner cooperated with the Board of Governors of the Federal Reserve System by providing that Title I property improvement loans must conform to the provisions of Regulations W and X issued by the Federal Reserve Board.

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. The 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 1950, 1,488,651 loans were insured. Total net proceeds of these loans amounted to $700.2 million, which is 15 percent greater than the 1949 total. Since 1934, when Title I property improvement loans were first made, 11,433,809 loans with net proceeds of over $4.6 billion have been insured.

At the close of the year there were about 9,000 financial sources for Title I property improvement loans. These included 6,300 main offices of lending institutions, together with 2,700 branches. Of the 6,300 insured lending institutions 4,400 (excluding branches) made Title I loans in 1950—a slight increase over the number that made such loans in 1949.

Claims and Recoveries

In 1950 the FHA paid 56,453 claims amounting to $18.2 million, which represents an increase of 4 percent over the 1949 dollar amount. Since 1934, 369,382 claims have been paid for a total of $110.4 million. This is 2.38 percent of the total net proceeds of all insured loans, as compared with 2.34 percent at the end of 1949.

The fact that $110.4 million has been paid in claims does not mean that the FHA has sustained a loss in this amount. Recoveries, actual and anticipated, of $58.4 million reduce the claim figure to $51.9 million, which is only 1.12 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.

Total cash recoveries made in 1950 amounted to $5.2 million, not including $282,243 collected as interest, and represented an increase of 52.6 percent over the $3.4 million of recoveries made in 1949. The direct cost of collections for 1950 was $780,905, an average of 14 cents per dollar recovered. For the year 1949 the average collection cost was 16.3 cents. The cumulative direct collection cost since 1934 is 14.5 cents for each dollar recovered.

Detailed statistics of Title I property improvement loan insurance may be found in Section II of this report.

Financial Position

From the establishment of the Federal Housing Administration in 1934 through June 30, 1950, its gross income from fees, insurance premiums, and income on investments totaled $442,449,821, while operating expenses amounted to $214,947,818. Expenses of administration during the first three fiscal years of its existence, 1935 through 1937, were met from funds advanced through the Reconstruction Finance Corporation by the United States Treasury. During the next 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 1950 under all insurance operations of the FHA totaled $86,922,072. Expenses of administering the agency during the fiscal year 1950 amounted to $27,502,044, leaving an excess of gross income over operating expenses of $59,420,028 to be added to the various insurance funds.

Public Law 211, Eighty-first Congress, approved August 8, 1949, amended the National Housing Act by adding a new Title VIII to provide for the insurance of mortgages on military housing, and created a new insurance fund, known as the Military Housing Insurance Fund, to be used by the FHA Commissioner as a revolving fund for carrying out the provisions of Title VIII. 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 (Public Law 357, 81st Cong.).

Public Law 475, Eighty-first Congress, approved April 20, 1950, amended the National Housing Act by adding Section 8 to Title I, providing for the insurance of mortgages in amounts up to $4,750 on single-family dwellings, and created an additional insurance fund known as the Title I Housing Insurance Fund to be used by the FHA Commissioner as a revolving fund for the purpose of carrying out the provisions of Section 8. For the purposes of this fund, the Commissioner is authorized to transfer the sum of $1,000,000 from the Title I Insurance Fund.

Public Law 475, Eighty-first Congress, further amended the National Housing Act by adding Section 213 to Title II. This section authorizes the Commissioner to insure mortgages which cover property held by nonprofit cooperative ownership housing corporations or trusts, the permanent occupancy of which is restricted to members of such corporations or beneficiaries of such trusts; or nonprofit corporations or trusts organized for the purpose of construction of homes for members of the corporations or beneficiaries of the trusts.

Section 213 operates as a part of the Housing Insurance Fund, which also covers insurance operations under Sections 207 and 210.

At June 30, 1950, the Federal Housing Administration had capital and statutory reserves of $230,200,984. Of this amount, the Government had contributed $67,497,643 and the remaining $162,703,341 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 $44,497,643 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 are given below:

Title I Insurance Fund	$13, 894, 163
Title I Housing Insurance Fund	1, 021, 880
Mutual Mortgage Insurance Fund	133, 393, 450
Housing Insurance Fund	5, 406, 438
War Housing Insurance Fund	68, 954, 025
Housing Investment Insurance Fund	972, 848
Military Housing Insurance Fund	5, 600, 169
Administrative Expense Account	958, 011
	$230, 200, 984

Participation payments from group accounts in the amount of $6,707,409 for 44,066 families financing their homes under the mutual morgtage insurance program of the Federal Housing Administration were made during the fiscal year 1950. The first participation payments were made as of January 1, 1944, and during the 6½ years following that date total payments of $23,297,919 have been made on 251,472 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.

Pursuant to a recommendation made by the General Accounting Office, a separate Audit Division was established as part of the FHA organization on August 4, 1950. This division conducts a continuing independent internal audit of the fiscal accounts of the FHA and also audits the accounts of approved mortgagees not under governmental supervision to determine compliance with the supervision requirements of FHA administrative rules.

Detailed discussion of FHA accounts and financial operations appears in Section III of this report.

Publications

The following are the principal new or revised FHA publications issued in 1950. Unless otherwise indicated, they can be obtained, without charge, from the Federal Housing Administration, Washington 25, D. C.

Administrative Rules and Regulations under Section 8 of the National Housing Act.—FHA Form No. 2000, issued April 20, 1950.

Administrative Rules and Regulations for Rental Housing Insurance under Section 608 of the National Housing Act (as amended April 20, 1950).—FHA Form No. 2027, reprinted May 23, 1950, to include all amendments through May 23, 1950.

Administrative Rules and Regulations under Section 611 of the National Housing Act.—FHA Form No. 2900, revised April 20, 1950.

A Guide to Cooperative Housing.—FHA Form No. 3215, issued July 1950.

Amortization and Mortgage Insurance Premium Tables for Mortgages to be Insured under Section 203 of the National Housing Act.—FHA Form No. 2042B, revised April 20, 1950.

Annual Report.—Sixteenth annual report of the Federal Housing Administration; year ending December 31, 1949. Government Printing Office, Washington 25, D. C. 40 cents.

Cooperative Housing Insurance.—Administrative rules and regulations under Section 213 of Title II of the National Housing Act; FHA Form No. 2076, revised May 2, 1950.

Cooperative Housing Insurance.—Amortization and mortgage insurance premium tables for individual mortgages to be insured under Section 213 of the National Housing Act; FHA Form No. 3200, issued April 20, 1950.

Dealer Guide for FHA Title I Loans.—Form FH–30A, revised September 1950. Government Printing Office, Washington 25, D. C. 5 cents.

Insured Mortgage Portfolio (issued quarterly).—Vol. 14, Nos. 3 and 4; Vol. 15, Nos. 1 and 2. Government Printing Office, Washington 25, D. C. Single copy 15 cents, annual subscription 50 cents.

Minimum Requirements for Title I Insured Mortgages under Section 8 of the National Housing Act.—Form FH–810, issued April 1950.

Mortgagees' Handbook.—FHA Form No. 2534, revised January 1950. Government Printing Office, Washington 25, D. C. $4.50.

Multifamily Rental Housing Insurance.—Administrative rules and regulations under Section 207 of Title II of the National Housing Act; FHA Form No. 2012, revised April 20, 1950.

Mutual Mortgage Insurance.—Administrative rules and regulations under Section 203 of the National Housing Act (as amended April 20, 1950); FHA Form No. 2010, reprinted April 24, 1950, to include all amendments through April 24, 1950.

Property Improvement Loans under Title I of the National Housing Act.—Regulations governing Class 1 and 2 loans, including all amendments to July 18, 1950; Form FH–20, reprinted August 1, 1950.

Space and Equipment for Rental Housing.—FHA Form No. 2467. Government Printing Office, Washington 25, D. C. 20 cents.

Tables of Maximum Allowable Spans for Wood Floor Joists, Ceiling Joists, Rafters, in Residential Construction.—FHA Form 2550, revised March 1950.

The FHA Plan of Home Ownership.—FHA Form No. 2098, revised August 1950. (Obsolete.)

Section II

STATISTICS OF INSURING OPERATIONS

A detailed statistical analysis of the insuring operations of the Federal Housing Administration during 1950, as provided for under Titles I, II, VI, VII, and VIII of the National Housing Act, as amended, is presented in this section. There were in operation during the year three major types of FHA programs: (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 activity was reported under the yield insurance provisions of Title VII. The statistics covering each of the three major types of programs are analyzed in Section II, first as to volume of insuring operations and, second, as to characteristics of the individual cases insured.

The relative importance of each of these three FHA programs, based on the dollar volume of insurance written during the year and cumulative from the beginning of operations in 1934 through 1950, is shown below:

Type of insurance	Year 1950		1934–50	
	Billions of dollars	Percent	Billions of dollars	Percent
Home mortgages	$2.5	57	$14.6	64
Rental and cooperative project mortgages	1.2	27	3.5	15
Property improvement loans	.7	16	4.6	21
Total	4.3	100	22.7	100

Of the $4.3 billion of insurance written during the year, 57 percent was written on home mortgages, 27 percent on rental project mortgages, and the remaining 16 percent on property improvement loans. On a cumulative basis, the relative share accounted for by each of these three programs is somewhat different, primarily because the insurance of mortgages secured by rental projects has been of major importance only during recent years. Relative to 1949, the 1950 annual volume of home mortgages insured increased about 10 percent, rental project insurance rose some 20 percent, while property improvement loans increased 15 percent.

Home Mortgage Insurance under Titles I, II, and VI

Home mortgages were insured by the Federal Housing Administration in 1950 under four separate sections of the National Housing Act: Section 203 of Title II, Section 8 of Title I, and Sections 603 and 611 of Title VI. One- to four-family structures are eligible for mortgage insurance under Sections 203 and 603, while one-family properties only are eligible under Sections 8 and 611. In addition, home mortgages financing the sale of certain publicly financed housing involving one- to seven-family dwellings were insured under Section 603 pursuant to the provisions of Section 610 of Title VI.

Volume of Business

Home mortgages insured in 1950 under these five programs (see Table 4) involved mortgage amounts totaling $2,489,000,000. These amounts, advanced by private lending institutions, financed the construction or purchase of 350,000 individual dwelling units. Of the total, $1,633,000,000 financed new homes containing some 224,000 dwelling units; the remainder of $856,000,000 financed 126,000 existing units.

The great bulk of home mortgages insured in 1950, as in 1949, was processed under the long-range Section 203 program.

Of the total new-construction mortgages insured, Section 203 accounted for nearly $1,614,000,000, or 99 percent. The remainder included $15,525,000 in mortgages covered by commitments issued under the Section 603 Veterans' Emergency Housing Program prior to April 30, 1948; $2,877,000 in Section 611 mortgages secured by site-fabricated dwellings; and about $1,000,000 in single-family home mortgages insured under the provisions of Section 8 of Title I. This is the first insurance reported under Section 8, which was added to the National Housing Act by the amendments of April 20, 1950.

Of the existing-construction or refinanced home mortgages insured during the year, Section 203 accounted for $852,000,000 of the $856,000,000 total. The remainder included some $2,880,000 in existing-construction mortgages insured under Section 603 pursuant to Section 610, while the refinancing of previously insured mortgages under Section 603 accounted for $481,000.

Looking down the yearly trend in Table 4, the 1950 volume of new-home mortgage insurance is the largest in the 16-year history of the Federal Housing Administration. The total amount of $1,633,000,000 represents an increase of more than $200,000,000, or 15 percent, over the corresponding figure for the previous record year of 1948. In

TABLE 4.—*Yearly volume of all home mortgages insured by FHA: Number of units and amount of mortgage on new and existing homes, by sections, 1935–50*

[Dollar amounts in thousands]

Year	Grand total, [1] [2] new and existing construction		Total, new [2] construction		Total, existing or refinanced construction	
	Units	Amount	Units	Amount	Units	Amount
1935	25,453	$93,882	5,091	$22,331	20,362	$71,551
1936	83,920	308,945	21,415	95,060	62,505	213,885
1937	110,850	424,373	38,479	168,867	72,371	255,506
1938	116,315	473,246	50,592	227,399	65,723	245,847
1939	160,449	669,416	103,186	461,018	57,263	208,398
1940	173,867	736,490	127,455	561,542	46,412	174,948
1941	208,044	890,139	161,509	707,126	46,535	183,012
1942	230,545	958,461	179,963	750,829	50,582	207,632
1943	189,398	762,170	140,432	552,218	48,966	209,952
1944	157,161	707,437	106,319	483,740	50,842	223,697
1945	103,418	474,344	54,829	257,243	48,589	217,101
1946	85,771	422,009	22,523	120,149	63,248	301,861
1947	150,114	894,716	71,384	476,927	78,730	417,789
1948	318,335	2,108,670	203,978	1,424,614	114,357	684,056
1949	316,497	2,198,212	182,366	1,305,716	134,131	892,496
1950	[3] 350,451	[3] 2,488,780	[3] 224,192	[3] 1,633,091	126,259	855,690
Total	[3] 2,780,588	[3] 14,611,291	[3] 1,693,713	[3] 9,247,873	1,086,875	5,363,419

New construction

Year	Sec. 203		Sec. 603		Sec. 611	
	Units	Amount	Units	Amount	Units	Amount
1935	5,091	$22,331	-	-	-	-
1936	21,415	95,060	-	-	-	-
1937	38,479	168,867	-	-	-	-
1938	50,592	227,399	-	-	-	-
1939	103,186	461,018	-	-	-	-
1940	127,455	561,542	-	-	-	-
1941	157,541	693,695	3,968	$13,431	-	-
1942	104,958	490,044	75,005	260,785	-	-
1943	9,186	45,184	131,246	507,034	-	-
1944	327	1,758	105,992	481,982	-	-
1945	1,585	7,600	53,244	249,643	-	-
1946	11,143	62,969	11,380	57,180	-	-
1947	10,643	69,701	60,741	407,226	-	-
1948	29,348	215,413	174,630	1,209,201	-	-
1949	134,283	968,499	47,808	335,567	275	$1,650
1950	221,381	1,613,725	2,129	15,525	473	2,877
Total	1,026,613	5,704,808	666,143	3,537,574	748	4,527

Existing or refinanced construction

Year	Sec. 203		Sec. 603		Sec. 603-610	
	Units	Amount	Units	Amount	Units	Amount
1935	20,362	$71,551	-	-	-	-
1936	62,505	213,885	-	-	-	-
1937	72,371	255,506	-	-	-	-
1938	65,723	245,847	-	-	-	-
1939	57,263	208,398	-	-	-	-
1940	46,412	174,948	-	-	-	-
1941	46,535	183,012	-	-	-	-
1942	49,179	201,401	1,403	$6,230	-	-
1943	46,043	199,330	2,923	10,622	-	-
1944	48,568	214,610	2,274	9,087	-	-
1945	47,284	211,700	1,305	5,401	-	-
1946	58,952	284,388	4,296	17,473	-	-
1947	70,603	375,966	8,119	41,802	8	$21
1948	110,297	664,940	2,989	15,725	1,071	3,390
1949	132,058	886,065	165	754	1,908	5,677
1950	125,186	852,330	136	481	937	2,880
Total	1,059,341	5,243,875	23,610	107,575	3,924	11,968

[1] For yearly volume of home mortgages insured, by sections (total construction), see Table 1.

[2] These totals exclude 46,142 loans aggregating $126,718,000 insured under Class 3 of Title I, since under that program the individual mortgages were not insured.

[3] Includes 209 units for $964,400 insured under Title I, Sec. 8.

terms of the number of new units, the 1950 total of 224,000 represents an increase of 10 percent over the 204,000 insured in 1948. The average mortgage per unit amounted to $7,284 for new-home mortgages insured in 1950.

The $856,000,000 in existing or refinanced home mortgages insured in 1950 represents a decline of 4 percent from the 1949 record total amount, with the number of units declining by approximately 6 percent. The average mortgage amount per dwelling unit for this group of mortgages in 1950 was $6,777.

TABLE 5.—*Disposition of cases closed: 1- to 4-family home mortgage applications closed, Sec. 203, for selected years, 1940–50*

Year	Disposition of cases closed [1] (percentage distribution)				Insured
	Total cases closed	Rejections [2]	Cond'l. commitments expired [2]	Firm commitments expired [2]	
			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
			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
			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

[1] Excludes cases still in process and commitments outstanding at end of year.
[2] Excludes cases reopened.

Status of processing.—A new peak total of 654,000 home mortgage applications was processed under Section 203 during 1950. Nearly 90 percent resulted in the issuance of commitments for the insurance of mortgages. Table 5 indicates that, of every 100 cases closed through rejection or disposition of commitments during the year, about 10 represented rejected applications, 27 were commitments allowed to expire, and 63 cases—nearly two out of every three—were endorsed for mortgage insurance. Net rejections were slightly higher and insured cases lower for existing-home mortgages than for new homes; however, for both new and existing properties, the rejection experience in 1950 was more favorable than in 1949.

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State Distribution

Totals for the year.—More than 147,000 of the home mortgages insured during 1950 were secured by properties located in six States. As Table 6 shows, California had the largest volume—51,700 cases, or 15 percent of the total. It was followed by New York with 25,200 cases, Texas with 22,800, Michigan with 19,300, Washington with 14,200, and Ohio with 14,100—the six-State total representing 43 percent of the volume for the entire country. An indication of the relative volume of each State or of particular areas of the country may be easily obtained from Chart III.

NUMBER OF HOME MORTGAGES INSURED UNDER ALL SECTIONS
1950

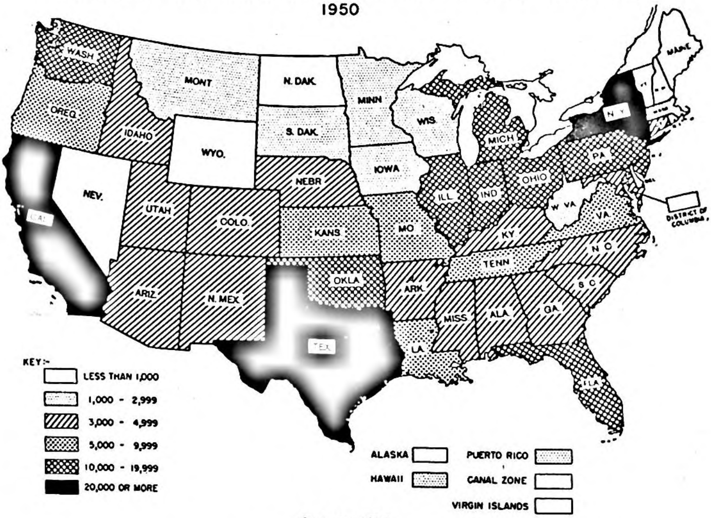


CHART III.

Cumulative totals.—California has been the leading State in number of home mortgages insured from the beginning of operations in 1934 through 1950, with 441,700 mortgages, which represent 17 percent of the national total. Other leading States have been Michigan with 177,500 mortgages, Texas with 163,100, Pennsylvania with 138,300, and New York with 130,100—the five States accounting for 40 percent of all home mortgages insured by the Federal Housing Administration.

Terminations and Foreclosures

The insurance of a mortgage loan by the Federal Housing Administration may be terminated in any one of several ways: The mortgage

TABLE 6.—*State distribution of all home mortgages: Number and face amount of home mortgages insured by FHA, all sections, 1950*

[Dollar amounts in thousands]

State location of property	Total		Sec. 203				Other sections [1]	
			New construction		Existing construction		Total construction	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Alabama	3,254	$22,863	2,080	$14,821	1,103	$7,797	71	$245
Arizona	4,138	26,986	3,269	22,177	860	4,767	9	42
Arkansas	4,087	26,065	2,394	15,976	1,693	10,089	-------	-------
California	51,727	385,884	34,705	260,996	16,779	123,373	243	1,516
Colorado	4,119	31,001	2,937	22,537	1,177	8,439	5	25
Connecticut	3,227	26,942	1,219	9,987	1,986	16,858	22	97
Delaware	596	4,322	528	3,798	68	524	-------	-------
District of Columbia	411	3,932	267	2,479	144	1,453	-------	-------
Florida	11,548	84,903	10,080	73,826	1,440	10,803	28	274
Georgia	4,425	31,585	2,926	20,878	1,497	10,694	2	13
Idaho	3,514	25,697	2,054	15,735	1,460	9,962	-------	-------
Illinois	10,996	88,821	5,362	42,361	5,585	46,079	49	381
Indiana	10,447	71,799	6,807	46,849	3,621	24,807	19	143
Iowa	2,990	21,410	1,408	10,487	1,569	10,879	13	44
Kansas	6,591	48,210	4,463	34.152	2,086	13,768	42	290
Kentucky	3,850	25,920	1,825	11,900	1,904	13,043	121	977
Louisiana	7,956	60,391	4,889	37,209	3.038	22,988	29	194
Maine	919	5,759	221	1,562	648	4,058	50	139
Maryland	4,078	31,485	2,351	18,521	1,707	12,775	20	189
Massachusetts	2,180	15,285	914	6,512	1,264	8,758	2	15
Michigan	19,305	141,726	10,921	81,252	8,378	60,434	6	40
Minnesota	2,717	21,815	1,556	12,540	1,116	8,917	45	358
Mississippi	3,904	23,499	3,176	19,498	725	3,988	3	12
Missouri	8,989	70,084	4,116	33,397	4,861	36,603	12	84
Montana	1,178	8,096	400	3,051	776	5,029	2	16
Nebraska	3,092	21,765	1,416	10,581	1,646	10,913	30	271
Nevada	763	6,529	536	4,729	227	1,800	-------	-------
New Hampshire	320	2,130	169	1,173	150	952	1	6
New Jersey	12,249	91,891	8,075	61,887	4,128	29,647	46	357
New Mexico	3,720	26,270	3,309	23,612	411	2,658	-------	-------
New York	25,231	198,416	20,315	161,447	3,995	30,370	921	6,600
North Carolina	4,613	30,705	3,891	25,671	721	5,028	1	6
North Dakota	407	3,117	223	1,728	184	1,389	-------	-------
Ohio	14,059	106,004	8,288	61,701	5,740	44,064	31	239
Oklahoma	10,554	72,837	7,434	52,568	3,088	20,106	32	163
Oregon	5,919	41,606	2,804	20,037	3,027	20,980	88	680
Pennsylvania	13,949	100,310	9,455	68,875	3,415	23,033	1,079	8,403
Rhode Island	324	2,586	226	1,769	97	812	1	5
South Carolina	3,518	16,536	908	6,199	2,610	10,337	-------	-------
South Dakota	1,303	9,089	616	4,832	687	4,257	-------	-------
Tennessee	6,372	42,182	5,239	34,947	1,106	7,117	27	117
Texas	22,830	155,682	17,030	117,802	5,687	37,268	113	612
Utah	3,193	24,623	2,041	16,226	1.121	8,161	31	237
Vermont	350	2,438	137	986	213	1,452	-------	-------
Virginia	6,504	45,869	3,448	23,361	3,017	22,235	39	273
Washington	14,181	102,540	4,384	32,284	9,454	68,970	343	1,287
West Virginia	1,818	12.883	771	5,751	1,017	6,996	30	136
Wisconsin	2,747	22,204	1,725	13,553	979	8,311	43	341
Wyoming	983	6,647	504	3,745	478	2,895	1	8
Alaska	113	1,310	27	314	86	997	-------	-------
Hawaii	1,045	9,843	594	5,399	451	4,444	-------	-------
Puerto Rico	1,640	12,316	1,096	7,829	544	4,488	-------	-------
Canal Zone	-------	-------	-------	-------	-------	-------	-------	-------
Virgin Islands	2	21	1	15	1	6	-------	-------
Total [2]	338,945	2,472,918	215,530	1,591.516	119,765	856,571	3,650	24,831

[1] Includes 209 mortgages for $964,400 insured under Sec. 8; 2,370 mortgages for $18,135,900 insured under Sec. 603; 598 mortgages for $2,854,300 insured under Sec. 603–610; and 5 site-fabricated home mortgages (473 units) for $2,876,600 insured under Sec. 611.

[2] Cases tabulated in Washington during the period Jan. 1, 1950 through Dec. 31, 1950.

TABLE 7.—*State distribution of all home mortgages: Number and face amount of home mortgages insured by FHA under all sections, cumulative through 1950*

[Dollar amounts in thousands]

State location of property	Total		Sec. 203		Sec. 603		Other sections [1]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Alabama	31,300	$167,005	21,628	$116,288	9,644	$50,589	28	$129
Arizona	24,161	131,950	17,032	88,705	7,122	43,215	7	30
Arkansas	26,852	134,830	21,475	108,798	4,869	24,493	508	1,540
California	441,725	2,455,838	315,628	1,712,713	125,864	741,683	233	1,441
Colorado	28,537	155,993	23,468	126,564	5,069	29,429		
Connecticut	26,421	159,858	18,929	122,603	7,482	37,201	10	54
Delaware	5,697	32,035	3,066	17,414	2,631	14,622		
District of Columbia	6,285	44,579	3,507	23,889	2,778	20,691		
Florida	77,258	447,438	50,411	282,303	26,845	165,125	2	9
Georgia	42,532	222,607	29,216	151,940	13,273	70,519	43	149
Idaho	13,077	68,689	12,549	65,581	527	3,104	1	5
Illinois	126,196	762,747	104,308	634,759	21,888	127,988		
Indiana	88,121	458,742	72,492	366,548	15,607	92,143	22	51
Iowa	22,651	117,249	20,134	103,686	2,515	13,554	2	10
Kansas	43,679	233,881	33,311	175,962	10,329	57,646	39	273
Kentucky	25,049	141,578	20,311	113,697	4,737	27,874	1	7
Louisiana	44,459	273,289	32,053	197,501	12,381	75,633	25	155
Maine	7,663	34,622	6,373	28,014	1,240	6,470	50	139
Maryland	42,280	242,495	27,885	154,079	14,395	88,416		
Massachusetts	15,415	87,420	12,339	70,145	3,076	17,275		
Michigan	177,453	996,945	136,174	749,135	41,276	247,793	3	17
Minnesota	26,053	145,184	21,244	113,224	4,809	31,960		
Mississippi	19,676	95,385	15,515	72,447	4,158	22,926	3	12
Missouri	65,758	367,922	58,642	329,232	7,080	38,418	36	272
Montana	8,251	40,695	7,916	37,838	334	2,849	1	8
Nebraska	23,265	120,408	17,397	88,887	5,868	31,520		
Nevada	5,786	35,777	3,863	25,615	1,923	10,162		
New Hampshire	3,764	17,940	3,436	15,822	328	2,118		
New Jersey	111,747	632,734	94,779	524,703	16,570	105,919	398	2,113
New Mexico	13,755	81,800	11,137	65,256	2,618	16,544		
New York	130,148	800,180	106,349	644,148	22,899	150,528	900	5,505
North Carolina	31,191	175,324	22,361	121,384	8,829	53,933	1	7
North Dakota	2,085	10,812	1,923	9,677	162	1,135		
Ohio	121,370	696,101	96,598	549,320	24,768	146,746	4	36
Oklahoma	68,172	374,289	50,432	272,402	17,705	101,689	35	199
Oregon	31,758	175,642	24,911	135,258	6,845	40,369	2	15
Pennsylvania	138,310	722,829	106,849	529,638	31,443	193,118	18	73
Rhode Island	5,605	29,413	4,342	22,683	1,263	6,730		
South Carolina	22,985	108,642	16,607	74,505	6,378	34,137		
South Dakota	7,520	35,618	7,000	32,179	520	3,439		
Tennessee	50,377	269,965	34,372	173,616	15,938	96,140	67	209
Texas	163,124	864,261	111,020	581,964	51,911	281,263	193	1,034
Utah	24,821	133,338	16,911	90,396	7,908	42,924	2	18
Vermont	3,450	15,277	3,164	13,879	283	1,372	3	27
Virginia	58,081	328,714	39,174	225,351	18,788	102,931	119	431
Washington	103,677	559,079	83,652	452,447	19,076	103,235	949	3,397
West Virginia	18,864	98,932	17,578	92,719	1,286	6,213		
Wisconsin	23,493	138,530	19,050	112,958	4,425	25,510	18	63
Wyoming	8,680	39,535	7,555	32,953	1,125	6,582		
Alaska	716	4,777	715	4,770	1	7		
Hawaii	5,000	35,940	4,456	32,263	544	3,677		
Puerto Rico	10,749	59,939	6,605	40,793	4,144	19,146		
Canal Zone								
Virgin Islands	5	45	3	33	2	13		
Total [2]	2,625,047	14,584,819	1,997,845	10,928,682	623,479	3,638,710	3,723	17,426

[1] Includes 209 mortgages for $964,400 insured under Sec. 8; 2,766 for $11,935,350 under Sec. 603–610; and 718 units for $4,526,600 in individual home mortgages insured under Sec. 611.

[2] Cases tabulated in Washington through Dec. 31, 1950.

debt 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 if the borrower has defaulted on his contract. In case of foreclosure, the mortgagee may either retain the property and forego the rights to insurance, or transfer title to the Commissioner of the Federal Housing Administration in exchange for debentures and a certificate of claim.

Approximately 132,000 individual loan contracts of home mortgage insurance were terminated in 1950 (Table 9). Of these, 110,580 involved prepayment in full of the mortgage debt; 17,637 were supersessions; 1,219 were cases in which the mortgage was paid in full at maturity; and 2,497 were foreclosures. Of the foreclosed properties, 637 were held by the mortgagees, while 1,860 were transferred to the Federal Housing Administration.

These 1950 terminations—up 50 percent over the 88,000 terminated in 1949—approached in number the record levels of 1946 and 1947 and brought the cumulative total of home mortgage insurance contracts terminated since the beginning of operations in 1935 to slightly under 1,117,000, or about 42 percent of the total number of home mortgages insured during the same period (Table 9). This left 58 percent, or approximately 1,512,000 insured home mortgage contracts in force at the end of 1950. The distribution of mortgages insured, terminated in the various ways described in the preceding paragraphs, and in force at December 31, 1950, is shown in Table 8 for all home mortgage

TABLE 8.—*Disposition of all home mortgages insured by FHA: Number and amount of mortgages insured, terminated, and in force, by sections, cumulative through Dec. 31, 1950*

[Dollar amounts in thousands]

Disposition	Total		Sec. 203		Sec. 603		Other sections [1]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Mortgages insured	2,628,945	$14,611,291	2,000,812	$10,948,684	624,399	$3,645,148	3,734	$17,459
Mortgages terminated:								
Prepayments in full	929,939	4,242,777	751,667	3,388,413	178,133	853,619	[2] 139	[2] 745
Prepayments by supersession	165,879	758,753	117,566	541,063	48,311	217,678	[3] 2	[3] 12
Matured loans	5,168	12,236	5,168	12,236				
Mortgages assigned to FHA								
Properties acquired by FHA	12,707	67,069	4,333	21,096	8,374	45,973		
Withdrawals	2,644	12,776	1,685	7,921	959	4,855		
Other terminations	558	2,412	426	1,881	132	531		
Total terminations	1,116,895	5,096,023	880,845	3,972,610	235,909	1,122,656	141	756
Mortgages in force	1,512,050	9,515,269	1,119,967	6,976,073	388,490	2,522,493	3,593	16,703

[1] Includes 209 mortgages totaling $964,400 insured under Sec. 8; 2,777 mortgages totaling $11,968,250 insured under Sec. 603–610; and 8 mortgages (748 units) totaling $4,526,600 insured under Sec. 611.
[2] Includes 39 mortgages totaling $144,950 insured under Sec. 603–610 and 1 mortgage (100 units) for $600,000 insured under Sec. 611.
[3] Includes 2 mortgages totaling $11,500 insured under Sec. 603–610.

sections combined, as well as separately for Sections 203 and 603, under which the great bulk of home mortgage cases have been processed by the Federal Housing Administration.

Yearly trend.—Comparative figures covering 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 9 for each year since 1935. Although the number of terminations in 1950 substantially exceeded the 1949 volume, it is interesting to note that the ratio of terminations during the year to mortgages in force at the beginning of the year was 6.4 percent in 1949 and 8.0 percent in 1950, compared with record ratios of 15.9 and 15.7 percent, respectively, in 1946 and 1947.

A similar comparison may be made for titles acquired by mortgagees under Section 203. Although the number of titles acquired increased in each of the last 4 years from a low of 15 in 1947 to 677 in 1950, the proportion of the cumulative number of insured mortgages represented by these cases has declined for nine consecutive years—from the high of more than one-half of 1 percent in 1940–41 to less than one-third of 1 percent at the end of 1950. Titles acquired during the year by mortgagees represented 0.060 percent in 1950 and 0.014 percent in 1949 of the number outstanding at the beginning of the year. These ratios compare with the much lower ratios of 0.006 percent in 1946 and 0.002 percent in 1947.

Section 203 insured mortgages in process of foreclosure at the year end numbered 502 cases, or 200 more than the corresponding figure for December 31, 1949. In relation to the number of insured mortgages in force, the number of foreclosures in process has increased from 0.01 percent during the war and early postwar years to 0.03 percent at the end of 1949 and 0.04 percent as of December 31, 1950. However, this ratio is still far below the high of 0.18 percent shown in Table 9 for 1938, 1939, and 1940.

Similar comparisons based on the 1949–50 data for Section 603 insured mortgages show the cumulative number of terminated cases increasing from 32 percent to nearly 38 percent, with the number of titles acquired by mortgagees increasing from 1.29 to 1.59 percent. Since any additional insurance under this program will relate only to a small number of refinancing mortgages, this ratio of cumulative terminations can be expected to rise consistently in the future.

The number of foreclosures in process at the year end under Section 603 declined from 979, or 0.23 percent, of the insured mortgages in force at the end of 1949 to 665, or 0.17 percent, at December 31, 1950.

State distribution.—Tables 10 and 11 show for properties located in each State the number of mortgages insured under Sections 203 and 603 through the end of 1950, the number of these insurance contracts

TABLE 9.—*Yearly trend of terminations of all home mortgage insurance contracts: Total terminations, titles acquired by mortgagees, and foreclosures in process under Secs. 203 and 603, 1935–50*

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 insured mortgages in force
		Number	Percent of total insured		Number	Percent of total insured		
				Total				
1935	95	95	0.41	2	2	0.01	(3)	(3)
1936	1,362	1,457	1.45	30	32	.03	(3)	(3)
1937	5,065	6,522	3.22	218	250	.12	(3)	(3)
1938	8,871	15,393	4.93	696	946	.30	548	0.18
1939	12,865	28,258	6.07	1,149	2,095	.45	808	.18
1940	22,829	51,087	8.06	1,452	3,547	.56	1,046	.18
1941	30,033	81,120	9.70	1,122	4,669	.56	750	.10
1942	38,152	119,272	11.31	573	5,242	.50	690	.07
1943	78,859	198,131	16.23	974	6,216	.51	320	.03
1944	111,802	309,933	22.66	2,791	9,007	.66	820	.08
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	[4] 131,933	[5] 1,116,895	42.50	2,610	16,301	.62	1,167	.08
				Sec. 203				
1935	95	95	0.41	2	2	0.01	(3)	(3)
1936	1,362	1,457	1.45	30	32	.03	(3)	(3)
1937	5,065	6,522	3.22	218	250	.12	(3)	(3)
1938	8,871	15,393	4.93	696	946	.30	548	0.18
1939	12,865	28,258	6.07	1,149	2,095	.45	808	.18
1940	22,829	51,087	8.06	1,452	3,547	.56	1,046	.18
1941	30,033	81,120	9.74	1,122	4,669	.56	750	.10
1942	37,340	118,460	12.06	572	5,241	.53	530	.06
1943	75,609	194,069	18.75	133	5,374	.52	164	.03
1944	103,595	297,664	27.52	29	5,403	.50	99	.01
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	[5] 880,845	44.02	677	6,324	.32	502	.04
				Sec. 603 [6]				
1941	---	---	---	---	---	---	---	---
1942	812	812	1.12	1	1	(3)	160	0.22
1943	3,250	4,062	2.18	841	842	0.45	156	.09
1944	8,207	12,269	4.28	2,762	3,604	1.26	721	.26
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	[5] 235,950	37.62	1,933	9,977	1.59	665	.17

[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 306 foreclosed properties under Sec. 203 and 644 foreclosed properties under Sec. 603 which are subject to redemption or held by mortgagees pending final disposition.
[3] Less than 0.005 percent.
[4] Includes 1 mortgage (100 units) insured under Sec. 611, terminated during the year. No terminations of mortgage insurance under Sec. 8 have been reported.
[5] Of the cumulative number of terminated mortgages, FHA refinanced 117,566 Sec. 203 cases and 48,313 Sec. 603 cases. A refinanced mortgage involves the same property covered by the original FHA insurance contract.
[6] Includes Sec. 603–610 cases.

TABLE 10.—*State distribution of terminations of mortgage insurance contracts and titles acquired by mortgagees: Home mortgages insured by FHA under Sec. 203, 1935–50*

State location of property	Total mortgages insured	Terminations				Insured mortgages in force Dec. 31, 1950
		Number		As a percent of mortgages insured		
		Total	Titles acquired [1]	Total	Titles acquired	
Alabama	21,628	7,766	81	35.91	0.37	13,862
Arizona	17,032	5,474	32	32.14	.19	11,558
Arkansas	21,475	6,177	154	28.76	.72	15,298
California	315,628	165,332	453	52.38	.14	150,296
Colorado	23,468	10,410	41	44.36	.17	13,058
Connecticut	18,929	7,129	38	37.66	.20	11,800
Delaware	3,066	1,306	25	42.60	.82	1,760
District of Columbia	3,507	1,901	2	54.21	.06	1,606
Florida	50,411	17,208	196	34.14	.39	33,203
Georgia	29,216	12,003	137	41.08	.47	17,213
Idaho	12,549	4,915	26	39.17	.21	7,634
Illinois	104,308	58,052	216	55.65	.21	46,256
Indiana	72,492	31,374	154	43.28	.21	41,118
Iowa	20,134	9,686	30	48.11	.15	10,448
Kansas	33,311	13,894	364	41.71	1.09	19,417
Kentucky	20,311	7,937	86	39.08	.42	12,374
Louisiana	32,053	9,215	76	28.75	.24	22,838
Maine	6,373	2,726	57	42.77	.89	3,647
Maryland	27,885	13,843	88	49.64	.32	14,042
Massachusetts	12,339	5,958	173	48.29	1.40	6,381
Michigan	136,174	61,580	613	45.22	.45	74,594
Minnesota	21,244	11,730	85	55.22	.40	9,514
Mississippi	15,515	5,627	69	36.27	.44	9,888
Missouri	58,642	24,812	207	42.31	.35	33,830
Montana	7,916	3,622	10	45.76	.13	4,294
Nebraska	17,397	8,039	45	46.21	.26	9,358
Nevada	3,863	1,449	----------	37.51	----------	2,414
New Hampshire	3,436	1,847	64	53.75	1.86	1,589
New Jersey	94,779	43,142	574	45.52	.61	51,637
New Mexico	11,137	2,859	5	25.67	.04	8,278
New York	106,349	37,253	668	35.03	.63	69,096
North Carolina	22,361	8,873	65	39.68	.29	13,488
North Dakota	1,923	1,021	8	53.09	.42	902
Ohio	96,598	51,264	179	53.07	.19	45,334
Oklahoma	50,432	17,252	159	34.21	.32	33,180
Oregon	24,911	9,192	59	36.90	.24	15,719
Pennsylvania	106,849	53,040	245	49.64	.23	53,809
Rhode Island	4,342	2,428	26	55.92	.60	1,914
South Carolina	16,607	4,971	63	29.93	.38	11,636
South Dakota	7,000	3,190	21	45.57	.30	3,810
Tennessee	34,372	13,813	136	40.19	.40	20,559
Texas	111,020	38,397	198	34.59	.18	72,623
Utah	16,911	7,802	38	46.14	.22	9,109
Vermont	3,164	1,796	37	56.76	1.17	1,368
Virginia	39,174	13,991	100	35.72	.26	25,183
Washington	83,652	34,829	127	41.64	.15	48,823
West Virginia	17,578	7,252	23	41.26	.13	10,326
Wisconsin	19,050	10,126	52	53.15	.27	8,924
Wyoming	7,555	4,164	16	55.12	.21	3,391
Alaska	715	330	2	46.15	.28	385
Hawaii	4,456	1,912	----------	42.91	----------	2,544
Puerto Rico	6,605	936	1	14.17	.02	5,669
Canal Zone	----------	----------	----------	----------	----------	----------
Virgin Islands	3	----------	----------	----------	----------	3
United States total	[2] 2,000,812	880,845	[1] 6,324	44.02	.32	[2] 1,119,967

[1] Includes titles transferred to FHA and those retained by the mortgagees with termination of mortgage insurance, and titles to 306 foreclosed properties which are subject to redemption or held by mortgagees pending final disposition.

[2] Includes 2,967 insured cases not yet tabulated by States as of Dec. 31, 1950.

TABLE 11.—*State distribution of terminations of mortgage insurance contracts and titles acquired by mortgagees: Home mortgages insured by FHA under Sec. 603, 1941–50*

State location of property	Total mortgages insured	Terminations				Insured mortgages in force Dec. 31, 1950
		Number		As a percent of mortgages insured		
		Total	Titles acquired [1]	Total	Titles acquired	
Alabama	9,644	4,313	412	44.72	4.27	5,331
Arizona	7,122	988	393	13.87	5.52	6,134
Arkansas	4,869	1,974	34	40.54	.70	2,895
California	125,864	49,471	159	39.31	.13	76,393
Colorado	5,069	1,710	----------	33.73	----------	3,359
Connecticut	7,482	4,450	1,597	59.48	21.34	3,032
Delaware	2,631	1,806	2	68.64	.08	825
District of Columbia	2,778	966	4	34.77	.14	1,812
Florida	26,845	4,611	213	17.18	.79	22,234
Georgia	13,273	5,474	593	41.24	4.47	7,799
Idaho	527	184	----------	34.91	----------	343
Illinois	21,888	11,410	9	52.13	.04	10,478
Indiana	15,607	5,649	22	36.20	.14	9,958
Iowa	2,515	1,184	146	47.08	5.81	1,331
Kansas	10,329	4,675	99	45.26	.96	5,654
Kentucky	4,737	1,790	2	37.79	.04	2,947
Louisiana	12,381	5,517	390	44.56	3.15	6,864
Maine	1,240	685	18	55.24	1.45	555
Maryland	14,395	7,093	925	49.27	6.43	7,302
Massachusetts	3,076	1,616	31	52.54	1.01	1,460
Michigan	41,276	14,758	863	35.75	2.09	26,518
Minnesota	4,809	1,726	18	35.89	.37	3,083
Mississippi	4,158	831	1	19.99	.02	3,327
Missouri	7,080	3,400	189	48.02	2.67	3,680
Montana	334	129	----------	38.62	----------	205
Nebraska	5,868	3,127	126	53.29	2.15	2,741
Nevada	1,923	869	----------	45.19	----------	1,054
New Hampshire	328	103	27	31.40	8.23	225
New Jersey	16,570	6,426	202	38.78	1.22	10,144
New Mexico	2,618	563	----------	21.50	----------	2,055
New York	22,899	5,289	382	23.10	1.67	17,610
North Carolina	8,829	2,125	159	24.07	1.80	6,704
North Dakota	162	36	----------	22.22	----------	126
Ohio	24,768	11,758	109	47.47	.44	13,010
Oklahoma	17,705	6,031	287	34.06	1.62	11,674
Oregon	6,845	2,268	14	33.13	.20	4,577
Pennsylvania	31,443	12,705	33	40.41	.10	18,738
Rhode Island	1,263	617	1	48.85	.08	646
South Carolina	6,378	1,940	81	30.42	1.27	4,438
South Dakota	520	162	----------	31.15	----------	358
Tennessee	15,938	3,489	147	21.89	.92	12,449
Texas	51,911	16,562	451	31.90	.87	35,349
Utah	7,908	3,652	397	46.18	5.02	4,256
Vermont	283	149	13	52.65	4.59	134
Virginia	18,788	7,902	946	42.06	5.04	10,886
Washington	19,076	10,551	192	55.31	1.01	8,525
West Virginia	1,286	676	279	52.57	21.70	610
Wisconsin	4,425	2,058	4	46.51	.09	2,367
Wyoming	1,125	273	----------	24.27	----------	852
Alaska	1	1	----------	100.00	----------	----------
Hawaii	544	143	----------	26.29	----------	401
Puerto Rico	4,144	23	7	.56	.17	4,121
Virgin Islands	2	1	----------	50.00	----------	1
Total	[2] 624,399	235,909	9,977	37.78	1.60	[2] 388,490

[1] Includes titles transferred to FHA and those retained by the mortgagees with termination of mortgage insurance, and titles to 644 foreclosed properties which are subject to redemption or held by mortgagees pending final disposition.
[2] Includes 920 insured cases not yet tabulated by States as of Dec. 31, 1950.

which had been terminated—with separate identification of those cases in which titles were acquired by the mortgagees—and the number of contracts still in force at the year end.

Of the more than 2,000,000 home mortgages insured under Section 203 through the end of 1950, approximately 881,000, or about 44 percent, had been terminated. For individual States, 11 reported more than 50 percent of their mortgages terminated, while 19 reported less than 40 percent. The instances in which titles had been acquired by the lending institution numbered only about 6,000, or less than one-third of 1 percent of the number of insured mortgages. In only four States did the number of titles acquired exceed 1 percent of the volume of insured mortgages.

About 38 percent of the 624,000 mortgages insured under Section 603 had been terminated by the end of 1950, with mortgagee acquisitions representing about 1.6 percent of the number of insured contracts. Terminations of more than 50 percent were reported by ten States or Territories. Foreclosures of more than 3 percent were reported for 12 States, while 11 States or Territories showed none.

Financial Institution Activity

Lending institutions approved by the Federal Housing Administration may originate FHA-insured loans and hold them to maturity or termination, or may sell them to other approved mortgagees.

Originations and holdings.—Originations of home mortgages during 1950 are shown in Table 12 for each of the several types of lending institutions. The table also indicates the relative holdings of these insured mortgages at the year end by each type of mortgagee.

More than one out of every four home mortgages insured by the FHA in 1950 was originated by one of a group of 477 mortgage companies. These institutions ordinarily originate mortgages for sale to other institutions—generally banks or insurance companies, which commonly arrange servicing contracts with the selling mortgagees.

The second largest originators of FHA-insured mortgages during the year were 410 insurance companies, which accounted for one-fifth of all home mortgages insured during the year. They were followed in order by the more numerous national and State banks, which accounted, respectively, for 15.8 percent and 13.8 percent of the year's business.

The number and amount of the mortgages originated or held by each of these types of lending institutions are shown in Table 12. In comparison with 1949, slightly higher proportions of the 1950 business were reported for State banks, mortgage companies, and savings banks, while the proportions reported for national banks and insurance companies were slightly lower than in 1949.

TABLE 12.—*Types of institutions originating and holding all home mortgages: Number and face amount of home mortgages originated and held under Secs. 203 and 603, 1950*

[Dollar amounts in thousands]

Type of institution as classified Dec. 31, 1950	Number of institutions		Mortgages originated [1]			Mortgages held [2] Dec. 31, 1950		
	Originating	Holding	Number	Amount	Percentage distribution [3]	Number	Amount	Percentage distribution [3]
			Total [4]					
National bank			52, 480	$389, 119	15. 8	278, 593	$1,643,490	17. 8
State bank			46, 054	340, 866	13. 8	191, 639	1, 126, 791	12. 2
Mortgage company			97, 373	683, 131	27. 7	45, 950	316, 922	3. 4
Insurance company			68, 391	514, 415	20. 8	602, 941	3, 866, 700	41. 9
Savings and loan association			37, 072	265, 504	10. 8	125, 377	777, 692	8. 4
Savings bank			24, 279	188, 880	7. 6	162, 710	1, 084, 520	11. 8
Federal agency						34, 513	222, 608	2. 4
All other [5]			12, 614	87, 162	3. 5	31, 570	189, 553	2. 1
Total			338, 263	2, 469, 077	100. 0	1, 473, 293	9, 228, 275	100. 0
			Sec. 203					
National bank	1, 231	2, 778	52, 213	387, 757	15. 8	220, 389	1, 279, 310	19. 1
State bank	1, 409	3, 481	45, 663	337, 888	13. 8	153, 224	893, 215	13. 4
Mortgage company	477	505	96, 431	676, 088	27. 6	39, 740	274, 995	4. 1
Insurance company	410	568	68, 103	512, 116	20. 9	424, 713	2, 711, 779	40. 5
Savings and loan association	948	1, 633	36, 710	263, 501	10. 3	97, 567	603, 142	9. 0
Savings bank	178	311	23, 586	183, 774	8. 0	111, 142	725, 499	10. 8
Federal agency						10, 793	60, 484	. 9
All other [5]	44	151	12, 589	86, 963	3. 6	24, 618	146, 153	2. 2
Total	4, 697	9, 429	335, 295	2, 448, 087	100. 0	1, 082, 186	6, 694, 577	100. 0
			Sec. 603 [6]					
National bank	24	947	267	1, 362	6. 5	58, 204	364, 179	14. 4
State bank	25	1, 218	391	2, 978	14. 2	38, 415	233, 577	9. 2
Mortgage company	46	185	942	7, 043	33. 6	6, 210	41, 926	1. 6
Insurance company	17	267	288	2, 299	11. 0	178, 228	1, 154, 921	45. 6
Savings and loan association	15	673	362	2, 003	9. 5	27, 810	174, 550	6. 9
Savings bank	16	169	693	5, 107	24. 3	51, 568	359, 022	14. 2
Federal agency		2				23, 720	162, 124	6. 4
All other [5]	5	47	25	199	. 9	6, 952	43, 400	1. 7
Total	148	3, 508	2, 968	20, 990	100. 0	391, 107	2, 533, 699	100. 0

[1] Cases tabulated in Washington during 1950.
[2] Less than face amount in force, due to lag in tabulation.
[3] Based on amount of mortgage.
[4] Excludes mortgages insured under Secs. 8, 213, and 611.
[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: 598 mortgages for $2,854,300 originated and 2,617 mortgages for $11,206,000 held in portfolio.

Mortgage insurance contracts covering home mortgage loans with original face amounts aggregating more than $9,228,000,000 were in force at the end of 1950. Of this amount, more than 40 percent was in the portfolios of 568 insurance companies. National, State, and savings banks—in that order—were the next largest holders of insured home mortgages, each of these groups accounting for from 12 to 18 percent of the total amount outstanding. Chart IV shows the distributions by type of mortgagee for mortgages originated, purchased, and sold in 1950, together with the face amount of mortgages held at the year end by each of the different types of lending institutions.

Transfers.—Secondary market transfers in 1950 involved the sale and purchase by FHA-approved mortgagees of nearly 202,000 insured home mortgages with original face amounts totaling $1,421,000,000. This was an increase of nearly 30 percent over the amount transferred in 1949. Under Section 203, more than 1,400 institutions purchased from some 1,600 selling institutions about 163,000 mortgages totaling $1,130,000,000; under Section 603, some 400 institutions bought and 500 institutions sold 38,500 mortgages involving $292,000,000. As

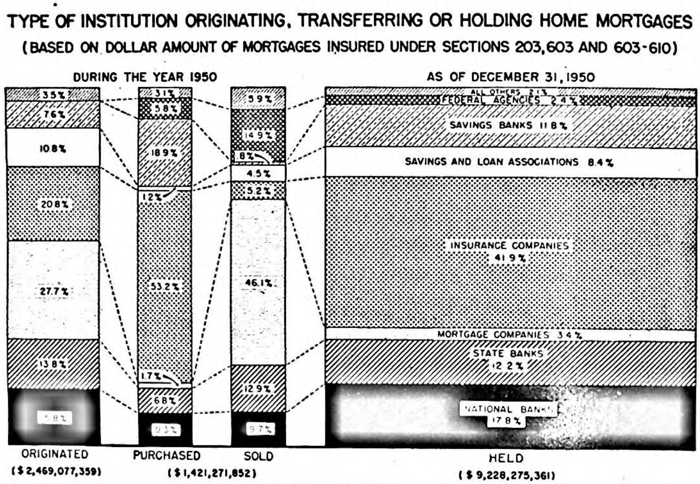


CHART IV.

Table 13 shows, the largest purchasers of both Section 203 and Section 603 mortgages were insurance companies—which accounted for over 50 percent of the total—followed by savings banks and, for Section 203, national banks. The Federal National Mortgage Association purchased 8 percent of the Section 603 mortgages transferred—slightly more than the total for national banks.

Nearly half of the mortgages transferred in 1950 were sold by mortgage companies—55 percent of the Section 203 cases and about 12 percent of the smaller volume of Section 603 cases. They were followed by Federal agencies (i. e., FNMA) which accounted for 15 percent of the total, including only 4 percent of the Section 203 cases but more than 56 percent of the Section 603 cases disposed of, and by State banks with 13 percent.

TABLE 13.—*Types of institutions purchasing and selling all home mortgages: Number and face amount of home mortgages transferred (including resales) under Secs. 203 and 603, 1950*

[Dollar amounts in thousands]

Type of institution as classified Dec. 31, 1950	Number of institutions		Mortgages purchased			Mortgages sold		
	Purchasing	Selling	Number	Amount	Percentage distribution[1]	Number	Amount	Percentage distribution[1]
			Total[2]					
National bank	-------	-------	20,036	$132,679	9.3	19,030	$137,502	9.7
State bank	-------	-------	14,236	97,207	6.8	26,512	182,939	12.9
Mortgage company	-------	-------	3,562	23,935	1.7	93,673	655,547	46.1
Insurance company	-------	-------	105,570	756,728	53.2	10,606	74,131	5.2
Savings and loan association	-------	-------	2,133	16,972	1.2	8,898	63,684	4.5
Savings bank	-------	-------	37,098	268,049	18.9	1,588	11,298	.8
Federal agency	-------	-------	12,821	82,432	5.8	29,081	211,591	14.9
All other[3]	-------	-------	6,351	43,271	3.1	12,419	84,580	5.9
Total	-------	-------	201,807	1,421,272	100.0	201,807	1,421,272	100.0
			Sec. 203					
National bank	424	314	16,974	111,849	9.9	15,868	113,954	10.1
State bank	437	390	12,255	82,329	7.3	23,151	159,139	14.1
Mortgage company	75	437	2,000	12,721	1.1	88,970	619,476	54.8
Insurance company	230	235	88,887	630,313	55.8	9,527	68,040	6.0
Savings and loan association	85	158	1,037	7,209	.6	6,175	42,038	3.7
Savings bank	148	30	26,802	189,354	16.8	611	4,297	.4
Federal agency	2	2	9,731	57,862	5.1	7,789	47,376	4.2
All other[3]	35	31	5,613	38,032	3.4	11,208	75,350	6.7
Total	1,436	1,597	163,299	1,129,669	100.0	163,299	1,129,669	100.0
			Sec. 603[4]					
National bank	90	104	3,062	20,829	7.1	3,162	23,548	8.1
State bank	99	115	1,981	14,877	5.1	3,361	23,800	8.1
Mortgage company	41	162	1,562	11,214	3.8	4,703	36,071	12.4
Insurance company	90	50	16,683	126,415	43.4	1,079	6,092	2.1
Savings and loan association	29	66	1,096	9,763	3.4	2,723	21,646	7.4
Savings bank	63	16	10,296	78,695	27.0	977	7,001	2.4
Federal agency	1	2	3,090	24,570	8.4	21,292	164,215	56.3
All other[3]	6	11	738	5,239	1.8	1,211	9,230	3.2
Total	419	526	38,508	291,603	100.0	38,508	291,603	100.0

[1] Based on amount of mortgage.
[2] Excludes mortgages insured under Secs. 8, 213, and 611.
[3] Includes industrial banks, finance companies, endowed institutions, private and State benefit funds, etc.
[4] Includes mortgages insured under Sec. 603 pursuant to Sec. 610: 417 mortgages for $1,869,000.

Mortgage Loan Characteristics

About one out of every three new dwelling units placed under construction in the United States in 1950, as in 1949, was started under FHA inspection. Table 3 in Section I of this report indicates that, of the 475,000 FHA units started during the year, nearly 328,000 were in one- to four-family homes and 147,000 were in large-scale rental and cooperative projects.

Approximately 285,000 units in one- to four-family structures started during the latter months of 1949 or in 1950 were completed (received third compliance inspections) under FHA during 1950, with mortgages on 224,000 of these new units being endorsed for FHA insurance in the year.

Characteristics of these insured mortgages and of the properties and borrowers involved are analyzed in detail in the following pages, together with the characteristics of the 126,000 existing-home mortgages insured during the year. (A similar analysis, based on commitments issued during 1950 under the several rental and cooperative housing programs, is presented later in this report.)

Since practically all the home mortgages insured during the year were insured under Section 203, the principal analysis of home mortgages is based on Section 203 cases.[1] This excludes the small volume

TABLE 14.—*Structures and dwelling units: Percentage distribution based on FHA, insured mortgages secured by 1- to 4-family homes, Sec. 203, for selected years 1940–50*

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	
	New homes										
1950	99.0	0.9	(1)	0.1	100.0	97.7	1.8	0.1	0.4	100.0	1.01
1949	98.9	1.1	(1)	(1)	100.0	97.7	2.2	(1)	.1	100.0	1.01
1948	98.0	1.7	0.1	.2	100.0	95.6	3.4	.3	.7	100.0	1.02
1946	98.7	1.0	.1	.2	100.0	96.9	2.1	.2	.8	100.0	1.02
1942	99.4	.5	(1)	.1	100.0	98.7	.9	.1	.3	100.0	1.01
1940	99.0	.7	.1	.2	100.0	97.7	1.5	.2	.6	100.0	1.01
	Existing homes										
1950	95.5	4.1	0.2	0.2	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
1948	94.4	4.9	.3	.4	100.0	88.6	9.2	.8	1.4	100.0	1.07
1946	93.6	5.8	.3	.3	100.0	87.4	10.9	.7	1.0	100.0	1.07
1944	95.9	3.5	.3	.3	100.0	91.3	6.7	.9	1.1	100.0	1.05
1942	93.2	5.8	.7	.3	100.0	86.1	10.8	1.8	1.3	100.0	1.08
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.

of mortgages insured under Sections 8, 603, 603 pursuant to 610, and 611. As Table 14 shows, 99 percent of the new properties insured under Section 203 in 1950 and over 95 percent of existing properties covered single-family houses. Of the dwelling units securing these mortgages, nearly 98 percent for new properties and 90 percent for existing properties were in single-family dwellings.

Over 96 percent of the new homes and some 98 percent of the existing houses were owner-occupied at the time of mortgage insurance. Landlords building single-family houses accounted for 0.4 percent of

[1] The sample of about 54,000 new-home and 50,000 existing-home mortgages analyzed here was selected from mortgages insured in the first 11 months of 1950 and has been further restricted to mortgages on single-family homes.

the new homes, while builders were the initial mortgagors in 3 percent of these transactions.

The typical new house.—The typical new-home mortgage insured by the Federal Housing Administration in 1950 amounted to $7,101, or $42 less than the comparable figure for 1949. This decrease, coupled with an increase in the average mortgage term from 22.8 years for mortgages insured in 1949 to 24.1 years for the 1950 cases, reduced the typical monthly mortgage payment to $54.31 for principal, interest, FHA mortgage insurance premium, hazard insurance, taxes and special assessments, and any miscellaneous items such as ground rent—a decline of $1.28 from the median of the preceding year.

Securing this typical 1950 mortgage was a new single-family hom containing 4.9 rooms with an average floor area of 894 square feet ex clusive of space in basement, garage, or attic. This property was typically valued by the FHA Underwriting Division at $8,286, including the house, all other physical improvements, and the market price of an equivalent site, which averaged $1,035. This valuation averaged slightly more than twice the typical mortgagor's effective annual income, which amounted to $3,861.

As shown in Table 15 and Chart V, the typical valuation of $8,286 cited above represents a rather marked decrease from the comparable figures of $8,721 in 1948 and $8,502 in 1949. Especially significant is the downward trend in values from 1949 to 1950 for newly constructed homes. It reflects the growth of FHA's Title II business in the lower-priced housing field. During the war and early postwar years most housing of this type was insured under the provisions of Section 603 which expired April 30, 1948.

Neither this decrease in property valuation nor the slight decrease in typical mortgage amount in 1950 may properly be attributed to the effects of Regulation X or even to the earlier controls instituted by the FHA on July 19 at the direction of the President. These July 19 controls applied only to applications received after July 18, and Regulation X only to those received after October 11, 1950. Since the typical application for the insurance of a new-home mortgage involves a processing time of 2 to 3 weeks prior to commitment, several more weeks to start of construction, an average construction time of 4 months, and another month for closing the mortgage prior to insurance, only very few of the new-home applications filed under the July 19 regulations—and none of those filed under Regulation X—would have reached insured case status prior to November 30, the terminal date for the sample selected for this analysis.

Existing homes.—The typical existing-home mortgage insured in 1950 was the highest in the history of the Federal Housing Administration, the median of $6,801 being $23 above the corresponding figure

TABLE 15.—*Characteristics of mortgages, homes, and mortgagors: Based on FHA-insured mortgages secured by single-family homes, Sec. 203, for selected years, 1940–50*

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 [3]		1-family as a percent of 1- to 4-family	
1950	$7,101	$6,801	24.1	20.2	85.0	76.4	99.0	95.5
1949	7,143	6,778	22.8	19.8	83.6	76.6	98.9	96.1
1948	7,058	5,969	20.1	19.3	80.1	76.5	98.0	94.4
1946	5,504	4,697	21.0	18.9	84.1	78.6	98.7	93.6
1944	(4)	4,317	(4)	18.0	(4)	78.9	(4)	95.9
1942	4,692	4,076	23.5	18.1	86.7	77.9	99.4	93.2
1940	[3] 4,410	[3] 3,902	[5] 23.0	[5] 17.5	84.8	75.3	99.0	92.7
	Property valuation [1] [6]		Market price of site [2] [7]		Number of rooms [1] [8]		Percent with garages	
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
1948	8,721	7,579	1,049	970	5.4	5.6	55.1	70.5
1946	6,558	5,934	761	833	5.5	5.9	58.1	83.4
1944	(4)	5,484	(4)	924	(4)	[5] 6.3	(4)	84.2
1942	5,368	5,272	635	935	5.5	6.3	70.3	85.5
1940	5,028	4,600	662	948	5.6	6.3	75.6	87.2
	Mortgagor's effective annual income [1] [9]		Total monthly payment [1] [10]		Payment as a percent of income [3] [9] [10]		Ratio of property valuation to annual income [3] [6] [9]	
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
1948	4,000	3,731	58.08	49.76	16.1	14.4	2.04	1.87
1946	3,313	3,101	46.18	40.83	15.3	14.3	1.81	1.71
1944	(4)	3,120	(4)	[5] 40.50	(4)	14.5	(4)	1.64
1942	2,416	2,751	37.46	37.80	16.8	15.1	1.98	1.72
1940	2,416	2,490	[5] 35.15	[5] 34.56	17.2	15.1	1.97	1.70

[1] Data shown are medians.
[2] Data shown are averages (arithmetic means).
[3] Based on arithmetic means.
[4] Data not available.
[5] Estimated.
[6] Includes valuation of the house, all other physical improvements, and land.
[7] Estimated by FHA for equivalent site including street improvements or utilities, rough grading, terracing, and retaining walls, if any.
[8] Excludes bathrooms, toilet compartments, closets, halls, storage, and similar spaces.
[9] Estimated amount of the mortgagor's earning capacity that is likely to prevail during approximately the first third of the mortgage term.
[10] 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.

for 1949. Both the average term and the typical mortgage payment for these cases were slightly above their corresponding 1949 levels, the term increasing from 19.8 to 20.2 years and the monthly mortgage payment from $56.12 to $56.65.

Existing properties securing these mortgages were considerably larger than the new homes. As in 1948 and 1949, they typically contained 5.6 rooms; floor area averaged 1,100 square feet in 1950 as compared with 1,091 in 1949.

The median valuation of these homes was $8,865—$165 higher than for 1949 and nearly $600 over the 1950 new-home median of $8,286.

The 1950 median income for purchasers of existing homes was $4,274, or $413 above that of the new-home buyers, with the ratio of

CHARACTERISTICS OF MORTGAGES, HOMES, AND MORTGAGORS
FHA-INSURED SINGLE-FAMILY HOME MORTGAGES
SECTION 203, FOR SELECTED YEARS 1940 - 1950

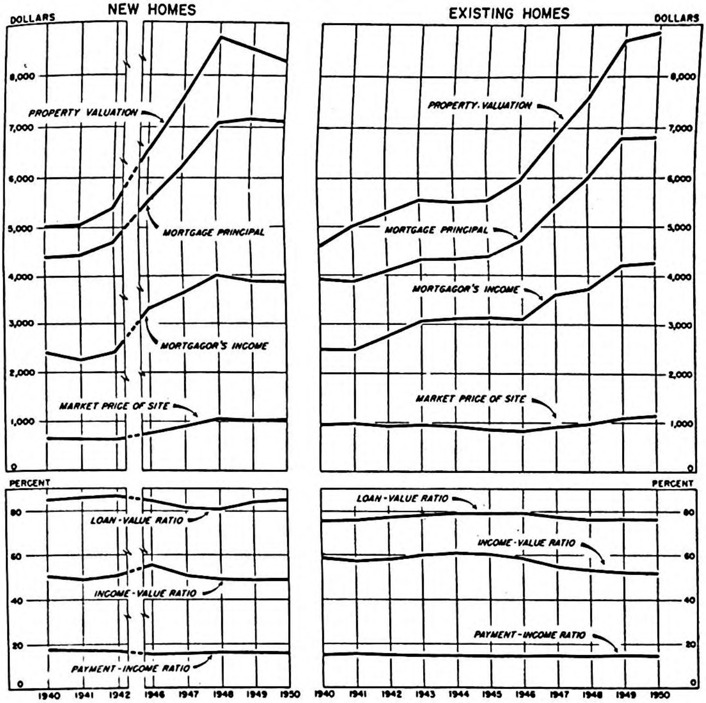


CHART V.

value to income averaging 1.92, as compared with 2.04 for the new-home group.

Also shown in Table 15 are the 1950 averages for other characteristics, with comparative figures for earlier years. The monthly payment expressed as a percent of the borrower's income—typically about 15 percent in 1950—averaged slightly lower than in 1949. Also of interest is the slight decline from 49.6 percent in 1949 to 48.7 percent in 1950, in the proportion of the newly constructed properties which included garage facilities. This decline continued a trend which has been consistently downward throughout the history of the FHA. The proportion of the existing homes with garage facilities increased very slightly to 71 percent in 1950—the first such increase since 1946.

The three ratios shown in the lower section of Chart V are helpful in any evaluation of the marked postwar increases in valuation, mortgage amount, and income shown in the upper portion of the chart. For example, the loan-value ratio for new-home mortgages averaged 85.0 percent in 1950, as compared with 84.1 in 1946; over the same period, the ratio of the borrower's income to FHA valuation declined from an average of 55.3 percent to 49.0 percent, while the ratio of mortgage payment to income increased from 15.3 percent to 15.8 percent.

Amount of mortgage.—Over 60 percent of the new one-family home mortgages insured under Section 203 during 1950 involved amounts of from $6,000 to $7,999—the typical (median) mortgage being $7,101. The fact that one-third of the total were in the $6,000 to $6,999 interval and another 44 percent between $7,000 and $8,999 demonstrates FHA's successful emphasis on lower-cost housing.

Contributing to this concentration in the lower mortgage amounts are the higher ratios of loan to value and the longer mortgage terms permitted under FHA regulations for mortgages of smaller amounts. Although mortgages on new single-family homes were insured during the year up to a maximum amount of $16,000, mortgages in excess of $9,500 were limited to amounts representing 80 percent of the FHA estimate of value and to a maximum mortgage term of 25 years.

Regulations in effect during the early part of the year provided that, when 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 up to $11,000, with a maximum term of 25 years. If the mortgage amount did not exceed $6,000, it might represent as high as 95 percent of value and be repaid over a term as long as 30 years.

The amended regulations effective April 20 provided that mortgages involving owner-occupant mortgagors and amounts of $9,450 or less might be insured for a maximum term of 25 years on the basis of 95 percent of the first $7,000 of value and 70 percent of additional value up to $11,000. These amendments also provided that mortgages not exceeding $6,650 might represent up to 95 percent of value and involve terms up to 30 years, with the further provision that the $6,650 limitation might be increased (1) by an additional amount not exceeding $950 for each additional bedroom in excess of two but not in excess of four, and (2) by an additional amount not to exceed $950 in any geographical area where the Commissioner determined that cost levels necessitated such mortgage amounts.

The credit restrictions of July 19 provided that, except for homes located in the territorial possessions of the United States, the maximum insurable mortgage on a single-family home was $14,000 and that each of the percentage limitations mentioned in the preceding paragraph was reduced by 5 percent. These limitations were further modified on October 12 by FHA regulations conforming with the terms of Regulation X, which was imposed by the Federal Reserve Board with respect to home mortgage financing arranged after October 12. As mentioned earlier, very few of the applications for the insurance of new-home mortgages which were submitted under the July 19 regulations and none of those received after October 11 would have reached insured case status by November 30—the terminal date for the sample of insured cases selected for this analysis.

The distributions by mortgage amount for the new- and existing-home mortgages insured in 1950 are shown in Chart VI, and, together with comparable figures for earlier years, in Table 16. Both the $7,101 median and the $7,307 average for new-home mortgages insured in 1950 are slightly lower than the comparable figures for 1949, thus reversing a trend which has been apparent in these distributions since before World War II. These decreases reflect FHA's emphasis on the low-cost housing market, which encouraged an increasing number of builders to enter this field, especially in 1950.

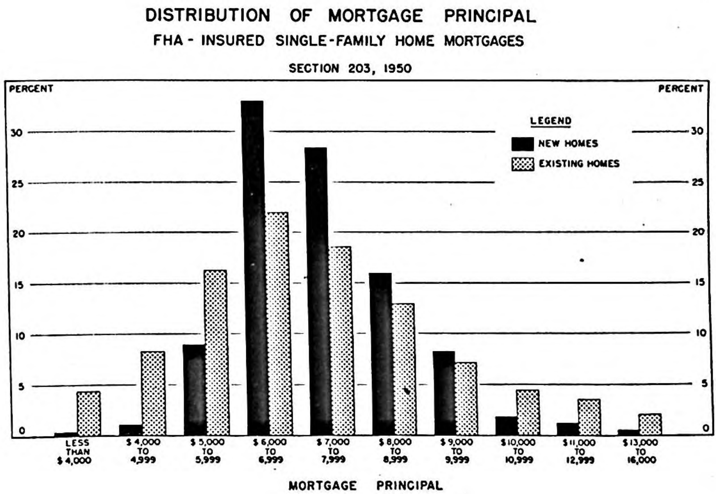


CHART VI.

The mortgages on existing homes which were insured during the year were considerably less concentrated with respect to particular mortgage amount intervals. Although about 57 percent involved amounts of $5,000 to $7,999, it is of interest that nearly 13 percent were for less than $5,000 (compared with only 1.5 percent for new homes), while more than 10 percent were for $10,000 or more, as com-

TABLE 16.—*Amount of mortgage principal: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, for selected years, 1941–50*

Mortgage principal	New homes [1]						Existing homes						
	1950	1949	1948	1946	1942	1941	1950	1949	1948	1946	1944	1942	1941
Less than $2,000	(2)	(2)	(2)	0.1	0.1	0.3	0.2	0.1	0.3	1.0	2.4	2.8	5.2
$2,000 to $2,999	(2)	0.1	0.2	1.1	3.7	8.0	1.2	1.7	1.8	7.6	14.3	18.0	22.4
$3,000 to $3,999	0.4	1.1	1.7	7.1	19.2	28.6	3.0	4.0	7.4	19.2	24.2	26.9	26.4
$4,000 to $4,999	1.1	1.7	7.4	22.6	38.8	31.4	8.3	9.5	17.8	28.9	24.5	24.4	21.4
$5,000 to $5,999	9.0	11.5	16.8	31.4	30.1	21.4	16.3	16.8	23.0	21.3	15.8	13.6	10.9
$6,000 to $6,999	33.0	30.5	21.4	25.0	5.0	5.8	22.0	21.5	20.0	11.0	9.0	6.7	6.1
$7,000 to $7,999	28.4	25.6	18.9	9.5	1.6	2.4	18.6	17.6	12.6	4.7	3.8	2.9	2.6
$8,000 to $8,999	16.0	16.2	19.3	2.4	.8	1.2	13.0	12.2	8.0	2.7	2.1	2.0	1.9
$9,000 to $9,999	8.3	8.2	6.5	.4	.2	.3	7.2	7.0	3.3	1.2	1.1	.8	.9
$10,000 to $10,999	1.9	2.4	3.6	.2	.2	.3	4.5	4.1	2.5	1.1	1.1	.8	1.1
$11,000 to $11,999	.8	1.1	1.8	.2	.1		1.9	1.8	1.0	.2	.3	.2	
$12,000 to $12,999	.5	.7	1.1	(2)	.1	.3	1.7	1.6	.9	.4	.5	.4	1.1
$13,000 to $16,000	.6	.9	1.3	......	.1		2.1	2.1	1.4	.7	.9	.5	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average mortgage	$7,307	$7,315	$7,184	$5,548	$4,670	$4,483	$7,102	$6,969	$6,181	$4,929	$4,586	$4,298	$4,129
Median mortgage	$7,101	$7,143	$7,058	$5,504	$4,692	$4,419	$6,801	$6,778	$5,969	$4,697	$4,317	$4,076	$3,847

[1] Data not available 1943–45.
[2] Less than 0.05 percent.

pared with less than 4 percent of the mortgages on new homes. Both the median and the average for existing-home mortgages were higher this year than for 1949—the typical mortgage increasing from $6,778 to $6,801.

Relationship of mortgage amount to property valuation.—Distributions of mortgage amounts for new- and existing-home mortgages insured during 1950 on homes in various property valuation groups are shown in Table 17. While concentrations of the mortgage amounts at or near the maximum permitted for individual value groups are clearly evident, there are substantial proportions of the cases in which the mortgages involve amounts of from $1,000 to $2,000 below this maximum.

This relationship between the amount of mortgage and statutory maxima for various property valuation groups is better shown in the distribution of loan-value ratios given in Table 18 and Chart VII. These distributions clearly show (1) the concentration of insured cases at or near the maximum ratios permitted for the various value groups, (2) dispersion of a minority of cases among lower than maximum loan-value ratios, and (3) the decline in these ratios which parallels increasing valuations.

Table 19 shows the variations which have occurred in these distributions of loan-value ratios in selected years since 1940. It is of interest that, despite the generally liberalizing changes which have been made in Section 203 since 1940, the typical ratio of loan to value for both new- and existing-home mortgages insured in 1950 was only 1 percent higher than the corresponding 1940 median.

TABLE 17.—*Mortgage principal by property valuation: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, 1950*

FHA property valuation [1]	Percentage distribution	Median mortgage principal	Mortgage principal													
			Less than $2,000	$2,000 to $2,999	$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
			New homes													
Less than $4,000	(2)															
$4,000 to $4,999	0.4	$3,913			54.8	45.2										100.0
$5,000 to $5,999	1.6	5,355			.2	22.3	77.5									100.0
$6,000 to $6,999	18.3	6,254			.1	.8	32.1	67.0								100.0
$7,000 to $7,999	20.8	6,533	(2)	(2)	.2	.7	4.4	83.8	10.9							100.0
$8,000 to $8,999	22.5	7,429	(2)	0.1	.2	.8	2.4	9.4	86.7	0.4						100.0
$9,000 to $9,999	15.9	8,176		.1	.2	.3	1.2	5.4	32.1	60.7						100.0
$10,000 to $10,999	10.0	8,678		.1	.2	.4	1.2	2.3	10.9	51.5	33.4					100.0
$11,000 to $11,999	4.7	9,331			.2	.4	1.1	2.2	6.6	14.8	74.7					100.0
$12,000 to $13,999	3.8	9,941	0.1		.2	.4	.9	1.8	3.8	9.1	35.8	43.4	4.5			100.0
$14,000 to $15,999	1.2	11,456		.2		.2	.7	1.5	2.7	3.0	7.5	14.0	44.4	25.8		100.0
$16,000 or more	.8	13,470			.2		.2	.2	1.2	3.2	2.1	5.8	3.7	45.5	37.9	100.0
Total	100.0	7,101	(2)	(2)	.4	1.1	9.0	33.1	28.5	16.0	8.3	1.9	.7	.7	.3	100.0
			Existing homes													
Less than $4,000	1.2	2,542	10.7	72.4	16.9											100.0
$4,000 to $4,999	1.4	3,462	.6	10.9	83.4	5.1										100.0
$5,000 to $5,999	4.2	4,427	.1	2.0	18.1	69.8	10.0									100.0
$6,000 to $6,999	10.7	5,276	(2)	.5	3.3	31.1	54.6	10.5								100.0
$7,000 to $7,999	15.8	5,977	(2)	.2	1.5	6.6	42.6	46.4	2.7							100.0
$8,000 to $8,999	17.1	6,623		.1	.8	2.7	11.5	56.1	28.7	0.1						100.0
$9,000 to $9,999	14.5	7,407		.1	.6	1.6	4.5	17.4	63.4	12.4	(2)					100.0
$10,000 to $10,999	11.4	8,260		.1	.3	1.0	3.2	7.5	22.5	59.4	6.0	(2)				100.0
$11,000 to $11,999	7.6	8,753		(2)	.3	1.0	2.3	3.9	12.2	40.3	40.0	(2)				100.0
$12,000 to $13,999	9.0	9,791			.2	.7	1.1	2.7	4.9	12.7	35.1	39.4	3.2			100.0
$14,000 to $15,999	3.7	11,381		.1	.2	.4	.7	1.1	2.3	4.1	6.8	19.7	38.4	26.2		100.0
$16,000 or more	3.4	13,634		.1		.2	.3	.5	1.6	1.8	1.7	5.1	6.0	40.0	42.7	100.0
Total	100.0	6,801	.1	1.3	3.0	8.3	16.3	22.0	18.6	13.0	7.2	4.5	1.9	2.3	1.5	100.0

[1] Includes valuation of the house, all other physical improvements, and land.
[2] Less than 0.05 percent.

DISTRIBUTION OF LOAN-VALUE RATIO BY PROPERTY VALUATION
FHA-INSURED SINGLE-FAMILY HOME MORTGAGES
SECTION 203, 1950

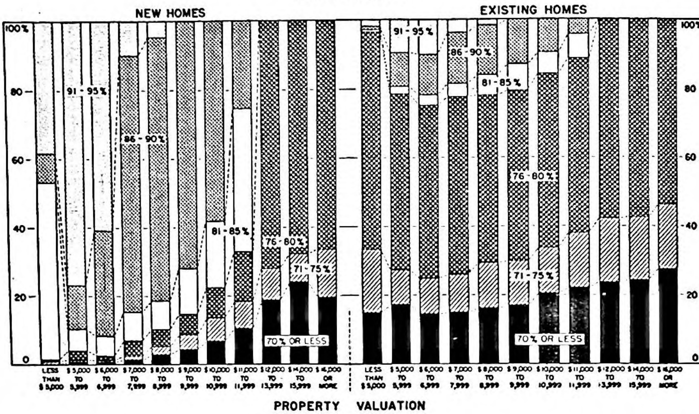


CHART VII.

TABLE 18.—*Ratio of loan to value by property valuation: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, 1950*

FHA property valuation [1]	Percentage distribution	Median loan-value ratio	Ratio of loan to value: 50 percent or less	51 percent to 55 percent	56 percent to 60 percent	61 percent to 65 percent	66 percent to 70 percent	71 percent to 75 percent	76 percent to 80 percent	81 percent to 85 percent	86 percent to 90 percent	Over 90 percent	Total
	New homes												
Less than $4,000	(2)	------	------	------	------	------	------	------	------	------	------	------	------
$4,000 to $4,999	0.4	85.6	------	------	------	------	------	0.5	0.5	52.9	7.7	38.4	100.0
$5,000 to $5,999	1.6	92.8	0.2	0.1	------	------	0.4	.5	2.7	6.1	12.7	77.3	100.0
$6,000 to $6,999	18.3	91.9	(2)	.1	0.1	0.1	.2	.5	1.3	5.7	30.6	61.4	100.0
$7,000 to $7,999	20.8	88.3	.2	.1	.2	.3	.4	1.2	4.4	8.2	74.7	10.3	100.0
$8,000 to $8,999	22.5	88.1	.5	.4	.5	.6	.9	2.4	4.9	8.2	76.7	4.9	100.0
$9,000 to $9,999	15.9	87.5	.5	.5	.5	1.3	1.6	4.4	5.9	13.2	72.0	.1	100.0
$10,000 to $10,999	10.0	86.7	1.2	.4	1.0	1.2	2.9	6.8	8.8	19.3	58.3	.1	100.0
$11,000 to $11,999	4.7	83.1	1.6	1.2	1.2	2.3	4.2	7.9	14.4	41.7	25.5	------	100.0
$12,000 to $13,999	3.8	77.5	2.9	1.5	2.2	4.0	8.0	9.2	72.2	------	------	------	100.0
$14,000 to $15,999	1.2	77.3	4.2	2.3	2.3	3.5	11.6	8.2	67.9	------	------	------	100.0
$16,000 or more	.8	77.3	4.0	1.9	3.0	4.2	6.3	13.9	66.7	------	------	------	100.0
Total	100.0	88.0	.6	.4	.5	.9	1.6	3.2	8.8	10.9	57.1	16.0	100.0
	Existing homes												
Less than $4,000	1.2	77.4	1.0	1.0	0.6	2.1	4.2	22.7	67.3	0.3	0.5	0.3	100.0
$4,000 to $4,999	1.4	77.3	1.7	1.4	2.8	3.3	11.0	14.5	59.2	.9	1.4	3.8	100.0
$5,000 to $5,999	4.2	78.2	1.5	1.1	1.9	3.3	9.3	10.0	51.0	2.1	9.9	9.9	100.0
$6,000 to $6,999	10.7	78.5	1.3	.9	1.5	2.6	8.2	10.2	50.3	3.0	11.6	10.4	100.0
$7,000 to $7,999	15.8	78.4	1.4	1.1	1.8	2.9	7.7	10.9	51.6	3.8	14.8	4.0	100.0
$8,000 to $8,999	17.1	78.1	1.5	1.1	1.9	3.4	8.1	13.1	48.7	5.9	14.4	1.9	100.0
$9,000 to $9,999	14.5	78.0	1.9	1.4	1.6	3.8	8.2	12.9	49.3	7.6	13.2	.1	100.0
$10,000 to $10,999	11.4	77.6	2.5	1.4	2.9	4.0	9.6	13.2	50.4	6.1	9.9	------	100.0
$11,000 to $11,999	7.6	77.2	3.3	1.7	2.4	5.1	9.6	16.0	50.7	7.0	4.2	------	100.0
$12,000 to $13,999	9.0	76.7	3.3	1.8	3.7	4.7	10.2	18.6	57.7	------	------	------	100.0
$14,000 to $15,999	3.7	76.7	3.6	2.3	3.0	4.8	10.6	18.2	57.5	------	------	------	100.0
$16,000 or more	3.4	76.4	4.5	2.3	3.5	5.8	11.2	18.7	54.0	------	------	------	100.0
Total	100.0	77.8	2.1	1.4	2.2	3.7	8.8	13.5	51.5	4.4	9.8	2.6	100.0

[1] Includes valuation of the house, all other physical improvements, and land.
[2] Less than 0.05 percent.

TABLE 19.—*Ratio of loan to value: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, for selected years, 1940–50*

Ratio of loan to value	New homes [1]						Existing homes						
	1950	1949	1948	1946	1941	1940	1950	1949	1948	1946	1945	1941	1940
50 percent or less	0.6	0.7	1.5	0.6	0.3	0.4	2.1	2.2	2.3	1.3	1.0	1.4	2.3
51 percent to 55 percent	.4	.4	.7	.8	.2	.2	1.4	1.4	1.5	.9	.8	1.2	1.7
56 percent to 60 percent	.5	.7	1.3	.8	.4	.5	2.2	2.4	2.5	1.2	1.3	2.2	3.2
61 percent to 65 percent	.9	1.2	1.9	1.3	.6	.8	3.7	3.5	3.5	2.8	2.2	3.6	4.7
66 percent to 70 percent	1.6	2.4	4.3	3.3	2.0	2.7	8.8	9.5	9.9	5.8	4.9	6.8	8.6
71 percent to 75 percent	3.2	5.3	7.0	4.8	2.6	3.6	13.5	8.7	9.2	8.8	8.6	14.2	16.2
76 percent to 80 percent	8.8	13.3	33.1	11.8	8.8	11.8	51.5	55.1	55.2	60.7	68.8	67.6	63.3
81 percent to 85 percent	10.9	12.0	15.0	14.1	10.8	13.2	4.4	4.4	4.5	3.6	2.3	.7	------
86 percent to 90 percent	57.1	53.2	35.2	62.5	74.3	66.8	9.8	11.8	11.4	14.9	10.1	2.3	------
91 percent to 95 percent	16.0	10.8	------	------	------	------	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	100.0	100.0	100.0
Average loan-value ratio	85.0	83.6	80.1	84.1	85.8	84.8	76.4	76.6	76.5	78.6	79.1	75.9	75.3
Median loan-value ratio	88.0	87.3	81.0	87.0	87.6	87.0	77.8	78.0	77.9	78.4	78.3	79.5	76.8

[1] Data not available for 1943–45.

Property Characteristics

The following pages present a description of new and existing single-family homes securing mortgages insured in 1950 under Section 203. Specific attention is given to value, replacement cost, sale price, room count, and floor area. Their variations are shown, together with such items as amount of mortgage, monthly payment, housing expense, and rental value.

Valuation distribution.—Nearly four out of every five new homes insured by FHA last year had estimated property valuations of from \$6,000 to \$9,999. These estimates of value include the house, all other physical improvements, and land.

As Table 20 shows, just under 40 percent were valued at from \$6,000 to \$7,999, with a like proportion between \$8,000 and \$9,999. The proportion in the \$6,000–\$8,999 intervals increased from 56.1 percent in 1949 to 61.6 percent in 1950, while the proportion valued at \$9,000 or more declined from 40.1 percent to 36.4 in 1950. Homes valued at less than \$6,000 declined from 3.8 percent in 1949 to just 2 percent in 1950. The increased importance of the value groups from \$6,000 to \$8,999 resulted in a significant decline in the median value of new homes from \$8,502 in 1949 to \$8,286 in 1950.

The distribution of valuation of existing homes insured during the year showed generally smaller change from 1949 than did the new-home distribution. The proportions of existing-home cases in value groups below \$9,000 all decreased slightly from 1949 levels, while those

TABLE 20.—*Property valuation: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, for selected years, 1940–50*

FHA property valuation [1]	New homes [2]						Existing homes						
	1950	1949	1948	1946	1942	1940	1950	1949	1948	1946	1944	1942	1940
Less than $2,000	------	------	------	------	(3)	0.1	------	------	(3)	------	0.7	0.4	1.1
$2,000 to $2,999	(3)	------	------	------	0.9	3.1	0.4	0.2	0.2	1.6	4.1	4.9	9.8
$3,000 to $3,999	(3)	------	0.1	2.3	9.5	18.6	.8	1.5	1.2	7.3	13.8	16.6	21.8
$4,000 to $4,999	0.4	1.1	1.0	10.0	26.8	26.8	1.4	2.1	4.7	16.8	20.7	22.1	22.5
$5,000 to $5,999	1.6	2.7	6.7	20.2	33.7	23.6	4.2	5.2	11.7	24.6	20.7	20.8	17.3
$6,000 to $6,999	18.3	18.1	14.1	27.9	20.7	16.5	10.7	11.3	19.0	20.3	16.2	14.9	10.8
$7,000 to $7,999	20.8	18.4	16.0	22.4	4.4	5.7	15.8	15.9	17.9	12.1	9.8	8.3	6.1
$8,000 to $8,999	22.5	19.6	15.7	11.1	1.8	2.6	17.1	17.2	15.1	7.0	5.2	4.3	3.6
$9,000 to $9,999	15.9	16.3	15.6	3.4	.9	1.2	14.5	14.2	10.1	3.4	2.8	2.4	1.9
$10,000 to $10,999	10.0	10.1	11.8	1.5	.5	.7	11.4	10.4	7.1	2.5	1.8	1.8	1.5
$11,000 to $11,999	4.7	5.5	7.1	.5	.2	.3	7.6	7.0	4.2	1.1	1.0	1.0	.9
$12,000 to $13,999	3.8	4.8	7.4	.5	.3	.4	9.0	8.4	4.9	1.8	1.5	1.2	1.3
$14,000 to $15,999	1.2	1.9	2.7	.2	.2	.2	3.7	3.4	1.9	.7	.7	.6	.7
$16,000 or more	.8	1.5	1.8	(3)	.1	.2	3.4	3.2	2.0	.8	1.0	.7	.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average valuation	$8,594	$8,753	$8,965	$6,597	$5,385	$5,199	$9,298	$9,093	$8,075	$6,269	$5,809	$5,568	$5,179
Median valuation	8,286	8,502	8,721	6,558	5,368	5,028	8,865	8,700	7,579	5,934	5,484	5,272	4,600

[1] Includes valuation of the house, all other physical improvements, and land.
[2] Data not available for 1943–45.
[3] Less than 0.05 percent.

for the groups above that figure all increased somewhat. These shifts reflected increases in the median valuation for existing homes from $8,700 in 1949 to $8,865 in 1950, in contrast to the decline in median value for new homes.

A comparison of the 1950 distributions of new- and existing-home values is shown in Chart VIII.

DISTRIBUTION OF PROPERTY VALUATION

FHA - INSURED SINGLE - FAMILY HOME MORTGAGES

SECTION 203, 1950

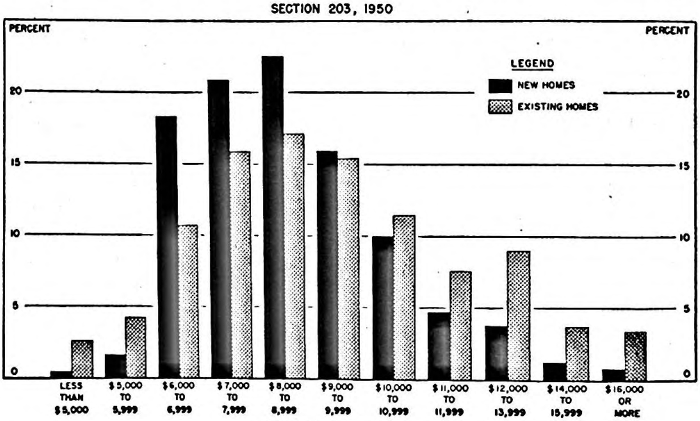


CHART VIII.

Averages by property value groups.—The average characteristics of single-family homes in various FHA value groups in 1950 are presented in Table 21. For new homes, average values in each value group ranged generally from $100 to $500 below the corresponding average replacement cost, with the difference between value and cost rising in the higher-value classes. The replacement-cost estimates include the cost of building and other physical improvements, the cost of land (averaging from $571 in the $5,000 value group to $2,745 for homes in the highest value group), and miscellaneous other allowable costs.

Paralleling the increases in average valuation shown in the table, the average mortgage amount for new homes varied between $3,886 and $13,235, with the median loan-value ratio ranging from 77 percent for properties valued at $14,000 or more to a high of 92.8 percent for properties in the $5,000 to $6,000 value group. The average monthly taxes, monthly mortgage payment, prospective housing expense, and estimated monthly rental value are also shown in Table 21 for properties in the various value groups, together with figures on average number of rooms and floor area. All these factors show consistent increases from lowest to highest value groups. The relationship between estimated valuation and size of structure is discussed in detail in connection with Table 23.

Within the same value groups, average valuations for existing homes are generally lower than those for newly constructed dwellings. As Table 21 shows, a higher proportion of the existing houses is in the upper value groups, evidenced by an average value for existing properties of $9,298—some $700 above the new-home average. Limitation of the loan-value ratios for existing-home transactions to a maximum of 80 percent (except for those instances in which the dwelling was originally constructed under FHA inspection) results in lower average mortgage amounts for existing homes than for new, within respective value groups. With the exception of homes valued at $11,000 or more, monthly mortgage payments and prospective housing expense for existing-home transactions averaged slightly less than those for new homes.

Replacement costs for existing homes covered by the sample were generally considerably higher than for new homes in the same value groups—reflecting primarily the effects of depreciation and obsolescence on the value of homes. While the average replacement costs on new homes varied between $200 and $500 above average valuations, the differential in the case of existing homes averaged over $1,700—ranging from approximately $1,500 for properties in the $9,000 value class to as high as $3,684 in the case of existing homes valued at less than $4,000.

TABLE 21.—*Average characteristics by property valuation: Based on FHA-insured mortgages secured by single-family homes, Sec. 203, 1950*

FHA property valuation [1]	Percentage distribution	Average: Property valuation	Average: Mortgage principal	Average: Market price of site [2]	Average: Replacement cost [3]	Average: Estimated monthly taxes [4]	Average: Total monthly payment [5]	Average: Prospective monthly housing expense [6]	Average: Estimated monthly rental value [7]	Average: Number of rooms [8]	Average: Floor area (square feet) [9]	Average: Mortgagor's monthly income [10]	Median loan-value ratio	Ratio of site to total value	Percentage of structures with garage
New homes															
Less than $4,000	(11)														
$4,000 to $4,999	0.4	$4,375	$3,886	$904	$4,939	4.55	$31.18	$42.41	$41.82	4.5	603	$216.75	85.6	20.7	5.7
$5,000 to $5,999	1.6	5,640	5,212	571	5,808	4.41	38.71	55.97	48.23	4.1	736	262.50	92.8	10.1	7.7
$6,000 to $6,999	18.3	6,490	5,928	731	6,628	5.55	43.54	61.83	54.05	4.2	764	291.98	91.9	11.3	20.0
$7,000 to $7,999	20.8	7,426	6,528	865	7,621	7.11	48.96	69.06	62.15	4.4	816	314.02	88.3	11.6	50.0
$8,000 to $8,999	22.5	8,402	7,232	993	8,695	8.96	54.96	76.72	69.04	4.5	882	343.77	88.1	11.8	54.0
$9,000 to $9,999	15.9	9,383	7,911	1,113	9,721	10.05	60.38	83.07	75.96	4.7	935	367.65	87.5	11.9	52.5
$10,000 to $10,999	10.0	10,360	8,549	1,274	10,675	11.46	65.34	88.88	82.30	4.8	979	403.45	86.7	12.3	50.5
$11,000 to $11,999	4.7	11,272	9,004	1,460	11,633	12.32	69.86	93.98	88.69	5.0	1,066	440.58	83.1	13.0	57.0
$12,000 to $13,999	3.8	12,747	9,601	1,717	13,132	12.77	74.52	99.87	99.14	5.4	1,205	490.23	77.5	13.5	73.0
$14,000 to $15,999	1.2	14,741	10,941	2,060	15,216	14.51	86.97	114.54	114.74	5.7	1,373	578.60	77.3	14.0	84.5
$16,000 or more	.8	17,963	13,235	2,745	18,658	18.18	104.71	134.78	138.15	6.0	1,596	713.33	77.3	15.3	88.2
Total	100.0	8,594	7,307	1,035	8,859	8.73	55.40	76.67	70.02	4.6	894	352.02	88.0	12.0	48.7
Existing homes															
Less than $4,000	1.2	$3,227	$2,471	526	$6,911	2.27	$22.40	$40.65	$30.24	4.4	1,011	$284.43	77.4	16.3	16.3
$4,000 to $4,999	1.4	4,421	3,373	596	7,358	4.16	31.38	50.03	40.65	4.7	923	292.16	77.3	13.5	42.6
$5,000 to $5,999	4.2	5,414	4,265	660	7,662	5.37	36.86	55.94	47.39	4.7	895	294.23	78.2	12.2	49.5
$6,000 to $6,999	10.7	6,410	5,087	755	8,129	6.21	42.53	62.23	55.04	4.8	917	309.86	78.5	11.8	59.6
$7,000 to $7,999	15.8	7,386	5,804	860	8,946	7.32	48.22	68.99	62.50	4.9	954	335.49	78.4	11.6	67.0
$8,000 to $8,999	17.1	8,362	6,505	981	9,872	8.41	53.61	75.53	69.58	5.0	1,008	359.11	78.1	11.7	70.1
$9,000 to $9,999	14.5	9,322	7,178	1,105	10,817	9.37	58.98	81.90	76.60	5.2	1,060	392.84	78.0	11.9	72.4
$10,000 to $10,999	11.4	10,292	7,833	1,233	11,910	10.38	64.37	88.04	83.75	5.4	1,140	420.44	77.6	12.0	75.9
$11,000 to $11,999	7.6	11,203	8,465	1,393	12,850	11.42	69.89	94.06	90.78	5.5	1,206	462.75	77.2	12.3	78.0
$12,000 to $13,999	9.0	12,684	9,386	1,635	14,484	12.75	78.13	103.75	100.85	5.8	1,355	526.84	76.7	12.9	82.5
$14,000 to $15,999	3.7	14,689	10,839	1,997	16,653	14.64	89.93	117.92	115.54	6.1	1,531	628.90	76.7	13.6	85.1
$16,000 or more	3.4	18,240	13,199	2,810	20,957	18.59	111.26	143.86	140.66	6.5	1,835	813.02	76.4	15.4	91.4
Total	100.0	9,298	7,102	1,150	11,014	9.30	58.93	81.66	76.26	5.2	1,100	405.60	77.8	12.4	70.6

[1] Includes valuation of the house, all other physical improvements, and land.
[2] Estimated by FHA for equivalent site as including street improvements or utilities, rough grading, terracing, and retaining walls if any.
[3] Includes adjusted cost of building and other physical improvements, land, and miscellaneous allowable costs.
[4] Includes real-estate taxes, special assessments if any, and water rent provided its nonpayment results in a lien against the property.
[5] 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.
[6] Includes total monthly mortgage payment for first year; estimated monthly cost of maintenance; regular operating expense items (water, gas, electricity, fuel); and monthly payment on secondary loan.
[7] Estimated on the basis of typical year-around tenant occupancy, excluding any premium obtainable because of local housing shortages or newness of the individual property.
[8] Excludes bathrooms, toilet compartments, closets, halls, storage, and similar spaces.
[9] 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.
[11] [illegible]

Selling price.—During the last several years there has been increasing interest in the relationships between FHA valuations and the actual selling prices of the houses securing FHA-insured mortgages. Since, during this period of rising prices, actual sale price has generally exceeded the FHA estimate of value, the differential between the two has been an additional charge which the mortgagor was called upon to meet prior to the date of insurance.

Although sale price data are not available for standard annual report tabulations, data on this subject from a special study prepared during 1950 provide the basis for the following discussion. As indicated in Table 22, for new-home mortgages insured in May and June 1950 the ratio of average sale price to average value generally increased with increasing value—ranging from 104 percent for homes

TABLE 22.—*Average sale price and estimated value by property valuation: Based on FHA-insured mortgages secured by new single-family homes, Sec. 203, May and June, 1950*

FHA property valuation [1]	Percentage distribution	Average		Average sale price less value	Ratio sale price to value
		Property [1] valuation	Sale price [2]		
Less than $6,000	1.8	$5,512	$5,820	$308	105.6
$6,000 to $6,999	19.3	6,478	6,752	274	104.2
$7,000 to $7,999	18.7	7,402	7,837	435	105.9
$8,000 to $8,999	21.6	8,419	8,840	421	105.0
$9,000 to $9,999	16.9	9,380	9,845	465	105.0
$10,000 to $11,999	17.0	10,631	11,189	558	105.2
$12,000 to $13,999	3.3	12,700	13,558	858	106.8
$14,000 or more	1.4	15,735	16,905	1,170	107.4
Total	100.0	8,584	9,033	449	105.2

[1] Includes valuation of the house, all other physical improvements, and land.
[2] The price stated in the sales agreement.

valued at $6,000 to $6,999 to 107 percent for homes in the highest value group.

The average sale price of the homes covered by this special study was $9,033, or $449 above the average estimate of value. Among the individual value groups, this differential generally increased with value, varying between $274 and $1,170.

Size of house.—More than half the newly constructed dwellings securing mortgages insured by the FHA in 1950 contained four rooms, exclusive of bathrooms, closets, halls, and similar spaces. This concentration was particularly marked in the lower value groups; for example, over 80 percent of the $5,000–$6,999 homes were in this category (Table 23). The new homes valued at from $9,000 to $13,999 typically contained from five to six rooms, while those valued at $14,000 or more generally contained six rooms or more.

The comparable distribution for existing homes follows the same general pattern just described for new dwellings, with the median

TABLE 23.—*Rooms by property valuation: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, 1950*

FHA property valuation [1]	Percentage distribution	Median number of rooms [2]	Number of rooms [2]					
			Three rooms	Four rooms	Five rooms	Six rooms	Seven to nine rooms	Total
			New homes					
Less than $4,000	(3)	----------	----------	----------	----------	----------	----------	----------
$4,000 to $4,999	0.4	5.1	4.5	41.2	53.4	0.9	----------	100.0
$5,000 to $5,999	1.6	4.5	4.5	85.4	9.5	.6	----------	100.0
$6,000 to 6,999	18.3	4.6	.8	80.3	17.1	1.7	0.1	100.0
$7,000 to $7,999	20.8	4.7	.3	66.5	29.4	3.7	.1	100.0
$8,000 to $8,999	22.5	4.9	.1	57.2	32.3	10.3	.1	100.0
$9,000 to $9,999	15.9	5.1	.1	45.8	39.1	14.8	.2	100.0
$10,000 to $10,999	10.0	5.3	.2	36.1	44.6	18.4	.7	100.0
$11,000 to $11,999	4.7	5.5	.1	27.0	44.8	27.0	1.1	100.0
$12,000 to $13,999	3.8	5.9	.1	10.8	43.8	42.1	3.2	100.0
$14,000 to $15,999	1.2	6.3	.3	4.9	30.1	56.3	8.4	100.0
$16,000 or more	.8	6.4	----------	1.4	26.8	48.9	22.9	100.0
Total	100.0	4.9	.4	55.6	31.9	11.5	.6	100.0
Median valuation	----------	----------	$6,641	$7,833	$8,871	$10,012	$13,717	$8,286
			Existing homes					
Less than $4,000	1.2	4.7	14.8	53.2	10.2	19.9	1.9	100.0
$4,000 to $4,999	1.4	4.9	5.9	46.0	28.1	14.4	5.6	100.0
$5,000 to $5,999	4.2	4.9	3.0	48.4	29.0	14.8	4.8	100.0
$6,000 to $6,999	10.7	5.1	1.3	45.5	33.5	14.2	5.5	100.0
$7,000 to $7,999	15.8	5.2	.6	40.2	37.3	16.2	5.7	100.0
$8,000 to $8,999	17.1	5.4	.4	34.0	38.0	20.9	6.7	100.0
$9,000 to $9,999	14.5	5.6	.2	27.7	39.4	24.3	8.4	100.0
$10,000 to $10,999	11.4	5.8	.3	18.9	40.5	29.4	10.9	100.0
$11,000 to $11,999	7.6	5.9	.2	12.3	38.4	36.6	12.5	100.0
$12,000 to $13,999	9.0	6.3	.3	6.2	30.7	43.1	19.7	100.0
$14,000 to $15,999	3.7	6.5	.4	3.7	20.9	45.8	29.2	100.0
$16,000 or more	3.4	6.8	.4	2.2	13.1	40.9	43.4	100.0
Total	100.0	5.6	.8	28.3	34.9	25.3	10.7	100.0
Median valuation	----------	----------	$6,130	$7,930	$8,961	$10,124	$10,956	$8,865

[1] Includes valuation of the house, all other physical improvements, and land.
[2] Excludes bathrooms, toilet compartments, closets, halls, storage, and similar spaces.
[3] Less than 0.05 percent.

size for specific value groups generally about one-half room larger and with markedly less concentration of the homes of a given value in particular room count categories. The comparison of the new- and the existing-home distributions may be readily made by referring to Chart IX.

Floor area.—The wide ranges of floor areas (i. e., areas of spaces in the main building above the basement or foundation, measured to the outside surfaces of the exterior walls) for homes of given valuation groups are shown in Table 24. The increasing spread in these areas which accompanies increasing valuations is shown graphically in Charts X and XI.

The relationship between floor area and room count is shown in Table 25, which shows the distributions by number of rooms for homes of varying square-foot area.

DISTRIBUTION OF ROOMS BY PROPERTY VALUATION
FHA-INSURED SINGLE-FAMILY HOME MORTGAGES
SECTION 203, 1950

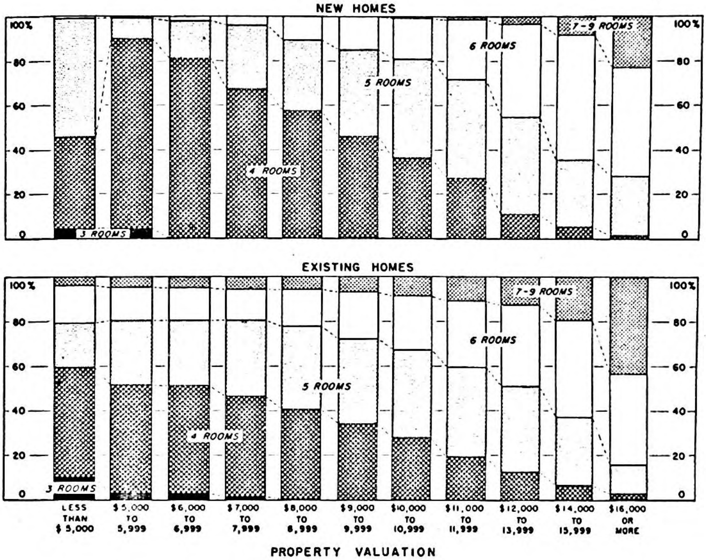


CHART IX.

RANGE OF FLOOR AREAS FOR NEW HOUSES OF DIFFERENT VALUES
(SQUARE FEET IN 50% AND IN 90% OF HOUSES IN EACH FHA VALUATION GROUP)

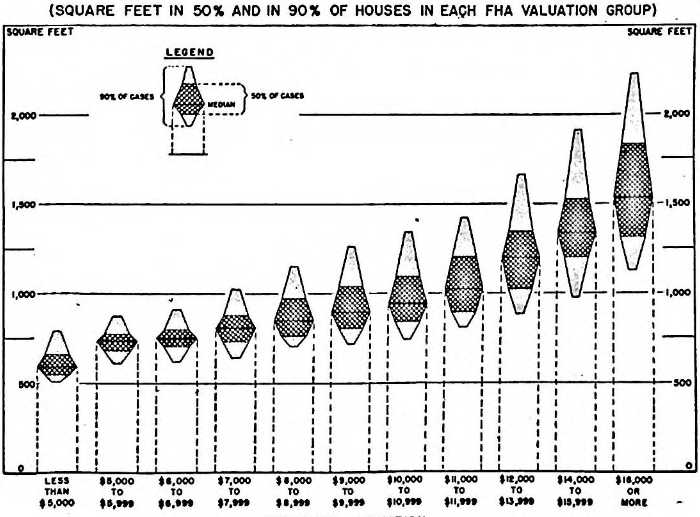


CHART X.

Table 24.—*Calculated floor area by FHA valuation: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, 1950*

FHA property valuation [1]	Percentage distribution	Median floor area [2] (square feet)	Calculated floor area [2] in square feet: 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	Total
							New homes							
Less than $4,000	(3)	---	---	---	---	---	---	---	---	---	---	---	---	---
$4,000 to $4,999	0.4	591	55.0	32.7	8.2	2.7	0.5	0.9	---	---	---	---	---	100.0
$5,000 to $5,999	1.6	734	1.8	28.1	58.9	8.4	1.8	.6	0.1	0.2	---	---	0.1	100.0
$6,000 to $6,999	18.3	753	.8	20.7	53.4	19.6	3.6	1.3	.4	.1	(3)	0.1	(3)	100.0
$7,000 to $7,999	20.8	809	.2	11.8	34.7	35.0	12.0	4.5	1.3	.4	0.1	(3)	(3)	100.0
$8,000 to $8,999	22.5	852	.1	2.6	34.3	25.0	16.9	12.9	5.5	2.4	.1	.1	.1	100.0
$9,000 to $9,999	15.9	894	.1	.9	23.0	27.5	16.1	18.0	7.5	5.7	1.0	.1	.1	100.0
$10,000 to $10,999	10.0	941	.1	.2	11.3	30.6	18.9	14.5	13.2	8.4	2.3	.4	.1	100.0
$11,000 to $11,999	4.7	1,026	(3)	---	3.0	22.7	20.0	17.0	11.8	20.1	3.9	1.3	.2	100.0
$12,000 to $13,999	3.8	1,200	---	---	.2	5.9	15.4	15.4	13.2	33.3	10.7	5.5	.4	100.0
$14,000 to $15,999	1.2	1,340	---	---	---	2.4	3.4	8.1	10.6	36.4	21.7	15.9	1.5	100.0
$16,000 or more	.8	1,535	---	---	.2	.2	.7	2.1	7.2	25.8	20.5	31.3	12.0	100.0
Total	100.0	838	.5	7.6	30.6	25.4	13.0	9.9	5.3	5.2	1.5	.8	.2	100.0
							Existing homes							
Less than $4,000	1.2	976	2.7	6.5	7.8	11.0	28.8	2.7	18.9	19.4	0.5	0.2	1.5	100.0
$4,000 to $4,999	1.4	847	6.4	16.5	20.6	13.8	9.5	7.3	12.2	6.1	4.1	2.4	1.1	100.0
$5,000 to $5,999	4.2	825	2.3	11.3	31.4	20.0	11.4	6.6	5.3	6.7	2.4	2.0	.6	100.0
$6,000 to $6,999	10.7	848	1.2	7.9	28.8	25.0	12.6	7.4	4.9	6.5	3.0	2.1	.6	100.0
$7,000 to $7,999	15.8	891	.4	5.0	20.6	25.7	17.0	11.1	6.1	7.0	3.9	2.1	.5	100.0
$8,000 to $8,999	17.1	957	.2	3.0	17.8	18.8	18.0	15.6	8.4	9.9	4.5	2.9	.9	100.0
$9,000 to $9,999	14.5	1,009	(3)	1.3	14.4	16.8	16.0	15.4	12.1	13.1	5.7	4.2	1.0	100.0
$10,000 to $10,999	11.4	1,094	.1	.6	7.5	14.9	14.7	13.0	13.6	19.1	8.4	6.1	2.0	100.0
$11,000 to $11,999	7.6	1,167	.1	.2	3.2	10.9	13.7	13.4	12.7	23.7	11.6	8.6	1.9	100.0
$12,000 to $13,999	9.0	1,299	(3)	.2	.8	4.5	8.6	11.5	12.2	24.8	17.4	14.4	5.6	100.0
$14,000 to $15,999	3.7	1,475	.1	.3	.3	1.3	3.5	7.5	7.6	21.5	21.3	24.3	12.3	100.0
$16,000 or more	3.4	1,751	---	.1	.1	.6	1.3	2.1	3.5	12.4	18.0	31.6	30.3	100.0
Total	100.0	1,006	.5	3.3	14.4	16.6	14.0	11.7	9.3	13.4	7.5	6.4	2.9	100.0

[1] Includes valuation of the house, all other physical improvements, and land.
[2] 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 25.—*Number of rooms by calculated floor area: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, 1950*

Calculated floor area [1] (square feet)	Percentage distribution	Median number of rooms	Number of rooms [2]					
			3	4	5	6	7–9	Total
			New homes					
Less than 600	0.5	4.9	20.1	32.9	46.2	0.8	----------	100.0
600 to 699	7.6	4.5	1.3	97.6	.9	.2	(3)	100.0
700 to 799	30.6	4.6	.3	87.7	11.6	.4	(3)	100.0
800 to 899	25.4	4.8	.2	61.7	36.1	2.0	(3)	100.0
900 to 999	13.0	5.3	.2	29.5	60.0	10.1	.2	100.0
1,000 to 1,099	9.9	5.6	.1	10.6	65.1	24.0	.2	100.0
1,100 to 1,199	5.3	6.0	.1	6.4	42.4	50.6	.5	100.0
1,200 to 1,299	3.2	6.1	.1	3.9	39.9	54.8	1.3	100.0
1,300 to 1,399	2.0	6.3	----------	2.0	30.9	65.3	1.8	100.0
1,400 to 1,499	.9	6.3	.2	3.0	24.1	67.0	5.7	100.0
1,500 to 1,699	.9	6.4	.4	3.9	22.6	59.6	13.5	100.0
1,700 to 1,999	.5	6.7	----------	3.1	10.1	51.4	35.4	100.0
2,000 or more	.2	7.2	1.0	12.1	10.1	23.2	53.6	100.0
Total	100.0	4.9	.4	55.6	31.9	11.5	.6	100.0
			Existing homes					
Less than 600	0.5	4.3	37.5	43.3	13.9	5.3	----------	100.0
600 to 699	3.3	4.6	5.3	77.0	13.7	3.7	0.3	100.0
700 to 799	14.4	4.7	1.2	73.1	21.5	3.8	0.4	100.0
800 to 899	16.5	5.0	.9	49.1	42.6	6.1	1.3	100.0
900 to 999	14.1	5.4	.2	28.1	57.4	12.2	2.1	100.0
1,000 to 1,099	11.7	5.6	.1	13.3	59.0	24.7	2.9	100.0
1,100 to 1,199	9.3	5.9	.2	9.0	45.4	40.6	4.8	100.0
1,200 to 1,299	7.6	6.2	.3	3.1	33.0	55.6	8.0	100.0
1,300 to 1,399	5.8	6.4	(3)	2.0	22.3	62.4	13.3	100.0
1,400 to 1,499	4.3	6.6	.4	1.2	14.1	60.1	24.2	100.0
1,500 to 1,699	5.5	6.8	.3	.7	8.3	52.5	38.2	100.0
1,700 to 1,999	4.1	7.4	.2	1.1	3.3	36.9	58.5	100.0
2,000 or more	2.9	8.2	.5	.8	1.6	13.3	83.8	100.0
Total	100.0	5.6	.8	28.3	35.0	25.3	10.6	100.0

[1] 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.
[2] Excludes bathrooms, toilet compartments, closets, halls, storage, and similar spaces.
[3] Less than 0.05 percent.

RANGE OF FLOOR AREAS FOR EXISTING HOUSES OF DIFFERENT VALUES
(SQUARE FEET IN 50% AND IN 90% OF HOUSES IN EACH FHA VALUATION GROUP)

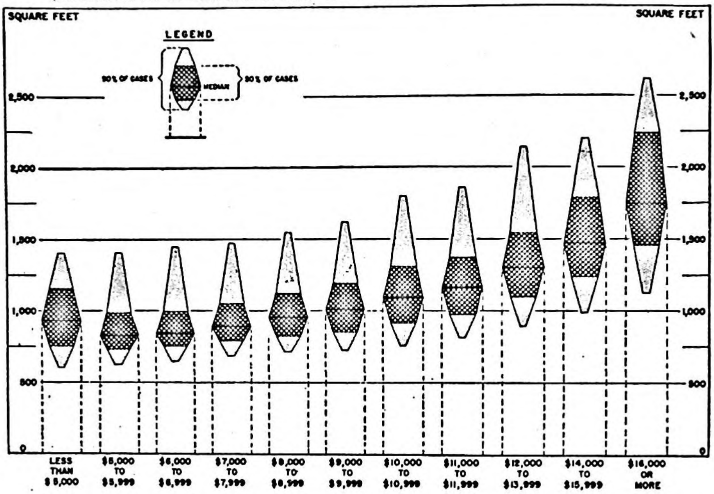


CHART XI.

Mortgagor's Income and Housing Expense

A most important element in any home mortgage transaction is the stability of the income of the mortgagor and the relationship of the stable income to the prospective monthly housing expense, living costs, and other obligations. Prospective monthly housing expense includes payments to mortgage principal and interest, mortgage insurance premium, hazard insurance, taxes and special assessments, ground rent (if any), payment on veteran's guaranteed loan (if any), and maintenance and operating expenses.

In evaluating these elements of risk, the FHA Underwriting Division, through analysis, attempts to estimate the mortgagor's probable earning capacity during the early period of mortgage risk, i. e., the first third of the total term of the mortgage. This estimate is made as to the income of the principal mortgagor and may include under certain conditions the incomes of co-makers and endorsers, if any.

In evaluating the factors of the mortgage credit risk the FHA Underwriting Division gives consideration to the credit reputation of the mortgagor, his motivating interest in the property, his financial ability to close the loan transaction, and the stability and adequacy of his income to meet all his living expenses and obligations, including the prospective monthly housing expenses resulting from the mortgage transaction.

Annual income distribution.—Table 26 shows the distributions by income groups of buyers of new and existing homes who financed their purchases with Section 203 insured mortgages in 1950, together with comparable data for selected earlier years. The 1950 distributions are shown graphically in Chart XII.

TABLE 26.—*Mortgagor's effective annual income: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, for selected years, 1940–50*

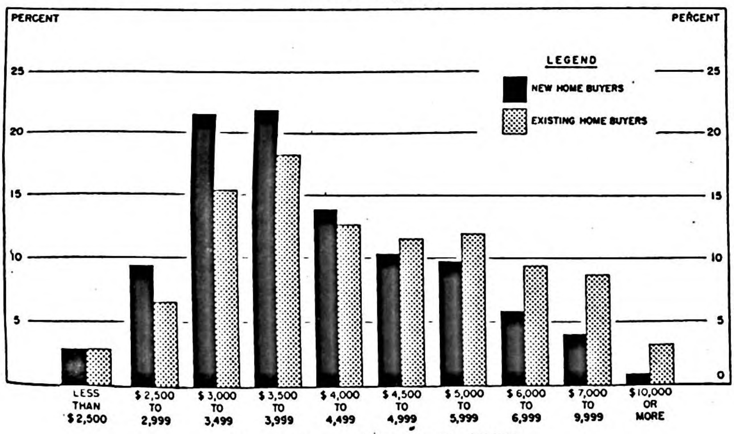
Mortgagor's effective annual income [1]	New homes [2]						Existing homes						
	1950	1949	1948	1946	1942	1940	1950	1949	1948	1946	1944	1942	1940
Less than $1,500	(3)	(3)	(3)	0.2	1.5	5.1	0.1	(3)	0.1	0.3	0.6	1.5	5.2
$1,500 to $1,999	0.2	0.2	0.6	2.7	17.6	23.4	.3	0.3	.9	4.2	5.1	14.0	20.5
$2,000 to $2,499	2.6	2.8	5.2	16.0	37.0	28.3	2.4	2.8	6.5	19.4	26.4	27.9	25.0
$2,500 to $2,999	9.4	9.2	7.7	15.8	14.7	15.4	6.5	7.1	9.9	14.8	13.7	13.0	13.9
$3,000 to $3,499	21.5	20.5	17.8	19.7	12.8	11.9	15.3	16.0	19.4	19.3	17.1	15.5	11.6
$3,500 to $3,999	21.9	21.7	18.7	17.6	7.0	6.2	18.2	19.2	18.8	14.5	12.8	9.2	6.9
$4,000 to $4,499	13.8	13.3	11.9	8.8	3.0	3.2	12.6	12.4	10.9	7.1	5.6	4.2	4.0
$4,500 to $4,999	10.3	11.2	12.7	7.5	2.2	2.0	11.5	11.7	10.9	6.7	5.9	4.0	3.1
$5,000 to $5,999	9.7	9.1	8.6	4.1	1.5	1.9	11.9	10.6	7.1	4.3	3.3	3.2	3.3
$6,000 to $6,999	5.8	6.4	8.6	4.3	1.3	1.2	9.4	9.1	7.1	4.4	4.1	3.0	2.5
$7,000 to $9,999	4.0	4.4	6.3	2.4	1.0	.9	8.7	8.0	6.2	3.5	3.7	2.8	2.5
$10,000 or more	.8	1.2	1.9	.9	.4	.5	3.1	2.8	2.2	1.5	1.7	1.7	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	100.0	100.0
Average income	$4,213	$4,285	$4,404	$3,610	$2,721	$2,665	$4,837	$4,742	$4,308	$3,640	$3,539	$3,229	$3,012
Median income	3,861	3,880	4,000	3,313	2,416	2,416	4,274	4.219	3,731	3,101	3,120	2,751	2,490

[1] Estimated amount of the mortgagor's earning capacity that is likely to prevail during approximately the first third of the mortgage term.
[2] Data not available for 1943–45.
[3] Less than 0.05 percent.

DISTRIBUTION OF MORTGAGOR'S EFFECTIVE ANNUAL INCOME

FHA-INSURED SINGLE-FAMILY HOME MORTGAGES

SECTION 203, 1950



MORTGAGOR'S EFFECTIVE ANNUAL INCOME

CHART XII.

The typical effective income of this group of new-home buyers was $3,861, a slight decrease from $3,880 in 1949.

Of the 1950 new-home mortgagors, approximately one-third had incomes below $3,500, another third were in the group from $3,500 to $4,499, while the highest third had incomes of $4,500 or more. Only 1 in 8 had an income of less than $3,000; 1 in 10 an income of $6,000 or more.

The median income of purchasers of existing homes was $4,274, or $55 higher than the 1949 median. This was a much smaller increase than has marked most years since the war. This distribution differs somewhat from that for new-home buyers. While nearly one-third of the existing-home buyers had incomes of from $3,500 to $4,499, only one-fourth received less than $3,500 and 45 percent were in the $4,500-or-more group. Nearly 10 percent were in the $6,000 bracket, and about 12 percent had effective incomes of $7,000 or more.

Monthly payment distribution.—All FHA-insured home mortgages provide for repayment on a monthly basis over the mortgage term. The mortgagor makes a single payment to the mortgagee each month. This monthly mortgage payment constitutes the major portion of the recurring charges against the home owner during the amortization period. It covers payments at a fixed amount each month to principal and interest. Also included is one-twelfth of the amount required each year to cover FHA mortgage insurance premium, hazard insurance, taxes and special assessments, and any miscellaneous items such as ground rent.

TABLE 27.—*Total monthly mortgage payment: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, for selected years, 1941–50*

Total monthly mortgage payment [1]	New homes [2]						Existing homes						
	1950	1949	1948	1946	1942	1941	1950	1949	1948	1946	1944	1942	1941
Less than $25.00	0.1	0.1	0.2	1.3	5.6	11.0	1.2	1.5	1.2	5.5	8.0	10.5	15.8
$25.00 to $29.99	.1	.1	.7	4.1	10.9	17.1	1.1	1.5	3.0	9.0	11.8	13.8	15.2
$30.00 to $34.99	.6	.6	2.6	11.3	20.5	21.1	2.3	2.8	6.5	16.0	16.1	16.7	16.3
$35.00 to $39.99	3.4	4.7	6.7	13.7	26.2	18.8	5.4	5.9	11.6	18.3	15.8	16.2	14.4
$40.00 to $44.99	12.9	12.1	8.1	16.6	19.0	13.0	9.2	9.4	14.0	15.3	13.4	12.6	11.0
$45.00 to $49.99	16.9	14.2	11.4	14.5	8.0	6.7	12.6	12.3	14.4	11.6	10.1	9.2	7.8
$50.00 to $54.99	18.6	16.3	13.1	17.1	3.6	4.1	13.9	13.7	12.5	7.8	7.4	6.4	5.1
$55.00 to $59.99	16.6	16.2	11.7	10.0	2.6	2.9	13.3	12.9	10.7	5.0	4.8	4.2	3.6
$60.00 to $64.99	12.2	12.3	11.8	5.8	2.1	1.9	10.8	10.6	7.5	3.5	3.3	4.5	2.6
$65.00 to $69.99	8.2	9.3	11.5	3.2	.1	1.2	8.5	8.3	5.7	2.2	2.4	.2	1.8
$70.00 to $74.99	4.8	5.6	8.5	1.4	.7	.8	5.9	5.8	3.8	1.6	1.6	2.2	1.4
$75.00 to $79.99	2.4	3.0	5.0	.4	(3)	.4	4.3	4.2	2.4	1.2	1.1	.1	1.0
$80.00 to $89.99	1.7	2.8	4.6	.3	.3	.4	5.3	5.0	2.9	1.2	1.5	1.8	1.4
$90.00 to $99.99	.7	1.2	2.1	.2	.2	.2	2.6	2.5	1.5	.6	.9	.1	.9
$100.00 or more	.8	1.5	2.0	.1	.2	.4	3.6	3.6	2.3	1.2	1.8	1.5	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	100.0	100.0
Average payment	$55.38	$57.15	$58.70	$46.06	$38.07	$36.88	$58.94	$58.38	$52.18	$43.25	$42.91	$40.75	$39.50
Median payment	54.31	55.59	58.08	46.18	37.46	35.21	56.65	56.12	49.76	40.83	39.45	37.80	35.91

[1] 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.
[2] Data not available for 1943–45.
[3] Less than 0.05 percent.

The typical mortgage payment provided in the new-home mortgage contracts insured in 1950 was $54.31. As the distribution shown in Table 27 and Chart XIII indicates, fully 90 percent of the 1950 contracts required payments of from $40 to $75, with more than three out of four contemplating payments of from $40 to $64.99. As the table shows, the 1950 median was slightly less than the 1949 figure.

The distribution of payments on existing homes in 1950 was virtually unchanged from the preceding year. About 60 percent of these payments were between $40 and $64.99, with 1 in 10 reported as less

DISTRIBUTION OF TOTAL MONTHLY MORTGAGE PAYMENT
FHA-INSURED SINGLE-FAMILY HOME MORTGAGES
SECTION 203, 1950

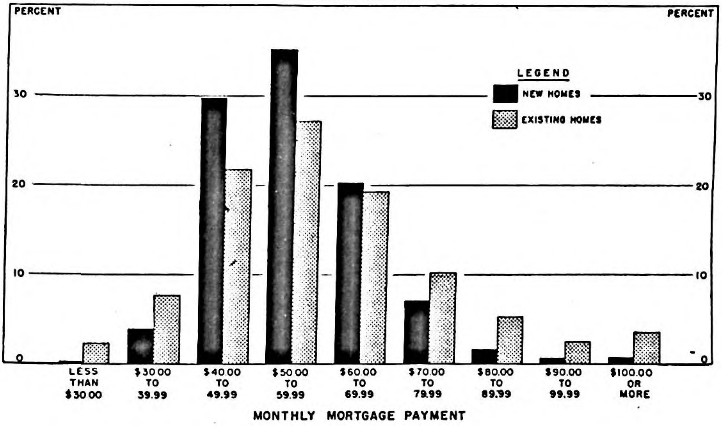


CHART XIII.

than $40 and almost 1 in 3 at $65 or more. The median payment increased only very slightly—from $56.12 in 1949 to $56.65 in 1950.

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 the light of the income of the mortgagor involved. Averages for a selected group of these characteristics are given in Table 28 for various income levels of both new- and existing home buyers.

The table shows that, as the average income of new-home buyers increased from $183 for the group with effective incomes of less than $200 per month to $1,284 for mortgagors receiving $1,000 or more, the average valuations of their new dwellings increased from $6,533 to $12,772, with an average for all groups of $8,613. (Note: The averages in this table are arithmetic means, in contrast to medians

TABLE 28.—*Average characteristics by mortgagor's monthly income: Based on FHA-insured mortgages secured by single-family, owner-occupied homes, Sec. 203, 1950*

Mortgagor's effective monthly income[1]	Percentage distribution	Average: Mortgagor's monthly income[1]	Average: FHA valuation[2]	Average: Mortgage principal	Average: Total monthly mortgage payment[3]	Average: Total monthly housing expense[4]	Average: Monthly rental value[5]	Average: Monthly taxes and assessments[6]	Average: Calculated floor area (square feet)[7]	Average: Number of rooms[8]	Mortgage as a percent of FHA valuation	Ratio of FHA valuation to annual income
New homes												
Less than $150	[9] 0.1											
$150 to $199.99	1.3	$183.00	$6,533	$5,723	$41.25	$50.37	$53.59	$5.23	753	4.2	87.6	3.0
$200 to $249.99	10.8	226.49	7,158	6,251	45.79	64.72	58.46	6.41	789	4.3	87.3	2.6
$250 to $299.99	24.8	271.39	7,836	6,770	50.61	70.78	64.00	7.74	828	4.4	86.4	2.4
$300 to $349.99	23.8	318.45	8,488	7,255	54.63	75.22	69.04	8.67	878	4.5	85.5	2.2
$350 to $399.99	13.4	368.36	8,993	7,627	57.77	78.47	73.11	9.27	924	4.7	84.8	2.0
$400 to $449.99	10.1	416.71	9,355	7,874	60.29	81.53	75.80	9.62	950	4.7	84.2	1.9
$450 to $499.99	5.0	467.85	9,630	8,073	61.49	82.67	78.12	9.88	991	4.8	83.8	1.7
$500 to $599.99	6.3	530.62	10,171	8,436	64.74	86.45	81.82	10.41	1,035	4.9	82.9	1.6
$600 to $799.99	3.3	660.19	11,444	9,290	72.72	94.94	91.73	11.72	1,140	5.2	81.2	1.4
$800 to $999.99	.6	857.09	12,432	9,938	80.71	98.00	99.23	13.98	1,228	5.3	79.9	1.2
$1,000 or more	.5	1,284.43	12,772	10,301	87.94	111.33	101.89	14.18	1,324	5.5	80.7	.8
Total	100.0	351.08	8,613	7,329	55.38	75.86	69.99	8.65	896	4.6	85.1	2.0
Existing homes												
Less than $150	[9] 0.1											
$150 to $199.99	1.5	$179.30	$5,622	$4,075	$34.46	$52.44	$47.55	$4.74	960	4.7	72.5	2.6
$200 to $249.99	7.6	225.61	6,951	5,272	43.53	63.52	58.06	6.45	939	4.8	75.8	2.6
$250 to $299.99	17.7	270.73	7,781	5,988	49.20	70.60	64.69	7.64	959	4.9	77.0	2.4
$300 to $349.99	20.3	318.20	8,493	6,498	53.61	75.38	70.34	8.38	1,015	5.0	76.5	2.2
$350 to $399.99	12.9	368.23	9,091	6,966	57.41	79.96	74.91	9.03	1,070	5.2	76.6	2.1
$400 to $449.99	12.3	415.95	9,672	7,391	61.05	83.86	79.16	9.62	1,117	5.3	76.4	1.9
$450 to $499.99	6.3	467.37	10,167	7,790	64.23	87.53	82.98	10.08	1,169	5.4	76.6	1.8
$500 to $599.99	10.2	530.85	10,966	8,359	69.22	93.34	88.56	10.86	1,244	5.5	76.2	1.7
$600 to $799.99	7.2	663.55	12,498	9,544	80.01	106.29	100.58	13.10	1,397	5.8	76.4	1.6
$800 to $999.99	2.1	853.18	13,972	10,732	90.46	118.20	111.38	15.14	1,560	6.1	76.8	1.4
$1,000 or more	1.8	1,277.32	15,283	11,475	99.76	130.89	120.87	16.97	1,728	6.3	75.1	1.0
Total	100.0	403.06	9,306	7,112	58.94	81.62	76.29	9.28	1,103	5.2	76.4	1.9

[1] Estimated amount of the mortgagor's earning capacity that is likely to prevail during approximately the first third of the mortgage term.

[2] Includes valuation of the house, all other physical improvements, and land.

[3] 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.

[4] Includes total monthly mortgage payment for first year; estimated monthly cost of maintenance; regular operating expense items (water, gas, electricity, fuel); and monthly payment on secondary loan.

[5] Estimated on the basis of [illegible] premium obtainable because of local housing shortages or newness of the individual property.

[6] Includes real-estate taxes, special assessments if any, and water rent provided its nonpayment results in a lien against the property.

[7] 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.

[8] Excludes bathrooms, toilet compartments, closets, halls, storage, and similar spaces.

presented earlier in this report.) These average valuations represented three times the average annual income of the mortgagors in the lowest income group. As incomes increase, this ratio characteristically declines—for mortgagors in the highest income group, average value represented only 0.8 of average annual income, while for all new-home buyers average value was exactly twice the average annual income.

The relationship of the borrower's monthly mortgage payment to his monthly income is of major importance in determining whether or not a mortgage contract will be successfully paid off. The table shows that monthly mortgage payments averaged from $41.25 for borrowers in the lowest income group to $87.94 for those in the highest group—the average for all purchasers of new homes being $55.38, or slightly less than one-sixth of the average income of $351.08. As average incomes increase within the groups shown in the table, the relative importance of the monthly mortgage payment decreases—from 23 percent in the lowest income group to less than 7 percent for borrowers in the highest income bracket.

Another test of the soundness of any home mortgage transaction is the relationship between the monthly mortgage payment being assumed by the borrower and the monthly rental value of the property.

Estimated monthly rental values, based on typical year-around tenant occupancy, without regard for any premium which may be obtainable because of housing shortages or the newness of particular properties, averaged $69.99 for new homes, or approximately $15 above the average mortgage payment. Within individual income groups, this differential ranged between $12.34 and $19.01, generally increasing with income.

Existing-home figures in Table 28 permit the same comparisons as were made in the preceding paragraphs for new-home cases. The average monthly income of purchasers of existing homes was $403.06—some $50.00 above the average for new-home buyers. While the average value of the existing homes was some $700 above that of new homes, the lower loan-value ratios permitted for these mortgages resulted in an average mortgage slightly below that in the new-home cases. Reflecting the shorter mortgage term for existing-home mortgages, the average monthly payment was $58.94—$3.56 above that for purchasers of new homes. Rental values averaged $76.29 per month—more than six dollars above the average for new homes.

Also shown in Table 28 are comparative figures for the various income groups relating to (1) the size of new and existing homes, (2) the percentage relationship of mortgage amount and property valuation, and (3) the monthly housing expense estimates arrived at in the FHA underwriting process.

Housing expense has been defined earlier in this analysis as the monthly mortgage payment plus an allowance for the estimated monthly cost of maintenance, such operating expense items as water, fuel, and electricity, and the monthly payments on any secondary loan. The relationship between average monthly mortgage payments

AVERAGE MONTHLY MORTGAGE PAYMENT
AND HOUSING EXPENSE BY MONTHLY INCOME
FHA-INSURED SINGLE-FAMILY HOME MORTGAGES, 1950

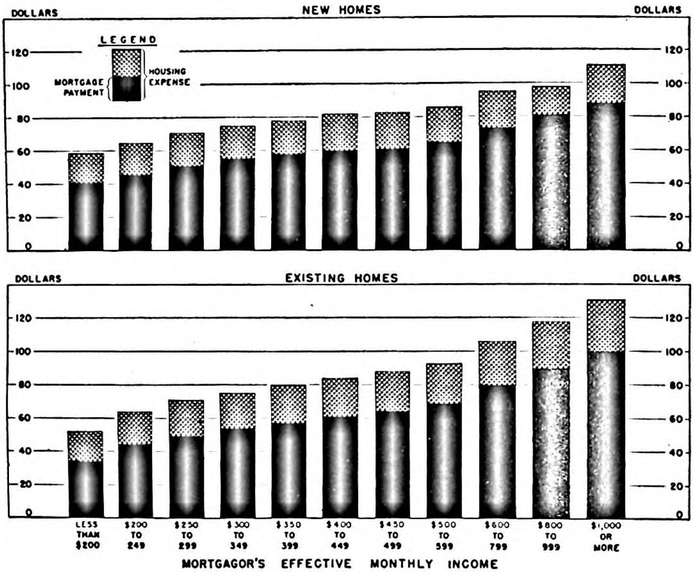


CHART XIV.

and average housing expense for home owners of various income levels is shown in Table 28 and graphically in Chart XIV.

There is a very wide variation in the housing expense undertaken by home owners within particular income groups. This variation is shown percentagewise in Table 29 and in Charts XV and XVI. A comparison of the two charts readily reveals that this variation is much greater in existing-home transactions than in those involving new dwellings. As is to be expected, the range of the estimated housing expense reported for specific cases increases with income.

TABLE 28.—Prospective ... mortgages secured by single-family, owner-occupied homes, Sec. 203, [illegible]

Mortgagor's effective monthly income [2]	Percentage distribution	Median monthly housing expense	Prospective monthly housing expense [1]																		
			Less than $35.00	$35 to $39.99	$40 to $44.99	$45 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 $129.99	$130 to $139.99	$140 to $149.99	$150 or more	Total
			New homes																		
Less than $150	0.1	$46.67	-----	3.3	40.0	20.0	10.0	20.0	6.7	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	100.0
$150 to $199.99	1.3	58.33	0.1	.9	3.6	9.6	17.8	27.2	23.2	11.3	4.1	0.6	0.9	0.3	0.3	-----	0.1	-----	-----	-----	100.0
$200 to $249.99	10.8	64.73	-----	.1	.3	1.8	6.9	17.7	24.5	22.8	14.1	8.3	3.3	.1	.1	-----	-----	-----	-----	-----	100.0
$250 to $299.99	24.8	71.35	.1	(3)	.1	.5	2.5	8.7	14.8	18.3	18.4	17.7	16.7	2.1	.1	-----	-----	-----	-----	-----	100.0
$300 to $349.99	23.8	76.59	.1	(3)	.1	.4	1.7	5.6	9.2	12.9	14.9	16.4	27.5	10.2	1.0	(3)	(3)	-----	-----	-----	100.0
$350 to $399.99	13.4	80.00	(3)	-----	.1	.3	1.2	4.1	7.4	9.9	13.0	14.0	27.7	16.5	5.2	0.5	.1	(3)	-----	-----	100.0
$400 to $449.99	10.1	82.29	.1	.1	.1	.3	1.0	3.3	5.9	8.6	11.1	13.4	26.8	18.2	8.7	1.9	.3	0.1	(3)	0.1	100.0
$450 to $499.99	5.0	83.70	.1	-----	(3)	.1	.7	2.7	5.5	9.1	9.9	13.0	24.4	19.6	9.4	3.8	1.1	.5	0.1	-----	100.0
$500 to $599.99	6.3	86.44	(3)	-----	.1	-----	.6	2.3	3.4	7.2	9.2	10.9	25.3	19.3	11.6	5.5	3.0	.8	.5	.3	100.0
$600 to $799.99	3.3	93.16	.1	-----	-----	.2	.4	1.0	3.1	4.8	7.0	7.9	19.3	19.8	13.1	8.5	5.7	4.4	2.1	2.6	100.0
$800 to $999.99	.6	98.80	-----	-----	.3	.3	-----	.7	3.5	3.5	4.5	5.2	18.0	16.3	11.8	8.3	9.7	7.9	4.8	5.2	100.0
$1,000 or more	.5	103.46	.4	-----	-----	-----	1.4	.4	4.1	3.2	4.1	4.5	13.2	14.5	11.8	9.1	7.3	5.5	7.3	13.2	100.0
Total	100.0	75.41	.1	(3)	.2	.6	2.4	7.0	11.1	13.5	13.9	14.1	21.1	10.0	3.6	1.2	.6	.3	.1	.2	100.0
			Existing homes																		
Less than $150	0.1	$50.63	-----	4.7	16.7	26.2	19.0	16.7	16.7	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	100.0
$150 to $199.99	1.5	53.44	6.4	7.8	13.6	12.0	15.0	18.8	13.0	8.3	4.0	0.8	0.3	-----	-----	-----	-----	-----	-----	-----	100.0
$200 to $249.99	7.6	64.34	.9	1.4	3.0	4.7	10.0	15.0	17.3	18.3	14.1	9.0	5.6	0.5	0.2	-----	-----	-----	-----	-----	100.0
$250 to $299.99	17.7	71.40	.2	.4	1.0	2.1	4.8	8.4	13.0	15.3	17.3	15.7	18.3	3.2	.2	(3)	0.1	-----	(3)	-----	100.0
$300 to $349.99	20.3	76.09	.2	.3	.8	1.4	3.1	5.9	8.9	12.2	14.2	13.7	24.9	12.0	2.1	0.3	(3)	-----	(3)	(3)	100.0
$350 to $399.99	12.9	81.21	.3	.5	1.0	1.0	2.3	3.9	6.7	8.7	11.2	11.5	24.8	18.6	7.7	1.5	.3	(3)	-----	(3)	100.0
$400 to $449.99	12.3	84.35	.2	.3	.4	.8	1.7	2.9	5.5	7.7	10.1	10.5	22.7	19.3	11.9	4.8	.9	0.2	(3)	0.1	100.0
$450 to $499.99	6.3	87.50	(3)	.5	.9	.5	1.4	2.7	4.3	6.0	8.5	8.7	22.2	18.0	13.5	8.0	3.7	.8	0.1	.2	100.0
$500 to $599.99	10.2	92.72	.1	.1	.3	.6	1.0	1.7	3.3	4.9	6.3	7.8	18.8	18.8	14.8	9.8	6.3	3.4	1.3	.7	100.0
$600 to $799.99	7.2	104.33	(3)	-----	.2	.3	.6	.9	1.7	3.3	4.1	4.5	12.5	15.4	15.2	12.3	9.5	8.0	5.3	6.2	100.0
$800 to $999.99	2.1	118.53	-----	-----	.2	.2	.3	.6	1.2	1.7	2.9	3.9	8.6	8.8	11.8	11.5	15.0	9.8	8.0	15.5	100.0
$1,000 or more	1.8	127.81	.2	-----	-----	.1	.2	.5	.9	2.4	2.0	2.6	7.4	9.3	7.2	10.0	9.3	9.0	8.0	30.9	100.0
Total	100.0	78.99	.3	.5	1.1	1.6	3.2	5.4	7.9	10.0	11.3	10.8	19.3	12.3	6.8	3.7	2.2	1.4	.8	1.4	100.0

[1] Includes total monthly mortgage payment for first year; estimated monthly cost of maintenance; regular operating expense items (water, gas, electricity, fuel); and monthly payment on secondary loan.

[2] Estimated amount of the mortgagor's earning capacity that is likely to prevail during approximately the first third of the mortgage term.

[3] Less than 0.05 percent.

RANGE OF MONTHLY HOUSING EXPENSE
FOR NEW HOME BUYERS IN DIFFERENT INCOME GROUPS
(PROSPECTIVE COSTS FOR 50% AND FOR 90% OF EACH INCOME GROUP)

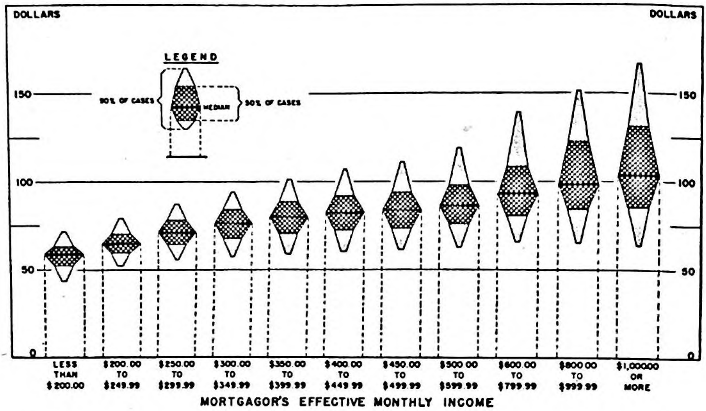


CHART XV.

RANGE OF MONTHLY HOUSING EXPENSE
FOR EXISTING HOME BUYERS IN DIFFERENT INCOME GROUPS
(PROSPECTIVE COSTS FOR 50% AND FOR 90% OF EACH INCOME GROUP)

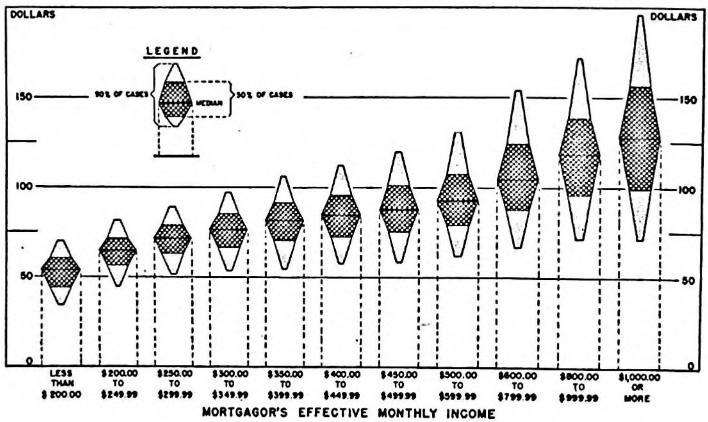


CHART XVI.

Rental and Cooperative Housing Mortgage Insurance

In 1950 FHA provided mortgage insurance assistance for financing rental and cooperative housing projects under five different legislative programs authorized in the National Housing Act—multifamily rental housing under Section 207; cooperative housing under Section 213; multifamily rental housing under the Veterans' Emergency Housing provisions of Section 608; the public-housing disposition program under Section 608 pursuant to Section 610; and the Section 803 (Wherry Bill) military housing program. There has been no insurance activity under Title VII, which provides for FHA insurance of investments in rental housing.

Section 207 as amended by Public Law 475 (enacted April 20, 1950) expanded as the principal long-range mortgage insurance program for multifamily rental projects. Applications covering nearly 58,000 dwelling units were received by FHA during 1950 for insurance under this section.

The cooperative housing provisions of Section 207 were repealed by Public Law 475 in 1950 and a new Section 213 was enacted to provide more effective assistance to cooperative groups in financing the construction of single-family home and multifamily projects. Dwelling units in applications for mortgage insurance under this program totaled nearly 39,000 in the first 8 months of its operation.

FHA's authority under Section 608 to issue commitments for mortgage insurance on new construction expired on March 1 of last year. In order to permit the processing of applications covering 105,000 units which were received by FHA field offices in the first 2 months of the year, the Congress authorized an additional 500 million dollars in the Title VI authorization for commitments on applications on hand at the March 1 terminal date. The heavy volume of applications received, commitments issued, insurance written, and dwelling units started and completed under the Section 608 program made it by far the most active FHA project mortgage program in 1950.

With the assistance of FHA mortgage insurance under the authority of Section 608 pursuant to Section 610, private purchasers during 1950 financed the purchase of "public-housing" projects containing 1,100 units. Nonprofit cooperative groups, as well as regular corporations, were among the mortgagors in these transactions.

FHA's military housing activity under the provisions of Section 803 accelerated markedly in 1950. Units in applications totaled nearly 26,000; in commitments, more than 20,000. Starts exceeded 12,000 units, and more than 3,000 units were reported completed during the year.

Volume of Business

Insurance written by FHA in 1950 on rental and cooperative projects totaled more than 1,150 million dollars, an increase of 13 percent over 1949. This volume accounted for almost one-third of the cumulative amount of project mortgages insured by FHA since the beginning of operations. Compared with the aggregate amount of all types of insurance written under the National Housing Act, rental and cooperative mortgages represented slightly more than one-fourth of the 1950 volume and about 15 percent of the cumulative amount.

Table 30 shows the yearly and cumulative volume of insurance written under the various FHA rental and cooperative project programs from 1935 through 1950. Almost all (99 percent) of this type of insurance written to date, as well as that for the year 1950, covered new construction. As of December 31, 1950, there were approximately 485,000 new family units in the rental and cooperative projects built or being built with the aid of FHA mortgage insurance. The bulk of these units (88 percent) are accounted for by insurance written under Section 608. An additional 3,900 units have been provided in the publicly built projects sold to private investors with mortgages insured under Section 608 pursuant to Section 610.

Only a part of the story of the workload involved in the rental and cooperative project phase of FHA operations during 1950 is shown by the insurance-written data presented in Table 30. Project mortgage applications covering 229,000 units were submitted to FHA field offices, almost 30 percent of the units in all applications. After examination and analysis of applications, commitments were issued on projects with 161,000 units.[2] Inspections were made in connection with the 250,000 units in rental and cooperative projects which were under construction during the course of the year. Of these units, 147,000 were started and 106,000 were completed in 1950.

State Distribution

In 1950, the FHA insured mortgages on rental and cooperative projects in every State but two and in the District of Columbia, Alaska, Hawaii, and Puerto Rico. As shown in Table 31 and Chart XVII, 1,500 or more dwelling units were provided in each of 23 States, the District of Columbia, and Puerto Rico by the FHA projects securing mortgages insured during the year.

Nearly 3 of every 5 units were in projects located in eight States—New York and New Jersey (largely in the New York-Northeast New Jersey metropolitan area); Pennsylvania, Maryland, and Virginia (principally the counties in the Washington, D. C. metropolitan area), Georgia, Illinois, and Texas. Although Section 608 accounted for the bulk of the units in these States, significant proportions of the Texas, Illinois, and Maryland units were in Section 803 military housing projects.

Table 32 shows by State location of project the cumulative number of projects, mortgage amount, and number of units for mortgages

[2] Includes 4,893 units covered by Section 213 statements of eligibility.

TABLE 30.—*Yearly volume of rental and cooperative project mortgages insured by FHA: Number of units and amount of mortgage on new and existing or refinanced construction, by sections, 1935–50*

[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	738	$2,355	738	$2,355		
1936	624	2,101	624	2,101		
1937	3,023	10,483	3,023	10,483		
1938	11,930	47,638	11,930	47,638		
1939	13,462	51,851	13,462	51,851		
1940	3,559	12,949	3,446	12,489	113	$460
1941	3,741	13,565	3,296	12,014	445	1,551
1942	5,842	21,215	5,458	19,533	384	1,682
1943	20,179	84,622	20,035	84,047	144	575
1944	12,430	56,096	9,655	46,105	2,775	9,991
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
Total	494,590	3,477,908	484,988	3,447,221	9,602	30,687

New construction

Year	Sec. 207		Sec. 608	
	Units	Amount	Units	Amount
1935	738	$2,355		
1936	624	2,101		
1937	3,023	10,483		
1938	11,930	47,638		
1939	13,462	51,851		
1940	3,446	12,489		
1941	3,296	12,014		
1942	1,163	4,110	4,295	$15,423
1943	41	139	19,994	83,908
1944			9,655	46,105
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	128,994	996,224
1950	2,514	18,065	135,076	1,007,996
Total	[2] 41,291	[2] 169,764	[3] 426,743	[3] 3,139,644

Year	Sec. 213	
	Units	Amount
1950	285	$2,691
Total	285	2,691

Year	Sec. 803	
	Units	Amount
1949	1,540	$12,071
1950	15,129	123,052
Total	16,669	135,123

Existing or refinanced construction

Year	Sec. 207		Sec. 608		Sec. 608–610	
	Units	Amount	Units	Amount	Units	Amount
1935–39						
1940	113	$460				
1941	445	1,551				
1942	384	1,682				
1943	144	575				
1944	2,181	7,176	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
Total	4,611	16,586	1,086	5,776	3,905	8.325

[1] Increase in amount of a mortgage insured prior to 1947.

[2] Includes 41,274 units provided in new and rehabilitation projects securing insured mortgages totaling $169,670,906.

[3] Includes 426,668 units provided in new and rehabilitation projects securing insured mortgages totaling $3,141,711,650.

TABLE 31.—*State distribution of rental and cooperative project mortgages: Number, face amount and units of FHA-insured mortgages for all project mortgage programs combined, and number of units covered by mortgages insured under each section, for the year 1950*

State location of projects	All sections			Sec. 207, units	Sec. 213, units	Sec. 608, units	Sec. 608-610, units	Sec. 803, units
	Number	Amount	Units					
Alabama	59	$16,583,229	2,944	112		2,582		250
Arizona	5	3,154,398	523			128		395
Arkansas	5	692,000	110			110		
California	99	29,461,013	4,010	156		2,596	58	1,200
Colorado	16	8,737,335	1,016	32		984		
Connecticut	2	2,329,000	299			299		
Delaware	7	9,654,200	1,369			1,369		
District of Columbia	17	13,980,900	1,804			1,804		
Florida	21	13,467,100	2,025			1,025		1,000
Georgia	52	48,908,800	7,116	300		5,991		825
Idaho	2	345,800	46			46		
Illinois	75	50,411,290	6,015			5,015		1,000
Indiana	28	19,410,000	2,533			2,533		
Iowa	15	8,995,400	1,113	12		1,101		
Kansas	20	11,831,239	1,664			1,112		552
Kentucky	11	6,528,100	972	16		556		400
Louisiana	15	16,170,900	1,956	304		1,652		
Maine	1	92,000	23			23		
Maryland	38	46,412,804	6,760			5,079	486	1,195
Massachusetts	9	8,662,618	992			430		562
Michigan	34	16,219,827	2,069		144	1,925		
Minnesota	49	17,849,450	2,188			2,188		
Mississippi	10	7,145,900	1,106			526		580
Missouri	34	33,063,109	4,201			4,081		120
Montana	2	805,000	115			115		
Nebraska	14	4,551,397	648			648		
Nevada	3	537,200	72			72		
New Hampshire	2	174,587	26			26		
New Jersey	103	88,402,732	12,198	76		11,822		300
New Mexico	3	810,200	101			101		
New York	231	291,901,500	34,344	872		33,297		175
North Carolina	26	24,484,400	4,105			3,105		1,000
North Dakota								
Ohio	71	37,328,754	4,885			4,885		
Oklahoma	23	3,799,700	523		141	382		
Oregon	15	11,259,722	1,312			1,312		
Pennsylvania	97	58,907,534	6,941			6,889		52
Rhode Island	1	96,100	12			12		
South Carolina	44	14,121,400	2,528			2,528		
South Dakota	3	4,542,000	549			148		401
Tennessee	61	24,397,959	4,688	60		4,378	250	
Texas	93	72,779,700	10,851	494		7,065		3,292
Utah	9	2,623,500	321	12		309		
Vermont	5	641,300	88	56		32		
Virginia	39	39,271,055	6,019			5,059	310	650
Washington	28	19,068,955	2,335			1,155		1,180
West Virginia	8	939,500	126			126		
Wisconsin	81	17,557,250	2,093	12		2,081		
Wyoming								
Alaska	14	16,361,900	1,431			1,431		
Hawaii	1	60,500	12			12		
Puerto Rico	25	28,274,600	4,947			4,947		
Total	1,626	1,153,804,857	154,124	2,514	285	135,092	1,104	15,129

UNITS IN RENTAL PROJECTS SECURING MORTGAGES INSURED BY FHA UNDER SECTIONS 207, 213, 608, 608-610 AND 803, DURING 1950

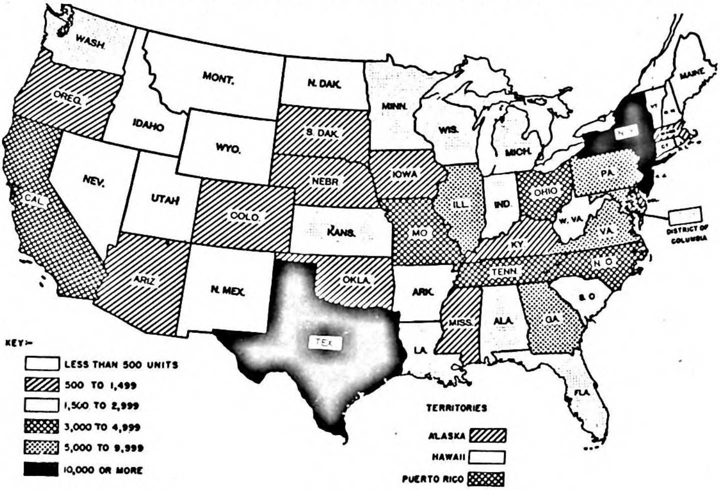


CHART XVII.

insured from 1935 through the end of 1950 under all FHA rental and cooperative housing programs combined, and the cumulative number of units provided under each section separately. Although FHA projects have been built in every State, the District of Columbia, and the Territories of Alaska, Hawaii, and Puerto Rico, nearly 7 of every 10 units are in projects located in nine States and the District of Columbia—the Atlantic Coast States of New York, New Jersey, Pennsylvania, Maryland, the District of Columbia, Virginia, and Georgia; Illinois in the Midwest; Texas in the Southwest; and California on the Pacific Coast.

Section 608 projects have been provided in every State and the three Territories. Projects constructed with FHA mortgage insurance assistance under Section 207 were found at the close of 1950 in every State but nine, with none in the Territories. Insured mortgages during the first 8 months of Section 213 operations were limited to projects in two States—Michigan and Oklahoma.

The public-housing-disposition program under Section 608 pursuant to Section 610 had been confined as of the year end to projects located principally in the States along the Atlantic Coast from New York through Georgia, and in West Virginia, Tennessee, Michigan, Kansas, Louisiana, and California. The military housing projects securing Section 803 insured mortgages were situated in 21 States, with most of the projects in the southern half of the Nation.

TABLE 32.—*State distribution of rental and cooperative project mortgages: Number, face amount and units of FHA-insured mortgages for all project mortgage programs combined, and number of units covered by mortgages insured under each section, cumulative through 1950*

State location of projects	All sections			Sec. 207, units	Sec. 213, units	Sec. 608, units	Sec. 608–610, units	Sec. 803, units
	Number	Amount	Units					
Alabama	207	$59, 988, 529	10, 302	479	-------	9, 573	-------	250
Arizona	43	8, 357, 512	1, 407	65	-------	947	-------	395
Arkansas	49	6, 887, 000	1, 131	199	-------	932	-------	-------
California	923	163, 463, 195	25, 590	3, 344	-------	20, 988	58	1, 200
Colorado	63	14, 730, 635	2, 096	251	-------	1, 845	-------	-------
Connecticut	48	21, 845, 800	3, 184	328	-------	2, 856	-------	-------
Delaware	22	28, 858, 119	4, 048	257	-------	3, 771	20	-------
District of Columbia	176	133, 605, 249	19, 804	2, 065	-------	17, 739	-------	-------
Florida	323	80, 263, 700	11, 962	324	-------	10, 638	-------	1, 000
Georgia	151	129, 107, 700	18, 745	696	-------	17, 074	150	825
Idaho	8	4, 558, 400	571	-------	-------	571	-------	-------
Illinois	255	125, 170, 235	16, 256	1, 593	-------	13, 663	-------	1, 000
Indiana	110	47, 904, 242	6, 545	667	-------	5, 878	-------	-------
Iowa	27	13, 248, 600	1, 710	148	-------	1, 562	-------	-------
Kansas	81	25, 994, 098	4, 127	186	-------	3, 039	350	552
Kentucky	90	28, 962, 456	4, 193	546	-------	2, 247	-------	1, 400
Louisiana	83	49, 618, 997	6, 612	640	-------	5, 822	150	-------
Maine	14	2, 912, 661	688	-------	-------	688	-------	-------
Maryland	302	260, 922, 547	38, 681	3, 319	-------	33, 333	486	1, 543
Massachusetts	41	30, 068, 218	3, 975	233	-------	3, 180	-------	562
Michigan	239	56, 484, 704	8, 161	792	144	6, 725	500	-------
Minnesota	152	40, 780, 711	5, 634	1, 182	-------	4, 452	-------	-------
Mississippi	39	14, 051, 800	2, 220	12	-------	1, 628	-------	580
Missouri	124	63, 479, 654	8, 884	1, 280	-------	7, 484	-------	120
Montana	4	2, 033, 000	327	-------	-------	135	-------	192
Nebraska	48	11, 622, 180	1, 649	-------	-------	1, 649	-------	-------
Nevada	13	1, 576, 500	240	-------	-------	240	-------	-------
New Hampshire	7	1, 671, 840	244	-------	-------	244	-------	-------
New Jersey	503	351, 134, 074	48, 987	2, 932	-------	45, 755	-------	300
New Mexico	8	1, 381, 500	185	-------	-------	185	-------	-------
New York	736	700, 330, 081	88, 664	10, 953	-------	76, 970	566	175
North Carolina	106	66, 495, 183	11, 453	1, 249	-------	9, 119	85	1, 000
North Dakota	2	170, 552	31	-------	-------	31	-------	-------
Ohio	256	82, 997, 734	11, 903	526	-------	11, 377	-------	-------
Oklahoma	121	22, 519, 150	3, 231	132	141	2, 958	-------	-------
Oregon	138	37, 520, 963	5, 153	134	-------	5, 019	-------	-------
Pennsylvania	349	159, 841, 018	20, 923	2, 206	-------	18, 215	450	52
Rhode Island	7	1, 632, 900	246	36	-------	210	-------	-------
South Carolina	85	39, 021, 500	6, 399	290	-------	6, 109	-------	-------
South Dakota	10	5, 432, 500	705	46	-------	258	-------	401
Tennessee	118	39, 917, 309	7, 185	508	-------	6, 427	250	-------
Texas	391	154, 433, 915	22, 752	1, 678	-------	17, 782	-------	3, 292
Utah	18	4, 778, 400	659	12	-------	647	-------	-------
Vermont	6	1, 341, 300	180	56	-------	124	-------	-------
Virginia	345	230, 374, 345	36, 600	5, 877	-------	29, 633	440	650
Washington	115	58, 436, 790	7, 722	315	-------	6, 227	-------	1, 180
West Virginia	12	3, 092, 300	730	174	-------	156	400	-------
Wisconsin	152	30, 712, 181	3, 848	172	-------	3, 676	-------	-------
Wyoming	5	401, 125	71	-------	-------	71	-------	-------
Alaska	17	24, 763, 300	2, 180	-------	-------	2, 180	-------	-------
Hawaii	51	4, 736, 700	850	-------	-------	850	-------	-------
Puerto Rico	25	28, 274, 600	4, 947	-------	-------	4, 947	-------	-------
Total	7, 218	3, 477, 907, 702	494, 590	45, 902	285	427, 829	3, 905	16, 669

Terminations

At the close of 1950, FHA insurance contracts had been terminated on 552 project mortgages totaling $214 million in face amount, about 6 percent of the combined amount of mortgages insured under all FHA project mortgage programs since the beginning of operations. Terminated Section 207 and Section 210[3] contracts accounted for about two-thirds of the total amount of terminations, and terminated Section 608 contracts for 33 percent. Three of every four mortgage dollars originally insured under Sections 207 and 210[3] were no longer subject to FHA insurance as of the close of 1950, as against less than 3 percent of the Section 608 insured amount which had been terminated by that time.

TABLE 33.—*Disposition of rental and cooperative project mortgages insured by FHA: Number and amount of mortgages insured, terminated, and in force, all sections combined, and by Secs. 207 and 608, cumulative through Dec. 31, 1950*

[Dollar amounts in thousands]

Disposition	Total, all sections combined[1]		Sec. 207		Sec. 608	
	Projects	Amount	Projects	Amount	Projects	Amount
Mortgages insured	7,218	$3,477,908	403	$186,350	6,731	$3,145,420
Mortgages terminated:						
Prepayments in full[2]	402	158,352	281	115,548	117	41,079
Prepayments by supersession	27	9,953	13	8,032	14	1,921
Matured loans						
Mortgages assigned to FHA[3]	38	13,638	1	3,000	37	10,638
Projects acquired by FHA[4]	65	29,182	17	12,752	48	16,430
Withdrawals	9	1,639	7	1,407	2	232
Other terminations	11	804	8	578	3	226
Total terminations	552	213,568	327	141,317	221	70,526
Mortgages in force	6,666	3,264,340	76	45,033	6,510	3,074,895

[1] Includes mortgages insured under Sec. 213 (6 for $2,690,650); under Sec. 608–610 (22 for $8,324,500); and under Sec. 803 (56 for $135,122,600).
[2] Includes 4 mortgages for $1,725,600 insured under Sec. 608–610.
[3] Includes 1 Sec. 207 mortgage sold with reinsurance, and 1 Sec. 608 mortgage sold without reinsurance.
[4] Under Sec. 207, includes 7 projects sold with reinsurance, 4 projects sold without reinsurance and 6 projects sold with mortgages held by FHA. Under Sec. 608, includes 1 project sold with reinsurance.

As shown in Table 33, prepayment in full prior to maturity was the major reason for termination of FHA project mortgage insurance contracts. These, together with terminations resulting from prepayments with supersession (i. e., original mortgage refinanced with proceeds of a new FHA-insured mortgage) accounted for nearly 80 percent of the total face amount of mortgage insurance terminated. Under Sections 207 and 210, the ratio of prepayments to total terminations was 87 percent, while under the newer Section 608 program 60 percent of all terminations were due to prepayment.

[3] Section 210, which was enacted on February 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 Section 207 data in references to cumulative operations of Section 207 throughout this report.

Defaulted mortgage payments had resulted by the end of 1950 in the termination of FHA insurance contracts on 112 project mortgages totaling $44,000,000. These projects constituted only 1.3 percent of the total amount insured and about 20 percent of the amount of all terminations under the combined FHA project mortgage programs. As shown in Table 33, FHA had been assigned the mortgage notes on 38 of these projects and had acquired title to another 65 projects. In 9 other cases, the mortgagees decided to retain title to the projects and forego their rights to debentures.

Section 207 default terminations represented about 9 percent of the aggregate amount of insurance written and about 12 percent of all types of terminations under this section. Under Section 608, mortgages amounting to less than one percent of the total insured amount were terminated because of defaults, but the ratio of these default terminations to all terminations under this section was nearly 39 percent.

Of the 18 Section 207 projects or mortgage notes acquired by FHA, all have been sold. An analysis of the financial experience of these terminated cases is presented in detail in Financial Statement 16 in Section III of this report. No Section 207 mortgages or projects have been acquired by FHA since 1943.

During 1950, there was a net increase of 66 in the number of Section 608 mortgage notes and projects acquired by FHA, 65 of which had been insured under the postwar Veterans' Emergency Housing program. This brought the year-end total of Section 608 mortgage notes assigned to FHA to 37 and the number of Section 608 projects acquired to 48. Of the mortgage notes only one had been sold. Likewise, only one of the acquired projects had been sold.

Defaults of Project Mortgages

At the close of 1950, there were 112 outstanding Section 608 mortgages on which lending institutions had reported defaulted payments, compared with 84 at the end of the previous year. Foreclosure proceedings had been started on 36 of the mortgages, and 12 mortgages were in process of being assigned to the FHA.

Only one Section 207 mortgage was in default at the year end. On this project, as well as on many of the defaulted Section 608 projects, reinstatement to good standing was expected.

Financial Institution Activity

Originations and holdings.—The number and dollar volume of FHA-insured project mortgages originated last year by the different types of lending institutions under the several programs are shown in Table 34. State banks continued in 1950 to maintain an impressive lead over other types of institutions, originating more than two-fifths of the dollar amount of all insured mortgages. Next in rank, with nearly one-fourth of the originations, were national banks, which moved up from third place in 1949. Mortgages amounting to nearly 14 percent of the total were financed by savings banks, and almost 9

TABLE 34.—*Types of institutions originating rental and cooperative project mortgages: Number and face amount of mortgages insured under Secs. 207, 213, 608, 608–610, and 803, during the year 1950*

[Dollar amounts in thousands]

Type of institution (as classified Dec. 31, 1950)	Number	Amount	Percentage distribution [1]	Number	Amount	Percentage distribution [1]
	All sections			Sec. 207		
National bank	371	$273,061	23.7	7	$4,460	24.7
State bank	493	487,978	42.3	2	2,011	11.1
Mortgage company	264	99,650	8.6	4	1,777	9.8
Life insurance company	264	89,147	7.7	3	1,502	8.3
Other insurance company	25	6,958	.6	1	91	.5
Savings bank	160	156,793	13.6	4	8,119	45.0
Savings and loan association	23	12,502	1.1	--------	--------	--------
Federal agency	6	5,239	.5	--------	--------	--------
All other [2]	20	22,477	1.9	1	105	.6
Total	1,626	1,153,805	100.0	22	18,065	100.0
	Sec. 213			Sec. 608		
National bank	1	$1,507	56.0	339	$187,675	18.6
State bank	1	180	6.7	478	458,846	45.5
Mortgage company	3	643	23.9	251	90,551	9.0
Life insurance company	1	361	13.4	250	79,698	7.9
Other insurance company	--------	--------	--------	24	6,867	.7
Savings bank	--------	--------	--------	152	146,244	14.5
Savings and loan association	--------	--------	--------	23	12,502	1.3
Federal agency	--------	--------	--------	6	5,239	.5
All other [2]	--------	--------	--------	18	20,508	2.0
Total	6	2,691	100.0	1,541	1,008,129	100.0
	Sec. 608–610			Sec. 803		
National bank	--------	--------	--------	24	$79,420	64.5
State bank	2	$983	52.6	10	25,958	21.1
Mortgage company	--------	--------	--------	6	6,679	5.4
Life insurance company	6	885	47.4	4	6,700	5.5
Other insurance company	--------	--------	--------	--------	--------	--------
Savings bank	--------	--------	--------	4	2,430	2.0
Savings and loan association	--------	--------	--------	--------	--------	--------
Federal agency	--------	--------	--------	--------	--------	--------
All other [2]	--------	--------	--------	1	1,865	1.5
Total	8	1,868	100.0	49	123,052	100.0

[1] Based on amount of mortgage.
[2] Includes industrial banks, finance companies, investment companies, private and State benefit funds, and endowed institutions.

percent by mortgage companies. The proportion of life insurance company originations fell off sharply to less than 8 percent, from 16 percent in the previous year. Federal agency activity—principally FNMA loans on Alaska housing projects—amounted to less than 1 percent of the total.

As would be expected, with 87 percent of the amount of all insured mortgages insured under Section 608, the relative proportions of the dollar volume of mortgages originated by the different types of institutions under this section were almost the same as for all project mortgages combined.

In the financing of Section 207 mortgages last year, savings banks predominated with mortgages amounting to 45 percent of the total, followed by national banks, which accounted for almost one-fourth of the mortgage amount insured under this section. Nearly two of every three mortgage dollars insured under the Section 803 military housing program were lent by national banks, and one of every $5 was lent by State banks.

Table 35 shows the number and original principal amount of FHA-insured project mortgages held in the portfolios of the several types of financial institutions at the close of 1950. Life insurance company holdings of $970 million were the largest, representing 30 percent of the total. Some $800 million of FHA-insured project mortgages, or 25 percent of the total amount, were held by State banks. Savings banks ranked third, with 650 million dollars, or 20 percent of the total, followed by national banks, which held project mortgages representing slightly over 11 percent of the total. Federal agency (i. e., FNMA) holdings, as reported to and tabulated by FHA at the year end, totaled some $20 million, or less than one percent of the total amount of project mortgages with insurance in force.

Holdings of Section 608 mortgages were distributed by type of institution in almost the same proportions as project mortgages under all sections combined. The major investors in Section 207 mortgages were savings banks, holding 42 percent, and life insurance companies with 22 percent of the total amount of these mortgages. Section 803 military housing mortgages in the portfolios of national banks represented nearly two-thirds of the total amount covered by insurance in force under this section—the same proportion as that originated by this type of institution.

Transfers.—More than half a billion dollars in FHA-insured project mortgages were transferred between financial institutions during 1950. Virtually all the mortgages were insured under Section 608.

As indicated in Table 36, savings banks led in the dollar volume of purchases of project mortgages last year, accounting for about 34 percent of the total amount. Second in rank, with 29 percent of total dollar purchases, were life insurance companies. Because of the large volume of purchases by the Institutional Securities Corporation (organized and sponsored jointly by the savings banks of New York and classified by FHA as a mortgage company), mortgage companies

TABLE 35.—*Types of institutions holding rental and cooperative project mortgages: Number and face amount of mortgages insured under Secs. 207, 213, 608, 608–610, and 803, held in portfolios as of Dec. 31, 1950*

[Dollar amounts in thousands]

Type of institution (as classified Dec. 31, 1950)	Number of institutions	Number of mortgages	Amount	Percentage distribution [1]	Number of institutions	Number of mortgages	Amount	Percentage distribution [1]
	All sections [2]				Sec. 207			
National bank	(3)	688	$357,194	11.2	9	10	$4,521	10.0
State bank	(3)	906	804,725	25.2	6	9	4,524	10.1
Mortgage company	(3)	375	178,622	5.6	3	5	2,208	4.9
Life insurance company	(3)	2,857	970,256	30.3	12	29	9,757	21.7
Other insurance company	(3)	290	87,096	2.7	1	1	91	.2
Savings bank	(3)	1,125	650,292	20.3	7	12	18,925	42.0
Savings and loan association	(3)	106	35,134	1.1	1	1	64	.1
Federal agency	(3)	41	20,416	.6	1	1	91	.2
All other [4]	(3)	180	96,387	3.0	4	8	4,852	10.8
Total	(3)	6,568	3,200,123	100.0	44	76	45,033	100.0
	Sec. 213				Sec. 608 [2]			
National bank	1	1	$1,507	56.0	104	648	$263,647	8.8
State bank	1	1	180	6.7	89	883	772,775	25.7
Mortgage company	2	3	643	23.9	73	361	169,092	5.6
Life insurance company	1	1	361	13.4	93	2,811	946,892	31.4
Other insurance company					28	289	87,005	2.9
Savings bank					66	1,106	626,812	20.8
Savings and loan association					42	105	35,070	1.2
Federal agency					1	38	19,715	.6
All other [4]					18	171	89,670	3.0
Total	5	6	2,691	100.0	514	6,412	3,010,678	100.0
	Sec. 608–610				Sec. 803			
National bank					14	29	$87,520	64.8
State bank	2	3	$1,288	19.5	6	10	25,958	19.2
Mortgage company					3	6	6,679	4.9
Life insurance company	5	10	2,576	39.0	3	6	10,671	7.9
Other insurance company								
Savings bank	3	3	2,124	32.2	1	4	2,430	1.8
Savings and loan association								
Federal agency	1	2	611	9.3				
All other [4]					1	1	1,865	1.4
Total	11	18	6,599	100.0	28	56	135,123	100.0

[1] Based on amount of mortgage.
[2] Less than face amount in force due to lag in tabulation.
[3] Not available.
[4] Includes industrial banks, finance companies, investment companies, private and State benefit funds, and endowed institutions.

ranked third among project mortgage purchasers, accounting for almost 17 percent of the total.

According to reports received and tabulated by FHA during 1950, Federal agency purchases—by FNMA—amounted to only a little over \$4½ million, or less than 1 percent of the total amount of mortgages transferred.

Table 36 also shows the number and original principal amounts of FHA project mortgages sold by the several types of financial institutions last year. State banks were by far the most active sellers, accounting for more than 45 percent of the total amount of mortgage

TABLE 36.—*Types of institutions purchasing and selling rental and cooperative project mortgages: Number and face amount of project mortgages transferred (including resales) under all sections, and Sec. 608 separately, for the year 1950*

[Dollar amounts in thousands]

Type of institution (as classified Dec. 31, 1950)	Mortgages purchased			Mortgages sold		
	Number	Amount	Percentage distribution [1]	Number	Amount	Percentage distribution [1]
	All sections					
National bank	41	$10, 850	2.1	258	$111, 427	21.5
State bank	53	19, 625	3.8	315	236, 270	45.6
Mortgage company	129	85, 663	16.5	208	72, 271	13.9
Life insurance company	333	148, 154	28.6	21	12, 640	2.5
Other insurance company	63	19, 942	3.8	33	9, 392	1.8
Savings bank	317	174, 521	33.6	37	22, 415	4.3
Savings & loan association	13	1, 897	.4	51	11, 885	2.3
Federal agency	21	4, 574	.9	64	17, 758	3.4
All other [2]	71	53, 396	10.3	54	24, 565	4.7
Total	1, 041	518, 622	100.0	1, 041	518, 622	100.0
	Section 608					
National bank	40	$10, 407	2.0	258	$111, 427	21.6
State bank	51	19, 279	3.7	313	235, 287	45.5
Mortgage company	129	85, 663	16.6	206	71, 832	13.9
Life insurance company	333	148, 154	28.7	21	12, 640	2.4
Other insurance company	63	19, 942	3.8	33	9, 392	1.8
Savings bank	316	173, 981	33.7	37	22, 415	4.3
Savings & loan association	13	1, 897	.4	51	11, 885	2.3
Federal agency	19	4, 135	.8	62	17, 412	3.4
All other [2]	71	53, 396	10.3	54	24, 565	4.8
Total	1, 035	516, 854	100.0	1, 035	516, 854	100.0

[1] Based on amount of mortgage.
[2] Includes industrial banks, finance companies, investment companies, private and State benefit funds, and endowed institutions.

transfers. Next in rank, but with only 22 percent of total sales, were the national banks. These were followed by mortgage companies, which sold project mortgages representing nearly 14 percent of the total amount.

Characteristics of Rental and Cooperative Projects

The characteristics of rental and cooperative projects covered by commitments for FHA mortgage insurance issued during 1950 are described in the following pages. In this analysis, projects have been arranged into three major groups: first, the new rental projects approved under Section 207, the Veterans' Emergency Housing provisions of Section 608, and the Section 803 military housing program; second, the cooperative housing projects approved under Section 213 or insured under the Section 207 cooperative housing provisions which were repealed on April 20, 1950; and third, the existing projects originally constructed with Federal funds and purchased by private investors with the assistance of FHA mortgage insurance under Section 608 pursuant to Section 610.

The principal characteristics of the loans, projects, and dwelling units covered by FHA project mortgage commitments issued in 1950 are summarized in the following table.

TABLE 37.—*Summary of characteristics of FHA rental and cooperative projects covered by FHA commitments issued during 1950*

Program	Percent distribution of units by type of structure [1]			Size of project (units)		Median			
	Walk-up	Eleva-tor	One-family	Median	Aver-age	Size of unit (rooms) [2]	Month-ly rent-al per unit [3]	Mort-gage per unit [2 3]	Ratio of mort-gage to replace-ment cost
All new rental housing	40.0	30.8	29.2	48.6	97.6	4.2	$78.87	$7,706	88.6
Section 207 projects	59.1	7.1	33.8	31.3	66.9	4.3	71.13	6,366	82.9
Section 608 VEH [4] projects	41.4	37.8	20.8	45.8	87.7	4.1	81.12	7,619	88.2
Section 803 military projects [5]	28.0	.7	71.3	312.5	309.6	5.2	73.47	8,088	89.6
Cooperative housing: Sec. 213 new projects [6]	79.9	3.4	16.7	31.5	173.6	5.1	[7] 72.41	8,755	84.9
Existing housing built with Federal funds: Sec. 608-610 projects [5]	47.8	....	52.2	150.0	163.5	4.3	$36.22	$2,080	[8] 90.0

[1] Units in projects 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] Includes projects covered by commitments issued prior to 1950.
[6] Includes projects securing mortgages insured under the Sec. 207 cooperative housing provisions repealed Apr. 20, 1950.
[7] Based on total monthly charges to members of cooperative groups sponsoring projects.
[8] Ratio of mortgage amount to FHA estimate of value.

It should be noted that, in addition to commitments issued last year under the several sections of the act, the characteristics data cover Section 803 commitments issued since the inception of that program in August 1949, the Section 207 cases insured under the cooperative housing provisions in effect from August 1948 to April 1950, and the Section 608–610 commitments issued since the enactment of Section 610 in August 1947. The light volume of operations under these sections in previous years did not warrant presentation of characteristics data in earlier reports.

Yearly trends.—New rental housing projects insured under Sections 207, 608, and 803 accounted for 99 percent of the units in FHA project mortgage commitments during 1950. The great bulk—82 percent—of the new rental units were in Section 608 projects, 14 percent were in Section 803 military housing projects, and the remainder were in Section 207 projects. Table 38 compares selected characteristics of the 1950 new rental projects with those of previous years, and Chart XVIII shows trends for several characteristics since the beginning of FHA rental project operations.

TABLE 38.—*Trend of characteristics of FHA new rental projects and dwelling units, 1935–50*

Year [1]	Number of units per project		Number of rooms per dwelling unit		Monthly rental		Mortgage allocable to dwelling use	
	Median	Average	Median	Average	Per unit [2]	Per room [3]	Per unit [3]	Per room [2]
1935–41	72.2	121.1	3.9	3.7	$53.09	$14.54	$3,725	$1,009
1942–46	41.0	75.9	4.0	3.7	56.45	15.10	4,427	1,187
1947	20.3	39.8	4.7	4.4	84.13	[4] 19.00	7,505	1,724
1948	22.5	51.1	4.7	4.3	87.56	20.13	7,645	1.769
1949	41.6	78.4	4.0	3.7	82.49	22.22	7,190	1,940
1950	48.6	97.6	4.2	3.9	78.87	20.06	7,140	1,835

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
1935–41	87.0	9.9	[6] 3.1	84.4	14.0	[6] 1.6
1942–46	81.6	------------	18.4	79.4	------------	20.6
1947	85.9	1.1	13.0	83.6	2.7	13.7
1948	84.4	3.1	12.5	76.7	13.1	10.2
1949	68.8	14.0	17.2	58.2	26.7	15.1
1950	59.0	18.0	23.0	40.0	30.8	29.2

[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, 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, rowhouse projects were classified as walk-ups.

New rental projects approved in 1950 were larger than those of 1949. The typical 1950 project comprised nearly 50 units—the largest since the prewar Section 207 projects. Influencing the increase in project size, the proportion of dwelling units in elevator structures also rose, reaching almost 31 percent—a new high in FHA history. Nearly all these elevator apartments were in Section 608 projects.

The record-high proportion of projects composed of single-family structures also had a bearing on the larger size of the 1950 projects. Nearly 30 percent of new rental units were in this type of structure —about double the 1949 proportion. More than half (58 percent) of the single-family dwellings were in Section 608 projects, and over a third (38 percent) in Section 803 military housing projects.

Two of every five units were provided by walk-up projects, a decline from the three of every five accounted for by this type of project in 1949. Most of the walk-up units were in Section 608 projects, one-ninth in Section 803 military housing projects, and approximately 5 percent in Section 207 projects.

Dwelling units in the 1950 new rental projects were somewhat larger than those in the war and prewar projects and in the 1949 projects, but about one-half room smaller than those in postwar projects approved in 1947 and 1948. (See Table 38 and Chart XVIII.) Despite a rise of 4 percent in the proportion of elevator units from 1949 to 1950, the proportion of units of 4 rooms or more in all types of new rental projects rose from 50 to 60 percent. This increase was principally due to the marked rise (from 15 to 29 percent) in the proportion of units in single-family structure projects. More than nine-

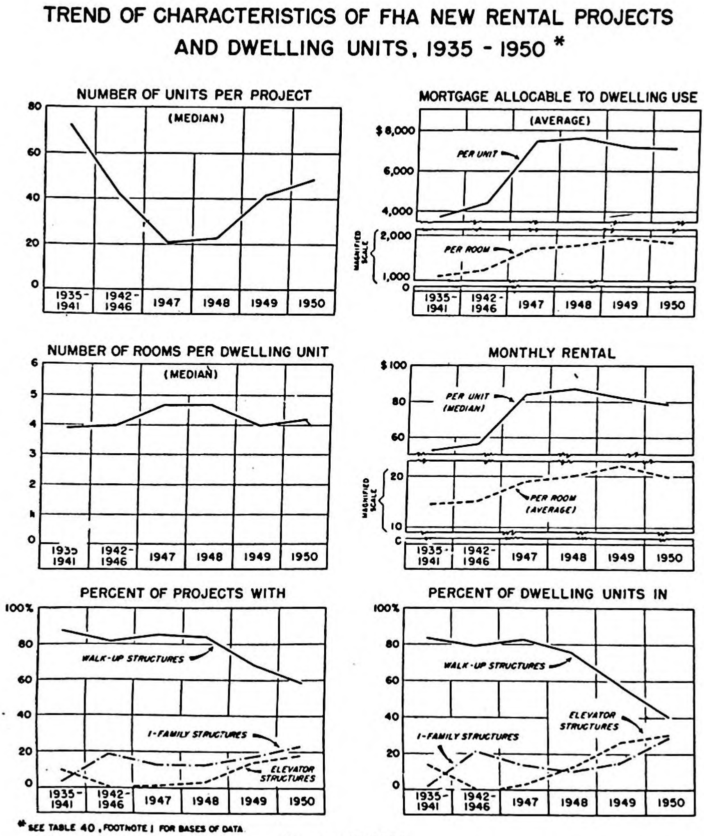


CHART XVIII.

tenths of the units in this type of project had 4 rooms or more, and 55 percent had 4½ rooms or more. (See Chart XXII.) Even the typical elevator unit registered a slight increase in size—from 3.4 rooms in 1949 to 3.6 rooms in 1950.

Table 38 shows that the 1950 median monthly rental—$79—was the lowest reported for new rental units approved during the postwar period. On an average per-room basis, the 1950 rental of $20.06 was about $2 less than in 1949, about the same as in 1948, and a dollar more than the average room rental in 1947. Compared with Section 207 prewar rental projects, the monthly rental for the 1950 units averaged about $5 more per room.

The proportion of new rental units with monthly rentals of less than $80 increased to 52 percent in 1950 from 46 percent the year before. Here again the effect of the larger proportion of single-family structure is evident, since nearly 84 percent of these units were approved for rentals of less than $80, and 44 percent for rentals of less than $60. (See Chart XXIII.)

The average amounts of mortgage allocable to dwelling purposes on a per-unit and per-room basis, shown in Table 38 and Chart XVIII, reflect the influence of construction costs on mortgage financing. The average mortgage amount per room—a more accurate barometer of the general trend than the average per unit, because of variation in the sizes of typical units from year to year—rose from slightly more than $1,000 during the prewar period to a peak of $1,940 in 1949—an increase of more than 90 percent.

In this connection, it should be noted that under the prewar Section 207 provisions the mortgage amount could not exceed 80 percent of the long-term value of the property, contrasted with the maximum of 90 percent of replacement cost applicable to the bulk of the postwar units.

Table 38 indicates a slight decrease in 1950 from 1949 in the average mortgage per unit and about a 5 percent decrease in the average per room. On the other hand, the median mortgage per unit for the 1950 new rental projects was $7,706—about $100 more than the median amount for the previous year. This somewhat contradictory situation is explained by the shift of the unit mortgage amounts from the middle ranges in 1949 to both the lower and higher ranges in 1950 as indicated in the table below:

Mortgage per unit:	*Percent distribution of units* 1949	1950
Less than $6,000	13. 7	18. 7
$6,000 to $7,999	53. 4	41. 8
$8,000 to $8,100	32. 9	39. 5
Total	100. 0	100. 0
Median	$7, 608	$7, 706
Average	7, 190	7, 140

Type of project.—Walk-up structures—principally two-story buildings—were predominant in about three of every five new rental projects of various sizes approved by FHA in 1950, but accounted for only 40 percent of the total number of dwelling units. See Table 39 and Chart XIX.

Elevator structure projects constituted about 30 percent of the new rental units, and almost the same proportion of dwellings were in projects consisting principally of single-family structures (row, semidetached, and detached houses).

Most of the new rental units approved under Section 207 (nearly 60 percent) were in walk-up projects, one-third were in single-family structure projects, and only 7 percent were in elevator projects. Of the Section 608 units, on the other hand, almost 38 percent were provided by elevator projects, with 41 percent in walk-up projects.

TABLE 39.—*Type of project by predominant type of structure: Percentage distributions based on FHA commitments to insure rental and cooperative project mortgages, 1950*

Type of project by predominant type of structure	New rental housing								Cooperative housing		Existing housing built with Federal funds	
	All new rental projects		Sec. 207 projects		Sec. 608 VEH projects		Sec. 803 military projects[1]		Sec. 213 new projects[2]		Sec. 608-610 projects[1]	
	Projects	Units	Projects	Units	Projects	Units	Projects	Units	Projects[3]	Units	Projects	Units
Walk-up total	59.0	40.0	74.7	59.1	59.7	41.4	29.5	28.0	-----	79.9	62.5	47.8
1- and 2-story combined	1.0	1.3	-----	-----	.9	.7	2.6	4.5	-----	-----	4.2	3.8
2- story	49.1	30.9	67.5	55.0	49.3	31.3	26.9	23.5	-----	79.9	54.1	33.8
2- and 3-story combined	1.7	3.2	1.2	1.1	1.8	3.9	-----	-----	-----	-----	4.2	10.2
3-story	7.2	4.6	6.0	3.0	7.7	5.5	-----	-----	-----	-----	-----	-----
Elevator	18.0	30.8	2.4	7.1	19.8	37.8	1.3	.7	-----	3.4	-----	-----
One-family total	23.0	29.2	22.9	33.8	20.5	20.8	69.2	71.3	-----	16.7	37.5	52.2
Row house	14.6	14.6	14.5	21.2	13.9	11.9	28.2	26.6	-----	-----	16.7	20.0
Semidetached	7.6	12.8	4.8	8.6	6.6	8.9	28.2	34.3	-----	-----	12.5	25.4
Detached	.8	1.8	3.6	4.0	-----	-----	12.8	10.4	-----	16.7	8.3	6.8
All types	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-----	100.0	100.0	100.0

[1] Includes projects covered by commitments issued prior to 1950.
[2] Includes projects securing mortgages insured under Sec. 207 cooperative housing provisions repealed Apr. 20, 1950.
[3] Percentage distribution not significant.

Section 803 military housing was marked by the extremely high proportion of the units (71 percent) which were in single-family structure developments. Practically all the Section 803 projects are located on military installations where sizable tracts of land are readily available at nominal ground rents for dwelling projects. Since neither availability nor cost of land is a problem, and since most of the dwellings are intended for military personnel with families, the more spacious single-family structure has almost invariably been selected by military officials as the type of structure to be erected.

In cooperative housing developments approved by FHA through the end of 1950, members have indicated a preference for walk-up structures, with nearly 80 percent of the dwelling units in this type of project. The high proportion of walk-ups is due to the fact that nearly 85 percent of the surveyed cooperative project units were in management projects—the units of which are leased to members of the cooperative group sponsoring the project—and 94 percent of the units in these management projects were in walk-up structures. All units in the sales type of cooperative housing projects were in single-family

DISTRIBUTION OF PROJECTS AND DWELLING UNITS BY TYPE OF PROJECT, 1950
FHA COMMITMENTS TO INSURE NEW RENTAL PROJECT MORTGAGES
UNDER SECTIONS 207, 608 & 803

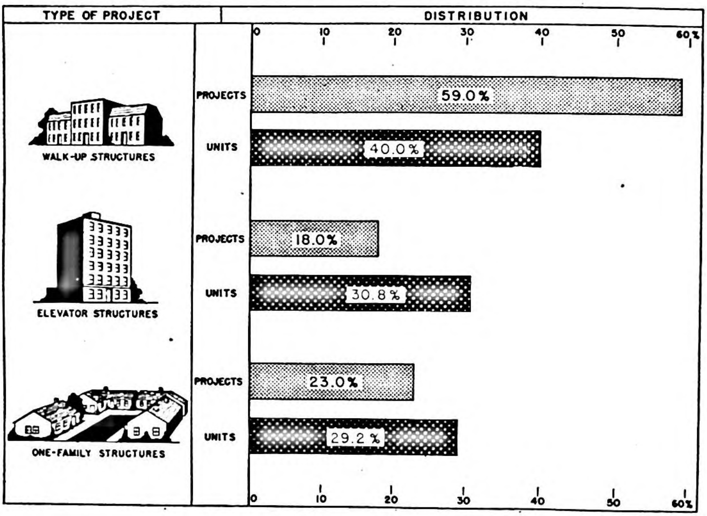


CHART XIX.

structures, since this type of cooperative housing venture is organized specifically for the purpose of building single-family homes which are to be sold to participating members on completion.

Units provided in the existing-structure projects approved under Section 608–610 by the end of 1950 were evenly divided between walk-up structures and projects consisting of single-family structures.

Size of project.—Table 40 presents percentage distributions by project size (measured in dwelling units) under each program during 1950. Both the median and average (arithmetic mean) number of units per project are shown, but, since the averages are greatly affected by the larger projects, for analytical purposes the median is considered more significant.

TABLE 40.—*Size of project: Percentage distributions based on FHA commitments to insure rental and cooperative project mortgages, 1950*

Number of dwelling units per project	All new rental projects		Sec. 608 VEH new rental projects by predominant type of structure							
			All Sec. 608 projects		Walk-up		Elevator		One-family [1]	
	Projects	Units	Projects	Units	Projects	Units	Projects	Units	Projects	Units
8 to 9	5.5	0.4	6.2	0.6	8.3	1.1	-------	-------	5.9	0.5
10 to 24	27.8	4.6	28.3	5.2	38.8	10.2	-------	-------	25.2	4.5
25 to 49	17.6	6.6	18.5	7.7	21.4	12.4	10.7	2.7	17.9	7.4
50 to 99	18.8	13.3	19.2	15.2	14.6	16.3	32.9	14.0	19.7	15.2
100 to 149	9.4	11.6	9.5	13.1	5.7	11.1	22.5	16.5	8.3	11.1
150 to 199	5.3	9.5	5.0	9.9	4.0	11.7	6.8	7.2	5.9	11.3
200 to 299	8.0	19.2	7.9	21.3	4.4	17.4	12.1	17.9	13.7	34.9
300 to 399	2.7	9.7	2.1	8.1	1.5	9.0	3.9	8.1	1.7	6.4
400 to 499	2.0	8.8	1.3	6.6	.5	3.4	3.9	10.0	1.4	6.8
500 or more	2.9	16.3	2.0	12.3	.8	7.4	7.2	23.6	.3	1.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Median	Average	Median	Average	Median	Average	Median	Average	Median	Average
Units per project	48.6	97.6	45.8	87.7	28.1	60.9	112.5	167.2	51.7	89.0

Number of dwelling units per project	New rental housing				Cooperative housing		Existing housing built with Federal funds	
	Sec. 207 projects		Sec. 803 military projects [2]		Sec. 213 new projects [3]		Sec. 608–610 projects [2]	
	Projects	Units	Projects	Units	Projects [4]	Units	Projects	Units
8 to 9	-------	-------	-------	-------	-------	-------	4.2	0.2
10 to 24	45.8	11.9	-------	-------	-------	2.6	25.0	2.2
25 to 49	15.7	8.4	2.5	0.4	-------	7.9	4.2	1.1
50 to 99	19.3	19.0	9.0	1.9	-------	3.4	12.5	5.8
100 to 149	8.4	14.6	7.7	3.2	-------	6.9	-------	-------
150 to 199	2.4	6.1	14.1	8.3	-------	-------	16.6	15.6
200 to 299	2.4	7.9	15.4	11.2	-------	-------	20.8	30.8
300 to 399	4.8	23.1	12.8	15.0	-------	-------	4.2	8.9
400 to 499	-------	-------	10.7	22.0	-------	-------	8.3	22.6
500 or more	1.2	9.0	21.8	38.0	-------	79.2	4.2	12.8
Total	100.0	100.0	100.0	100.0	-------	100.0	100.0	100.0
	Median	Average	Median	Average	Median	Average	Median	Average
Units per project	31.3	66.9	312.5	309.6	31.5	173.6	150.0	163.5

[1] Includes row house, semidetached, and detached structures.
[2] Includes projects covered by commitments issued prior to 1950.
[3] Includes projects securing mortgages insured under Sec. 207 cooperative housing provisions repealed Apr. 20, 1950.
[4] Percentage distribution not significant.

The median size of all FHA new rental projects was slightly less than 50 units, compared with 30 units for the cooperative projects and 150 units for the existing Section 608–610 units. Section 803 military housing projects were decidedly the largest, having a median size of 313 units, nearly 7 times as large as the median Section 608 projects (46 units) and 10 times the size of the typical Section 207 project.

Only in Section 608 was the volume of units covered by commitments issued in 1950 large enough to justify classifying the data by type of project. Table 40 shows that the size of the typical Section

608 elevator project (113 units) was about twice that of the median one-family structure project (52 units) and four times that of the median walk-up project (28 units).

Chart XX, combining all new rental housing projects without reference to their legislative authority, reveals that, although in number the smaller projects (less than 50 units) predominated in 1950, the major portion of the units (75 percent) were in projects of 100 units

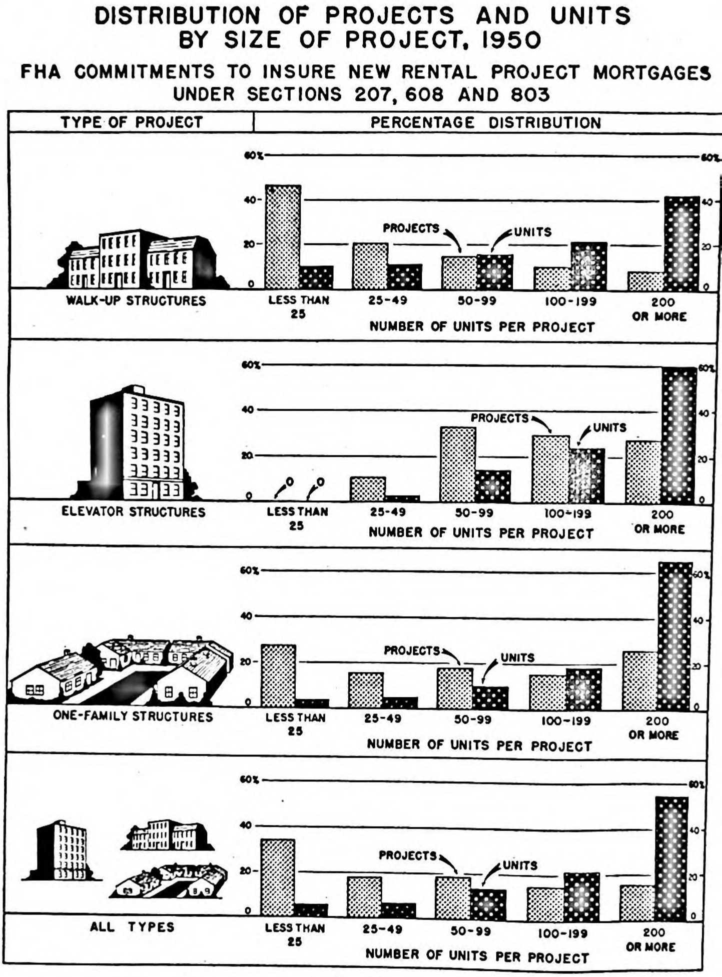


Chart XX.

or more. This situation was most pronounced for the walk-up structure projects. Elevator projects tended to be considerably larger—only 10 percent had fewer than 50 units, while about 55 percent were in the 100-or-more unit size class. Three-fifths of the elevator apartment units were in projects containing 200 or more units.

Mortgage allocable to dwellings.—About one-third of FHA's new rental units approved in 1950 were in projects where the amount of mortgage allocable to dwellings averaged less than $7,000 per unit, and nearly 30 percent had mortgages averaging between $7,000 and $7,999. (See Table 41.) Almost the same proportions of the Section 608 units were in these ranges, but Section 207 units were more concentrated in the lower mortgage amount ranges, with three of every four covered by a mortgage of less than $7,000 per unit. In Section 803

TABLE 41.—*Mortgage allocable to dwellings, new rental projects: Percentage distributions based on FHA commitments to insure rental project mortgages, 1950* [1]

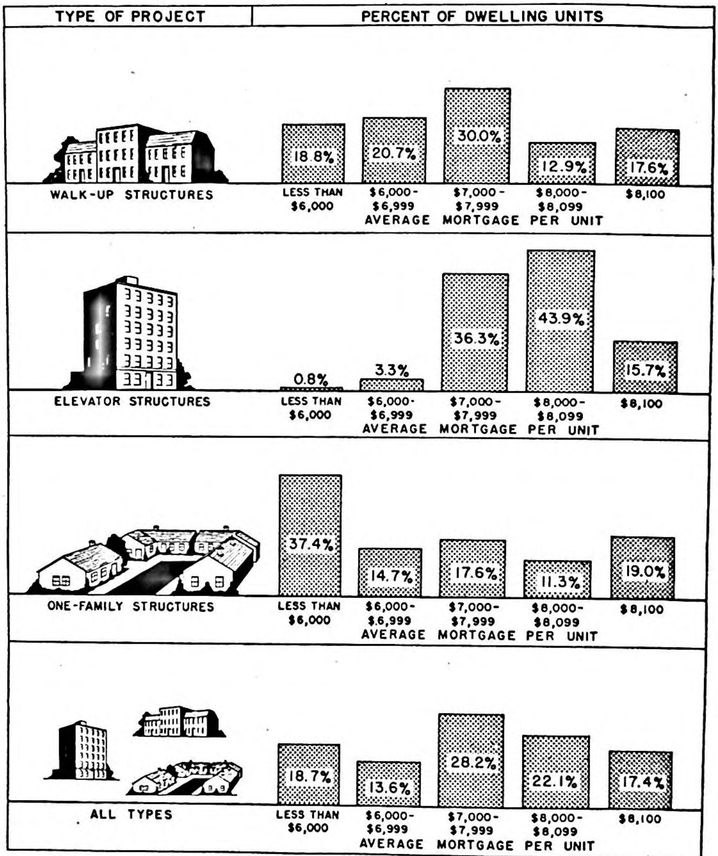
Average amount of mortgage per dwelling unit [2]	All new rental projects		Section 207 projects		Section 803 [3] military projects	
	Projects	Units	Projects	Units	Projects	Units
Less than $4,000	2.5	2.1	5.1	3.4	----------	----------
$4,000 to $4,999	5.1	4.8	7.7	7.4	1.3	0.3
$5,000 to $5,499	7.0	6.4	5.1	5.4	1.3	1.0
$5,500 to $5,999	7.1	5.4	11.5	15.0	3.8	2.0
$6,000 to $6,499	9.4	6.8	24.4	25.7	1.3	1.6
$6,500 to $6,999	8.5	6.8	24.4	20.0	3.8	1.4
$7,000 to $7,499	9.7	10.3	16.7	20.0	10.2	11.1
$7,500 to $7,999	17.2	17.9	3.8	2.7	12.9	15.7
$8,000 to $8,099	16.7	22.1	----------	----------	16.7	19.2
$8,100	16.8	17.4	1.3	.4	48.7	47.7
Total	100.0	100.0	100.0	100.0	100.0	100.0
Median mortgage amount [4]	$7,706		$6,366		$8,088	

	Section 608 VEH new rental projects by predominant type of structure							
	All Section 608 projects		Walk-up		Elevator		One-family [5]	
	Projects	Units	Projects	Units	Projects	Units	Projects	Units
Less than $4,000	2.5	2.5	2.4	3.5	----------	----------	5.1	4.7
$4,000 to $4,999	5.2	5.6	4.4	3.4	----------	----------	12.1	20.0
$5,000 to $5,499	7.4	7.5	5.8	4.3	0.7	0.8	18.3	25.8
$5,500 to $5,999	7.0	5.7	9.3	9.0	----------	----------	7.2	9.5
$6,000 to $6,499	9.0	7.0	9.2	9.5	1.5	.9	15.9	13.2
$6,500 to $6,999	7.9	7.4	9.9	12.3	2.2	1.7	7.6	7.6
$7,000 to $7,499	9.3	9.8	9.1	8.9	10.1	12.0	9.3	7.8
$7,500 to $7,999	18.2	19.0	18.9	20.6	28.3	24.2	7.2	6.4
$8,000 to $8,099	17.6	23.4	13.2	15.0	38.4	44.5	9.7	2.3
$8,100	15.9	12.1	17.8	13.5	18.8	15.9	7.6	2.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median mortgage amount [4]	$7,619		$7,444		$8,023		$5,491	

[1] Exclusive of projects in Alaska covered by commitments issued under Alaska Housing Act.
[2] Dwelling units and rooms not producing income, e. g. janitor units, are included in the computation of this average.
[3] Includes projects covered by commitments issued prior to 1950.
[4] Based on dwelling unit distribution.
[5] Includes row houses, semi-detached, and detached structures.

DISTRIBUTION OF AVERAGE MORTGAGE* PER UNIT BY TYPE OF PROJECT, 1950

FHA COMMITMENTS TO INSURE NEW RENTAL PROJECT MORTGAGES UNDER SECTIONS 207, 608 & 803



* AMOUNT ALLOCABLE TO DWELLINGS

CHART XXI.

military housing, higher construction costs (reflecting the larger size of the dwellings) have resulted in mortgage amount averages markedly higher than for other rental units—more than two-thirds of the Section 803 units having mortgage amounts between $8,000 and $8,100. No Section 803 projects with dwelling mortgages exceeding $8,100 per unit had been reported as approved through the end of 1950, although a maximum of $9,000 for single-family structures is permitted by the law in specified circumstances.

How the amount of dwelling mortgage varies by type of project is revealed in Chart XXI. In walk-up projects, more than half the units had mortgages averaging from $6,000 to $7,999, compared with 30 percent in the $8,000 to $8,100 bracket and nearly 20 percent in the less-than-$6,000 group. In contrast, nearly 60 percent of the elevator apartments were in projects with mortgages of $8,000 to $8,100 per unit, while less than one percent averaged less than $6,000.

Projects consisting of single-family structures are at the other end of the mortgage amount scale. In such projects, three of every eight dwelling units averaged less than $6,000 mortgage per unit and more than half (52 percent) averaged less than $7,000. Of the 30 percent of the units in one-family structure projects having mortgages of $8,000 to $8,100, almost all were Section 803 military housing dwellings.

In cooperative housing projects under Sections 213 and 207, more than four-fifths of the units were in the $8,500 to $8,999 mortgage range, as is indicated in the following table:

Mortgage per unit:	*Percent distribution*
Less than $8,000	2.9
$8,000 to $8,499	5.7
$8,500 to $8,999	81.7
$9,000 or more	9.7
Total	100.0

The median mortgage amount for cooperative housing units was $8,750 in the management type projects, while the median for dwellings in the sales type projects was almost $9,250.

Mortgage amounts in existing Section 608–610 projects were appreciably lower than for projects under other sections of the National Housing Act. In no case did the average amount of dwelling mortgage exceed $3,500 per unit, while the bulk of the units (58 percent) were in the $1,500 to $2,499 class, as indicated in the following table:

Mortgage per unit:	*Percent distribution*
Less than $1,500	12.4
$1,500 to $1,999	29.8
$2,000 to $2,499	28.7
$2,500 to $2,999	18.4
$3,000 to $3,500	10.7
Total	100.0

Section 608–610 mortgages are lower because they may not exceed an amount equal to 90 percent of the FHA estimate of the project's long-term value, which takes into account the depreciation that has already taken place in the existing structures.

Credit control restrictions had only a limited effect on the amounts of project mortgages committed for FHA insurance in 1950, because they did not apply to applications received before July 19, 1950, and because military housing was excepted. Included in these exceptions were all Section 608 new projects, all Section 803 projects, and nearly 60 percent of the Section 207 projects committed during 1950.

Ratio of mortgage amount to replacement cost.—Table 42 shows that, for the typical new rental unit, the mortgage was almost 89 percent of the estimated replacement cost. More than 7 of every 10

TABLE 42.—*Ratio of mortgage amount to replacement cost: Percentage distributions based on FHA commitments to insure rental and cooperative project mortgages, 1950*

Mortgage as a percent of replacement cost	New rental housing								Cooperative housing	
	All new rental projects		Sec. 207 projects		Sec. 608 VEH projects		Sec. 803 military projects [1]		Sec. 213 new projects [2]	
	Projects	Units	Projects	Units	Projects	Units	Projects	Units	Projects [3]	Units
Less than 70	2.0	1.1	14.5	12.5	1.4	0.9	--------	--------	--------	--------
70 to 79.9	9.7	5.5	43.4	25.4	7.9	4.8	7.7	4.5	--------	--------
80 to 82.4	10.3	11.7	9.6	9.6	10.8	13.8	2.6	1.4	--------	3.4
82.5 to 84.9	11.1	9.8	12.1	14.3	11.5	10.9	3.9	3.0	--------	79.2
85 to 87.4	13.7	12.1	7.2	5.8	14.5	13.9	5.1	4.5	--------	6.9
87.5 to 89.9	30.6	34.9	8.4	16.4	30.7	31.9	51.3	54.3	--------	2.2
90	22.6	24.9	4.8	16.0	23.2	23.8	29.4	32.3	--------	[4] 8.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	--------	100.0
Median ratio [5]	88.6		82.9		88.2		89.6		84.9	

[1] Includes projects covered by commitments issued prior to 1950. FHA estimate of market price of land excluded from replacement cost estimates for leasehold estate projects representing 87 percent of the projects and 84 percent of the units; for projects with land price included in cost, mortgage-to-cost ratio averages 89.7 percent.

[2] Includes projects securing mortgages insured under the Sec. 207 cooperative housing provisions repealed Apr. 20, 1950.

[3] Percentage distribution not significant.

[4] About 7 percent of the Sec. 213 units were in projects with mortgage-to-cost ratios ranging from 93 to 94.9 percent.

[5] Based on dwelling unit distribution.

new rental units were in projects where the ratio of mortgage amount to replacement cost ranged from 85 to 90 percent. In only 7 percent of the units were the ratios less than 80 percent.

The highest median mortgage-to-cost ratio—89.6 percent—was reported for the Section 803 military housing projects. Almost a third of the Section 803 units were covered by mortgages representing the full 90 percent maximum of the replacement cost.

Nearly 7 of every 10 Section 608 mortgages ranged from 85 to 90 percent of replacement cost. About 6 percent of the units had ratios of less than 80 percent. The median mortgage-to-cost ratio for all Section 608 units was 88 percent.

Section 207 mortgages represented appreciably smaller proportions of replacement cost than did the mortgages approved under Sections 608 and 803. Nearly five of every eight Section 207 projects had mortgage-to-cost ratios of less than 85 percent, three of eight were in projects with ratios of less than 80 percent, and one in eight had a ratio of less than 70 percent.

Under the Housing Act of 1950, the maximum ratio of loan to value for Section 207 projects was established at 90 percent of the first $7,000 of value plus 60 percent of the next $3,000. These percentages were reduced to 85 and 55, respectively (of value in excess of $7,000), by the July 19 credit restrictions described in Section I of this report. Since value may not exceed replacement cost in any case, the ratios of mortgage to cost must average less than ratios of mortgage to value for the same commitments.

In the following table the dwelling units covered by Section 207 commitments issued in 1950 are distributed by the ratio of mortgage amount to FHA estimate of project value:

Mortgage as a percentage of value:	*Percent distribution*
Less than 70.0	——
70 to 79.9	17.1
80 to 84.9	24.3
85 to 89.9	38.6
90	20.0
Total	100.0

The median mortgage-to-value ratio for 1950 Section 207 projects was 86 percent, about 3 points higher than the median mortgage-to-replacement cost ratio for the same projects.

Mortgages on cooperative housing projects averaged about 85 percent of replacement cost. For management type cooperatives the median ratio was slightly less—about 84 percent—compared with a 91 percent ratio for the typical dwelling in the sales type project. Until the imposition of the July 19, 1950, credit controls, the ratio of mortgage amount to replacement cost for cooperatives could be as high as 95 percent, depending upon the proportion of World War II veterans in the membership of the cooperative group. Some 7 percent of the cooperative housing units were in projects with mortgage-to-cost ratios averaging between 93 and 94.9 percent. The July 19 limitations reduced the maximum ratio to 90 percent for cooperative groups in which at least 65 percent of the membership were World War II veterans, and to 85 percent for sponsoring groups without any veteran members.

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For existing structures in Section 608–610 projects, mortgages typically averaged about 40 percent of the replacement cost on a unit basis, while the median ratio of mortgage to FHA estimate of value was 90 percent (the statutory maximum).

Size of dwelling unit.[4]—Four or more rooms were provided in 60 percent of dwelling units in the new rental projects approved by FHA in 1950. About 30 percent had 3 or 3½ rooms, while units with less than 3 rooms accounted for the remaining 10 percent. As would be expected, most of the smaller units were in the elevator projects, where three of every four apartments had 3½ rooms or less. (See Chart XXII). On the other hand, the larger size dwellings predominated in the single-family structure projects—over 90 percent of these units having 4 rooms or more and nearly 40 percent having 5 rooms or more. About half the walk-up project units contained 4 or 4½, over 30 percent had 3 or 3½, and 15 percent provided 5 or more rooms.

Table 43 shows that more than half (54 percent) of the units approved under Section 608 in 1950 had 4 rooms or more. The other 46 percent were apartments with 3½ rooms or less, reflecting the large proportion of elevator units in the Section 608 projects. Distributions of the number of Section 608 units in walk-up, elevator, and single-family structure projects by size of unit are also presented in Table 43.

The most popular apartment sizes in Section 207 projects were 4 and 4½ rooms, together accounting for six of every ten units. About three of ten Section 207 units contained 3½ rooms or less, and one-tenth of the units had 5 rooms or more.

Reflecting the predominance of single-family structures in Section 803 military housing projects, nearly 94 percent of the military housing units had 4 or more rooms; 60 percent had 5 or more rooms.

In the FHA cooperative housing projects, the more spacious dwellings were by far more prevalent. Units with 4½, 5, and 6 rooms together accounted for more than 90 percent of the total. The typical apartment in management-type projects contained 5 rooms, compared with a median of 6 rooms in sales-type dwellings.

Two-thirds (64 percent) of the total number of units in the existing-structure Section 608–610 projects were 4-room apartments, with 5

[4] Typical unit compositions are as follows:

Less than 3 rooms—Combination living and sleeping room with dining space or dining alcove and kitchen or kitchenette.

3 rooms—Living room, 1 bedroom, and kitchen, with dining space either in living room or kitchen.

3½ rooms—Living room, 1 bedroom, dining alcove, and kitchen.

4 rooms—Living room, 2 bedrooms, with dining space either in living room or kitchen; or (less frequently) living room, 1 bedroom, dining room, and kitchen.

4½ rooms—Living room, 2 bedrooms, dining alcove, and kitchen.

5 rooms—Living room, 2 bedrooms, dining room, and kitchen; or (less frequently) living room, 3 bedrooms, and kitchen with dining space either in living room or kitchen.

5½ rooms—Living room, 3 bedrooms, dining alcove, and kitchen.

6 rooms—Living room, 3 bedrooms, dining room, and kitchen.

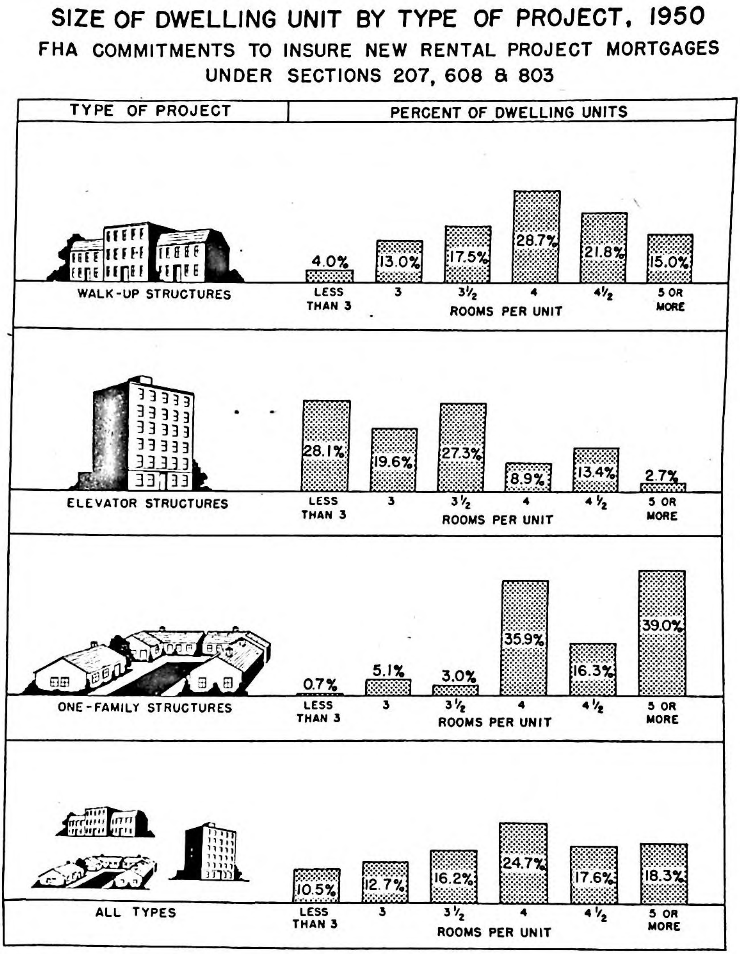

CHART XXII.

rooms provided in nearly one-fifth of the units, and 3 rooms in one-ninth.

Monthly rental.—The data shown in Chart XXIII and Table 44 are based on the monthly rental estimates used in the FHA underwriting analysis of project mortgage cases. These estimates generally reflect the rentals actually charged by the sponsors upon completion of the projects, although adjustments in rental schedules may be made,

TABLE 43.—*Size of dwelling unit: Percentage distributions based on FHA commitments to insure rental and cooperative project mortgages, 1950* [1]

Number of rooms per unit [2]	New rental housing							Cooperative housing	Existing housing built with Federal funds
	All new rental projects	Sec. 608 VEH projects by type of structure				Sec. 207 projects	Sec. 803 military projects [4]	Sec. 213 new projects [5]	Sec. 608–610 projects [4]
		Total	Walk-up	Elevator	1 family [3]				
Less than 3	10.5	12.4	4.2	27.7	1.2	13.2	0.1	0.8	....
3	12.7	14.8	14.2	19.8	7.1	12.1	2.0	1.9	11.2
3½	16.2	19.0	19.3	27.4	3.3	5.7	4.2	2.7	....
4	24.7	26.7	31.6	9.0	48.9	30.5	13.4	1.3	63.5
4½	17.6	16.7	20.1	13.4	15.8	27.6	20.4	34.8	4.5
5	13.2	9.7	10.0	2.6	21.7	5.0	32.4	36.8	19.3
More than 5	5.1	.7	.6	.1	2.0	5.9	27.5	21.7	1.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median (rooms)	4.2	4.1	4.2	3.6	4.4	4.3	5.2	5.1	4.3

[1] Exclusive of projects in Alaska covered by commitments issued under the Alaska Housing Act.
[2] FHA room count excludes bathrooms, closets, halls, and similar spaces.
[3] Includes row house, semidetached, and detached structures.
[4] Includes projects covered by commitments issued prior to 1950.
[5] Includes projects securing mortgages insured under the Sec 207 cooperative housing provisions repealed Apr. 20, 1950.

TABLE 44.—*Monthly rental: Percentage distributions based on FHA commitments to insure rental and cooperative project mortgages, 1950* [1]

Monthly rental per unit	New rental housing							Cooperative housing	Existing housing built with Federal funds
	All new rental projects	Sec. 608 VEH projects by type of structure				Sec. 207 projects	Sec. 803 military projects [3]	Sec. 213 new projects [4]	Sec. 608–610 projects [3]
		Total	Walk-up	Elevator	1-family [2]				
Less than $50	9.8	11.5	6.2	....	42.5	3.3	2.2	3.4	96.1
$50 to $59.99	9.0	7.6	8.8	(5)	10.1	12.8	15.3	8.6	3.7
$60 to $69.99	13.9	11.5	15.6	4.2	16.6	31.3	23.0	20.2	.2
$70 to $79.99	19.4	17.4	22.0	15.2	12.4	20.3	29.6	57.9	....
$80 to $89.99	17.9	17.6	20.7	20.1	6.6	20.9	18.7	5.9	....
$90 to $99.99	13.9	15.6	12.3	26.7	2.3	5.1	7.2	1.0	....
$100 to $109.99	7.0	7.9	9.4	10.5	.3	2.1	3.0	1.8	....
$110 to $124.99	6.9	8.2	4.5	16.8	.2	3.6	.9	.1	....
$125 or more	2.2	2.7	.5	6.5	....	.6	.1	1.1	....
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median rental	$78.87	$81.12	$78.81	$95.42	$53.99	$71.13	$73.47	$72.41	$36.22

[1] Exclusive of projects in Alaska covered by commitments issued under the Alaska Housing Act.
[2] Includes row house, semidetached, and detached structures.
[3] Includes projects covered by commitments issued prior to 1950.
[4] Includes projects securing mortgages insured under the Sec. 207 cooperative housing provisions repealed Apr. 20, 1950. Data are based on monthly charges to members of cooperative groups sponsoring projects.
[5] Less than 0.05 percent.

with the approval of FHA, if justified by actual development or other costs, or changes in structural plans.

More than half (52 percent) the dwellings in new FHA rental projects approved in 1950 had estimated monthly rentals of less than $80; one-third reported rentals in the $80 to $99 range, and one-sixth, rentals of $100 or more. Rents of less than $60 monthly were reported for just under one-fifth (19 percent) of new rental units.

As shown in Chart XXIII, the higher rents were more common in elevator projects, with a third of the units approved for rents of $100 or more and slightly less than a half (47 percent) in the $80 to $99 bracket. The high level of elevator-project rentals reflects higher production costs and more equipment, services, and utilities furnished to the tenant and included in the rent. For 99 percent of the elevator units, rentals covered a full complement of range, refrigerator, laun-

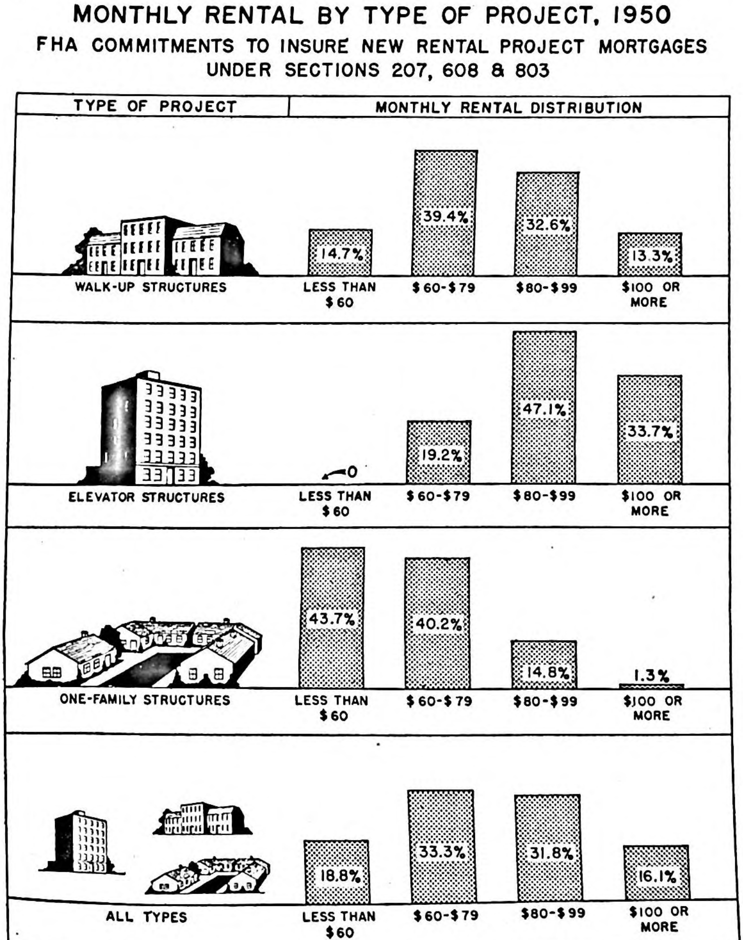

CHART XXIII.

dry facilities, heat, hot and cold water, janitor service, and grounds maintenance. Current for lighting, gas or electricity for cooking and refrigeration, and frequently air conditioning were included in the rentals of more than one-sixth of the elevator units.

In marked contrast, the rentals for dwellings in single-family structure projects were substantially lower. Nearly 84 percent of these units reported monthly rentals of less than $80, including 44 percent with rentals of less than $60. The lower rent level for single-dwelling structures was principally due to the location of most (70 percent) of the projects in the South and Southwest, where less costly types of construction can be utilized, and to 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 88 percent of the dwellings in single-family structure projects.

Rentals of walk-up project units were principally in the middle ranges, with 2 of every 5 units having estimated rents of $60 to $79 and nearly one-third in the $80 to $99 bracket. Rentals of less than $60 per month were reported for one of every seven walk-up apartments, and almost the same proportion had rents of $100 or more.

Cooking range, refrigerator, heat, hot and cold water, laundry facilities, and janitor and grounds maintenance service were included in the rental for about four-sevenths of the walkup project units. In another 30 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.

Section 608 units fell into three almost evenly divided monthly rental groups—35 percent in the $70 to $89 range, 34 percent in the $90 or more bracket, and 31 percent with rents of less than $70 (Table 44). That type of project was a factor in the distribution of Section 608 rentals is evidenced by the fact that rents in the $60 to $89 range were reported for most (58 percent) of the walk-up units; that $80 to $109 rents predominated in elevator projects, while rents of less than $60 were reported for more than three-fifths of the dwellings in the one-family structure projects.

Rentals reported for Section 207 units were generally lower than those for the units in the new rental projects approved under either Section 608 or 803. Nearly half (47 percent) of the Section 207 units were scheduled to rent for less than $70 per month, and another two-fifths for $70 to $89 per month. More than half of the Section 803 military housing units were concentrated in the $60 to $79 rental range, compared with one-fourth having estimated rents of $80 to

$99, and slightly less than one-fifth with rentals of less than $60. Only 4 percent had rents of $100 or more.

In lieu of the monthly rentals to be paid by tenants in the Sections 608, 207, and 803 projects, estimates are made of monthly charges to be paid by members of cooperative groups in cooperative housing projects. The items composing the monthly charges vary, depending upon whether the project is a sales or management type. In a sales type project, the monthly charge estimates are summarized only on the basis of the period preceding the sale of separate properties to the individual members, and cover pro rata payments for amortization and interest on the mortgages, FHA mortgage insurance premium, real estate taxes and special assessments, and hazard insurance. In addition to these items, the monthly charges in management type cooperative projects usually include pro rata payments for project operating expenses, reserves for replacements, management costs, and general operating reserve. Generally excluded are the costs of cooking and lighting utilities, and minor repairs and maintenance, which are usually borne by the occupants of the dwelling units themselves.

As indicated in Table 44, monthly charges for approximately three-fifths of the cooperative housing units were between $70 and $79, one-fifth were between $60 and $69, and 12 percent reported charges of less than $60. Thus, monthly charges of less than $80 were reported for nine-tenths of the cooperative housing units, while only one-half of the units in new rental projects reported rentals of less than that amount. The median monthly charge payments for sales type cooperative projects averaged $58, compared with $73 for the management type.

As would be expected, the rentals reported for the units in the Section 608–610 projects were substantially less than those reported under the other programs, not only because these existing units were generally low-cost units and had been occupied for several years, but also because many of them were subject to rent control. Table 44 shows that virtually all these units had rents of less than $60, and 96 percent had rents of less than $50. The following table presents a more detailed distribution of the lower rentals of the Section 608–610 units:

Mortgage per unit:	*Percent distribution*
Less than $25	0.3
$25 to $29.99	9.7
$30 to $34.99	34.5
$35 to $39.99	22.6
$40 to $44.99	22.9
$45 to $49.99	6.1
$50 or more	3.9
Total	100.0

Property Improvement Loans Insured Under Title I

In 1950, insurance was written under two sections of Title I of the National Housing Act—Section 2 and Section 8. Section 2 provides for one of FHA's major activities—the insurance of property improvement loans. A statistical analysis of operations under this section is presented in detail on the following pages. Section 8, in effect since April 20, 1950, provides for the insurance of mortgages on new single-family homes for families of low and moderate incomes. A statistical analysis of operations under Section 8 is presented in the home mortgage section of this report.

Title I property improvement loans are primarily small, short-term, unsecured loans financing the repair, alteration, and improvement of existing residential structures. Section I of this report outlines terms, financing charges, types of improvement, and scope of operations under this program.

Volume of Business

Yearly trends.—After leveling off in 1949, the annual volume of insurance written by FHA on Title I property improvement loans resumed a 7-year climb in 1950 to an all-time high of 1,449,000 loans insured with cash proceeds to borrowers exceeding $700,000,000 (see Table 45 and Chart XXIV). Because of the lag in recording the loans in Washington, the effects of Federal Reserve Board and FHA

TABLE 45.—*Trend of FHA property improvement loans insured and claims paid: Annual volume of loans insured and claims paid with ratios of claims to loans, of recoveries to claims, and of net claims after recoveries to loans, Title I, 1934–50*

[Dollar amounts in thousands]

Period	Loans insured		Claims paid		Percent of claims paid to loans insured	Percent of recoveries made to claims paid [1]	Percent of net claims paid to loans insured
	Number	Net proceeds	Number	Amount			
					Based on cumulative data		
1934	72,658	$27,406					
1935	635,747	201,258	1,288	$447	0.20	2.22	0.19
1936	617,697	221,535	25,315	5,885	1.41	4.79	1.34
1937 [2]	124,758	54,344	28,824	6,891	2.62	9.42	2.37
1938 [2]	382,325	150,709	29,433	6,016	2.94	14.54	2.51
1939	513,091	203,995	18,566	4,728	2.79	19.78	2.24
1940	662,948	241,735	18,672	6,544	2.77	21.77	2.17
1941	687,837	248,639	21,900	7,205	2.80	24.31	2.12
1942	432,755	141,163	22,691	7,132	3.01	26.75	2.21
1943	308,161	87,194	15,243	3,719	3.08	33.28	2.06
1944	389,592	113,939	8,009	1,939	2.99	39.12	1.82
1945	501,401	170,824	6,791	1,589	2.80	43.39	1.58
1946	799,284	320,593	9,254	2,436	2.50	47.06	1.32
1947	1,247,590	533,604	17,511	5,830	2.22	46.40	1.19
1948	1,359,776	621,612	38,482	14,346	2.24	40.85	1.32
1949	1,249,538	607,024	50,950	17,494	2.34	36.80	1.48
1950	1,448,651	700,225	56,453	18,168	2.38	35.46	1.53
Total	11,433,809	4,645,799	369,382	110,429			

[1] For annual series of recoveries made, see Statement 4 in Sec. III.
[2] Title I expired Apr. 1, 1937, and was renewed by amendments of Feb. 3, 1938.

TREND OF FHA TITLE I LOANS INSURED AND CLAIMS PAID
WITH RATIO OF CLAIMS PAID TO LOANS INSURED
1934 - 1950

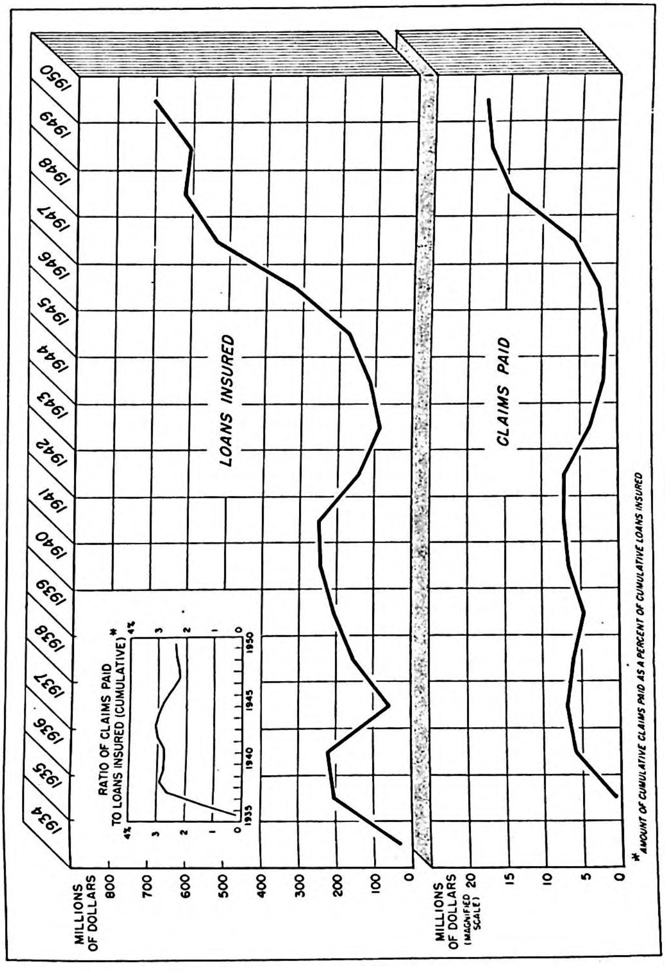

CHART XXIV.

credit restrictions on Title I operations were not fully reflected in the national totals through the end of the year. The 1950 dollar volume of insurance was 15 percent above 1949 and some 13 percent above the previous record year of 1948.

Benefiting substantially more than 11 million American families—one in every four in the Nation—insurance written under this program from the beginning of operations in 1934 through the close of 1950 totaled $4,646,000,000. This represented about one-fifth of the aggregate amount of insurance written by FHA under all programs during this 16½-year period.

Net disbursements made by FHA from the Title I Insurance Fund on account of claims paid to financial institutions which have suffered losses have been low—not much more than 1 cent on every dollar of insurance written. (For more detailed discussions of losses, including the analysis of the series shown in Table 45 and Chart XXIV, see "Claims and Defaults" near the end of this section.)

State distribution.—During 1950, properties in every State and in almost every one of the 3,100 counties in the United States were improved with Title I loans. There was, however, fairly high geographic concentration of Title I business during the year (see Table 46 and Chart XXV) as well as on a cumulative basis. Three States accounted for one-third of the total, and six States for half.

Specifically, properties located in the three leading States of New York (with $97.7 million of insurance), California (with $88.2 million), and Michigan (with $60.5 million) accounted for approximately 35 percent of the $700 million insured during 1950 throughout all the States and Territories. When three other States—Illinois, Texas, and Ohio—are included with the first three, the six highest-volume States represent over half the national total. It should be noted that these State data pertain to the location of the property improved and do not necessarily refer to the location of the institutions making the loans.

Claims paid during the year—on notes insured mostly in prior years—are also shown in Table 46. Over $2 million of claims were paid by FHA to institutions on defaulted notes made to improve properties in New York State, another $2 million on defaulted notes in California, and almost $1.5 million was paid on Michigan notes.

On a cumulative basis the 16½-year total of operations by State location of property (see Table 47) showed about the same geographic concentration as the total for the single year 1950. The same three leading States of New York, California, and Michigan, with insurance totaling $1½ billion, accounted for one-third of all Title I insurance written during the 16½-year period; and, when the six leading States—Illinois, Pennsylvania, Ohio, and the three mentioned

TABLE 46.—*State distribution of property improvement loans insured and claims paid: Number and amount of loans insured and claims paid, Title I, 1950*

Location of property	Loans insured		Claims paid		Average	
	Number	Net proceeds (000)	Number	Amount (000)	Loans insured	Claims paid
Alabama	26,433	$10,395	1,108	$255	$393	$230
Arizona	10,457	5,698	339	143	545	421
Arkansas	7,317	3,483	764	211	476	277
California	213,465	88,188	5,910	2,095	413	354
Colorado	13,674	5,820	323	126	426	390
Connecticut	8,961	4,847	829	291	541	351
Delaware	339	226	50	12	667	247
District of Columbia	5,848	2,957	458	115	506	250
Florida	24,080	13,500	1,395	556	561	398
Georgia	17,482	7,581	725	197	434	272
Idaho	9,084	5,125	351	159	564	453
Illinois	88,477	48,081	2,875	913	543	317
Indiana	46,733	20,586	2,332	640	441	274
Iowa	21,039	10,975	760	257	522	338
Kansas	13,031	5,344	498	129	410	259
Kentucky	16,788	6,834	567	149	407	263
Louisiana	13,268	5,554	622	125	419	201
Maine	5,463	2,522	581	173	462	297
Maryland	29,124	12,452	1,210	309	428	256
Massachusetts	25,805	13,137	1,483	495	509	334
Michigan	142,424	60,534	4,681	1,466	425	313
Minnesota	31,421	14,532	976	324	462	332
Mississippi	11,336	4,638	898	231	409	257
Missouri	39,909	16,545	1,252	372	415	297
Montana	3,896	2,138	213	93	549	435
Nebraska	8,029	3,901	306	111	486	361
Nevada	1,917	1,248	64	34	651	539
New Hampshire	3,006	1,467	381	116	488	304
New Jersey	39,107	25,419	1,774	681	650	384
New Mexico	2,638	1,696	90	45	643	495
New York	148,271	97,719	4,766	2,157	659	453
North Carolina	10,335	5,030	667	173	487	260
North Dakota	2,681	1,284	262	107	479	407
Ohio	84,544	36,961	3,509	1,068	437	304
Oklahoma	18,486	8,401	728	188	454	258
Oregon	20,854	10,396	789	278	499	353
Pennsylvania	61,778	30,319	3,772	1,003	491	266
Rhode Island	3,290	1,560	98	26	474	269
South Carolina	4,650	2,157	313	74	464	237
South Dakota	2,920	1,612	127	57	552	452
Tennessee	28,555	11,739	988	222	411	224
Texas	84,590	38,319	2,692	657	453	244
Utah	14,250	6,969	534	171	489	321
Vermont	1,194	555	282	118	465	419
Virginia	16,494	7,715	792	210	468	265
Washington	35,370	17,244	971	365	488	376
West Virginia	5,567	3,006	460	153	540	333
Wisconsin	17,793	8,793	808	284	494	352
Wyoming	1,419	1,082	80	35	762	432
Alaska	2	4			1,925	
Hawaii						
Puerto Rico	5,482	4,094			747	
Canal Zone						
Virgin Islands						
Adjustments	−425	−159				
United States total	1,448,651	700,225	56,453	18,168	483	322

TABLE 47.—*State distribution of property improvement loans insured and claims paid: Number and amount of loans insured and claims paid, and gross loss ratio, Title I, cumulative 1934–50*

Location of property	Loans insured		Claims paid		Amount of claims paid as percent of loans insured	Average	
	Number	Net proceeds (000)	Number	Amount (000)		Loans insured	Claims paid
Alabama	168,427	$55,297	5,800	$1,314	2.38	$328	$226
Arizona	71,331	34,771	1,990	713	2.05	487	358
Arkansas	82,219	28,986	4,367	1,072	3.70	353	245
California	1,278,483	496,027	35,824	12,028	2.42	388	336
Colorado	82,230	31,586	1,821	558	1.77	384	306
Connecticut	142,468	60,505	4,855	1,698	2.81	425	350
Delaware	13,616	5,996	525	190	3.17	440	362
District of Columbia	60,493	27,786	2,426	760	2.74	459	313
Florida	197,734	88,956	9,073	3,085	3.47	450	340
Georgia	146,309	52,487	5,796	1,433	2.73	359	247
Idaho	61,666	26,023	1,972	626	2.41	422	318
Illinois	714,937	295,408	16,746	4,866	1.65	413	291
Indiana	399,648	176,504	14,739	3,733	2.73	342	253
Iowa	161,571	59,765	4,395	1,285	2.15	370	292
Kansas	98,103	31,190	3,005	709	2.27	318	236
Kentucky	122,264	42,889	4,033	1,129	2.63	351	280
Louisiana	101,842	35,510	3,948	844	2.38	349	214
Maine	48,412	19,669	2,228	737	3.75	406	331
Maryland	206,861	82,970	6,372	1,793	2.16	401	281
Massachusetts	326,836	132,166	11,787	3,756	2.84	404	319
Michigan	955,303	360,803	30,738	8,604	2.38	378	280
Minnesota	249,526	90,769	5,534	1,669	1.84	364	302
Mississippi	80,959	30,245	4,451	1,111	3.67	374	250
Missouri	298,674	100,329	9,472	2,373	2.36	336	250
Montana	29,376	13,240	871	334	2.53	451	384
Nebraska	67,515	25,531	1,959	585	2.29	378	299
Nevada	15,062	7,581	333	142	1.88	503	427
New Hampshire	31,811	13,188	1,777	564	4.27	415	318
New Jersey	453,384	227,396	19,688	5,910	2.60	502	300
New Mexico	18,505	9,258	959	338	3.64	502	353
New York	1,272,135	700,006	42,428	16,164	2.31	550	381
North Carolina	100,937	37,978	4,256	1,081	2.85	376	254
North Dakota	21,622	8,923	768	247	2.77	413	322
Ohio	699,671	252,109	19,554	5,792	2.30	360	296
Oklahoma	159,542	54,894	5,104	1,213	2.21	344	238
Oregon	145,315	57,140	4,326	1,284	2.25	393	297
Pennsylvania	696,261	273,764	23,456	6,534	2.39	393	279
Rhode Island	51,033	21,086	1,487	452	2.14	413	304
South Carolina	55,180	20,344	2,771	626	3.08	369	226
South Dakota	17,952	7,478	532	176	2.35	417	331
Tennessee	219,999	72,066	6,525	1,870	2.60	328	287
Texas	515,910	195,051	17,059	3,569	1.83	378	209
Utah	98,685	35,994	2,322	652	1.81	365	281
Vermont	15,874	6,839	1,130	430	6.29	431	381
Virginia	142,107	66,797	4,598	1,702	2.55	470	370
Washington	276,812	105,787	8,167	2,189	2.07	382	268
West Virginia	51,669	21,934	1,937	701	3.20	425	362
Wisconsin	185,098	74,585	4,847	1,621	2.17	403	334
Wyoming	11,795	6,296	287	112	1.78	534	391
Alaska	373	350	23	7	1.88	937	285
Hawaii	915	469	6	3	.61	512	474
Puerto Rico	5,503	4,113	------	------	------	747	------
Canal Zone	3	4	------	------	------	1,180	------
Virgin Islands	------	------	------	------	------	------	------
Adjustments	3,853	−1,068	315	45	------	------	------
Total	11,433,809	4,645,799	369,382	110,429	2.38	406	299

NUMBER OF PROPERTY IMPROVEMENT LOANS INSURED BY FHA UNDER TITLE I DURING 1950

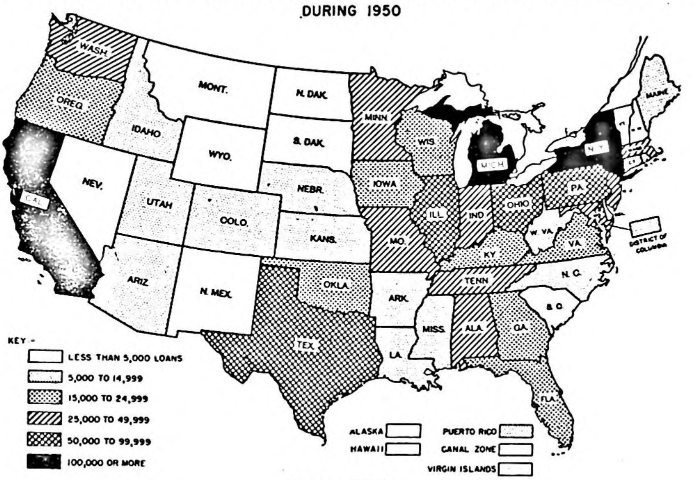

CHART XXV.

above—are grouped together, they also account for over half of the national total.

FHA paid, from 1934 through 1950, almost $16.2 million in claims to institutions on defaulted loans on properties in New York State, $12.0 million on California properties, and almost $8.6 million on Michigan properties—one-third of the total for all States and Territories. The next three States included Pennsylvania, New Jersey, and Ohio; and they accounted for a combined total of $18.2 million. The six leading States represented half of all claims paid. The percent of claims paid to loans insured for these six States did not differ substantially from the United States average of 2.38 percent. Illinois constituted an exception, ranking fourth in volume of loans insured, but seventh in claims paid, with a claims ratio of only 1.65 percent.

Class 3 new construction.—Although practically all loans insured under Section 2 of Title I of the National Housing Act have been for the repair, alteration, and improvement of existing properties, regulations under Section 2 from February 3, 1938, through June 30, 1944, and again from March 28, 1946, through February 28, 1950, were designed to encourage the insurance of loans for the construction of new low-cost single-family homes. During these periods, mortgages totaling $126,700,000 on 46,100 new homes were insured by FHA. Properties in California accounted for one-third of the total amount insured, New York properties for one-seventh, and Texas properties for one-tenth of the total. The program was replaced in April 1950 by the Section 8 program discussed in the home mortgage part of this report.

Financial Institution Activity

Volume of insurance.—Banks and finance companies made about 95 percent of all Title I property improvement loans insured in 1950 (see upper portion of Table 48). National banks financed 53 percent of the total; State chartered banks, 32 percent; and finance companies, the additional 10 percent.

In the approximately 2½ years during which the 1947 Reserve was operative, banks made about three-fourths of all loans insured, and finance companies about one-fifth (see middle portion of Table 48). As Table 49 shows, there has been a constant trend toward decreasing finance-company participation in Title I operations. This has resulted from the complete withdrawal of many of these institutions

TABLE 48.—*Types of institutions originating property improvement loans and receiving claim payments: Number and amount of loans insured and claims paid by FHA, Title I, year 1950, July 1, 1947–Feb. 28, 1950, and 1934–50*

Type of institution as classified Dec. 31, 1950	Number of institutions	Loans insured				Number of institutions	Claims paid through Dec. 31, 1950				Gross claims ratio [1]
		Number	Net proceeds (000)	Percent of net proceeds	Average net proceeds		Number	Amount (000)	Percent of amount	Average claim	
	Year 1950 (all reserves)										
National bank	(2)	792, 824	$368, 827	52. 7	$465	(2)	21, 405	$7, 355	40. 5	$344	(3)
State chartered bank [4]	(2)	463, 866	224, 741	32. 1	484	(2)	12, 256	4, 247	23. 4	346	(3)
Finance company	(2)	122, 911	71, 764	10. 2	584	(2)	21, 462	6, 068	33. 4	283	(3)
Savings and loan association	(2)	65, 348	32, 975	4. 7	505	(2)	958	416	2. 3	434	(3)
Other	(2)	3, 702	1, 918	. 3	518	(2)	372	82	. 4	220	(3)
Total	(2)	1, 448, 651	700, 225	100. 0	483	(2)	56, 453	18, 168	100. 0	322	(3)
	July 1, 1947–Feb. 28, 1950 (1947 reserve)										
National bank	1, 710	1, 725, 476	$772, 914	47. 4	448	903	33, 439	$12, 687	37. 0	$379	1. 64
State chartered bank [4]	1, 792	993, 399	476, 604	29. 2	480	861	19, 120	7, 531	22. 0	394	1. 58
Finance company	68	662, 149	321, 614	19. 7	486	33	33, 296	13, 420	29. 2	403	4. 17
Savings and loan association	658	104, 273	56, 889	3. 5	546	166	1, 352	565	1. 6	418	. 99
Other	53	7, 660	3, 715	. 2	485	13	156	65	. 2	420	1. 76
Total	4, 281	3, 492, 957	1, 631, 736	100. 0	467	1, 976	87, 363	34, 269	100. 0	392	2. 10
	1934–50 (all reserves)										
National bank	(2)	4, 874, 101	$2, 025, 330	43. 6	416	(2)	127, 820	$39, 082	35. 4	$306	1. 93
State chartered bank [4]	(2)	3, 107, 904	1, 320, 809	28. 4	425	(2)	89, 238	25, 958	23. 5	291	1. 97
Finance company	(2)	3, 232, 361	1, 179, 021	25. 4	365	(2)	149, 244	43, 943	39. 8	294	3. 73
Savings and loan association	(2)	195, 413	100, 760	2. 2	516	(2)	2, 150	839	. 8	390	. 83
Other	(2)	24, 030	19, 879	. 4	827	(2)	930	607	. 5	652	3. 05
Total	(2)	11, 433, 809	4, 645, 799	100. 0	406	(2)	369, 382	110, 429	100. 0	299	2. 38

[1] Cumulative amount of claims paid as a percent of cumulative amount of loans insured.
[2] Not available.
[3] Relative data not significant.
[4] Includes State banks, industrial banks, and savings banks.

from this program. From 1947 through 1950, the share of total Title I operations accounted for by banks rose from 65 percent to 85 percent, while the share accounted for by finance companies fell from 34 percent to 10 percent.

TABLE 49.—*Types of institutions originating property improvement loans: Percentage distribution of net proceeds of loans by type of institution, Title I, by years, 1947–50*

Type	1950	1949	1948	1947
National bank	52.7	49.0	46.1	41.1
State chartered bank	32.1	31.9	26.5	23.5
Finance company	10.2	13.3	24.9	34.4
Savings and loan association	4.7	5.2	2.3	.8
Other	.3	.6	.2	.2
Total	100.0	100.0	100.0	100.0

For the 16½-year period from mid-1934 through 1950, banks financed about 72 percent of the total, while finance companies financed about 25 percent. (See Chart XXVI and lower portion of Table 48.)

Exclusive of about 2,300 branch offices, almost 4,300 institutions were active under the 1947 Reserve. Of the types of institutions doing the greatest volume of business under this reserve, there were 1,700 national banks, 1,800 State chartered banks, and 68 finance companies.

TYPE OF INSTITUTION FINANCING PROPERTY IMPROVEMENT LOANS AND RECEIVING CLAIM PAYMENTS

WITH RATIO OF CLAIMS PAID TO LOANS INSURED
TITLE I, 1934 - 1950

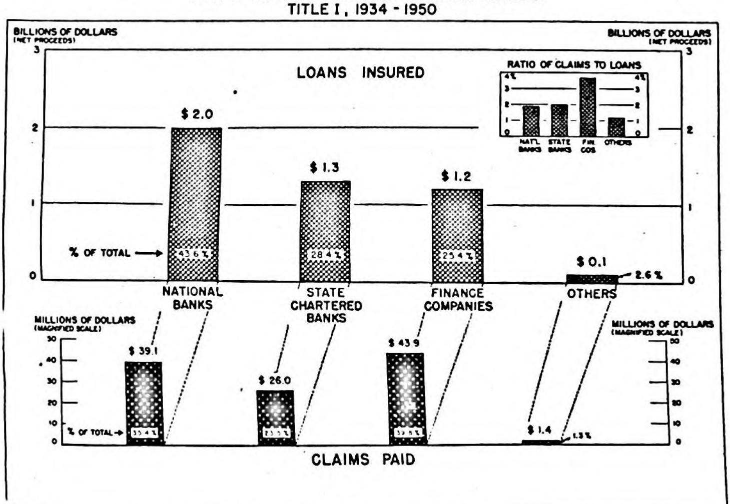

CHART XXVI.

Gross claims ratio.—Claims paid through the end of 1950 on loans insured under the 1947 Reserve totaled $34 million—2.10 percent of the $1.6 billion insured. Nearly 2,000 institutions received claim payments from FHA—almost half of all the institutions active during this period. As indicated in Table 48, finance companies showed the highest loss experience, receiving claim payments which amounted to 4.17 percent of their loans. The gross claims ratios for banks were substantially lower—1.64 percent for national banks and 1.58 percent for State chartered banks. For the period 1934 through 1950, with a ratio for all institutions of 2.38 percent, finance companies showed 3.73 percent, and banks a ratio of less than 2 percent.

Loan Characteristics

In 1950, as in 1949, the typical loan insured under the Title I property improvement program provided the borrower with $354 in net proceeds and had a maturity of about 36 months. As in other recent years, the principal type of property improved was a single-family dwelling and the principal types of improvement were heating, exterior finish, insulation, and additions and alterations.

Size of loan.—About 97 percent of the number of all Title I loans insured in 1950 (93 percent of the total amount insured) were made to improve existing structures exclusive of multifamily buildings. (See Table 50.) These loans were predominantly small in size, the typical loan providing the borrower with $347 in net proceeds. Larger loans for other types of property brought the median for all loans to $354—approximately the same as in 1949. As Table 51 shows, there was no substantial shift in the percentage distributions from the previous year. About 67 percent of the loans in 1950 were for amounts of less than $500, as compared with 68 percent the year before. In both years, 42 percent of the loans were for less than $300, and only 10 or 11 percent were for amounts of $1,000 or more.

Duration of loan.—The great bulk of Title I insurance in 1950 covered relatively short-term credit, although a few loans had maturities of more than 20 years. The typical loan had a duration of 36.4 months—about the same as in 1948 and 1949 (see Tables 52 and 53). Over one-fourth of all 1950 loans had maturities of 26 months or less, and practically all loans had maturities of less than 3½ years. The percentage of loans in the 2½-year interval increased somewhat in 1950, while the proportion declined in all other intervals below 3½ years.

TABLE 50.—*Size of FHA-insured property improvement loans: Percentage distribution of total number and of aggregate net proceeds of all loans by size of individual loans, Title I, 1950*

Net proceeds of individual loan	Total [1]	Class 1a	Class 1b	Class 2a	Class 2b	Class 3
		Existing structures	Existing structures, multifamily	New structures, nonfarm and nonresidential	New structures, farm and nonresidential	New structures, one-family
	Percentage distribution of number of loans					
Less than $100	2.5	2.5	0.3	0.2	0.7	----------
$100 to $199	18.7	19.2	2.5	2.8	2.3	----------
$200 to $299	20.5	20.9	4.5	6.2	4.7	----------
$300 to $399	15.4	15.6	4.7	11.5	7.4	----------
$400 to $499	9.6	9.6	4.1	14.7	6.2	----------
$500 to $599	8.0	7.9	4.5	17.6	8.5	----------
$600 to $799	9.1	9.0	6.2	20.7	10.6	----------
$800 to $999	5.0	4.9	6.6	9.1	11.3	----------
$1,000 to $1,499	7.1	6.9	18.7	8.5	18.1	----------
$1,500 to $1,999	2.0	1.8	19.5	3.3	11.3	----------
$2,000 to $2,499	1.0	.8	10.7	1.7	7.8	----------
$2,500 to $2,999	1.0	.9	9.4	2.1	8.0	0.3
$3,000 to $3,999	.1	----------	3.7	1.6	3.1	77.4
$4,000 to $4,999	(2)	----------	2.3	----------	----------	22.3
$5,000 or more	(2)	----------	2.3	----------	----------	----------
Total	100.0	100.0	100.0	100.0	100.0	100.0
Percent distribution	100.0	97.3	1.1	1.3	.2	.1
Median	$354	$347	$1,455	$583	$970	$3,569
	Percentage distribution of aggregate net proceeds					
Less than $100	0.4	0.4	(2)	(2)	0.2	----------
$100 to $199	6.4	6.9	0.3	0.6	.3	----------
$200 to $299	11.3	12.1	.7	2.1	1.0	----------
$300 to $399	10.9	11.5	1.0	5.4	2.1	----------
$400 to $499	8.8	9.1	1.1	8.9	2.3	----------
$500 to $599	8.8	9.1	1.5	12.9	3.8	----------
$600 to $799	13.0	13.3	2.7	19.3	6.3	----------
$800 to $999	9.2	9.4	3.8	11.0	8.4	----------
$1,000 to $1,499	13.3	13.3	14.7	13.1	18.0	----------
$1,500 to $1,999	6.8	6.3	19.9	7.4	16.0	----------
$2,000 to $2,499	4.2	3.8	15.2	4.9	14.5	----------
$2,500 to $2,999	5.2	4.8	14.6	7.2	17.6	0.2
$3,000 to $3,999	.9	----------	7.9	7.2	9.5	73.4
$4,000 to $4,999	.4	----------	6.6	----------	----------	26.4
$5,000 or more	.4	----------	10.0	----------	----------	----------
Total	100.0	100.0	100.0	100.0	100.0	100.0
Percent distribution	100.0	93.2	3.6	2.0	.6	.6
Average	$478	$458	$1,570	$726	$1,166	$3,764

[1] A Class 1a loan is used to finance the repair, alteration, or improvement of an existing structure; a Class 1b loan to finance the repair, alteration, or improvement of an existing structure used or to be used as a multifamily dwelling; a Class 2a loan to finance the construction of a new structure to be used exclusively for other than residential or agricultural purposes; a Class 2b loan to finance the construction of a new structure to be used in whole or part for agricultural, nonresidential purposes; and a Class 3 loan to finance a new small home.

[2] Less than 0.05 percent.

TABLE 51.—*Size of FHA-insured property improvement loans: Percentage distribution of total number and of aggregate net proceeds of all loans by size of individual loan, Title I, for selected years, 1938–50*

Net proceeds of individual loan [1]	1950	1949	1948	1943	1940	1938
	Percentage distribution of number of loans					
Less than $100	2.5	2.8	4.6	6.7	5.4	4.3
$100 to $199	18.7	18.5	20.2	25.9	24.7	23.0
$200 to $299	20.5	20.6	20.4	32.5	23.0	21.0
$300 to $399	15.4	15.4	15.3	12.7	14.2	14.7
$400 to $499	9.6	10.2	9.6	7.3	9.8	9.5
$500 to $599	8.0	8.2	7.8	5.4	7.5	7.7
$600 to $799	9.1	9.1	8.4	4.8	5.8	6.6
$800 to $999	5.0	5.0	4.5	2.0	3.1	3.6
$1,000 to $1,499	7.1	5.8	5.2	1.6	3.1	4.1
$1,500 to $1,999	2.0	2.0	1.8	.5	.9	1.5
$2,000 to $2,499	1.0	1.0	.9	.2	.6	1.1
$2,500 to $2,999	1.0	1.1	1.1	.3	1.2	.9
$3,000 to $3,999	.1	.1	.2	.1	.7	----------
$4,000 to $4,999	(2)	.2	(2)	(2)	----------	.8
$5,000 or more	(2)	(2)	(2)	(2)	----------	----------
Total	100.0	100.0	100.0	100.0	100.0	100.0
Median	$354	$353	$331	$254	$287	$301
	Percentage distribution of aggregate net proceeds [1]					
Less than $100	0.4	0.5	0.8	1.7	1.0	0.7
$100 to $199	6.4	5.6	6.6	12.2	8.7	7.5
$200 to $299	11.3	10.3	10.8	22.5	13.4	11.5
$300 to $399	10.9	10.6	11.3	13.8	11.6	11.0
$400 to $499	8.8	9.0	9.2	10.4	10.4	9.2
$500 to $599	8.8	9.0	9.1	9.5	9.9	9.3
$600 to $799	13.0	12.6	12.3	10.5	9.4	9.8
$800 to $999	9.2	8.9	8.7	5.7	6.4	6.9
$1,000 to $1,499	13.3	13.4	12.8	5.8	8.8	10.8
$1,500 to $1,999	6.8	6.7	6.4	2.6	3.9	5.8
$2,000 to $2,499	4.2	4.3	4.2	1.5	3.0	5.3
$2,500 to $2,999	5.2	5.9	6.0	2.2	7.7	5.5
$3,000 to $3,999	.9	1.0	1.3	1.3	5.8	----------
$4,000 to $4,999	.4	1.9	.3	(2)	----------	6.7
$5,000 or more	.4	.3	.2	.3	----------	----------
Total	100.0	100.0	100.0	100.0	100.0	100.0
Average	$478	$486	$456	$313	$417	$452

[1] Data for 1948–50 are based on net proceeds; data for earlier years are based on face amount.
[2] Less than 0.05 percent.

TABLE 52.—*Duration of FHA-insured property improvement loans: Percentage distribution of total number and of aggregate net proceeds of all classes of loans by duration of individual loans, Title I, 1950*

Duration: Interval	Duration: Modal term	Total [1]	Class 1a: Existing structures	Class 1b: Existing structures, multi-family	Class 2a: New structures, nonfarm and nonresidential	Class 2b: New structures, farm and nonresidential	Class 3: New structures, 1-family
		Percentage distribution of number of loans					
1 to 8 months	6 months	0.8	0.9	0.6	0.4	1.0	
9 to 14 months	12 months	10.1	10.2	3.8	6.8	5.3	
15 to 20 months	18 months	6.0	6.1	2.3	3.6	3.2	
21 to 26 months	24 months	10.2	10.3	4.0	6.5	6.6	
27 to 32 months	30 months	9.8	9.8	5.6	7.0	8.5	
33 to 41 months	36 months	62.5	62.7	29.1	75.7	68.8	
42 to 53 months	48 months	(2)		1.5		1.5	
54 to 63 months	60 months	.4		39.5		2.9	
Over 63 months		.2		13.6		2.2	100.0
Total		100.0	100.0	100.0	100.0	100.0	100.0
Duration in months (median)		36.4	36.4	60.4	36.7	36.5	181.0
		Percentage distribution of aggregate net proceeds					
1 to 8 months	6 months	0.5	0.5	0.7	0.5	1.8	
9 to 4 months	12 months	4.9	5.1	1.1	3.9	2.7	
15 to 20 months	18 months	3.4	3.5	.8	2.7	1.4	
21 to 26 months	24 months	7.1	7.4	2.1	5.0	4.0	
27 to 32 months	30 months	9.8	10.2	3.1	6.7	6.8	
33 to 41 months	36 months	71.1	73.3	22.9	81.2	73.8	
42 to 53 months	48 months	.1		2.0		1.2	
54 to 63 months	60 months	1.7		46.2		4.1	
Over 63 months		1.4		21.1		4.2	100.0
Total		100.0	100.0	100.0	100.0	100.0	100.0
Duration in months (average)		30.7	30.3	50.6	32.9	34.6	175.9

[1] A Class 1a loan is used to finance the repair, alteration, or improvement of an existing structure; a Class 1b loan to finance the repair, alteration, or improvement of an existing structure used or to be used as a multifamily dwelling; a Class 2a loan to finance the construction of a new structure to be used exclusively for other than residential or agricultural purposes; a Class 2b loan to finance the construction of a new structure to be used in whole or in part for agricultural, nonresidential purposes; and a Class 3 loan to finance new small homes.
[2] Less that 0.05 percent.

TABLE 53.—*Duration of FHA-insured property improvement loans: Percentage distribution of total number and of aggregate net proceeds of all loans by duration of individual loans, Title I, for selected years, 1938–50*

Duration: Interval	Duration: Modal term	1950	1949	1948	1943	1940	1938
		Percentage distribution of number of loans					
1 to 8 months	6 months	0.8	1.0	1.8	1.6	0.5	0.9
9 to 14 months	12 months	10.1	12.3	14.1	50.0	12.4	15.2
15 to 20 months	18 months	6.0	7.4	7.9	6.9	8.8	9.4
21 to 26 months	24 months	10.2	11.5	11.1	9.7	13.3	16.5
27 to 32 months	30 months	9.8	2.7	3.0	2.3	4.1	4.3
33 to 41 months	36 months	62.5	64.5	61.7	29.4	59.8	46.8
42 to 53 months	48 months	(1)	(1)	(1)	(1)	(1)	1.1
54 to 63 months	60 months	.4	.2	.1	0.1	(2)	(2)
Over 63 months		.2	.4	.3	(1 3)	1.1	5.8
Total		100.0	100.0	100.0	100.0	100.0	100.0
Duration in months (median)		36.4	36.4	36.3	12.6	31.8	29.9
		Percentage distribution of aggregate net proceeds [4]					
1 to 8 months	6 months	0.5	0.5	1.5	0.8	0.3	0.4
9 to 14 months	12 months	4.9	5.9	8.0	35.1	5.1	6.1
15 to 20 months	18 months	3.4	4.3	4.7	5.0	4.3	4.5
21 to 26 months	24 months	7.1	8.3	8.3	8.8	8.6	10.9
27 to 32 months	30 months	9.8	1.8	2.0	2.0	2.6	3.1
33 to 41 months	36 months	71.1	75.7	73.0	47.0	71.6	53.0
42 to 53 months	48 months	.1	.1	(1)	.1	(1)	2.4
54 to 63 months	60 months	1.7	.7	.4	.9	(2)	(2)
Over 63 months		1.4	2.7	2.1	[3] .3	7.5	19.6
Total		100.0	100.0	100.0	100.0	100.0	100.0
Duration in months (average)		30.7	30.6	29.7	25.7	35.4	35.8

[1] Less than 0.05 percent.
[2] Included in over 63 months.
[3] Distribution for 1943 excludes Class 3 loans.
[4] Data for 1948–50 are based on net proceeds; data for earlier years are based on face amount.

Type of property and improvement.—The types of structures and improvements financed by Title I loans in 1950 are shown in Table 54 and Charts XXVII and XXVIII.

The predominant type of property improved with Title I loans in 1950, accounting for 86 percent of all loans insured during the year, was a single-family dwelling. Multifamily structures accounted for 9 percent, and commercial and industrial structures, farm homes and buildings, and other types of structures, including garages, made up the additional 5 percent.

These properties were improved in various ways, as listed in Table 54 and shown pictorially in Chart XXVIII. The breakdown by type of loan refers only to the major purpose of the loan. Where the proceeds of a loan are used for several purposes, the whole loan is recorded under its major purpose.

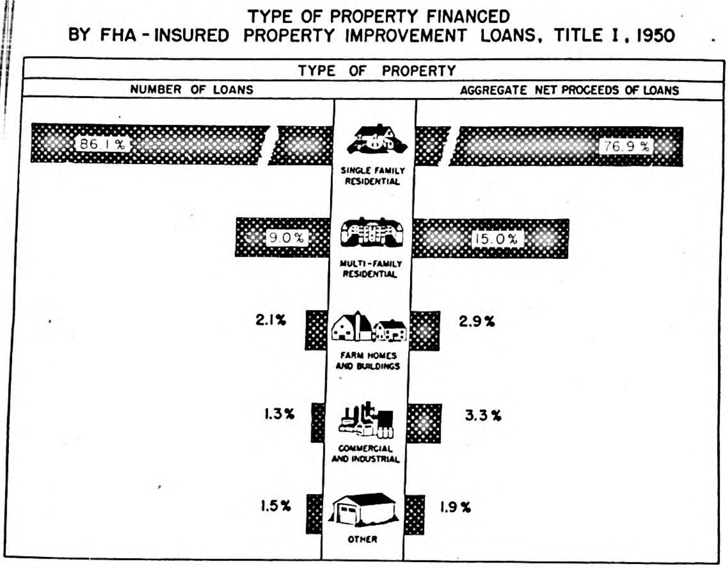

CHART XXVII.

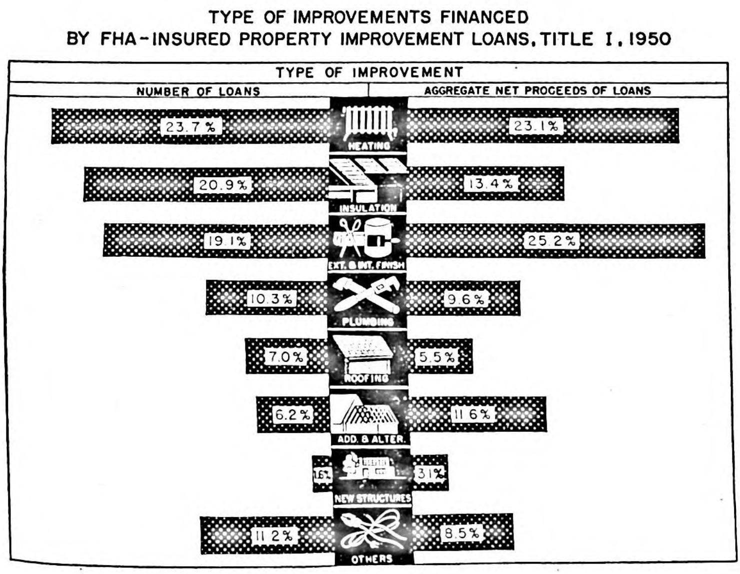

CHART XXVIII.

TABLE 54.—*Type of property and type of improvement financed by FHA-insure property improvement loans: Percentage distribution of total number and of aggr gate net proceeds of all loans by type of property and type of improvement, Title 1950*

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 distribution of number of loans					
New residential construction	0.1	0.1				
New nonresidential construction	1.5			6.7	13.8	79.
Additions and alterations	6.2	4.0	23.5	17.9	10.5	11.
Exterior finish	12.0	12.2	13.0	5.4	10.7	1.
Interior finish	7.1	7.1	7.9	11.3	3.0	[illegible]
Roofing	7.0	7.0	6.9	5.4	11.7	1.
Plumbing	10.3	10.7	7.1	7.4	15.1	.
Heating	23.7	24.0	26.3	26.0	15.0	1.
Insulation	20.9	22.8	9.8	5.7	14.4	1.
Miscellaneous	11.2	12.1	5.5	14.2	5.8	2.
Total	100.0	100.0	100.0	100.0	100.0	100.0
Percent of total	100.0	86.1	9.0	1.3	2.1	1.5
	Percentage distribution of aggregate net proceeds					
New residential construction	0.6	0.8				
New nonresidential construction	2.5			10.6	23.7	79.0
Additions and alterations	11.6	7.4	29.7	23.3	15.0	12.3
Exterior finish	16.6	17.7	16.4	4.9	11.9	1.5
Interior finish	8.6	8.8	8.3	13.1	3.4	1.0
Roofing	5.5	5.9	4.2	3.1	8.4	.9
Plumbing	9.6	10.5	6.3	6.5	12.3	1.0
Heating	23.1	23.7	24.2	24.0	12.0	1.8
Insulation	13.4	16.0	5.3	2.7	7.5	.5
Miscellaneous	8.5	9.2	5.6	11.8	5.8	2.0
Total	100.0	100.0	100.0	100.0	100.0	100.0
Percent of total	100.0	76.9	15.0	3.3	2.9	1.9
	Average net proceeds					
New residential construction	$3,650	$3,650				
New nonresidential construction	799			$1,876	$1,155	$628
Additions and alterations	894	788	$1,005	1,538	956	655
Exterior finish	662	620	1,002	1,063	749	704
Interior finish	578	527	841	1,376	764	747
Roofing	378	359	478	688	479	442
Plumbing	445	417	697	1,041	551	709
Heating	464	422	732	1,092	536	801
Insulation	306	290	426	551	348	304
Miscellaneous	361	324	805	980	676	610
Total	478	426	794	1,182	672	631

[1] Type of improvement to which the major portion of the proceeds of the loan was devoted.
[2] About 92 percent of the number and 89 percent of the net proceeds of these loans financed the repair or construction of garages.

Almost one-fourth of all loans in 1950 were made to finance heating repairs, and one out of every five was made to finance insulating work, including storm doors, storm windows, and weather stripping. Exterior finish, such as paint and siding, accounted for one-eighth of all the loans, and plumbing for one-tenth. The remaining one-third of the loans were for interior finish such as papering and plastering, for roofing, for additions and alterations to the property, and for other types of work, as shown in Table 54 and Chart XXVIII. In recent years these percentages have changed very little. (See Table 55.)

TABLE 55.—*Type of improvement financed by FHA-insured property improvement loans: Percentage distribution of total number and of aggregate net proceeds of all loans by type of improvement, Title I, for selected years, 1938–50*

Major type of improvement [1]	1950	1949	1948	1943	1940	1938
	Percentage distribution of number of loans					
New residential construction	0.1	0.3	0.2	0.1	1.4	1.6
New nonresidential construction	1.5	1.5	1.7	2.9	2.4	1.8
Additions and alterations	6.2	10.0	9.4	6.9	13.1	15.2
Exterior finish	12.0	12.4	12.4	20.4	17.1	18.3
Interior finish	7.1	7.1	7.2	7.4	6.3	6.6
Roofing	7.0	8.2	8.5	22.3	13.7	16.9
Plumbing	10.3	9.0	8.9	2.6	8.6	7.1
Heating	23.7	22.4	20.3	10.5	28.7	24.7
Insulation	20.9	19.6	22.1	(2)	(2)	(2)
Miscellaneous	11.2	9.5	9.3	26.9	8.7	7.8
Total	100.0	100.0	100.0	100.0	100.0	100.0
	Percentage distribution of aggregate net proceeds [3]					
New residential construction	0.6	2.2	1.2	1.0	9.2	7.3
New nonresidential construction	2.5	2.5	2.7	2.8	2.9	2.9
Additions and alterations	11.6	15.9	15.4	8.1	17.6	21.2
Exterior finish	16.6	15.6	14.5	29.8	17.2	17.5
Interior finish	8.6	7.9	7.9	6.8	6.2	6.7
Roofing	5.5	6.2	6.7	16.9	7.8	8.7
Plumbing	9.6	8.4	8.7	2.8	8.0	6.9
Heating	23.1	22.2	21.6	10.3	24.0	21.1
Insulation	13.4	11.5	14.0	(2)	(2)	(2)
Miscellaneous	8.5	7.6	7.3	21.5	7.1	7.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

[1] Type of improvement to which major portion of the proceeds of the loan was devoted.
[2] Not tabulated as a separate classification prior to July 1, 1944.
[3] Data for 1948–50 are based on net proceeds; data for earlier years are based on face amount.

Comparison of loans insured and claims paid by major type of improvement under the 1947 Reserve are presented in Table 56 and Chart XXIX. Claims are payable on loans until all loans insured under a reserve have been terminated. Through the end of 1950, the volume of claims paid under this reserve for each type of improvement, except exterior finish, generally correspond with the relative volume of loans insured.

TABLE 56.—*Claims paid and loans insured by type of improvement: Percentage distributions based on claims paid and insurance written, Title I, 1947 Reserve, July 1947–December 1950*

Major type of improvement	Percentage distribution of number		Percentage distribution of amount		Average amount	
	Claims paid	Loans insured	Claims paid	Loans insured	Claims paid	Loans insured
New residential construction	(1)	0.2	0.1	1.6	$2,873	$3,640
New nonresidential construction	1.4	1.5	2.5	2.4	691	766
Additions and alterations	8.5	9.5	13.5	15.6	619	763
Exterior finish	18.3	11.9	22.0	14.7	485	579
Interior finish	6.7	7.0	7.4	7.8	430	522
Roofing	9.6	8.3	7.5	6.4	308	361
Plumbing	8.7	8.8	8.9	8.4	403	444
Heating	18.4	22.1	18.7	22.7	398	479
Insulation	20.5	21.6	12.4	13.2	237	285
Miscellaneous	7.9	9.1	6.4	7.2	318	368
Total	100.0	100.0	100.0	100.0	392	467

[1] Less than 0.05 percent.

DISTRIBUTION OF NUMBER OF LOANS INSURED AND CLAIMS PAID BY TYPE OF IMPROVEMENT

1947 RESERVE THROUGH 1950

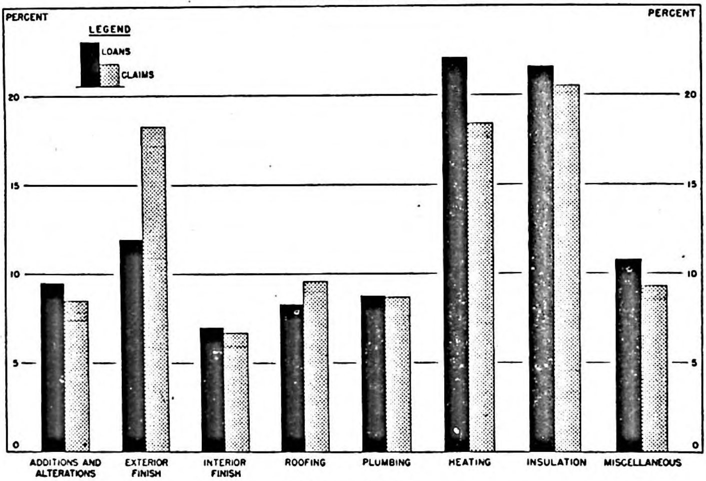

CHART XXIX.

Claims and Defaults

Default and recovery.—The volume of claims paid by FHA in 1950 to financial institutions to cover losses on defaulted notes totaled $18.2 million (56,500 claims)—only 4 percent over 1949. Although more claims were paid by FHA in 1950 than in any previous year, the volume of claims remained relatively low despite the rapid rise in operations under this program since the close of the war.

Table 45 and Chart XXIV at the beginning of this section show the yearly trend of loans insured and claims paid. The table and the small inset chart in Chart XXIV depict the annual status of the "gross claims ratio"—the cumulative amount of claims paid as a percent of cumulative amount of loans insured. The table also shows the annual status of the "net claims ratio"—claims paid, after recoveries, as a percent of loans insured.

The $18.2 million paid in claims in 1950 brought the total paid from 1934 through 1950 to $110.4 million—2.38 percent of the cumulative amount of loans insured during this period. About 35 percent of the total amount of claims, however, was recovered by FHA in cash and in proceeds from the disposal of acquired properties, leaving net claims at the end of 1950 amounting to only 1.53 percent of the insurance written. Net losses to the insurance fund after allowance was made for estimated recoveries on notes in process of collection at the end of 1950 amounted to only 1.12 percent of the $4.6 billion of loans insured.

Payments made by borrowers prior to default.—The number of installments paid by Title I borrowers on defaulted notes prior to default is shown in Table 57 and Chart XXX. Almost 7 percent of all claims paid in 1950 were on notes on which no installments were paid, and one-fourth on notes on which less than six installments

PAYMENTS MADE ON TITLE I LOANS PRIOR TO DEFAULT, 1950

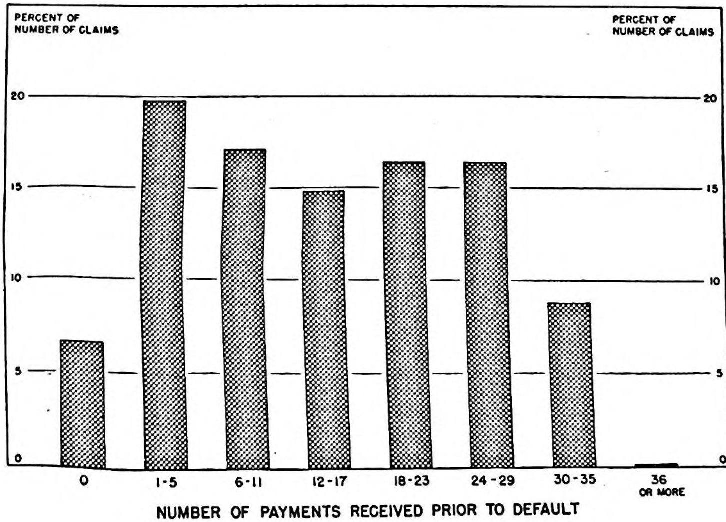

CHART XXX.

were paid. About 44 percent of the notes had been amortized by less than 12 payments before default occurred, and 9 percent of the loans had been amortized by 30 or more payments.

The table also shows a cross classification between the number of payments made by borrowers and the duration of the notes. Four-fifths of the defaulted notes on which claims were paid in 1950 had maturities of 36 or more months. Of these loans, about one-third defaulted on the twenty-fourth or a later payment, another third defaulted from the twelfth to the twenty-third payment, and 37 percent defaulted before the twelfth payment had been made. The same general experience of a wide distribution in the number of payments made was found for loans in the 24-to-35 month and the 12-to-23 month categories. This indicates that as the loans matured the risk of default did not decline proportionately.

TABLE 57.—*Claims paid on property improvement loans: Percentage distribution of total claims paid, by duration of loan and number of payments made prior to default, Title I, 1950*

Number of payments received prior to default	Percentage distribution of number of claims					Percent based on total amount	Average claim paid
	Duration (months)				Total		
	1 to 11	12 to 23	24 to 35	36 or more			
0	43.8	10.8	8.8	5.1	6.6	11.5	$569
1	30.1	9.9	6.0	3.6	4.8	7.7	529
2	14.0	7.1	5.1	3.6	4.2	6.7	517
3	6.6	5.7	4.9	3.4	3.8	6.0	517
4	2.6	8.0	5.0	3.1	3.6	5.4	498
5	1.7	6.2	4.7	3.0	3.4	5.0	485
6 to 11	1.2	35.4	20.6	15.4	17.1	21.8	421
12 to 17		16.6	20.1	14.2	14.8	15.2	339
18 to 23		.3	19.9	17.5	16.4	11.4	230
24 to 29			4.7	20.0	16.4	7.5	151
30 to 35			.2	11.0	8.8	1.7	64
36 or more				.1	.1	.1	446
Total	100.0	100.0	100.0	100.0	100.0	100.0	322
Percent of total	1.8	6.4	12.6	79.2	100.0		

Section III

ACCOUNTS AND FINANCE

The figures for 1949 and 1950 in the financial statements in this section of the 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.

Prior to 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 of 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 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, 1950, combined statement of financial condition (Statement 2) and the combined statement of income and expenses (Statement 3). Transactions on insurance granted prior to July 1, 1939, have been shown separately in a statement of accountability for funds advanced (Statement 7), and June 30, 1949, figures previously published have been adjusted accordingly.

Combined Funds

Gross Income and Operating Expenses, Fiscal Year 1950

Gross income for the fiscal year 1950 under all insurance operations totaled $86,922,072 and was derived from fees, insurance premiums, and income on investments. Operating expenses of the Administration during the fiscal year 1950 totaled $27,479,113. This left $59,442,-959 to be 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, 1950, gross income totaled $442,449,822, while operating expenses totaled $221,-

512,697. Gross income and operating expenses for each fiscal year are detailed below:

Income and operating expenses through June 30, 1950

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	1944	$28,322,415	$11,148,361
1936	2,503,248	12,160,487	1945	29,824,744	10,219,023
1937	5,690,268	10,318,119	1946	30,729,072	11,192,415
1938	7,874,377	9,297,884	1947	26,790,341	16,082,521
1939	11,954,056	12,609,887	1948	51,164,456	20,090,875
1940	17,860,296	13,206,525	1949	63,983,953	23,379,044
1941	24,126,366	13,359,588	1950	86,922,072	27,479,113
1942	28,316,764	13,471,489			
1943	25,847,785	11,160,461	Total	442,449,822	221,512,697

NOTE.—Operating expenses include charges for depreciation on furniture and equipment.

The above income was derived from the following insurance operations: Title I (property improvement loans), $52,010,265; Title I (home mortgages), $21,880; Title II (home mortgages), $255,576,202; Title II (rental housing projects), $7,738,931; Title VI (war and veterans' emergency housing), $126,308,100; and Title VIII (rental housing projects), $794,444. An analysis of gross income by fiscal year under each insurance fund is given in Statement 1.

STATEMENT 1.—*Income from fees, insurance premiums, and investments under Titles I, II, VI, and VIII, by fiscal years, 1935–50*

	Examination fees	Initial premiums	Renewal premiums	Prepayment premiums	Income on investments	Total
Title I, Classes 1, 2, and 3:						
1940	$115,507	$3,048,605				$3,164,112
1941	126,510	4,799,858	$50,708			4,977,076
1942	110,147	3,965,010	134,943			4,210,100
1943	15,145	1,609,639	231,053			1,855,837
1944	1,485	1,473,082	240,852			1,715,419
1945	115	1,794,121	235,887			2,030,123
1946	255	1,997,197	185,356			2,182,808
1947	45	2,220,393	65,375			2,285,813
1948	80	6,887,693	121,455			7,009,228
1949	10	10,211,655	129,965			10,341,630
1950	5	12,032,842	205,272			12,238,119
Total	369,304	50,040,095	1,600,866			[1] 52,010,265
Title I, Sec. 8: 1950	21,880					21,880
Title II, Sec. 203:						
1935	255,113	23,440			$256,681	535,234
1936	1,156,998	933,172	84,671	$6,499	306,133	2,487,473
1937	2,012,373	2,006,609	1,155,275	81,940	393,308	5,649,505
1938	2,161,294	1,939,667	2,763,296	196,923	556,728	7,617,908
1939	3,665,072	2,375,610	4,180,119	309,017	559,999	11,089,817
1940	3,874,969	3,003,683	5,948,237	542,109	639,962	14,008,960
1941	4,827,634	4,032,742	8,028,812	743,079	689,447	18,321,714
1942	3,777,420	4,381,326	10,980,716	1,179,647	878,015	21,197,124
1943	1,053,136	1,957,751	13,344,820	331,746	1,173,566	17,861,019
1944	862,336	1,046,824	14,107,941	373,562	1,586,695	17,977,358
1945	1,145,877	1,123,238	12,958,419	760,856	2,383,407	18,371,797
1946	2,300,151	1,405,427	11,296,223	1,988,294	2,353,538	19,343,633
1947	2,212,949	942,746	5,137,611	2,436,738	2,537,646	13,267,690
1948	3,835,761	2,309,094	9,759,219	1,951,026	2,810,353	20,665,453
1949	9,159,419	4,607,433	9,754,624	1,410,066	3,394,795	28,326,337
1950	12,291,022	9,266,802	12,181,769	1,695,186	3,420,401	38,855,180
Total	54,591,524	41,355,564	121,681,752	14,006,688	23,940,674	255,576,202

See footnotes at end of statement.

STATEMENT 1.—*Income from fees, insurance premiums, and investments under Titles I, II, VI, and VIII, by fiscal years, 1935–50*—Continued

	Examination fees	Initial premiums	Renewal premiums	Prepayment premiums	Income on investments	Total
Title II, Secs. 207 and 210:						
1935		$4,375				$4,375
1936		11,400	$4,375			15,775
1937		21,950	18,813			40,763
1938	$94,765	121,306	33,973		$6,425	256,469
1939	338,359	319,137	180,087		26,656	864,239
1940	47,682	115,010	454,709	$25,550	44,273	687,224
1941	20,779	62,072	450,963	15,604	56,289	605,707
1942	40,454	40,099	513,451	13,500	25,933	633,437
1943	−3,776	9,805	512,423	37,884	58,957	615,293
1944	−7,323	21,125	506,946	53,876	63,429	638,053
1945	−2,860	22,483	435,626	116,122	63,431	634,802
1946	10,519	25,575	374,576	217,601	63,389	691,660
1947	−6,735	3,566	110,513	268,784	63,363	439,491
1948	846	598	222,991	113,005	85,564	423,004
1949	48,993	-18,055	171,035	43,537	63,234	344,854
1950	521,065	20,495	130,951	102,077	63,197	843,785
Total	1,102,768	817,051	4,127,432	1,007,540	684,140	7,738,931
Title VI, Secs. 603, 608, 609, 611:						
1941	197,637	1,814			22,418	221,869
1942	1,566,054	595,554	2,072	1,722	109,801	2,276,103
1943	2,549,846	2,421,673	311,228	1,823	231,066	5,515,636
1944	2,531,321	2,983,993	2,457,171	9,095	10,005	7,991,585
1945	1,139,267	2,251,983	5,273,038	53,906	69,828	8,788,022
1946	362,131	670,026	6,500,029	795,875	182,910	8,510,971
1947	4,880,075	317,881	3,123,956	2,152,828	322,607	10,797,347
1948	11,574,518	4,614,735	5,398,393	1,135,019	344,106	23,066,771
1949	6,832,445	8,508,995	8,503,132	611,750	514,810	24,971,132
1950	10,103,002	6,648,254	15,475,088	798,886	1,143,434	34,168,664
Total	41,737,196	29,014,908	47,044,107	5,560,904	2,950,985	126,308,100
Title VIII, Sec. 803: 1950	666,192	91,366			36,886	794,444
Total income:						
1935	255,113	27,815			256,681	539,609
1936	1,156,998	944,572	89,046	6,499	306,133	2,503,248
1937	2,012,373	2,028,559	1,174,088	81,940	393,308	5,690,268
1938	2,256,059	2,060,973	2,797,269	196,923	563,153	7,874,377
1939	4,003,431	2,694,747	4,360,206	309,017	586,655	11,954,056
1940	4,038,158	6,167,298	6,402,946	567,659	684,235	17,860,296
1941	5,172,560	8,896,486	8,530,483	758,683	768,154	24,126,366
1942	5,494,975	8,981,989	11,631,182	1,194,869	1,013,749	28,316,764
1943	3,614,351	5,998,868	14,399,524	371,453	1,463,589	25,847,785
1944	3,387,819	5,525,024	17,312,910	436,533	1,660,129	28,322,415
1945	2,282,399	5,191,825	18,902,970	930,884	2,516,666	29,824,744
1946	2,673,056	4,098,225	18,356,184	3,001,770	2,599,837	30,729,072
1947	7,086,334	3,484,586	8,437,455	4,858,350	2,923,616	26,790,341
1948	15,411,205	13,812,120	15,502,058	3,190,050	3,240,023	51,164,456
1949	16,040,867	23,346,138	18,558,756	2,065,353	3,972,839	63,983,953
1950	23,603,166	28,059,759	27,999,080	2,596,149	4,663,918	86,922,072
Total	98,488,864	121,318,984	174,454,157	20,575,132	27,612,685	442,449,822

Minus figures are caused by adjustments relating to prior years.

[1] In addition, cash recoveries and other income in the amount of $21,549,895 have been collected on claims paid on insurance granted on and after July 1, 1939, and credited to the Title I Insurance Fund.

Salaries and Expenses

The current fiscal year is the eleventh in which the Federal Housing Administration has met all expenditures for salaries and expenses by allocation from its insurance funds.

The amount which 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 operation 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 1950 to cover operating costs and the purchase of furniture and equipment are as follows:

Salaries and expenses, fiscal year 1950 (July 1, 1949, to June 30, 1950)

Title and section	Amount	Percent	Title and section	Amount	Percen
Title I	$1,897,876	6.84	Title VI:		
Title I, Sec. 8	28,098	.10	Sec. 603	$1,147,120	4.1
Title II:			Sec. 608	4,979,196	17.9
Sec. 203	19,187,183	69.14	Sec. 609	28,748	.1
Secs. 207 and 210	214,904	.77	Sec. 611	20,441	.07
Sec. 213	35,422	.13	Title VII	10,018	.04
			Title VIII, Sec. 803	204,578	.73
			Total	27,753,584	100.0

Capital and Statutory Reserves of Combined FHA Funds

The combined capital and statutory reserves of all FHA funds on June 30, 1950, amounted to $230,200,984, and consisted of $146,707,728 capital ($67,497,643 investment of the United States Government and $79,210,085 earned surplus) and $83,493,256 statutory reserves, as shown in Statement 2.

STATEMENT 2.—*Comparative statement of financial condition, all FHA funds combined, as of June 30, 1949, and June 30, 1950*

	June 30, 1949	June 30, 1950	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$33,477,778	$38,840,907	$5,363,129
Investments:			
U. S. Government securities (amortized)	165,919,894	215,272,165	49,352,271
Other securities (stock in rental housing corporations)	155,785	326,985	171,200
Total investments	166,075,679	215,599,150	49,523,471
Loans receivable:			
Mortgage notes and contracts for deed	20,332,463	20,107,511	−224,952
Less reserve for losses	337,974	334,795	−3,179
Net loans receivable	19,994,489	19,772,716	−221,773
Accounts and notes receivable:			
Accounts receivable—insurance premiums	2,650,673	3,589,362	938,689
Accounts receivable—other	72,653	114,218	41,565
Total accounts and notes receivable	2,723,326	3,703,580	980,254
Accrued assets:			
Interest on U. S. Government securities	688,826	488,823	−200,003
Interest on mortgage notes and contracts for deed	85,700	232,339	146,639
Total accrued assets	774,526	721,162	−53,364
Land, structures, and equipment:			
Furniture and equipment	1,614,448	[1] 1,871,236	256,788
Less reserve for depreciation	870,440	913,225	42,785
Net furniture and equipment	744,008	958,011	214,003
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	3,499,732	14,247,780	10,748,048
Less reserve for losses	593,651	2,417,150	1,823,499
Net real estate	2,906,081	11,830,630	8,924,549

[1] Includes unfilled orders in the amount of $71,863.

STATEMENT 2.—*Comparative statement of financial condition, all FHA funds combined, as of June 30, 1949, and June 30, 1950*—Continued

	June 30, 1949	June 30, 1950	Increase or decrease (−)
ASSETS—continued			
Acquired security or collateral—Continued			
Mortgage notes acquired under terms of insurance (at cost plus expenses to date)	$1,405,499	$5,867,501	$4,462,002
Less reserve for losses	247,055	1,565,173	1,318,118
Net mortgage notes acquired under terms of insurance	1,158,444	4,302,328	3,143,884
Defaulted Title I notes	28,992,110	41,129,366	12,137,256
Less reserve for losses	16,729,508	23,089,576	6,360,068
Net defaulted Title I notes	12,262,602	18,039,790	5,777,188
Net acquired security or collateral	16,327,127	34,172,748	17,845,621
Deferred charges: Prepaid expenses	2,704		−2,704
Total assets	240,119,637	313,768,274	73,648,637
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies	1,572,012	[1] 2,380,655	808,643
Group account participations payable	941,562	1,676,714	735,152
Total accounts payable	2,513,574	4,057,369	1,543,795
Accrued liabilities: Interest on debentures	200,861	498,711	297,850
Trust and deposit liabilities:			
Fee deposits held for future disposition		1,641,700	1,641,700
Excess proceeds of sale	899,999	743,447	−156,552
Deposits held for mortgagors, lessees, and purchasers	316,812	404,474	87,662
Due general fund of the U. S. Treasury	746	680	−66
Employees' payroll deductions for taxes, etc	705,249	942,840	237,591
Total trust and deposit liabilities	1,922,806	3,733,141	1,810,335
Deferred and undistributed credits:			
Deferred credits—unearned insurance premiums	36,586,730	45,897,933	9,311,203
Deferred credits—other	52,775	43,958	−8,817
Total deferred and undistributed credits	36,639,505	45,941,891	9,302,386
Bonds, debentures, and notes payable: Debentures payable	14,632,986	29,315,786	14,682,800
Other liabilities: Reserve for foreclosure costs—mortgage notes	14,493	20,392	5,899
Statutory reserves:			
For transfer to general reinsurance account	16,219,941	18,988,881	2,768,940
Net balances of group accounts available for contingent losses, expenses, other charges, and participations	73,700,280	64,504,375	−9,195,905
Total statutory reserves	89,920,221	83,493,256	−6,426,965
Total liabilities	145,844,446	167,060,546	21,216,100
CAPITAL			
Investment of the U. S. Government:			
Allocations from the U. S. Treasury	16,000,000	21,000,000	5,000,000
Appropriations for salaries and expenses	36,162,716	36,164,119	1,403
Appropriations for payment of insurance claims	8,334,999	8,333,524	−1,475
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	61,497,715	67,497,643	5,999,928

[1] Includes unfilled orders in the amount of $294,245.

STATEMENT 2.—*Comparative statement of financial condition, all FHA funds combined, as of June 30, 1949, and June 30, 1950*—Continued

	June 30, 1949	June 30, 1950	Increase or decrease (−)
CAPITAL—continued			
Earned surplus (deficit −):			
Insurance reserve fund (cumulative earnings) available for future losses and related expenses	$43, 720, 507	$70, 490, 125	$26, 769, 618
General reinsurance reserve fund (cumulative earnings or deficit −) available for future losses and related expenses	−10, 943, 031	8, 719, 960	19, 662, 991
Total earned surplus	32, 777, 476	79, 210, 085	46, 432, 609
Total capital	94, 275, 191	146, 707, 728	52, 432, 537
Total liabilities and capital	240, 119, 637	313, 768, 274	73, 648, 637
Contingent liability for certificates of claim on properties on hand	96, 279	403, 247	306, 968

The paid-in capital of $67,497,643 and the earned surplus of $79,210,085 are available for future contingent losses and related expenses. The statutory reserves of $83,493,256 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	$14, 042, 243
Title I Housing Insurance Fund	1, 021, 880
Mutual Mortgage Insurance Fund	134, 207, 312
Housing Insurance Fund	5, 417, 852
War Housing Insurance Fund	68, 936, 862
Housing Investment Insurance Fund	972, 910
Military Housing Insurance Fund	5, 601, 925
Total	230, 200, 984

In addition, the various insurance funds had collected or accrued $45,897,933 unearned insurance premiums, as shown below. These premiums have been deferred under the accrual basis to which the accounts were converted as of June 30, 1949, and will be allocated to income each month as they are earned.

Fund	Deferred Premium Income
Title I Insurance Fund	$17, 354, 615
Mutual Mortgage Insurance Fund	14, 484, 384
Housing Insurance Fund	95, 601
War Housing Insurance Fund	13, 755, 929
Military Housing Insurance Fund	207, 404
Total	45, 897, 933

Combined Income and Expenses, all FHA Funds

Total income from all sources during the fiscal year 1950 amounted to $87,987,419, while total expenses and insurance losses amounted to $30,775,860, leaving net income, before adjustment of valuation and statutory reserves, of $57,211,559. Increases in valuation reserves for the year amounted to $9,498,506, leaving $47,713,053 net income for the period. Cumulative income from June 30, 1934, through June 30, 1950, was $447,640,050, and cumulative expenses were $232,232,096,

STATEMENT 3.—*Combined statement of income and expenses for all FHA funds, through June 30, 1949, and June 30, 1950*

	June 30, 1934, to June 30, 1949	July 1, 1949, to June 30, 1950	June 30, 1934, to June 30, 1950
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$22, 103, 534	$4, 662, 924	$26, 766, 458
Interest on mortgage notes and contracts for deed	41, 588	6, 053	47, 641
Interest—other	3, 962, 615	1, 012, 135	4, 974, 750
Dividends on rental housing stock	2, 052	994	3, 046
	26, 109, 789	5, 682, 106	31, 791, 895
Insurance premiums and fees:			
Premiums	257, 693, 285	58, 654, 988	316, 348, 273
Fees	74, 885, 698	23, 603, 166	98, 488, 864
	332, 578, 983	82, 258, 154	414, 837, 137
Other income:			
Profit on sale of investments	843, 181		843, 181
Miscellaneous income	120, 678	47, 159	167, 837
	963, 859	47, 159	1, 011, 018
Total income	359, 652, 631	87, 987, 419	447, 640, 050
Expenses:			
Interest expenses: Interest on debentures	2, 618, 360	488, 172	3, 106, 532
Administrative expenses: Operating costs (including adjustments for prior years)	186, 216, 235	[1] 27, 427, 913	213, 644, 148
Other expenses:			
Depreciation on furniture and equipment	1, 189, 419	65, 319	1, 254, 738
Miscellaneous expenses	206, 108	16, 462	222, 570
	1, 395, 527	81, 781	1, 477, 308
Losses and charge-offs:			
Loss on sale of acquired properties	3, 699, 861	91, 171	3, 791, 032
Loss on equipment	16, 018	651	16, 669
Loss on defaulted Title I notes	7, 510, 235	2, 686, 172	10, 196, 407
	11, 226, 114	2, 777, 994	14, 004, 108
Total expenses	201, 456, 236	30, 775, 860	232, 232, 096
Net income before adjustment of valuation reserves	158, 196, 395	57, 211, 559	215, 407, 954
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−337, 974	+3, 179	−334, 795
Reserve for loss on real estate	−593, 651	−1, 823, 499	−2, 417, 150
Reserve for loss on mortgage notes acquired under terms of insurance	−247, 055	−1, 318, 118	−1, 565, 173
Reserve for loss on defaulted Title I notes	−16, 729, 508	−6, 360, 068	−23, 089, 576
Net adjustment of valuation reserves	−17, 908, 188	−9, 498, 506	−27, 406, 694
Net income	140, 288, 207	47, 713, 053	188, 001, 260

[1] Includes unfilled orders in the amount of $222,382.

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STATEMENT 3.—*Combined statement of income and expenses for all FHA funds, through June 30, 1949, and June 30, 1950*—Continued

ANALYSIS OF EARNED SURPLUS

	June 30, 1934, to June 30, 1949	July 1, 1949, to June 30, 1950	June 30, 1934, to June 30, 1950
Distribution of net income:			
Statutory reserves:			
Balance at beginning of period		$89,920,221	
Net income for period	$106,510,731	280,444	$106,791,175
	106,510,731	90,200,665	106,791,175
Participations in mutual earnings distributed	−16,590,510	−6,707,409	−23,297,919
Balance at end of period	89,920,221	83,493,256	83,493,256
Earned surplus:			
Balance at beginning of period		32,777,476	
Net income for period	33,777,476	47,432,609	81,210,085
	33,777,476	80,210,085	81,210,085
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	32,777,476	79,210,085	79,210,085

leaving net income of $215,407,954 before adjustment of valuation reserves.

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 11,433,809 in number and $4,645,798,736 in amount (net proceeds) had been reported for insurance under this section through December 31, 1950. Through that date 369,382 claims had been paid for $110,428,832, or approximately 2.4 percent of the total net proceeds of loans insured, as shown in Statement 4. For the calendar year 1950, the comparable figures were 1,448,651 loans insured for an aggregate of $700,224,528, and 56,453 claims paid for $18,168,052.

STATEMENT 4.—*Summary of Title I notes insured, claims for insurance paid, and recoveries on defaulted notes purchased, by calendar years, 1934–50*

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	$447, 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, 795, 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	700, 224, 528	18, 168, 052	5, 208, 863	5, 187, 283		21, 580
Total	4, 645, 798, 736	110, 428, 832	39, 162, 390	38, 200, 329	169, 609	792, 452

In addition to the above recoveries, $3,399,031 interest on outstanding balances of Title I notes, $90,034 interest on mortgage notes, and $375,072 miscellaneous income had been collected through Dec. 31, 1950.

Equipment in the total amount of $4,474,940 (claim amount) had been repossessed by FHA. However, only the cash recovery of $169,609 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, available for transfer; and $2,793, 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 Titles II and VI.

Through December 31, 1950, there had been acquired under the terms of insurance a total of 405 real properties with claim balances totaling $844,956. All but eight of these properties had been sold, at a net loss of $52,504 which included 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, 1950, amounted to $51,948,-384. These losses represent 1.12 percent of the total amount of loans insured ($4,645,798,736). A summary of transactions through December 31, 1950, follows:

Summary of Title I transactions for the period June 30, 1934, to Dec. 31, 1950

	Insurance fund	Claims account	Total Title I transactions to Dec. 31, 1950	Percent to notes insured
Total notes insured	$778, 860, 621	$3, 866, 938, 115	$4, 645, 798, 736	100.000
Total claims paid	78, 940, 118	31, 488, 714	110, 428, 832	2.377
Recoveries:				
Cash collections:				
On notes	22, 265, 725	15, 934, 604	38, 200, 329	.822
On sale of repossessed equipment	5, 668	163, 941	169, 609	.004
Total cash	22, 271, 393	16, 098, 545	38, 369, 938	.826
Real properties (after deducting losses)	490, 030	302, 422	792, 452	.017
Total recoveries	22, 761, 423	16, 400, 967	39, 162, 390	.843
Net notes in process of collection	19, 239, 589	78, 469	19, 318, 058	.416
Losses:				
Loss on sale of real properties	24, 296	28, 208	52, 504	.001
Loss on repossessed equipment	46, 001	4, 259, 330	4, 305, 331	.093
Loss on defaulted Title I notes	11, 644, 344	9, 776, 370	21, 420, 714	.461
Reserve for loss on defaulted Title I notes	25, 224, 465	945, 370	26, 169, 835	.563
Total losses	36, 939, 106	15, 009, 278	51, 948, 384	1.118

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, $3,399,031 interest on outstanding note balances, $90,034 interest on mortgage notes, and $375,072 miscellaneous income had been collected through December 31, 1950.

Title I Insurance Fund

The Title I Insurance Fund was established by amendment to the National Housing Act of June 3, 1939, 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, 1950, as shown in Statement 5, was $14,042,243, of which $8,333,524 represented investment of the United States Government and $5,708,719 was earned surplus.

STATEMENT 5.—*Comparative statement of financial condition, Title I Insurance Fund, as of June 30, 1949, and June 30, 1950*

	June 30, 1949	June 30, 1950	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$15, 430, 941	$11, 065, 627	−$4, 365, 314
Loans receivable:			
Mortgage notes and contracts for deed	149, 856	129, 067	−20, 789
Less reserve for losses	2, 248	1, 936	−312
Net loans receivable	147, 608	127, 131	−20, 477
Accounts and notes receivable:			
Accounts receivable—insurance premiums	1, 120, 567	2, 008, 267	887, 700
Accounts receivable—other	17, 596	20, 986	3, 390
Accounts receivable—inter-fund	151, 493	138, 261	−13, 232
Total accounts and notes receivable	1, 289, 656	2, 167, 514	877, 858
Accrued assets:			
Interest on mortgage notes and contracts for deed	653	503	−150
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	846	11, 651	10, 805
Less reserve for losses	106	1, 748	1, 642
Net real estate	740	9, 903	9, 163
Defaulted Title I notes	28, 992, 110	41, 129, 366	12, 137, 256
Less reserve for losses	16, 729, 508	23, 089, 576	6, 360, 068
Net defaulted Title I notes	12, 262, 602	18, 039, 790	5, 777, 188
Net acquired security or collateral	12, 263, 342	18, 049, 693	5, 786, 351
Total assets	29, 132, 200	31, 410, 468	2, 278, 268
LIABILITIES			
Accounts payable: Bills payable to vendors and Government agencies		11, 650	11, 650
Trust and deposit liabilities: Deposits held for mortgagors, lessees, and purchasers	2, 037	1, 960	−77
Deferred and undistributed credits: Deferred credits—unearned insurance premiums	15, 663, 805	17, 354, 615	1, 690, 810
Total liabilities	15, 665, 842	17, 368, 225	1, 702, 383
CAPITAL			
Investment of the U. S. Government: Appropriations for payment of insurance claims	8, 334, 999	8, 333, 524	−1, 475
Earned surplus:			
Insurance reserve fund (cumulative earnings) available for future losses and related expenses	5, 131, 359	5, 708, 719	577, 360
Total capital	13, 466, 358	14, 042, 243	575, 885
Total liabilities and capital	29, 132, 200	31, 410, 468	2, 278, 268

For the fiscal year 1950, Title I Insurance Fund income totaled $12,492,549, while expenses and losses amounted to $4,553,791, leaving $7,938,758 net income before adjustment of valuation reserves. After the valuation reserves were increased by $6,361,398, there remained $1,577,360 net income for the year.

STATEMENT 6.—*Income and expenses, Title I Insurance Fund, through June 30, 1949, and June 30, 1950*

	June 3, 1939, to June 30, 1949	July 1, 1949, to June 30, 1950	June 3, 1939, to June 30, 1950
Income:			
Interest and dividends:			
Interest on mortgage notes and contracts for deed	$41, 588	$6, 053	$47, 641
Interest—other	1, 172, 315	201, 907	1, 374, 222
	1, 213, 903	207, 960	1. 421. 863
Insurance premiums and fees:			
Premiums	39, 402, 847	12, 238, 114	51, 640, 961
Fees	369, 299	5	369. 304
	39, 772, 146	12, 238, 119	52, 010. 265
Other income: Miscellaneous income	113, 024	46, 470	159, 494
Total income	41, 099, 073	12, 492, 549	53, 591, 622
Expenses:			
Administrative expenses: Operating costs (including adjustments for prior years)	11, 358, 187	1, 847, 242	13, 205, 429
Other expenses:			
Depreciation on furniture and equipment	112, 124	3, 053	115, 177
Miscellaneous expenses	187, 978	16, 782	204, 760
	300, 102	19, 835	319, 937
Losses and charge-offs:			
Loss on sale of acquired properties	23, 797	499	24, 296
Loss on equipment	43, 531	43	43, 574
Loss on defaulted Title I notes	7, 510, 235	2, 686, 172	10, 196, 407
	7, 577, 563	2, 686, 714	10, 264, 277
Total expenses	19, 235, 852	4, 553, 791	23, 789, 643
Net income before adjustment of valuation reserves	21, 863, 221	7, 938, 758	29, 801, 979
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−2, 248	+312	−1, 936
Reserve for loss on real estate	−106	−1, 642	−1, 748
Reserve for loss on defaulted Title I notes	−16, 729, 508	−6, 360, 068	−23, 089, 576
Net adjustment of valuation reserves	−16, 731, 862	−6, 361, 398	−23, 093, 260
Net income	5, 131, 359	1, 577, 360	6, 708, 719

ANALYSIS OF EARNED SURPLUS

Distribution of net income:			
Earned surplus:			
Balance at beginning of period		$5, 131, 359	
Net income for period	$5, 131, 359	1, 577, 360	$6, 708, 719
	5, 131, 359	6, 708, 719	6, 708, 719
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, 131, 359	5, 708, 719	5, 708, 719

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 authority as of December 31, 1950, is given below:

Status of Title I insurance authority, as of Dec. 31, 1950

Insurance authority		$1, 250, 000, 000
Charges against insurance authority:		
Estimated outstanding balance of insurance in force:		
Amendment of June 3, 1939	$6, 748, 213	
Reserve of July 1, 1944	483, 666	
Reserve of July 1, 1947	489, 192, 976	
Reserve of Mar. 1, 1950 (including 101,824 notes on loan reports in process)	536, 382, 152	
Total charges against authority		1, 032, 807, 007
Unused insurance authority		217, 192, 993

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, 1950, the maximum possible liability of the Title I Insurance Fund for claims was $192,552,293.

Insurance reserves under Title I, established, released, and outstanding at Dec. 31, 1950, as provided under Secs. 2 and 6,[1] National Housing Act

Item	Gross reserves established	Reserves released	Claims paid	Outstanding contingent liability
Insurance reserves:				
Sec. 2:				
20 percent, original act	$66, 331, 508	$50, 769, 728	$15, 561, 780	----------
10 percent, amendment Apr. 3, 1936	17, 257, 563	10, 647, 672	6, 609, 891	----------
10 percent, amendment Feb. 3, 1938	27, 302, 148	18, 041, 547	9, 260, 601	----------
10 percent, amendment June 3, 1939	86, 070, 314	58, 903, 284	20, 418, 817	$6, 748, 213
10 percent, reserve of July 1, 1944	85, 472, 700	61, 002, 386	23, 986, 648	483, 666
10 percent, reserve of July 1, 1947	163, 173, 608	----------	34, 269, 331	128, 904, 277
10 percent, reserve of Mar. 1, 1950	51, 977, 190	----------	265, 322	51, 711, 868
Estimated loan reports in process	4, 704, 269	----------	----------	4, 704, 269
Sec. 6:[1]				
20 percent, amendment Apr. 22, 1937	297, 366	246, 498	50, 868	----------
10 percent, amendment Apr. 17, 1936	11, 913	6, 339	5, 574	----------
Total	502, 598, 579	199, 617, 454	110, 428, 832	192, 552, 293

[1] In effect from Apr. 17, 1936, to June 3, 1939, for disaster loans.

Title I Claims Account

Through June 30, 1950, the Federal Government had advanced a total of $38,243,525 to cover operations under Title I (Sec. 2) on insurance granted prior to July 1, 1939. Of this amount, $6,613,811 had been advanced for salaries and expenses, and the remaining $31,629,714 for the payment of insurance claims and loans to insured institutions. In addition, $2,109,333 had been collected as interest and other income, making a total of $40,352,858 accountable funds.

Funds accounted for at June 30, 1950, amounted to $40,186,873: $18,507,340 representing recoveries and interest on claims deposited in the general fund of the Treasury, and $21,679,533 representing expenses and losses, leaving a balance to be accounted for of $165,985. This balance is accounted for by the net assets on hand at June 30, 1950, which consisted of $66,725 cash, $103,381 accounts and notes receivable, and $4,121 liabilities.

STATEMENT 7.—*Title I Claims Account: Statement of accountability for funds advanced as of June 30, 1950*

Advances from RFC for:			
Payment of claims	$31, 488, 714		
Loans to insured institutions	141, 000		
Payment of salaries and expenses	6, 613, 811		
		$38, 243, 525	
Income from operations:			
Interest on defaulted notes	1, 893, 224		
Other income	216, 109		
		2, 109, 333	
Total funds available			$40, 352, 858
Recoveries on claims and loans to insured institutions deposited in the general fund of the Treasury		$18, 507, 340	
Salaries and expenses		6, 613, 811	
Losses, including estimated future losses:			
Sale of real property	$29, 639		
Repossessed equipment	4, 259, 330		
Defaulted notes	10, 776, 753		
		15, 065, 722	
Total funds used			40, 186, 873
Balance of funds to be accounted for			165, 985
Accountability represented by:			
Assets on hand:			
Cash		$66, 725	
Accounts receivable and accrued assets		3, 598	
Mortgage notes	$21, 307		
Less estimated future losses	320	20, 987	
Defaulted notes	1, 113, 110		
Less estimated future losses	1, 034, 314		
		78, 796	
Total assets on hand		170, 106	
Liabilities:			
Deposits held for account of mortgagors and lessees	$1, 419		
Undistributed receipts	2, 702		
		4, 121	
Net assets on hand			165, 985

Title I Housing Insurance Fund

An amendment of April 20, 1950, to the National Housing Act (Public Law 475, 81st Cong.) 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 newly created 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 to $150,000,000.

The status of the Title I, Section 8 insurance authority at December 31, 1950, was calculated as follows:

Status of Title I, Sec. 8 insurance authority, as of Dec. 31, 1950

Insurance authority		$100, 000, 000
Charges against insurance authority:		
Estimated outstanding balance of insurance in force	$964, 400	
Outstanding commitments	17, 528, 100	
Total charges against authority		18, 492, 500
Unused insurance authority		81, 507, 500

Title I Housing Insurance Fund Capital and Net Income

Assets of the Title I Housing Insurance Fund at June 30, 1950, totaled $1,050,555, against which there were outstanding liabilities of $28,675, leaving $1,021,880 capital. Included in the capital is the sum of $1,000,000 which was transferred from the Title I Insurance Fund in accordance with Section 8(h) of the act.

STATEMENT 8.—*Comparative statement of financial condition, Title I Housing Insurance Fund, as of June 30, 1949, and June 30, 1950*

	June 30, 1949	June 30, 1950	Increase or decrease (—)
ASSETS			
Cash with U. S. Treasury		$1, 050, 555	$1, 050, 555
Total assets		1, 050, 555	1, 050, 555
LIABILITIES			
Trust and deposit liabilities: Fee deposits held for future disposition		28, 675	28, 675
Total liabilities		28, 675	28, 675
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) available for future losses and related expenses		21, 880	21, 880
Total capital		1, 021, 880	1, 021, 880
Total liabilities and capital		1, 050, 555	1, 050, 555

Net income for the year amounted to $21,880 and consisted entirely of fees.

STATEMENT 9.—*Income and expenses, Title I Housing Insurance Fund, from inception, Apr. 20, 1950, through June 30, 1950*

	Apr. 20, 1950, to June 30, 1950
Income:	
Insurance premiums and fees: Fees	$21, 880
Net income	21, 880
ANALYSIS OF EARNED SURPLUS	
Distribution of net income:	
Earned surplus:	
Balance at beginning of period	
Net income for the period	$21, 880
Balance at end of period	21, 880

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 prior to 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 orginal 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. This 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 group accounts.

Title II Insurance Authority

Under the provisions of Section 203(a) of the act, the aggregate amount of principal obligations of all mortgages insured under Title II outstanding at any one time may not exceed $9,000,000,000. Because of the continuing increase in applications for insurance under this title, the insurance authority was raised during 1950 from $6,750,000,000 to $9,000,000,000 under authority granted by the Congress in an amendment to the National Housing Act approved April 20, 1950. 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, 1950, was calculated as follows:

Status of Title II insurance authority, as of Dec. 31, 1950

Insurance authority			$9,000,000,000
Charges against insurance authority:			
Sec. 203 estimated outstanding balance of insurance in force	$6,230,220,706		
Sec. 203 outstanding commitments	2,268,184,488		
		$8,498,405,194	
Sec. 207 estimated outstanding balance of insurance in force	39,902,846		
Sec. 207 outstanding commitments [1]	28,594,050		
		68,496,896	
Sec. 213 estimated outstanding balance of insurance in force	2,690,650		
Sec. 213 outstanding commitments [1]	43,493,550		
		46,184,200	
Total charges against authority			8,613,086,290
Unused insurance authority			386,913,710

[1] Includes statements of eligibility.

Mutual Mortgage Insurance Fund Capital

As of June 30, 1950, the assets of the Mutual Mortgage Insurance Fund totaled $160,118,756, against which there were outstanding liabilities of $109,404,700, leaving $50,714,056 capital. Included in the liabilities are the statutory reserves of $83,493,256. This figure includes $18,988,881 for transfer to the general insurance account and $64,504,375 available for contingent losses, expenses, other charges, and participation payments to mortgagors under the mutual provision of the act.

STATEMENT 10.—*Comparative statement of financial condition, Mutual Mortgage Insurance Fund, as of June 30, 1949, and June 30, 1950*

	June 30, 1949	June 30, 1950	Increase or decrease (—)
ASSETS			
Cash with U. S. Treasury	$6,531,002	$9,924,985	$3,393,983
Investments: U. S. Government securities (amortized)	129,804,566	146,747,463	16,942,897
Loans receivable:			
Mortgage notes and contracts for deed	1,500,517	1,424,827	—75,690
Less reserve for losses	22,476	21,372	—1,104
Net loans receivable	1,478,041	1,403,455	—74,586
Accounts and notes receivable:			
Accounts receivable—insurance premiums	440,410	751,122	310,712
Accounts receivable—inter-fund	387,023	712,291	325,268
Total accounts and notes receivable	827,433	1,463,413	635,980
Accrued assets:			
Interest on U. S. Government securities	554,564	384,247	—170,317
Interest on mortgage notes and contracts for deed	6,456	5,910	—546
Total accrued assets	561,020	390,157	—170,863

STATEMENT 10.—*Comparative statement of financial condition, Mutual Mortgage Insurance Fund, as of June 30, 1949, and June 30, 1950*—Continued

	June 30, 1949	June 30, 1950	Increase or decrease (−)
ASSETS—continued			
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	$51,296	$221,553	$170,257
Less reserve for losses	7,539	32,270	24,731
Net acquired security or collateral	43,757	189,283	145,526
Deferred charges: Prepaid expenses	6		−6
Total assets	139,245,825	160,118,756	20,872,931
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies	393	798	405
Group account participations payable	941,562	1,676,714	735,152
Total accounts payable	941,955	1,677,512	735,557
Accrued liabilities: Interest on debentures	112,198	119,784	7,586
Trust and deposit liabilities:			
Fee deposits held for future disposition		1,613,025	1,613,025
Excess proceeds of sale	47,849	51,237	3,388
Deposits held for mortgagors, lessees, and purchasers	44,954	63,560	18,606
Total trust and deposit liabilities	92,803	1,727,822	1,635,019
Deferred and undistributed credits:			
Deferred credits—unearned insurance premiums	9,613,824	14,484,384	4,870,560
Deferred credits—other	6,456	5,306	−1,150
Total deferred and undistributed credits	9,620,280	14,489,690	4,869,410
Bonds, debentures, and notes payable:			
Debentures payable	7,510,586	7,896,636	386,050
Statutory reserves:			
For transfer to general reinsurance reserve	16,219,941	18,988,881	2,768,940
Net balances of group accounts available for contingent losses, expenses, other charges, and participations	73,700,280	64,504,375	−9,195,905
Total statutory reserves	89,920,221	83,493,256	−6,426,965
Total liabilities	108,198,043	109,404,700	1,206,657
CAPITAL			
Investment of the U. S. Government:			
Allocations from the U. S. Treasury	10,000,000	10,000,000	
Appropriations for salaries and expenses	31,990,813	31,994,096	3,283
Total investment of the U. S. Government	41,990,813	41,994,096	3,283
Earned surplus (deficit −):			
General reinsurance reserve fund (cumulative earnings or deficit −) available for future losses and related expenses	−10,943,031	8,719,960	19,662,991
Total capital	31,047,782	50,714,056	19,666,274
Total liabilities and capital	139,245,825	160,118,756	20,872,931
Contingent liability for certificates of claim on properties on hand	3,947	9,230	5,283

Income and Expenses

During the fiscal year 1950 the income to the fund amounted to $39,-196,544, while expenses and losses amounted to $19,229,482, leaving $19,967,062 net income before adjustment of valuation reserves. After the valuation reserves had been increased $23,627, the net income for the year was $19,943,435.

The cumulative income of the Mutual Mortgage Insurance Fund from June 30, 1934, to June 30, 1950, amounted to $258,878,090, while cumulative expenses amounted to $142,313,313, leaving $116,564,777 net income before adjustment of valuation reserves. After $53,642 had been allocated to valuation reserves, the cumulative net income amounted to $116,511,135.

STATEMENT 11.—*Income and expenses, Mutual Mortgage Insurance Fund, through June 30, 1949, and June 30, 1950*

	June 30, 1934, to June 30, 1949	July 1, 1949, to June 30, 1950	June 30, 1934, to June 30, 1950
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$19,845,831	$3,420,401	$23,266,232
Interest—other	2,487,507	332,781	2,820,288
Dividends on rental housing stock	156		156
	22,333,494	3,753,182	26,086,676
Insurance premiums and fees:			
Premiums	154,362,368	23,151,748	177,514,116
Fees	42,304,027	12,291,022	54,595,049
	196,666,395	35,442,770	232,109,165
Other income:			
Profit on sale of investments	674,286		674,286
Miscellaneous income	7,371	592	7,963
	681,657	592	682,249
Total income	219,681,546	39,196,544	258,878,090
Expenses:			
Interest expense: Interest on debentures	2,618,360	488,172	3,106,532
Administrative expenses: Operating costs (including adjustments for prior years)	117,317,764	18,670,872	135,988,636
Other expenses:			
Depreciation on furniture and equipment	736,488	48,613	785,101
Miscellaneous expenses	17,710		17,710
	754,198	48,613	802,811
Losses and charge-offs:			
Loss on sale of acquired properties	2,404,690	21,381	2,426,071
Loss (or profit (−)) on equipment	−11,181	444	−10,737
	2,393,509	21,825	2,415,334
Total expenses	123,083,831	19,229,482	142,313,313
Net income before adjustment of valuation reserves	96,597,715	19,967,062	116,564,777
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−22,476	+1,104	−21,372
Reserve for loss on real estate	−7,539	−24,731	−32,270
Net adjustment of valuation reserves	−30,015	−23,627	−53,642
Net income	96,567,700	19,943,435	116,511,135

STATEMENT 11.—*Income and expenses, Mutual Mortgage Insurance Fund, through June 30, 1949, and June 30, 1950*—Continued

ANALYSIS OF EARNED SURPLUS (OR DEFICIT (−))

	June 30, 1934, to June 30, 1949	July 1, 1939, to June 30, 1950	June 30, 1934, to June 30, 1950
Distribution of net income:			
Statutory reserves:			
Balance at beginning of period		$89, 920, 221	
Net income for period	$106, 510, 731	280, 444	$106, 791, 175
	106, 510, 731	90, 200, 665	106, 791, 175
Participations in mutual earnings distributed	−16, 590, 510	−6, 707, 409	−23, 297, 919
Balance at end of period	89, 920, 221	83, 493, 256	83, 493, 256
Earned surplus (or deficit (−)):			
Balance at beginning of period		−10, 943, 031	
Net income (or loss (−)) for period	−9, 943, 031	19, 662, 991	9, 719, 960
	−9, 943, 031	8, 719, 960	9, 719, 960
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	−10, 943, 031	8, 719, 960	8, 719, 960

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 that such purchases are made at a price which will produce an investment yield of not less than the yield obtainable from other authorized investments.

During the fiscal year 1950, $24,750 of Series A 3 percent Mutual Mortgage Insurance Fund debentures matured and were paid, $5,250 of Series E 2¾ percent were purchased from RFC, and $21,750 were called for redemption.

Purchases of United States Treasury bonds made during the year increased the holdings of the fund by $16,500,000 (principal amount). These transactions resulted in a decrease in the average annual yield from 2.50 percent to 2.48 percent. On June 30, 1950, the fund held

United States Treasury bonds in the amount of $146,747,463, as follows:

Investments of the Mutual Mortgage Insurance Fund, June 30, 1950

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1951–54	2¾	$544,844	$550,000	$548,556
1952–54	2½	2,300,000	2,300,000	2,300,000
1954–56	2¼	1,500,000	1,500,000	1,500,000
1955–60	2⅞	4,441,634	4,389,500	4,405,622
1956–59	2¾	5,305,585	5,242,850	5,266,126
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	15,000,000	15,000,000	15,000,000
1965–70	2½	13,000,000	13,000,000	13,000,000
1966–71	2½	10,850,000	10,850,000	10,850,000
1967–72	2½	84,406,587	83,667,000	84,377,159
Average annual yield 2.48 percent		146,848,650	145,999,350	146,747,463

Properties Acquired Under the Terms of Insurance

Two hundred and twenty-five homes insured under Section 203 were acquired by the Commissioner during the calendar year 1950 under the terms of insurance. During 1949, 37 foreclosed properties had been transferred to the Commissioner, and in 1948 there had been 4. Through 1950, a total of 4,333 small homes had been acquired under the Mutual Mortgage Insurance Fund, for which debentures and cash adjustments had been issued in the amount of $20,393,315. Statement 12 shows the turnover of Section 203 acquired properties since the acquisition of the first such property in 1936.

STATEMENT 12.—*Turnover of properties acquired under Sec. 203 of Title II contracts of insurance by years, and cumulative through Dec. 31, 1950*

Properties acquired		Properties sold by calendar years														Properties on hand Dec. 31, 1950
Year	Number	1936–37	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	
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	160
Total	4,333	24	208	384	997	1,346	692	327	67	20	2		2	19	84	161

NOTES.—The average time between acquisition and sale by the Federal Housing Administration of the 4,172 properties sold was 6.27 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 Dec. 31, 1950.

Through December 31, 1950, 4,172 acquired properties insured under Section 203 had been sold at prices which left a net charge against the fund of $2,441,460, or an average of approximately $585 per case. One Section 207 rental housing project insured under the Mutual Mortgage Insurance Fund prior to February 3, 1938, had been acquired and sold in 1941 at no loss to the fund.

STATEMENT 13.—*Statement of profit and loss on sale of acquired properties, Mutual Mortgage Insurance Fund, through Dec. 31, 1950*

Item	Sec. 203 (4,172 properties)	Sec. 207 (1 property)	Total Title II (4,173 properties)
Proceeds of sales: [1]			
Sales price	$19,457,136	$1,000,000	$20,457,136
Less commission and other selling expenses	921,209		921,209
Net proceeds of sales	18,535,927	1,000,000	19,535,927
Income:			
Rental and other income (net)	310,308		310,308
Mortgage note income	2,600,382		2,600,382
Total income	2,910,690		2,910,690
Total proceeds of sold properties	21,446,617	1,000,000	22,446,617
Expenses:			
Debentures and cash adjustments	19,323,057	942,145	20,265,202
Interest on debentures	2,808,803	18,387	2,827,190
Additions and improvements	23,859		23,859
Taxes, water rent, hazard insurance, and other expenses	420,283	5,012	425,295
Repairs and maintenance	708,243		708,243
Settlement expense		1,669	1,669
Total expenses	23,284,245	967,213	24,251,458
Net profit (or loss —) before distribution of liquidation profits	−1,837,628	32,787	−1,804,841
Less distribution of liquidation profits:			
Certificates of claim	406,872	31,532	438,404
Increment on certificates of claim	29,947	1,255	31,202
Refunds to mortgagors	167,013		167,013
Loss to Mutual Mortgage Insurance Fund	2,441,460		2,441,460
Average loss to Mutual Mortgage Insurance Fund	585		

[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	741		$4,634,260		$4,634,260
Properties sold for cash and notes (or contracts for deed)	3,415	3,405	1,903,358	$13,858,541	15,761,899
Properties sold for notes only	17	17		60,977	60,977
Total	4,173	3,422	6,537,618	13,919,518	20,457,136

On December 31, 1950, 161 properties insured under the Mutual Mortgage Insurance Fund were held by this Administration. The cost of these properties was:

Mutual Mortgage Insurance Fund, statement of properties on hand at Dec. 31, 1950 (161 properties)

	Sec. 203 (161 properties)
Expenses:	
Acquisition costs	$1,070,258
Interest on debentures	1,037
Taxes and assessments	4,430
Water rent	20
Hazard insurance	3,574
Maintenance	848
Repairs	2,053
Undistributed expense	658
Total expenses	1,082,878
Income: Rental and other income (net)	543
Net cost of properties on hand	1,082,335

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, 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 4,172 Section 203 properties which had been acquired and sold through 1950 totaled $1,693,394. The net proceeds of sale in 1,548 cases had been sufficient to provide an excess for the full or partial payment of certificates of claim after deducting all expenses incurred by the Federal Housing Administration in handling, dealing with, and disposing of such properties and the amount of the debentures plus interest thereon. The amount paid or to be paid on these certificates of claim totaled $406,872 (approximately 24 percent), while certificates of claim totaling $1,286,522 (approximately 76 percent) had been or will be canceled.

In addition, there were excess proceeds on approximately 15 percent (or 632) of the 4,172 sold properties, amounting to $167,013, for refund to mortgagors. The refund to mortgagors on these 632 cases averaged $264.

Mutual Mortgage Participation Payments

In carrying out the mutual provisions of Title II, the Administration had established through June 30, 1950, a total of 284 group accounts, of which 155 had credit balances for distribution and 129 had deficit balances. The 155 group accounts with credit balances represented 13 from which participation payments at the time of termination of the group had been made, 10 from which payments will be made, and 132 from which participation shares are being currently disbursed to mortgagors who pay their mortgages in full prior to maturity.

Of the 129 deficit balance groups at June 30, 1950, 63 had been terminated with deficits totaling $141,090, and these deficits had been charged against the general reinsurance account. The income of the remaining 66 groups had not yet been sufficient to offset the expenses and reserves for losses.

The credit balances of the 13 group accounts which had matured and from which participation payments had been made amounted to $165,810, and these balances were shared by 3,278 mortgagors. Payments to mortgagors ranged from $1.89 to $48.22 per $1,000 of original face amount of mortgage. The credit balances of the 10 groups from which participation payments will be made amounted to $589,750 on June 30, 1950, and will be shared by approximately 4,033 mortgagors.

The first participation payments in connection with insured loans prepaid in full were made as of January 1, 1944, and during the 6½ years following that date total payments of $23,297,919 were made or accrued on 251,472 insured loans.

The credit balances of the 132 groups, from which participation payments are being made as insured loans are paid in full, amounted to $57,826,504 on June 30, 1950. On that date there were still in force in these group accounts approximately 322,968 insured mortgages on which the original face amount had been $1,438,253,494.

Title II: Housing Insurance Fund

The insurance risks on rental and group housing insured under Sections 207 and 210 after February 3, 1938, are liabilities of the Housing Insurance Fund which was established by an amendment to the National Housing Act approved on that date. 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, 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 and 210 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. Prior to 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, 1950, totaled $9,141,144, against which there were outstanding liabilities of $3,723,-292. The capital of the fund amounted to $5,417,852, represented by $5,170,023 investment of the United States Government and earned surplus of $247,829. 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 14.—*Comparative statement of financial condition, Housing Insurance Fund, as of June 30, 1949, and June 30, 1950*

	June 30, 1949	June 30, 1950	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$1,021,562	$1,465,709	$444,237
Investments:			
U. S. Government securities (amortized)	2,437,757	2,436,614	−1,143
Other securities (stock in rental housing corporations)	5,550	4,750	−800
Total investments	2,443,307	2,441,364	−1,943
Loans receivable:			
Mortgage notes and contracts for deed	5,474,568	5,280,348	−194,220
Less reserve for losses	82,118	79,205	−2,913
Net loans receivable	5,392,450	5,201,143	−191,307
Accounts and notes receivable:			
Accounts receivable—insurance premiums	147		−147
Accounts receivable—inter-fund	45,499	10,430	−35,069
Total accounts and notes receivable	45,646	10,430	−35,216
Accrued assets:			
Interest on U. S. Government securities	9,367	9,367	
Interest on mortgage notes and contracts for deed	13,533	13,041	−492
Total accrued assets	22,900	22,408	−492
Total assets	8,925,865	9,141,144	215,279
LIABILITIES			
Accrued liabilities: Interest on debentures	54,153	47,300	−6,853
Trust and deposit liabilities:			
Excess proceeds of sale	107,474	71,844	−35,630
Deposits held for mortgagors, lessees, and purchasers	56,084	68,547	12,463
Total trust and deposit liabilities	163,558	140,391	−23,167
Deferred and undistributed credits: Deferred credits—unearned insurance premiums	95,306	95,601	295
Bonds, debentures, and notes payable: Debentures payable	3,938,400	3,440,000	−498,400
Total liabilities	4,251,417	3,723,292	−528,125
CAPITAL			
Investment of the U. S. Government:			
Appropriations for salaries and expenses	4,171,903	4,170,023	−1,880
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	5,171,903	5,170,023	−1,880
Earned surplus (deficit −):			
Insurance reserve fund (cumulative earnings or deficit −) available for future losses and related expenses	−497,455	247,829	745,284
Total capital	4,674,448	5,417,852	743,404
Total liabilities and capital	8,925,865	9,141,144	215,279

During the fiscal year 1950 the income of the fund amounted to $902,712, while expenses and losses amounted to $160,341, leaving $742,371 net income before adjustment of valuation reserves. After the valuation reserves had been decreased by $2,913, there remained $745,284 as net income for the year.

STATEMENT 15.—*Income and expenses, Housing Insurance Fund, through June 30, 1949, and June 30, 1950*

	Feb. 3, 1938, to June 30, 1949	July 1, 1949, to June 30, 1950	Feb. 3, 1938, to June 30, 1950
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$603, 845	$63, 117	$666, 962
Interest—other	−5, 912	66, 918	61, 006
Dividends on rental housing stock	1, 156	80	1, 236
	599, 089	130, 115	729, 204
Insurance premiums and fees:			
Premiums	5, 230, 379	251, 532	5, 481, 911
Fees	578, 178	521, 065	1, 099, 243
	5, 808, 557	772, 597	6, 581, 154
Other income: Profit on sale of investments	15, 942		15, 942
Total income	6, 423, 588	902, 712	7, 326, 300
Expenses:			
Administrative expenses: Operating costs (including adjustments for prior years)	6, 740, 666	175, 952	6, 916, 618
Other expenses:			
Depreciation on furniture and equipment	49, 420	−1, 243	48, 177
Miscellaneous expenses	420	−320	100
	49, 840	−1, 563	48, 277
Losses and charge-offs:			
Loss on sale of acquired properties	48, 584	−14, 052	34, 532
Loss (or profit (−)) on equipment	−165	4	−161
	48, 419	−14, 048	34, 371
Total expenses	6, 838, 925	160, 341	6, 999, 266
Net income (or loss (−)) before adjustment of valuation reserves	−415, 337	742, 371	327, 034
Increase (−) or decrease (+) in valuation reserves: Reserve for loss on loans receivable	−82, 118	+2, 913	−79, 205
Net income (or loss (−))	−497, 455	745, 284	247, 829

ANALYSIS OF EARNED SURPLUS (OR DEFICIT −)

Distribution of net income:			
Earned surplus (or deficit (−)):			
Balance at beginning of period		−497, 455	
Net income (or loss (−)) for the period	−497, 455	745, 284	247, 829
Balance at end of period	−497, 455	247, 829	247, 829

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 1950, there were no purchases or sales of United States bonds. However, $498,400 of Series D 2¾ percent debentures were purchased from the RFC. On June 30, 1950, the fund held United States Treasury bonds in the amount of $2,436,614, as follows:

Investments of the Housing Insurance Fund, June 30, 1950

Series	Interest rate	Purchase price	Par value	Book value (amortized)
1955–60	2⅞	$948,783	$930,750	$936,614
1962–67	2½	1,500,000	1,500,000	1,500,000
Average annual yield 2.6 percent		2,448,783	2,430,750	2,436,614

Property Acquired Under the Terms of Insurance

No additional rental housing projects insured under Section 207 were acquired by the FHA Commissioner under the terms of insurance in 1950. Through December 31, 1950, a cumulative total of 16 rental housing projects and one mortgage note insured under 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 $36,622.

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 16.—*Statement of profit and loss on sale of acquired projects, Housing Insurance Fund, through Dec. 31, 1950*

	Secs. 207 and 210		Total Housing Insurance 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)		1,791,364	1,791,364
Mortgage note income	428,893	1,980,726	2,409,619
Total income	428,893	3,772,090	4,200,983
Total proceeds of sold properties	3,418,874	15,877,456	19,296,330
Expenses:			
Debentures and cash adjustments	2,930,182	11,731,713	14,661,895
Interest on debentures	300,201	2,411,777	2,711,978
Additions and improvements		172,566	172,566
Equipment		39,094	39,094
Taxes, hazard insurance, and other expense	10	474,963	474,973
Repairs, maintenance, and operation		872,588	872,588
Settlement expense	2,491	29,331	31,822
Total expenses	3,232,884	15,732,032	18,964,916
Net profit before distribution of liquidation profits	185,990	145,424	331,414
Less distribution of liquidation profits:			
Certificates of claim	15,728	166,789	182,517
Increment on certificates of claim	1,789	11,441	13,230
Refunds to mortgagors	168,473	3,816	172,289
Loss to Housing Insurance Fund		36,622	36,622
Average loss to Housing Insurance Fund			2,154

[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, 1950, totaled $290,400. Net proceeds of sale had been sufficient to provide an excess for the full or partial payment of 12 certificates of claim, and the remaining 5 certificates of claim had been or will be canceled in full. The amount paid or to be paid on these certificates totaled $182,517, and the amount canceled, $107,883. In addition, excess proceeds on 3 projects had been refunded to mortgagors in the amount of $172,289.

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 mortgages 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, 1950, 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, 1950, was calculated as follows:

Status of Title VI insurance authority, as of Dec. 31, 1950

	Secs. 603 and 608	Secs. 609, 610, and 611
Insurance authority	$7,150,000,000	$750,000,000
Charges against insurance authority:		
Mortgages insured	6,790,568,690	28,726,227
Less: Mortgages reinsured	100,694,409	11,300
Net mortgages insured	6,689,874,281	28,714,927
Commitments for insurance	385,353,132	6,591,850
Less: Commitments for reinsurance	26,600	
Net commitments	385,326,532	6,591,850
Total charges against authority	7,075,200,813	35,306,777
Unused insurance authority	74,799,187	714,693,223

War Housing Insurance Fund Capital

Assets of the War Housing Insurance Fund as of June 30, 1950, totaled $101,980,990, against which there were outstanding liabilities of $33,044,128. The fund had capital of $68,936,862, consisting of $5,000,000 invested by the United States Government and $63,936,862 earned surplus.

STATEMENT 17.—*Comparative statement of financial condition, War Housing Insurance Fund, as of June 30, 1949, and June 30, 1950*

	June 30, 1949	June 30, 1950	Increase or decrease (—)
ASSETS			
Cash with U. S. Treasury	$7,083,603	$9,631,469	$2,547,866
Investments:			
U. S. Government securities (amortized)	33,677,571	61,965,258	28,287,687
Other securities (stock in rental housing corporations)	150,235	320,135	169,900
Total investments	33,827,806	62,285,393	28,457,587
Loans receivable:			
Mortgage notes and contracts for deed	13,207,522	13,273,269	65,747
Less reserve for losses	231,132	232,282	1,150
Net loans receivable	12,976,390	13,040,987	64,597
Accounts and notes receivable:			
Accounts receivable—insurance premiums	1,089,549	829,973	—259,576
Accounts receivable—other	5,158	6,702	1,544
Accounts receivable—inter-fund	391,863	—51,233	—443,096
Total accounts and notes receivable	1,486,570	785,442	—701,128
Accrued assets:			
Interest on U. S. Government securities	124,895	91,042	—33,853
Interest on mortgage notes and contracts for deed	65,058	212,885	147,827
Total accrued assets	189,953	303,927	113,974

STATEMENT 17.—*Comparative statement of financial condition, War Housing Insurance Fund, as of June 30, 1949, and June 30, 1950*—Continued

	June 30, 1949	June 30, 1950	Increase or decrease (—)
ASSETS—continued			
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	$3,447,590	$14,014,576	$10,566,986
Less reserve for losses	586,006	2,383,132	1,797,126
Net real estate	2,861,584	11,631,444	8,769,860
Mortgage notes acquired under terms of insurance (at cost plus expenses to date)	1,405,499	5,867,501	4,462,002
Less reserve for losses	247,055	1,565,173	1,318,118
Net mortgage notes acquired under terms of insurance	1,158,444	4,302,328	3,143,884
Net acquired security or collateral	4,020,028	15,933,772	11,913,744
Deferred charges: Prepaid expenses	2,698		−2,698
Total assets	59,587,048	101,980,990	42,393,942
LIABILITIES			
Accounts payable: Bills payable to vendors and Government agencies	32,811	27,605	−5,206
Accrued liabilities: Interest on debentures	34,510	331,627	297,117
Trust and deposit liabilities:			
Excess proceeds of sale	744,676	620,366	−124,310
Deposits held for mortgagors, lessees, and purchasers	213,737	270,407	56,670
Total trust and deposit liabilities	958 413	890,773	−67,640
Deferred and undistributed credits:			
Deferred credits—unearned insurance premiums	11,213,795	13,755,929	2,542,134
Deferred credits—other	46,319	38,652	−7,667
Total deferred and undistributed credits	11,260,114	13,794,581	2,534,467
Bonds, debentures, and notes payable: Debentures payable	3,184,000	17,979,150	14,795,150
Other liabilities: Reserve for foreclosure costs—mortgage notes	14,493	20,392	5,899
Total liabilities	15,484,341	33,044,128	17,559,787
CAPITAL			
Investment of the U. S. Government: Allocations 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	39,102,707	63,936,862	24,834,155
Total capital	44,102,707	68,936,862	24,834,155
Total liabilities and capital	59,587,048	101,980,990	42,393,942
Contingent liability for certificates of claim on properties on hand	92,332	394,017	301,685

Income and Expenses

During the fiscal year 1950 the fund earned $34,579,290 and had expenses of $6,628,741, leaving $27,950,549 net income before adjustment of valuation reserves. After the valuation reserves had been increased by $3,116,394, the net income for the year amounted to $24,834,155, 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, 1950, amounted to $127,027,714, while cumulative expenses were $58,910,265, leaving $68,117,449 net income before adjustment of reserves. Valuation reserves of $4,180,587 were established, leaving cumulative net income of $63,936,862.

STATEMENT 18.—*Income and expenses, War Housing Insurance Fund, through June 30, 1949, and June 30, 1950*

	Mar. 28, 1941, to June 30, 1949	July 1, 1949, to June 30, 1950	Mar. 28, 1941, to June 30, 1950
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$1,653,858	$1,142,520	$2,796,378
Interest—other	308,705	410,529	719,234
Dividends on rental housing stock	740	914	1,654
	1,963,303	1,553,963	3,517,266
Insurance premiums and fees:			
Premiums	58,697,691	22,922,228	81,619,919
Fees	31,634,194	10,103,002	41,737,196
	90,331,885	33,025,230	123,357,115
Other income:			
Profit on sale of investments	152,953		152,953
Miscellaneous income	283	97	380
	153,236	97	153,333
Total income	92,448,424	34,579,290	127,027,714
Expenses:			
Administrative expenses: Operating costs (including adjustments for prior years)	50,783,587	6,531,221	57,314,808
Other expenses: Depreciation on furniture and equipment	291,315	14,022	305,337
Losses and charge-offs:			
Loss on sale of acquired properties	1,222,790	83,343	1,306,133
Loss (or profit (−)) on equipment	−16,168	155	−16,013
	1,206,622	83,498	1,290,120
Total expenses	52,281,524	6,628,741	58,910,265
Net income before adjustment of valuation reserves	40,166,900	27,950,549	68,117,449
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−231,132	−1,150	−232,282
Reserve for loss on real estate	−586,006	−1,797,126	−2,383,132
Reserve for loss on mortgage notes acquired under terms of insurance	−247,055	−1,318,118	−1,565,173
Net adjustment of valuation reserves	−1,064,193	−3,116,394	−4,180,587
Net income	39,102,707	24,834,155	63,936,862

ANALYSIS OF EARNED SURPLUS

Distribution of net income:			
Earned surplus:			
Balance at beginning of period		$39,102,707	
Net income for the period	$39,102,707	24,834,155	$63,936,862
Balance at end of period	39,102,707	63,936,862	63,936,862

Investments

Section 605 (a) of Title VI contains a provision similar to that under Title II with respect to the 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 1950, excess funds not needed for current operations were used to retire Series H 2½ percent War Housing Insurance Fund debentures in the amount of $2,319,950, of which $2,203,850 were called for redemption and $116,100 were purchased from RFC.

During the fiscal year 1950, $27,500,000 principal amount of 2½ percent United States bonds, Series 1967–72, were purchased, increasing the investments in United States securities held by the fund as of June 30, 1950, to $61,965,258, as follows:

Investments of the War Housing Insurance Fund, June 30, 1950

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1952-54	2½	$400,000	$400,000	$400,000
1966-71	2½	4,000,000	4,000,000	4,000,000
1967-72	2½	57,595,547	56,600,000	57,565,258
Average annual yield 2.39 percent		61,995,547	61,000,000	61,965,258

Properties Acquired Under the Terms of Insurance

The Federal Housing Administration acquired title in 1950, under the terms of insurance, to 1,635 properties (1,759 units) insured under Section 603 and sold 763 (846 units). Through December 31, 1950, a total of 8,374 Section 603 properties (11,042 units) had been acquired at a cost of $45,225,050 (debentures and cash adjustments), and 6,954 properties (9,511 units) had been sold at prices which left a net charge against the fund of $1,592,763, or an average of $229 per case. There remained on hand for future disposition 1,420 properties having 1,531 living units.

During 1950, 42 rental housing projects (1,586 units) and 24 mortgage notes (1,053 units) insured under Section 608 were assigned to the FHA Commissioner under the terms of insurance. Through December 31, 1950, a total of 48 projects (3,006 units) and 37 mortgage notes (1,473 units) had been assigned to the Commissioner. One project (594 units) and 1 mortgage note (42 units) had been settled with no loss to the War Housing Insurance Fund, leaving 47 projects (2,412 units) and 36 mortgage notes (1,431 units) still held by the FHA.

In addition, 36 discounted purchasers' notes insured under Section 609 had been assigned to the FHA Commissioner during the calendar year 1950. Through December 31, 1950, 2 manufacturers' notes and

64 discounted purchasers' notes had been assigned and 41 discounted purchasers' notes had been settled in full with no loss to the fund, leaving 2 manufacturers' notes and 23 discounted purchasers' notes on hand at December 31, 1950.

STATEMENT 19.—*Statement of profit and loss on sale of acquired properties, War Housing Insurance Fund, through Dec. 31, 1950*

	Section 603 (6,954 properties)	Section 608 (1 project and 1 mortgage note)	Section 609[2] (41 notes)	Total, Title VI (6,997 properties)
Proceeds of sales:[1]				
Sales price (or proceeds of mortgage notes)	$38,660,262	$1,338,624	$116,266	$40,115,152
Less commissions and other selling expenses	1,356,544			1,356,544
Net proceeds of sales	37,303,718	1,338,624	116,266	38,758,608
Income:				
Rental and other income (net)	3,862,339			3,862,339
Mortgage note income	2,860,296		2,064	2,862,360
Total income	6,722,635		2,064	6,724,699
Total proceeds of sold properties	44,026,353	1,338,624	118,330	45,483,307
Expenses:				
Debentures and cash adjustments	36,700,820	1,296,210	116,266	38,113,296
Interest on debentures	3,749,477	16,899	1,307	3,767,683
Additions and improvements	102,972			102,972
Taxes, water rent, hazard insurance, and other expenses	1,138,050	92		1,138,142
Repairs, maintenance, and operation	2,410,336			2,410,336
Furniture and equipment	97,764			97,764
Settlement expense	2,728	5,095		7,823
Total expenses	44,202,147	1,318,296	117,573	45,638,016
Net profit (or loss –) before distribution of liquidation profits	–175,794	20,328	757	–154,709
Less distribution of liquidation profits:				
Certificates of claim	502,480	19,389		521,869
Increment on certificates of claim	54,023	180		54,203
Refunds to mortgagors	860,466			860,466
Loss to War Housing Insurance Fund	1,592,763	[3] –759	[3] –757	1,591,247
Average loss to War Housing Insurance Fund	229			

[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	2,056		$11,452,774		$11,452,774
Properties sold for cash and notes (or contracts for deed)	4,815	3,386	1,873,213	$25,352,170	27,225,383
Properties sold for notes only	126	1		1,436,995	1,436,995
Total	6,997	3,387	13,325,987	26,789,165	40,115,152

[2] Represents 41 discounted purchasers' notes settled in full.
[3] Excess remaining to credit of War Housing Insurance Fund in accordance with the act.

STATEMENT 20.—*Statement of properties on hand, War Housing Insurance Fund, as of Dec. 31, 1950*

	Sec. 603, 1,420 properties, 1,531 units	Sec. 608		Sec. 609		Total, 1,467 properties, 61 notes, 5,702 units
		47 properties, 2,412 units	36 mortgage notes,[1] 1,431 units	2 notes,[2] 305 units	23 notes,[3] 23 units	
Expenses:						
Acquisition costs	$8,524,230	$14,584,398	$10,314,099	$934,285	$65,234	$34,422,246
Interest on debentures	104,172	601,461	266,150	29,442	1,538	1,002,763
Taxes and assessments	83,771	161,699				245,470
Water rent	2,423	5,608				8,031
Hazard insurance	78,892	75,765				154,657
Additions and improvements	60,488	8,934				69,422
Maintenance and operating expense	136,913	293,866				430,779
Repairs	67,829	33,291				101,120
Operating equipment	160	5,026				5,186
Furniture	19,599					19,599
Purchase of leasehold	15,963					15,963
Administrative settlement expense	238	13,269	1,734			15,241
Undistributed expense	9,699					9,699
Other expense	56	2,384				2,440
Total expense	9,104,433	15,785,701	10,581,983	963,727	66,772	36,502,616
Income and recoveries:						
Rental and other income (net)	204,594	902,250	432,115	55,606	2,460	1,597,025
Collections on mortgage notes			8,880	89,269	153	98,302
Total income and recoveries	204,594	902,250	440,995	144,875	2,613	1,695,327
Net cost of properties on hand	8,899,839	14,883,451	10,140,988	818,852	64,159	34,807,289

[1] Acquired in exchange for debentures.
[2] Manufacturers' notes acquired in exchange for debentures.
[3] Discounted purchasers' notes acquired in exchange for debentures.

The turnover of Section 603 properties acquired and sold, by calendar years, is given below:

STATEMENT 21.—*Turnover of properties acquired under Sec. 603 of Title VI through Dec. 31, 1950*

Properties acquired		Properties sold, by calendar years								Properties on hand Dec. 31, 1950
Year	Number	1943	1944	1945	1946	1947	1948	1949	1950	
1943	498	29	220	110	139					
1944	2,542		36	685	1,178	386	140	87	17	13
1945	2,062			187	1,050	317	350	139	6	13
1946	998				431	302	210	43	11	1
1947	16					5	9	1		1
1948	116						23	21	65	7
1949	507							93	243	171
1950	1,635								421	1,214
Total	8,374	29	256	982	2,798	1,010	732	384	763	1,420

NOTE.—The number of properties sold has been reduced by one property repossessed because of default on mortgage note and resold by Dec. 31, 1950.

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 $999,954 had been issued through 1950 in connection with the 6,954 properties which had been acquired and subsequently sold. The proceeds of sale were sufficient to provide for the payment in full or in part of 4,140 certificates in the amount of $502,480, or approximately 51 percent. Certificates of claim canceled or to be canceled amounted to $497,474, or approximately 49 percent. In addition, the proceeds of sale were sufficient to pay refunds of $860,466 to 2,893 mortgagors, or an average of $297 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 $19,578 had been issued in connection with the two Section 608 acquisitions which had been disposed of by December 31, 1950. Of this amount, $19,389 had been paid and $189 canceled. Excess proceeds of $759 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 Cong.), which provides that this fund shall be used by the 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, 1950, no applications for insurance under Title VII had been submitted and consequently no income had been received.

STATEMENT 22.—*Comparative statement of financial condition, Housing Investment Insurance Fund, as of June 30, 1949, and June 30, 1950*

	June 30, 1949	June 30, 1950	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$992,950	$972,947	−$20,003
Accounts and notes receivable: Accounts receivable—inter-fund	−9,054	−37	9,017
Total assets	983,896	972,910	−10,986
CAPITAL			
Investment of the U. S. Government: Allocations 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	−16,104	−27,090	−10,986
Total capital	983,896	972,910	−10,986

STATEMENT 23.—*Income and expenses, Housing Investment Insurance Fund, through June 30, 1949, and June 30, 1950*

	Aug. 10, 1948, to June 30, 1949	July 1, 1949, to June 30, 1950	Aug. 10, 1948, to June 30, 1950
Expenses:			
Administrative expenses: Operating costs	$16,031	$10,942	$26,973
Other expenses: Depreciation on furniture and equipment	72	44	116
Losses and charge-offs: Loss on equipment	1		1
Total expenses	16,104	10,986	27,090
Net income (or loss−)	−16,104	−10,986	−27,090
ANALYSIS OF EARNED SURPLUS (OR DEFICIT−)			
Distribution of net income: Earned surplus (or deficit−):			
Balance at beginning of period		−$16,104	
Net income (or loss −) for the period	−$16,104	−10,986	−$27,090
Balance at end of period	−16,104	−27,090	−27,090

Title VIII: Military Housing Insurance Fund

An amendment to the National Housing Act approved August 8, 1949 (Public 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 Military Housing 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 (Public Law 357, 81st Cong.).

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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 status of the Title VIII insurance authority at December 31, 1950, was calculated as follows:

Status of Title VIII insurance authority, as of Dec. 31, 1950

Insurance authority		$500, 000, 000
Charges against insurance authority:		
Mortgages insured	$135, 122, 600	
Commitments for insurance	58, 582, 000	
Total charges against authority		193, 704, 600
Unused insurance authority		306, 295, 400

Investments

Section 804(a) of the act provides that money 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 section. During the fiscal year 1950, $4,000,000 (principal amount) of U. S. Treasury bonds Series 1967–72 were purchased for the account of this fund.

Investments of the Military Housing Insurance Fund, June 30, 1950

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1967–72 Average annual yield 2.29 percent.	2½	$4, 125, 000	$4, 000, 000	$4, 122, 830

Military Housing Insurance Fund Capital and Net Income

As of June 30, 1950, the assets of the Military Housing Insurance Fund totaled $5,809,329, against which there were outstanding liabilities of $207,404, leaving $5,601,925 capital. Included in capital was $5,000,000 allocated from the U. S. Treasury and $601,925 earned surplus.

STATEMENT 24.—*Comparative statement of financial condition, Military Housing Insurance Fund, as of June 30, 1949, and June 30, 1950*

	June 30, 1949	June 30, 1950	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury		$1,679,551	$1,679,551
Investments:			
U. S. Government securities (amortized)		4,122,830	4,122,830
Other securities (stock in rental housing corporations)		2,100	2,100
Total investments		4,124,930	4,124,930
Accounts and notes receivable: Accounts receivable—inter-fund		681	681
Accrued assets: Interest on U. S. Government securities		4,167	4,167
Total assets		5,809,329	5,809,329
LIABILITIES			
Deferred and undistributed credits: Deferred credits—unearned insurance premiums		207,404	207,404
Total liabilities		207,404	207,404
CAPITAL			
Investment of the U. S. Government: Allocations 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		601,925	601,925
Total capital		5,601,925	5,601,925
Total liabilities and capital		5,809,329	5,809,329

Total income of the Military Housing Insurance Fund during the fiscal year 1950 amounted to $794,444, while expenses and losses amounted to $192,519, leaving a net income of $601,925.

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 operation 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 25.—*Income and expenses, Military Housing Insurance Fund, from inception, Aug. 8, 1949, through June 30, 1950*

	Aug. 8, 1949, to June 30, 1950
Income:	
Interest on U. S. Government securities	$36,886
Insurance premiums and fees:	
Premiums	91,366
Fees	666,192
	757,558
Total income	794,444
Expenses:	
Administrative expenses: Operating costs	191,684
Other expenses: Depreciation on furniture and equipment	830
Losses and charge-offs: Loss on equipment	5
Total expenses	192,519
Net income	601,925

ANALYSIS OF EARNED SURPLUS

Distribution of net income:	
Earned surplus:	
Balance at beginning of period	
Net income for the period	$601,925
Balance at end of period	601,925

STATEMENT 26.—*Comparative statement of financial condition, Administrative Expense Account (salaries and expenses), as of June 30, 1949, and June 30, 1950*

	June 30, 1949	June 30, 1950	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$2,417,720	$3,049,974	$632,254
Accounts and notes receivable:			
Accounts receivable—other	49,899	86,530	36,631
Accounts receivable—inter-fund	−966,824	−810,393	156,431
Total accounts and notes receivable	−916,925	−723,863	193,062
Land, structures, and equipment:			
Furniture and equipment	1,614,448	[1] 1,871,236	256,788
Less reserve for depreciation	870,440	913,225	42,785
Net furniture and equipment	744,008	958,011	214,003
Total assets	2,244,803	3,284,122	1,039,319
LIABILITIES			
Accounts payable: Bills payable to vendors and Government agencies	1,538,808	[2] 2,340,602	801,794
Trust and deposit liabilities:			
Due general fund of the U. S. Treasury	746	680	−66
Employees' payroll deductions for taxes, etc.	705,249	942,840	237,591
Total trust and deposit liabilities	705,995	943,520	237,525
Total liabilities	2,244,803	3,284,122	1,039,319

[1] Includes unfilled orders in the amount of $71,863.
[2] Includes unfilled orders in the amount of $294,245.

PART IV

OF THE

Fourth 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 ending December 31, 1950.

Sincerely yours,

JOHN TAYLOR EGAN,

Commissioner.

Enclosure.

Chapter I

1950: MILESTONES AND TURNING POINTS

As 1950 began, the Public Housing Administration was devoting itself to the two major objectives of its peacetime operations: the conduct of the low-rent public housing program under the United States Housing Act as expanded by the Housing Act of 1949, and the liquidation of its remaining responsibilities for several types of emergency public housing programs, notably the war housing built during World War II under the Lanham Act and related statutes.

In the United States Housing Act program, PHA's main task for the year was handling a large volume of activity in connection with new projects which local housing authorities were planning to build under the authorizations of the 1949 Act. On the basis of applications submitted by the authorities, PHA had, by December 31, 1949, assigned 263,356 dwelling units to 320 localities for development in a 2-year period. Many of these proposed projects were in various planning stages and some would reach construction during the year. In addition, 191,626 units completed in earlier years were under management. Of these, all but 1,400 units which still were serving war-related needs were occupied by low-income families who otherwise could not afford decent, safe and sanitary housing.

In the emergency housing programs, the outlook for making major progress in disposals during 1950 appeared bright. Previous disposition activity had cut the emergency housing inventory to less than half. A total of 402,000 dwelling units in some 4,000 projects or properties remained on hand. With the help of new authorizations contained in the Housing Act of 1950, PHA anticipated liquidating much of this stock in an orderly, expeditious fashion.

In terms of the situation prevailing early in the year, the goals of these two lines of action were appropriate. On the one hand, the low-rent housing program would help to expand and improve the supply of housing available to the worst-housed segment of the American population, the low-income group. On the other hand, disposition activities would retire the Government from direct ownership and operation of war and veterans' housing facilities, an enterprise it had undertaken as a result of war and its aftermath but did not intend to continue in time of peace.

Midyear was a turning point. The sudden outbreak of hostilities in Korea brought about an entirely new situation. Lines of action

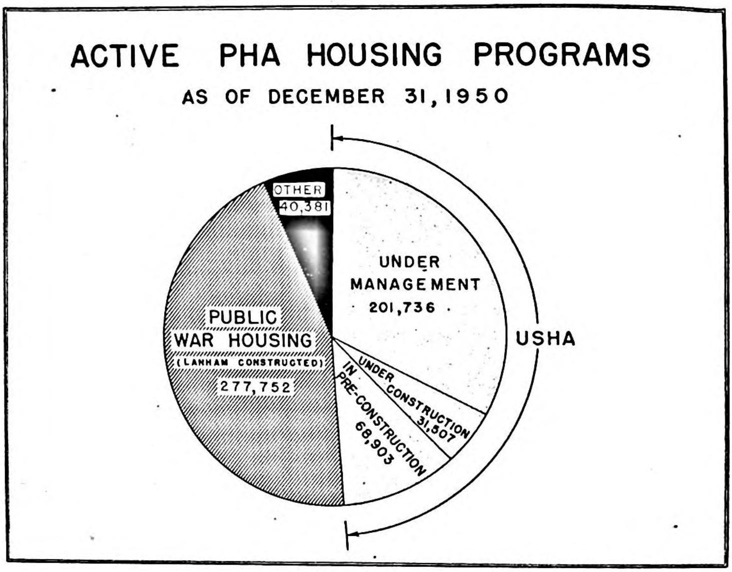

CHART I.

appropriate 6 months earlier became outmoded almost overnight. Once again, national defense became a prime consideration.

A Presidential directive on July 18 ordered that no more than 30,000 units of low-rent public housing be placed under construction in the second half of 1950. This cutback, President Truman explained, was essential to assure that sufficient materials and labor would be available for vital defense needs and to help curb inflationary tendencies. He also indicated that the program would be revised from time to time in accordance with current defense needs. The limitation on public housing was accompanied by restrictions imposed on credit for privately built housing which were designed to cut back the volume of private construction.

At the same time, the low-rent program began to feel the effect of the emergency in another way. Construction bids reflected rising building costs and uncertainty about supplies of labor and materials. Economy is a statutory requirement for the program, so it became necessary to launch a vigorous drive to effect every possible saving in the face of steadily advancing prices. Many projects were held up while cost-cutting expedients were devised.

Less than a month after the low-rent program was curtailed, the work of disposing of federally owned war housing was halted by order of the Administrator of the Housing and Home Finance Agency.

The only disposition actions to be completed were those for which binding commitments had been made, those which were mandatory under law and those affected by special circumstances warranting exception to the suspension. Otherwise, the disposal program came to a standstill. This step was taken to enable the Government to retain control over the housing in its hands. By maintaining control, it could make these facilities available as needed for any defense requirements and restrict its use if necessary to families of workers in defense industry and military personnel.

Up to this time, families of distressed veterans and servicemen had enjoyed a preference to accommodation in war and emergency housing projects. In the temporary housing, admission was limited to these preferred applicants. By the end of the year, however, PHA had changed its occupancy regulations to extend an equal or superior preference to families of in-migrant defense workers wherever necessary to support defense activities. Furthermore, provision was made for reopening temporary housing projects which had been closed in preparation for disposal if they were needed to house defense workers.

At the end of 1950, 334,231 dwelling units remained "frozen" in Government control. Of these, 214,444 were temporary units and the remainder permanent. How much of this stockpile would be utilized to serve the Nation's defense needs was not yet known. It appeared likely, however, that much of it would prove a valuable resource in the new emergency, particularly if many localities which had been centers of industrial and military activity in World War II were to play a similar role once more.

The effect of the emergency on the future course of the low-rent housing program also was uncertain. In his order of July 18, the President had indicated that the program would be reexamined from time to time in the light of the Nation's requirements as they developed. Besides the 31,507 units of low-rent housing which were under construction at the year's end, another 67,480 urban units had passed through the planning stage and had been approved by the President for annual contributions contracts, but had not yet been authorized to proceed with construction. Some 500 localities held reservations for 224,375 units which they hoped to put under development in the year ahead if conditions permitted.

Since these projects were being planned to meet an urgent, long-neglected housing need, there was no doubt that they would be valuable increments to the housing supply. Also, they would be publicly owned, and under existing law it would be possible to use them to house defense workers of low income during the emergency. Thus construction of low-rent housing projects in centers of actual or potential defense activity would help to strengthen the Nation when it needed strength.

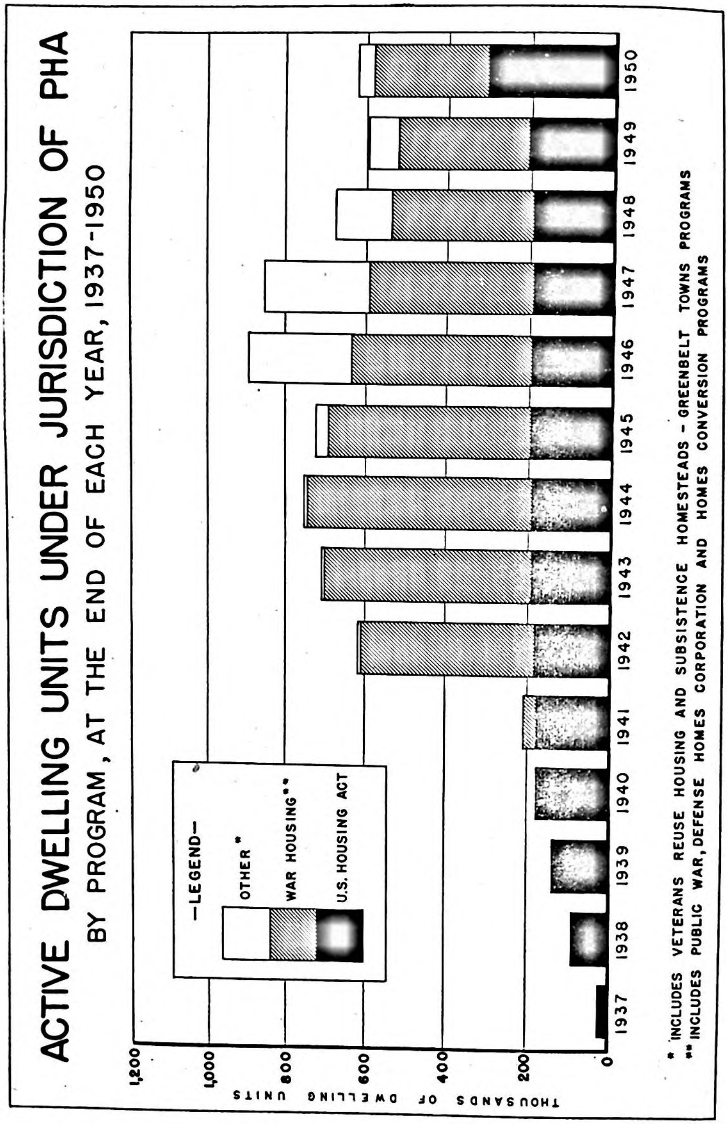
ACTIVE DWELLING UNITS UNDER JURISDICTION OF PHA
BY PROGRAM, AT THE END OF EACH YEAR, 1937-1950
—LEGEND—
OTHER *
WAR HOUSING **
U.S. HOUSING ACT
THOUSANDS OF DWELLING UNITS
1,200
1,000
800
600
400
200
0
1937
1938
1939
1940
1941
1942
1943
1944
1945
1946
1947
1948
1949
1950
* INCLUDES VETERANS REUSE HOUSING AND SUBSISTENCE HOMESTEADS - GREENBELT TOWNS PROGRAMS
** INCLUDES PUBLIC WAR, DEFENSE HOMES CORPORATION AND HOMES CONVERSION PROGRAMS

CHART II.

Chapter II

THE LOW-RENT PUBLIC HOUSING PROGRAM

The national housing objective, as set forth in the Housing Act of 1949, is "the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family." The low-rent public housing program is one of the means employed to work toward that objective. Its purpose, as stated in the United States Housing Act of 1937 as amended, is to help provide housing for "families * * * in the lowest income group * * * who cannot afford to pay enough to cause private enterprise * * * to build an adequate supply of decent, safe, and sanitary dwellings for their use."

The program is a joint Federal and local undertaking. The locality, working through a locally established public body usually known as a housing authority, builds, owns and operates the low-rent housing projects. The Federal Government gives financial assistance to the local housing authority in the form of capital loans to help it plan and build the housing and annual cash contributions to aid it in achieving low rents. This subsidy supplements the rental revenue from the dwellings and enables the local authority to make up the difference between operating costs and the rents which low-income families can afford to pay.

The local agency has full responsibility for the operational aspects of its programs, from the initial survey of the local need for low-rent housing through the planning and construction stages to the selection of tenants and the day-to-day management of the completed housing. The principal Federal responsibility is to see that the funds advanced for the local programs are used for the purposes intended and that the local program adheres to the requirements and principles of Federal law.

The Year's Achievement

A public housing project, like any sizable construction undertaking, requires a great deal of preliminary work including careful, detailed planning before the first spadeful of earth is turned at the site. In a typical low-rent public housing project, about 8 months elapse between the tentative approval of the site and the start of construction. From that point, it may be 8 to 14 months before the project is completed and fully occupied.

The process begins with the local authority's examination of the housing supply in its community to determine the extent of the need for decent low-rent housing that is not being met by private enterprise. On the basis of this study, it prepares and submits to PHA an application requesting the allocation of a specific number of dwelling units to the community and the reservation of the Federal funds needed in this connection. If PHA finds the proposal is adequately supported, it issues a program reservation to the authority. The reservation cites the number of units being set aside for the applicant and signifies the Government's intention to hold the necessary funds in readiness. With this assurance that assistance will be forthcoming, the authority can then proceed with its planning.

If necessary, PHA will make a preliminary loan to the authority at this point. This advance may be used only to pay for necessary planning, including surveys, studies in connection with site selection, necessary appraisals, preparation of preliminary architectural and engineering plans, and the making of definitive cost estimates. Before a preliminary loan is made, the application must be approved by the local governing body of the community and a cooperation agreement must be entered into between the governing body and the local housing authority. This agreement contains the arrangements for furnishing the usual public services to the project and for payments in lieu of taxes to local taxing jurisdictions. Finally, the loan must be approved by the President.

When the general scheme for a proposed project has been developed, it is submitted to PHA in the form of a development program. If the development program and cooperation agreement meet all requirements, PHA, with Presidential approval, will enter into a contract with the authority providing for the capital loans and annual contributions which will make the construction and operation of the project feasible. The local authority then calls for competitive bids on the main construction contract. If PHA approves the amount of the lowest and best bid, a contract is awarded and building begins.

In the weeks following passage of the Act in 1949, PHA set up its machinery for administering the Federal responsibilities involved. By the end of 1949, it had received 463 applications from local housing authorities requesting 387,631 dwelling units for the first 2 years of the program. A total of 320 program reservations had been issued for 263,356 dwelling units and 227 preliminary loans amounting to $35,-801,000 had been authorized to permit planning 221,391 units.

During 1950, the net increase in active program reservation applications included 76,553 dwelling units for 389 localities, while 409

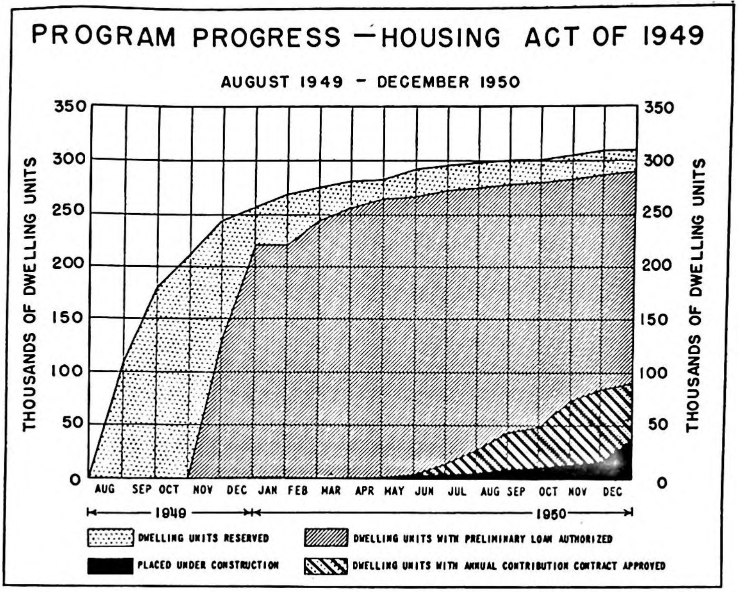

CHART III.

reservations were issued for 49,083 units. Including those initiated in 1949, a total of 852 currently active applications had been received by the end of 1950, and a total of 312,439 units reserved for 729 localities.

In addition, there was a net increase in preliminary loans amounting to more than $18,000,000 for planning 69,624 units in 433 localities.

The most significant accomplishment of the year, however, was the movement of many proposed projects into the later preconstruction stages and the start of construction on some of them. The bulk of these were projects initiated since enactment of the Housing Act of 1949. A few, however, were projects originally programmed under the 1937 statute but postponed during the war years. The 1949 law made it possible to reactivate these deferred projects.

By the end of the year, sites had been approved for 165,353 units in newly initiated projects. Definitive plans sufficient for making annual contributions contracts were approved for 99,203 units, of which 11,146 units were in reactivated projects. Construction had begun on 146 projects containing 31,723 units. Of these, 103 projects with 25,861 units were newly initiated and 43 projects containing 5,862 units were in the reactivated group. Almost all of the construction activity began in the second half of the year.

Local Support of the Program

In any locality, the low-rent public housing program goes forward only when the community itself takes the initiative in seeking Federal aid to help house its low-income families. Consequently, the scope of the program depends entirely upon the interest and participation of the local communities. The 729 program reservations issued pursuant to local requests from places large and small in 39 States, the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands indicate a Nation-wide desire to take positive action to relieve the deplorable housing conditions of low-income families.

Housing Act 1949 new urban program: Distribution of active reservations by city size as of Dec. 31, 1950

Population [1]	Reservations	
	Number	Cumulative percent distribution
Total	654	
Less than 5,000	139	21.3
5,000 to 9,999	120	39.6
10,000 to 24,999	159	64.0
25,000 to 49,999	79	76.0
50,000 to 99,999	69	86.6
100,000 to 249,999	48	93.9
250,000 to 499,999	19	96.8
500,000 to 999,999	15	99.1
1,000,000 and over	6	100.0

[1] Based on 1950 census.

Each locality's participation in the program must be based on a deliberate formalized decision by the community and its government. Action by the local government is required in three distinct stages in the process. The first action is the creation of a local housing authority empowered to develop and operate low-rent public housing. In almost all of the 43 States whose laws permit establishing housing authorities, the power to bring an authority into being lies with the local government. Later, when the authority makes an application to PHA for a preliminary loan, the local government must concur in a finding that low-rent housing is needed and specifically approve the authority's application for a Federal loan. Finally, the cooperation agreement between the local government and the housing authority evidences a working arrangement on important details of the proposed project. Each of the 660 preliminary loans authorized and each of the 580 cooperation agreements approved by the end of 1950 therefore represents a specific concurrence in the program by the responsible governing body of the community involved.

The experience of the year indicated that these local decisions were not being made in a routine or perfunctory manner. In many lo-

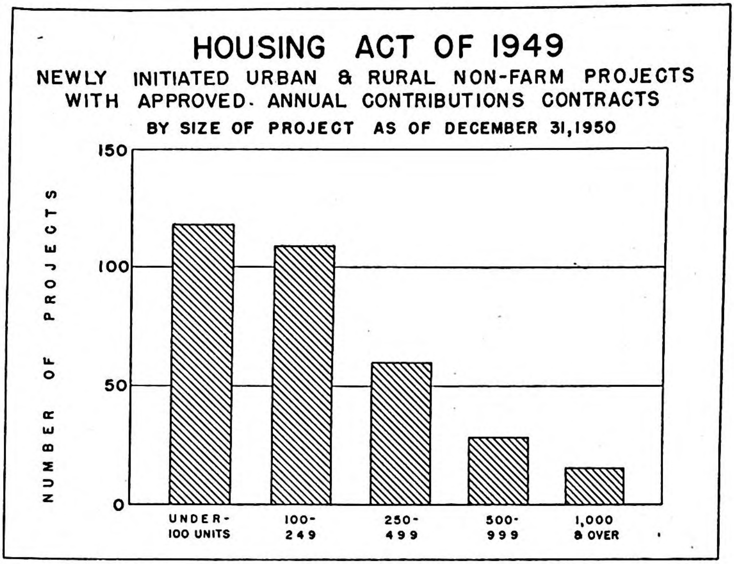

CHART IV.

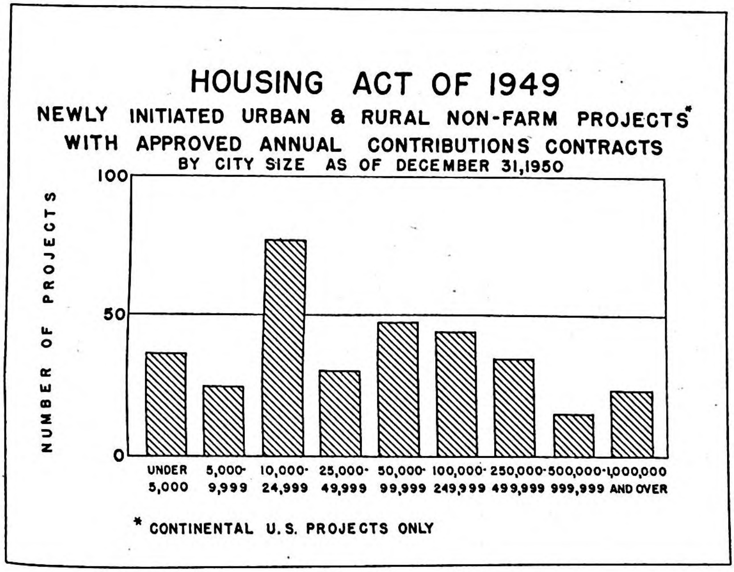

CHART V.

calities, the issues not only were debated fully in the deliberations of the governing bodies but public hearings also were held to receive expressions and views from the citizenry at large. In a few localities—about 30—the question of local participation in the program was submitted to a popular vote, either as an initiative proposal or as a referendum.

The Impact of the National Emergency

On July 18, less than a month after the start of hostilities in Korea, President Truman addressed a letter to the Administrator of the Housing and Home Finance Agency outlining the immediate steps necessary to adapt the housing programs to the new situation facing the Nation. "As you know," he wrote, "residential construction in the last several months has risen to very high levels. Continuance of high levels would be entirely desirable, were it not for recent international developments. As suggested in your letter, it is already clear that, as a result of the events of the last month, many materials used in residential and other construction will be required in increasing amounts for national defense purposes. It is imperative that these requirements be met fully and without delay. These increased demands will aggravate inflationary tendencies already evident in some of these materials unless positive actions are taken to reduce pressures in residential construction."

Among the seven actions the President ordered to meet the situation was this directive concerning the public housing program:

> Limit the commencement of construction of public housing to not more than 30,000 dwelling units in the first 6 months of fiscal year 1951, during which time the public housing program should be thoroughly reexamined in terms of the developing international situation.

PHA acted immediately to enforce the limitation. It pointed out to local housing authorities that since the purpose of the restriction was to assure materials for defense and to help curb inflationary tendencies, it would not affect any of their preconstruction activities, such as completion of development programs and execution of annual contributions contracts. A control would be exercised, however, at the point of authorizing local housing authorities to advertise for bids on construction contracts.

In the 6-month period, 28,697 units were put under construction in 128 projects in 25 States, Hawaii and Puerto Rico. Bids had been opened but contract awards were still pending at the end of the year for 7,200 other units. In addition, PHA had withheld approval of awards covering 6,000 units because the bids were deemed to be too high.

The Drive for Economy in Construction

The rejection of bids on some projects because contractors' offers were too high pointed to an indirect effect of the international situation on the program. In his July letter, President Truman had referred to "inflationary tendencies already evident" which would be aggravated by the defense emergency. These economic repercussions became one of PHA's major problems in the second half of 1950 as it strove to keep the cost of public housing within reasonable bounds in the face of upward price trends.

The United States Housing Act of 1937, as amended by the Housing Act of 1949, contains only one explicit limitation on the cost of projects built under its provisions. Section 15 (5) provides that the cost of constructing and equipping any project initiated after March 1, 1949, shall not exceed $1,750 per room, except that higher costs are established for Alaska. Also if it is found that in any specific area there is an acute need for low-rent housing but it cannot be built within this limit without sacrificing sound standards of construction, design, and livability, the PHA Commissioner is empowered to allow up to $750 more per room.

These provisions, however, establish only maxima. It is clearly the intent of the law to achieve the lowest possible cost for a dwelling designed to modest but adequate standards of decency and livability. In the same section of the Act which sets forth specific cost limitations there is a requirement that every project "shall be undertaken in such a manner that it will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration." In addition the National Housing Policy established in the Housing Act of 1949 emphasizes encouraging production of good housing "at lower costs" and directs the Federal housing agencies to promote "the reduction of the costs of housing without sacrifice of * * * sound standards."

It was obvious from the outset that the local housing authorities and PHA faced a sharp challenge in finding ways to hold down the cost of the dwellings to be built. In the first place, the upward revision of maximum cost limits in 1949 was somewhat less than the general rise in building costs which had occurred since the original limits were set in 1937. Furthermore, building costs continued to go up after the 1949 Act was approved. By January 1950, building costs had about doubled the costs of 1940. During the first 6 months of 1950, a further rise of about 5 percent was recorded. The upward trend grew sharper after the Korean hostilities began and another increase of approximately 5 percent occurred in the next 3 months of the year.

Many of the methods commonly used to cut costs could not and should not be resorted to in public housing. The Congress, in the Housing Act of 1949, had removed the per unit cost limitation of the 1937 Act and replaced it with a per room cost limitation for the specific purpose of permitting construction of units for larger families. To have economized by building smaller units would have contravened the intent of the law and resulted in an inability to house the larger low-income families. Similarly, crowding too many units on individual sites would have produced congestion inconsistent with the objectives of the program. The problem was to achieve economy without sacrificing sound housing standards or the objectives of the low-rent housing program.

Such considerations, however, did not preclude planning relatively inexpensive projects that would be appropriate and acceptable. In order to achieve the utmost savings in design, the Commissioner directed staff technicians to study the first 100 development programs received and to evaluate the principal design elements from the standpoint of relative economy.

As a result of this study, PHA promulgated a number of policy revisions intended to keep costs down by requiring adherence to certain cost saving standards in the design of public housing projects. The most significant of these concerned room sizes, the number of units built per acre of land, and the type of structural systems adopted for the buildings.

To put this experience with the study of current projects at the disposal of the local housing authorities, PHA arranged a series of cost conferences to be held by its Field Offices in New York, Boston, Philadelphia, Detroit, Richmond, Atlanta, Fort Worth, Los Angeles, San Francisco, Seattle, and Chicago. The executive directors of local housing authorities and representatives of their architects and engineers were invited to attend. Teams of PHA technicians were organized to conduct the conferences and to lead discussions of cost-saving techniques. These techniques were summarized in a 94-page technical manual entitled *Planning, Design, and Construction for Economy* which was distributed to all local housing authorities in advance of the cost conferences and served as a text at the meetings.

The National Association of Housing Officials cooperated with PHA in organizing the conferences, and the series opened in December with 2-day meetings in Los Angeles, San Francisco, and Seattle. Although the full effect of this campaign for economy would not be seen until later months, the development programs submitted to PHA late in 1950 indicated that some progress toward more economy was being made even then. For projects which had been placed under construction between July 1, 1950 and December 31, 1950, the average total development cost was $10,368 per unit and the dwelling construction and equipment cost per room was $1,589. A 5 percent allowance for contingencies is included in these figures, only a small part of which is likely to be needed.

Several factors account for this level of costs. About 45 percent of the units placed under construction were on slum sites. This, of course, involved the purchase of relatively expensive land in the center of the city and payment for slum structures to be cleared from the site. The expense of demolition and removal of these structures is also a part of the project cost. Furthermore, public housing projects are primarily planned for families with children. The average number of rooms per unit of projects placed under construction by December 31, 1950, was 4.8 rooms. This compares with only 3.9 rooms per unit for all renter-occupied units in nonfarm areas in the United States according to the 1950 census and with an estimated average of 3.6 rooms per unit for private rental units started during 1949, the last year for which data are available.

The Program in Rural Nonfarm Areas

The 1949 amendments to the United States Housing Act of 1937 made it clear that the low-rent public housing program was not intended to provide farm housing. Other aids specifically designed to assist farm housing were provided to be administered by the Department of Agriculture. However, the statute did make special provision in the public housing program for low-rent housing in rural nonfarm areas by requiring that 10 percent of each increment to the annual contributions authorization must be reserved for 3 years for allocation to such localities.

Rural nonfarm housing is housing located outside of incorporated places of 2,500 or more population and neither situated on a farm nor an appurtenance of a particular farm or farms. This does not mean, however, that tenants cannot be employed on farms. 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.

Certain problems were inherent in this phase of the low-rent program. Inevitably, local rural nonfarm programs would be considerably smaller than the average urban programs. The construction, financing, and management of a very small number of units presented extreme difficulties in achieving an economic operation. Furthermore, if the units were widely scattered, these difficulties would be increased.

These considerations led PHA to the formulation of two important policies. First, the agency decided to accept rural nonfarm applications only from local housing authorities which would have programs large enough to permit successful financing and economical management, or from local authorities who arranged with other nearby authorities to consolidate the operation of the individual programs to achieve economy. However, since inflexible application of this principle would mean that projects could be developed only by county housing authorities, regional housing authorities set up for more than one county, or urban housing authorities whose jurisdiction included rural nonfarm areas, it was decided that consideration also would be given to projects proposed by local authorities of small, incorporated rural nonfarm places when a workable management plan could be devised. A substantial part of the rural nonfarm programs proposed in 1950 took the form of cooperative arrangements among a number of adjacent small localities.

The second important decision was that an authority should not attempt to develop dwellings scattered across the countryside but should locate its housing within or adjacent to established communities. Several advantages would result. Not only would more economical operations be possible, but also fire protection, and water and sewer services would be available more frequently. In addition, the tenants would have easier access to employment opportunities and such facilities as schools, churches, stores, and recreational facilities.

Although the rural nonfarm portion of the program was not launched until May 1950, 128 localities had submitted applications for 19,695 dwelling units by the end of the year, while 19 other localities filed applications but did not specify the number of units. Program reservations had been issued to 75 localities for 7,100 units, and annual contributions contracts for 8 projects of 542 units had been approved. The average size of the projects which had reached the site approval stage was 55 units.

Figure 1.—Status of rural nonfarm program as of Dec. 31, 1950

Dwelling units:	
Requested	19,695
Reserved	7,100
Preliminary loans authorized	6,314
Cooperation agreements approved	5,805
Sites approved	663
Annual contributions contract approved	542
Localities:	
Submitted applications	147
Reservations issued	75
Preliminary loans authorized	63
Cooperative agreements approved	59
Projects:	
Sites approved	12
Annual contributions contract approved	8

Farm Labor Camps

Under terms of the Housing Act of 1950, 39 farm labor camps were transferred to PHA from the U. S. Department of Agriculture on June 19, 1950. Twenty of the camps are located in California, 8 in Florida, 3 in Arizona, 3 in Texas, 2 in Oregon, 1 in Colorado, 1 in Idaho, and 1 in Washington.

The camps generally consist of cottages, duplex row houses, and one-room shelters. These accomodations are supplemented by tent platforms and trailer spaces in a few of the camps. The cottages and duplex row houses are equipped with plumbing. Sanitary facilities for the occupants of shelters, tents, and trailers are located in central utility buildings. In all, about 9,600 units were included in the camps transferred to PHA.

These camps were the remainder of 53 such projects which had been developed since 1935 to house migrant farm workers. At the time of the transfer, all were being operated under revocable use permits by county agencies, nonprofit associations of farmers, 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 housing program. It specified 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 such families could afford. The established rent-income ratios, however, were not 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. It was intended, however, 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.

Use permits held by the operators were extended until the end of the year to give PHA an opportunity to complete arrangements for sales. Before the end of the year, however, sales contracts were executed by PHA for 21 camps and the permits canceled. The remaining projects, with four possible exceptions, were to be sold early in 1951.

The properties were in need of extensive repairs when turned over to PHA. It was estimated that about $1,500,000 would be spent to rehabilitate the housing and cover deficits in the fiscal year ending June 30, 1951, and another $1,000,000 in the following year. Funds transferred with the properties were authorized to be used for these purposes by the Housing Act of 1950.

Managing Low-Rent Housing

The entire active low-rent public housing program, including farm labor camps, at the end of 1950 consisted of 302,146 dwelling units in 1,077 projects. While 402 of these projects containing 100,410 dwelling units were in construction or preconstruction stages, a total of 675 projects with 201,736 dwelling units were completed and in active use. Management of these projects was an important part of PHA's responsibility for the year.

Projects in the management phase (other than farm labor camps) were in four categories. The largest group consisted of those developed by local housing authorities under the original United States Housing Act of 1937, known as Public Law 412 projects. Those in the second group, built under wartime legislation authorizing use of low-rent housing funds for projects to be used initially by war workers and converted to low-rent use when the war housing emergency ended, are designated as Public Law 671 projects. All but eight of these projects were in low-rent operation by the end of 1950. The third group consisted of projects built by the Public Works Administration prior to enactment of the United States Housing Act and now administered as part of the low-rent program. The final group, designated as Public Law 171 projects, includes some projects originally programmed under Public Law 412 but deferred during the war years. With passage of the Housing Act of 1949, it became possible to reactivate these postponed projects. The new projects now being developed also will be classified as Public Law 171 projects.

The size of these four components of the low-rent program in management is shown in the following table:

Figure 2.—U. S. Housing Act program under management as of Dec. 31, 1950 [1]

	Projects	Units
Public Law 412	383	117,226
Public Law 671	197	50,594
PWA	50	21,640
Public Law 171	6	2,670
Total	636	192,130

[1] Excluding farm labor camps.

Since the purpose of the low-rent housing program is to house low-income families at rents they can afford to pay, the income of the families housed and the rents they pay offer some indication of the effectiveness of the program.

Two sets of maximum income limits are applied in each project. The income limit for admission sets the highest income a family may have to be eligible for acceptance as a project tenant. Another somewhat higher limit sets the highest income a family living in the project may have without losing its eligibility for continued occupancy. When a tenant family's income exceeds that limit, it is required to move out. Both admission and continued occupancy income limits vary according to the size of family. All income limits are set by the individual local housing authority with PHA approval.

The median maximum income limit for admission of an average size family at the beginning of 1950 was $2,100. Since income limits are set according to local conditions, there is considerable variation from locality to locality. The maximum income limits for admission ranged from a low of $1,308 to a high of $2,760. For 27 percent of the projects covered, the maximum income for admission was set between $2,000 and $2,200, and another 26 percent set limits between $1,800 and $2,000.

Most families admitted to public housing projects have incomes considerably below the maximums permissible. The median annual income of the 12,300 families of all sizes who moved into low-rent developments during the third quarter of 1950, for example, was $1,667. This was a peak figure, $52 higher than the previous peak in the preceding quarter. The median income at admission had been close to $1,600 for 2 years.

For the 103,000 tenant families whose annual incomes were reexamined by local housing authorities during the first 6 months of 1950, the median income was $1,888, even though 13 percent of the families included in the group were ineligible for continued occupancy and were subject to removal. The median income of the ineligible families was $3,318. For eligible families only, the median income was $1,740.

Throughout a family's residence in a low-rent housing development, its rent is scaled to the family size and income. In 1950, the maximum monthly gross rent (i. e., a figure which includes the cost of heating and all the utilities, whether supplied by the project or by the tenant) for the average family at admission ranged from a low of $22.75 to a high of $50, as compared with $22 to $46 a year earlier. The median maximum gross rent at admission was $36. The median rent actually paid by families admitted during the third quarter of the year was $30.18.

The median gross rent at the maximum income for continued occupancy was $41. Among the families whose incomes were reexamined in the first half of 1950, the actual median rent was $32.77.

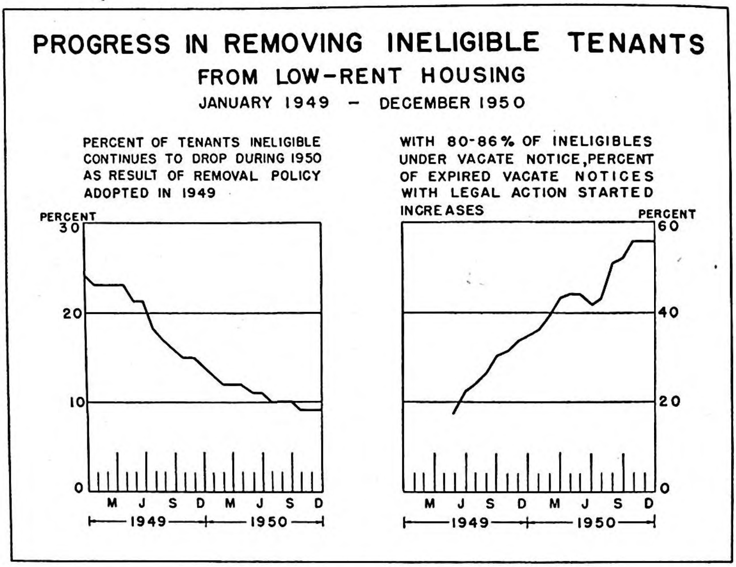

CHART VI.

Families whose incomes rise above the maximum allowed are declared ineligible for continued occupancy and are required to vacate. As of October 31, 1950, of the 186,000 families in urban low-rent housing, 17,299 or 9 percent were in the ineligible category. Eighty-six percent of these ineligible families were under notice to vacate. If they fail to move within the period allowed, the local housing authorities must initiate legal action to evict them. At the end of the year, 56 percent of the expired vacate notices had become the subject of legal action.

Removal of ineligible tenants has been a pressing problem in public housing since the end of World War II. Several factors contributed to the accumulation of a large number of ineligible families. They included the general rise in personal incomes, the temporary use of many projects to house war workers regardless of income, statutory and regulatory prohibitions against removals, and the lack of other housing to accommodate the ineligibles. It was not until 1949 that an effective program for removing the backlog of ineligibles became possible. Under this program the number of ineligible families was reduced nearly by half in the year from June 30, 1949, to June 30, 1950. Many of the ineligibles remaining at the end of the period were families whose income increases had put them into the ineligible category since the removal program began.

Pending the removal of ineligible families, they are charged rents which involve no subsidy. These rents are usually the highest rents that may be charged under rent control regulations affecting 548 projects. For 64 percent of the developments, such rents were higher than the maximum rents for eligible tenants, usually by amounts up to $10. In other cases, the maximum rents for eligibles had been established as ceiling rents under rent control and no higher rents could be charged.

Extent of Federal Aid

As has been seen, the Government's financial aid to low-rent housing projects is in the form of capital loans to help finance the development of projects and annual contributions to permit their operation at low rents within the means of low-income families.

Of the Public Law 412 low-rent projects owned by local authorities, 164, comprising 104,566 units, have been permanently financed through the sale of bonds. The total development cost of these projects was $463,497,836. While loan commitments were made in the maximum amount of 90 percent of development costs, actual loans outstanding at the end of 1950 amounted to only $280,385,000 or 60 percent of the total development costs. This reflected the ability of local housing authorities to borrow more than the required 10 percent of the capital cost from private sources on more favorable terms than offered by Federal loans.

One hundred and seven of the locally owned Public Law 671 projects and 53 of the active Public Law 412 projects, comprising 55,557 units in all, are still temporarily financed. Substantially all of the capital funds required by the local authorities for these projects have been obtained by short-term borrowings from private investors. The security for these temporary loan notes is the PHA's unconditional promise to lend funds if required to pay the principal and interest on maturity. The interest rates secured by local authorities on these temporary loan notes averages about 1 percent per year.

The Federal Government owns 20 of the Public Law 671 projects, the capital cost of which was $43,140,081 and 31 of the Public Law 412 projects costing $53,820,800. The capital funds for these projects have been borrowed by the PHA from the Treasury. The PWA projects also are federally owned. Their capital cost of $127,013,123 was met from funds appropriated in the early 1930's in connection with the emergency relief programs.

The annual contributions for locally owned projects are paid in cash from annual appropriations. Under the original 1937 Act, the maximum amount of annual contributions which can be paid to a project is determined by applying the going Federal rate of interest at the time the assistance contract was made, plus 1 percent, to the project development cost. The actual amount paid, however, is restricted to the actual subsidy needed each year. Under existing contracts for Public Law 412 projects in 1949, the maximum annual contribution which could have been paid if needed amounted to $14,853,949.48. During 1950, actual subsidy payments totaled only $6,640,081.00, or 45 percent of the maximum commitment. This represents a contribution of $5.31 a month for each dwelling unit.

Chapter III

THE EMERGENCY PROGRAMS

In addition to its responsibilities for low-rent public housing, PHA has four emergency programs under its jurisdiction. They are:

1. The public war housing program, consisting of permanent and temporary housing built under the Lanham Act and related statutes to house war workers and their families. Since the end of World War II, this housing has been serving the needs of distressed veterans and servicemen.

2. The homes conversion program, also an outgrowth of World War II housing requirements. In this program, the Government leased private properties and remodeled them into rental accommodations for war workers.

3. The veterans' reuse housing program, authorized by Title V of the Lanham Act, to alleviate the housing shortage for veterans by making various surplus temporary structures available to local public agencies, nonprofit groups, and educational institutions for conversion into temporary living quarters for exclusive use by veterans.

4. The Greentowns and subsistence homesteads program, initiated under the National Industrial Recovery Act for the double purpose of carrying out experiments in improving housing standards and providing useful work relief during the depression.

Statutory responsibility for the public war housing, homes conversion, and veterans' reuse housing programs is vested in the Administrator of the Housing and Home Finance Agency. He determines the policies governing the programs and has delegated the task of carrying out these policies to PHA. The Greentowns and subsistence homesteads program, on the other hand, was transferred to PHA's predecessor agency from the Department of Agriculture by Executive Order 9070 in 1942.

None of these four programs is a permanent program. The Government intends to divest itself of all interest in them and, aside from supervising and managing the housing while it remains in Federal hands, its work is directed toward the eventual disposition of all the properties.

In all, these four emergency programs had placed upon PHA a responsibility to dispose of 949,394 housing units. By the start of 1950, this total had been more than cut in half by the removal from the workload of 548,292 units. Another 64,634 units were removed from the workload during the year, leaving 336,468 units on hand at the end of 1950. Thus a total of 612,926 units had been disposed of, and the disposition job for the four programs was two-thirds complete.

An additional 28,023 units had been disposed of in two other emergency programs completed in earlier years. They included 11,489 units in Defense Homes Corporation projects and 16,534 units assigned to PHA by the War Assets Administration for disposal under the Surplus Property Act.

New Policies in Disposing of War Housing

Largest of the emergency programs is the public war housing program. At its peak, it consisted of 628,000 units, about a third of them in permanent structures and suitable for long-term housing use, and two-thirds in temporary structures intended for short-term service. While the Federal agency itself managed some of the projects, about two-thirds of them were managed by local housing authorities under lease arrangements with PHA.

By the beginning of 1950, this tremendous stock of housing had been reduced by more than 50 percent. Remaining on hand were 312,185 units in 1,184 projects. The conversion of small units to larger sizes by combining units eliminated 580 units during the year, and, before disposition activities were stopped, 15,518 had been disposed of in 1950, leaving an inventory of 296,087 units remaining at the end of the year.

In preceding years, PHA had found disposal of war housing to be a difficult, time-consuming task. Progress in removing temporary housing was seriously impeded because most of it remained occupied and, in a time of housing scarcity, the occupants could find no other accommodations. In recognition of this, the Congress repeatedly extended the life of temporary projects for which there was a continuing need. The same conditions often led local groups to oppose the sale of permanent projects, even though no decrease in the local housing supply would result. Frequently there were serious local conflicts of interest about how permanent projects should be sold. Agency policy called for giving full consideration to local desires and interests, and often protracted negotiations were necessary to resolve a great variety of local issues.

The Congress had undertaken detailed consideration of disposition policies and problems in both the second session of the Eightieth Congress and the first session of the Eighty-first Congress, but these explorations resulted only in legislation affecting veterans' reuse housing. However, a broad set of policies covering all phases of the disposal problem was laid down early in 1950 by enactment of the Housing Act of 1950 (Public Law 475, 81st Cong., approved April 20, 1950). This law amended the Lanham Act by adding a new Title VI, *Housing Disposition.*

In the past, encouragement of individual home ownership, particularly by veterans, had been a central principle in the sale of permanent war housing. Wherever possible, separate structures containing not more than four dwelling units were offered for sale to individual purchasers who intended to occupy one of the units themselves. First preference was given to veteran occupants of the structures, then to veterans who were not occupants, and finally to occupants who were not veterans. The purpose of this sequence of priorities was to follow the general Government policy of favoring veterans in disposal of Government property.

In practice, however, it was found that the policy of giving outside veterans preference over nonveterans living in the housing created difficulties because it meant displacing many tenants. In the new law. the principle of sales to individuals who intended to occupy the dwellings was retained, but the order of preference was altered to give nonveteran occupants precedence over veterans who were not occupants.

Since some projects cannot be subdivided or sold on an individual structure basis, the law provided that such projects should be offered for sale either in sections or as entities. Each project offered for sale in this manner must be offered for a period of at least 90 days but not more than 6 months to groups of veterans organized on a mutual ownership or cooperative basis. In order to minimize tenant dislocation, such groups would be required to admit nonveteran occupants to their group on a parity basis. If no preferred group purchases the project, it may be offered for sale to investors.

As a further aid to prompt disposition, the law authorized sales to be made either for cash or on terms. If terms were allowed, full payment was to be made to the Government within a period of not more than 25 years and at an interest of not less than 4 percent on unpaid balances.

The law also authorized permanent war housing projects to be transferred to local public housing agencies for use as low-rent housing for low-income families. This authority was made specific for 149 projects, containing about 44,000 units, which were listed in the law. These projects had been requested for this purpose by the localities concerned. Other projects could be requested for transfer within 60 days after enactment of the statute.

No project, whether listed or requested later, could be conveyed for low-rent use unless by December 31, 1950, the governing body of the locality requested the transfer and demonstrated that the project would meet a need for low-rent housing in the community. Furthermore, the local government must enter into a cooperation agreement with the local public housing agency by June 30, 1951. By the end of 1950, requests from local governing bodies had been submitted for 168 projects of 54,580 dwelling units.

Any projects which might be transferred to low-rent use under these terms would be operated as low-rent housing under the United States Housing Act for a period of 40 years. No annual contributions would be made to them, however, and all net income would be paid to the Government.

The question of what to do with temporary war housing was more complicated in many ways than the disposal of permanent war housing. While permanent housing could be sold without disturbing its occupants or decreasing the local housing supply, temporary housing was required by law to be removed, thus reducing the housing supply and dislocating all of the occupants. The Lanham Act had required that this removal be accomplished as soon as practicable and in the public interest. Later enactments set the removal date at January 1, 1951, except for such temporary housing as the Administrator, in consultation with the communities concerned, should find to be still needed in the orderly demobilization of the war effort. To complicate the matter further, the temporary housing was meant for short-term use and much of it already had remained in use beyond its anticipated life span. As a result, it was badly deteriorated. Because its continued use was uncertain, its seemed unwise to expend the large sums necessary to rehabilitate it, even though most of it continued to be fully occupied.

The provisions of the Housing Act of 1950 relating to disposal of temporary war housing were based on the conclusion that it would be desirable for the locality itself to determine whether such housing should be removed and, if so, when it should be done.

In general, the Housing Act of 1950 permitted the transfer of all the Government's rights in temporary structures to local governments or local housing authorities without reimbursement, except repayment to the Government for the cost of any federally owned land involved. In the case of projects located on leased land, the transferee would have to acquire the right of possession from the landowner. After a transfer is effected, responsibility for the eventual removal of the housing would rest entirely with the locality in which it was located.

Such transfers may not be feasible in some cases, either because the locality does not request the housing or because problems such as land acquisition make a transfer impracticable. In these cases, the

Government may sell the housing for housing or other use if the local government approves.

It was anticipated that these two methods of disposing of temporary housing might not relieve the Government of the entire stock. It would still be faced with the problem of removing the remainder as soon as practicable without causing undue hardship to the occupants or their communities. To accomplish this, the new law established a procedure for gradually vacating the temporary projects, thus making them available for removal. After July 1, 1951, no further vacancies in temporary housing may be filled except by tenants transferred from other temporary housing in the area which is being closed in preparation for removal. On or before March 31, 1952, all remaining tenants are to be given notices to vacate by July 1, 1952, to be followed promptly by eviction of those who do not move out voluntarily. As soon as the structures are vacant, they are to be removed.

Veterans' Reuse Housing

In addition to temporary war housing, PHA had under its jurisdiction veterans' reuse housing which also was temporary. It consisted of various kinds of temporary structures from Government surplus stocks which were turned over to local governments, local public bodies, nonprofit organizations, and educational institutions for conversion into temporary dwellings for veterans and their families. A total of 266,727 accommodations were programmed in this way, some of them dormitory accommodations for single veterans and the remainder family units for married veterans.

The program was authorized by Title V of the Lanham Act, adopted in 1945 and 1946. The Lanham Act's provisions calling for removal of temporary housing applied to veterans' reuse housing just as to temporary war housing. Although title to the veterans' accommodations was held by the local sponsors of the projects, the Government did retain some interest in them, principally in its right to receive net revenues from the housing and its concern with the operation of the housing for the benefit of distressed veterans.

The difficulties involved in removing temporary war housing also were present in the veterans' reuse program. Even though the Government's interest in the veterans' housing was less direct than in war housing, it soon appeared desirable to relieve the Government of its administrative responsibilities and its obligation to enforce the removal provisions of the Lanham Act.

The first step toward this end was taken in 1948 with passage of the McGregor Act (P. L. 796, 80th Cong.). This act authorized the Government, upon the request of the institutions, to relinquish without compensation all its interests in veterans' housing operated by educational institutions on lands which they owned or controlled. It also provided that the institutions could be released from the removal requirements of the Lanham Act if the local governing body in the locality consented. A total of 127,332 accommodations were eligible for relinquishment under this law. Requests for transfers were received from institutions operating 98 percent of the eligible accommodations and 125,133 accommodations in 1,067 projects at 710 educational institutions were transferred.

A year later, similar arrangements for obtaining relinquishments of the Government's interest in veterans' housing were made available to States, counties, cities, or other public bodies operating such projects through a provision of the Independent Offices Appropriation Act for 1950 (P. L. 266, 81st Cong., approved August 24, 1949). A total of 82,096 accommodations were eligible for transfer under this law and requests were received for 92.7 percent of them. Relinquishments were approved for 76,091 accommodations in 920 projects operated by 775 local bodies.

The provisions of the Housing Act of 1950 relating to disposition of temporary housing applied to the remaining veterans' reuse housing as well as to temporary war housing. Thus local sponsors who had not previously obtained relinquishments were once again enabled to do so without compensation if they owned or controlled the land underlying their projects. In those cases in which the Government had an interest in the land, the local sponsors could acquire full control of the housing by reimbursing the Government for the cost of the land. Furthermore, the question of when to remove the structures would be left to local determination.

Figure 3.—Disposition of veterans' reuse housing as of Dec. 31, 1950

	Accommodations
Total provided	266,727
Disposed of	230,151
Under McGregor Act	125,133
Under Independent Offices Appropriation Act, 1950	76,091
Under Housing Act of 1950	2,542
Otherwise	26,385
Remaining for disposition	36,576

Emergency Halts Disposition

The international crisis at midyear brought about a rapid reevaluation of efforts to dispose of war and veterans' housing. It was evident that this housing was a public resource that might be of inestimable value in a period of mobilization for defense. To protect this resource from depletion, the Administrator of the Housing and Home Finance Agency on August 16 ordered an immediate suspension of most disposition activities.

This action was taken in conformance with the President's directive to the heads of several Government agencies concerning "the use of materials and other resources needed for the defense effort." The major purpose of the suspension was to retain Government control over the approximately 345,000 units of Lanham Act housing still under Federal jurisdiction at the time. This continued control would enable the Government to utilize the housing for any defense requirements that might develop and to set admission policies giving all possible priorities to families of defense workers and military personnel.

The order affected disposition activities in several ways. Sales of permanent projects were halted, except for a few cases in which binding commitments to sell were in effect and for some remainders of projects which had been partially sold earlier. PHA would continue to receive applications from localities for permanent projects to be used as low-rent housing, but no actual transfers were to be made except under future relaxations of the suspension order.

The order also halted the demolition and removal of vacant temporary structures. These the PHA would retain in custodial status for possible future use, although exceptions might be made on a case basis. Furthermore, it was determined that PHA should continue to hold vacant land owned or leased by the Government and acquired in connection with war housing. This land might prove useful for defense purposes, particularly those sites on which improvements such as streets or underground utilities already were in place.

It was decided to continue receiving applications from those groups and bodies eligible to receive transfers of temporary war and veterans' housing located on lands in which the Government had an interest in order to protect the rights of the applicants under the law. Since the actual transfers were at the discretion of the Administrator, however, none would be completed for the time being. In the case of those temporary projects on land owned or controlled by the applicants, however, it was mandatory under the law for the Government to complete the transfers.

Management Changes for Defense

Shortly after issuance of the disposition suspension order, PHA took other steps to adapt its World War II housing programs to the new emergency situation. These steps provided for amending admission policies on a case basis to favor defense workers and for reopening inactive temporary projects to active use by defense workers.

Under previous policies, preference in admission to active war housing projects was given to distressed veterans and servicemen. This policy had been adopted in the early postwar period in keeping with the veterans' preference principles expressed in Title V of the Lanham Act.

The new admission policy allowed the relaxation of this eligibility requirement on a project basis in one of three ways. Depending upon the urgency of the need for housing in-migrant defense workers in a given locality, such workers could be granted the same preference extended to veterans and servicemen or they could be given a higher priority, or all or part of the vacancies occurring in a project could be reserved for the exclusive use of defense workers.

Requests for putting any of these alternatives into effect might be initiated either by local industries engaged in defense production or by one of the armed services. If an industry engaged in defense work initiated the request, it would be asked to support its request by demonstrating that its defense activities required recruiting workers outside the local labor market for whom private housing was not available and to indicate the volume of in-migrant labor that would require housing. An endorsement of the request by the defense procurement agency would also be necessary. If one of the armed services initiated a request in behalf of its civilian employees and uniformed personnel, similar data on need would be necessary.

It was foreseen that in some instances it might be desirable to continue temporary housing in active use in anticipation of a future defense need, even though that need had not yet developed. In such cases, eligibility requirements could be relaxed to permit admission of distressed families other than those of veterans if it could be shown that there was an acute housing shortage in the area which was not being met by private enterprise.

Temporary housing not in active use could be reactivated in whole or in part wherever it was essential to new defense needs. Reopening such projects would not be considered, however, unless it was proposed to reserve all of the reactivated units for the exclusive use of persons engaged in defense activities.

Other Emergency Programs

The other PHA programs in the emergency programs category—the homes conversion program and the Greentowns and subsistence homesteads program—were small and had less potential usefulness as adjuncts of the defense effort.

The homes conversion program, inaugurated by the Home Owners' Loan Corporation and transferred to PHA's predecessor agency in

1942, consisted of privately owned properties leased by the Government and converted into dwellings for war workers. Most leases were made for a period of 7 years. Since the end of World War II, PHA had followed the policy of terminating the leaseholds in advance of expiration wherever a satisfactory settlement could be obtained. Others were being ended through normal expiration of the lease period.

A total of 8,842 properties were leased in this program and converted to 49,565 dwelling accommodations. By the start of 1950, the program had been reduced to 2,443 leaseholds with 16,154 units. Of these, 2,173 leaseholds covering 13,917 units were terminated during the year, leaving 270 leaseholds with 2,237 units for future disposition. Most of these leaseholds expire during 1951.

The Greentowns and subsistence homesteads program, originated in the 1930's, was administered by the Farm Security Administration until 1942. The program consisted of three planned suburban communities—Greenbelt, Md., Greendale, Wis., and Greenhills, Ohio—and a group of subsistence homesteads projects.

Title to the corporate area of Greenhills, Ohio, was transferred early in 1950 to the Greenhills Home Owners Corporation, a nonprofit cooperative group composed primarily of veterans and tenants of the community. The project was sold under the provisions of a special statute governing the disposition of these communities (P. L. 65, 81st Cong., approved May 19, 1949). The purchase price of $3,511,300 covered a total of 610 acres of land, 680 urban dwelling units, a commercial building, a management building, and a service station. The transaction was a term sale, as authorized by Public Law 65, with a 10 percent down payment and the balance amortized over 25 years at 4 percent interest.

Negotiations had begun with prospective purchasers of Greenbelt and Greendale, but this work was halted, at least temporarily, by the suspension of disposition activities. The Administrator of the Housing and Home Finance Agency will determine whether the sale of these communities may proceed in the light of defense needs. Greendale consists of 633 units and Greenbelt includes 877 units in its original portion and 1,000 units of permanent Lanham Act war housing.

Five subsistence homesteads units were sold during 1950. The 18 units at four sites remaining for disposition were under sales contract.

Chapter IV

BUDGET AND ADMINISTRATION

The general pattern of administrative organization within PHA had been established in 1949, shortly after passage of the Housing Act of 1949. It was characterized by decentralization of authority, with the responsibility for exercising a large majority of the agency's powers vested in its field staff. This organizational form was adopted in recognition of the fact that most of the agency's work involves close relationships with local public bodies.

This pattern was continued unchanged throughout 1950. Twelve field offices were maintained, each with jurisdiction over PHA's activities in a group of contiguous States. The offices were located in Boston, Mass.; New York City, N. Y.; Philadelphia, Pa.; Detroit, Mich.; Chicago, Ill.; Richmond, Va.; Atlanta, Ga.; Fort Worth, Tex.; San Francisco, Calif.; Los Angeles, Calif.; Seattle, Wash.; and San Juan, P. R.

Coordination of field operations was supervised by three field operations divisions in the Washington central office, each with responsibility for a geographic area. Area A included the territory under the Boston, New York, Philadelphia, Detroit, and San Juan field offices. Area B covered the territory handled by field offices in Richmond, Atlanta, and Fort Worth, and Area C included the territory covered by the field offices in Chicago, Los Angeles, San Francisco, and Seattle.

Management Improvement Program

With a basic pattern of organization suited to its current responsibilities well established, PHA devoted considerable attention during the year to improving internal management. In June 1950, a committee was established by the Commissioner to take the lead in identifying areas in which improvements could be made and to carry out studies aimed at producing specific recommendations for improvements. The membership of this group included four assistant commissioners who were heads of principal central office divisions and the heads of two major staff facilities, the administrative planning branch and the budget branch. Similar management improvement groups were established in each field office, headed by the field office director and including two key staff or operating officials of his choice.

The committee completed a dozen projects during the year on a wide variety of management problems. Each resulted in recommendations which were put into effect promptly, often with a saving in manpower. The projects completed during the year included a study of the administrative purchasing and stores function, a reorganization of the office services branch, a survey of payroll activities which resulted in simplified procedures and a 29 percent saving in staff needed, a survey of field operations coordination, a study of the personal property function in the central office, and an evaluation of land rental adjustment activities. Two projects relating to war housing disposition were completed, one dealing with disposition operations in general, and the other directed at establishment of an efficient mortgage servicing program. The suspension of disposition work as a result of the defense emergency, however, resulted in deferring adoption of the recommendations in these two projects.

Still other management improvement projects were being carried on at the end of the year. These included simplification of procedures in the low-rent housing program for small urban and rural nonfarm programs, development of comprehensive employee orientation programs, a survey of the production and document control function and studies of war housing land records, the internal reporting system, and the voucher examination function.

Budget and Employment

The agency's budget for administrative expenses in the fiscal year which ended on June 30, 1950, had been $8,054,600. After passage of the Housing Act of 1949, a supplemental appropriation of $4,250,000 had been made, making a total of $12,304,600 available during the year for administrative expenses. The budget for the fiscal year which began on July 1, 1950, provided a total of $15,024,000 for administrative expenses. This amount was made up of an authorization to spend $6,024,000 from the proceeds of the various programs and $9,000,000 in appropriated funds (General Appropriation Act, 1951, P. L. 759, 81st Cong., approved September 6, 1950).

PHA full-time administrative employment showed an over-all increase of about 16 percent during 1950, attributable to the increasing volume of work in the low-rent public housing program which more than offset the decrease resulting from lessened disposition activities. The employment rose steadily during early months of the year, but in the second half there was a slight downward trend.

At the start of the year, there were 2,007 full-time administrative employees, 1,285 of them in the central office including those engaged in a number of centralized functions such as accounting and statistics. By the end of the year, total administrative employment had risen by 334 to 2,341. The proportion of all administrative employees in Washington had declined, however, from 64 percent at the beginning of the year to 52 percent at the end of the year. The year closed with 1,225 administrative employees in the central office and 1,116 in the field offices.

TABLE 1.—*Number of dwelling units owned or supervised by the Public Housing Administration*[1] *by program as of Dec. 31, 1950*

Program	Total: Number	Total: Net change since Dec. 31, 1949	Federally owned	Locally owned
Total	647, 665	+31, 401	360, 605	287, 060
Active	620, 279	+28, 162	333, 219	287, 060
Veterans' reuse housing	36, 576	−35, 068	1, 587	[2] 34, 989
Under management	36, 383	−33, 247	1, 587	34, 796
Under construction	191	−1, 555		191
Not under construction	2	−73		2
Public war housing (Lanham constructed)	277, 752	−19, 631	277, 752	
Homes conversion	2, 237	−13, 917	2, 237	
United States Housing Act	302, 146	+97, 274	50, 075	252, 071
Under management	201, 736	+10, 110	50, 075	151, 661
Under construction	31, 507	+29, 808		31, 507
Not under construction	68, 903	+57, 356		[3] 68, 903
Public Law 171	101, 657	+88, 219		101, 657
Public Law 412	118, 649	[4] +142	10, 840	107, 809
Public Law 671	50, 594	−693	7, 989	42, 605
PWA	21, 640		21, 640	
Farm labor camps	9, 606	([5])	9, 606	
Subsistence homesteads and Greenbelt towns	1, 568	−689	1, 568	
Inactive—public war housing (Lanham constructed)	18, 335	+3, 533	18, 335	
Deferred—United States Housing Act	9, 051	−291	9, 051	

[1] Excludes units which have been sold to mutual housing associations, limited dividend corporations (PWA) and homesteads 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] Includes 1,423 rural farm units not yet built but which are parts of active rural projects.
[4] Reflects reclassification to Public Law 412 of 146-unit project previously classified under Public Law 171.
[5] Farm labor camp program was transferred to the Public Housing Administration on June 30, 1950.

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, 1950*

State	Total program		Veterans' reuse housing		War housing [2]		USHA [3]		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	2,382	620,279	278	36,576	1,020	279,989	1,077	302,146	7	1,568
Alabama	68	15,878	5	742	30	7,523	33	7,613		
Arizona	46	6,203	2	123	31	3,715	13	2,365		
Arkansas	20	2,729	3	423	2	274	15	2,032		
California	387	118,245	48	8,527	211	75,533	128	34,185		
Colorado	15	2,755	2	565	3	242	10	1,948		
Connecticut	75	18,807	4	412	50	10,678	21	7,717		
Delaware	7	1,997			5	1,617	2	380		
Florida	73	14,927	4	373	20	3,617	49	10,937		
Georgia	97	19,945	7	665	18	4,940	72	14,340		
Idaho	10	858	1	28	5	410	4	420		
Illinois	73	18,170	9	795	14	1,993	50	15,382		
Indiana	45	8,026	10	1,088	17	3,311	18	3,627		
Iowa	11	1,934	7	1,063	4	871				
Kansas	13	6,224	1	52	12	6,172				
Kentucky	30	7,199	3	66	2	335	25	6,798		
Louisiana	35	10,385	3	172	6	1,014	26	9,199		
Maine	13	1,929			13	1,929				
Maryland	51	18,721			30	11,101	20	6,743	1	877
Massachusetts	46	13,342	9	453	12	2,614	25	10,275		
Michigan	77	25,772	6	507	56	16,982	15	8,283		
Minnesota	7	1,661	2	133	1	32	4	1,496		
Mississippi	34	4,710	3	565	8	1,802	22	2,342	1	1
Missouri	12	3,635	7	1,192	1	84	4	2,359		
Montana	12	977	1	50	5	284	6	643		
Nebraska	13	2,944			8	1,466	5	1,478		
Nevada	17	1,856	4	154	12	1,602	1	100		
New Hampshire	4	1,195			4	1,195				
New Jersey	96	21,085	17	1,123	15	4,149	63	15,805	1	8
New Mexico	10	703	3	178	6	447	1	78		
New York	69	43,961	20	5,597	17	5,058	32	33,306		
North Carolina	49	9,464	2	173	15	3,229	32	6,062		
North Dakota	2	90	2	90						
Ohio	112	32,268	17	2,201	56	14,576	38	15,451	1	40
Oklahoma	8	1,219	5	504	1	281	2	434		
Oregon	48	8,962	6	225	36	7,777	6	960		
Pennsylvania	135	38,262	1	27	73	20,923	61	17,312		
Rhode Island	14	4,196	3	128	2	800	9	3,268		
South Carolina	36	6,425	2	195	13	2,627	21	3,603		
South Dakota	2	90	1	30	1	60				
Tennessee	49	12,726	4	864	7	1,273	37	10,581	1	8
Texas	167	29,771	17	1,528	42	10,598	108	17,645		
Utah	16	3,291	2	205	14	3,086				
Vermont	6	660	3	337	3	323				
Virginia	57	23,651	4	596	30	17,766	22	5,288	1	1
Washington	84	24,313	6	520	67	19,927	11	3,866		
West Virginia	20	1,934	8	358			12	1,576		
Wisconsin	13	3,713	4	623	4	828	4	1,629	1	633
Wyoming	9	852	2	54	7	798				
Dist. of Columbia	31	6,934	2	898	17	2,525	12	3,511		
Alaska	12	355			12	355				
Hawaii	13	4,122	6	1,974	2	1,247	5	901		
Puerto Rico	32	10,082					32	10,082		
Virgin Islands	1	126					1	126		

[1] See footnote, table 1.
[2] Consists of public war housing (Lanham constructed) and homes conversion programs.
[3] Includes PWA and farm labor camp projects.

TABLE 3.—*Disposition responsibility of the Public Housing Administration: Total number of dwelling units and number disposed of, by program, type of structure and accommodation, and method of disposition, Dec. 31, 1950*

Program	Total disposition responsibility	Disposed of							
		Total	Veterans' reuse	Sale	Reuse war housing	Lease cancellation	Transfer to other agencies	Demolition	Other
Total	981,873	645,405	105,824	109,146	58,854	54,497	261,027	9,240	46,817
Public war housing (Lanham constructed)	627,683	331,596	100,027	80,177	58,454	6,800	56,517	9,240	20,381
Family dwelling	527,057	236,826	58,383	62,660	47,880	273	42,370	6,652	18,608
Permanent	147,062	29,232	...	16,211	843	30	12,079	...	69
Demountable	24,872	24,872	598	17,484	4,051	...	2,357	...	382
Temporary and stop-gap	354,505	182,275	57,777	28,897	42,986	...	[1]27,806	6,652	18,157
Converted (by PHA)	618	447	8	68	...	243	128	...	...
Dormitory	100,626	94,770	41,644	17,517	10,574	6,527	14,147	2,588	1,773
Permanent	1,670	1,452	...	1,246	...	206	...	...	...
Temporary and stop-gap	91,222	85,584	41,644	15,646	10,574	...	13,383	2,588	1,749
Converted (by PHA)	7,734	7,734	...	625	...	6,321	764	...	24
Veterans' reuse	266,727	230,151	...	...	...	...	[2]203,766	...	26,385
Homes conversion	49,565	47,328	...	...	...	47,328	...	...	...
Subsistence homesteads and Greenbelt towns	5,419	3,851	...	3,824	...	...	7	...	20
United States Housing Act	4,456	4,456	...	3,816	400	...	209	...	31
Defense Homes Corporation	11,489	11,489	...	10,592	...	369	528	...	...
Surplus Property Act	16,534	16,534	5,797	10,737	...	...	...	...	...

[1] Includes 272 units relinquished under the permissive provisions of the Housing Act of 1950.
[2] Includes 125,133 units transferred to educational institutions under the provisions of the McGregor Act; 76,091 units transferred to public bodies under the Independent Offices Appropriation Act, 1950: and 2,542 units under the Housing Act of 1950.

TABLE 4.—*Urban and rural nonfarm program under Public Law 171: Number of dwelling units included in reservations, preliminary loan contracts authorized and covered by approved sites, annual contributions contracts and under construction by State, as of Dec. 31, 1950*

State	Dwelling units				
	Reserved	Preliminary loan authorized	Site selection approved	Annual contributions contract approved [1]	Placed under construction [1]
Total	312,439	291,015	165,353	90,293	31,723
Alabama	10,728	10,728	5,326	2,406	1,448
Arizona	1,670	1,670	604	484	----
Arkansas	1,895	1,895	886	1,108	922
California	22,875	20,783	19,593	19,972	1,115
Colorado	2,500	2,500	1,000	1,000	600
Connecticut	3,714	3,604	2,644	1,484	784
Delaware	380	380	380	----	----
District of Columbia	4,000	4,000	1,980	364	----
Florida	5,445	5,445	1,931	1,308	1,308
Georgia	12,602	12,540	6,693	3,670	1,635
Idaho	275	275	----	75	75
Illinois	28,638	27,834	6,648	1,969	565
Indiana	4,150	3,475	1,175	372	----
Iowa [2]	----	----	----	----	----
Kansas [2]	----	----	----	----	----
Kentucky	5,425	5,425	4,383	2,445	826
Louisiana	6,150	6,075	2,809	3,395	686
Maine	50	50	50	----	----
Maryland	5,795	5,795	2,697	1,446	----
Massachusetts	9,585	8,975	7,563	2,362	508
Michigan	12,399	12,399	5,693	3,104	830
Minnesota	4,070	4,070	3,107	1,032	832
Mississippi	1,585	1,445	935	204	104
Missouri	8,700	7,800	3,370	1,044	704
Montana	150	150	150	110	----
Nebraska	1,400	1,400	500	400	400
Nevada	250	250	100	100	----
New Hampshire	400	400	200	----	----
New Jersey	14,165	13,440	9,346	6,780	2,348
New Mexico	----	----	----	78	----
New York	30,529	30,269	27,267	14,630	5,288
North Carolina	6,755	6,555	3,822	3,093	1,143
North Dakota	----	----	----	----	----
Ohio	19,720	10,650	----	----	----
Oklahoma [2]	----	----	----	----	----
Oregon	2,594	2,570	149	60	----
Pennsylvania	23,330	23,030	12,109	4,024	740
Rhode Island	2,045	2,045	1,467	1,340	398
South Carolina	2,845	2,845	1,418	1,056	408
South Dakota	----	----	----	----	----
Tennessee	8,792	8,567	4,950	3,620	1,516
Texas	20,286	17,533	9,122	6,530	1,100
Utah [2]	----	----	----	----	----
Vermont	----	----	----	----	----
Virginia	8,330	8,330	3,622	2,288	428
Washington	2,544	1,283	391	150	150
West Virginia	1,038	500	450	20	----
Wisconsin	3,560	3,560	1,386	726	726
Wyoming [2]	----	----	----	----	----
Alaska	325	325	325	----	----
Hawaii	900	800	560	540	150
Puerto Rico	9,500	9,000	8,552	4,414	3,986
Virgin Islands	350	350	----	----	----

[1] Includes reactivated.
[2] No enabling legislation.

TABLE 5.—*Urban and rural nonfarm program under Public Law 171: Number of reservations issued, places with preliminary loans authorized, projects with approved sites and annual contributions contracts, and number under construction by State, as of Dec. 31, 1950*

State	Reservations	Places with preliminary loan authorized	Projects		
			Site selection approved	Annual contributions contract approved [1]	Placed under construction [1]
Total	729	660	745	405	146
Alabama	57	57	43	13	8
Arizona	5	5	5	3	----------
Arkansas	7	7	5	7	5
California	82	67	71	70	6
Colorado	1	1	4	4	2
Connecticut	15	14	10	4	2
Delaware	1	1	2	----------	----------
District of Columbia	1	1	6	2	----------
Florida	17	17	15	9	9
Georgia	72	69	73	34	21
Idaho	2	2	----------	1	1
Illinois	49	39	48	16	5
Indiana	7	6	8	3	----------
Iowa [2]	----------	----------	----------	----------	----------
Kansas [2]	----------	----------	----------	----------	----------
Kentucky	16	16	24	9	3
Louisiana	9	8	9	13	6
Maine	1	1	1	----------	----------
Maryland	5	5	11	7	----------
Massachusetts	20	17	21	8	1
Michigan	17	17	12	7	5
Minnesota	8	8	11	3	2
Mississippi	10	9	11	3	2
Missouri	3	2	5	2	1
Montana	3	3	3	2	----------
Nebraska	2	2	3	2	2
Nevada	2	2	1	1	----------
New Hampshire	1	1	1	----------	----------
New Jersey	34	31	48	30	10
New Mexico	----------	----------	----------	1	----------
New York	14	13	36	11	4
North Carolina	22	21	27	17	9
North Dakota	----------	----------	----------	----------	----------
Ohio	15	4	----------	----------	----------
Oklahoma [2]	----------	----------	----------	----------	----------
Oregon	13	12	4	1	----------
Pennsylvania	37	36	47	15	3
Rhode Island	3	3	4	4	2
South Carolina	9	9	8	6	4
South Dakota	----------	----------	----------	----------	----------
Tennessee	19	19	23	16	7
Texas	89	79	95	60	14
Utah [2]	----------	----------	----------	----------	----------
Vermont	----------	----------	----------	----------	----------
Virginia	9	9	12	8	1
Washington	15	14	4	1	1
West Virginia	3	1	1	1	----------
Wisconsin	6	6	5	1	1
Wyoming [2]	----------	----------	----------	----------	----------
Alaska	4	4	4	----------	----------
Hawaii	2	1	2	3	2
Puerto Rico	21	20	22	7	7
Virgin Islands	1	1	----------	----------	----------

[1] Includes reactivated projects.
[2] No enabling legislation.

TABLE 6.—*Consolidated statement of investment of the United States Government, for the fiscal year ended June 30, 1950* [1] [2]

	Total	United States Housing Act program [3]	Public war housing program	Homes conversion program	Veterans reuse housing program	Subsistence homestead and Greenbelt towns program
Interest bearing investment:						
Notes (held by United States Treasury)	$349,000,000	$349,000,000				
Noninterest bearing investment:						
Capital stock issued to Secretary of the Treasury	1,000,000	1,000,000				
Appropriations for:						
Development	2,123,836,398		$1,590,168,366	$90,182,756	$443,485,276	
Administrative expenses	4,250,000	4,250,000				
Lapsed appropriations	65,759				65,759	
Assets transferred from other government agencies	329,908,455	149,221,653	115,778,190		2,212,690	$62,695,922
Assets transferred from other programs	[4] 7,264,846			193,966	7,070,605	275
Reserve for expenses of disposition of properties	10,302,451		9,741,948	197,680	362,823	
Total noninterest bearing investment	2,476,627,909	154,471,653	1,715,688,504	90,574,402	453,197,153	62,696,197
Total investment	2,825,627,909	503,471,653	1,715,688,504	90,574,402	453,197,153	62,696,197
Reduction of investment:						
Assets transferred to other government agencies	196,074,513		194,397,560	3,952	70,073	1,602,928
Assets transferred to other programs	[4] 2,070,511		2,009,231	32,458		28,822
Unobligated net revenues withheld for reserve for expenses of disposition of properties	10,302,451		9,741,948	197,680	362,823	
Deposits to general fund receipts	358,130,762		291,270,187	29,012,223	25,230,559	12,617,793
Deficits	631,638,356	4,585,074	133,861,497	59,996,465	409,507,780	23,687,540
Total reduction of investment	1,198,216,593	4,585,074	631,280,423	89,242,778	435,171,235	37,937,083
Net investment of United States Government	1,627,411,316	498,886,579	1,084,408,081	1,331,624	18,025,918	24,759,114

[1] The comments and notes appearing in table 33 are an integral part of this statement.
[2] Excludes programs previously administered by the Public Housing Administration but which have been liquidated.
[3] Excludes unexpended balance of $604,515 of appropriations for annual contributions as follows:

Net appropriations available	$71,643,566		
Less payments and obligations	71,098,646		
		$544,920	
Lapsed appropriation, fiscal year 1948		59,595	
			$604,515

[4] The difference of $5,194,335 between assets transferred from other programs ($7,264,846) and assets transferred to other programs ($2,070,511) consists of land, buildings transferred to the veterans reuse housing program from the surplus property act program, the latter of which is not reflected on this statement ($5,062,457); and the transfers of stores inventories, personal property and equipment between programs, which are reconcilable, but, in accordance with existing accounting procedures, are not recorded in the accounts of both the transferring and receiving programs ($131,878).

TABLE 7.—*United States Housing Act program, balance sheet, as of June 30, 1950* [1]

ASSETS

Cash with United States Treasury			[2] $7, 846, 397
Accounts receivable:			
Department of Agriculture		$1, 000	
Local authorities		1, 452, 124	
Tenants—less allowance for losses		6, 596	
Returnable insurance premiums		22, 387	
Other		52, 608	
			1, 534, 715
Advances:			
Local authorities:			
Management	$43, 386		
Development	147, 343		
		190, 729	
Other		58, 736	
			249, 465
Accrued interest receivable:			
Interest receivable		2, 985, 363	
Less allowance for losses		100, 000	
			2, 885, 363
Loans and investments:			
Local authority and other		304, 953, 255	
Less allowance for losses		650, 000	
			304, 303, 255
Land, structures and equipment:			
Development costs		[3] 223, 947, 288	
Less allowance for depreciation		31, 836, 711	
			192, 110, 577
Deferred charges—prepaid insurance			9, 341
Annual leave accrued (contra)			986, 159
Total			509, 925, 272

See footnotes at end of table.

TABLE 7.—*United States Housing Act program, balance sheet, as of June 30, 1950* [1]—Continued

LIABILITIES

Accounts payable:			
Public war housing program		$7,575	
Local authorities:			
Annual contributions for payments in lieu of taxes, locally owned projects	$2,430,818		
Deficits, leased projects	258,727		
Development costs	21,147		
		2,710,692	
Other		22,299	
			$2,740,566
Accrued liabilities:			
Salaries and wages		21,224	
Payments in lieu of taxes:			
Leased projects	619,466		
Directly operated projects	87,417		
		706,883	
			728,107
Appropriations for annual contributions (Fiscal Years 1941–50 inclusive):			
Local authorities:			
Net appropriations available	71,643,566		
Less payments and obligations	71,098,646		
		544,920	
Lapsed appropriation, fiscal year 1948		[2] 59,595	
			604,515
Deferred credits—prepaid rents			3,752
Total liabilities			4,076,940
Accrued annual leave (contra)			986,159

See footnotes at end of table.

TABLE 7.—*United States Housing Act program, balance sheet, as of June 30, 1950* [1]—Continued

RESERVES			
Project operations		$5, 860, 956	
Project operating improvements		50, 638	
Losses on guaranteed loans		[4] 64, 000	
			$5, 975, 594
INVESTMENT OF THE UNITED STATES GOVERNMENT			
Interest bearing investment:			
Notes payable to United States Treasuary, 1⅞ percent, due June 30, 1953		[5] 349, 000, 000	
Noninterest bearing investment:			
Capital stock issued to Secretary of the Treasury	$1, 000, 000		
Assets transferred from other Government agencies (net)	149, 221, 653		
		150, 221, 653	
Total investment		499, 221, 653	
Reduction of investment:			
Deficit:			
Deficit from operations	4, 585, 074		
Less appropriation for administrative expenses	4, 250, 000		
		335, 074	
Net investment of United States Government			498, 886, 579
Total			509, 925, 272

[1] The comments and notes appearing in table 33 are an integral part of this statement.

[2] Includes $59,595 of appropriation for annual contributions during fiscal year 1948 which lapsed June 30, 1950, and was returned to the United States Treasury October 1950.

[3] Includes 39 farm labor camp properties transferred from the Department of Agriculture pursuant to the provisions of sec. 205 of the housing act of 1950 (P. L. 475, 81st Cong.) with land stated as valued by the transferor and structures and equipment stated at nominal values of $2.00 for each camp.

[4] This reserve is provided for possible losses arising from the guarantee by the Public Housing Administration of financing of rural farm low-rent projects by private investors.

[5] See table 10 for data pertaining to the borrowing authority of the Public Housing Administration and the commitments to local authorities to finance or guarantee the financing of the development of low-rent housing projects.

NOTE.—This balance sheet and accompanying statements do not give effect to, nor have there been recorded in the books of account, certain funds in connection with the transfers of farm labor camps and related assets from Department of Agriculture, as of June 30, 1950, as follows:

(a) Proceeds from the disposition of farm labor camps by the Department of Agriculture prior to the transfer date in the amount of $295,789 which were deposited in the general fund of the United States Treasury. In accordance with a decision of the Comptroller General of the United States, dated Sept. 27, 1950, these funds became available to the Public Housing Administration.

(b) An unobligated balance of $169,168 withheld by the Department of Agriculture for the settlement of claims and undisclosed obligations existing at the transfer date.

TABLE 8.—*United States Housing Act program, statement of income and expenses for the fiscal year ended June 30, 1950*[1]

MANAGEMENT

Income:		
Net operating income before interest, depreciation, and adjustment of reserves:		
Directly operated projects—PWA	$152, 934	
Leased projects	2, 516, 179	
		$2, 669, 113
Interest earned:		
On obligations of local authorities	7, 602, 775	
On mortgage loan notes	35, 986	
		7, 638, 761
Technical service fees		84, 695
Miscellaneous		363
Total income		10, 392, 932
Expenses:		
Administrative expenses		[2] 6, 284, 600
Cost of technical services		41, 627
Collection losses:		
Provision for losses on loans—local authority obligations	$34, 835	
Provision for losses on accrued interest—local authority obligations	31, 203	
		66, 038
Interest on borrowings from United States Treasury:		
Applicable to leased projects	1, 700, 265	
Loaned to local authorities	4, 640, 446	
		6, 340, 711
Depreciation of structures and equipment:		
Directly operated projects	184, 792	
Leased projects	3, 288, 617	
		3, 473, 409
Adjustment of project reserves:		
Directly operated projects	3, 564	
Leased projects	[3] 24, 378	
		[3] 20, 814
Total expenses		16, 185, 571
Net management loss		5, 792, 639

[1] The comments and notes appearing in table 33 are an integral part of this statement.
[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] Indicates negative item.

TABLE 8.—*United States Housing Act program, statement of income and expenses for the fiscal year ended June 30, 1950*—Continued

PROPERTY DISPOSITIONS

Cost:		
Book values:		
Property sold	$6, 183, 140	
Less allowance for depreciation	485, 973	
Net book values	5, 697, 167	
Direct disposition expenses	140	
Total costs and direct disposition expenses	5, 697, 307	
Proceeds from sales of property	5, 690, 980	
Net loss on property dispositions		$6, 327
Total net loss for the fiscal year ended June 30, 1950		5, 798, 966

ANALYSIS OF SURPLUS

Deficit:		
Balance at beginning of fiscal year		[4] 1, 427, 289
Adjustments to beginning balance:		
Management	2, 468, 674	
Disposition	4, 147	
Administrative	168, 360	
Total		2, 641, 181
Adjusted balance		1, 213, 892
Net loss for the fiscal year ended June 30, 1950		[4] 5, 798, 966
Deficit, June 30, 1950		[4] 4, 585, 074

[4]Or deficit.

TABLE 9.—*United States Housing Act program, statement of sources and application of funds, for the fiscal year ended June 30, 1950*

FUNDS PROVIDED

By realization of assets:		
Sales of property		$552,980
Repayment of loans:		
Local authority obligations:		
"B" bonds	$984,000	
Advance loan notes	3,467,815	
Mortage loan notes—Juniata Park Housing Corporation (a limited dividend corporation)	33,000	
		4,484,815
Total realization of assets		5,037,795
By income:		
Rentals:		
Directly operated projects	838,561	
Leased projects	2,516,179	
Interest	7,638,761	
Technical service fees	84,695	
Miscellaneous	363	
Proceeds from casualty claims	1,776	
Total income		11,080,335
By borrowings from United States Treasury		12,000,000
By appropriations:		
Administrative expenses	4,250,000	
Annual contributions	6,651,550	
Total appropriations		10,901,550
By funds transferred from other Government agencies—Department of Agriculture		2,544,329
By net income applicable to prior years		65,763
Total funds provided		41,629,772

TABLE 9.—*United States Housing Act program, statement of sources and application of funds, for the fiscal year ended June 30, 1950*—Continued

FUNDS APPLIED

To acquisition of assets:		
Land, structures, and equipment—development costs		$879, 968
Purchase of local authority obligations:		
"B" bonds	$829, 000	
Advance loan notes	9, 147, 714	
Preliminary loan notes	9, 226, 273	
		19, 202, 987
Total acquisition of assets		20, 082, 955
To expenses:		
Operating expenses	665, 433	
Nonoperating expenses	18, 975	
Collection losses	1, 514	
Casualty losses—costs of replacements	1, 481	
Administrative expenses	6, 284, 600	
Cost of technical services	41, 627	
Interest expenses	6, 340, 711	
Disposition expenses	140	
Total expenses		13, 354, 481
To annual contributions		5, 737, 706
To deposits to general fund receipts		363
To increase in working capital		2, 454, 267
Total funds applied		41, 629, 772

TABLE 10.—*United States Housing Act program, statement of borrowing authority and financing commitments, for the fiscal year ended June 30, 1950*

BORROWING AUTHORITY

Authorized borrowings		$1, 500, 000, 000
Less notes payable to United States Treasury, 1⅞ percent, due June 30, 1953		349, 000, 000
Balance of borrowing authority		1, 151, 000, 000

FINANCING COMMITMENTS

Commitments financed by the Public Housing Administration, balance June 30, 1950:		
Obligation of local authorities:		
Loan notes	$18, 197, 560	
Mortgage notes	5, 138, 000	
Series "B" bonds	280, 723, 000	
Total	[1] 304, 058, 560	
Acquisition and development costs, Public Law 412 projects	53, 795, 559	
Contract development costs, Public Law 671 projects	42, 789, 262	
		400, 643, 381
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	230, 848, 000	
Commitments not financed	320, 552, 604	
		551, 400, 604
Total financing commitments		952, 043, 985

[1] In addition to the loans and series "B" bonds issued to and held by the Public Housing Administration in the amount of $304,058,560, local authorities had other loans and series "A" bonds outstanding at June 30, 1950, as follows:

Temporary loan notes (principal amount included in commitments of the Public Housing Administration)	$229, 556, 000
Series "A" bonds (not included in commitments; payable from annual contributions and project income)	133, 219, 500
Total	362, 775, 500

TABLE 11.—*Maximum development cost of all projects under the United States Housing Act, Dec. 31, 1950*

	Total all projects	Public Law 412				Public Law 671—active not permanently financed	Public Law 171—active not permanently financed
		Total	Active		Deferred		
			Permanently financed	Not permanently financed			
Maximum development cost of all projects	$1,893,028,587	$680,475,023	$463,497,836	$183,338,164	$33,639,023	$274,976,032	$937,577,532
Locally owned projects:							
Federal funds:							
Bonds purchased:							
Outstanding	280,385,000	280,385,000	280,385,000				
Retired	5,557,000	5,557,000	5,557,000				
Total bonds purchased	285,942,000	285,942,000	285,942,000				
Advance loan notes	54,620,360	8,237,599		7,208,127	1,029,472	63,453	46,319,308
Funds not yet advanced	593,820,611	87,173,583	6,339,048	52,142,024	28,692,511	19,890,582	486,756,446
Total Federal commitment	648,440,971	95,411,182	6,339,048	59,350,151	29,721,983	19,954,035	533,075,754
Non-Federal funds:							
Bonds issued:							
Outstanding	131,494,500	131,494,500	131,494,500				
Retired	38,756,500	38,756,500	38,198,500	558,000			
Total bonds issued	170,251,000	170,251,000	169,693,000	558,000			
Capital donations	2,082,303	2,082,303	1,523,788	558,515			
Temporary loan notes	306,107,110	56,037,000		55,064,000	973,000	209,165,110	10,905,000
Funds not yet advanced	379,355,167	15,758,389		12,814,349	2,944,040		363,596,778
Total non-Federal commitments	687,544,580	73,877,692	1,523,788	68,436,864	3,917,040	209,165,110	404,501,778
Maximum development costs—locally owned projects	1,792,178,551	625,481,874	463,497,836	128,345,015	33,639,023	229,119,145	937,577,532
Federally owned projects:							
Expenditures to date	96,960,881	53,820,800		53,820,800		43,140,081	
Funds not yet advanced	3,889,155	1,172,349		1,172,349		2,716,806	
Maximum development cost—Federally owned projects	100,850,036	54,993,149		54,993,149		45,856,887	

TABLE 12.—*Development cost and loans for locally owned projects under the United States Housing Act, Dec 31, 1950*

	Development cost [1]	PHA loan commitments	Outstanding loans of local authorities			
			From PHA	Temporary from others	Permanent from others	Total outstanding loans
All PHA-aided locally owned projects	$1, 761, 115, 310	$1, 210, 254, 810	$340, 143, 360	$282, 509, 000	$131, 494, 500	$754, 146, 860
Public Law 412 projects	608, 454, 151	[1] 420, 863, 418	293, 657, 811	56, 145, 000	131, 494, 500	481, 297, 311
Public Law 671 projects	216, 968, 759	[1] 216, 968, 759	166, 241	185, 567, 000	----------	185, 733, 241
Public Law 171 projects	935, 692, 400	[2] 572, 422, 633	[2] 46, 319, 308	40, 797, 000	----------	[2] 87, 116, 308
By State:						
Alabama	43, 104, 340	29, 789, 993	16, 344, 796	2, 087, 000	626, 000	19, 057, 796
Arizona	7, 824, 100	4, 904, 000	2, 347, 582	1, 052, 000	142, 000	3, 541, 582
Arkansas	14, 026, 918	11, 772, 526	2, 219, 574	2, 266, 000	30, 000	4, 515, 574
California	253, 107, 050	130, 685, 436	3, 532, 507	36, 852, 000	433, 000	40, 817, 507
Colorado	13, 347, 709	6, 915, 309	3, 559, 612	1, 237, 000	380, 000	5, 176, 612
Connecticut	42, 836, 357	34, 363, 763	16, 418, 000	7, 163, 000	5, 171, 000	28, 752, 000
Delaware	2, 000, 000	2, 000, 000	----------	1, 656, 000	----------	1, 656, 000
Florida	36, 269, 281	31, 836, 294	20, 038, 690	1, 924, 000	1, 022, 000	22, 984, 690
Georgia	63, 272, 027	43, 968, 846	26, 570, 716	1, 148, 000	7, 039, 000	34, 757, 716
Idaho	1, 357, 000	1, 212, 500	975, 439	----------	20, 000	995, 439
Illinois	69, 742, 793	55, 015, 996	12, 685, 300	29, 512, 000	977, 000	43, 174, 300
Indiana	11, 321, 821	9, 870, 721	7, 018, 380	809, 000	569, 000	8, 396, 380
Kentucky	43, 708, 000	30, 107, 400	12, 866, 224	1, 700, 000	5, 304, 000	19, 870, 224
Louisiana	69, 758, 743	47, 294, 643	27, 190, 188	7, 093, 000	2, 036, 000	36, 325, 188
Maryland	43, 119, 683	27, 478, 245	5, 808, 650	13, 700, 000	4, 953, 000	24, 461, 650
Massachusetts	52, 128, 640	36, 473, 440	16, 418, 302	15, 994, 000	7, 458, 000	39, 870, 302
Michigan	58, 992, 435	40, 720, 135	2, 915, 800	19, 803, 000	2, 580, 000	25, 298, 800
Minnesota	9, 731, 000	8, 757, 900	1, 370, 000	----------	----------	1, 370, 000
Mississippi	10, 391, 413	8, 446, 213	4, 789, 457	1, 074, 000	209, 000	6, 072, 457
Missouri	20, 063, 625	18, 760, 125	95, 000	10, 391, 000	----------	10, 486, 000
Montana	3, 692, 744	2, 631, 544	1, 718, 000	360, 000	148, 000	2, 226, 000
Nebraska	8, 228, 000	4, 554, 400	753, 000	----------	2, 551, 000	3, 304, 000
New Jersey	123, 193, 845	103, 256, 307	28, 965, 085	22, 624, 000	2, 672, 000	54, 261, 085
New Mexico	361, 000	324, 900	46, 600	----------	----------	46, 600
New York	267, 418, 948	150, 385, 225	16, 668, 000	20, 725, 000	46, 906, 000	84, 299, 000
North Carolina	41, 478, 627	27, 104, 762	8, 925, 619	314, 000	3, 192, 000	12, 431, 619
Ohio	----------	5, 138, 000	5, 138, 000	----------	----------	5, 138, 000
Oregon	3, 033, 502	2, 674, 702	----------	1, 914, 000	----------	1, 914, 000
Pennsylvania	109, 832, 378	75, 943, 213	25, 717, 595	27, 400, 000	12, 234, 000	65, 351, 595
Rhode Island	23, 061, 677	16, 758, 477	1, 821, 000	9, 814, 000	108, 000	11, 743, 000
South Carolina	21, 757, 225	15, 724, 226	7, 211, 262	1, 281, 000	395, 000	8, 887, 262
Tennessee	63, 110, 026	43, 114, 448	11, 998, 106	1, 335, 000	11, 308, 000	24, 641, 106

See footnotes at end of table.

TABLE 12.—*Development cost and loans for locally owned projects under the United States Housing Act, Dec. 31, 1950*—Continued

	Development cost [1]	PHA loan commitments	Outstanding loans of local authorities			
			From PHA	Temporary from others	Permanent from others	Total outstanding loans
Texas	$104,475,942	$76,646,194	$28,116,345	$7,424,000	$7,406,500	$42,946,845
Virginia	39,681,394	33,183,894	3,913,116	6,508,000	173,000	10,594,116
Washington	9,028,619	7,488,619	2,703,254	3,336,000	322,000	6,361,254
West Virginia	7,272,492	4,576,092	4,491,820		1,862,000	6,353,820
Wisconsin	12,201,728	8,003,728	4,600,000	2,124,000		6,724,000
District of Columbia	15,328,326	11,584,326	3,119,000	5,628,000	3,221,000	11,968,000
Hawaii	5,392,200	4,875,200	1,055,410	942,000	47,000	2,044,410
Puerto Rico	35,863,702	26,903,978	11,931	15,319,000		15,330,931

[1] Excludes unapplied funds representing the difference between the maximum amounts authorized by Presidential approval and the latest requirements of local authorities'

	Development cost	PHA loan commitments
PL-412 projects	$12,943,992	$12,024,033
PL-671 projects	16,234,117	16,234,117
PL-171 projects	1,885,132	1,558,121
Total unapplied	31,063,241	29,816,271

[2] Excludes preliminary loan contracts of $47,412,489.
[3] Excludes preliminary loan notes of $11,287,849.

TABLE 13.—*Annual contributions for locally owned projects under the United States Housing Act, Dec. 31, 1950*

	Maximum contributions under contract [1]	First annual contribution		Second and subsequent annual contributions amount actually paid	Total paid during 1950
		Maximum commitment	Amount actually paid		
All PHA-aided locally owned projects	$68,244,184	$896,694	$214,884	$7,686,835	$7,901,719
Public Law 412 projects	19,639,398			6,816,364	6,816,364
Public Law 671 projects	6,498,637	896,694	214,884	870,471	1,085,355
Public Law 171 projects	42,106,149				
By State:					
Alabama	1,641,044			268,796	268,796
Arizona	307,382			2,904	2,904
Arkansas	538,817			30,087	30,087
California	10,673,050	35,335	7,280	148,591	155,871
Colorado	548,856			8,168	8,168
Connecticut	1,534,369			350,023	350,023
Delaware	70,000			2,454	2,454
Florida	1,333,711			290,449	290,449
Georgia	2,293,708			138,255	138,255
Idaho	45,685			8,126	8,126
Illinois	2,421,194			160,359	160,359
Indiana	362,685			67,395	67,395
Kentucky	1,734,595			476,416	476,416
Louisiana	2,622,990			828,486	828,486
Maryland	1,535,905	447,582	13,692	286,577	300,269
Massachusetts	1,732,598	283,905	126,533	438,785	565,318
Michigan	1,873,738			135,882	135,882
Minnesota	437,895				
Mississippi	374,432			108,753	108,753
Missouri	667,083			87,972	87,972
Montana	129,412			30,144	30,144
Nebraska	341,895			95,593	95,593
New Jersey	4,956,391	17,325	9,983	353,287	363,270
New Mexico	12,635				
New York	11,197,033			1,275,430	1,275,430
North Carolina	1,706,267			123,980	123,980
Oregon	108,420			10,606	10,606
Pennsylvania	3,998,425			336,262	336,262
Rhode Island	894,113			19,109	19,109
South Carolina	824,359			105,969	105,969
Tennessee	2,552,019			293,765	293,765
Texas	4,063,390			408,613	408,613
Virginia	1,520,075	43,950	8,794	104,712	113,506
Washington	294,120	68,597	48,602	216,668	265,270
West Virginia	249,951			107,986	107,986
Wisconsin	539,062			3,360	3,360
District of Columbia	459,848			57,880	57,880
Hawaii	208,796			25,443	25,443
Puerto Rico	1,438,236			279,550	279,550

[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	$620,824
Public Law 671 projects	484,324
Public Law 171 projects	84,831
Total unapplied	1,189,979

TABLE 14.—*Statement of capital funds and annual contributions committed under United States Housing Act, Dec. 31, 1950*

	Total all projects	Public Law 412				Public Law 671—Projects active not permanently financed	Public Law 171—Projects annual contribution contracts	Public Law 171—Projects preliminary loan contracts
		Total	Active		Deferred			
			Permanently financed	Not permanently financed				
CAPITAL FUNDS								
Capital funds committed:								
For locally owned projects:								
Bonds purchased	$285, 942, 000	$285,942,000	$285,942,000					
Advance loan notes	71, 046, 208	13, 375, 599		$12, 346, 127	$1, 029, 472	$63, 453	$46, 310, 308	$11, 287, 848
Temporary loan notes (Federal contingent liability)	306, 107, 110	56, 037, 000		55, 064, 000	973, 000	209, 165, 110	40, 905, 000	
Funds not yet advanced	629, 945, 252	87, 173, 583	6, 339, 048	52, 142, 024	28, 692, 511	19, 890, 582	486, 756, 446	36, 124, 641
Total locally owned projects	1, 293, 040, 570	442, 528, 182	202, 281, 048	119, 552, 151	30, 694, 983	229, 119, 145	573, 980, 754	47, 412, 489
For federally owned projects:								
Expenditures to date	96, 960, 881	53, 820, 800		53, 820, 800		43, 140, 081		
Funds not yet expended	3, 889, 155	1, 172, 349		1, 172, 349		2, 716, 806		
Total federally owned projects	100, 850, 036	54, 993, 149		54, 993, 149		45, 856, 887		
Total capital funds committed	1, 393, 890, 606	497, 521, 331	202, 281, 048	174, 545, 300	30, 694, 983	274, 976, 032	573, 980, 754	47, 412, 489
Capital funds required and available:								
Capital funds committed	1, 393, 890, 606	497, 521, 331	292, 281, 048	174, 545, 300	30, 694, 983	274, 976, 032	573, 980, 754	47, 412, 489
Less: Total loans made and investment in federally-owned projects	453, 949, 089	353, 138, 399	285, 942, 000	66, 166, 927	1, 029, 472	43, 203, 534	46, 319, 308	11, 287, 848
Net PHA loan commitment outstanding	939, 941, 517	144, 382, 932	6, 339, 048	108, 378, 373	29, 665, 511	231, 772, 498	527, 661, 446	36, 124, 641
Unused borrowing authority available from United States Treasury	1, 106, 000, 000							
ANNUAL CONTRIBUTION FUNDS								
Maximum commitment on locally owned projects	69, 434, 163	20, 260, 222	14, 756, 318	4, 401, 159	1, 102, 745	6, 982, 961	42, 190, 980	
Maximum contribution authorized	113, 000, 000							
Less: Maximum contributions committed	69, 434, 163							
Uncommitted balance of annual contributions authorized	43, 565, 837							

TABLE 15.—*Income and expense statement of all federally owned projects under United States Housing Act, fiscal year ended June 30, 1950*

	Total projects	Directly operated projects (PWA)[1]	Leased projects: Total leased projects	Leased projects: (PWA)[1 2]	Leased projects: (Public Law 412)[3]	Leased projects: (Public Law 671)[4]
Number of developments	101	6	95	44	31	20
Number of dwelling units	40, 469	1, 963	38, 506	19, 677	10, 840	7, 989
Latest development cost	$223, 599, 472	$10, 166, 540	$213, 432, 932	$116, 848, 111	$53, 795, 559	$42, 789, 262
Average development cost per unit	$5, 545	$5, 179	$5, 564	$5, 983	$4, 963	$5, 356
Number of dwelling units in operation	40, 429	1, 954	38, 475	19, 650	10, 838	7, 987
Income:						
Rentals.						
Dwellings	$16, 263, 869	$817, 011	$15, 446, 858	$7, 868, 665	$4, 359, 792	$3, 218, 401
Less vacancy loss	86, 981	4, 359	82, 622	20, 217	19, 128	43, 277
Dwellings (net)	16, 176, 888	812, 652	15, 364, 236	7, 848, 448	4, 340, 664	3, 175, 124
Commercial facilities	156, 951	10, 860	146, 091	125, 697		20, 394
Dormitory and land	11, 475		11, 475	9, 975	1, 500	
Furniture	14, 311		14, 311			14, 311
Other	29, 899	7, 054	22, 845	14, 858	1, 288	6, 699
Total	16, 389, 524	830, 566	15, 558, 958	7, 998, 978	4, 343, 452	3, 216, 528
Sales and services to tenants	105, 650	4, 631	101, 019	39, 440	35, 479	26, 100
Interest on investments	1, 401		1, 401	1, 317		84
Other	51, 710	3, 364	48, 346	27, 951	16, 407	3, 988
Total income	16, 548, 285	838, 561	15, 709, 724	8, 067, 686	4, 395, 338	3, 246, 700
Expenses:						
Operating expenses:						
Management	1, 784, 075	98, 125	1, 685, 950	848, 788	488, 745	348, 417
Operating services	975, 662	42, 199	933, 463	506, 585	226, 756	200, 122
Dwelling and commercial utilities	4, 621, 695	253, 048	4, 368, 647	2, 249, 282	1, 315, 067	804, 298
Repairs, maintenance, and replacements	4, 469, 739	211, 850	4, 257, 889	2, 158, 676	1, 008, 353	1, 090, 860
Public services	12, 218	356	11, 862	9, 131	295	2, 436
Insurance	180, 149	7, 046	173, 103	78, 061	49, 700	45, 342
Rents	10, 035		10, 035	174		9, 861
Taxes	6, 387		6, 387	74		6, 313
Payments in lieu of taxes	1, 204, 031	48, 317	1, 155, 714	567, 845	302, 689	285, 180
Contributions to pension and insurance funds	202, 348		202, 348	108, 311	82, 311	11, 726
Cost of sales and services to tenants	104, 901	4, 492	100, 409	38, 990	35, 461	25, 958
Other	4, 317		4, 317	1, 165	156	2, 996
Total operating expenses	13, 575, 557	665, 433	12, 910, 124	6, 567, 082	3, 509, 533	2, 833, 509
Nonoperating expenses:						
Damages to persons and property	2, 285		2, 285	2, 114	103	68
Operating improvements	257, 430	18, 975	238, 455	177, 508	27, 220	33, 727
Total nonoperating expenses	259, 715	18, 975	240, 740	179, 622	27, 323	33, 795
Collection losses—accounts receivable written off	46, 717	1, 514	45, 203	14, 067	8, 083	23, 053
Total expenses (before interest, depreciation and adjustment of reserves)	13, 881, 989	685, 922	13, 196, 067	6, 760, 771	3, 544, 939	2, 890, 357

See footnotes at end of table.

TABLE 15.—*Income and expense statement of all federally owned projects under United States Housing Act, fiscal year ended June 30, 1950*—Continued

	Total projects	Directly operated projects (PWA)[1]	Leased projects			
			Total leased projects	(PWA)[1 2]	(Public Law 412)[3]	(Public Law 671)[4]
Net operating income before interest, depreciation, and adjustment of reserves	$2,666,296	$152,639	$2,513,657	$1,306,915	$850,399	$356,343
Interest and depreciation:						
Interest—portion applicable to federally owned projects	1,700,265		1,700,265		967,375	732,890
Depreciation of structures and equipment	3,473,409	184,792	3,288,617	1,696,698	869,433	722,486
Total interest and depreciation	5,173,674	184,792	4,988,882	1,696,698	1,836,808	1,455,376
Adjustment of reserves:						
Operating reserves	[5] 24,355		[5] 24,355	92,406	[5] 1,361	[5] 115,400
Operating improvements reserves	3,541	3,564	[5] 23	[5] 23		
Net adjustment of reserves	[5] 20,814	3,564	[5] 24,378	92,383	[5] 1,361	[5] 115,400
Net operating loss	2,486,564	35,717	2,450,847	482,166	985,048	983,633
Casualty losses:						
Cost of replacements	50,379	1,481	48,898	43,929	1,032	3,937
Proceeds from casualty claims	[6] 53,196	[6] 1,776	[6] 51,420	[6] 42,402	[6] 1,054	[6] 7,964
Net casualty losses	[6] 2,817	[6] 295	[6] 2,522	1,527	[6] 22	[6] 4,027
Net loss for the fiscal year ended June 30, 1950	2,483,747	35,422	2,448,325	483,693	985,026	979,606

[1] 1 development with 518 dwelling units was transferred from direct operations to leased operations, effective Apr. 1, 1950. Income and expenses are prorated accordingly.
[2] Includes 1 development of 194 dormitory units as equivalent to 48 family dwelling units in computing average development cost per unit.
[3] 1 development, Ohio 4-4 with 1,015 dwelling units was sold to the Cincinnati Metropolitan Housing Authority, effective Mar. 1, 1950. Income and expense data shown includes 8 months' activity for this development. This development is not included in number of developments.
[4] 1 development, Ga 4-4 with 80 dwelling units was sold to the Housing Authority of the city of Columbus, Ga., effective May 1, 1950. Income and expense data shown includes 10 months' activity for this development. This development is not included in the number of developments.
[5] Increase or decrease.
[6] Indicates negative item.

TABLE 16.—*Income and expense statement of Federally owned Public Law 412, Public Law 671, and PWA projects under United States Housing Act, fiscal year ended June 30, 1950*

	Total projects	Directly operated projects (PWA) [1]	Leased projects: Total leased projects	Leased projects: (PWA) [1 2]	Leased projects: Public Law (412) [3]	Leased projects: Public Law (671) [4]
Number of developments	100	6	94	43	31	20
Number of dwelling units in operation	40,235	1,954	38,281	19,456	10,838	7,987
Number of unit months	491,640	28,100	463,530	228,799	138,152	96,579
	Average per unit per month					
Income:						
Rentals:						
Dwellings	$33.08	$29.06	$33.33	$34.39	$31.56	$33.32
Less vacancy loss	.18	.15	.18	.09	.14	.44
Dwellings (net)	32.90	28.91	33.15	34.30	31.42	32.88
Commercial facilities	.32	.39	.32	.55		.21
Other	.44	.53	.42	.37	.39	.53
Total income	33.66	29.83	33.89	35.22	31.81	33.62
Expenses:						
Operating expenses:						
Management	3.63	3.49	3.64	3.71	3.54	3.61
Operating services	1.98	1.50	2.01	2.22	1.64	2.07
Dwelling and commercial utilities	9.40	9.00	9.42	9.83	9.51	8.33
Repairs, maintenance, and replacements	9.09	7.54	9.19	9.43	7.30	11.29
Public services	.03	.01	.03	.04		.02
Insurance	.37	.25	.37	.34	.36	.47
Payments in lieu of taxes	2.45	1.72	2.49	2.49	2.19	2.95
Other	.65	.15	.69	.65	.86	.55
Total operating expenses	27.60	23.66	27.84	28.71	25.40	29.29
Operating improvements	.53	.67	.52	.79	.20	.35
Collection losses—accounts receivable written off	.10	.05	.10	.06	.06	.24
Total expenses (before interest, depreciation, and adjustment of reserves)	28.23	24.38	28.46	29.56	25.66	29.88
Net operating income before interest, depreciation, and adjustment of reserves	5.43	5.45	5.43	5.66	6.15	3.74
Interest and depreciation:						
Interest—portion applicable to federally owned projects	3.46		3.67		7.00	7.59
Depreciation of structures and equipment	7.06	6.58	7.09	7.42	6.30	7.48
Total interest and depreciation	10.52	6.58	10.76	7.42	13.30	15.07
Adjustment of reserves	[5].04	.13	[5].05	.40	[5].01	[5] 1.19
Net loss for the fiscal year ended June 30, 1950	5.05	1.26	5.28	2.16	7.14	10.14

[1] One development with 518 dwelling units was transferred from direct operations to leased operations, effective Apr. 1, 1950. Income and expenses are prorated accordingly.

[2] Excludes 1 development with 194 dwelling units, leased on a fixed-fee basis for which no income and expense data are available in the per unit-month tabulation.

[3] One development, Ohio 4-4 with 1,015 dwelling units was sold to the Cincinnati Metropolitan Housing Authority effective Mar. 1, 1950. Income and expense data shown includes 8 months' activity for this development. This development is not included in the number of developments.

[4] One development, Ga 4-4 with 80 dwelling units was sold to the Housing Authority of the city of Columbus, Ga., effective May 1, 1950. Income and expense data shown includes 10 months' activity for this development. This development is not included in the number of developments.

[5] Increase or decrease.

TABLE 17.—*Income and expense statement of PHA permanently financed Public Law 412 projects by fiscal years ending in calendar years 1941–50*

Item	All projects with fiscal year ending in 1950		Average per unit month for groups of projects by fiscal years: Group 1—Projects completing tenth fiscal year in 1950									
	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
Number of statutory projects	164	-------										33
Number of developments	340	-------										55
Number of dwelling units	104,566	-------										23,157
Average development cost per unit	$4,466	-------										$4,730
Number of units available for occupancy	104,017	-------										23,140
Income (excluding PHA annual contribution):												
Dwelling rent schedule	$36,237,488.41	$29.03	$19.31	$20.67	$23.51	$26.70	$27.88	$28.33	$30.60	$31.82	$32.68	$32.31
Less: Dwelling vacancy loss	130,362.00	.10	.57	.12	.24	.17	.09	.04	.04	.06	.07	.08
Net dwelling rental income	36,107,126.41	28.93	18.74	20.55	23.27	26.53	27.79	28.29	30.56	31.76	32.61	32.23
All other income	1,043,080.13	.84	.35	.51	.35	.33	.11	.71	1.04	1.09	1.15	1.23
Total income (excluding PHA annual contribution)	37,150,206.54	29.77	19.09	21.06	23.62	26.86	27.90	29.00	31.60	32.85	33.76	33.46
Expense:												
Operating expense (excluding reserves):												
Management	4,804,067.31	3.85	2.40	2.67	2.58	2.66	2.76	2.97	3.45	3.83	4.31	4.48
Operating services	1,633,173.15	1.31	.90	1.00	1.07	1.18	1.30	1.53	1.94	2.13	2.23	2.25
Dwelling utilities	8,183,404.75	6.56	4.55	4.82	5.54	6.02	5.79	5.89	6.87	7.99	7.52	7.53
Repairs, maintenance, and replacements	8,345,651.52	6.68	1.12	2.14	3.09	3.70	5.19	4.39	6.16	8.29	6.74	7.14
Public services	76,966.98	.06	.02	.04	.09	.13	.13	.12	.14	.14	.14	.13
Insurance	398,777.28	.32	.33	.47	.70	.50	.31	.31	.33	.35	.37	.37
Collection losses	97,088.13	.08	.02	.02	.03	.02	.03	.02	.02	.03	.04	.06
All other expenses	221,916.24	.18	.01	.06	.01	.01	.19	.31	.24	.18	.17	.09
Subtotal: Operating expenses (excluding reserves)	23,761,045.36	19.04	9.35	11.22	13.11	14.22	15.70	15.54	19.15	22.94	21.52	22.05
Reserved from income for:												
Operating reserve	36,706.16	.03	-------	-------	-------	-------	-------	-------	-------	-------	.32	(5)
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	127,420.07	.10	.75	.04	*.22	.04	*.24	.03	.12	.02	.05	.07

Operating improvement—regular	65,911.91	.05									•.06	.04
Contingencies for postwar improvements												
All other reserves	58,145.08	.05					.13	.37	.50	.33	.19	.20
Subtotal: Reserved	288,183.22	.23	5.85	4.22	3.60	4.51	2.24	2.19	•.22	•2.56	.08	.31
Payments in lieu of taxes	2,039,613.36	1.63	.48	.77	.93	1.98	2.15	2.17	.46	.76	.82	2.18
Debt service:												
Interest paid non-Federal bonds (A bonds)	2,751,391.61	2.20	.70	2.28	4.84	4.86	4.80	4.63	4.55	4.36	4.19	4.05
Interest paid PHA bonds (B bonds)	7,389,270.60	5.92	4.92	8.55	4.98	4.83	4.66	4.61	4.51	4.47	4.46	4.44
Non-Federal bonds retired (A bonds)	4,338,000.00	3.48	7.90	2.21	4.07	4.19	4.46	4.61	4.92	5.13	5.29	5.44
PHA bonds retired (B bonds)	984,000.00	.79				.10	.25	.22	.32	.58	.54	.29
Reserved for debt service	443,255.25	.36	.96	1.54	•.24	1.17	.91	1.12	.96	.86	.96	.97
Subtotal: Debt service	15,905,917.46	12.75	14.48	14.58	13.65	15.15	15.08	15.19	15.26	15.40	15.44	15.19
Total expense	41,994,759.40	33.65	30.16	30.79	31.29	35.86	35.17	35.09	34.65	36.54	37.86	39.73
Deficit—Current year operations	4,844,552.86	3.88	11.07	9.73	7.67	9.00	7.27	6.09	3.05	3.69	4.10	6.27
Special nonrecurring items:												
Bond refunding			1.26	1.60	1.86	.01		.02	.01	(5)		
Earnings in excess of normal debt service [4]	•13,435.74	•.01								•.24	•.25	
Operating improvements	528,705.85	.42			.63	.45	.65	.37	.20	.20	.59	.16
Creation of working capital					.18							
Adjustments to previous years	1,313,909.56	1.05		•.04	•.02	.19	.24	.21	•.11	•.07	•.21	1.42
Subtotal: Special nonrecurring items	1,829,179.67	1.46	1.26	1.56	2.65	.65	.89	.60	.10	•.11	.13	1.58
Total net deficit—current year	6,673,732.53	5.34	12.33	11.20	10.32	9.65	8.16	6.69	3.15	3.58	4.23	7.85
Total net deficit—current year	6,673,732.53	5.34	12.33	11.20	10.32	9.65	8.16	6.69	3.15	3.58	4.23	7.85
Less: Net amount applied to decrease (or increase••) in annual contributions [6]	33,651.53	.03							••.13	••.20	••.29	••.06
Annual contributions payable	6,640,081.00	5.31	12.33	11.29	10.32	9.65	8.16	6.69	3.28	3.78	4.52	7.91
Maximum annual contributions payable under contracts	14,853,940.48	11.90	13.98	14.03	14.02	14.07	14.05	13.96	14.06	14.06	14.07	14.07
Percentage of maximum annual contributions payable to projects having operating deficits	44.7%		88.2	80.5	73.6	68.0	58.1	47.9	23.3	26.9	32.1	56.2

See footnotes at end of table.

TABLE 17.—*Income and expense statement of PHA permanently financed Public Law 412 projects by fiscal years ending in calendar years 1941–50*—Continued

Item	All projects with fiscal year ending in 1950		Average per unit month for groups of projects by fiscal years: Group 2—Projects completing ninth fiscal year in 1950								
	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
Number of statutory projects	164	-------									88
Number of developments	340	-------									177
Number of dwelling units	104,566	-------									45,285
Average development cost per unit	$4,466	-------									$4,285
Number of units available for occupancy	104,017	-------									45,269
Income (excluding PHA annual contribution):											
Dwelling rent schedule	$36,237,488.41	$29.03	$14.81	$17.98	$20.85	$22.76	$23.91	$25.08	$25.96	$26.47	$26.21
Less: Dwelling vacancy loss	130,362.00	.10	.25	.15	.13	.09	.06	.04	.05	.06	.10
Net dwelling rental income	36,107,126.41	28.93	14.56	17.83	20.72	22.67	23.85	25.04	25.91	26.41	26.11
All other income	1,043,080.13	.84	.19	.43	.21	.11	.32	.51	.58	.64	.73
Total income (excluding PHA annual contribution)	37,150,206.54	29.77	14.75	18.26	20.93	22.78	24.17	25.55	26.49	27.05	26.84
Expense:											
Operating expense (excluding reserves):											
Management	4,804,067.31	3.85	2.06	2.32	2.37	2.41	2.57	2.74	2.96	3.31	3.45
Operating services	1,633,173.15	1.31	.45	.45	.46	.47	.57	.64	.68	.70	.72
Dwelling utilities	8,183,404.75	6.56	3.70	4.20	4.54	4.63	4.83	5.17	5.64	5.77	5.74
Repairs, maintenance, and replacements	8,345,651.52	6.68	.92	1.71	2.21	3.02	3.70	5.09	5.25	5.82	6.11
Public services	76,966.98	.06	.03	.06	.14	.21	.16	.10	.09	.08	.03
Insurance	398,777.28	.32	.27	.47	.44	.25	.22	.23	.26	.28	.30
Collection losses	97,088.13	.08	.02	.03	.03	.03	.02	.03	.03	.05	.08
All other expense	221,916.24	.18	(5)	(5)	(5)	.01	.13	.21	.24	.16	.22
Subtotal: Operating expense (excluding reserves)	23,761,045.36	19.04	7.45	9.24	10.19	11.03	12.20	14.21	15.15	16.17	16.65
Reserved from income for:											
Operating reserve	36,706.16	.03	-------	-------	-------	-------	-------	-------	-------	.24	*.25
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	127,420.07	.10	.18	*.02	*.09	*.01	.14	*.03	.04	.06	.09
Operating improvement—regular	65,911.91	.05	-------	-------	-------	-------	-------	-------	-------	.30	.29
All other reserves	58,145.08	.05	-------	-------	-------	-------	.01	.06	.04	(5)	(5)
Subtotal: Reserved	288,183.22	.23	3.63	3.53	3.58	2.70	1.52	.58	*.49	.11	.13
Payments in lieu of taxes	2,039,613.36	1.63	.67	.78	1.34	1.74	1.85	1.12	.84	.37	1.59
Debt service:											
Interest paid non-Federal bonds (A bonds)	2,751,391.61	2.20	.45	1.11	1.12	1.27	1.27	1.33	1.30	1.23	1.16
Interest paid PHA bonds (B bonds)	7,389,270.60	5.92	4.00	7.75	7.67	7.32	7.33	7.11	6.97	6.95	6.94
Non-Federal bonds retired (A bonds)	4,338,000.00	3.48	6.15	1.81	1.93	2.11	2.17	2.39	2.44	2.55	2.65
PHA bonds retired (B bonds)	984,000.00	.79	-------	.01	.19	.86	.98	.89	.95	.99	1.15
Reserved for debt service	443,255.25	.36	.97	1.18	.94	.23	.10	.20	.16	.12	*.05
Subtotal: Debt service	15,905,917.46	12.75	11.57	11.86	11.85	11.79	11.85	11.92	11.82	11.84	11.85
Total expense	41,994,759.40	33.65	23.32	25.41	26.96	27.26	27.42	27.83	27.32	28.49	30.22
Deficit—Current year operations	4,844,552.86	3.88	8.57	7.15	6.03	4.48	3.25	2.28	.83	1.44	3.38
Special nonrecurring items:											
Bond refunding	-------	-------	.17	.06	(5)	.01	(5)	.02	-------	-------	-------
Earnings in excess of normal debt service [4]	*13,435.74	*.01	-------	-------	-------	-------	-------	-------	*.02	*.02	*.02
Operating improvements	528,705.85	.42	-------	.07	.06	.19	.21	.22	.23	.71	.47
Creation of working capital			-------	.01	.01	-------	-------	-------	-------	-------	-------
Adjustments to previous years	1,313,909.56	1.05	-------	.09	.05	.07	*.02	*.01	*.01	*.27	.99
Subtotal: Special nonrecurring items	1,829,179.67	1.46	.17	.23	.12	.27	.19	.23	.20	.42	1.44
Total net deficit—current year	6,673,732.53	5.34	8.74	7.38	6.15	4.75	3.44	2.51	1.03	1.86	4.82
Total net deficit—current year	6,673,732.53	5.34	8.74	7.38	6.15	4.75	3.44	2.51	1.03	1.86	4.82
Less: Net amount applied to decrease (or increase**) in annual contributions [6]	33,651.53	.03	-------	-------	-------	-------	-------	**.30	**.84	**1.07	.27
Annual contributions payable	6,640,081.00	5.31	8.74	7.38	6.15	4.75	3.44	2.81	1.87	2.93	4.55
Maximum annual contributions payable under contracts	14,853,949.48	11.90	11.07	11.12	11.09	11.07	11.11	11.08	11.08	11.10	11.12
Percentage of maximum annual contributions payable to projects having operating deficits	44.7	-------	79.0	66.4	55.5	42.9	31.0	25.4	16.9	26.4	40.9

See footnotes at end of table.

TABLE 17.—*Income and expense statement of PHA permanently financed Public Law 412 projects by fiscal years ending in calendar years 1941–50*—Continued

Item	All projects with fiscal year ending in 1950		Average per unit month for groups of projects by fiscal years: Group 3—Projects completing eighth fiscal year in 1950							
	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	Eight fiscal year ending 1950
Number of statutory projects	164	--------								29
Number of developments	340	--------								62
Number of dwelling units	104,566	--------								21,628
Average development cost per unit	$4,466	--------								$4,838
Number of units available for occupancy	104,017	--------								21,621
Income (excluding PHA annual contribution):										
Dwelling rent schedule	$36,237,488.41	$29.03	$21.79	$27.36	$28.75	$29.95	$31.35	$32.88	$33.76	$33.53
Less: Dwelling vacancy loss	130,362.00	.10	.28	.17	.12	.08	.06	.07	.10	.17
Net dwelling rental income	36,107,126.41	28.93	21.51	27.19	28.63	29.87	31.29	32.81	33.66	33.36
All other income	1,043,080.13	.84	.20	.38	.86	.37	.55	.64	.79	.84
Total income (excluding PHA annual contribution)	37,150,206.54	29.77	21.71	27.57	29.49	30.24	31.84	33.45	34.45	34.20
Expense:										
Operating expense (excluding reserves):										
Management	4,804,067.31	3.85	2.76	2.95	3.08	3.29	3.44	3.77	3.87	4.08
Operating services	1,633,173.15	1.31	.84	.92	.93	1.09	1.34	1.44	1.44	1.43
Dwelling utilities	8,183,404.75	6.56	5.29	6.16	6.29	6.44	7.02	7.82	7.64	7.35
Repairs, maintenance, and replacements	8,345,651.52	6.68	2.16	3.29	4.07	4.90	6.46	6.77	8.09	7.38
Public services	76,966.98	.06	.06	.23	.45	.27	.04	.05	.04	.03
Insurance	398,777.28	.32	.47	.47	.30	.28	.30	.31	.34	.36
Collection losses	97,088.13	.08	.04	.04	.06	.04	.03	.02	.09	.12
All other expense	221,916.24	.18	.01	--------	.01	.09	.19	.22	.23	.25
Subtotal: Operating expense (excluding reserves)	23,761,045.36	19.04	11.63	14.06	15.19	16.40	18.82	20.40	21.74	21.00

Reserved from income for:										
Operating reserve	36,706.16	.03							*.49	*.09
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	127,420.07	.10	.23	(4)	*.06	.15	.01	.10	.01	.15
Operating improvement—regular	65,911.91	.05							.01	*.40
Contingencies for postwar improvements					.62	.65				
All other reserves	58,145.08	.05				.18	.13	*.03	*.03	
Subtotal: Reserved	288,183.22	.23	4.59	4.65	5.03	3.25	*.43	*.84	*1.61	*.34
Payments in lieu of taxes	2,039,613.36	1.63	.99	1.68	2.16	2.23	1.94	.33	.96	1.65
Debt service:										
Interest paid non-Federal bonds (A bonds)	2,751,391.61	2.20	1.32	2.54	2.46	2.47	2.39	2.30	2.23	2.16
Interest paid PHA bonds (B bonds)	7,389,270.60	5.92	3.34	6.67	6.75	6.64	6.63	6.62	6.64	6.62
Non-Federal bonds retired (A bonds)	4,338,000.00	3.48	7.14	2.49	2.59	2.70	2.78	2.88	2.94	3.02
PHA bonds retired (B bonds)	984,000.00	.79	(4)		.09	.48	.71	.75	.89	.87
Reserved for debt service	443,255.25	.36	1.06	1.26	1.09	.66	.52	.42	.30	.31
Subtotal: Debt service	15,905,917.46	12.75	12.86	12.96	12.98	12.95	13.03	12.97	13.00	12.98
Total expense	41,994,759.40	33.65	30.07	33.35	35.36	34.83	33.36	32.86	34.09	35.29
Deficit—current year operations	4,844,552.86	3.88	8.30	5.78	5.87	4.59	1.52	*.59	*.36	1.09
Special nonrecurring items:										
Bond refunding						(4)				
Earnings in excess of normal debt service [4]	*13,435.74	*.01								
Operating improvements	528,705.85	.42	.17	.98	.94	.52	.13	.50	.41	.68
Adjustments to previous years	1,313,909.56	1.05		.04	.19	*.59	.01	*.17	*.13	1.24
Subtotal: Special nonrecurring items	1,829,179.67	1.46	.17	1.02	1.13	*.07	.14	.33	.28	1.92
Total net deficit—current year	6,673,732.53	5.34	8.53	6.80	7.00	4.52	1.66	*.26	*.08	3.01
Total net deficit—current year	6,673,732.53	5.34	8.53	6.80	7.00	4.52	1.66	*.26	*.08	3.01
Less: Net amount applied to decrease (or increase**) in annual contributions [6]	33,651.53	.03					**.54	1.69	1.83	**.42
Annual contribution payable	6,640,081.00	5.31	8.53	6.80	7.00	4.52	2.20	1.43	1.75	3.43
Maximum annual contributions payable under contracts	14,853,949.48	11.90	12.20	12.01	12.03	12.04	12.05	12.09	12.10	12.11
Percentage of maximum annual contributions payable to projects having operating deficits	44.7		69.9	56.6	58.2	37.5	18.3	11.8	14.5	28.3

See footnotes at end of table.

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TABLE 17.—*Income and expense statement of PHA permanently financed Public Law 412 projects by fiscal years ending in calendar years 1941–50*—Continued

Item	All projects with fiscal year ending in 1950		Average per unit month for groups of projects by fiscal years: Group 4—Projects completing seventh fiscal year in 1950						
	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]
Number of statutory projects	164								11
Number of developments	340								43
Number of dwelling units	104, 566								[3] 13, 150
Average development cost per unit	$4, 466								$3, 772
Number of units available for occupancy	104, 017								12, 641
Income (excluding PHA annual contribution):									
Dwelling rent schedule	$36, 237, 488. 41	$29. 03	$18. 76	$20. 94	$21. 34	$21. 76	$23. 71	$24. 82	$24. 40
Less: Dwelling vacancy loss	130, 362. 00	. 10	. 29	. 23	. 08	. 03	. 05	. 03	. 04
Net dwelling rental income	36, 107, 126. 41	28. 93	18. 47	20. 71	21. 26	21. 73	23. 66	24. 79	24. 36
All other income	1, 043, 080. 13	. 84	. 27	. 20	. 25	. 27	. 30	. 39	. 51
Total income (excluding PHA annual contribution)	37, 150, 206. 54	29. 77	18. 74	20. 91	21. 51	22. 00	23. 96	25. 18	24. 87
Expense:									
Operating expense (excluding reserves):									
Management	4, 804, 067. 31	3. 85	2. 50	2. 32	2. 49	2. 78	3. 13	3. 42	3. 57
Operating services	1, 633, 173. 15	1. 31	. 76	. 78	. 86	. 95	. 97	1. 17	1. 28
Dwelling utilities	8, 183, 404. 75	6. 56	5. 01	4. 97	5. 12	5. 54	6. 74	7. 17	6. 37
Repairs, maintenance, and replacements	8, 345, 651. 52	6. 68	2. 15	3. 80	3. 96	5. 24	4. 96	5. 71	6. 81
Public services	76, 966. 98	. 06	. 07	. 14	. 09	. 11	. 16	. 15	. 10
Insurance	398, 777. 28	. 32	. 33	. 20	. 14	. 17	. 19	. 21	. 24
Collection losses	97, 088. 13	. 08	. 02	. 03	. 01	. 02	. 03	. 07	. 06
All other expense	221, 916. 24	. 18		. 03	. 06	. 07	. 05	. 04	. 07
Subtotal: Operating expense (excluding reserves)	23, 761, 045. 36	19. 04	10. 84	12. 27	12. 73	14. 88	16. 23	17. 94	18. 50
Reserved from income for:									
Operating reserve	36, 706. 16	. 03							
Repairs, maintenance, and replacements			1. 94	. 52	. 96	*1. 11	*1. 00	*. 64	. 15
Vacancy and collection losses			1. 04	1. 22	1. 30	. 80	. 64	. 18	. 12

Annual contribution allowance	127,420.07	.10	.19	*.02	*.16	(5)	.08	.06	
Operating improvement—regular	65,911.91	.05						.02	
All other reserves	58,145.08	.05				.02	.01		
Subtotal: Reserved	288,183.22	.23	3.17	1.72	2.10	*.20	*.27	*.38	.27
Payments in lieu of taxes	2,039,613.36	1.63	.85	1.23	1.45	.56	.45	.43	.58
Debt service:									
Interest paid non-Federal bonds (A Bonds)	2,751,391.61	2.20	1.52	2.98	3.20	2.73	2.85	2.53	2.73
Interest paid PHA bonds (B Bonds)	7,389,270.60	5.92	1.56	3.35	3.11	3.43	3.20	3.64	3.04
Interest paid on temporary notes			.54						
Non-Federal bonds retired (A Bonds)	4,338,000.00	3.48	5.45	2.80	3.45	3.66	3.74	2.84	3.74
PHA bonds retired (B Bonds)	984,000.00	.79		.45		.02	.03	.70	.07
Temporary bonds retired			.50						
Reserved for debt service	443,255.25	.36	1.01	.82	.68	.58	.61	.75	.76
Subtotal: Debt service	15,905,917.46	12.75	10.58	10.40	10.44	10.42	10.43	10.46	10.34
Total expense	41,994,759.40	33.65	25.44	25.02	26.72	25.57	26.84	28.45	29.69
Deficit—current year operations	4,844,552.86	3.88	6.70	4.71	5.21	3.57	2.88	3.27	4.82
Special nonrecurring items:									
Earnings in excess of normal debt service [4]	*13,435.74	*.01							
Operating improvements	528,705.85	.42	.04	.35	1.00	.15	.14	.18	.36
Adjustments to previous years	1,313,909.56	1.05		*.06	.17	.09	*.04	.29	.38
Subtotal: Special nonrecurring items	1,829,179.67	1.46	.04	.29	1.17	.24	.10	.47	.74
Total net deficit—current year	6,673,732.53	5.34	6.74	5.00	6.38	3.81	2.98	3.74	5.56
Total net deficit—current year	6,673,732.53	5.34	6.74	5.00	6.38	3.81	2.98	3.74	5.56
Less: Net amount applied to decrease (or increase**) in annual contributions [6]	33,651.53	.03					**.01	**.05	.03
Annual contributions payable	6,640,081.00	5.31	6.74	5.00	6.38	3.81	2.99	3.79	5.53
Maximum annual contributions payable under contracts	14,853,949.48	11.00	9.96	9.74	9.77	9.78	9.78	9.78	9.81
Percentage of maximum annual contributions payable to projects having operating deficits	44.7		67.7	51.3	65.3	39.0	30.0	38.7	56.3

See footnotes at end of table.

TABLE 17.—*Income and expense statement of PHA permanently financed Public Law 412 projects by fiscal years ending in calendar years 1941–50*—Continued

Item	All projects with fiscal year ending in 1950		Average per unit month for groups of projects by fiscal years: Group 5—Projects completing sixth fiscal year in 1950					
	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
Number of statutory projects	104							1
Number of developments	340							1
Number of dwelling units	104,566							90
Average development cost per unit	$4,466							$4,211
Number of units available for occupancy	104,017							90
Income (excluding PHA annual contribution):								
Dwelling rent schedule	$36,237,488.41	$29.03	$17.82	$18.53	$17.42	$17.87	$20.82	$21.57
Less: Dwelling vacancy loss	130,362.00	.10	.12	.02	.10	.09	.04	
Net dwelling rental income	36,107,126.41	28.93	17.70	18.51	17.32	17.78	20.78	21.57
All other income	1,043,080.13	.84	.05	.27	*.17	.01	.01	
Total income (excluding PHA annual contribution)	37,150,206.54	29.77	17.75	18.78	17.15	17.79	20.79	21.57
Expense:								
Operating expense (excluding reserves):								
Management	4,804,067.31	3.85	3.36	2.86	2.84	2.92	3.46	3.87
Operating services	1,633,173.15	1.31	.22	.28	.29	.21	.27	.24
Dwelling utilities	8,183,404.75	6.56	3.15	3.70	3.96	4.03	4.21	4.45
Repairs, maintenance, and replacements	8,345,651.52	6.68	1.07	2.06	4.27	4.79	7.34	5.22
Public services	76,966.98	.06	.02	.04	.09	.13		
Insurance	398,777.28	.32	.40	.40	.42	.42	.59	.66
Collection losses	97,088.13	.08		.19	*.03		.21	
All other expense	221,916.24	.18		.01	([4])			
Subtotal: Operating expense (excluding reserves)	23,761,045.36	19.04	8.22	9.54	11.84	12.50	16.08	14.44
Reserved from income for:								
Operating reserve	36,706.16	.03						2.05
Repairs, maintenance, and replacements			3.14	2.44	.23	.19	*2.35	1.57
Vacancy and collection losses			1.73	1.63	1.39	.06		

Annual contribution allowance	127,420.07	.10	.34	.41	.35	.07	*1.19	----
Operating improvement—regular	65,911.91	.05	----	----	----	----	----	----
All other reserves	58,145.08	.05	----	----	----	----	----	----
Subtotal: reserved	288,183.22	.23	5.21	4.48	1.97	.92	*3.54	3.62
Payments in lieu of taxes	2,039,613.36	1.63	1.36	1.01	.80	.35	.47	.42
Debt service:								
Interest paid non-Federal bonds (A Bonds)	2,751,391.61	2.20	.57	.44	.37	.32	.28	.24
Interest paid PHA bonds (B Bonds)	7,389,270.60	5.92	9.25	9.25	9.25	9.25	9.33	9.44
Non-Federal bonds retired (A Bonds)	4,338,000.00	3.48	6.48	1.85	2.78	1.85	2.78	1.85
PHA bonds retired (B Bonds)	984,000.00	.79	----	----	----	----	----	.92
Reserved for debt service	443,255.25	.36	*3.99	.85	*.01	.97	.23	.12
Subtotal: Debt service	15,905,917.46	12.75	12.31	12.39	12.39	12.39	12.62	12.57
Total expense	41,994,759.40	33.65	27.10	27.42	27.00	26.16	25.63	31.05
Deficit—current year operations	4,844,552.86	3.88	9.35	8.64	9.85	8.37	4.84	9.48
Special nonrecurring items:								
Earnings in excess of normal debt service [4]	*13,435.74	*.01	----	----	----	----	----	----
Operating improvements	528,705.85	.42	----	----	----	----	----	----
Adjustments to previous years	1,313,909.56	1.05	----	.11	*.04	----	.10	*.13
Subtotal: Special nonrecurring items	1,829,179.67	1.46	----	.11	*.04	----	.16	*.13
Total net deficit—current year	6,673,732.53	5.34	9.35	8.75	9.81	8.37	5.00	9.35
Total net deficit—current year	6,673,732.53	5.34	9.35	8.75	9.81	8.37	5.00	9.35
Less: Net amount applied to decrease (or increase**) in annual contributions [5]	33,651.53	.03	----	----	----	----	----	----
Annual contributions payable	6,640,081.00	5.31	9.35	8.75	9.81	8.37	5.00	9.35
Maximum annual contributions payable under contracts	14,853,940.48	11.90	12.06	12.06	12.06	12.06	12.28	12.28
Percentage of maximum annual contributions payable to projects having operating deficits	44.7	----	77.5	72.6	81.3	69.4	40.7	76.1

See footnotes at end of table.

TABLE 17.—*Income and expense statement of PHA permanently financed Public Law 412 projects by fiscal years ending in calendar years 1941–50*—Continued

Item	All projects with fiscal year ending in 1950		Average per unit month for groups of projects by fiscal years group 6—Projects completing fifth fiscal year in 1950				
	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
Number of statutory projects	164						1
Number of developments	340						1
Number of dwelling units	104,566						66
Average development cost per unit	$4,466						$3,848
Number of units available for occupancy	104,017						66
Income (excluding PHA annual contribution):							
Dwelling rent schedule	$36,237,488.41	$29.03	$24.76	$26.89	$24.40	$24.71	$24.71
Less: Dwelling vacancy loss	130,362.00	.10	.01	.03	.01	.06	.21
Net dwelling rental income	36,107,126.41	28.93	24.75	26.86	24.39	24.65	24.50
All other income	1,043,080.13	.84	.13	.14	.21	.14	.33
Total income (excluding PHA annual contribution)	37,150,206.54	29.77	24.88	27.00	24.60	24.79	24.83
Expense:							
Operating expense (excluding reserves):							
Management	4,804,067.31	3.85	2.86	3.46	3.66	3.91	3.97
Operating services	1,633,173.15	1.31	.50	.55	.63	.82	.69
Dwelling utilities	8,183,404.75	6.56	6.47	5.84	5.65	6.13	5.92
Repairs, maintenance, and replacements	8,345,651.52	6.68	2.17	7.77	3.10	4.11	4.90
Public services	76,966.98	.06	.01				
Insurance	398,777.28	.32	.25	.17	.17	.17	.18
Collection losses	97,088.13	.08		.01		.03	
All other expense	221,916.24	.18		.01	.11	.01	.11
Subtotal: Operating expense (excluding reserves)	23,761,045.36	19.04	12.26	17.81	13.32	15.18	15.77
Reserved from income for:							
Operating reserve	36,706.16	.03				1.28	.37
Repairs, maintenance, and replacements			1.97	*1.60	2.69		*.16
Vacancy and collection losses			2.47	2.65	1.15		
Annual contribution allowance	127,420.07	.10	.24	*.03	*.02		

Contingencies for postwar improvements						.11	
All other reserves	58, 145. 08	.05					
Subtotal: Reserved	288, 183. 22	.23	4. 68	1. 02	3. 82	1. 39	.21
Payments in lieu of taxes	2, 039, 613. 36	1. 63	1. 83				1. 86
Debt service:							
Interest paid non-Federal bonds (A bonds)	2, 751, 391. 61	2. 20	.49	.50	.46	.41	.37
Interest paid PHA bonds (B bonds)	7, 389, 270. 60	5. 92	7. 41	8. 64	8. 64	8. 64	8 62
Non-Federal bonds retired (A bonds)	4, 338, 000. 00	3. 48	5. 41	1. 26	2. 52	2. 53	1. 26
PHA bonds retired (B bonds)	984, 000. 00	.79					1. 26
Reserved for debt service	443, 255. 25	.36	*3. 22	1. 29	.07	.11	.19
Subtotal: Debt service	15, 905, 917. 46	12. 75	10. 09	11. 69	11. 69	11. 69	11. 70
Total expense	41, 994, 759. 40	33. 65	28. 86	30. 52	28. 83	28. 26	29. 54
Deficit—current year operations	4, 844, 552. 86	3. 88	3. 98	3. 52	4. 23	3. 47	4. 71
Special nonrecurring items:							
Earnings in excess of normal debt service [4]	*13, 435. 74	*.01					
Operating improvements	528, 705. 85	.42					
Adjustments to previous years	1, 313, 909. 56	1. 05			.01		3. 84
Subtotal: Special nonrecurring items	1, 829, 179. 67	1. 46			.01		3. 84
Total net deficit—current year	6, 673, 732. 53	5. 34	3. 98	3. 52	4. 24	3. 47	8. 55
Total net deficit—current year	6, 673, 732. 53	5. 34	3. 98	3. 52	4. 24	3. 47	8. 55
Less: Net amount applied to decrease (or increase**) in annual contributions [6]	33, 651. 53	.03					
Annual contributions payable	6, 640, 081. 00	5. 31	3. 98	3. 52	4. 24	3. 47	8. 55
Maximum annual contributions payable under contracts	14, 853, 949. 48	11. 90	11. 22	11. 22	11. 22	11. 22	11. 22
Percentage of maximum annual contributions payable to projects having operating deficits	44.7		35. 5	31. 4	37. 8	31. 0	76. 1

See footnotes at end of table.

TABLE 17.—*Income and expense statement of PHA permanently financed Public Law 412 projects by fiscal years ending in calendar years 1941–50*—Continued

Item	All projects with fiscal year ending in 1950		Average per unit month for groups of projects by fiscal years: Group 7—Projects completing second fiscal year in 1950	
	Total	Average per unit per month	First fiscal year ending 1949 [1]	Second fiscal year ending 1950
Number of statutory projects	164	----------	----------	1
Number of developments	340	----------	----------	1
Number of dwelling units	104, 566	----------	----------	1, 190
Average development cost per unit	$4, 466	----------	----------	$7, 208
Number of units available for occupancy	104, 017	----------	----------	1, 190
Income (excluding PHA annual contribution):				
Dwelling rent schedule	$36, 237, 488. 41	$29. 03	$32. 49	$41. 38
Less: Dwelling vacancy loss	130, 362. 00	. 10	. 01	. 03
Net dwelling rental income	36, 107, 126. 41	28. 93	32. 48	41. 35
All other income	1, 043, 080. 13	. 84	. 34	. 56
Total income (excluding PHA annual contribution	37, 150, 206. 54	29. 77	32. 82	41. 91
Expense:				
Operating expense (excluding reserves):				
Management	4, 804, 067. 31	3. 85	4. 53	5. 50
Operating services	1, 633, 173. 15	1. 31	2. 99	3. 48
Dwelling utilities	8, 183, 404. 75	6. 56	7. 22	6. 56
Repairs, maintenance, and replacements	8, 345, 651. 52	6. 68	3. 50	6. 13
Public services	76, 966. 98	. 06	. 01	----------
Insurance	398, 777. 28	. 32	. 36	. 46
Collection losses	97, 088. 13	. 08	----------	----------
All other expense	221, 916. 24	. 18	. 07	. 15
Subtotal: Operating expenses (excluding reserves)	23, 761, 045. 36	19. 04	18. 68	22. 28
Reserved from income for:				
Operating reserve	36, 706. 16	. 03	----------	11. 88
Annual contribution allowance	127, 420. 07	. 10	. 19	. 19
Operating improvement—regular	65, 911. 91	. 05	----------	----------
All other reserves	58, 145. 08	. 05	----------	----------
Subtotal: Reserved	268, 183. 22	. 23	. 19	12. 07
Payments in lieu of taxes	2, 039, 613. 36	1. 63	1. 26	3. 48
Debt service:				
Interest paid non-Federal bonds (A Bonds)	2, 751, 391. 61	2. 20	. 64	1. 53
Interest paid PHA bonds (B Bonds)	7, 389, 270. 60	5. 92	5. 34	13. 39
Non-Federal bonds retired (A Bonds)	4, 338, 000. 00	3. 48	7. 00	2. 59
PHA bonds retired (B Bonds)	984, 000. 00	. 79	----------	2. 59
Reserved for debt service	443, 255. 25	. 36	1. 56	. 30
Subtotal: Debt service	15, 905, 917. 46	12. 75	14. 54	20. 40
Total expense	41, 994, 759. 40	33. 65	34. 67	58. 23
Deficit—current year operations	4, 844, 552. 86	3. 88	1. 85	16. 32

See footnotes at end of table.

TABLE 17.—*Income and expense statement of PHA permanently financed Public Law 412 projects by fiscal years ending in calendar years 1941–50*—Continued

Item	All projects with fiscal year ending in 1950		Average per unit month for groups of projects by fiscal years: Group 7—Projects completing second fiscal year in 1950	
	Total	Average per unit per month	First fiscal year ending 1949 [1]	Second fiscal year ending 1950
Special nonrecurring items:				
Bond refunding			$1.54	
Earnings in excess of normal debt service [4]	*$13,435.74	*$0.01		
Operating improvements	528,705.85	.42		
Adjustments to previous years	1,313,909.56	1.05	*.03	*$0.29
Subtotal: Special nonrecurring items	1,829,179.67	1.46	1.51	*.29
Total net deficit—current year	6,673,732.53	5.34	3.36	16.03
Total net deficit—current year	6,673,732.53	5.34	3.36	16.03
Less: Net amount applied to decrease (or increase**) in annual contributions [6]	33,651.53	.03		
Annual contributions payable	6,640,081.00	5.31	3.36	16.03
Maximum annual contributions payable under contracts	14,853,949.48	11.90	14.39	18.02
Percentage of maximum annual contributions payable to projects having operating deficits	44.7		23.3	88.9

*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 includes PR-1-2, for Ponce, Puerto Rico, with respect to development in its first fiscal year.

[3] Includes 484 dwelling units for PR-2-3, for San Juan, Puerto Rico, with respect to development under construction.

[4] Applies to Fla-5-1, 2, 3 (1,075 units) and Ind-3-1 (120 units) which projects are permitted under contract to apply excess earnings to debt service.

[5] Less than $0.005.

[6] Prior year surplus used to reduce required annual contributions $399,681.60
Less: Current year surplus from projects not requiring annual contributions 366,030.07

Net amount applied 33,651.53

TABLE 18.—*Public war housing program, balance sheet, as of June 30, 1950* [1]

ASSETS

Cash:			
On hand and in transit		$213, 703	
With United States Treasury		[2] 28, 099, 657	
			$28, 313, 360
Accounts receivable:			
Other programs	$16, 568		
Local authorities	4, 261, 989		
Tenants	301, 993		
Claims	136, 747		
Other	163, 857		
		4, 881, 154	
Less allowance for losses:			
Tenants	177, 395		
Other	175, 521		
		352, 916	
			4, 528, 238
Advances:			
Government agencies	15, 151		
Local authorities	1, 836, 075		
Other	45, 501		
		1, 896, 727	
Less allowance for losses		5, 287	
			1, 891, 440
Accrued interest receivable:			
Mutual ownership corporations		19, 889	
Other		11, 339	
			31, 228

Mortgage notes and investments:			
Mortgage notes:			
Mutual ownership corporations		8, 783, 311	
Other		3, 413, 770	
Investments		1, 911	
			12, 198, 992
Stores inventories			9, 218
Land, structures, and equipment:			
Development costs	$1, 043, 985, 491		
Less allowance for transfers to other government agencies	5, 732, 012		
		1, 038, 253, 479	
Dwelling units (subject to disposition under "offer and acceptance" contracts)	11, 668, 811		
Less allowance for disposition losses	6, 564, 774		
		5, 104, 037	
			1, 043, 357, 516
Deferred charges:			
Prepaid payments in lieu of taxes		860, 860	
Prepaid insurance		801	
Prepaid land rental		58, 523	
			920, 184
Annual leave accrued (contra)			2, 329, 203
Total			1, 093, 579, 379

See footnotes at end of table.

TABLE 18.—*Public war housing program, balance sheet, as of June 30, 1950* [1]—Con.

LIABILITIES			
Accounts payable:			
Government agencies	$41, 699		
Other programs	158		
Local authorities—deficits leased projects	124, 338		
Other (utilities, materials, supplies, etc.)	2, 496, 036		
		$2, 662, 231	
Accrued liabilities:			
Salaries and wages	534, 410		
Payments in lieu of taxes	2, 558, 804		
		3, 093, 214	
Claims of contractors and others pending settlement		255, 375	
Trust and deposit liabilities:			
Deposits on dwelling units under "offer and acceptance" contracts	$293, 737		
Taxes and insurance	170, 490		
Other	40, 270		
		504, 497	
eferred credits—prepaid rents		326, 778	
Total liabilities			$6, 842, 095
Accrued annual leave (contra)			2, 329, 203
INVESTMENT OF UNITED STATES GOVERNMENT			
Noninterest bearing investment:			
Appropriations for development	$1, 590, 168, 366		
Assets transferred from other government agencies	115, 778, 190		
Reserve for expenses of disposition of properties (pursuant to sec. 605 (c) Public Law 475, 81st Cong.)	9, 741, 948		
		1, 715, 688, 504	

Reduction of investment:				
Assets transferred to other government agencies		194, 397, 560		
Assets transferred to other programs		2, 009, 231		
Unobligated net revenues from inception	$311, 739, 923			
Less amount to be paid to United States Treasury in fiscal year 1951	[2] 10, 727, 788			
	301, 012, 135			
Amount withheld for reserve for expenses of disposition of properties	9, 741, 948			
Amount deposited to general fund receipts	291, 270, 187			
		301, 012, 135		
Deficit		133, 861, 497		
			631, 280, 423	
Net investment of United States Government				1, 084, 408, 081
Total				1, 093, 579, 379

[1] The comments and notes appearing in table 33 are an integral part of this statement.

[2] Includes $10,727,788 of unobligated revenue receipts transferred to the general fund of the United States Treasury, October 1950.

NOTE.—This and accompanying related statements do not give effect to transactions consummated on or before June 30, 1950, and not reported until too late for inclusion in the records before the final closing of the books of account for fiscal year as follows:

(a) Loss of $57,744 on the disposition of property as follows:

Cost of property:	
Dedications	$10, 670
Demolished or abandoned	61, 223
Sold	2, 123
Total	74, 016
Less: Sales price	16, 272
Loss on property disposition	57, 744

(b) Contingent loss of $282,028 on sales of real property under conditional sales contracts as follows:

Cost of property	$849, 095
Less: Sales price	567, 067
Contingent loss	282, 028

TABLE 19.—*Public war housing program, statement of income and expenses for the fiscal year ended June 30, 1950* [1]

MANAGEMENT

Income:		
Directly operated projects:		
Family dwelling units	$40, 154, 228	
Dormitory units	35, 103	
Stop-gap units	497, 021	
		$40, 686, 352
Leased projects (net):		
Family dwellings units	17, 698, 809	
Dormitory units	*343, 442	
Stop-gap units	*149, 613	
		17, 205, 754
Rented projects and project property		156, 006
Interest on mortgage notes		399, 370
Other income		115, 220
Total income		58, 562, 702
Expenses:		
Operating expenses:		
Directly operated projects:		
Family dwelling units	$27, 866, 174	
Dormitory units	54, 871	
Stop-gap units	601, 764	
		28, 522, 809
Rented projects and project property		16, 744
Nonoperating expenses:		
Directly operated projects		146, 693
Administrative expenses		[2] 2, 883, 300
Total expenses		31, 569, 546
Net operating income before collection losses		26, 993, 156
Collection losses:		
Directly operated projects:		
Accounts receivable written off	$129, 337	
Provision for loss on tenants accounts	11, 857	
Provision for loss on other receivables	180, 808	
		322, 002
Net operating income		26, 671, 154
Casualty losses (net):		
Directly operated projects:		
Cost of replacements	$12, 476	
Less proceeds from casualty claims	825	
		11, 651
Net management income		26, 659, 503

See footnotes at end of table.

TABLE 19.—*Public war housing program, statement of income and expenses for the fiscal year ended June 30, 1950* [1]—Continued

PROPERTY DISPOSITIONS

Costs:		
Book values:		
Property sold	$44, 253, 975	
Dedications	7, 244, 798	
Demolitions and fire losses	5, 369, 890	
Indirect development costs wirtten off	70, 241	
Reused for veterans reuse housing program	303, 397	
Reused for public war housing program	423, 749	
Total	57, 666, 050	
Provision for losses on dwelling units subject to disposition under "offer and acceptance" contracts	6, 564, 774	
Disposition expenses:		
Direct expenses	351, 231	
Administrative expenses	[2]1, 514, 100	
Total	1, 865, 331	
		$66, 096, 155
Proceeds of sales of property and salvage recoveries		16, 649, 829
Net loss on property dispositions		49, 446, 326
Total net loss for the fiscal year ended June 30, 1950		22, 786, 823

ANALYSIS OF DEFICIT

Deficit:		
Balance at beginning of fiscal year		99, 705, 278
Adjustments to beginning balance:		
Management	*$437, 022	
Disposition	12, 814, 722	
Administrative	*1, 008, 304	
Total		11, 369, 396
Adjusted balance		111, 074, 674
Net loss for the fiscal year ended June 30, 1950		22, 786, 823
Deficit, June 30, 1950		133, 861, 497

* Indicates negative item.

[1] The comments and notes appearing in table 33 are an integral part of this statement.

[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 20.—*Income and expense statement of entirely active projects in the public war housing program (Lanham constructed) by type of accommodation, fiscal year ended June 30, 1950*

	Family dwellings	Dormitories	Stop-gap accommodations
Number of projects	632	4	12
Number of units	235, 190	2, 566	1, 878
Number of unit months	2, 819, 139	37, 716	22, 500
	Average per unit per month		
Income:			
Rentals:			
Dwellings	$33. 19	$29. 51	$25. 65
Less vacancy loss	. 68	9. 28	. 74
Dwellings (net)	32. 51	20. 23	24. 91
Commercial facilities	. 41	. 56	. 05
Other	1. 49	. 41	2. 32
Total income	34. 41	21. 20	27. 28
Expenses:			
Operating expenses:			
Management	3. 26	7. 67	4. 54
Operating services	. 70	3. 03	3. 22
Dwelling and commercial utilities	6. 47	3. 38	5. 23
Repairs, maintenance, and replacements	7. 88	3. 24	8. 45
Public services	1. 23	3. 76	. 79
Housekeeping services	(1)	5. 08	----------
Payments in lieu of taxes	4. 47	. 07	1. 56
Other	. 75	. 01	3. 10
Total operating expenses	24. 76	26. 24	26. 89
Operating improvements	. 12	(1)	. 04
Collection losses—accounts receivable written off	. 08	(1)	. 09
Total expenses	24. 96	26. 24	27. 02
Net income (or loss*) for the fiscal year ended June 30, 1950	9. 45	*5. 04	. 26

[1] Less than $0.005.

TABLE 21.—*Public war housing program, statement of sources and application of funds for the fiscal year ended June 30, 1950*

FUNDS PROVIDED		
By realization of assets:		
Sales of property	$12, 702, 971	
Repayments of principal of mortgage loan notes	431, 408	
Total realization of assets		$13, 134, 379
By income:		
Rents	$58, 048, 112	
Interest	399, 370	
Proceeds from casualty claims	825	
Other	115, 220	
Total income		58, 563, 527
By net income applicable to prior years		2, 655, 229
By decrease in working capital		4, 800, 162
Total funds provided		79, 153, 297
FUNDS APPLIED		
To acquisition of assets:		
Land, structures, and equipment—development costs		411, 704
To expenses:		
Management:		
Operating expenses	$28, 539, 553	
Nonoperating expenses	146, 693	
Administrative expenses	2, 883, 300	
Collection losses	129, 337	
Casualty losses—costs of replacements	12, 476	
Disposition:		
Direct expenses	351, 231	
Administrative expenses	1, 514, 100	
Total expenses		33, 576, 690
To retirement of borrowings and capital:		
Deposits of general fund receipts	$45, 164, 687	
Lapsed and rescinded appropriations	216	
Total retirement of borrowings and capital		45, 164, 903
Total funds applied		79, 153, 297

TABLE 22.—*Homes conversion program, balance sheet, as of June 30, 1950* [1]

ASSETS

Cash:			
On hand and in transit		$47,265	
With United States Treasury		[2] 581,014	
			$628,279
Accounts receivable:			
Contract managers		10,727	
Lessors		11,319	
Tenants:			
In possession	$33,034		
Vacated	63,425		
		96,459	
Other		13,703	
Total		132,208	
Less allowance for losses		95,879	
			36,329
Advances—contract managers			2,755
Accrued interest receivable			116
Notes receivable			22,610
Leaseholds and improvements—net book value			712,741
Annual leave accrued (contra)			73,494
Total			1,476,324

LIABILITIES

Accounts payable:			
Contract managers	$5,705		
Other	55,822		
		$61,527	
Trust and deposit liabilities—miscellaneous		2,893	
Deferred credits—prepaid rents		6,786	
Total liabilities			$71,206
Accrued annual leave (contra)			73,494

See footnotes at end of table.

TABLE 22.—*Homes conversion program, balance sheet, as of June 30, 1950*[1]—Con.

INVESTMENT OF UNITED STATES GOVERNMENT				
Noninterest bearing investment:				
Appropriations for development		$90, 182, 756		
Assets transferred from other programs		193, 966		
Reserve for expenses of disposition of properties (pursuant to sec. 605 (c) Public Law 475, 81st Cong.)		197, 680		
			$90, 574, 402	
Reduction of investment:				
Assets transferred to other government agencies		3, 952		
Assets transferred to other programs		32, 458		
Unobligated net revenues from inception	$29, 460, 700			
Less amount to be paid to United States Treasury in fiscal year 1951	[2] 250, 797			
	29, 209, 903			
Amount withheld for reserve for expenses of disposition of properties	197, 680			
Amount deposited to general fund receipts	29, 012, 223			
		29, 209, 903		
Deficit		59, 996, 465		
			89, 242, 778	
Net investment of United States Government				$1, 331, 624
Total				1, 476, 324

[1] The comments and notes appearing in table 33 are an integral part of this statement.

[2] Includes $250,797 of unobligated revenue receipts transferred to the general fund of the United States Treasury, October 1950.

TABLE 23.—*Homes conversion program, statement of income and expenses for the fiscal year ended June 30, 1950* [1]

MANAGEMENT

Income:		
Rentals:		
Dwellings	$8, 220, 055	
Less vacancy loss	345, 078	
Dwellings (net)		$7, 874, 977
Furniture		23, 550
Total		7, 898, 527
Interest on investments		1, 385
Other		5, 789
Total income		7, 905, 701
Expenses:		
Contract managers expenses:		
Management fees	$532, 061	
Operating services and utilities	2, 669, 647	
Repairs, maintenance, and replacements	1, 292, 681	
Total	4, 494, 389	
Fixed operating expenses:		
Insurance	48, 939	
Rental payments to lessors	1, 230, 542	
Payments to mortgagees	224, 000	
Taxes	711, 811	
Total	2, 215, 292	
		6, 709, 681
Administrative expenses		[2] 238, 700
Total expenses		6, 948, 381
Net operating income before collection losses and amortization and depreciation of leaseholds and improvements		957, 320
Collection losses:		
Accounts receivable written off	$77, 094	
Adjustment of provision for losses on accounts receivable	*7, 138	
Total collection losses	69, 956	

See footnotes at end of table.

TABLE 23.—*Homes conversion program, statement of income and expenses for the fiscal year ended June 30, 1950* [1]—Continued

MANAGEMENT—continued		
Amortization and depreciation of leaseholds and improvements:		
Direct conversion costs	$3, 996, 639	
Indirect conversion costs	207, 708	
Operating improvements	142, 408	
Equipment	22, 941	
Furniture	14, 649	
Total	4, 384, 345	
		$4, 454, 301
Net operating loss		3, 496, 981
Casualty losses:		
Cost of replacements	$2, 607	
Less proceeds from casualty claims	1, 563	
		1, 044
Net management loss		3, 498, 025
LOSS ON LEASEHOLD TERMINATIONS		
Costs:		
Direct conversion costs	$17, 339, 509	
Less amortization	15, 659, 069	
Balance written off		$1, 680, 440
Indirect conversion costs	$901, 044	
Less amortization	813, 718	
Balance written off		87, 326
Operating improvements	$257, 569	
Less amortization	199, 371	
Balance written off		58, 198
Equipment	$80, 298	
Less depreciation	69, 321	
Balance written off		10, 977
Furniture	$42, 485	
Less depreciation	42, 485	
Balance written off		
Total		1, 836, 941

See footnotes at end of table.

TABLE 23.—*Homes conversion program, statement of income and expenses for the fiscal year ended June 30, 1950*[1]—Continued

LOSS ON LEASEHOLD TERMINATIONS—continued

Disposition expenses:		
Direct expenses	$104, 067	
Administrative expenses	[2] 256, 400	
		$360, 467
Total		2, 197, 408
Proceeds on leasehold terminations		539, 583
Net loss on leasehold terminations		1, 657, 825
Total net loss for the fiscal year ended June 30, 1950		5, 155, 850

ANALYSIS OF DEFICIT

Deficit:		
Balance at beginning of fiscal year		$54, 140, 042
Adjustments to beginning balance:		
Management	*$524, 779	
Disposition	1, 048, 132	
Administrative	177, 220	
Total		700, 573
Adjusted balance		54, 840, 615
Net loss for the fiscal year ended June 30, 1950		5, 155, 850
Deficit, June 30, 1950		59, 996, 465

*Indicates negative item.

[1] The comments and notes appearing in table 33 are an integral part of this statement.

[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 24.—*Homes conversion program, statement of sources and application of funds for the fiscal year ended June 30, 1950*

FUNDS PROVIDED		
By realization of assets:		
Proceeds of leasehold terminations	$539, 583	
Sales of property and equipment	13, 132	
Repayment of loans	23, 009	
Total realization of assets		$575, 724
By income:		
Rentals	$7, 898, 527	
Other income	7, 174	
Proceeds from casualty claims	1, 563	
Total income		7, 907, 264
By decrease in working capital		1, 222, 220
Total funds provided		9, 705, 208
FUNDS APPLIED		
To acquisition of assets—leaseholds and improvements		35, 149
To expenses:		
Management:		
Operating expenses	$6, 709, 681	
Administrative expenses	238, 700	
Collection losses	77, 094	
Casualty losses	2, 607	
Disposition:		
Direct expenses	104, 067	
Administrative expenses	256, 400	
Total expenses		7, 388, 549
To net loss applicable to prior years		247, 961
To deposits of general fund receipts		2, 033, 549
Total funds applied		9, 705, 208

TABLE 25.—*Veterans reuse housing program, balance sheet, as of June 30, 1950* [1]

ASSETS

Cash with United States Treasury			[2] $4, 720, 957
Accounts receivable:			
Department of the Interior—Bureau of Reclamation	$10, 950		
Local bodies:			
Retained operating reserves	653, 348		
Net income under contracts	2, 084, 152		
Other	33, 801		
Tenants:			
In possession	1, 238		
Vacated	1, 574		
Other	30, 758		
		$2, 815, 821	
Less allowance for losses:			
Retained operating reserves	653, 348		
Other	175, 806		
		829, 154	
			1, 986, 667
Advances:			
Construction contractors		113, 681	
Less allowance for claims		65, 612	
			48, 069
Land, structures and equipment—at cost			11, 778, 474
Deferred charges—prepaid payments in lieu of taxes			25, 096
Annual leave accrued (contra)			164, 507
Total			18, 723, 770

LIABILITIES

Accounts payable:			
Other government agencies	$2, 720		
Public war housing program	1, 811		
Local bodies	46, 235		
Other	22, 407		
		$73, 173	
Accrued salaries and wages		12, 560	
Claims of contractors and others pending settlement		443, 315	
Deferred credits—prepaid rents		4, 297	
Total liabilities			$533, 345
Accrued annual leave (contra)			164, 507

See footnotes at end of table.

TABLE 25.—*Veterans reuse housing program, balance sheet, as of June 30, 1950* [1]—Continued

INVESTMENT OF UNITED STATES GOVERNMENT				
Noninterest bearing investment:				
Appropriations for development costs		$443, 485, 276		
Lapsed appropriation, fiscal year 1948		[2] 65, 759		
Assets transferred from other government agencies		2, 212, 690		
Assets transferred from other programs		7, 070, 605		
Reserve for expenses of disposition of properties (pursuant to sec. 605 (c) Public Law 475, 81st Cong.)		362, 823		
			$453, 197, 153	
Reduction of investment:				
Assets transferred to other government agencies		70, 073		
Unobligated net revenues from inception	$28, 803, 907			
Less amount to be paid to United States Treasury in fiscal year 1951	[2] 3, 210, 525			
	25, 593, 382			
Amount withheld for reserve for expenses of disposition of properties	362, 823			
Amount deposited to general fund receipts	25, 230, 559			
		25, 593, 382		
Deficit		409, 507, 780		
			435, 171, 235	
Net investment of United States Government				$18, 025, 918
Total				18, 723, 770

[1] The comments and notes appearing in table 33 are an integral part of this statement.

[2] Includes $3,210,525 of unobligated revenue receipts returned to the United States Treasury October 1950 and $65,759 of development appropriation for the fiscal year 1948, which lapsed June 30, 1950, and was returned to the Office of the Administrator, September 1950.

TABLE 26.—*Veterans reuse housing program, statement of income and expenses for the fiscal year ended June 30, 1950* [1]

MANAGEMENT

Net operating income, directly operated projects before administrative expenses:		
Income		$713, 120
Operating expenses		556, 518
Net operating income before collection losses and administrative expenses		156, 602
Collection losses		1, 437
Net operating income, directly operated projects before administrative expenses		155, 165
PROPERTY DISPOSITIONS		
Costs:		
Property sold	$382, 656	
Demolition and fire losses	11, 960	
Property transferred to local bodies	2, 970, 408	
Total costs	3, 365, 024	
Direct disposition expenses	35, 107	
		3, 400, 131
Proceeds:		
Net income from properties transferred to local bodies under contracts	5, 589, 548	
Less provision for losses on retained operating reserves	103, 839	
Total	5, 485, 709	
Sales of trailers, mobile units, and salvage	219, 465	
Sales of real property	118, 200	
		5, 823, 374
Net income on property dispositions before administrative expenses		2, 423, 243
Total net operating income from directly operated projects and net income from property dispositions before administrative expenses		2, 578, 408

See footnotes at end of table.

TABLE 26.—*Veterans reuse housing program, statement of income and expenses for the fiscal year ended June 30, 1950* [1]—Continued

PROPERTY DISPOSITIONS—continued

Administrative expenses		$ [2] 796, 200
Total net operating income from directly operated projects and net income from property dispositions		1, 782, 208
Other income		1, 892
Net income for the fiscal year ended June 30, 1950		1, 784, 100

ANALYSIS OF DEFICIT

Deficit:		
Balance at beginning of fiscal year		404, 668, 344
Adjustments to beginning balance:		
Management	$149, 132	
Disposition	5, 772, 884	
Administrative	701, 520	
Total		6, 623, 536
Adjusted balance		411, 291, 880
Net income for the fiscal year ended June 30, 1950		*1, 784, 100
Deficit, June 30, 1950		409, 507, 780

*Indicates negative item.

[1] The comments and notes appearing in table 33 are an integral part of this statement.

[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 27.—*Veterans reuse housing program, statement of sources and application of funds for the fiscal year ended June 30, 1950*

FUNDS PROVIDED		
By realization of assets:		
Sales of property	$337, 665	
Net income from properties transferred to local bodies under contracts	5, 589, 548	
Total realization of assets		$5, 927, 213
By income:		
Operating income	$713, 120	
Other income	1, 892	
Total income		715, 012
By decrease in working capital		7, 594, 566
Total funds provided		14, 236, 791
FUNDS APPLIED		
To acquisition of assets—land, structures and equipment—development costs		2, 532, 572
To expenses:		
Operating expenses	$556, 518	
Direct disposition expenses	35, 107	
Collection losses	45	
Administrative expenses	796, 200	
Total expenses		1, 387, 870
To net loss applicable to prior years		632, 571
To retirement of borrowings and capital:		
Deposits of general fund receipts	$7, 481, 700	
Rescission of appropriated funds	2, 200, 000	
Transfer to trust fund of the United States Treasury	2, 078	
Total retirement of borrowings and capital		9, 683, 778
Total funds applied		14, 236, 791

TABLE 28.—*Subsistence homestead and Greenbelt towns program, balance sheet as of June 30, 1950* [1]

ASSETS

Cash with United States Treasury			$1, 338, 373
Accounts receivable:			
Public war housing program		$158	
Tenants	$26, 732		
Less allowance for losses	4, 102		
		22, 630	
Other		1, 291	
			24, 079
Accrued interest receivable:			
Mutual ownership corporation		6, 749	
Industrial cooperative association (in liquidation)		35, 528	
Other		621	
			42, 898
Mortgage notes receivable:			
Mutual ownership corporation	$3, 079, 057		
Subsistence homestead associations	89, 037		
Industrial cooperative associations (reduced to judgment)	332, 063		
Other	52, 425		
		3, 552, 582	
Less allowance for losses		32, 917	
			3, 519, 665
Stores inventories			82, 299
Land, structures, and equipment:			
Greenbelt towns	$24, 727, 972		
Less allowance for depreciation	4, 805, 571		
		$19, 922, 401	
Subsistence homesteads (subject to disposition under executed lease and purchase contracts)	178, 763		
Less allowance for disposition losses	105, 501		
		73, 262	
			19, 995, 663
Deferred charges:			
Prepaid payments in lieu of taxes		2, 731	
Prepaid insurance		18, 890	
			21, 621
Annual leave accrued (contra)			66, 576
Total			25, 091, 174

[1] The comments and notes appearing in table 33 are an integral part of this statement.

TABLE 28.—*Subsistence homestead and Greenbelt towns program, balance sheet as of June 30, 1951* [1]—Continued

LIABILITIES

Accounts payable—miscellaneous		$42, 623	
Accrued liabilities:			
Salaries and wages	$14, 511		
Payments in lieu of taxes	136, 644		
		151, 155	
Trust and deposit liabilities:			
Deposits under lease and purchase contracts;			
For application to purchase price	21, 858		
For maintenance and repairs	2, 303		
Total	24, 161		
Taxes and insurance	37, 790		
Other	3, 650		
		65, 601	
Deferred credits—prepaid rents		6, 105	
Total liabilities			$265, 484
Accrued annual leave (contra)			66, 576

INVESTMENT OF UNITED STATES GOVERNMENT

Noninterest bearing investment:			
Assets transferred from other government agencies	$62, 695, 922		
Assets transferred from other programs	275		
		$62, 696, 197	
Reduction of investment:			
Assets transferred to other government agencies	1, 602, 928		
Assets transferred to other programs	28, 822		
Deposits to general fund receipts	12, 617, 793		
Deficit	23, 687, 540		
		37, 937, 083	
Net investment of United States Government			24, 759, 114
Total			25, 091, 174

TABLE 29.—*Subsistence homestead and Greenbelt towns program, statement of income and expenses for the fiscal year ended June 30, 1950* [1]

MANAGEMENT

Income:		
Projects:		
Greenbelt towns	$1, 370, 163	
Subsistence homesteads	3, 723	
		$1, 373, 886
Interest earned:		
On mutual ownership corporation obligations	62, 334	
On subsistence homestead association obligations	4, 452	
On industrial cooperative association obligations	3, 598	
On other mortgages and miscellaneous loans	2, 710	
On furniture sales contracts	521	
		73, 615
Other		2, 018
Total income		1, 449, 519
Expenses:		
Operating expenses:		
Greenbelt towns project	$1, 042, 172	
Subsistence homestead projects	327	
		1, 042, 499
Nonoperating expenses		167
Administrative expenses		[2] 66, 300
Total expenses		1, 108, 966
Net income before collection losses and depreciation		340, 553
Collection losses:		
Accounts receivable written off	$12, 958	
Provision for losses on accounts receivable	*11, 469	
Notes receivable written off	267, 238	
Provision for losses on notes receivable	*234, 321	
Accrued interest receivable written off	61, 255	
Provision for losses on accrued interest receivable	*57, 657	
Total collection losses		38, 004
Depreciation—Greenbelt towns projects		467, 278
Total collection losses and depreciation		505, 282
Net management loss		164. 729

See footnotes at end of table.

TABLE 29.—*Subsistence homestead and Greenbelt towns program, statement of income and expenses for the fiscal year ended June 30, 1950* [1]—Continued

PROPERTY DISPOSITIONS

Costs:		
Book values:		
Property sold	$9, 455, 386	
Dedications	1, 282, 580	
Demolition	2, 318	
Fire losses	1, 374	
Total	10, 741, 658	
Less allowance for depreciation	1, 912, 169	
Net book values	8, 829, 489	
Disposition expenses:		
Direct expenses	17, 626	
Administrative expenses	[2] 126, 300	
Total disposition expenses	143, 926	
		$8, 973, 415
Proceeds		3, 804, 118
Net loss on property dispositions		5, 169, 297
Total net loss for the fiscal year ended June 30, 1950		5, 334, 026

ANALYSIS OF DEFICIT

Deficit:		
Balance at beginning of fiscal year		18, 160, 471
Adjustments to beginning balance:		
Management	*$267, 500	
Disposition	478, 973	
Administrative	*18, 430	
Total		193, 043
Adjusted balance		18, 353, 514
Net loss for the fiscal year ended June 30, 1950		5, 334, 026
Deficit, June 30, 1950		23, 687, 540

*Indicates negative item.

[1] The comments and notes appearing in table 33 are an integral part of this statement.

[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 30.—*Subsistence homestead and Greenbelt towns program, statement of sources and application of funds for the fiscal year ended June 30, 1950*

FUNDS PROVIDED		
By realization of assets:		
Sales of property:		
Real property	$633, 487	
Equipment	8, 004	
Stores inventory	2, 907	
Total sales of property		$644, 398
Repayment of loans:		
Mutual ownership corporation mortgage notes	$80, 663	
Subsistence homestead association mortgage notes	191, 023	
Other mortgage notes	91, 283	
Total repayment of loans		362, 969
Total realization of assets		1, 007, 367
By income:		
Rents	$1, 373, 886	
Interest	73, 615	
Other	2, 018	
Total income		1, 449, 519
By net income applicable to prior years		37, 146
Total funds provided		2, 494, 032
FUNDS APPLIED		
To expenses:		
Management:		
Operating expenses	$1, 042, 499	
Nonoperating expenses	167	
Administrative expenses	66, 300	
Collection losses:		
Accounts receivable written off	12, 958	
Accrued interest receivable written off	61, 255	
Disposition:		
Direct disposition expenses	17, 626	
Administrative expenses	126, 300	
Total expenses		1, 327, 105
To deposits of general fund receipts		1, 045, 408
To increase in working capital		121, 519
Total funds applied		2, 494, 032

TABLE 31.—*Analysis of PHA administrative expenses for fiscal year 1950*

By objective classification:		
Personal services:		
Personal services	$9, 659, 961	
Leave liability	53, 429	
Cash incentive awards	10	
Total personal services		$9, 713, 400
Travel:		
Travel	$794, 702	
Convention travel	8, 272	
Total travel		802, 974
Transportation of things		54, 428
Communication services		207, 137
Rents and utility services		884, 455
Printing and binding		72, 617
Other contractual services:		
Reimbursements to GAO Corporate Audit Division	$90, 000	
Miscellaneous services	166, 562	
Total other contractual services		256, 562
Supplies and materials		98, 765
Equipment		172, 400
Tort claims		15
Reimbursements		*156
Total obligations		12, 262, 597
Unobligated balance of funds for administrative expenses		42, 003
Total		12, 304, 600

See footnotes at end of table.

TABLE 31.—*Analysis of PHA administrative expenses for fiscal year 1950*—Con.

By source of funds:		
United States housing act:		
Authorized corporate funds	$2, 034, 600	
Appropriated funds	4, 250, 000	
Total		$6, 284, 600
Public war housing:		
Development	$66, 800	
Management	2, 883, 300	
Disposition	1, 514, 100	
Total		4, 464, 200
Homes conversion:		
Management	$238, 700	
Disposition	256, 400	
Total		495, 100
Veterans reuse housing:		
Development	$71, 900	
Management	796, 200	
Total		868, 100
Subsistence homestead and Greenbelt towns:		
Management	$66, 300	
Disposition	126, 300	
Total		192, 600
Total		[1] 12, 304, 600

*Indicates negative item.
[1] Includes $42,003 of funds which have not been obligated.

TABLE 32.—*Cumulative expenditures for project development, by program and State, other than United States Housing Act low-rent projects, as of June 30, 1950*

State	Total	War housing [1]	Veterans reuse [1]	Subsistence homestead and Greenbelt towns [1]
Alabama	$50,642,682	$42,471,877	$5,634,704	$2,536,101
Arizona	22,019,930	19,193,277	2,703,184	123,469
Arkansas	15,816,209	14,434,940	1,381,269	----------
California	334,908,705	303,146,784	31,761,921	----------
Colorado	12,258,845	5,817,460	6,319,417	121,968
Connecticut	60,641,693	55,569,934	5,071,759	----------
Delaware	6,929,655	6,502,956	426,699	----------
Florida	35,725,378	32,256,235	3,469,143	----------
Georgia	40,974,121	36,527,740	4,446,381	----------
Idaho	7,322,675	3,786,706	3,535,969	----------
Illinois	45,380,900	23,995,077	20,829,194	556,629
Indiana	52,995,364	40,129,908	12,865,456	----------
Iowa	16,460,895	4,976,316	11,484,579	----------
Kansas	41,830,727	38,094,104	3,736,623	----------
Kentucky	11,132,913	5,944,999	5,187,914	----------
Louisiana	18,299,719	10,858,692	7,441,027	----------
Maine	19,007,412	17,985,098	1,022,314	----------
Maryland	81,754,404	66,104,523	2,201,011	13,448,870
Massachusetts	30,929,001	14,103,406	16,825,595	----------
Michigan	103,013,157	85,448,857	16,215,403	1,348,897
Minnesota	9,216,658	318,073	8,898,585	----------
Mississippi	23,777,048	19,328,314	4,217,239	231,495
Missouri	18,302,204	9,241,525	9,060,679	----------
Montana	6,166,874	1,639,167	4,527,707	----------
Nebraska	13,685,492	10,709,025	2,976,467	----------
Nevada	8,000,152	7,292,882	707,270	----------
New Hampshire	8,426,864	6,625,392	1,801,472	----------
New Jersey	48,112,887	24,133,573	20,815,174	3,164,140
New Mexico	7,868,503	6,994,344	874,159	----------
New York	108,669,216	43,658,343	64,967,852	43,021
North Carolina	34,699,032	27,937,330	6,761,702	----------
North Dakota	2,203,641	----------	2,203,641	----------
Ohio	109,705,565	73,756,380	23,990,729	11,958,456
Oklahoma	15,204,360	8,362,030	6,842,330	----------
Oregon	70,251,381	64,795,336	5,456,045	----------
Pennsylvania	127,557,285	104,460,061	21,238,475	1,858,749
Rhode Island	4,325,062	3,621,447	703,615	----------
South Carolina	24,663,362	21,162,286	3,474,183	26,893
South Dakota	4,084,052	2,340,543	1,743,509	----------
Tennessee	17,398,272	8,008,472	6,532,721	2,857,079
Texas	94,242,072	77,174,688	16,991,896	75,488
Utah	27,239,078	23,973,253	3,265,825	----------
Vermont	2,704,797	1,793,562	911,235	----------
Virginia	116,214,387	109,452,882	5,476,336	1,285,169
Washington	174,785,703	169,707,612	5,078,091	----------
West Virginia	14,148,488	7,157,258	2,650,997	4,340,233
Wisconsin	32,859,811	13,409,830	8,485,603	10,964,378
Wyoming	5,951,508	3,224,552	2,726,956	----------
District of Columbia	22,449,841	18,430,612	4,019,229	----------
Alaska	6,148,794	5,254,703	894,091	----------
Canal Zone	1,675,142	1,675,142	----------	----------
Hawaii	14,495,268	13,402,897	1,092,371	----------
Puerto Rico	4,469,790	4,257,249	212,541	----------
Administrative expenses	52,250,284	30,255,911	[2]21,994,373	----------
Trailers	43,784,080	43,784,080	----------	----------
Costs not chargeable to projects	13,596,639	3,199,171	10,397,468	----------
Total	2,297,377,977	[3]1,797,886,814	444,550,128	[4]54,941,035

[1] This table does not include interprogram transfers of development cost.
[2] Includes field supervision and inspection.
[3] Includes costs of $115,349,342 for projects developed by other Government agencies and transferred to PHA. Also includes $90,090,213—Homes conversion program.
[4] All projects developed by Farmers Home Administration and transferred to PHA.

TABLE 33.—*Comments and notes relating to the Public Housing Administration financial statements as of June 30, 1950*

The statements of financial condition and related statements for the Public Housing Administration included in this report, reflect the financial condition and results of operation as shown by the books of account subject to, the footnotes appended to each statement which reflect only the omissions and differences known at the time the statements were prepared and, subject to the following comments:

Contingent liabilities not reflected in the statements or footnotes for the respective programs consist of the following:

Suits and claims against the Public Housing Administration:

United States Housing Act program	$1, 175, 445
Public War Housing program	9, 529, 306
Homes conversion program	80, 563
Veterans' Reuse housing program	3, 042, 741
Subsistence homestead and Greentowns program	----------
Administrative program	6, 000
Total	$13, 834, 055

Based on past experience with similar claims, it is the opinion of operating officials of the Public Housing Administration that the above-cited 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.

The footnote to the balance sheet of the Public War Housing program states that transactions relating to property with a book value of approximately $923,000 were not reflected in the accompanying statements. Subsequent investigation and audit indicates that additional transactions for the disposition of property having a book value of approximately $12,000,000 had not been reported at that date and consequently are not reflected in the accompanying statements.

It is possible that there were similar omissions in other programs except the United States Housing Act program.

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