Third Annual Report

HOUSING AND HOME FINANCE AGENCY

★

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

Calendar Year

1949

THE HOUSING AND HOME FINANCE AGENCY

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Secretary of Commerce (or his designee)

Secretary of Labor (or his designee)

Federal Security Administrator (or his designee)

1626 K Street NW.

U. S. Housing and Home Finance Agency

Third Annual Report

HOUSING AND HOME FINANCE AGENCY

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LETTER OF TRANSMITTAL

SIRS: I have the honor to transmit herewith the Third Annual Report of the Housing and Home Finance Agency covering the housing activities of the Federal Government for the calendar year 1949.

In this Third 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 PRO TEMPORE, UNITED STATES SENATE,
Washington 25, D. C.

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INTRODUCTION TO PART ONE

In Part One of the Third Annual Report of the 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 the 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 Part Two, Three, and Four, respectively of this report. The material presented in Part One is in two major sections: *Housing in 1949* and *The Government Role.* It is preceded by a chronology of significant events in housing in 1949, and is followed by three appendixes: Appendix A contains various statistical and fiscal tables—in addition pertinent statistical tables are included in the text; Appendix B lists Executive messages and Federal and State legislation affecting housing in 1949; Appendix C lists HHFA publications.

CHRONOLOGY OF SIGNIFICANT EVENTS IN HOUSING, 1949

1–1 Housing Administrator announces establishment of technical research organization authorized by Housing Act of 1948 virtually complete.

1–5 Housing Act of 1949 introduced in Senate as S. 138. This Act establishes national housing objectives and policies to be followed.

1–17 National leaders of all groups who help produce and finance homes and apartments meet in Washington to review final plans for 1949 Economy Housing Program.

1–22 Administrator announces arrangements completed for National Research Council to act in advisory capacity to HHFA in its research program on standardized dimensions and building techniques.

2–7 Local meetings to forward Economy Housing Programs started; meetings scheduled in 65 key cities.

2–12 Government agencies concerned with veterans' housing jointly issue publication, *For the Home-Buying Veteran.*

2–18 FHA instructs its field offices that "no application for mortgage insurance shall be rejected solely on the ground that the subject property or type of occupancy might affect market attitudes toward other properties in the immediate neighborhood * * * (nor) because of different types of occupancy regardless of whether or not it is in violation of restrictive covenant * * *."

2–21 *New York* legislature authorizes referendum at general election on increasing State loan funds for low-rent housing from $435,000,000 to $735,000,000 and increasing maximum yearly subsidy total from $13,000,000 to $25,000,000.

2–26 HHFA asks Attorneys General of all States to aid in campaign to modernize local building codes.

3–4 FHA offers to analyze cooperative housing projects in advance of assured financing to assist program.

3–9 *Nebraska* authorizes insurance companies to make direct investment in housing.

3–10 *Arkansas* authorizes municipalities to adopt technical building codes and regulations by reference.

3–10 *North Dakota* authorizes insurance companies to invest in real estate.

3–21 Administrator announces 50,000 to 60,000 representatives of housing industry in about 200 cities and towns have attended meetings of the Economy Housing Program and exchanged experiences in cost-cutting methods.

3–24 –25 HHFA and Department of Commerce sponsor meeting of six code sponsoring organizations to form coordinating committee with purpose of framing agreement on single national plumbing code. Organizations represented were: American Standards Association; Building Officials Conference of America; Western Plumbing Officials Conference; American Society of Sanitary Engineers; Conference of State Sanitary Engineers; Uniform Plumbing Code Committee.

This meeting was the sixth official action to modernize building codes since January 1.

In January the National Board of Fire Underwriters published the sixth major revision of its national building code as a standard for fire-safe construction; and the Council of State Governments recommended State action to permit cities to adopt model building codes by reference.

In March the American Standards Association issued a new edition of the *American Standards Administrative Requirements for Building Codes;* the National Bureau of Standards reported on a survey of the status of building codes; and the Building Officials Conference of America issued a basic building code for use in small cities.

3–29 *Nevada* authorizes insurance companies to invest in housing projects under certain conditions.

3–30 President signs Housing and Rent Act of 1949 extending rent control to June 30, 1950, and providing optional decontrol.

3–30 *Kansas* authorizes cities to incorporate certain standard or model building codes by reference.

4–5 *Wisconsin* voters approve constitutional amendment that makes available for veterans' housing, an estimated $8,000,000 from special liquor tax.

4–20 *Minnesota* adopts liberalizing amendments permitting local housing authorities to initiate public housing financed without loans or grants from the local government, without holding a referendum; liberalizes redevelopment provisions to make participation by private capital more attractive.

4–11 *New York* legislature authorizes savings banks, under certain conditions, to buy FHA-insured mortgages covering property in any part of the United States.

4–21 *New York* enacts measure creating five-member commission to formulate State-wide building code.

4– HHFA publishes *Cost Saving Methods*, a summary of articles from building periodicals.

4–23 President signs Alaska Housing Act. This Act authorized more liberal FHA mortgage insurance in Alaska, housing loans and more liberal secondary mortgage market through the Federal National Mortgage Association, construction of sales or rental housing by the Alaska Housing Authority, housing construction and certain repair loans by the Alaska Housing Authority, and $15,000,000 in loans to the Alaska Housing Authority (through the purchase of the Authority's obligations) by the HHFA Administrator. Appropriations for administrative expenses in connection with this program were approved October 10, 1949.

5–2 HHFA *Technical Bulletin No. 9* reports study of cost savings through use of modular coordination.

5–5 *Oregon* enacts housing bills, giving local housing authorities redevelopment authority and authorizing $30,000 for grants to local housing authorities for housing surveys.

5–7 *Maine* enacts legislation authorizing establishment of urban and rural local housing authorities with authority to participate in Federal low-rent program.

5–18 FHA insures first rental project mortgage under Alaska Housing Act on a Section 207 housing project in Anchorage containing 67 apartments.

5–18 *Virgin Islands* creates Virgin Islands Housing Authority to undertake slum clearance and low-rent housing projects in urban and rural areas.

5–19 President approves Public Law 65 authorizing sale of suburban resettlement projects known as Greenbelt Towns by negotiated sale.

5–20 *Pennsylvania* provides $15,000,000 subsidy program to provide housing for middle-income families and for slum clearance. Grants up to 35 percent of costs are available to private builders and local housing authorities to provide rental housing to meet middle-income families' needs.

5–20 *Pennsylvania* amends housing authorities law to extend provisions to all cities instead of only to those having over 30,000 inhabitants.

5–23 *Hawaii* enacts three housing aid bills. (1) Authorizes a loan of $1,500,000 to Hawaii Housing Authority to complete two deferred low-rent projects. (2) Authorizes creation of county redevelopment agencies. (3) Permits Hawaii Housing Authority to issue revenue bonds up to $18,000,000 for self-supporting housing projects.

5–25 *Nebraska* legislature removes State from Federal rent control, effective November 1.

5–26 *Pennsylvania* authorizes fiduciaries to invest in obligations of housing authorities.

5–27 Survey group from HHFA, FHA, and FNMA selected to consult with territorial officials in Alaska in effort to expedite home building in Alaska.

5–31 *Wisconsin* provides for the creation of village housing authorities.

6–10 *Connecticut* enacts legislation adding $20,000,000 to moderate-income housing program and includes low-income housing in program. Also authorizes $30,000,000 for aid program for veterans' sales housing.

6–14 *New Jersey* enacts four bills authorizing $100,000,000 low-rent housing and slum clearance program to be submitted to voters in November election.

6–14 *New Jersey* (1) authorizes creation of redevelopment agencies and (2) grants redevelopment powers to local housing authorities where no separate redevelopment agency is created by the municipality.

6–23 *Texas* legislature removes State from Federal rent control, effective 90 days after legislature adjourns. Cities authorized to recontrol.

6– HOLC institutes program to sell or assign all mortgages by publicly offering them for sale on a State-wide basis in undertaking to complete liquidation by June 30, 1951. Loan portfolios of New York, Massachusetts, Connecticut, Rhode Island, New Jersey, and Michigan sold by December 31 under this program. Other activity resulted in all loans in 3 States—Nevada, Wyoming, Idaho—being liquidated by December 31 and balances in 13 other States reduced by more than 99 percent.

6–27 *Ohio* grants redevelopment powers to cities.

7–7 *Ohio* clears way for participation in Federal low-rent housing by two acts: (1) Provides for tax exemption on local housing authority property and payment in lieu of taxes; (2) permits cities to acquire property for redevelopment.

7–13 *Connecticut* prohibits discrimination among applicants for public housing dwellings because of race, creed, or color.

7–15 President signs Housing Act of 1949. Title I authorizes loans and grants for slum clearance and urban redevelopment; Title III authorizes loans and annual contributions for 810,000 additional low-rent homes within a 6-year period; Title VI authorizes a broad research operation aimed at reducing the cost of housing and increasing production; Title V authorizes loans, grants, and other assistance to improve farm housing. The Act also provides for the decennial census of housing; increases FHA mortgage authorization under Title II of the National Housing Act; and amends the National Housing Act in other particulars.

7–28 Administrators of HHFA and Federal Security Administration announce cooperative working agreement between agencies to improve housing and community conditions.

8–2 *Wisconsin* amends State housing and redevelopment laws to include nondiscrimination provisions.

8–8 Application forms for participation in new low-rent housing program mailed by PHA to 500 local housing authorities in 42 States.

8–8 President signs bill adding Title VIII to National Housing Act to aid in providing rental housing to serve military and civilian personnel in areas adjacent to or on military establishments.

8–20 Preliminary explanation of slum clearance program mailed to mayors of all cities of 25,000 or more population.

8–24 *Handbook of Information of Housing Act of 1949* issued.

8–24 President approves Public Law 266 which authorizes HHFA Administrator to transfer temporary veterans' reuse housing to State, county, city, or other public body in accordance with terms of McGregor Act (80th Congress) which authorized such transfers to educational institutions.

8–30 *Alabama* decontrols rents.

8–31 B. T. Fitzpatrick appointed Deputy Administrator of HHFA.

9–15 Booklet explaining modular coordination issued by HHFA.

9–18 N. S. Keith appointed Director of Slum Clearance and Urban Redevelopment Division.

10–6 *Connecticut* removes legal technicalities impeding use of State funds for sales housing to moderate-income families. Program provided State financing at 1.5 percent on FHA insured mortgages for housing sold to approved families for $10,000 or less. Also offered insurance to builders against failure to sell.

10–10 Third Deficiency Appropriation Act, 1949, appropriated funds to HHFA for administrative expenses incident to Alaska housing program.

10–14 Supplemental Appropriation Act, 1950, Public Law 430, approved appropriating funds to HHFA for administrative expenses occasioned by the Housing Act of 1950.

10–25 President approves Public Law 387 which extends FHA mortgage insurance authorizations as follows: Title I to March 1, 1950, and from $200,000,000 to $225,000,000; Title II from $6,000,000,000 to $6,750,000,000; Section 608 to March 1, 1950, and from $6,150,000,000 to $6,650,000,000.

FNMA authorization to purchase insured or guaranteed mortgages increased from $1,500,000,000 to $2,500,000,000, and purchase authority liberalized.

Lanham Act amended by extending from January 1, 1950, to January 1, 1951, requirement to remove federally financed temporary war and veterans' housing.

11–16 FHA issues commitment to insure blanket mortgage covering 261 single-family dwellings being built cooperatively for ownership by individual veterans.

11–16 Presidential approval given for preliminary loans by PHA to initiate and plan 134,500 low-rent housing units in 108 communities in 27 States, the District of Columbia, and Puerto Rico.

12–12 FHA announces changes in Administrative Rules, effective February 15, 1950, concerning restrictive covenants.

12–19 HHFA announces its readiness to make initial reservations for communities to engage in slum clearance and urban redevelopment.

12–22 Appointment of R. U. Ratcliff as Director of HHFA Division of Housing Research is announced.

12-24 Presidential approval received for preliminary loans by PHA to 118 communities to initiate and plan 84,040 low-rent dwellings. Communities located in 29 States and Puerto Rico.

12- Home Loan Bank Board revised and simplified rules and regulations governing its four operating units during 1949.

12- Ten-millionth property improvement loan issued by lender for insurance by FHA under Title I. First such insured loans were made in August 1934.

12- HLBB reports assets of savings and loan associations with share accounts insured by FSLIC reach $11,305,000,000 during 1949; number of insured institutions increase to 2,756.

SECTION ONE: HOUSING IN 1949

Chapter I

SUMMARY

A. Housing at the Mid-Century

The mid-century point marked the end of one of the most eventful housing years in our history. During 1949 more definite progress was made toward the goal of establishing a continuing and high-level production of home building to meet the needs of our people than in any year since the end of the war. The transition in housing from emphasis on the immediate problems of postwar reconversion had become an accomplished fact—although the effects of the war on the housing economy would be apparent for a long time—and primary effort in 1949 was being focused on long-range treatment of our underlying housing problems.

Outstanding housing developments during the year included an all-time-high volume of new permanent units started—more than a million—thus exceeding the record of 937,000 units that had stood for nearly a quarter century; an increasingly greater effectiveness of Federal aids to private home building and home financing; an increasing number of rental units and somewhat lower prices for homes than in the previous years, reflecting in part a joint campaign by the building industry and home-financing institutions, together with the Government's housing agencies, to provide more and better housing at lower costs; and a shift in emphasis in home building from problems of production—which had been paramount in preceding years—to problems of marketing.

B. The Housing Act of 1949

For the long-range future, the most significant legislative development of the year in housing was passage of the Housing Act of 1949. This Act, which establishes a national housing policy and objectives based on recognition of the fact that proper housing of our people is a matter of national concern, reflects nearly two decades of experience by the Federal Government in the housing field. The Act declares as our national housing objective, "the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family."

The major role in reaching this objective is assigned to private enterprise. In accordance with this policy declaration, the task of Government is to aid private enterprise to broaden the sphere of its effectiveness, and other Government aids are to be used for areas of special need where private enterprise cannot function effectively.

The Act implements this policy declaration in a number of specific fields. It provides Federal aid for a public housing program not to exceed 810,000 low-rent dwellings to be developed over 6 years; it provides Federal aid for the clearance of slum and blighted areas of cities for redevelopment; and it provides special aids for rural housing. Moreover, in recognition of the complexities of the housing scene, the Act authorizes a broad program of research aimed at reducing housing cost and stabilizing production in a pattern related to the family and community needs of our people.

As was stated in the reports of the Congressional committees considering this legislation, the various authorized Federal programs, including the Housing Act of 1949, were not intended to provide a complete answer to America's housing problems. Other measures, particularly those needed to improve and supplement existing aids for middle-income families, especially those in the lower range, were felt to be of considerable importance in developing a well-rounded national housing program.

A significant aspect of the Act, however, lies in the fact that it outlines a housing policy not alone for the substantive programs authorized therein and for existing programs, but also for future Federal activity. Details of this and other housing legislation in 1949 are contained in Appendix B: Executive Messages and Federal and State Legislation Affecting Housing in 1949.

C. 1949 Trends in Housing

New permanent nonfarm homes started in 1949, for the first time in our history, exceeded a million units. Thus, volumewise, the year showed an increase of 9.4 percent over the previous year—a promising step toward beginning to meet our requirements. It is encouraging to note that the 1949 increase appears to have been achieved without undue strain on our capacity; building materials production in 1949 was some 10 percent lower than in the previous year, while construction labor employment was at about the 1948 level.

Moreover, lower prices were apparent for much of the housing produced in 1949, a change in direction from trends that had persisted since VJ-day. However, 1949 events strongly emphasize the fact that a more complete realization of the potentiality of our enormously productive economic order to meet our housing requirements depends upon solving the cost problem to a far greater degree than anything hitherto realized. The building industry during 1949 displayed increasing awareness of the need for lower prices and made aggressive efforts in that direction, sparked by the Government's economy housing program. Greater productivity by construction labor, more efficient design, greater use of cost-saving construction methods, and the virtual elimination in most areas of the added costs of the reconversion period—such as production delays, materials, and labor shortages—all played a part in the 1949 emphasis on lower prices. Depletion of large-scale market opportunities for higher-priced housing and more competition for the buyer's dollar probably resulted in lower per unit profit margins, although precise information in this field is difficult to obtain. Availability of more mortgage funds for lower-priced and rental housing was a prime factor in the 1949 production effort. This situation reflected in part more effective application of Government financing aids, including liberalized FHA terms for

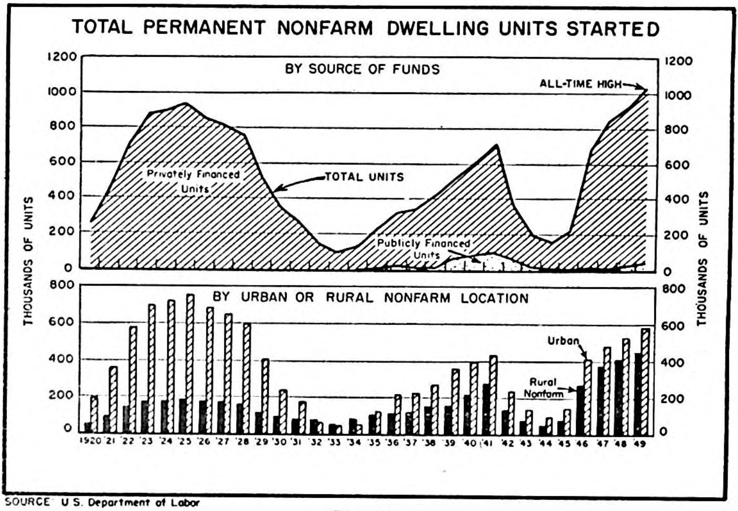


Chart 1.

lower-cost housing and rental financing aids, as well as a revival of GI home loan guarantees during 1949 and the added prop given the market by the operation of a large-scale Government secondary mortgage market through the Federal National Mortgage Association of the Reconstruction Finance Corporation.

Also evidenced during the year were the beginnings of a wider range of efforts and achievements in serving the long neglected and acute housing requirements among racial minorities.

Government Aids Play an Important Part

The participation of Government programs in private home building during 1949 is highlighted by the following figures. More than 36 percent of all units put under construction during the year were started with Federal Housing Administration inspection. About 30 percent of all mortgages recorded represented mortgage loans made by savings and loan associations which are helped by the credit reserves of the Federal Home Loan Bank System and share account insurance of the Federal Savings and Loan Insurance Corporation. About 165,000 of the homes completed during the year were aided through the Veterans' Administration guaranty of home loans, including about 85,000 first mortgages and about 80,000 second mortgages made in combination with an FHA first mortgage. Also, considerable stimulus to home financing during the year resulted from the secondary market operations of the Federal National Mortgage Association which, by year's end, had $828,000,000 outstanding balance in its mortgage portfolio, most of it purchased during 1949. At the end of 1949, FNMA had outstanding commitments to purchase amounting to nearly $824,000,000.

Despite the increasing volume of new housing production and the shift in price trends, other aspects of home building during the year were not so promising. Construction costs which had begun to decline in early 1949 were edging upward again toward the end of the year. There still remained the need for lower sales prices in order to reach the broad market necessary for a high level of home building and the need for reflecting in these prices possible cost reductions resulting from greater efficiency and reduced profit margin. In 1949, as had been true all through the postwar period, not enough housing was produced at prices low enough to meet the needs of vast numbers of American families, particularly those in the middle and lower income brackets. Moreover, in a number of areas throughout the country, too great a proportion of home production was concentrated in smaller units, inadequate for home-seeking families with children.

Housing and Other Economic Activity

One of the significant measures of economic activity is the Department of Commerce estimate of gross national product which in 1949 reached $258,700,000,000, nearly three times that a quarter century ago. Housing construction put in place during 1949 was measured at $7,400,000,000—at prevailing prices—compared with $4,500,000,000 in 1925. Thus, despite a considerable dollar value increase, the proportion of our national output of wealth and services accounted for by housing construction during 1949 was about two-thirds what it was in 1925.

Movcover, when 1949 and 1925 housing activity are compared on a constant dollar base—that is, with allowance for the changing value of the dollar—1949 housing construction, though greater in unit volume, turns out to be valued at about one-quarter less than in

1925. Not enough is known about the housing economy to explain this drop in housing construction value over the past 25 years. Some of the factors that undoubtedly play a part are the decreasing size of the home and improving technological methods; it is also possible that statistical estimates which may be satisfactory for a particular year are subject to some distortion over a 25-year period.

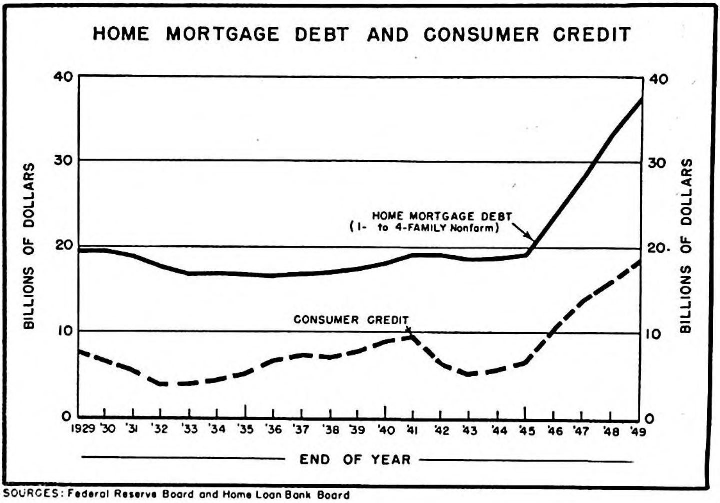


Chart 2.

The home mortgage debt, which has been increasing rapidly in recent years, is another indicator of housing activity. By 1949, the figure stood at $37,700,000,000, about three times the 1925 figures and about double the 1939 and 1945 totals. This debt has increased for the past 4 years at from $4,000,000,000 to $5,000,000,000 a year.

D. The Challenge in Housing

Much progress has been made in the housing field in recent years; but much still remains to be done. The problems have been identified and some of them have been attacked with at least partial success. A growing area of agreement has been developing on what is needed and on the principles through which it should be accomplished. The size of the problem is generally recognized, as is the fact that it cannot be solved over night. The Congress has outlined basic policy and housing objectives; it has provided important tools for their fullest realization; and it has authorized coordination of endeavors to meet these ends through the establishment of a central Government housing agency, the Housing and Home Finance Agency.

The data presented earlier serve to indicate some of the still far too vague measurements of the housing economy. They also indicate the challenge ahead. At the end of 1949 the following were among the more immediate needs in the housing field:

1. Positive action to reduce the cost of housing in terms of purchasing power, such as broad application in housing design and the production of housing materials of the economies inherent in uniform basic dimensions, known as modular coordination.

2. Action by both industry and Government through new and existing methods to provide a larger proportion of our new housing for the middle-income, or average family.

3. More rental housing at much lower rents.

4. A larger proportion of housing for larger families instead of the recent preponderance of two-bedroom units.

5. Active responsibility by local communities, with Federal assistance to the extent needed, and authorized by law, to clear slums, replan and redevelop blighted areas, and provide decent housing for families of low income.

6. Recognition, in terms of expanded action, of the urgency of and the opportunities afforded by the neglected and pressing area of housing need among minorities, especially Negroes.

7. A larger entry by private capital into the secondary mortgage market to relieve dependence on Government for this function.

8. Further development of the possibilities of prefabrication, new materials, and large-scale site construction to produce better housing at lower costs.

9. Full encouragement by industry and Government of the cooperative approach in housing to meet a much larger part of our unmet housing need through private ownership and operation.

10. Vigorous programs at the local and State levels, with Federal help as needed, to reexamine and recast building codes as applied to housing and remove unnecessary barriers to housing progress in the community.

11. Continuous examination of our farm housing need and full recognition of this field as of equal concern nationally with that of urban housing.

12. Better-planned neighborhoods and site developments, related to both existing physical utilities and social facilities and potential future needs of the entire community as well as the immediate neighborhood.

And at the root of much of our housing difficulty is the problem of cost. The cost of housing is, and has been for too long, too high in terms of the average or below-average family income. The cost problem cannot be considered solely in terms of construction costs;

a proper view must include land and site-development costs, financing costs, overhead costs, sales costs, maintenance and upkeep costs—in short, the whole complex of factors that add up to what the average user of housing must pay for housing during his lifetime.

The cost challenge cannot be successfully met by, nor should it properly be regarded as the sole concern of, any one segment of the housing economy. It is a problem that requires the best cooperative endeavor by industry, labor, finance, and the Government.

Many of the possibilities of cost reduction can come about in housing as they have in other areas through the increasing knowledge that comes from a research program. The research program authorized in the Housing Act of 1949, which is based on the full cooperative use of the resources of industry as well as Government, now affords tools not only to reduce costs, but to improve housing quality and, over the years to come, to aid in stabilizing production at a high level.

Chapter II

THE HOUSING SUPPLY SITUATION AT THE MID-CENTURY

As we approach the mid-century mark the housing situation in the United States is a paradox. On the one hand, 1949 was the biggest home-building year in the Nation's history with more than 1,000,000 nonfarm units begun. On the other hand, millions of American families are still living in miserable housing, frequently in slum or blighted areas, under conditions which sap away their health and energy.

A prime obstacle to any thoroughgoing analysis of the housing supply and housing need is the paucity of complete and up-to-date information about the volume and condition of housing, families seeking housing at various price levels, and related matters. For example, the most recent survey of the housing supply was a sample survey undertaken by the Bureau of Census in 1947; more recent data are, of course, available with respect to such types of information as production of new housing, population trends, and home financing. Studies and tabulations now planned or under way in the 1950 housing census and the housing research program should do much to remedy current data inadequacies and provide a solid foundation for future analyses of the housing scene. The discussion of housing supply and need set forth below is based on the latest data available at the end of 1949.

By mid-century, notwithstanding the fact that the home-building industry has done a most commendable job in providing about 3,500,000 new nonfarm homes since the end of World War II, upwards of 6,000,000 families are still obliged to live in units that fail to come up to minimum accepted standards for adequate housing. In addition, some 2,000,000 families are living doubled up with other families or in furnished rooms, trailers, or other makeshift quarters, frequently because they cannot find decent housing within their financial means.

This situation today is not exclusively an aftermath of the recent World War. Rather it is the culmination of a condition which has developed over the years—a disequilibrium between the prices at which the major share of the new houses has been built and the prices or rents many families could afford to pay. As a result, a situation has prevailed in which too large a share of our American families has not, even in prosperous times, had the financial means to afford really adequate shelter. They have been obliged to wait until houses have deteriorated in quality to the point where their prices or rents fall within their capacity to pay. Either that, or they have been obliged to buy or build flimsy, inadequately equipped units which frequently are a menace to health and safety. As a result we entered the war with an unhealthy backlog of ill-housed families in almost every community in the land.

Reflecting the combined effects of a sustained period of full employment, high incomes during and since the end of the war, and an unprecedented demand for housing, property owners throughout the Nation have done an exceptional job in repairing and rehabilitating their residential properties, many of which had suffered badly during the depression years of the 1930's. As a result, between 1940 and 1947 the number of units in good condition or needing only minor repairs rose from 82 percent to 90 percent of the total, while the number of units having both an inside flush toilet and a private bath rose from 51 percent to 64 percent.

The effects of this substantial face-lifting of the Nation's nonfarm housing inventory was largely counteracted, however, by the huge new demand for housing brought about by a high marriage rate during and after the war. According to the Bureau of the Census estimates, close to 5,000,000 additional families have been created in nonfarm areas alone since VJ-day. During the same period the production of new homes together with units provided through conversion and modernization and repair have, until recently, been barely enough to keep pace with the growing roster of families, let alone take care of the needs of the millions of families whose present quarters are inadequate.

The problem has been further aggravated by the sharp rise in the costs of housing since the end of the war. While some encouraging progress has been made during the past year in inching down what had been a very disturbing upward trend in costs, the present situation is still one in which many low- and middle-income families are priced out of the market for new houses. Moreover, the situation has been particularly acute for racial minorities. At the same time, the general housing shortage has seriously limited the supply of suitable existing housing available to all these families at prices or rents they can afford.

This has not affected all moderate-income families alike, it is true, for many such families have been able to satisfy their housing needs adequately, and Federal home-financing aids have, for the most part, been directed to this field. None the less, some families in most areas and many families in high-cost areas have had and continue to have difficulty. Many have been forced to pay prices for new homes far beyond their means. Others—particularly families with children—

have been forced to acquire houses too small or otherwise ill-suited for their needs. The problem, in many instances, has been most acute for families who, for economic or other reasons, desire to rent rather than buy. Rental housing, to an even greater extent than sales housing, has fallen short of serving the needs of families in all income brackets in all areas.

This problem of disequilibrium between supply and requirements in terms of sales price or rentals takes on even more significance as we enter a period in which there is a shift from a seller's to a buyer's market. For the last few years, the home-building industry has enjoyed the biggest seller's market in its history. Marriages hit an all-time peak of some 2,300,000 in 1946, nearly 65 percent above the 1939 level. This high marriage rate resulted in a substantial addition in the number of families in need of housing. Subsequently, the marriage rate and the net addition to the Nation's families, while still above prewar levels, have been declining. During this entire period since VJ-day, the demand for housing has run so high, however, that builders have had little difficulty in disposing of their output almost regardless of price.

Looking ahead, however, the situation is different. The Bureau of the Census foresees a continuation of the decline in net family formation at a rate of between 200,000 and 250,000 a year until the net annual additions finally stabilize at between 400,000 and 500,000. The time is fast approaching, therefore, when the demand for housing at the 1949 level of production can only be sustained if the industry is in a position to translate into effective market demand a substantial part of the underlying housing need that exists among the millions of families now living in inadequate units.

A major step in that direction can be taken if the industry is able to direct more of its output to meet the needs of middle-income families in urban areas—those families of two or more persons with incomes ranging between $2,800 and $4,400 a year. According to Bureau of the Census statistics, one-third of the urban families in this country had incomes within that range in 1948.

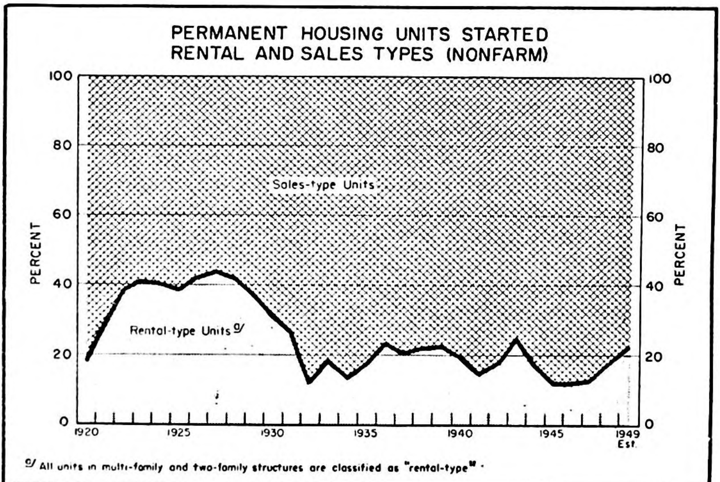
Chapter III

HOME BUILDING IN 1949

A. Housing Production

Total Nonfarm Starts

During the year 1949, for the first time in history, over 1,000,000 new permanent nonfarm dwelling units were started. This exceeded 1925 starts, the previous all time high, by 9.2 percent, 1948 starts by 9.4 percent, and 1939 starts by 97.9 percent. By far, the major portion of 1949 starts (96.5 percent) was privately financed, but at the same time publicly financed starts in 1949 were approximately double



SOURCE U. S. Department of Labor

Chart 3.

those for 1948. Another aspect of this record-breaking year was a marked contra-seasonal trend. During the first 6 months, housing starts trailed 6 percent behind the corresponding period of 1948. However, the second half of 1949 showed a 25.6 percent increase over the last 6 months of 1948. (See table 1.)

Location

The upward trend in the construction of new permanent residential dwelling units in rural nonfarm areas, i. e., areas outside of incorporated places of 2,500 or more, is seen in a comparison by decades. In the 1920's rural nonfarm dwelling units accounted for 20.2 percent of all new permanent nonfarm housing. This figure rose to 36.5 percent in the 1930's and then to 40.2 percent in the 1940's. During the war years, when comparatively few residential units were started, 35.2 percent of the total were rural nonfarm units. In each of the past 3 years, this ratio was relatively stable, varying between 43 and 44 percent. (See table 1.)

Prefabricated Units

The number of prefabricated dwelling units shipped in 1949 was estimated by the Prefabricated Home Manufacturers' Institute at 35,000 units, about one-sixth higher than the 30,000 units shipped in 1948, but still below the 37,400 units shipped in 1947. Of these, the records indicate that about one-half were financed with FHA-insured mortgages.

Sales-Type Housing Starts

Over the last 30 years there has been a definite trend toward 1-family structures (considered to be sales-type units) as compared with 2- and 3-or-more-family and multifamily structures (considered to be rental-type units). During the 1920's, 1-family structures comprised 60.7 percent of all new permanent nonfarm dwelling units. In the following decade 1-family structures made up 77.8 percent of the total, and in the 1940's they jumped to 82.9 percent. During the war, 82.3 percent of all permanent nonfarm residential units started were of the 1-family type. In the first two postwar years, 87.5 percent of all permanent nonfarm residential units were 1-family. Since then, 1-family-type housing has dropped to 82.3 percent in 1948 and 76.8 percent in 1949—an indication that rental-type housing is on the upswing.

Rental Housing

The number of rental-type units started in 1949 totaled 229,000—highest since the building boom of the mid-'20's—and 39 percent above 1948. Of this total, 197,000 units were privately financed and 32,000 units were publicly financed. Most of the total (194,000 units) were in three-or-more-family structures and 35,000 units were in two-family buildings. The relative importance of FHA aids is seen in the fact that FHA gave first compliance inspections to 110,000 units in Section 608 developments which averaged over 70 units, with fewer than 10 percent in projects of less than 25 units. Including rental-type units built under FHA inspection in 2-, 3-, or 4-family structures with mortgages insured under Sections 203 and 603, more than half of rental-type units started in 1949 were FHA-aided.

Dollar Volume

The dollar volume of all new construction put in place, both private and public, amounted to $19,329,000,000 in 1949. Of this amount $7,200,000,000 (37.5 percent of the total) represented the value of new nonfarm residential construction put in place. This figure is less than 1 percent below the peak year of 1948, but is 32.9 percent more than in 1947, the next highest year on record.

The number of new permanent nonfarm dwelling units started in 1949 was 9.4 percent higher than in 1948, but the fact that dollar value of new construction put in place is less, probably reflects, among other things, the decrease in construction costs and the record number of starts in the last quarter of 1949, with the resultingly larger carry-over into 1950 value put in place.

From 1942 through 1945—when the emphasis was on military construction—the value of nonfarm housing represented somewhat less than one-sixth of all new construction or about one-third of new buildings erected. Shortly after the war ended, this latter proportion began rising towards the normal prewar pattern—(57 percent in 1939). In each of the past 3 years, home building (nonfarm) accounted for about 60 percent of all building construction. The following table compares nonfarm home building with the construction of nonresidential buildings, by value and percent distribution:

	1947		1948		1949 [1]	
	Amount ($000,000)	Percent of total	Amount ($000,000)	Percent of total	Amount ($000,000)	Percent of total
Total—All types buildings	$9,082	100.0	$11,943	100.0	$12,083	100.0
Residential	5,446	60.0	7,308	61.2	7,240	59.9
Nonresidential	3,636	40.0	4,635	38.8	4,843	40.1
Industrial	1,702	18.7	1,397	11.7	974	8.1
Commercial	835	9.2	1,224	10.2	1,001	8.3
Educational	439	4.8	806	6.8	1,105	9.1
Hospital and institutional	188	2.1	335	2.8	654	5.4
Religious	118	1.3	236	2.0	338	2.8
All other types	354	3.9	637	5.3	771	6.4

[1] Preliminary.

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

B. Materials for Housing

In the years immediately following the war, the shortage of building materials was a prime factor in restricting and delaying the expansion of the home-building industry. The remarkable recovery in building materials production in 1946 and 1947 resulted in a greatly improved supply situation. For the past 2 years, building materials supply—except for a few materials for short periods and in relatively few areas—has ceased to be a major factor in limiting the building of homes. Thus, in 1949 the building materials supply picture was relatively good, although production was 8.6 percent below the 1948 all-time high and 5.1 percent below 1947.

Of the 20 major materials included in the Department of Commerce composite index, three materials—cement (up 2.4 percent), concrete reinforcing bars (up 1.8 percent), and structural clay tile (up 5.3 percent)—showed small increases over 1948 production figures. The other 17 materials were down substantially from 1948. (See table 7.)

Among the major materials showing production decreases were lumber (down 11.9 percent), wire nails (down 15.7 percent), gypsum board and lath (down 13.3 and 21.2 percent respectively), asphalt roofing (down 9.5 percent), hardwood flooring (down 7.6 percent), and brick (down 7.4 percent). The greatest decline in production occurred in iron and steel products such as cast iron radiation (down 37.4 percent), rigid steel conduit and fittings (down 25.3 percent) and mechanical stokers (down 59.2 percent).

Decreases in production in 1949 as compared with 1948 and 1947 probably reflected the good supply situation rather than any production difficulties. By 1949, war-depleted inventories had been largely restored and the pipe lines filled—as reflected by the abandonment of the various voluntary allocations plans early in 1949.

These plans, adopted under Public Law 395, Eightieth Congress, had a marked effect in establishing and maintaining, with respect to the equitable distribution of scarce raw materials, a system which would assure an adequate share of such materials to the producers of housing items.

C. Manpower for Construction

During each month of 1949, with the exception of February and March, construction contractors employed over 2,000,000 men. The monthly average for the year was 2,200,000, or 3.5 percent of the labor force. The number of men engaged in construction work was less than one-half of 1 percent below 1948, but 9 percent larger than in 1947. Since 1929, the first year when figures of this type have been available, only 2 years show a slightly greater monthly average number of construction workers—1942 (the peak) and 1948. (There are no data available showing the number of workers engaged in home building.)

D. Costs and Prices

Construction Costs

Department of Commerce composite construction cost indexes and E. H. Boeckh and Associates residential cost indexes show construction costs in 1949 still at high levels, though down from the 1948 peaks. From October of 1948 (the peak month) through August of 1949, residential construction costs gradually fell off about 8 percent (E. H. Boeckh and Associates), but in the latter months of 1949 costs rose slightly and then appeared to be leveling off. At the end of 1949, residential construction costs were 3.9 percent below the average for 1948, but 6.9 percent above 1947 and 29.6 percent above 1946. Costs at the end of 1949 were still more than double the 1939 level. (See table 6.)

According to BLS estimates, the average construction cost per dwelling unit reached a peak of $8,250 in August of 1948. Since then, it has fluctuated between $7,375 and $7,800 per unit. By December 1949, the average cost was $7,250 per unit. Average costs of con-

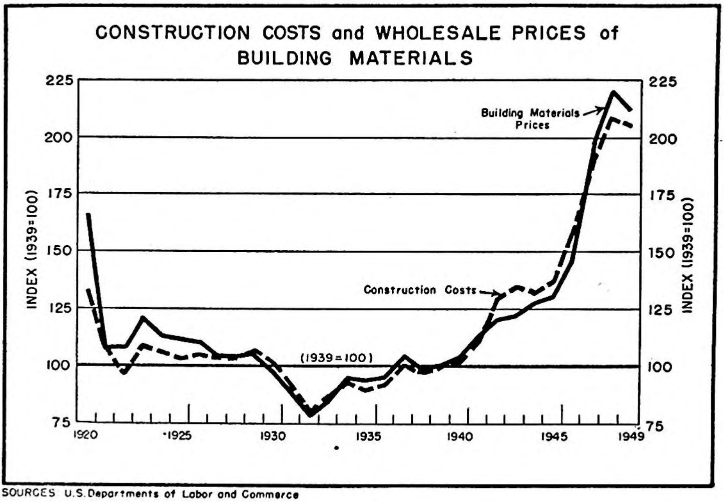


Chart 4.

struction are based on permit values. They include labor, materials, subcontract work, and that part of the contractor's overhead and profit directly chargeable to construction. They do not include sales profit, selling costs, cost of land and site-improvements, or any such nonconstruction expenses as architectural or engineering fees. They are, therefore, not to be confused with selling prices. (See table 3.)

Wholesale Prices of Building Materials

With the exception of 1948, wholesale prices of building materials in 1949 were at an all-time high. At 193.4 (1926=100), they were 2.9 percent below the previous year, but more than double 1939. Wholesale prices for building materials follow a somewhat similar pattern to construction costs—falling off 7.8 percent over the same period (September 1948–August 1949) and then leveling off after a slight increase. Lumber costs showed the greatest decrease (8.6 percent), and structural steel the greatest increase (9.5 percent) in that period.

Wholesale price movements in all commodities (except farm products and foods) and in selected building materials are compared below, and it may be noted that two materials, cement and structural steel, are at an all-time high. Lumber prices, while showing a decline in the last year, are still more than triple prewar prices and have shown a steady increase in the last 3 months of 1949. Paint and paint materials show the greatest decrease in the last 2 years but are 68.2 percent above prewar levels. (See table 8.)

Commodities	Percentage change in wholesale price indexes (1926=100) for Dec. 1949 from—					
	Peak month 1949	Peak month 1948	Average 1948	October 1946 [1]	Average 1939	Average 1925
All commodities (except farm products and food)	−4.8	−5.3	−3.7	+25.2	+79.0	+41.8
All building materials	−5.9	−6.8	−4.4	+41.2	+110.3	+87.1
Brick and tile	−0.4	+0.9	+3.6	+26.7	+77.1	+61.7
Cement	0.0	+0.7	+3.1	+26.3	+47.3	+31.1
Lumber	−4.8	−10.9	−8.9	+59.4	+205.9	+183.4
Paint and paint materials	−16.2	−14.9	−12.7	+16.9	+68.2	+39.2
Plumbing and heating	−1.5	−1.7	+4.6	+44.2	+95.2	[2] +54.6
Structural steel	+3.6	+3.6	+13.1	+54.2	+72.6	+81.2
Other building materials	−5.5	−4.4	+1.0	+38.1	+87.4	+68.5

[1] Last month of price control.
[2] 1926 average—1925 not available.

Source: U. S. Department of Labor, Bureau of Labor Statistics.

Average Earnings and Hours of Work in Construction

Average hourly and weekly earnings in 1949 were up as compared with 1948, although weekly hours worked declined slightly.

The average number of hours worked per week by site workers employed by contractors on building construction has shown a downward trend since the end of the war—from 39 hours per week in 1945 to 36.6 hours per week in 1949. Hourly earnings have been rising steadily since 1934, the first year that earnings data in the building industry have been available. The average for 1934 was $0.795 per hour. Since then, it has risen to $0.932 per hour in 1939, $1.478 in 1946, and $1.973 in December 1949, an increase of 3 percent over December 1948.

Average weekly earnings have increased regularly but not so much as average hourly earnings, because of fewer hours worked. During 1949 average weekly earnings ($70.75) were 2.8 percent above 1948 ($68.85) in private and public construction combined. (Wage data on the total of private and public construction are not available prior to 1948.) On private construction alone, average weekly earnings in 1934 were $22.97, in 1939, $30.39, and in 1948, $69.79. (See table 11.)

Chapter IV

FINANCING HOME CONSTRUCTION AND HOME OWNERSHIP DURING 1949

A. The Over-All Situation

The availability of long-term mortgage funds in 1949 was generally improved from the previous year. Some improvement also occurred in the availability of funds for construction loans, although such funds were more readily available where there was a commitment for FHA insurance of the long-term mortgage.

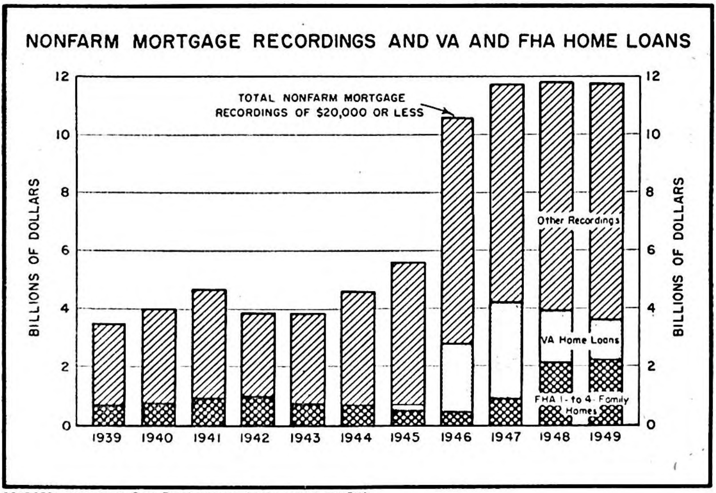


Chart 5.

Recordings of mortgages of $20,000 or less, principally mortgages on 1- to 4-family properties, continued at a high level, amounting to almost $12,000,000,000 in 1949—only slightly less than the all-time high reached in 1948. In addition to this $12,000,000,000, incomplete figures on financing for large-scale multifamily rental housing projects indicate a substantially larger volume in 1949 as compared with 1948. Thus, the combined financing volume for 1- to 4-family and multifamily housing in 1949 was probably in excess of 1948.

FHA-insured and VA-guaranteed loans accounted for slightly less than a third of nonfarm mortgages recorded of $20,000 or less in 1949—somewhat smaller than the proportion in 1948. Much of this federally aided financing in 1949 was for financing new construction, with the most favorable financing directed toward lower-priced construction. FHA-insured mortgages provided the financing for a high proportion of the rental housing projects built. A supporting factor in the supply of mortgage funds was the secondary mortgage market operations of the Federal National Mortgage Association, particularly the expanded purchases of VA-guaranteed 4-percent mortgages.

Another factor contributing to the loosening up of funds for mortgage lending was the continuing easing of bond yields which has had the effect of making investments in mortgages relatively more attractive to some types of lenders. Yields on government bonds and high-grade corporates and municipals, which had turned downward late in 1948, had by the end of 1949 slipped to about the lowest level in 2 years.

The flow of savings into mortgage-lending institutions represents one of the main sources of funds used in making mortgage loans. Savings in mortgage-lending institutions continued to increase in 1949 and generally at a higher rate than in the previous year. This is attributed in part to improved economic conditions, as well as to more intensive drives on the part of lenders to attract savings by advertising and, in some cases, to increased interest rates paid on savings.

B. Mortgage Loan Volume

The dollar volume of mortgage recordings of $20,000 or less in 1949 amounted to $11,828,000,000 as compared with $11,882,000,000 in 1948—a decline of less than one-half of 1 percent. The number of loans made during the year declined by 2 percent, so that the average mortgage amount increased slightly, thus continuing the steady uptrend since the end of the war.

During the first half of 1949, the dollar volume of nonfarm mortgage recordings of $20,000 or less was persistently behind the like months in 1948. By the end of the first half of 1949, nonfarm mortgage recordings were 4 percent behind the same period in 1948. But beginning in July, mortgages made went above the comparable months of 1948 and almost made up the first half's deficit. (See table 15.)

The following table indicates the number and dollar volume of nonfarm mortgages of $20,000 or less recorded since the end of the war as compared with 1939:

Year	Number (in thousands)	Amount (in million dollars)	Average 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	[1] 2, 486	11, 828	4, 754

[1] Partially estimated.

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

Source: Home Loan Bank Board.

Almost one-third of the nonfarm mortgages recorded in 1949 was accounted for by savings and loan associations, approximately the same proportion as in 1948 and 1939. Commercial banks and trust companies, which had recorded 22.4 percent of the total in 1948, slipped somewhat to 20.7 percent during 1949, though still the second largest group of lenders. In 1939, they had accounted for slightly over one-fourth of the total. The proportion accounted for by individuals—third largest group—dropped slightly from 1948 to 1949, while the proportion for "others," which includes mortgage companies, increased. The following table shows the annual volume of nonfarm mortgages recorded ($20,000 or less) with percentage distribution by type of lenders:

	1939	1945	1947	1948	1949
Total dollar amount (millions)	$3, 507	$5, 650	$11, 729	$11, 882	$11, 828
Total percent	100. 0	100. 0	100. 0	100. 0	100. 0
Savings and loan associations	30. 2	35. 7	31. 1	30. 5	30. 8
Insurance companies	8. 2	4. 4	7. 2	8. 6	8. 9
Banks and trust companies	25. 4	19. 4	25. 6	22. 4	20. 7
Mutual savings banks	4. 0	3. 9	5. 1	6. 3	6. 3
Individuals	16. 8	24. 8	17. 1	18. 1	17. 2
Others [1]	15. 4	11. 8	13. 9	14. 1	16. 1

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

Source: Home Loan Bank Board.

The outstanding mortgage debt on 1- to 4-family nonfarm homes rose to a new peak in 1949. At nearly $38,000,000,000, the outstanding debt was about $4,500,000,000 above the previous year. In each of the past 4 years, the home mortgage debt has increased between $4,000,000,000 and $5,000,000,000, and at the end of 1949 was almost double the total of about $19,000,000,000 at the end of 1945. The rapid growth in the mortgage debt since the end of the war may be seen in the fact that the spread between the highest level and the lowest level from 1927 to 1945 was less than $4,000,000,000.

C. Government Home-Financing Aids

There are a variety of Federal programs to aid private home financing. These include programs directly administered by HHFA through its constituent agencies, such as: the mortgage insurance program of FHA, the credit reserve for home-financing institutions established through HLBB, and the encouragement of investment and savings in such institutions through insurance of accounts by FSLIC. Also included are programs in the housing field administered by other agencies as a part of their broader functions, such as: the guaranty of home loans by the Veterans' Administration, the provision of a secondary mortgage market through the Federal National Mortgage Association of RFC, and the provision for direct loans by RFC for the production of prefabricated houses or large-scale modernized site production. Coordination of the financial policies involved in these programs is sought through the National Housing Council, of which the HHFA Administrator is chairman and on which these and other agencies have representatives. The high level of home financing during the year and the aids available to private enterprise in the various Government programs are set forth in the following pages and in the various constituent agency reports later in this volume.

D. Federal Housing Administration Mortgage Insurance

Insurance of mortgages and loans by FHA under all titles of the National Housing Act was at a new peak in 1949, though the rate of expansion was slower than in 1948. At $3,800,000,000, total insurance written was 15 percent above 1948 and more than double the level of 1947. The 1949 total of insurance written was almost equal to the total for the first 7 years of FHA's existence—1934 through 1940.

Mortgages insured in 1949 on 1- to 4-family properties under Titles II and VI amounted to a record-breaking $2,200,000,000. In 1948, FHA insured $2,100,000,000 mortgages in this category. The following table shows how the volume of FHA mortgage insurance for 1- to 4-family homes has expanded in recent years:

	Millions of dollars				
	1945	1946	1947	1948	1949
Mortgages made on 1- to 4-family nonfarm properties	$4,721	$9,470	$10,657	$10,800	[1] $10,800
Mortgage insurance written by FHA for 1- to 4-family nonfarm homes	474	422	895	2,118	2,213
Percent of total mortgages made	10	4	8	20	20

[1] Preliminary estimate.

Source: Home Loan Bank Board and Federal Housing Administration.

Insurance written by FHA for large-scale rental units under Sections 608 and 207 of the National Housing Act amounted to slightly over $1,000,000,000—a gain of 66 percent above the 1948 total. In addition, the newly created Title VIII (rental housing for military personnel) came in for $12,000,000 of mortgage insurance written. This program was started in the closing months of last year. The 1949 volume of all rental insurance was almost four-fifths as great as the total of all rental insurance written by FHA from 1934—start of FHA—through 1948.

Insurance written for property improvement loans under Title I declined 3 percent—from $614,000,000 in 1948 to $594,000,000 in 1949. Except for 1948, however, this was the largest total of insurance ever written for this purpose. Loans for new homes insured under this Title, however, increased from $7,400,000 in 1948 to $13,300,000 in 1949.

During 1949, FHA made first compliance inspections on 360,293 units—a gain of 24 percent over the previous peak year. These inspections under Titles II, VI, and VIII constituted nearly 37 percent of the 984,000 privately financed nonfarm starts, and, represented the highest proportion of FHA assistance in its history except for the abnormal war years of 1942–44.

New dwelling units started under FHA inspection in large-scale rental housing projects under Section 608 rose to 110,000 in 1949, a new all-time high, from 78,000 in 1948—a gain of 41 percent. New dwelling units started in 1949 under FHA inspection in 1- to 4-family units (Secs. 203 and 603) were 17 percent ahead of 1948.

The transition from emergency to peacetime home mortgage insurance operations was virtually completed in 1949. In early 1948, FHA's statutory authority expired for issuing commitments on new 1- to 4-family nonfarm units under the emergency program of Section 603. Authority under Section 608 concerning rental units—which continued at very high levels during 1949—was due to expire on March 1, 1950.

E. Veterans' Administration Guaranty of Home Loans

The number of home loans closed by the Veterans' Administration for the year 1949 was down for the second year in succession from the high level reached in 1947, though a sharp upswing was evident in the latter part of the year. In the last quarter of 1949, VA home loans closed were 51 percent greater than in the first quarter and slightly above the 1948 quarterly average. However, for 1949 as a whole, the volume of home loans guaranteed or insured by VA under Title III of the Servicemen's Readjustment Act fell to 277,000 as compared with 350,000 in 1948 and 542,000 in 1947. This represented a decline of 21 percent from 1948 and 49 percent from

1947. The principal amounts involved in these loans declined even more. The total of $1,400,000,000 in 1949 was 24 percent below 1948 and 57 percent under 1947. Inasmuch as the total nonfarm mortgage loan volume on 1- to 4-family homes held steady in 1949, the VA proportion declined. In 1947, VA-guaranteed loans represented 31 percent of the total mortgages written on 1- to 4-family homes, 17 percent in 1948, and 13 percent last year, as shown in the following table:

	Millions of dollars				
	1945	1946	1947	1948	1949
Mortgages made on 1- to 4-family nonfarm properties	$4,721	$9,470	$10,657	$10,800	[1] $10,800
VA-guaranteed home loans closed [2]	[3] 192	2,302	3,286	1,881	1,424
Percent of total mortgages made	4	24	31	17	13

[1] Preliminary estimate.
[2] Includes a substantial volume of loans made by FHLB member savings and loan associations.
[3] Includes a small volume of loans made in 1944.

Sources: Home Loan Bank Board and Veterans' Administration.

The decline in VA home loans closed was concentrated in Section 501 loans. In 1949 such loans totaled 178,000 as compared with 256,000 in 1948. Section 505a second mortgage loans, however, actually increased 6 percent in 1949. Section 501 of the Servicemen's Readjustment Act of 1944 guarantees a single loan to the extent of 50 percent of the loan amount, but not to exceed $4,000. There has been a shift, beginning in 1947, to the 2-loan plan wherein FHA insures the first loan and Veterans' Administration guarantees the second loan under Section 505a. Thus, in 1946 Section 501 (1-loan plan) loans constituted 98 percent of all VA home loans closed, 91 percent in 1947, 73 percent in 1948, and only 64 percent last year.

F. The Federal Home Loan Bank System

The savings and loan association members of the Federal Home Loan Bank System made practically the same amount of loans in 1949 as in the previous year. At $3,331,000,000 they compare with $3,313,000,000 in 1948. Indeed, since the end of the war, member associations have been lending about the same amount each year—over four times the volume in 1939.

Last year, association members accounted for 31 percent of the total volume of new mortgages made on 1- to 4-family nonfarm properties—same percentage as in 1948. The following table shows the mortgage loan volume of these member associations and the proportion of total lending they accounted for:

	Millions of dollars				
	1945	1946	1947	1948	1949
Mortgages made on 1- to 4-family nonfarm properties	$4,721	$9,470	$10,657	$10,800	[1] $10,800
Mortgages made by member savings and loan associations [2]	1,749	3,322	3,466	3,313	3,331
Percent of total mortgages made	37	35	33	31	31

[1] Preliminary estimate.
[2] Includes a small volume of mortgages insured by FHA and a substantial volume of home loans guaranteed by VA.

Source: Home Loan Bank Board.

The savings which individuals invest in savings and loan associations provide a large part of the funds used by savings and loan associations in making mortgage loans. In 1949, savings in all associations increased by some $1,390,000,000 as against a net increase of $1,147,000,000 in 1948. In the first half of 1949, the net increase amounted to $832,000,000 but slowed down to $558,000,000 in the second half.

Savings and loan associations whose share accounts are insured by the Federal Savings and Loan Insurance Corporation—constituting about four-fifths of all savings and loan associations—increased their volume of lending by 4 percent in 1949 as compared with 1948.

Loans made by all savings and loan associations for the purchase of homes dipped to $1,564,000,000 in 1949 from the $1,710,000,000 in 1948, though the movement was up at the year end. This was a continuation of the sharp downswing begun in 1947 when $2,128,000,000 was lent for purchase of homes. Home purchases represented 43 percent of the total of $3,624,000,000 of loans made by all savings and loan associations in 1949, as compared with 47 percent in 1948 and 66 percent in 1946. During the period 1936 through 1939, however, loans made for home purchases represented 34 percent of loans made by associations. Thus, while the proportion is down from the wartime peak, it is still above the prewar rate.

Savings and loan associations financed $1,066,000,000 of new home construction in 1949—about $20,000,000 above the 1948 level. Loans made for refinancing, reconditioning, and other purposes increased 17 percent in 1949.

G. Secondary Mortgage Market

The Federal National Mortgage Association provides a secondary market under certain conditions for FHA Titles II and VI insured loans, and for VA-guaranteed loans. The capital stock of FNMA, which is chartered under Title III of the National Housing Act, is owned by the Reconstruction Finance Corporation.

The present expanded program of purchase of mortgages by FNMA was started in mid-1948, at which time less than $1,000,000,000 was authorized. On July 19, 1949, the authorization was increased to $1,500,000,000 and further increased to $2,500,000,000 on October 25, 1949. By the end of 1949, FNMA had a mortgage balance of $828,000,000 outstanding; it had committed itself to purchase an additional $824,000,000 mortgages, leaving $848,000,000 still available for commitment. (See table 16b.)

In the latter half of 1948, FNMA purchases were mainly of FHA-insured mortgages. Thus, of $150,000,000 mortgages purchased in that period, all but $11,000,000 consisted of FHA-insured mortgages. During the first half of 1949, however, purchases amounted to $273,000,000, of which 58 percent consisted of FHA-insured mortgages and 42 percent of VA-guaranteed loans. But in the second half of 1949, there was a complete reversal of the 1948 pattern. From July to December 1949, FNMA purchased mortgages totaling $399,000,000, of which 80 percent were VA-guaranteed mortgages and only 20 percent were FHA-guaranteed mortgages, as shown in the following table:

	In millions of dollars					
	FNMA mortgage purchases			Mortgage balance outstanding (end of period)		
	Total	FHA-insured	VA-guaranteed	Total	FHA-insured	VA-guaranteed
1948—second half	$150	$139	$11	$199	$188	$11
1949—first half	273	158	115	464	339	125
1949—second half	399	95	304	828	403	425

Source: Reconstruction Finance Corporation, Federal National Mortgage Association.

Thus, at the end of 1949, the FNMA portfolio consisted almost equally of VA-guaranteed home loans and FHA-insured mortgages.

FNMA Purchases of VA-Guaranteed Mortgages

A substantial portion of FNMA purchases of VA-guaranteed mortgages was from mortgage companies whose business it is to make and sell mortgages. An analysis of VA home loans closed in the last quarter of 1949 shows that real estate and mortgage companies made nearly two-fifths of the Veterans' Administration GI loans, as compared with only 14 percent in the latter half of 1948. Another factor influencing to an extent the heavy purchase of VA-guaranteed loans was the removal in October 1949 of certain restrictions. Prior to that date, lenders could sell to FNMA only up to 50 percent of loans insured by FHA or guaranteed by VA and made since April 30, 1948. Beginning in October 1949, under certain conditions, lenders could sell as much as 100 percent of such VA loans.

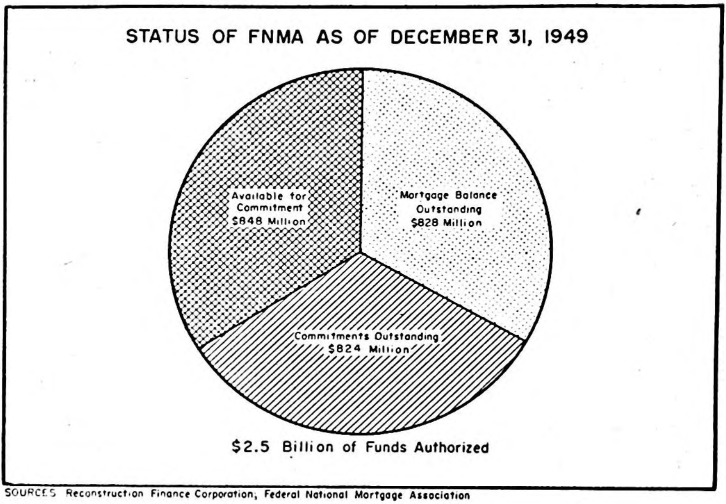


Chart 6.

FNMA commitments to purchase mortgages in 1949 started slowly and increased rapidly as the year wore on. However, monthly commitments fluctuated sharply because of the fact that as FNMA funds for commitment appeared to be running out, mortgagees rushed in to obtain commitments to sell mortgages to FNMA before its funds were exhausted. The peak of the year was reached in June, though the level of commitments was high at the end of the year. (See table 16b.)

H. RFC Lending Activity

Section 102 of the Housing Act of 1948 authorized RFC to provide financial assistance for the production of prefabricated houses or their components or for modernized site construction, not exceeding $50,000,000 outstanding at any time. By the end of 1949, 42 applications totaling $62,000,000 had been received. Commitments of $35,700,000 have been approved, including $225,000 participation agreed to by banks. Disbursements through December 1949 came to $18,500,000.

Section 4 (a) 1 of the RFC Act authorized RFC to purchase the obligations of, and make loans to, any business enterprise organized or operating under the laws of any State or the United States. By the end of December 1949, commitments approved (for enterprises of the same type as those under Section 102 of the Housing Act of 1948) amounted to $59,900,000, including $2,600,000 participation agreed to by banks. Of this total, $21,400,000 has been disbursed. (These data do not include aid to any business where the building products manufactured are to be used for nonhousing construction.) (See table 17.)

Nonfarm Real Estate Foreclosures

The level of nonfarm real estate foreclosures is a rule-of-thumb measure of the Nation's economic health. Thus in 1933—the low of the depression—foreclosures totaled over 252,000, nearly double the 1929 level. But in 1949—when the economy was at near-peak levels—foreclosures were down to about 17,000, or 93 percent below the 1933 level. However, last year's foreclosures were 30 percent above the 1948 level—and rising—and at the highest level in 6 years. (See table 13.) This trend was being carefully watched by the HHFA to determine whether it had general or special significance, and if the latter, in what areas of lending practice.

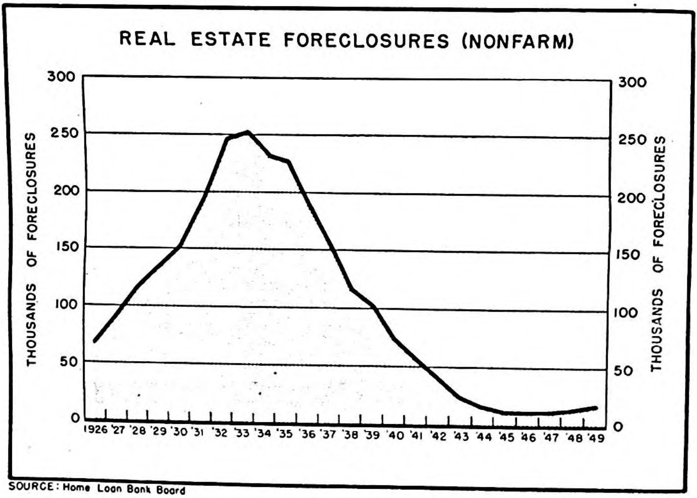


Chart 7.

SECTION TWO: THE GOVERNMENT ROLE

Chapter V

THE HHFA

A. Nature and Background

The Housing and Home Finance Agency was created on July 27, 1947, as the Federal Government's central housing agency. Its establishment was a natural outgrowth of the increasing significance during the past two decades of programs of Federal activity in the housing field; this action met the long-recognized need for correlating the many individual programs in housing so that the Federal Government could most effectively bring its powers to bear on the obstacles to better housing.

Since passage of the Federal Home Loan Bank Act in 1932, every session of the Congress has devoted an increasing amount of attention to various phases of housing, and, during this time, considerable significant housing legislation has been enacted. While some of the legislation, intended to meet depression or war and postwar emergencies, resulted in temporary programs which already have been or are now being liquidated, a number of permanent programs were developed which have been under constant review by the Congress in relation to the changing housing scene. These have included a system of aids for home-financing institutions in programs administered by the Home Loan Bank Board; home-financing insurance programs of the Federal Housing Administration; and the low-rent housing program of the Public Housing Administration.

The war emergency made apparent the need for more effective coordination of housing activities, and the National Housing Agency was established to bring together in one agency a number of important housing programs then being separately administered. The increasing necessity for continuing and expanding such coordination after the war was also widely appreciated, as the scope and extent of our postwar housing problems became apparent.

On July 27, 1947, the Congress approved the President's Reorganization Plan No. 3 of 1947 which resulted in establishment of HHFA. To this Agency were assigned the vital responsibilities of coordinating the principal housing activities of the Federal Government, and of providing a focal point for cooperative effort by all segments of the home-building industry and by Government—State and local as well as Federal—in solving our housing problems. Some indication of the significance of the establishment of such an agency

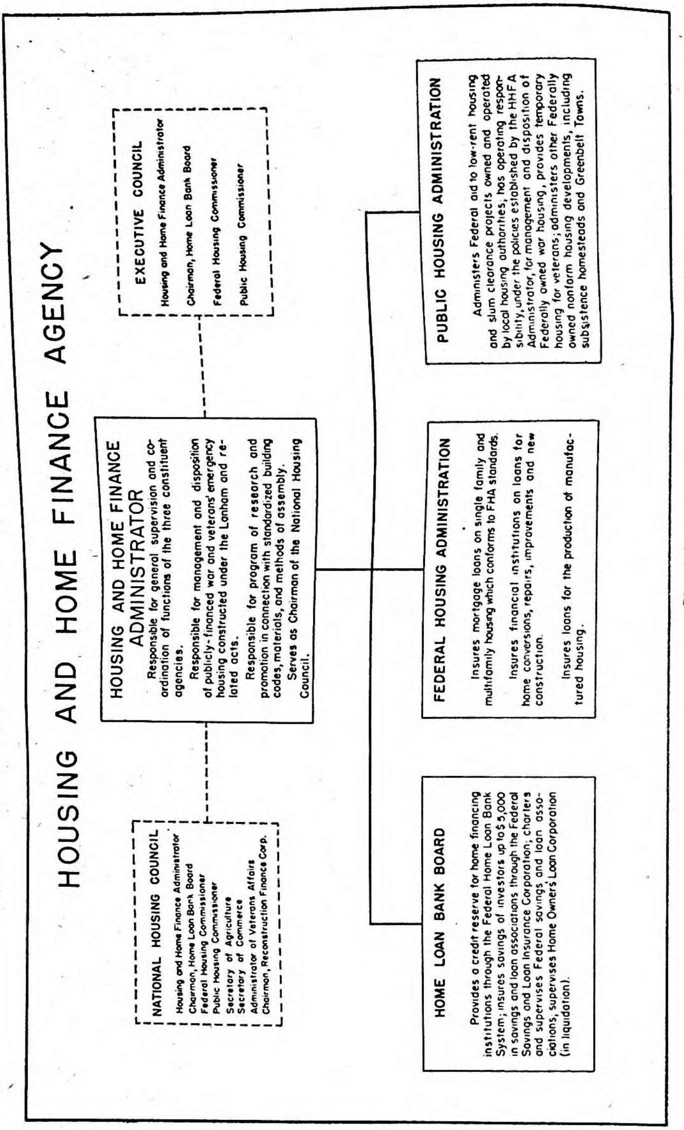

HOUSING AND HOME FINANCE AGENCY
EXECUTIVE COUNCIL
Housing and Home Finance Administrator
Chairman, Home Loan Bank Board
Federal Housing Commissioner
Public Housing Commissioner
HOUSING AND HOME FINANCE ADMINISTRATOR
Responsible for general supervision and co-ordination of functions of the three constituent agencies.
Responsible for management and disposition of publicly-financed war and veterans' emergency housing constructed under the Lanham and related acts.
Responsible for program of research and promotion in connection with standardized building codes, materials, and methods of assembly.
Serves as Chairman of the National Housing Council.
NATIONAL HOUSING COUNCIL
Housing and Home Finance Administrator
Chairman, Home Loan Bank Board
Federal Housing Commissioner
Public Housing Commissioner
Secretary of Agriculture
Secretary of Commerce
Administrator of Veterans Affairs
Chairman, Reconstruction Finance Corp.
HOME LOAN BANK BOARD
Provides a credit reserve for home financing institutions through the Federal Home Loan Bank System; insures savings of investors up to $5,000 in savings and loan associations through the Federal Savings and Loan Insurance Corporation; charters and supervises Federal savings and loan associations; supervises Home Owners' Loan Corporation (in liquidation).
FEDERAL HOUSING ADMINISTRATION
Insures mortgage loans on single family and multifamily housing which conforms to FHA standards.
Insures financial institutions on loans for home conversions, repairs, improvements and new construction.
Insures loans for the production of manufactured housing.
PUBLIC HOUSING ADMINISTRATION
Administers Federal aid to low-rent housing and slum clearance projects owned and operated by local housing authorities; has operating responsibility, under the policies established by the HHFA Administrator, for management and disposition of Federally owned war housing, provides temporary housing for veterans; administers other Federally owned nonfarm housing developments, including subsistence homesteads and Greenbelt Towns.

Chart 8.

is apparent from the Hoover Commission report to the Congress in March 1949 on "Federal Business Enterprise," page 25 of which states:

> Substantial progress has been made toward unifying the housing activities of the Government by the establishment of the Housing and Home Finance Agency under a single administrator.

The HHFA consists of the Office of the Administrator, three constituent units—the Home Loan Bank Board, the Federal Housing Administration and the Public Housing Administration—and a National Housing Council.

The programs of housing activity carried out by HHFA are discussed at some length in the appropriate sections of the remainder of this report. The brief discussion below indicates the extent and interrelationships of the facilities currently available in HHFA programs for improving our housing conditions. These measures are grouped in five major categories:

1. Home Financing Aids

These are aids designed to facilitate the flow of savings and investment funds into housing as well as measures to provide mortgage credit aid for home builders and home seekers. Major programs of this type are:

(*a*) The Federal Home Loan Bank System which provides a credit reserve for member home-financing institutions; the increasing capacity of such institutions to aid in home financing during the past 15 years has been considerably strengthened by insurance, through the Federal Savings and Loan Insurance Corporation, of millions of small accounts in savings and loan associations. As of the end of 1949 there were 3,860 member institutions in the Bank System with resources of $14,290,000,000.

(*b*) The Federal Housing Administration administers measures designed to aid home seekers and the home-building industry through the use of insured mortgage credit. These programs are intended to aid and stimulate private enterprise in the construction and repair of homes; they are also intended to improve home financing practices and housing standards generally. In recent years there has been a selective application of FHA insurance to increase the volume of rental housing and provide additional sales housing in the lower price brackets. FHA insurance operations in 1949, as in 1948, were at all-time record levels, and at the end of the year there was nearly $10,000,000,000 of FHA mortgage and loan insurance outstanding.

(*c*) Through the National Housing Council—of which the Housing and Home Finance Administrator is chairman—a device is provided for facilitating coordination of national housing policy, including not only functions carried on by HHFA directly, but also the housing activities carried on by other agencies as part of their broader responsibilities—such as the guaranty of veterans' home loans by the Veterans' Administration, the secondary mortgage market provided by the Federal National Mortgage Association of RFC, and farm home loans and insurance under Department of Agriculture programs.

2. Public Housing

Through the Public Housing Administration, assistance is available to make it possible for communities to provide decent, safe, and sanitary housing for low-income families at rents within their means. At the beginning of 1949 there were approximately 215,000 units (including 24,000 on which construction was deferred) in this program, most of them authorized under the United States Housing Act of 1937, as amended. The Housing Act of 1949 authorized another 810,000 such units.

3. War and Emergency Housing

The Housing and Home Finance Administrator has direct responsibility for the management and disposition of housing provided in a variety of programs to meet war and postwar emergency needs; operating responsibility for these programs has been delegated to PHA. In all, nearly a million units of such housing have been provided, more than half have already been disposed of and the remaining 400,000 are scheduled for ultimate disposition. Meanwhile, the housing is used to increase the supply available in shortage areas and to aid in meeting the needs of special groups such as veterans adversely affected by the housing shortage.

4. Slum Clearance

The Housing Act of 1949 authorized the use of Federal financial resources to aid communities to begin the enormous task of clearing their slums and blighted areas and replacing them with sound neighborhoods redeveloped principally by private enterprise.

5. Housing Research

The research program authorized in the Housing Act of 1949 is aimed directly at the problem of reducing housing costs and stabilizing the home-building industry at a high level of production. This program greatly expanded the limited program of technical research already under way in the Agency. Under it, research is authorized not only into housing design and building codes but also into the whole broad sweep of housing technology and economics. The program, which was just getting under way at the end of 1949, was designed to make full use of existing governmental, private, and school research facilities.

B. The National Housing Council

The National Housing Council was created within HHFA and set up under Reorganization Plan No. 3 of 1947 as a medium through which the policies and procedures of the various Federal agencies having a direct interest in housing could be coordinated.

The Council usually met monthly during the year. Represented on it were: the HHFA Administrator who is chairman of the Council; the heads of the three constituent agencies within HHFA, and representatives of the Veterans' Administration, the Reconstruction Finance Corporation, the Federal Security Agency, and of the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of Labor.

The Council, by its very nature, constitutes a clearinghouse for policies of Federal agencies having responsibilities in the field of housing. Its deliberations take form through the activities and administrative procedures of the agencies involved rather than as direct action on its own behalf. An important aspect of its operations is in providing a medium through which the resources of the participating agencies may be brought to bear on a problem common to them all. The results of the Council's deliberations are manifested in the actions and policies of the individual agencies represented thereon.

As a result of the Council discussions, steps were taken to initiate separate interagency agreements between HHFA and three member agencies—Agriculture, Commerce, and Labor. These agreements were based on satisfactory operations under a similar understanding earlier arrived at by HHFA and the U. S. Public Health Service.

Procedures for coordination of research and an interagency approach to housing problems, both in technical and economic fields, were initiated by the Council. The extent of interest of the various agencies in building-code revision was reviewed. The contribution that home construction might make to stemming unemployment in deficit employment areas was considered.

In continuing discussions of financing problems in the housing field, the Council kept particular attention on developments in the secondary financing market. Also the contributions that American know-how, practices, and procedures could make to Point Four (the President's proposal to aid the development of backward and underdeveloped countries) were fully discussed.

Problems of prefabrication of housing were reviewed and the converging activities of FHA and RFC in financing prefabrication were discussed. FHA and RFC undertook to examine jointly their separate procedures in order to avoid possible overlapping.

C. The Economy Housing Program

As the National Housing Council reviewed progress in housing toward the end of 1948, it became evident that although materials, labor, and money for home building were in reasonable supply, the balance achieved in the construction side of house production was not matched by a similar balanced relationship between the price of houses and the incomes of families who needed homes. The possibilities of savings, many of them perhaps small in themselves, that appeared inherent in the construction situation induced the Council to recommend an economy housing program in an effort to have good houses produced at a lower price.

The HHFA Administrator launched the new program at a meeting of industry and Government in Washington on January 17, 1949. The necessity to produce good, lower-priced houses was stressed.

A cooperative approach by Government and industry was advocated as a way to lower the price of housing. Federal housing agencies stressed the liberal support available for the production of houses in lower price brackets and sponsored a series of regional and local meetings with industry throughout the country. Financing institutions, builders, and labor were asked to cooperate by taking advantage of savings to reduce prices.

Throughout February and March, using the services of FHA, local meetings were jointly sponsored by industry and local and Federal agencies in all parts of the Nation. More than 250 such meetings were held in which the program was explained and builders enlisted in the effort to produce lower-priced homes. These initial meetings were followed up by a series of notes and publications on methods of reducing costs that had been developed in the building industry and were being used.

The effect of the meetings was to concentrate the industry's efforts on providing a much larger proportion of housing in the moderate-cost brackets and to stimulate cost reduction in housing. Although relative prices were not reduced by large amounts, builders found that even moderate savings passed on to buyers in terms of lower prices sustained a more steady demand for new houses, and more of the housing built was available at lower prices than in the previous year.

D. HHFA Budget, Income and Expense, and Source and Application of Funds Data

The following sections and tables 19, 20, and 21 of Appendix A summarize the financial operations of the Agency for the fiscal year 1949 ending June 30, 1949, and fiscal year 1950 ending June 30, 1950. They show the administrative and nonadministrative operating expenses, the relation of expense to income, and the sources and uses of funds involved. The figures quoted in the following narrative discussion have been rounded.

Administrative and Nonadministrative Operating Expenses

As shown in table 19, these expenses amounted to $39,173,000 in fiscal year 1949 and $50,325,000 in fiscal year 1950. This increase is attributable to several major factors:

1. The Housing Act of 1949, approved on July 15, 1949, which added the following functions:

(*a*) A program of slum clearance and urban redevelopment to the Office of the Administrator.

(*b*) A program of housing research to the Office of the Administrator.

(*c*) A program of an additional 810,000 low-rent housing units to the Public Housing Administration.

2. Public Law 52, Eighty-first Congress, approved April 23, 1949, which provided for special assistance to housing for Alaska.

3. Public Law 211, Eighty-first Congress, approved August 8, 1949, which provided for a program to be handled by the Federal Housing Administration designed to provide rental housing for personnel of the armed services (including civilian personnel) stationed at military installations.

4. A general acceleration in programs of the Federal Housing Administration which, it is estimated, will result in an increase in the examination of insurance applications from 603,000 units in 1949 to 723,000 units in 1950.

5. The pay increase under Public Law 429, Eighty-first Congress, passed on October 28, 1949.

Funds required for administrative and nonadministrative operating expenses are generally obtained from operation of the program involved and require no appropriations except in the case of the administrative expenses for the Office of the Administrator and the low-rent housing program. With these exceptions, the Congress annually authorizes the use of available funds from operations for all constituent operating expenses.

Income and Expense

Table 19 indicates that the total income for the fiscal year 1949 was $239,900,000 as compared with an estimated $249,700,000 for the fiscal year 1950. Even with a slight increase in expense, from $115,200,000 to $117,400,000, the net income before adjustment of reserves and cost or value of properties disposed of increased approximately $7,600,000—from $124,700,000 to $132,300,000. After providing for adjustment of reserves the income for 1949 is $80,200,000 and for 1950 is $75,200,000.

Income from Agency operations is derived principally from premiums, fees, and other income of the Federal Housing Administration and the Federal Savings and Loan Insurance Corporation; rental receipts from the operation of federally owned low-rent housing projects and interest on local housing authority obligations; rental receipts from war and emergency housing; proceeds from disposition of surplus housing; and from mortgages held by the Home Owners' Loan Corporation.

Table 20 groups and summarizes activities of a generally similar character. Under "Activities in Support of Private Home Financing" are included the operations of the Federal Housing Administration, Federal Home Loan Bank System, Federal Savings and Loan Insurance Corporation, and the Alaska Housing program. "Activities in Support of Low-Rent Public Housing" covers the operations of the Public Housing Administration program under the United States Housing Act.

"War and Emergency Housing Management" summarizes activities in connection with the operation and maintenance of the Public War Housing program, the Homes Conversion program, the Veterans' Reuse program, and the Subsistence Homesteads program, all of which are administered by the Public Housing Administration.

"Liquidation and Disposition Operations" includes the disposition of war and emergency housing and the liquidation of the Home Owners' Loan Corporation.

Source and Application of Funds

The sources of funds available to the Agency are summarized in table 21. This statement differs from the statement of income and expense in that it deals with the movement of funded (cash) items and does not take into consideration nonfunded or noncash items such as depreciation.

The total amount available from all sources during 1949 amounted to $501,800,000 and in 1950 is estimated to be $717,800,000. The largest source of funds in both years is the liquidation of assets, such as repayments of loans and the disposition of war housing. The next largest source is income from operations, which was $201,000,000 in 1949 and is estimated to be $210,900,000 in 1950.

In 1949 an allocation of $1,000,000 from appropriations was provided for establishment of a yield investment housing insurance fund under the Federal Housing Administration, and an appropriation of $4,800,000 was provided for the United States Housing Act program. The appropriation of $27,100,000 in 1950 included $5,000,000 for the establishment of a military housing insurance fund, $10,000,000 for establishment of the Alaska housing revolving fund and $100,000 for administrative expenses in connection with this program, $11,000,000 for the United States Housing Act program and $1,000,000 for administrative expenses of the slum clearance and urban redevelopment program.

In fiscal year 1949 no funds were provided by borrowings. For fiscal year 1950, it is estimated that funds will be made available by Treasury borrowings in the amount of $100,000,000—$11,000,000 in connection with the slum clearance program and $89,000,000 resulting from the operation of the low-rent housing program.

Also, in fiscal year 1949, debentures issued by FHA amounted to $3,500,000; and for fiscal year 1950 it is estimated that issuance of such debentures will amount to $21,300,000. Table 20 in Appendix A indicates how these available funds will be utilized.

Since the figures of expense and income and those involving source and application of funds pertain to corporate type operations, those activities of the Office of the Administrator which do not lend themselves to corporate operations (all activities with the exception of the slum clearance and urban redevelopment program, and the Alaska housing program) have been excluded from consideration.

Total administrative expenses of the Office of the Administrator are shown in table 19.

E. HHFA Personnel

During the calendar year 1949 the Housing and Home Finance Agency operated with an average staff of slightly less than 12,000 employees. The following table shows actual employment within HHFA at the beginning and end of the calendar year:

	Jan. 1, 1949	Dec. 31, 1949
Office of the Administrator	140	276
Home Loan Bank Board	946	951
Federal Housing Administration	5,134	5,415
Public Housing Administration [1]	5,291	5,369
	11,511	12,011

[1] On Jan. 1, 1949, PHA administrative employees totaled 1,611, project employees, 3,680; on Dec. 31, 1949, PHA administrative employees totaled 2,007, project employees, 3,362.

The 951 employees of HLBB at the end of the year were distributed as follows: 467 were with HOLC; 77 with FSLIC; 264 with the Examining Division; and 143 were on the immediate staff of the Board, including those concerned with the Federal Home Loan Banks.

Most increases in staff took place toward the end of the year, and were due almost entirely to the assumption of additional responsibilities under the Housing Act of 1949. In the OA, the increase resulted primarily from the establishment and staffing of the Slum Clearance and Urban Redevelopment Division under Title I of the

Act. The increase in the staff of PHA resulted from the low-rent housing Title of the Housing Act.

F. HHFA Studies and Publications

During 1949, HHFA publications were issued to provide information about the Agency's operations, about new housing activities authorized by the Housing Act of 1949, and about developments in housing technical studies and research projects that would aid in improving building techniques and in reducing the costs of housing.

The Office of the Administrator and the three constituent agencies all participated in these activities, although not all of these activities resulted in documents for general public distribution. The major publications are listed in Appendix C: Publications of the HHFA during 1949.

Considerable attention in the latter half of the year was devoted to publications explaining the new housing act and in providing information germane to it.

Periodicals published during the year included the HHFA *Technical Bulletin,* in which current research and technical developments were reported; *Housing Statistics,* a monthly compilation of pertinent housing data; and the *Insured Mortgage Portfolio,* in which articles of interest to approved mortgagees were published.

Chapter VI

THE OFFICE OF THE ADMINISTRATOR IN 1949

A. Functions and Structure

The Office of the Administrator provides staff assistance for the Administrator in the performance of various responsibilities arising from his position as head of the Housing and Home Finance Agency and as the Government's principal housing officer. These responsibilities include general supervision and coordination of the programs and functions of the constituent agencies of HHFA, as well as coordination of Government housing policies and programs generally through the National Housing Council, of which the HHFA Administrator is chairman; certain direct responsibilities under the Housing Acts of 1948 and 1949, the Lanham Act, and other laws for such programs as slum clearance, research, war and postwar emergency housing and Alaska housing; and advising and assisting the President and the Congress in the formulation and execution of a coordinated housing policy and program.

The accompanying chart, reflecting the new responsibilities created by 1949 legislation, shows how the Office of the Administrator is organized for the efficient performance of these responsibilities.

B. Supervisory and Coordination Functions of the OA

The supervisory and coordinating activities of the Office of the Administrator are aimed at full realization of the benefits sought by the President and the Congress in establishing a single housing agency. These benefits include more effective and coordinated administration of Government housing programs and their utilization in meeting housing needs and problems in a manner responsive to basic policies laid down by the President and the Congress; a unified approach by the various agencies to housing policies and programs; and their coordination with the general fiscal and economic policies of the Government.

An example of such coordination on a policy level occurs in providing advice and assistance on a uniform basis from a single source to the President and the Congress with respect to housing policy and legislation. Other examples are found in connection with the operation of a broad housing research program, and in the operations of the Government-supported secondary mortgage market. Within HHFA itself problems of coordination arise not only in regard to general housing policy but also concerning problems common to constituents' programs—for example, the problems involved in the relations between the slum clearance program, the PHA low-rent

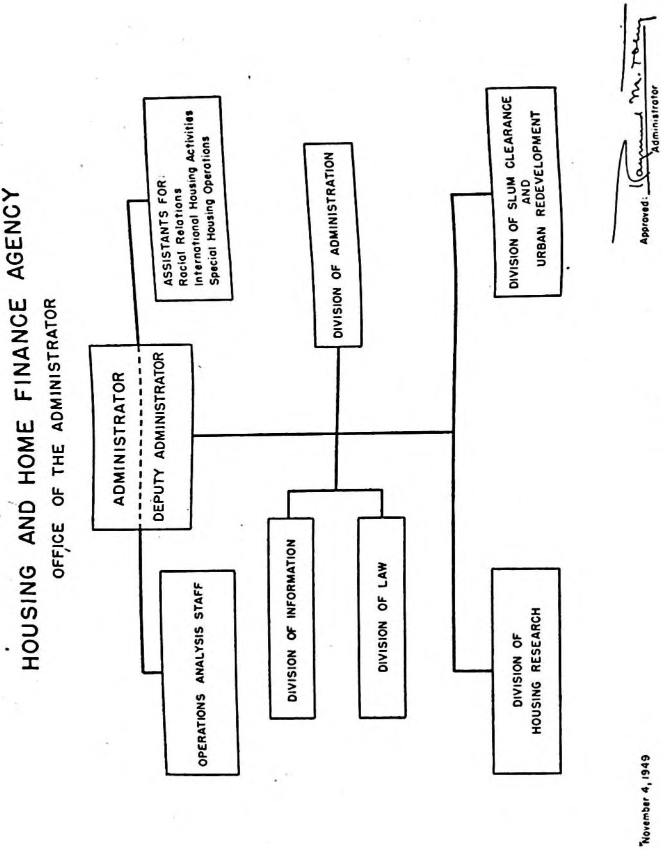

HOUSING AND HOME FINANCE AGENCY
OFFICE OF THE ADMINISTRATOR
ADMINISTRATOR
DEPUTY ADMINISTRATOR
ASSISTANTS FOR:
Racial Relations
International Housing Activities
Special Housing Operations
OPERATIONS ANALYSIS STAFF
DIVISION OF ADMINISTRATION
DIVISION OF INFORMATION
DIVISION OF LAW
DIVISION OF SLUM CLEARANCE AND URBAN REDEVELOPMENT
DIVISION OF HOUSING RESEARCH
Approved: Raymond M. Foley
Administrator
November 4, 1949

Chart 9.

program and the programs of FHA and HLBB in providing private home-financing aids in the same communities.

The Office of the Administrator provides for the general public, the Congress, local communities, and the housing industry a single point for information, discussion, and exchange of view regarding housing problems and existing or proposed housing programs. A considerable amount of staff time is spent in this function which necessarily involves maintenance of continuing contacts with a great variety of individuals and organizations—members of the Congress; local, State, and Federal officials; the press; industry and trade associations; organized labor; individuals; business enterprises in the housing field; and many others. An important aspect of such activities during the past year was the furnishing of various types of statistical, economic, and technical assistance, as required, to the Congress in connection with the numerous legislative proposals considered during 1949. In all, some 300 bills relating to housing were introduced during the year and it was natural for the Congress to look to the OA for information and technical assistance concerning many of these proposals.

C. Personnel

The Office of the Administrator personnel stood at 140 at the start of 1949 as the Agency was in process of staffing for its work in the development of uniform building codes and in the study of modular coordination as authorized by the Housing Act of 1948. By mid-year this staffing was completed, and personnel numbered 153.

With the passage of the Housing Act of 1949 in July, the Office of the Administrator was given responsibility for organizing and directing two new major activities: the broadened program of housing research and the program of slum clearance and urban redevelopment. Existing staff was assigned to the formalization of operating plans and organization for these new operations. Funds for the new activities were approved in October, and full-scale staffing for the research and slum clearance activities started at that time. By the end of 1949 employment had increased to 276 persons.

To discharge the new activities authorized by the Housing Act of 1949, the Office of the Administrator was reorganized into five major divisions in addition to staff groups attached directly to the Administrator's immediate office. The Divisions of Law, Information, and Administration continued with minor changes, and the Division of Lanham Act Functions was abolished and its functions transferred to a special assistant to the Administrator. The former Divisions of Housing Data and Analysis and Standardized Building Codes and Materials were absorbed in the new Division of Housing Research. The fifth division is the new Division of Slum Clearance and Urban Redevelopment.

Chapter VII

SLUM CLEARANCE AND URBAN REDEVELOPMENT PROGRAM

A. Background

Title I of the Housing Act of 1949, the basis for the establishment of the Division of Slum Clearance and Urban Redevelopment in the Office of the Administrator, is the result of more than 4 years of intensive study and investigation by Congressional committees. These committees concluded, as is reflected in Title I, that broad-scale slum clearance and urban redevelopment could not be carried on by American communities without Federal financial assistance.

Many communities, during recent years, have devoted increasing attention to problems created by slums and blighted areas and to possible ways and means for their solution. Although many of these localities have eliminated some slum housing as an incident to the provision of low-rent public housing and other public improvements, only a few were able to undertake programs directed at the clearance of slums for general redevelopment. This was true because they lacked the resources necessary for such undertakings. And, although there has been much study within the Federal Government of the basic principles and problems of slum clearance and urban redevelopment, this is the first time that a Federal agency has been charged with responsibility and authority in this field.

The provisions of Title I, accordingly, make this necessary monetary aid available to communities. The Housing and Home Finance Administrator administers all such aid through the medium of the Division of Slum Clearance and Urban Redevelopment.

B. Provisions of Title I

Title I authorizes the Administrator to make loans and capital grants to assist communities in eliminating their slums and blighted areas through the assembly, clearance, preparation, and sale or lease of land for development or redevelopment at its fair value for the uses specified in local plans.

Authorized for Federal contracting over a 5-year period under Title I are $1,000,000,000 in loans and $500,000,000 in capital grants. These funds become available for local slum clearance and redevelopment projects as follows:

LOANS.—To obtain funds for loans the Administrator, with the approval of the President, is authorized to borrow from the Treasury up to a total of $1,000,000,000 outstanding at any one time. This loan authorization becomes available cumulatively over 5 years at the following rate: $25,000,000 on or after July 1, 1949; an additional $225,000,000 on and after July 1, 1950; and additional amounts of $250,000,000 on and after July 1 in each of the years 1951, 1952, and 1953. Subject to the over-all limit and certain statutory requirements, the loan authorizations may be increased at any time or times by additional amounts aggregating not more than $250,000,000 if the President determines that such action is in the public interest.

CAPITAL GRANTS.—The Administrator, with the approval of the President, is authorized to enter into capital grant contracts aggregating not more than $100,000,000 on and after July 1, 1949. This limit is increased by further amounts of $100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953. Subject to the over-all limitation of $500,000,000 and certain statutory requirements, the contracting authorization may be increased at any time or times by additional amounts aggregating not more than $100,000,000 if the President determines such action is in the public interest.

LOCAL PUBLIC AGENCIES.—In making available these funds, the Act stipulates that the Housing and Home Finance Agency may enter into contracts for loans and grants only with duly authorized local public agencies empowered by State and local law to carry out slum clearance and urban redevelopment projects provided for by Title I. The local public agency then, may be—according to individual local circumstances—a specially created local redevelopment agency, a local housing authority, a city, county, or other local public entity.

ELIGIBILITY OF PROJECTS.—Projects assisted under Title I must consist of areas which either are predominantly residential in character before clearance or which will be redeveloped primarily for residential use. They may consist of the following four categories of areas:

1. *Slums or blighted residential areas.*—This includes any slum, deteriorated, or deteriorating areas which are predominantly residential before redevelopment. These areas may be redeveloped for whatever purposes the community considers most desirable in accordance with its general plan, whether they be commercial, industrial, housing, public use, or a combination of uses.

2. *Nonresidential blighted areas.*—Included here are deteriorated or deteriorating areas which are not predominantly residential before redevelopment. Redevelopment for such areas as these must lead to predominantly residential uses, although some commercial or public uses are permissible.

3. *Predominantly open areas.*—This category covers any predominantly open land which, because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or

other reasons, interferes with the sound growth of communities. Development here must be for predominantly residential purposes.

4. *Open areas.*—This embraces any open land which is necessary for sound community growth. Development must be for predominantly residential uses.

Inclusion of predominantly open and open areas is predicated primarily on the general need for expansion of the areas available for new housing construction if the clearance and redevelopment of congested slum neighborhoods are to proceed.

USES OF LOANS.—Monies received in loans may be used by an authorized public agency—up to the point of sale or lease of project land for redevelopment—for such purposes as: administrative and planning costs and carrying charges; legal expenses; acquisition of project land; demolition and removal of existing structures and improvements; installation, construction or reconstruction of streets, utilities, and other site improvements essential for expected new land uses; and making the land available for development or redevelopment by private enterprise or public agencies.

Title I loans made by the Administrator will bear not less than the same rate of interest as is current on long-term Federal bonds on the date the loan contract is signed. Four categories of loans are authorized:

1. Advances for financing surveys and plans by local public agencies in preparation of projects to be assisted under Title I. These advances must be repaid, with interest, from funds later made available for the project or projects involved.

2. Temporary loans to finance expenditures made by local public agencies in carrying out a project eligible under Title I. These are to be repaid with interest from the proceeds of the sale or lease of project area land, the Federal capital grants and local grants-in-aid, and other sources.

3. Loans to finance public buildings or facilities needed to support new uses of project land which is open or predominantly open. Such loans as these must be repaid with interest in not more than 10 years; and

4. Long-term or definitive loans for financing by local public agencies of the portions of a project site which are leased for redevelopment rather than sold. These must be repaid with interest in not more than 40 years.

Title I also authorizes any local public agency to obtain private financing if it is available at an interest rate lower than stipulated in the Federal loan contract, through a pledge of the Federal Loan contract, with approval of the Administrator.

USES OF CAPITAL GRANTS.—In carrying out local projects, it will be necessary generally to write off some of the costs of acquisition, clearance, and site preparation so that project land may be made available at its fair value for the uses designated in local plans. This write-off is financed through a combination of Federal capital grants and local grants-in-aid. Federal grants, however, are not available for open land projects.

Federal capital grants may not amount to more than two-thirds of the aggregate write-offs or "net project costs" (the deficits) of all Title I projects requiring capital grants in a given locality. Local grants-in-aid, therefore, must be at least one-third of the net project costs. In regard to any one project, a Federal capital grant cannot exceed the difference between the net project cost or deficit and local grants-in-aid made to the project.

Local grants-in-aid may consist of: cash; donations of land at cash value; demolition or removal work, or site improvements in the project areas, at their cost; and the provision, at their cost, of parks, playgrounds, and other public buildings or facilities which carry direct benefit to the project and which are necessary to serve or support the new uses of land in the project area.

Local Responsibility.—Title I lays heavy emphasis on local responsibility, local initiative, and local operations in the undertaking of projects. It requires, therefore, that the municipality involved—through its governing body and local public agency—assume responsibility for fulfilling certain obligations and requirements. These, principally, are the following:

Financial and Fiscal Requirements.—Local financial and fiscal requirements for a Title I project include a showing of need for Federal financial aid, fulfillment of local financial obligations, the carrying out of all undertakings economically in accordance with Title I and other Federal and State laws, and full accountability for all expenditures, receipts, and property.

General Plan for Development of the Locality as a Whole.—Title I requires, as a prerequisite to the undertaking of individual projects, the existence of a general or master plan for the development of the locality as a whole.

Redevelopment Plan for a Specific Project.—The redevelopment plan for a project area must be approved by the governing body of the municipality and must conform to the general plan indicated above. This specific plan must indicate the proposed land uses and building requirements in the project area, including population density, building coverage, and land use standards. It must also indicate that the project is related to definite local objectives as spelled out in the general plan.

Maximum Opportunity for Private Enterprise.—Title I provides that maximum opportunity be afforded private enterprise for the redevelopment of project areas consistent with the sound needs of the locality as a whole. The local governing body, therefore, must make a finding that the locality's redevelopment plans provide such opportunity to private enterprise.

LAND ACQUISITION.—Title I authorizes the Administrator to make any requirements necessary or desirable to prevent payment of excessive prices for the acquisition of land.

LAND DISPOSITION.—Title I specifies that the sale, lease, or retention of project land must be at fair value for uses in accordance with the redevelopment plan. It also contains a mandate against speculation in landholding. It requires, in addition, that the purchasers or lessees of project land for redevelopment devote such land to the uses specified in the redevelopment plan, begin the building of their improvements on the land within a reasonable time, and comply with such other conditions as the Administrator finds necessary to carry out the purposes of the Act.

RESTRICTIVE COVENANTS.—Title I loan and grant contracts will require the local public agency to: (*a*) cause the removal or abrogation of any covenant or other provision in any agreement, lease, conveyance, or other instrument restricting, upon the basis of race, creed, or color, the sale, lease, or occupancy of any land which it acquires as part of a project; and (*b*) adopt effective measures to assure that no covenant, agreement, lease, conveyance, or other instrument may be validly executed by the local public agency, the redeveloper, or his successor in interest, restricting the sale, lease, or occupancy of any project area real estate upon the basis of race, creed, or color.

RELOCATION OF FAMILIES LIVING IN PROJECT AREAS.—Title I provides that every loan and grant contract must require that "there be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of, and available to such displaced families, and reasonably accessible to their places of employment."

PUBLIC HEARINGS.—Title I requires that a public hearing be held with appropriate notice of the date, time, place, and purpose before land is acquired for any project which is to receive Federal assistance.

LOCAL PROGRAMS TO ENCOURAGE HOUSING COST REDUCTIONS AND PREVENT THE SPREAD OR RECURRENCE OF SLUMS AND BLIGHT.—Title I requires the Administrator to consider the extent to which a locality has taken steps to encourage housing cost reductions and prevent the spread or recurrence of slums and blight. Such steps include the adoption, improvement, and modernization of building and other local codes, ordinances, and regulations relating to: the use of new materials, techniques, and methods in land and residential planning, design, and construction; the elimination of restrictive practices which increase housing costs; land use; and adequate standards of health, sanitation, and safety for dwelling accommodations.

PROTECTION OF LABOR STANDARDS.—Title I requires that every loan and grant contract provide for the payment of (*a*) not less than the salaries prevailing in the locality as determined or adopted (subsequent to a determination under applicable State or local law) by the Administrator to all architects, technical engineers, and technicians employed in the project, and (*b*) not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor, to all laborers and mechanics so employed. Certification must be made to the Administrator as to compliance with these provisions before any payment can be made under a contract. Title I also requires that contractors and subcontractors submit to the Secretary of Labor certain payroll and employment reports concerning the employment of mechanics and laborers.

C. Organization and Personnel

The Division of Slum Clearance and Urban Redevelopment is composed of the director's office and six branches. These branches include: Community Planning and Development, Cost Review, Field Operations, Land, Municipal Finance, and Redevelopment and Relocation. Their functions follow:

1. *Community Planning and Development branch.*—Responsible for the development of policies and standards, and review of projects for:

(*a*) The evaluation of proposed project areas in terms of degree of blight and eligibility for Federal assistance.

(*b*) The conformity of project plans to general city plans.

(*c*) The criteria to be used in evaluating the extent to which cities have undertaken programs of housing cost reduction as required in Section 101 of Title I; and

(*d*) The extent to which a proposed plan would contribute to solution of community development problems on a State, regional, or unified metropolitan basis.

2. *Cost Review branch.*—Responsible for the development of policies and procedures to determine:

(*a*) Reasonableness and accuracy of proposed project costs exclusive of land.

(*b*) Review of local cost estimates in connection with temporary public facility loans.

(*c*) Recommendation to director of project cost ceilings as basis for reservation of grant funds and contract commitments; and

(*d*) Types of local aid and facilities that can be credited as local grants-in-aid.

3. *Field Operations branch.*—Responsible for:

(*a*) All relationships with communities and local public agencies concerning preparation and development of projects.

(*b*) Arrangements for necessary technical advice and assistance to local public agencies; and

(*c*) General inspection of projects from initial stages to completion in order to secure conformity with statutory and contract requirements.

4. *Land branch.*—Responsible for:

(*a*) Development of policies and standards for land appraisal and acquisition.

(*b*) Development of methods for determining estimated reuse values of areas to be cleared.

(*c*) Review of proposed projects as to methods of acquisition and estimated land prices; and

(*d*) Development of methods for avoiding excessive payments for land and speculation in landholding.

5. *Municipal Finance branch.*—Responsible for the formulation and application of policy, procedures, and standards with respect to Federal and local financing; for the scheduling and earmarking of capital grants; and for the review of proposed financing plans in connection with all projects.

6. *Redevelopment and Relocation branch.*—Responsible for:

(*a*) Development of policies and standards, and review of projects as to the feasibility and adequacy of local plans for the temporary and permanent relocation of families displaced from project areas.

(*b*) Development of plans to assure the broadest possible participation of private enterprise in redevelopment activities; and

(*c*) Development of standards and methods for evaluating and assisting proposed redevelopment programs.

The Division of Slum Clearance and Urban Redevelopment utilizes the services in the Office of the Administrator for legal, administrative, and related purposes. In the Division of Law, a Slum Clearance branch under an Associate General Counsel has been established to handle legal matters with respect to the program.

Although the director of the Division of Slum Clearance and Urban Redevelopment, Nathaniel S. Keith, was appointed on September 18, 1949, administrative appropriations did not become available until October 15, 1949. The task of staffing, therefore, could not get under way intensively until that date. By year's end, however, the director had appointed four of the six branch chiefs, and other professional and clerical personnel.

D. Operations

Organization and planning phases of the slum clearance and urban redevelopment program were necessarily limited until administrative appropriations became available on October 15 and sufficient personnel could be recruited to carry on the job of establishing procedures, regulations, and other operational prerequisites.

A small task force in the Office of the Administrator was able, however, shortly after the legislation's enactment, to produce the Division's first publication, the booklet, *Slum Clearance and Urban Redevelopment—A Preliminary Explanatory Statement to American Cities.* This was issued along with a questionnaire pertaining to a locality's interest concerning slum clearance and urban redevelopment under the Act, to communities throughout the Nation.

The Administrator and the Director, in December, invited a group of mayors, other local public officials, and leaders in housing and other pertinent fields to become members of a Slum Clearance Advisory Committee. This group was scheduled to meet in the first of a series of meetings in January.

Preparations for the first locality participation in the program culminated, December 19, with the announcement of a plan for reservations of capital grant funds by the Administator for slum clearance projects which communities expect to start before July 1, 1951. These reservations were designed to provide guidance to both the communities and the Housing and Home Finance Agency in planning the undertaking of Title I projects.

Under the plan, a request for a reservation by a locality constitutes simply a statement of intent of its local governing body—not a binding commitment—that the locality plans to participate in the Title I program prior to July 1, 1951. The reservation, when made by the Administrator, sets aside for the community a stated amount of the first $200,000,000 of capital grant contract authority available under Title I. It does not, however, commit the Administrator to enter into a contract for Federal financial assistance. The reservation is terminated after the end of a 6-month period unless the community files a formal application for financial aid or takes other positive steps toward the undertaking of a local slum clearance and redevelopment program.

The amount reserved to any community is limited by (*a*) the statutory requirement that not more than 10 percent of the Federal funds authorized by Title I may be expended in any one State and (*b*) the needs of the community in relation to the needs of other communities submitting reservation requests.

Initial reservations were scheduled to be made on requests received prior to July 1, 1950, or such earlier date as the first $200,000,000 contract authorization is fully reserved. If the initial reservation is not for the full amount requested by the community, a further reservation may be made later, if circumstances permit, from the above amount. Other reservations, in addition, were intended to come from additional capital grant contract authorizations provided by Title I at later dates.

Federal loan and grant assistance authorized by Title I will be made available only to local public agencies in communities which have obtained reservations from the Administrator.

The Division, in the closing days of 1949, was preparing forms and other material pertinent to applications for preliminary and final advances of planning funds.

A total of 241 cities, as of December 31, had officially expressed interest in the slum clearance and urban redevelopment program authorized in Title I. These communities ranged from small towns to large cities and were located in all sections of the country.

Chapter VIII

HOUSING RESEARCH PROGRAM

A. Background and Functions

Title IV of the Housing Act of 1949 authorized for the first time a comprehensive and coordinated housing research program. The Housing Act of 1948 had augmented the housing research program by authorizing research with respect to building code improvement and standardized dimensions and methods of assembly of home-building materials and equipment. The new Act expanded the research program to cover the whole sweep of housing technology and economics. The law authorized the appointment of a director of research in the Office of the Administrator to carry on this function

This comprehensive program is directed at reducing the real cost of housing to the average family and thus enabling stabilization of the home-building industry at a high level; these aims of course reflect the long-range goal of the 1949 Act.

Under the Act, the Administrator is directed to make the greatest possible use of available research facilities of other Government agencies. He is also authorized to enter into contracts with public, educational, and other nonprofit organizations, and to undertake research cooperatively with industry and labor, State and local government bodies, educational institutions, and other nonprofit bodies. Basically, the broad functions to be undertaken by the Office of the Administrator in carrying out the research Title include:

1. To identify the phases of the housing process which seem open to improvement through research.

2. To uncover, catalogue, and appraise all past and progressing housing research in and out of Government so that duplication may be avoided; and to maintain up-to-date information on research in progress.

3. To select those research projects and activities which are most likely to lead to cost reductions, for which research techniques and facilities are available, and where there is reasonable expectation of acceptance and use of the research results.

4. To undertake the planning of needed research in collaboration with interested groups and agencies, and to develop research techniques and methods.

5. To enter into contractual arrangements, working agreements, and cooperative undertakings with existing research facilities and agencies for the conduct of selected research projects and the collec-

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tion of appropriate statistical materials; and to supervise projects undertaken on behalf of the Agency.

6. To encourage the development of interest and activity in housing research in colleges and universities through promotional and educational devices, financial support through contract, technical advice and assistance, and cooperative research undertakings.

7. To encourage in colleges and universities the extension of educational and training programs for professional research workers in all phases of housing.

8. To coordinate and integrate by various means all going housing research activities publicly undertaken and to make maximum use of private undertakings to the end that duplication may be avoided, valuable experience exchanged, and final results coordinated.

9. To analyze research findings from all sources, and to develop practical applications of these findings.

10. To plan and carry out methods of disseminating information on research results and encouraging their application in building practice, housing construction, land planning, regulation of land use, and in private business—decisions and public policy determinations at all levels.

B. Administration of Housing Research Program

Activity carried on in this program during 1949—except for limited technical research authorized in 1948—was primarily of a planning nature; funds for the administration of the new program were not available until the latter part of October 1949. By the end of 1949, a director had been selected for the program and plans had been made for organizing and staffing the Division.

1. Advisory Bodies.—Also, in line with the policy of developing a coordinated approach to housing research problems, it is planned to establish two types of advisory bodies in connection with the administration of the housing research Title:

(a) *Housing research advisory panel.*—The functions of this group will be to give general counsel on all aspects of housing research; to serve as a continuing board of review of the program; and to act as liaison with the public generally and with industry in interpreting the program, as well as in developing research projects on cost reductions in housing construction.

(b) *Working panels.*—These groups of technicians and professionals will provide advice in evaluating the research areas, in suggesting modifications or redirection of research projects, and in interpreting the research findings. There will be one such group for each of the major areas in housing research.

2. Major Activities.—By the end of 1949, despite the problems involved in initiating this major program, considerable progress had

been made, not only in the planning phases of the program but also in the necessary preliminaries in connection with specific projects. By year's end, the main line of activity, apart from staff and organization problems, included the following which will be expanded through 1950:

(*a*) Initiation of a comprehensive and systematic review of existing data and research activities, with the purpose of preventing duplication or repetition and of assuring maximum application of valuable research results.

(*b*) Initiation of a group of studies designed collectively to clarify the very confused area of housing costs, and ultimately to produce a systematic body of accurate and generally accepted cost data.

(*c*) Initiation of cooperative activities with the Bureau of Labor Statistics, the Bureau of the Census and others to fill in some of the major gaps in housing statistics and lay the basis for more serviceable permanent statistical series in connection with housing supply and need and in connection with the most important aspects of housing finance.

(*d*) Continuance of the technical work in the fields of codes and modular coordination, and integration of these activities with the broader research work of the Division.

(*e*) Initiation of architectural and engineering investigations in the areas of design and of construction practice, with a view to finding means available to the average designer and builder for reducing costs without sacrifice of quality.

(*f*) Continuance and intensification of the work in connection with new materials and in connection with methods and procedures for standardized testing of materials and components. This will include intensive work with builders and code officials to secure more widespread acceptance and application of new materials and methods, and to eliminate obstacles to their adoption.

Research into the complex areas of housing economics and statistics involves an entirely new program for the Agency. Consequently, activity in these areas begun in late 1949 involved primarily the preliminary phases of project development, review, and planning. The program of technical research which had been carried on throughout 1949 under previous legislation is described more specifically in the section below.

C. Technical Research Activities During 1949

The Housing Act of 1948 authorized the Office of the Administrator to undertake a limited program of technical research aimed primarily at improvement of building codes and standardized dimensions and methods of assembly of home-building materials and equipment. Throughout much of 1949, activity carried on under this Act constituted the major technical research activity. Additional responsibilities assigned under the Housing Act of 1949 required considerable staff time, particularly in the latter part of the year; generally this activity was of a planning nature, although some specific projects were also initiated.

The previous activity of the OA in technical housing research, even though limited in nature, provided a firm background of experience for the new program. A framework had been developed for joint investigations into various technical problems with Government and university laboratories; and necessary liaison and relationship with trade and professional groups had been established. Moreover, OA functions concerned with review and coordination of some of the technical operations of HHFA constituents had also contributed to the background essential for an expanded program of technical research.

1. Building Codes and Technical Standards.—The Division of Standardized Building Codes and Materials, established during late 1948 to perform the functions authorized by the Housing Act of 1948, was the principal OA staff unit conducting specific research in technical standards and has served as a nucleus for planning the expanded program. This Division also performed the functions of the predecessor technical staff in advising the Administrator on technical problems and practices in the constituent agencies. Activities in this field included development of an educational program to assist communities in improving the building codes, encouraging provisions for accepting new materials and methods, and conducting research unique to housing and applicable to the development of performance standards.

In addition to such projects, staff work included the analysis of existing codes, working with various code-planning groups, preliminary preparation of a model national building code for dwellings of three stories or less, modular coordination, and related studies.

As a preliminary step, an analytical evaluation of more than 100 individual building codes and 4 model codes of various national organizations was made. Its purpose was to collect data on the ages of building codes in principal cities, the degree of uniformity, and the extent to which efforts at modernization had been made. An important conclusion of this analysis was that housing is handled as residual rather than as a major code problem.

Preliminary plans were made and consultations held with the four major organizations in the building code field to initiate an active program of community education. Objectives included uniformity in existing model codes, increased emphasis on sound housing requirements, improved administrative flexibility in codes, use of improved standards based on research.

A major code accomplishment resulted from HHFA sponsored research in plumbing and plumbing codes, illustrating effective use of a representative committee of industry, trade, and Government specialists. The draft of the Model Uniform Plumbing Code was issued jointly by the Department of Commerce and the HHFA as a Report of the Uniform Plumbing Code Committee. Work in connection with the Uniform Plumbing Code will be continued with other major organizations having model plumbing ordinances; efforts will be made to obtain uniformity and such refinements in the field of housing as are found necessary through research.

In addition, OA staff members have worked closely in developing building codes and technical standards with such groups as the American Standards Association, the American Society for Testing Materials, the American Society of Heating and Ventilating Engineers and the National Fire Protection Association. Cooperative work in the field of building codes, as well as in design, construction practice, engineering, and materials, also has been carried on with national trade associations, such as the National Lumber Manufacturers Association, the American Iron and Steel Institute, the Portland Cement Association, the Producers' Council, the American Institute of Architects, the Gypsum Association, the Structural Clay Products Institute, the National Association of Master Plumbers and others.

Also, during 1949 work was initiated on a draft of a national building code for dwellings three stories and under. This code, which will be brought to completion during 1950, represents primarily a collection and rationalization of the best existing data in each of the major subject-matter areas of principal concern to housing. It will serve as a basis for further study of building codes in relation to housing.

2. Cooperative Research Projects.—The following projects were completed during the year:

(*a*) *Septic tank and disposal field studies.*—Continuing previous research cooperation with the Public Health Service, studies were undertaken on septic tank operation and design. Data collected under preceding programs were analyzed, and studies were launched covering the characteristics of tank effluents and methods for predetermining the characteristics of disposal fields. This work will be continued in 1950.

(*b*) *Hydraulics of household water supply.*—An investigation was launched at the Iowa State University to obtain additional technical knowledge concerning the hydraulics of water flow through home water systems. Data tables for piping size and a design manual on household water piping systems were prepared.

(c) *Capacities of plumbing stacks and horizontal branches.*—Continuing the broad study of conventional plumbing systems, work initiated during 1949 at the National Bureau of Standards was aimed at developing additional information on the capacities of plumbing stacks and branches for the guidance of code-writing bodies. Data were collected on stack capacities, pressures and velocities of the flow, and on design of stacks and fittings under varying conditions. Additional plumbing system research will be continued in 1950.

(d) *Radiant heating investigations.*—An exploratory investigation on the design and operation of radiant heating systems was undertaken at the National Bureau of Standards. A two-story test structure was equipped for this purpose, and two-test panels were constructed and subjected to exploratory tests. This project was primarily concerned with preliminary research for development of a suitable laboratory set-up to study this complex problem.

(e) *Comparison of heating systems.*—As part of the broad research into the heating standards problem, studies were also made of three different warm-air heating systems—also at the National Bureau of Standards. The studies were aimed at determining relative fuel economy, temperature distribution, over-all heat loss, and the general performance of such heating systems.

(f) *Air space resistance to heat flow.*—Data on heat transmission characteristics of wall types are essential for the development of new materials, practical designs, and improved heating systems. A comprehensive investigation in this field was initiated during 1949 at the National Bureau of Standards. Work included the preparation of test panels and the collection of test data for a range of temperature gradients. The HHFA previously assisted in developing at the National Bureau of Standards a guarded hot-box heat transfer apparatus designed for advanced studies in this field. Using this equipment, data were collected on eight designs using various insulation arrangements. This research will be expanded to cover a greater variety of structural designs and types of insulation as well as studies of moisture conditions.

(g) *Strength of sewer materials.*—Lack of sufficient data on the performance of new materials proposed for building sewers made necessary exploratory work in this field preliminary to developing performance standards. Materials proposed for sewer pipe, upon which test data are lacking, include cement, asbestos, bituminous fiber, concrete, and clay. Work during 1949 at the National Bureau of Standards involved design of experimental equipment, the preparation of test methods, field survey of conditions found where these types of sewer pipes have actually been used, and an analysis of laboratory methods used by the industry.

(*h*) *Vapor barrier permeability.*—Four laboratories (the Forest Products Laboratory, the National Bureau of Standards, University of Minnesota, the Engineering Experiment Station, and Pennsylvania State College) have developed methods of determining water vapor transmission rates of construction materials. To determine the degree of correlation in these four different test methods, tests of the water vapor transmission rate of seven different building materials were conducted, with each of the four laboratories using a different method. The results obtained from this series of tests will be useful in standardizing test procedures and evaluating new structural systems and in code standardization work.

(*i*) *Investigation of strength, stiffness, and rigidity of permanent housing construction.*—To establish performance standards to be used in evaluating new methods of construction, tests were conducted at the Forest Products Laboratory to determine the structural properties of wood frame walls, partitions, floor, and roof elements in combination with various coverings. The work consisted of an investigation of nine exterior wall panels, eight partitions, and two floor and three roof elements. The data obtained from this investigation have been used in the further development of structural performance standards.

(*j*) *Attic ventilation-performance standards.*—To establish good practice criteria for attic ventilation, research was conducted at the Forest Products Laboratory. The work consisted of reviewing previous studies in this field, setting up experimental apparatus, and making observations in existing houses to determine the conditions and air movement.

(*k*) *Wall racking investigation—Wood frame.*—For use as background material for building code requirements, performance standards and FHA property requirements, tests were undertaken at the Forest Products Laboratory to determine the racking resistance of wood frame wall specimens sheathed with various commercially available materials. A total of 36 specimens sheathed with plywood, fiberboard, gypsum board, and horizontal lumber were investigated, and performance data obtained on their racking resistance under dry conditions, after wetting, and after vibrating.

(*l*) *Floor investigation.*—To provide background data to support performance requirements for minimum low-cost floors, a pilot investigation was conducted at the Forest Products Laboratory upon three typical low-cost wood frame floors. Studies were made of their resistance to concentrated, uniform and impact loads, and of comfort properties when subjected to vibration and deflection simulating normal use. Additional work in the field of floor design and structural properties of a more comprehensive nature and covering a greater variety of types of construction will be undertaken during 1950 and 1951.

(*m*) *Crawl space studies.*—To obtain additional data on crawl space treatment for condensation control, a spot survey was made of four similar buildings with modified crawl spaces in six locations. Data were collected on temperature conditions, relative humidity, moisture content of materials, soil conditions, and rusting of metals in each of these locations. This information is needed to determine good practices in controlling condensation in crawl spaces.

(*n*) *Condensation control.*—As a part of the investigation of condensation control, tests were made during 1949 on 13 wood frame walls at the Climatometer at the Pennsylvania State College for a period of 6 weeks. Data were obtained on humidity and temperature conditions and the moisture contained in the wall cavities and in materials. This investigation has, so far, covered 53 types of wall construction and 12 different roof ceiling constructions. Technical papers have been issued on past work which describe the types of construction tested, conditions, the observations and conclusions obtained. The current investigation provided additional new knowledge in this field and correlation data which will be useful in further evaluation of condensation phenomena and the refinement of research methods.

(*o*) *Paint investigation.*—This project was in the nature of a supplementary investigation to the Agency's basic studies on condensation control, with particular reference to paint and possible paint failures as a manifestation of structural deterioration. Thirteen full-scale wood frame walls were submitted to varying accelerated conditions of temperature and humidity in the Climatometer at the Pennsylvania State College for 15 weeks.

During late calendar year 1949, projects involving about $100,000 of the funds made available under the Housing Act of 1949 were initiated with the National Bureau of Standards, the U. S. Public Health Service, the Forests Products Laboratory, the Division of Forest Pathology, the National Academy of Sciences, the Pennsylvania State College, and the Universities of Minnesota and Iowa. The projects, for the most part, involved study of the physical and performance characteristics of various structural elements of houses, the continuation of basic studies in plumbing and individual sewage disposal systems, and preliminary exploration of research methods for comprehensive housing research projects.

Modular Coordination

The Housing Act of 1948 specifically authorized research to develop and promote acceptance and application of standardized dimensions and methods for the assembly of home-building materials and equipment. As a first step, the staff studied the current status of efforts at standardization (known as modular coordination) undertaken by materials manufacturers and architects under the committee procedure of the American Standards Association. In addition, a contract was entered into with the National Academy of Sciences for a survey by the Building Research Advisory Board (National Research Council) of factors hindering the more general acceptance of principles of modular coordination.

These studies indicated that, while considerable technical progress had been made and some manufacturers had converted production to modular sizes, there was a lack of understanding generally of the principles of modular coordination and insufficient factual evidence of its benefits. A program of education, directed at professional technical personnel, at builders and craftsmen as well as the general public was, therefore, considered a necessary step for future progress.

Consequently, in cooperation with the American Standards Association a broad program of education was initiated with the following objectives:

1. The issuance of a popular booklet, for laymen and beginner professionals, setting forth the general principles of modular coordination in simplified form.
2. The issuance of a manual on the use of the principles in drafting practice for architects, engineers, designers, and draftsmen.
3. The issuance of a manual showing construction practices with the modular system for the use of home builders and craftsmen.
4. The development of a series of lectures, lantern slides, and other visual-aid educational data for the instruction of architectural and engineering students in colleges and universities.
5. The adaptation of the lectures and visual-aid data for use by trade, craft, and professional organizations and societies.
6. The construction, in cooperation with colleges and universities selected on a regional basis, of a series of dwellings for the purpose of making comparative time and motion observations that would reveal the benefits of modular coordination.

The popular booklet for laymen has been completed and distributed through the American Institute of Architects, the Producers' Council, the National Association of Home Builders, and various public interest groups. The final draft of the manual on drafting practices is completed and is being readied for publication during 1950. A draft of the manual on construction practices has been circulated to representative architects, materials manufacturers, and builders for review comments.

D. Planning the Expanded Technical Research Program

Despite the fact that appropriations to carry out the program authorized by the act were not available until late in 1949, considerable progress had been made by the end of the year in planning research projects to be undertaken in cooperation with other governmental laboratories and universities. These consisted of the following:

1. *Projects already under way that were to be carried on.*—These embraced work already launched on building codes and modular coordination, including the development of the model interim code, and basic testing and research to develop performance standards for materials and assemblies.

2. *Studies and research projects indicated as essential next steps by past research.*—This includes additional testing and research in the fields of plumbing, condensation control, septic tanks, heating, lightweight concrete, ventilation design, thermal conductance factors of various materials and assemblies, the design of chimneys and flues, design and structural investigations of floors, windows, doors, and other components, and general acceptance testing of new construction techniques and materials to determine their value for general use. At year's end approximately 20 projects in the above listed categories had been planned, discussions held with selected laboratories and universities, and several contracts initiated.

E. Technical Publications

Comprehensive preparation of technical and research information and its dissemination to builders, architects, engineers, trade and professional associations, and the home buyer has been a continuing goal of HHFA. Three principal methods have been employed in publishing the results of research and staff studies. These are (1) a tehnical bulletin—a bimonthly periodical which carries articles and discussions of broad interest to builders and others on particular technical problems, or design and construction practices directed at lower costs; (2) special manuals and publications covering more extensive details on home building, construction techniques, prefabrication and other subjects; and (3) a series of technical papers which provide immediate presentations of specialized research findings and recommendations.

Immediate utilization of research results is also encouraged by making research reports from the laboratory immediately available to FHA and PHA. Much of this information has immediate application to a variety of their operations in design and planning and in the review of materials and new construction systems for mortgage insurance acceptability.

Since its inception the Housing and Home Finance Agency has published a total of 33 publications in the technical field. A list of those issued by the Agency during 1949 is provided in Appendix C.

Chapter IX

OTHER PROGRAMS AND ACTIVITIES

A. Lanham Act Housing

Executive Order No. 9070, approved February 24, 1942, in addition to establishing a national housing agency, transferred to the Administrator of that agency responsibility for the housing functions contained in the Lanham and related acts. Under the President's Reorganization Plan No. 3, effective July 27, 1947, these functions are now the responsibility of the Housing and Home Finance Administrator who has largely delegated the development, management, and disposition and removal work involved to the Public Housing Administration. These functions are performed, however, under the supervision of the Office of the Administrator which also performs certain undelegated functions with respect to these programs.

Under the Lanham Act the Federal Government provided over 900,000 housing units for war workers and for veterans of World War II. In the early phases of the program permanent housing was built where a permanent need was indicated. Subsequently, new construction was confined to temporary buildings in order to conserve funds and, more importantly, critical materials.

In addition to the new construction, privately owned properties were leased and converted under the Homes Conversion program to provide additional housing for war workers.

The final development phase of the Lanham program involved the reuse of surplus Federal structures, including war housing, to provide temporary housing for returning veterans. These structures were either turned over to sponsoring local public bodies or nonprofit groups or to educational institutions for reuse on sites they owned or controlled, or removal and reuse was undertaken with Federal funds, on sites served with utilities and provided by the local sponsors.

The management and disposition responsibilities of the Agency, therefore, fall into three major categories. The Permanent and Temporary War Housing program, the properties leased under the Homes Conversion program, and the Veterans' Reuse program.

Admissions to all of this housing has been restricted, since the end of the war, almost exclusively to veterans of World War II.

Various legislative proposals for facilitating disposition of the Federal Government's interest in this housing were considered by the Congress during 1949. The only major amendment to the Lanham Act approved was contained in the Independent Offices Appropriation Act of 1950. This amendment extended the provisions of the Mc-

Gregor Act, which was previously concerned only with veterans' reuse housing under contract to educational institutions, to permit the transfer and relinquishment of veterans' reuse projects to local public bodies. It is anticipated that about 70,000 units in nearly 900 projects in the Veterans' Reuse program will be disposed of by relinquishment under this act during 1950.

In connection with the legislative proposals previously referred to, careful study has been made of factors impeding more rapid removal and disposition of this housing. The primary factor has been the continued shortage of rental housing for moderate-income families. The temporary housing has, therefore, remained almost fully occupied even though it was originally substandard in some respects and has already passed its contemplated useful life. It is apparent that some definite operating program must be set up so that necessary maintenance and repairs can be made to keep these houses in livable condition during the life span set up under such a program.

Reflecting the pressure to continue most of this temporary housing in use to meet essential needs, the removal date was extended by the Eighty-first Congress (1st sess.) for 1 year to January 1, 1951. This extension was also made in order to give the Congress additional time to study the problem and consider legislative proposals dealing with it.

Efforts to sell the permanent housing for private residential use were largely impeded by the same major factor, the shortage of rental housing for families of moderate income. Frequently, local governments have, for reasons that are completely understandable, been prone to support tenants of the projects in opposing the sales. Since the cooperation of the local governments is almost a prerequisite to the development of sales plans, the support of the local governments is necessary for the success of the sales program.

Here, again, studies have been made in an effort to adjust regulations and procedures to eliminate objectionable features where possible. Major objections have centered on the exclusive veterans' preference and the difficulty in securing private financing on reasonable terms even with FHA mortgage insurance, especially on mutual ownership purchases. Exceptions to Public Regulation No. 1, which governs sales of permanent projects, have been favorably considered to meet these objections, and a revision of the regulation will be made to permit even greater flexibility.

During 1949 a total of 42,000 units in the Veterans' Reuse program were disposed of, largely by relinquishment to educational institutions under the McGregor Act. Substantial progress was also made in the termination of leases under the Homes Conversion program with 8,000 units thus disposed of during the year. Only 9,500 units of permanent war housing were sold for private ownership or transferred to the military services, and only 22,000 units of temporary war housing were transferred to the military services, removed or made available for removal.

It is anticipated that virtually all of the 16,000 units remaining in the Homes Conversion program will be disposed of during 1950. A large part of the 71,000 units in the Veterans' Reuse program will also be transferred and relinquished under the Independent Offices Appropriation Act of 1950. The extent to which the 133,000 units of permanent war housing and the 179,000 units of temporary war housing can be disposed of will largely depend on the action taken by the Congress during 1950 on disposition bills.

B. Alaska Housing

The Office of the Administrator is responsible for overseeing the operation of the Alaska Housing program established in the Alaska Housing Act (Public Law 52, 81st Congress, effective April 23, 1949). This includes direct responsibility for the administration of Section 3 of the Act, over-all Agency coordination—with particular reference to the mortgage insurance operations of the Federal Housing Administration and general supervision of the management and disposition of Lanham Act housing in Alaska—and coordination with the Federal National Mortgage Association.

The Act has as its general objective the promotion of the settlement and development of Alaska by facilitating the construction of necessary housing within the Territory. One part of the Act—Section 2—pursues this objective through a liberalization for Alaska of the Federal financing aids to private construction. These liberalized provisions include:

1. Authorization to the Federal Housing Commissioner to increase the limitations for insured mortgages in Alaska to the extent that he finds necessary to compensate for higher costs in the Territory, except that such increases cannot exceed by more than one-third the dollar limitations otherwise applicable.
2. Authorization to the Federal National Mortgage Association to make real estate loans, including advances during construction, which are secured by property located in Alaska, if such loans are insured under the National Housing Act; and
3. Authorization to the Federal National Mortgage Association to purchase any mortgage loan secured by property in Alaska, if such loan is insured under the National Housing Act, without regard to certain legal limitations on such purchases.

Another portion of the Act—Section 3—authorized the appropriation of $15,000,000 ($10,000,000 of which was appropriated by the Congress in Public Law 343, 81st Congress, effective October 10, 1949), and authorized the Administrator to employ such funds for the purchase of obligations of the Alaska Housing Authority. The $10,000,000 constitutes a revolving fund to provide the working capital of the Alaska Housing Authority for its use in stimulating or accelerating the production of housing in the Territory and the development of a local building industry capable of meeting the acute civilian housing needs. If private sponsorship or adequate private financing is not otherwise available, the Authority, with funds loaned by the Administrator and under such conditions as the Administrator may prescribe, may construct sales or rental housing or make loans to regulated public agencies or corporations for housing construction. Loans up to $500 each for improvement of dwellings in remote areas but not to exceed a total of $1,000,000 are also authorized (within the $10,000,000 appropriation).

Following the appropriation in October, negotiations were entered into between the Alaska Housing Authority and the Housing and Home Finance Administrator for the establishment of procedures for making funds available to the Authority and by the Authority to builders for their assistance in housing construction during the following building season.

Progress was made in 1949 under the provisions of the Act which liberalized Federal financing aids to private builders independent of the revolving fund assistance. During the year FHA made mortgage insurance commitments on 11 Section 608 rental housing projects totaling 1,391 units. Construction was begun during 1949 on 3 of these projects totaling 749 units located in the city of Anchorage, where some of the most pressing needs exist. The remainder, some of which will require further assistance from the revolving fund, are expected to be started in 1950 for location in Anchorage (4 projects, 179 units), Fairbanks (2 projects, 271 units), Juneau (1 project, 84 units), and Ketchikan (1 project, 108 units). Commitments under Section 203 FHA mortgage insurance were made during the year on over 200 units in 1- to 4-family buildings for all Alaskan cities. Most of this activity occurred under the liberalized provisions of Public Law 52 and is substantially greater than that in previous years.

C. International Aspects

During 1949, the world over, the problem of housing received increased attention in the programs of many Governments and in the activities of several international organizations. HHFA has continued its participation in those phases of international housing activities which are in the interest of housing in the United States and in the interest of the broad international policies and programs of the United States Government. The interchange of housing information and experience between HHFA and agencies of foreign countries has received increased impetus during the past year.

In order to gain the experience of foreign countries which is useful to HHFA in the formulation of its housing policies and programs, the Agency has developed a system for the acquisition of reports and publications on foreign housing. HHFA has formulated with the Department of State a foreign service reporting circular which will improve and systematize the reporting on housing and allied topics from the United States missions abroad.

The development of the United States international programs has increased the cooperation between HHFA and other agencies of this Government. HHFA has provided advice and assistance to the Department of State in the formulation and carrying out of its international programs involving housing, e. g., the shelter problems of Arab refugees. The Agency has helped visiting foreign housing missions, arranged for technical assistance missions to other countries, assisted in the preparation of the position to be taken by the Government in relation to the work of international organizations in the housing field, and in the preparation of materials and agenda for international conferences.

The responsibility for the housing phase of the proposed Point Four Program of technical assistance to underdeveloped countries has been assigned to HHFA. This Agency has worked with the Department of State in the development of the program which includes the assignment of experts abroad, the training of foreign housing and city planning professionals in this country, and the establishing of tropical housing research stations. In this connection and for other technical assistance assignments, a canvass of experts in the housing field has been initiated, and a roster of those qualified for foreign missions is being developed.

Increasing interest from abroad in United States housing and city-planning activities has necessitated a wide distribution of HHFA publications. Such publications are provided through the Department of State to all United States missions abroad. Further, documents are exchanged between this Agency and similar agencies in foreign countries. Materials were also provided to the Department of State for exhibits in Japan, Yugoslavia, Uruguay and other countries, and to the Voice of America.

Advice and assistance were given to ECA concerning its activities and responsibility in the European housing field; Commerce Department on export-import controls for building materials (the problem of export controls has become practically insignificant and the problem of imports has become more important than in the previous year); the National Security Resources Board relative to housing experience in wartime Britain and Germany; and the Export-Import Bank on loans for housing construction in foreign countries.

Finally, further cooperation has developed through the State Department, with international organizations, such as the United Nations, on experience in tropical housing and the assembly of national experience for UN publication; the Economic Commission for Europe, Subcommittee on Housing, for the development of an international documentation system for housing publications; the Pan-American Union on the agenda and documentation for the regional seminars for experts in housing and city planning; the Caribbean Commission on documentation for the West Indian Conference (4th sess.); the Inter-American Congress of Architects and the International Federation for Housing and Town Planning, relative to their international congresses.

Appendix A

STATISTICAL AND FISCAL TABLES

TABLE 1.—*New permanent nonfarm dwelling units started, by type of financing and by location: Annually, 1920–49*

Year	Total dwelling units started	Privately financed			Publicly financed		
		Total	Urban	Rural Nonfarm	Total	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

Source: U. S. Department of Labor.

TABLE 2.—*New permanent nonfarm dwelling units started, by type of structure: Annually, 1920–49*

Year	Total [1] dwelling units started	Number of new permanent units in—			Percentage of total units in—			
		One-family structures	Two-family structures	Multi-family structures	One-family [1] structures	Rental-type structures [1]		
						All	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	20.4	18.6
1923	871,000	513,000	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	43.9	12.2	31.7
1928	753,000	436,000	78,000	239,000	57.9	42.1	10.4	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	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	22.3	3.6	18.9

[1] All units in one-family structures are classified as owner-occupied while those in two-family and multifamily structures are classified as rental type.

Source: U. S. Department of Labor.

TABLE 3.—*Dollar volume and average unit construction cost of privately financed dwelling starts: Annually, 1929–49*

[Based on building permit valuations]

Year	Estimated construction cost (millions)	Average cost per dwelling unit [1]		Year	construction cost (millions)	Average cost per dwelling unit [1]	
		All	1-family			All	1-family
1920	$1,068	$4,325	n. a.	1935	$732	$3,400	n. a.
1921	1,771	3,950	n. a.	1936	1,194	3,925	n. a.
1922	2,957	4,125	n. a.	1937	1,366	4,100	n. a.
1923	3,775	4,325	n. a.	1938	1,562	3,900	n. a.
1924	4,065	4,550	n. a.	1939	1,764	3,850	n. a.
1925	4,475	4,775	n. a.	1940	2,072	3,925	$4,075
1926	4,112	4,850	n. a.	1941	2,531	4,075	4,250
1927	3,910	4,825	n. a.	1942	1,134	3,775	3,900
1928	3,613	4,800	n. a.	1943	660	3,600	3,675
1929	2,453	4,825	n. a.	1944	483	3,475	3,450
1930	1,494	4,525	n. a.	1945	959	4,600	4,650
1931	1,105	4,350	n. a.	1946	3,714	5,600	5,525
1932	407	3,050	n. a.	1947	5,617	6,650	6,750
1933	285	3,075	n. a.	1948	7,029	7,700	7,850
1934	368	2,925	n. a.	1949	7,374	7,450	7,625

[1] Based on building permit valuations, adjusted for understatement of cost and, since 1946, on field reports from individual construction contractors over the country who provide cost figures for a large and representative sample of projects at or near completion. These figures exclude sales profit, selling cost, the cost of land and site improvements, and all other nonconstruction expenses, including architectural and engineering fees. They cover only the cost of labor, materials, subcontracted work and that part of the builder's overhead and profit chargeable directly to the construction project. Thus construction cost should not be confused with selling price.

n.a. Not available.
Source: U. S. Department of Labor.

TABLE 4.—*Private residential construction expenditures, the gross private domestic investment, and the gross national product: 1929–49*

[Millions of dollars]

Year	Private residential construction expenditures	Gross private domestic investment	Gross national product	Year	Private residential construction expenditures	Gross private domestic investment	Gross national product
1929	2,797	[1] 15,824	[1] 103,828	1940	2,355	13,949	101,443
1930	1,446	10,209	90,857	1941	2,765	18,334	126,417
1931	1,228	5,362	75,930	1942	1,315	10,873	161,551
1932	462	886	58,340	1943	650	5,709	194,338
1933	278	1,306	55,760	1944	535	7,714	213,688
1934	361	2,807	64,868	1945	684	10,733	215,210
1935	665	6,146	72,193	1946	3,183	29,455	212,613
1936	1,131	8,318	82,483	1947	5,260	31,090	235,697
1937	1,372	11,440	90,213	1948	7,223	45,008	262,434
1938	1,511	6,311	84,683	1949	7,025	34,700	257,400
1939	2,114	9,917	91,339				

[1] Comparable data prior to 1929 are not available.

Source: U. S. Department of Commerce.

TABLE 5.—*Dollar volume of residential construction put in place: Annually, 1920–49*

[Millions of dollars]

Year	In current prices			In 1939 prices		
	Total	Private	Public	Total	Private	Public
1920	1, 545	1, 545	----------	1, 276	1, 276	----------
1921	1, 661	1, 661	----------	1, 707	1, 707	----------
1922	2, 734	2, 734	----------	3, 055	3, 055	----------
1923	3, 640	3, 640	----------	3, 629	3, 629	----------
1924	4, 195	4, 195	----------	4, 246	4, 246	----------
1925	4, 505	4, 505	----------	4, 592	4, 592	----------
1926	4, 496	4, 496	----------	4, 551	4, 551	----------
1927	4, 175	4, 175	----------	4, 282	4, 282	----------
1928	3, 869	3, 869	----------	3, 956	3, 956	----------
1929	2, 797	2, 797	----------	2, 742	2, 742	----------
1930	1, 446	1, 446	----------	1, 453	1, 453	----------
1931	1, 228	1, 228	----------	1, 339	1, 339	----------
1932	462	462	----------	595	595	----------
1933	278	278	----------	358	358	----------
1934	362	361	1	428	427	1
1935	674	665	9	821	810	11
1936	1, 192	1, 131	61	1, 388	1, 317	71
1937	1, 465	1, 372	93	1, 532	1, 435	97
1938	1, 546	1, 511	35	1, 575	1, 539	36
1939	2, 179	2, 114	65	2, 179	2, 114	65
1940	2, 555	2, 355	200	2, 463	2, 268	195
1941	3, 195	2, 765	430	2, 853	2, 469	384
1942	1, 860	1, 315	545	1, 576	1, 117	459
1943	1, 350	650	700	1, 094	525	569
1944	725	535	190	542	399	143
1945	755	684	71	522	472	50
1946	3, 552	3, 183	369	2, 202	1, 977	225
1947	5, 446	5, 260	186	2, 795	2, 698	97
1948	7, 308	7, 223	85	3, 393	3, 355	38
1949	7, 240	7, 025	215	3, 486	3, 382	104

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

TABLE 6.—*Selected indexes of construction costs: Annually, 1920–49*

[1939=100]

Year	U. S. Department of Commerce composite index	American Appraisal Co.	Associated General Contractors	E. H. Boeckh and Associates			Engineering News-Record	
				Residences	Apartments, hotels, and office buildings	Commercial and factory buildings	Building [1]	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	190.0	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	206.9	244.4	182.2	208.4	194.3	192.7	177.8	202.5

[1] Not included in the composite index.

Source: U. S. Department of Commerce.

TABLE 7.—*Indexes of production of selected construction materials and the index of industrial production: Annually, 1920–49*

Year	Construction materials index [1] (1939=100)	Lumber	Hardwood flooring	Brick	Cement	Wire nails*	Fabricated structural steel*	Concrete reinforcing bars*	Cast iron radiation	Rigid steel conduit and fittings*	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	229.6	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	92.5
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	134.2	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	139.6	127.4	111.0	106.3	152.6	118.6	133.0	114.3	95.2	195.0	65.0
1948	145.0	125.4	146.6	123.6	168.0	127.5	138.5	121.8	101.4	212.8	80.9
1949	132.7	111.4	136.0	114.4	171.6	108.9	128.9	124.1	59.6	160.8	32.2

Year	Galvanized range boilers*	Cast iron soil pipe and fittings	Softwood plywood	Gypsum board*	Gypsum lath*	Asphalt prepared roofing*	Asphalt siding felts*	Warm air furnaces	Structural clay tile	Clay sewer pipe	Industrial production index: 1935–1939=100
1920	n. a.	67.2	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	75
1921	n. a.	61.8	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	58
1922	n. a.	96.0	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	73
1923	n. a.	116.4	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	88
1924	n. a.	128.0	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	82
1925	n. a.	137.1	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	90
1926	n. a.	126.1	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	96
1927	n. a.	129.6	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	95
1928	n. a.	134.7	27.6	147.4	35.7	107.0	n. a.	n. a.	n. a.	176.1	99
1929	n. a.	96.0	35.8	102.3	36.2	116.7	n. a.	n. a.	n. a.	155.7	110
1930	n. a.	67.2	30.5	109.5	30.0	81.6	n. a.	n. a.	n. a.	118.1	91
1931	n. a.	49.5	23.5	89.3	20.0	66.1	n. a.	n. a.	n. a.	76.5	75
1932	n. a.	31.7	20.0	51.3	11.3	66.7	n. a.	n. a.	n. a.	40.8	58
1933	n. a.	33.9	39.0	50.6	10.3	72.4	n. a.	n. a.	n. a.	41.9	69
1934	n. a.	29.8	38.4	51.6	11.2	70.3	n. a.	n. a.	n. a.	61.4	75
1935	n. a.	48.4	48.0	63.3	22.2	76.3	n. a.	n. a.	n. a.	62.3	87
1936	n. a.	83.1	70.0	83.9	42.1	94.4	n. a.	n. a.	n. a.	92.1	103
1937	85.5	84.9	72.5	93.9	65.0	87.7	99.7	89.3	126.7	90.4	113
1938	88.6	66.1	65.0	90.5	71.2	101.4	106.8	79.7	107.7	80.9	89
1939	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	109
1940	102.7	106.7	120.0	141.4	127.5	95.5	94.1	121.0	96.9	84.3	125
1941	102.4	110.5	160.0	227.0	162.2	124.1	113.9	129.4	105.1	104.8	162
1942	61.5	76.1	184.0	357.4	84.3	158.8	121.5	64.0	97.8	128.3	199
1943	103.3	40.3	149.5	407.3	55.5	150.4	101.6	45.1	79.1	86.2	239
1944	93.5	44.4	148.5	362.5	55.1	143.2	103.3	70.0	67.0	68.7	235
1945	93.6	54.3	122.2	365.9	52.7	144.0	107.7	83.1	69.8	64.9	203
1946	113.2	108.3	144.1	486.1	101.1	178.3	105.1	160.8	119.2	100.5	170
1947	78.0	155.2	169.8	510.9	146.7	204.5	125.0	199.7	120.4	126.0	187
1948	60.7	171.9	196.1	659.4	220.1	175.6	150.4	180.3	118.2	139.0	192
1949	46.8	151.4	186.6	614.9	177.1	156.2	141.3	158.8	124.4	135.1	176

[1] Covers 6 materials in addition to the 20 listed.
*Shipments.
n. a. Not available.

Sources: U. S. Department of Commerce and Federal Reserve Board.

TABLE 8.—*Indexes of selected wholesale prices: Annually, 1920–49*

[1926=100]

Year	Commodities (other than farm products and foods)	Building materials							
		Total	Brick and tile	Cement	Lumber	Paint and paint materials	Plumbing and heating	Structural steel	Other
1920	161.3	150.1	118.4	117.2	165.2	148.1	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	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	193.3	161.7	133.8	286.0	151.1	154.8	179.3	171.7

Source: U. S. Department of Labor.

TABLE 9.—*The index of residential rent—a component of the BLS consumers' price index for moderate income families in large cities: Annually, 1920–49*

Year	Index [1]	Year	Index [1]	Year	Index [1]
1920	120.7	1930	137.5	1940	104.6
1921	138.6	1931	130.3	1941	106.2
1922	142.7	1932	116.9	1942	108.5
1923	146.4	1933	100.7	1943	108.0
1924	151.6	1934	94.4	1944	108.2
1925	152.2	1935	94.2	1945	108.3
1926	150.7	1936	96.4	1946	108.6
1927	148.3	1937	100.9	1947	111.2
1928	144.8	1938	104.1	1948	117.4
1929	141.4	1939	104.3	1949	120.8

[1] Index: 1935–39=100.

Source: U. S. Department of Labor.

TABLE 10.—*Expenditures for housing space, household operation, and total personal consumption: Annually, 1929–49*

[Dollar amounts in millions]

Year	Total personal consumption expenditures	Housing space [1]					Household operation [2]	
		Total		Owner-occupied nonfarm	Tenant-occupied nonfarm	Farm houses	Total	
		Expenditures	Percent of total PCE				Expenditures	Percent of total PCE
1929	$78,761	$11,421	14.5	$5,898	$4,445	$829	$10,509	13.3
1930	70,789	10,992	15.5	5,581	4,346	830	9,378	13.3
1931	61,153	10,235	16.7	5,127	4,139	754	8,264	13.6
1932	49,208	8,964	18.2	4,440	3,691	655	6,675	13.6
1933	46,346	7,849	16.9	3,865	3,244	587	6,396	13.8
1934	51,882	7,538	14.5	3,662	3,099	616	7,107	13.7
1935	56,215	7,597	13.5	3,665	3,142	616	7,604	13.5
1936	62,515	7,882	12.6	3,778	3,295	615	8,660	13.9
1937	67,121	8,378	12.5	3,969	3,560	638	9,340	13.9
1938	64,513	8,733	13.5	4,124	3,773	620	8,732	13.6
1939	67,466	8,940	13.3	4,200	3,898	619	9,461	14.0
1940	72,052	9,217	12.8	4,326	4,039	624	10,292	14.3
1941	82,255	9,863	12.0	4,655	4,312	658	11,724	14.2
1942	91,161	10,594	11.6	5,109	4,544	688	12,325	13.5
1943	102,244	11,125	10.9	5,507	4,599	731	12,714	12.4
1944	111,550	11,702	10.5	5,998	4,615	784	13,524	12.1
1945	123,079	12,205	9.9	6,470	4,531	863	14,865	12.1
1946	147,758	13,135	8.9	7,153	4,628	972	18,741	12.7
1947	166,940	14,507	8.7	8,117	4,869	1,102	22,689	13.6
1948	178,788	15,902	8.9	9,150	5,137	1,162	24,400	13.6
1949	[3] 178,600	[3] 17,000	[3] 9.5	n. a.	n. a.	n. a.	[3] 24,100	[3] 13.5

[1] Includes space rental value of not only all owner-occupied dwellings, tenant-occupied dwellings, and farm houses but also of hotels, schools, etc.

[2] Includes expenditures for fuel, electrical appliances, utilities, furniture, domestic service, telephone, etc.

[3] Includes estimates.

n. a.—Not available.

Source: U. S. Department of Commerce.

TABLE 11.—*Average earnings and hours of construction workers in the building industry: Annually, 1934–49*

Year [1]	Weekly earnings	Weekly hours	Hourly earnings	
			Amount	Percent increase from preceding year
	Privately financed construction			
1934	$22.97	28.9	$0.795	n. a.
1935	24.51	30.1	.815	2.5
1936	27.01	32.8	.824	1.1
1937	30.14	33.4	.903	9.6
1938	29.19	32.1	.908	.6
1939	30.39	32.6	.932	2.6
1940	31.70	33.1	.958	2.8
1941	35.14	34.8	1.010	5.4
1942	41.80	36.4	1.148	13.7
1943	48.13	38.4	1.252	9.1
1944	52.18	39.6	1.319	5.4
1945	53.73	39.0	1.379	4.5
1946	56.24	38.1	1.478	7.2
1947	63.30	37.6	1.681	13.7
1948	69.79	37.3	1.869	11.2
	Private and public construction			
1948	68.85	37.3	1.848	n. a.
1949	70.94	36.6	1.935	4.7

[1] Data are not available prior to 1934.

Source: U. S. Department of Labor.

TABLE 12.—*Selected types of long-term savings of individuals: Annually, 1920–49*

[In millions of dollars]

Year	Total selected savings	Savings and loan associations	Life insurance companies	Mutual savings banks	Commercial banks	Postal savings	United States savings bonds	Annual net change in total amount of savings
1920	$23, 508	$1, 741	$5, 488	$4, 806	$10, 546	$166	$761	----------
1921	25, 278	1, 965	5, 893	5, 541	11, 079	148	652	$1, 770
1922	27, 709	2, 210	6, 360	5, 985	12, 289	135	730	2, 431
1923	30, 255	2, 626	6, 981	6, 484	13, 656	135	373	2, 546
1924	33, 363	3, 153	7, 706	6, 912	15, 044	137	411	3, 108
1925	36, 580	3, 811	8, 592	7, 349	16, 314	138	376	3, 217
1926	39, 507	4, 378	9, 594	7, 799	17, 237	143	356	2, 927
1927	43, 099	5, 027	10, 648	8, 352	18, 674	153	245	3, 592
1928	45, 823	5, 762	11, 782	8, 731	19, 295	158	95	2, 724
1929	47, 169	6, 237	12, 801	8, 797	19, 165	169	----------	1, 346
1930	48, 267	6, 296	13, 690	9, 384	18, 647	250	----------	1, 098
1931	46, 716	5, 916	14, 293	9, 939	15, 955	613	----------	−1, 551
1932	42, 551	5, 326	14, 319	9, 890	12, 101	915	----------	−4, 165
1933	41, 077	4, 750	14, 613	9, 506	10, 979	1, 229	----------	−1, 474
1934	43, 039	4, 458	15, 687	9, 670	11, 992	1, 232	----------	1, 962
1935	45, 567	4, 254	17, 203	9, 829	12, 899	1, 229	153	2, 528
1936	48, 355	4, 131	18, 736	10, 013	13, 709	1, 291	475	2, 788
1937	50, 999	4, 015	20, 181	10, 126	14, 410	1, 303	964	2, 644
1938	52, 907	4, 005	21, 512	10, 235	14, 427	1, 286	1, 442	1, 908
1939	55, 645	4, 060	23, 024	10, 481	14, 865	1, 315	1, 900	2, 738
1940	58, 998	4, 272	24, 663	10, 618	15, 403	1, 342	2, 700	3, 353
1941	63, 849	4, 652	26, 592	10, 490	15, 523	1, 392	5, 200	4, 851
1942	75, 080	4, 910	28, 734	10, 621	16, 056	1, 459	13, 300	11, 231
1943	94, 004	5, 494	31, 365	11, 707	19, 001	1, 837	24, 600	18, 924
1944	116, 226	6, 305	34, 212	13, 332	23, 871	2, 406	36, 100	22, 222
1945	135, 948	7, 365	37, 509	15, 332	29, 929	3, 013	42, 800	19, 722
1946	146, 700	8, 548	40, 713	16, 813	33, 447	3, 379	43, 800	10, 752
1947	155, 234	9, 753	43, 820	17, 744	34, 694	3, 523	45, 700	8, 534
1948	162, 436	11, 000	47, 139	18, 385	34, 970	3, 442	47, 500	7, 202
1949	170, 000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7, 564

n.a.—Not available.

Source: Home Loan Bank Board, Operating Analysis Division FSLIC.

TABLE 13.—*Nonfarm real estate foreclosures: Annually, 1926–49*

Year [1]	Number	Year [1]	Number	Year [1]	Number
1926	68, 100	1934	230, 350	1942	41, 997
1927	91, 000	1935	228, 713	1943	25, 281
1928	116, 000	1936	185, 439	1944	17, 153
1929	134, 900	1937	151, 366	1945	12, 706
1930	150, 100	1938	118, 357	1946	10, 453
1931	193, 800	1939	100, 410	1947	10, 559
1932	248, 700	1940	75, 556	1948	13, 052
1933	252, 400	1941	58, 559	1949	17, 635

[1] Data are not available prior to 1926.

Source: Home Loan Bank Board.

TABLE 14.—*Growth in the home mortgage debt: 1925–49*

[In millions of dollars]

Through Dec. 31—	Amount	Through Dec. 31—	Amount	Through Dec. 31—	Amount
1925 [1]	12, 742	1934	16, 958	1942	19, 219
1926	14, 648	1935	16, 841	1943	18, 781
1927	16, 378	1936	16, 690	1944	18, 778
1928	18, 139	1937	16, 827	1945	19, 208
1929	19, 481	1938	17, 073	1946	23, 569
1930	19, 615	1939	17, 608	1947	28, 570
1931	19, 013	1940	18, 400	1948	33, 355
1932	17, 872	1941	19, 400	1949	37, 200
1933	16, 743				

[1] Data are not available prior to 1925.

Source: Home Loan Bank Board.

TABLE 15.—*FHA and VA home loans compared with mortgage recordings of $20,000 or less: Annually, 1939–49*

[Dollar amounts in thousands]

Year	Estimated nonfarm mortgage recordings of $20,000 or less	Federal Housing Administration, home loans insured		Veterans' Administration, home loans guaranteed	
		Face amount	Percent of total recordings	Principal amount	Percent of total recordings
	Annual data				
1939	[1] $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	25	----------	----------
1943	3,861,401	762,779	20	----------	----------
1944	4,605,931	707,437	15	----------	----------
1945	5,649,819	474,344	8	[2] $192,240	[illegible]
1946	10,589,168	422,009	4	2,302,307	[illegible]
1947	11,728,677	894,747	8	3,286,165	[illegible]
1948	11,882,114	2,117,927	18	1,880,966	[illegible]
1949	11,828,001	2,213,195	19	1,423,591	[illegible]

[1] Data are not available prior to 1939.
[2] Program enacted June 1944; all 1944 activity included in 1945 data.

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

TABLE 16a.—*Federal National Mortgage Association, activity in nonfarm home financing: Fiscal years, 1938–50*

[Dollar amounts in thousands]

Fiscal year ending June 30—	Purchases		Loan balance outstanding	
	Number	Amount	Number	Amount
	FNMA total, FHA insured mortgages			
1938 [1]	10,840	$41,948	9,865	$37,88
1939	21,027	88,011	31,419	125,22
1940	11,909	49,293	41,876	163,03
1941	12,104	45,935	52,026	194,11
1942	9,323	38,813	58,820	215,51
1943	1,637	7,081	18,603	72,21
1944	84	338	15,995	59,53
1945	27	113	2,895	10,03
1946	6	23	2,246	6,37
1947	9	63	1,835	4,96
1948	6,734	47,389	8,283	51,09
	FNMA total, FHA and VA mortgages			
1949 [2]	62,962	423,546	70,512	464,495
1950 (first half)	57,932	399,244	125,226	828,354
	FNMA, FHA insured mortgages			
1949	40,408	297,490	47,992	339,423
1950 (first half)	12,528	94,625	57,643	403,258
	FNMA, VA guaranteed mortgages			
1949	22,554	126,056	22,520	125,072
1950 (first half)	45,404	304,619	67,583	425,096

[1] FNMA was authorized in February 1938.
[2] All FNMA activity was with FHA insured mortgages prior to July 1, 1948.

Source: Reconstruction Finance Corporation, Federal National Mortgage Association.

TABLE 16b.—*Federal National Mortgage Association, activity in nonfarm home financing: July 1948–December 1949*

[Thousands of dollars]

Item	FNMA nonfarm total	Federal Housing Administration					Veterans' Administration (nonfarm)		
		Total	Sec. 203	Sec. 207	Sec. 603	Sec. 608	Total	Sec. 501	Sec. 505a
Summary									
Mortgage balance outstanding as of June 30, 1948	51,090	51,090	5,400	--------	45,690	--------	--------	--------	--------
Purchases, July 1, 1948–Dec. 31, 1949	822,533	392,113	75,021	--------	288,174	28,918	430,420	413,865	16,555
Repayments and other credits, July 1, 1948–Dec. 31, 1949	25,770	20,579	2,936	--------	17,581	62	5,191	4,777	414
Sales, Aug. 1, 1949–Dec. 31, 1949	19,752	19,365	4,922	--------	5,711	8,732	387	101	286
Mortgage balance outstanding as of Dec. 31, 1949	828,100	403,258	72,563	--------	310,571	20,124	424,842	408,987	15,855
Commitments undisbursed as of Dec. 31, 1949	823,805	346,871	91,710	91	6,906	248,164	476,934	470,270	6,664
Available for commitment as of Dec. 31, 1949	[1]847,544	xx	xx	x	xx	xx	xx	xx	xx
FNMA new commitments to purchase, during month									
1948—July	4,885	4,885	114	--------	4,772	--------	--------	--------	--------
August	11,360	11,302	577	--------	10,726	--------	57	46	11
September	16,250	14,978	1,700	--------	12,631	648	1,271	974	298
October	27,646	21,016	5,558	--------	11,100	4,359	6,628	5,591	1,038
November	46,296	31,697	9,476	--------	14,807	7,414	14,599	12,256	2,343
December	40,150	22,075	7,271	--------	11,956	2,848	18,075	16,614	1,461
1949—January	39,633	19,938	6,501	--------	7,228	6,209	19,695	18,394	1,301
February	47,720	25,170	11,926	--------	5,573	7,670	22,550	21,332	1,217
March	66,630	36,489	18,662	--------	6,470	11,357	30,141	28,271	1,870
April	85,946	45,313	14,860	--------	4,384	26,068	40,633	38,919	1,714
May	123,434	59,202	21,297	--------	7,766	30,139	64,232	62,746	1,486
June	193,408	77,401	21,523	--------	8,723	47,155	116,007	113,676	2,331
July	165,698	58,858	16,141	--------	3,192	39,524	106,840	105,157	1,684
August	153,118	56,027	17,159	--------	3,071	35,798	97,091	94,581	2,510
September	116,961	21,817	11,979	--------	2,199	7,639	95,144	93,430	1,714
October	138,583	35,263	12,479	91	1,954	20,739	103,320	101,941	1,379
November	96,617	17,509	4,776	--------	707	12,026	79,108	77,723	1,385
December	127,840	19,615	9,089	--------	2,057	8,469	108,225	106,869	1,356
FNMA purchases, during month									
1948—July	12,889	12,889	334	--------	12,555	--------	--------	--------	--------
August	16,372	16,372	198	--------	16,174	--------	--------	--------	--------
September	20,443	20,174	320	--------	19,853	--------	269	225	44
October	26,415	25,131	882	--------	24,249	--------	1,284	1,067	217
November	34,877	31,228	1,477	--------	28,635	1,116	3,648	3,168	481
December	39,574	33,648	2,656	--------	30,551	441	5,926	5,142	784
1949—January	34,019	25,176	3,206	--------	20,426	1,544	8,843	7,766	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	47,215	26,679	6,610	--------	18,075	1,994	20,537	19,217	1,320
May	49,961	25,574	3,751	--------	19,866	1,957	24,387	23,151	1,236
June	63,662	29,106	5,965	--------	17,635	5,506	34,556	33,034	1,522
July	53,509	20,514	5,191	--------	12,460	2,864	32,994	31,745	1,250
August	63,407	20,380	7,769	--------	8,881	3,730	43,027	41,694	1,334
September	64,102	16,341	6,496	--------	7,719	2,126	47,761	46,670	1,091
October	66,081	15,520	5,990	--------	5,192	4,338	50,561	49,367	1,194
November	72,606	10,720	7,026	--------	3,174	520	61,886	60,705	1,181
December	79,335	11,148	9,090	--------	1,875	183	68,187	66,804	1,383
FNMA sales, during month									
1949—July	--------	--------	--------	--------	--------	--------	--------	--------	--------
August	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	1,400	--------	4,712	7,978	107	51	56

"x" and "xx" indicate that monthly data are not applicable.

[1] Amount available for commitment as of Dec. 31, 1949, allowing for $254,000 mortgage balance outstanding and $298,000 commitments undisbursed under VA sec. 502 farm mortgages.

Source: Reconstruction Finance Corporation, Federal National Mortgage Association.

TABLE 17.—*Reconstruction Finance Corporation's business loans for housing construction and manufacture: September 1948–December 1949 (excludes loans made under sec. 5d2—RFC Act, as amended [1])*

[Dollar amounts in thousands]

Item	Period Sept. 1, 1948 through Dec. 31, 1949		During the month: December 1949		November 1949		October 1949		September 1949		August 1949		July 1949		June 1949		May 1949		April 1949		March 1949		February 1949		January 1949		Period Sept. 1, 1948 through Dec. 31, 1948	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Sec. 102 [2] Housing Act of 1948																												
Applications:																												
Received	42	$61,921	4	$1,231	3	$1,750	---	------	1	$175	4	$3,102	6	$27,101	3	$1,513	6	$9,839	2	$984	1	$20	1	$4,377	1	$7,000	10	$4,830
Increased	----	2,247	---	(4)	---	590	---	------	---	500	---	------	---	115	---	1,042	---	------	---	------	---	------	---	------	---	------	---	------
Withdrawn	2	450	---	------	1	220	---	------	---	------	---	------	1	230	---	------	---	------	---	------	---	------	---	------	---	------	---	------
Declined	7	5,428	---	------	---	------	---	------	2	736	---	------	1	3,215	---	------	---	−100	---	------	---	------	---	------	---	------	4	1,578
Cut down	----	4,751	---	204	---	------	---	------	---	------	---	791	---	50	---	311	---	200	---	------	---	3,095	---	------	---	------	---	100
Pending	4	17,825	---	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	4	2,777
Commitments:																												
Bank share	----	225	---	------	---	------	---	$75	---	------	---	90	---	60	---	------	---	------	---	------	---	------	---	------	---	------	---	------
Approved	29	35,489	3	1,952	1	1,090	1	100	1	652	4	8,954	3	2,170	4	7,981	2	272	2	984	4	3,559	1	7,000	1	300	2	475
Canceled	2	572	---	4	---	4	---	4	---	4	---	------	---	200	1	100	1	257	---	------	---	------	---	------	---	------	---	------
Undisbursed	11	16,441	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	1	412
Disbursements	16	18,476	---	453	---	1,153	---	674	2	1,740	3	3,188	5	3,059	---	1,165	1	412	1	2,308	1	3,084	2	1,176	---	------	1	63
Repayments	----	243	---	33	---	32	---	109	---	3	---	3	---	30	---	−9	---	3	---	5	---	35	---	------	---	------	---	------
Outstanding loan balance	16	18,233	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	1	63
Sec. 4 (a) 1 [3] RFC Act, as amended																												
Commitments:																												
Bank share	----	2,590	---	246	---	------	---	------	---	967	---	1,377	---	------	---	------	---	------	---	------	---	------	---	------	---	------	---	------
Approved	44	57,322	4	6,683	3	2,185	4	280	13	6,783	2	1,477	1	630	2	5,130	5	9,749	2	1,897	2	6,573	---	------	2	991	4	14,944
Canceled	11	3,841	3	1,146	3	273	2	1,960	1	180	1	219	1	64	---	------	---	------	---	------	---	------	---	------	---	------	---	------
Undisbursed	16	32,054	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	6,106
Disbursements	17	21,428	2	754	2	662	1	356	3	410	2	1,410	---	737	---	1,348	1	908	1	401	1	360	---	2,687	---	2,556	4	8,839
Repayments	4	5,078	---	90	---	2	2	12	---	84	---	(4)	1	2,170	1	2,700	---	19	---	------	---	(4)	---	------	---	------	---	------
Outstanding loan balance	13	16,350	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	x	xx	4	8,839

"x" and "xx" indicate that monthly data are not applicable.

[1] Authorized RFC to make loans and purchase the obligations of any business enterprise, for any purpose, advantageous to the national defense.

[2] Authorized RFC to provide financial assistance for the production of prefabricated houses or (their) components, or for modernized site construction, not exceeding $50,000,000 outstanding at any one time.

TABLE 18.—*Veterans' Administration guaranty of home loans: Annually, 1944–49*

Year and month	Number of applications	Home loans closed: Number: Total	First [1] mortgages sec. 501	Second [2] mortgages sec. 505a	Principal amount	Amount of guaranty or insurance
	Cumulative data					
1944-1949	1,804,088	1,622,867	1,367,980	254,887	$9,077,564,594	$4,375,563,503
	Annual data					
1945 [3]	51,035	43,256	38,250	5,006	192,240,248	72,749,196
1946	519,848	412,037	402,044	9,993	2,302,307,135	1,092,891,475
1947	559,320	541,922	494,423	47,499	3,286,165,242	1,558,699,050
1948	330,367	349,934	256,266	93,668	1,880,966,226	927,579,171
1949	344,947	276,793	177,889	98,904	1,423,591,146	726,004,439
	Monthly data					
1949—January	19,659	21,065	12,426	8,639	101,076,755	52,641,953
February	19,516	20,494	11,728	8,766	96,845,001	51,148,712
March	18,904	17,268	9,952	7,316	81,501,378	42,978,851
April	21,563	17,382	10,686	6,696	85,025,515	44,124,591
May	25,417	20,315	13,281	7,034	105,613,766	53,837,129
June	27,412	21,509	14,243	7,266	114,109,052	57,718,035
July	27,283	20,510	13,624	6,886	108,272,973	54,949,299
August	34,960	25,043	16,618	8,425	131,609,923	66,622,045
September	34,023	24,271	16,483	7,788	131,124,391	65,577,397
October	39,446	30,847	20,415	10,432	161,909,351	81,737,657
November	39,195	30,890	20,505	10,385	162,897,668	82,151,384
December	37,569	27,199	17,928	9,271	143,605,373	72,521,386

[1] Includes also the very small number of refinanced loans under sec. 507.
[2] Corresponding first mortgages are FHA insured.
[3] Program authorized in June 1944, all 1944 activity included in 1945 figures.

Source: Veterans' Administration.

TABLE 19.—*Comparison of HHFA administrative and nonadministrative expenses,[1] fiscal years 1949–50*

	Actual fiscal year 1949	Estimate fiscal year 1950 [2]	Increase (+) or decrease (—) 1950 over 1949
Office of the Administrator	$1,048,698	$3,975,000	+$2,926,302
Home Loan Bank Board:			
Office of the Board and Federal Home Loan Bank System	437,464	433,500	−3,964
Examining Division—HLBB (nonadministrative)	(1,403,661)	(1,665,000)	(+261,339)
Federal Savings and Loan Insurance Corporation	562,346	622,500	+60,154
Home Owners' Loan Corporation Administrative	2,255,900	1,858,250	−397,650
Liquidation (nonadministrative)		(500,000)	(+500,000)
Federal Housing Administration Administrative	4,835,148	5,307,636	+472,488
(Nonadministrative)	(18,552,351)	(23,658,888)	(+5,106,537)
Public Housing Administration	10,077,535	12,304,600	+2,227,065
Total administrative expense	19,217,091	24,501,486	+5,284,395
Total nonadministrative expense	19,956,012	25,823,888	+5,867,876
Grand total	39,173,103	50,325,374	+11,152,271

[1] Nonadministrative expenses pertain to operating expenses only.
[2] Includes supplementals for: Pay increase, HOLC liquidation, and annual contributions under United States Housing Act of 1937.

TABLE 20.—*Housing and Home Finance Agency, summary comparative statement of income and expense, fiscal years 1949–50*

	Actual fiscal year 1949	Estimated fiscal year 1950
INCOME		
Activities in support of private home financing:		
Premiums, fees, and assessments	$82, 234, 223	$106, 277, 45[illegible]
Other income	9, 104, 668	9, 939, 8[illegible]
	91, 338, 891	116, 217, 27[illegible]
Activities in support of low-rent public housing	13, 118, 547	12, 127, 3[illegible]
War and Emergency Housing Management:		
Rents	79, 673, 670	71, 503, 4[illegible]
Other income	462, 836	609, 9[illegible]
	80, 136, 506	72, 113, 3[illegible]
Liquidation and disposition operations	55, 322, 943	49, 165, 6[illegible]
Slum clearance and urban redevelopment		25, 2[illegible]
Total income	239, 916, 887	249, 648, 9[illegible]
EXPENSE		
Activities in support of private home financing	30, 311, 125	36, 096, 5[illegible]
Activities in support of low-rent public housing	17, 048, 038	25, 822, 7[illegible]
War and emergency housing management	58, 282, 237	49, 635, 3[illegible]
Liquidation and disposition operations	9, 600, 473	5, 804, 7[illegible]
Slum clearance and urban redevelopment		21, 7[illegible]
Total expense	115, 241, 873	117, 381, [illegible]
Net income before reserve adjustments and cost or value of property disposed of	124, 675, 014	132, 267, [illegible]
Net reserve adjustment	−44, 497, 104	−57, 076, 7[illegible]
Adjusted net income for year (before cost or value of property disposed of) [1]	80, 177, 910	75, 191, 2[illegible]

[1] Does not reflect cost or book value of property disposed of, consisting chiefly of war housing an[illegible] veterans' reuse emergency housing projects transferred to educational institutions or other local bodie[illegible] dedicated for public use, sold, demolished, destroyed by fire, or otherwise disposed of.

TABLE 21.—*Housing and Home Finance Agency, summary comparative statement of source and application of funds, fiscal years 1949–50*

	Actual, fiscal year 1949	Estimated, fiscal year 1950
FUNDS APPLIED		
To acquisition of assets:		
Investments in securities	$88,820,751	$271,018,800
Land, property, and equipment	14,487,120	4,713,617
Other	22,686,502	56,127,645
	125,994,373	331,860,062
To expenses:		
Administrative	18,415,636	21,995,665
Other	80,687,770	83,337,063
	99,103,406	105,332,728
To retirement of capital and borrowings	170,444,232	203,712,531
To deposits to general fund of the Treasury	100,143,259	69,492,693
Group account surplus participation	6,088,007	7,390,000
Total funds applied	501,773,277	717,788,014
FUNDS PROVIDED		
By realization of assets:		
Repayment of principal of loans, etc	129,733,581	311,852,941
Disposal of assets	69,782,206	38,845,630
Other	6,508,570	6,224,822
	206,024,357	356,923,393
By income:		
Premiums, fees, and assessments	82,234,223	106,277,450
Rents	84,857,212	74,520,453
Interest	33,222,619	28,967,386
Other	648,968	1,124,629
	200,963,022	210,889,918
By appropriation	5,842,078	27,073,998
By borrowings, debentures issued, etc	3,457,850	121,275,000
By decrease in working capital	85,485,970	1,625,705
Total funds provided	501,773,277	717,788,014

TABLE 22.—*Consolidated report of Lanham Act and related housing funds, Dec. 31, 1949*

Funds	Available funds	Allotments	Obligations	Expenditures	Unallotted balance
Housing and Home Finance Agency funds:					
Public Law 849—Lanham:					
Title I, other than District of Columbia	$1,446,132,226.14	$1,445,222,760.91	$1,444,008,254.63	$1,443,786,775.27	$909,465.23
Title IV, District of Columbia	11,542,516.66	11,306,795.83	11,306,795.83	11,306,795.83	235,720.83
Title V, Veterans' housing	442,556,533.11	440,212,365.91	438,140,076.85	437,572,021.31	2,344,167.20
Public Law 256, veterans' reuse	23,850,000.00	23,578,167.21	22,822,253.21	22,812,701.21	271,832.79
Public Law 375, temporary housing	7,357,902.00	7,217,937.13	7,217,037.00	7,217,937.00	139,964.87
Public Law 9, temporary shelter	309,002,509.07	308,981,102.87	308,981,102.87	308,981,102.87	21,406.20
Public Law 781, Army-Navy appropriation	54,615,018.40	54,614,892.95	54,614,892.95	54,614,892.95	125.45
Public Law 28, aid to public conversion	67,096.00	67,096.00	67,096.00	67,096.00	----------
Public Law 671, U. S. Housing Act loan funds	7,907,718.00	7,907,718.00	7,907,718.00	7,196,200.00	----------
Defense Homes Corporation	76,353,159.00	76,353,159.00	76,353,159.00	76,353,159.00	----------
Total	2,379,384,678.38	2,375,461,995.81	2,371,420,186.34	2,369,908,681.44	3,922,682.57

Appendix B

EXECUTIVE MESSAGES AND FEDERAL AND STATE LEGISLATION AFFECTING HOUSING IN 1949

A. Executive Messages

Prior to the enactment of the Housing Act of 1949 in July of 1949, the President, on several occasions, renewed his recommendations for the enactment of legislation along the lines of that Act. Provisions receiving repeated Presidential endorsement included aids for public low-rent housing, slum clearance, farm housing, and additional authority for housing research. Requests were submitted by the President during 1949 for additional legislation to encourage the private building industry to concentrate on the production of lower-cost housing. Special assistance for both private and public housing in Alaska, which had been requested in 1948, was again recommended. Housing was among the subjects discussed at length in the President's economic reports to the Congress. The President also asked the Housing and Home Finance Agency to cooperate with other Federal agencies in channeling Federal procurement and construction activities into areas where unemployment showed signs of becoming a problem.

In his first message to the Congress in 1949 (January 5),[1] the President reported that the state of the Union was "good," but listed among shortcomings the fact that "five million families were still living in slums and fire traps" and that "three million families share their homes with others." Reference was made to his repeated recommendations of previous years that legislation should be enacted providing for low-rent housing, slum clearance, farm housing, and housing research. The President stressed the fact that most of the houses needed would be built by private enterprise without public subsidy. Additional legislation to encourage the building industry to concentrate on the production of lower-cost housing would be submitted, he said, in order that the building industry would not continue to produce too few rental units and too large a proportion of high-priced houses.

In his economic report to the Congress on January 7, 1949,[2] the President again recommended immediate passage of the remaining portions of the comprehensive housing legislation[3] which had not been enacted by the previous Congress, and urged the continuance of rent control for at least 2 years.

The President's budget message[4] of January 10, requested the enactment of the balance of the housing legislation previously requested for public low-rent housing, slum clearance, farm housing, and housing research, and also recommended additional legislation to encourage the building industry to produce a larger volume of adequate housing of low cost, including more rental housing. The recommendations for additional legislation included:

1. Amendments to the mortgage insurance programs to assist housing cooperatives and the production of rental housing and lower-priced sales housing.

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[1] H. R. Doc. No. 1, 81st Cong., 1st sess. (1949).

[2] H. R. Doc. No. 36, 81st Cong., 1st sess. (1949).

[3] The Housing Act of 1948, Public Law 901, 80th Cong., had enacted certain portions of the comprehensive housing legislation recommended by the President but had omitted enactment of a national housing policy, Federal aid to slum clearance and redevelopment, provisions for low-rent public housing, Federal aid to farm housing, and part of the desired program for housing research.

[4] H. R. Doc. No. 17, 81st Cong., 1st sess. (1949).

2. Revisions of limitations on mortgage purchases by the Federal National Mortgage Association designed to stress the financing of rental housing and housing cooperatives.

3. Basic revisions in the Federal Home Loan Bank and Federal Savings and Loan Insurance Corporation financial structures designed to encourage substitution of private capital for Federal investments, to permit them to borrow from the Treasury in the event of any future emergency, and to give the Home Loan Bank Board more specific authority over the borrowing and lending operations of the member associations.

In addition, the President requested legislation providing special assistance for both private and public housing in Alaska as a part of the program to develop the resources of Alaska.

The President, in his midyear economic report to the Congress[5] on July 11, 1949, noted that the housing starts were less in the first half of 1949 than they were in the first half of 1948, but, that there had been a movement upward beginning in March. Although there was evidence that economies in housing construction were being made, price adjustments in 1949 were still far short of an adequate alignment of housing costs to housing needs and to the incomes of purchasers, the President reported.

The midyear economic report also stated that the President was directing that a continuing review be made of procurement and construction activities by the Executive agencies, including the Housing and Home Finance Agency, in order to coordinate planning, to keep the various types of activity and their geographic distribution in proper balance and readiness, and to focus emphasis upon alleviating unemployment in particular areas where it became serious, before it had a chance to spread.

B. The Congress and Federal Legislation

The enactment of the Housing Act of 1949 is a milestone in the Federal Government's housing program. The Act established as a national objective the achievement as soon as feasible of a decent home and a suitable living environment for every American family, and set forth the policies to be followed in advancing toward that goal. It provided Federal aid for the clearance of slums, additional low-rent public housing, augmented the housing research program, and initiated a program of aid to farm housing.

The Senate Committee on Banking and Currency stated in one of its reports accompanying the Housing Act of 1949, that while the broad provisions of the bill were fundamental to any comprehensive and effective housing program, its enactment would not provide the complete housing program required to meet the housing needs of all the people. The committee stated that other urgent phases of the housing problem requiring attention and action were present in the three following main areas:

(1) The need for developing a practical means of providing good housing for middle- and lower-middle-income families.

(2) The need for modifications and improvements in the existing programs of FHA insurance of private mortgage investments in sales, rental, and cooperative housing, in order to give greater stimulus and assistance to increased production of privately financed housing of sound standards at more moderate sales prices and rents.

(3) Necessary revisions in the Federal Government's secondary market facilities for GI loans guaranteed by the Veterans' Administration, and mortgages insured by the Federal Housing Administration.

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[5] H. R. Doc. No. 252, 81st Cong., 1st sess. (1949).

Legislation was proposed in both the Senate and the House designed to cover these areas and hearings were held in both Houses on the proposals. Interim legislation was enacted at the end of the first session (P. L. 387, 81st Cong.) to make FHA mortgage insurance extensions in order that the programs would not expire. Also, certain necessary changes were made in secondary market operations of the Federal National Mortgage Association. The Banking and Currency Committees then continued into 1950 their study of the housing program and the various legislative proposals.

Legislation was also enacted during 1949 to provide for a housing program in Alaska (P. L. 52, 81st Cong.) and to stimulate the provision of housing for members of the armed forces (P. L. 211, 81st Cong.).

1. Housing Act of 1949

The Housing Act of 1949, Public Law 171, enacted proposals which had been under consideration by the Congress since 1945. The Act was approved July 15, 1949.

Section 2 of the Act establishes for the first time national housing objectives and the policies to be followed in attaining them. The declaration states that—the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevlopment of communities and to the advancement of the growth, wealth, and security of the Nation.

The Act provides that private housing enterprise shall be encouraged to serve as large a part of the total need as it can; that local public bodies shall be encouraged to undertake positive programs to assist the development of well-planned residential neighborhoods, the development and redevelopment of communities, and the production at lower costs of housing of sound standards of design, construction, livability, and size for adequate family life; and that governmental assistance shall be given to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to provide adequate housing needed for urban and rural nonfarm families of low incomes where such need is not being met through reliance solely upon private enterprise, and to provide decent, safe, and sanitary farm dwellings and related facilities where the farm owner demonstrates that he lacks sufficient resources and credit to provide such housing.

The Act requires the Housing and Home Finance Agency, and any other departments or agencies of the Federal Government having functions with respect to housing, to exercise their functions consistently with these national housing objectives and policies and in such manner as will encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

Title I—Slum Clearance and Community Development and Redevelopment

This Title authorizes the Housing and Home Finance Administrator to make loans and grants to localities to assist locally initiated, locally planned, and locally managed slum clearance and urban redevelopment undertakings. A local public agency would, after public hearing, acquire (through purchase or condemnation) a slum or blighted or deteriorating area selected in accordance with a general city plan for the development of the locality as a whole. The local public agency would then clear the land and make it available, by sale or lease, for private or public redevelopment or development in accordance with a predetermined local redevelopment plan for the area.

The Act authorizes $1,000,000,000 in loans over a 5-year period. Advances of funds would be available to finance the planning of local projects, and temporary loans for the acquisition and clearance of land, and the preparation of the land for reuse; these loans would be repayable when the land is sold or leased for redevelopment. Long-term Federal loans would be available to refinance the portions of the sites which are leased and would be secured by the rentals from the leased land.

The Act also authorizes $500,000,000 in Federal capital grants over a 5-year period, in order to help meet the loss involved in connection with slum clearance operations. This loss would be shared on a 2 to 1 basis—the Federal Government making up two-thirds of the loss and the local government making up one-third. Thus the Federal capital grants may not exceed two-thirds of the losses on all clearance projects undertaken in any one locality. The local public agencies may provide their share either in cash or through the provision of parks or schools or other public facilities necessary to serve or support the new uses of land in the project areas, the installation of streets, utilities, and other site improvements, or the use of municipal labor and equipment to clear a project area. While Federal loan assistance is available for projects involving open land, no capital grants may be made for such projects.

Federal assistance would be available to defray the costs of acquisition and clearance of slum areas and the preparation of the sites for redevelopment; none of the funds would be available for building construction on the cleared sites, except that, in connection with the development of open or predominantly open areas, provision is made for temporary loans (repayable in not to exceed 10 years) for schools or other public facilities necessary to serve or support the new uses of land in the area.

As a further condition to Federal aid there must be a feasible method for the temporary relocation of families displaced from the project area and the permanent provision of decent, safe, and sanitary dwellings at prices and rents within the financial means of such families. (First preference to such displaced families of low income is required in public housing projects provided under Title III of the Act.) The demolition of residential structures in connection with slum-clearance projects is prohibited until July 1, 1951, if the local governing body determines that it would create undue housing hardship in the locality.

Not more than 10 percent of the funds provided for loans or grants may be expended in any one State.

Title II—Amendments to National Housing Act

This Title provides for temporary extensions (through August 31, 1949) of FHA's Title I and Section 608 mortgage insurance operations; also for a $500,000,000 increase in its Title II insurance authorization. The extensions under Title I relate to small loans for alteration and improvement and new construction and, under Section 608, to rental housing. The increase in insurance authorization applies to all types of housing under Title II, owner-occupied, small- and large-scale rental and sales housing, including cooperative housing.[6]

Title III—Low-Rent Public Housing

This Title amends the United States Housing Act of 1937 by authorizing Federal contributions and loans for local programs involving not to exceed 810,000 additional units of low-rent public housing over a 6-year period. The Public Housing Administration may authorize local authorities to commence construction of 135,000 units each year. The President, however, is authorized to accelerate the program to not more than 200,000 units per year or to retard the program to not less than 50,000 units per year, subject to the total authorization of 810,000 units, if he determines, after advice from the Council of Economic Advisers, that such action is in the public interest.

Federal annual contributions may not exceed the amounts which, with the required local tax exemption, are necessary to make up the difference between the rents which the low-income families can afford to pay and the annual costs incurred in the operation of the projects, including interest and amortization of all capital borrowings. In no event may they exceed the aggregate annual contributions authorization, reaching a maximum rate of $308,000,000 per year after the total program is in operation.

The Act authorizes a total of $1,500,000,000, available as a revolving fund, to be used for loans, primarily for construction advances or commitments pending permanent financing through sale of bonds on the private market.

The Act reduces the maximum period for loans and annual contributions from 60 to 40 years and adjusts the basis for Federal contributions in accordance with the increased annual amortization requirements.

Provisions in this Title strengthen the statutory safeguards to assure that occupancy of projects is limited to low-income families in need of adequate housing. As in the past, annual incomes of families on admission may not exceed five times the rent, including utilities, but the act recognizes the needs of larger families by exempting from income $100 per year for each minor dependent. The Title further requires local authorities (1) to establish upper rental limits for admission to projects at least 20 percent below the lowest rents at which private enterprise unaided by public subsidy is providing an adequate supply of decent housing in the respective localities, (2) to provide maximum income limits for admission and continued occupancy, (3) to require the removal of families found to be ineligible as the result of periodic reexaminations of tenant incomes, (4) not to discriminate against welfare cases, and (5) subject to specific preferences stated below, to give preference to families having the most urgent needs. In determining the eligibility of families for continued occupancy, the local housing authorities may exempt $100 for each minor or any part of the income received by minor members of the families (since such income normally will be available to the tenant families only for a short period).

Families who are otherwise eligible and who are displaced or are about to be displaced by public slum clearance, redevelopment or low-rent housing projects will be given a first preference for admission to low-rent housing. Among such displaced families, veterans with service-connected disabilities have first preference, families of deceased veterans and servicemen whose death was service-connected have second preference, and other veterans or servicemen have a third preference. As among families who have not been displaced by slum clearance, preference shall be extended to veterans and servicemen, and among such, families of veterans with service-connected disabilities have first preference and families

[6] See "Other FHA Mortgage Insurance Extensions" and "Interim Housing Amendments," *infra*.

of deceased veterans and servicemen whose death was service-connected have second preference. These preferences are extended to veterans and servicemen of World War I and World War II.

The Act fixes the limitation on the cost of construction and equipment of dwelling facilities to $1,750 per room. An increase in this cost limitation of not more than $750 per room is authorized in areas where it would not be feasible without such increase to construct sound housing. In no event may a project be undertaken which is of elaborate or extravagant design or materials.

The Act repeals existing equivalent elimination requirements, but substitutes a requirement that no financial assistance (other than preliminary loans) shall be made available for any low-rent housing project unless the governing body of the locality involved agrees that there will be eliminated, within 5 years after completion of the project, unsafe or insanitary dwellings substantially equal in number to the number of newly constructed dwelling units provided in the project. Under the old requirement only one unsafe or insanitary dwelling unit could be counted, even though it may have accommodated several families. But under the new formula, if more than one family is living in an unsafe or insanitary dwelling unit, the elimination of such unit shall count as the elimination of units equal to the number of families accommodated. The elimination requirement does not apply to rural nonfarm housing projects or to any public housing projects located on a slum site that has been cleared for urban redevelopment under Title I of the Act. The Public Housing Administration may defer beyond 5 years the required elimination in any locality or metropolitan area where there is an acute shortage of decent, safe, or sanitary housing available to families of low income

Title IV—Housing Research

This Title authorizes the Housing and Home Finance Administrator to undertake and conduct technical research and studies which will promote reduction in housing construction and maintenance costs and stimulate the increased production of housing.

The research may also be concerned with improved building codes; standardized dimensions and methods for the assembly of home-building materials and equipment; improved residential design and construction; new types of materials, equipment, and construction; and may relate to appraisal, credit, housing needs, demand and supply, land costs, use and improvement, and related technical and economic research. The Administrator shall also prepare estimates of national housing needs and encourage and assist localities to make studies of their own housing needs and markets and plans for housing and community development.

The Administrator shall utilize to the fullest extent feasible the available facilities of other Federal agencies and is authorized to undertake research and studies cooperatively with industry and labor and with State or local governments, educational institutions, and other nonprofit organizations.

Title V—Farm Housing

Title V provided a new program of technical services to farm housing and expanded the farm housing research program for the improvement of farm housing and other farm buildings. Also the Secretary of Agriculture is authorized to extend financial assistance to farm owners to enable them to construct, improve, or repair farm housing or other farm buildings as follows:

1. Loans up to 33 years at not to exceed 4 percent interest, to owners who are unable to finance adequate housing or other needed building improvements for themselves or others working on the farms.

2. Similar loans, supplemented by annual contributions, to owners whose in-

comes are not now capable of repaying a housing loan, but which may be sufficiently increased through a satisfactory program of enlargement, improvement, or adjusted farm practices. The subsidies, applied as a partial credit on interest and principal payments, could not be made available to an owner for more than 5 years and, in the aggregate, could not exceed $5,000,000 annually after the third year of the program; lesser amounts would be authorized for the earlier years.

3. Loans and grants for minor improvements and minimum repairs to farm dwellings and buildings on farms. The amount available would be limited to $1,000 to any one individual, of which the grant portion could not exceed $500.

4. Loans to encourage adequate family-size farms where a farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings.

This Title authorizes loans aggregating $250,000,000, contributions for a period of 5 years not exceeding $5,000,000 per year, and loans and grants for a period of 4 years totaling $25,000,000 for minor improvements and land purchases or development.

Title VI—Miscellaneous Provisions, Housing Census

Among the miscellaneous provisions in the Act, the Director of the Census is directed to take a census of housing in 1950 and decennially thereafter.

This Title amends and supersedes existing provisions for the conversion of eligible State-aided low-rent or veterans' housing projects to low-rent housing assisted under the United States Housing Act of 1937.

The National Banking Act is liberalized with respect to the authority of national banks and State member banks of the Federal Reserve System to purchase or underwrite certain obligations of local public housing and slum clearance agencies.

This Title also restores the right of the National Capital Housing Authority (which is the low-rent public housing agency for the District of Columbia) to acquire sites within the District of Columbia for low-rent public housing projects.

The District of Columbia is also authorized to participate, on the same basis as other authorized localities, in the slum clearance and urban redevelopment benefits authorized in Title I of the Act, but no loans or grants under Title I may be extended for the District of Columbia, with respect to any project for which Congress, after being presented with a budget estimate to make an appropriation under provisions of the District of Columbia Redevelopment Act, makes no funds available.

2. Appropriations to Carry Out the Housing Act of 1949

The Supplemental Appropriation Act, 1950, Public Law 358, approved October 14, 1949, appropriated funds to carry out the authorizations contained in the Housing Act of 1949.

3. Interim Housing Amendments

Public Law 387, approved October 25, 1949, extended FHA mortgage insurance authorizations as follows: Title I from November 1, 1949, to March 1, 1950, and from $200,000,000 to $225,000,000. Title II from $6,000,000,000 to $6,750,000,000. Section 608 from October 31, 1949, through March 1, 1950, and from $6,150,000,000 to $6,650,000,000.

The Federal National Mortgage Association's authorization for the purchase of insured or guaranteed mortgages and loans and the making of insured Alaska loans was increased from $1,500,000,000 to $2,500,000,000 and the Reconstruction Finance Corporation Act was amended to increase its authorization by a like amount in order to provide the necessary funds to the Federal National Mortgage Association.

The Federal National Mortgage Association was authorized to purchase home mortgages not exceeding $10,000 guaranteed after October 25, 1949, under Section 501 of the Servicemen's Readjustment Act of 1944 without regard to the limitation that not more than 50 percent of otherwise eligible mortgage loans made by any one mortgagee may be sold to the Association.

The National Housing Act was further amended to authorize the use of income from FHA fees and insurance premiums for the payment of FHA expenses other than general overhead, provided that such income may not be used in any one year in excess of 35 percent of the amount of such fees and premiums received in the preceding fiscal year.

The Lanham Act was amended by extending from January 1, 1950, to January 1, 1951, the date contained in Section 313 for removal of temporary war and veterans' housing provided by the Government.

The Federal Reserve Act was amended to permit national banks to make real estate loans insured by the FHA under Title VIII, the military housing insurance Title of the National Housing Act.

4. Other FHA Mortgage Insurance Extensions

In addition to the FHA mortgage insurance extensions contained in Public Laws 171 and 387, Public Law 278 approved August 30, 1949, extended through October 31, 1949, Title I FHA insurance authority for repair and improvement loans and Section 608 FHA rental housing mortgage insurance authority; and increased the Title II FHA mortgage insurance authorization by $500,000,000 to $6,000,000,000.

Public Law 31, the Housing and Rent Act of 1949, approved March 30, 1949, extended Section 608 FHA rental housing mortgage insurance authorization to June 30, 1949.

5. FHA Mortgage Insurance for Military Housing

Public Law 211, approved August 8, 1949, 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, and authorized the appropriation of $10,000,000 to the Military Housing Insurance fund created by the Act. The Act also permitted the armed forces to lease portions of military reservations and to furnish utilities on a long-term basis for such housing.

The Supplemental Appropriation Act, 1950, Public Law 358, approved October 14, 1949, appropriated $5,000,000 for payment to the Military Housing Insurance fund authorized by Public Law 211.

6. Alaska Housing Act

Public Law 52, the Alaska Housing Act, approved April 23, 1949, authorized more liberal FHA mortgage insurance in Alaska, housing loans and a more liberal secondary mortgage market through the Federal National Mortgage Association, construction of sales or rental housing by the Alaska Housing Authority, housing construction and certain repair loans by the Alaska Housing Authority, and $15,000,000 in loans to the Alaska Housing Authority (through the purchase of the Authority's obligations) by the Housing and Home Finance Administrator.

The Third Deficiency Appropriation Act, 1949, Public Law 343, approved October 10, 1949, appropriated $10,000,000 to the Housing and Home Finance Administrator for loans to the Alaska Housing Authority pursuant to Public Law 52, and appropriated funds to the Administrator for administrative expenses.

The Second Supplemental Appropriation Act, 1950, Public Law 430, approved October 28, 1949, authorized the Housing and Home Finance Administrator to purchase obligations issued by the Alaska Housing Authority to obtain funds for its general overhead expenses in the development of the housing program provided by Public Law 52. These obligations may be purchased by the Administrator in amounts not exceeding one-half of 1 percent of appropriations to him for loans under Public Law 52.

7. Public Works in Alaska

Public Law 264, approved August 24, 1949, authorized the appropriation of $70,000,000 for public works in Alaska and provided that 50 percent of the aggregate cost of the projects may be borne by the United States and the remainder by the local areas in which the construction takes place.

The Second Supplemental Appropriation Act, 1950, Public Law 430, approved October 28, 1949, appropriated $1,000,000 to the Bureau of Community Facilities and authorized the General Services Administration to enter into contracts in an amount not exceeding $4,000,000 for public works in Alaska.

8. Federal National Mortgage Association Mortgage Purchase Authorization Increased

Public Law 176, approved July 19, 1949, increased the Federal National Mortgage Association authorization to $1,500,000,000. The Association's authorization was further increased to $2,500,000,000 by Public Law 387, Interim Housing Amendments (*supra*).

9. Sale of Suburban Resettlement Projects

Public Law 65, approved May 19, 1949, authorized the sale of the suburban resettlement projects known as Greenbelt, Maryland; Greendale, Wisconsin; and Greenhills, Ohio, by means of negotiated sale and without competitive bidding or public advertising, with a sales preference being given to nonprofit organizations of veterans and tenants.

10. Transfer of Temporary Veterans' Reuse Housing to Public Bodies

Public Law 266, the Independent Offices Appropriation Act, 1950, approved August 24, 1949, authorized the Housing and Home Finance Administrator to transfer temporary veterans' reuse housing to a State, county, city, or other public body in accordance with the terms of Public Law 796, Eightieth Congress, upon application filed within 120 days after the date of approval of Public Law 266.

11. Payments in Lieu of Taxes on Low-Rent Public Housing

Public Law 266, the Independent Offices Appropriation Act, 1950, approved August 24, 1949, provided that none of the appropriations to the Public Housing Administration for annual contributions to public housing agencies should be used for payments in lieu of taxes in excess of the amount specified in the original contract between a public housing agency and the Public Housing Administration. Public Law 358, approved October 14, 1949, the Supplemental Appropriation Act, 1950, repealed this provision effective August 24, 1949.

12. Disposition of Farm Labor Camps

Public Law 80, approved May 31, 1949, provided a 1-year extension of time to the Farmers Home Administration for the disposition of farm labor camps to public agencies or nonprofit associations of farmers.

13. Rent Control

Public Law 31, approved March 30, 1949, amended the Housing and Rent Act of 1947 and extended rent control through June 30, 1950.

The termination date of the District of Columbia rent control act was temporarily extended from March 31, 1949, to April 30, 1949, by Public Law 34, approved March 31, 1949, and extended again by Public Law 45, approved April 19, 1949, from April 30, 1949, to June 30, 1950.

14. Administrative Expense Appropriations

The First Deficiency Appropriation Act, 1949, Public Law 71, approved May 24, 1949, increased the amount of funds made available to the Federal Housing Administration for administrative expenses.

Public Law 119, the Second Deficiency Appropriation Act, 1949, approved June 23, 1949, made appropriations to the Housing and Home Finance Agency (PHA and Office of the Administrator) to meet increased pay costs authorized by the Act of July 3, 1948.

The Independent Offices Appropriation Act, 1950, Public Law 266, approved August 24, 1949, made administrative expense appropriations for the Housing and Home Finance Agency, including its constituent agencies.

The Third Deficiency Appropriation Act, 1949, Public Law 343, approved October 10, 1949, appropriated funds to the Housing and Home Finance Administrator for administrative expenses of the Agency incident to the Alaska Housing program.

The Supplemental Appropriation Act, 1950, Public Law 358, approved October 14, 1949, appropriated funds to the Housing and Home Finance Agency for administrative expenses occasioned by the Housing Act of 1949.

The Second Supplemental Appropriation Act, 1950, Public Law 430, approved October 28, 1949, increased the funds made available to the Federal Housing Administration for administrative expenses.

15. Bond Issuances by Virgin Islands for Urban Redevelopment or Low-Rent Housing Authorized

Public Law 418, approved October 27, 1949, authorized the Government and municipalities of the Virgin Islands to issue general obligation bonds and other obligations having maturities up to 30 years to construct, maintain, and operate all types of public works, or to clear slums, accomplish urban redevelopment, or provide low-rent housing.

16. Congressional Housing Studies

Middle-Income Housing

In connection with consideration of legislative proposals to assist middle-income housing, the Banking and Currency Committees in both the Senate and House of Representatives made special studies of cooperative housing during 1949. A subcommittee from each of the committees visited European countries to make first-hand studies of the housing programs in those countries with particular reference to cooperative housing.

Disposal of War Housing

The Government Operations Subcommittee of the Committee on Expenditures in the Executive Departments of the House of Representatives studied the war housing disposal program of the Housing and Home Finance Agency. Hearings were held, letters were sent to the mayors of 60 some cities requesting information concerning the operation of the program, and the organization, financial data, and procedures of the Agency were examined. On August 24, 1949, the Committee adopted and published a report of the subcommittee's study. The Committee's report summarized its findings with respect to the disposal program and made certain recommendations to the Banking and Currency Committee for comprehensive legislation to cover the program.

A subcommittee of the Banking and Currency Committee of the House of Representatives, in connection with the Committee's consideration of legislation governing the disposition of war housing, visited cities and projects and held hearings in a large number of localities to learn the views of local officials, tenants, local veteran and civic groups, and other interested parties with respect to the housing.

Joint Committee on the Economic Report

Housing was among the major subjects considered in the studies which the Joint Committee on the Economic Report made on (1) monetary, credit, and fiscal policies; (2) Federal, State, and local government programs which aid the unemployed and low-income families; and (3) low-income families and economic stability.

C. State and Territorial Legislation

Thirty-two of the State legislatures, and the legislatures of Alaska, Hawaii, Puerto Rico, and the Virgin Islands enacted housing legislation during the calendar year 1949. Most of the legislation amended and enlarged existing housing authorities laws, and amended or enacted slum clearance and redevelopment statutes. At least 10 States and the Territory of Alaska extended and amended provisions for veterans' housing aids; 7 States provided for housing studies and investigations; 5 States provided for aid for middle-income housing; at least 4 States authorized housing cooperatives to construct and rehabilitate dwellings for their members; at least 9 States provided for decontrol of rents; and 3 States legislated continuation of rent control. Other legislation enacted deals with building codes, evictions, antidiscrimination provisions, taxation, and student housing.

The action of the Maine Legislature in enacting the Maine Housing Authorities Act is of particular interest. This Act, which is similar to low-rent housing legislation already in effect in other States, provides for the creation of local housing authorities to undertake low-rent housing projects. Thus, Maine becomes the forty-second State to enact legislation aimed at permitting participation in the federally aided low-rent public housing program. Bills to create housing authorities were introduced during the 1949 legislative sessions in the six States—Iowa, Kansas, South Dakota, Oklahoma, Utah, and Wyoming—which still have no such enabling legislation.

1. State Legislation

Alabama.—Act No. 490, approved August 30, 1949, authorizes public housing authorities to finance and engage in housing research and studies; continues tax exemption for houses constructed by housing authorities on private land in rural areas (until payment for dwelling is completed); and authorizes conveyance of housing projects to Federal Government upon default. Act No. 491, approved August 30, 1949, grants redevelopment powers to local housing authorities. Chapter 340, which became law without approval August 9, 1949, decontrols rents.

Arizona, on February 4, 1949, filed HM 3, memorializing the Federal Housing Expediter to decontrol rents in that State.

Arkansas.—Act No. 340, approved March 21, 1949, amends the supplemental housing authorities law to provide for detachment of counties from regional housing authorities. Act No. 267, approved March 10, 1949, authorizes municipalities by ordinance to adopt by reference technical building codes and regulations.

California.—Chapter 1039, approved July 20, 1949, amends Unemployment Insurance Act to include employees of any public housing agency. Chapter 1573, approved August 1, 1949, amends the Community Redevelopment Act. Resolution Chapter 102, adopted April 8, 1949, memorializes the Congress to amend the Lanham Act to extend the removal date with respect to temporary veterans' housing from January 1, 1950, to January 31, 1951. Chapter 1283, approved July 27, 1949, amends the veterans' temporary housing law to permit operation of projects until termination date established by the Federal Government. Chapters 1353 and 1485, approved July 29 and August 1, 1949, respectively, provide for student housing facilities at any State college. Resolution Chapter 201, adopted July 2, 1949, creates a joint legislative committee to study community redevelopment and housing problems and report to the 1951 legislature.

Connecticut.—Public Act No. 299, approved June 10, 1949, amends the Local Housing Authorities Act, provides for increased State aid for moderate-rental and moderate-cost housing; S. I–XX, approved October 6, 1949, amends the 1949 statute (as enacted by Public Act No. 299, *supra*). Public Act No. 291, approved July 13, 1949, prohibits discrimination because of race, creed, or color among applicants in public housing projects. S. 995, approved February 17, 1949, delimits grounds for eviction of tenants.

Florida.—H. 151–X, which became law without approval October 4, 1949, extends application of the redevelopment law to municipalities having a population of not less than 14,000 (instead of 60,000, as the law formerly provided). H. 1649 and S. 1126, which became law without approval June 13, 1949, provide for decontrol of rents in various counties.

Georgia.—Governor's Act No. 8, approved January 31, 1949, reorganizes the State Housing Agency.

Illinois.—S. 621, approved August 4, 1949, amends the Housing Authorities Act relative to qualifications for commissioners of local housing authorities and provides a method for dissolution of local authorities under specified conditions. S. 624, approved August 4, 1949, amends that act to broaden the powers of local housing authorities with respect to land acquisition, clearance and redevelopment. S. 623, approved August 4, 1949, amends the act providing for State aid for housing and redevelopment; broadens powers of housing authorities and land clearance commissions. S. 622, approved August 4, 1949, amends the "Blighted Areas Redevelopment Act of 1947" to authorize land clearance commissions to accept Federal aid for slum clearance and redevelopment under that Act. S. 189, which became law without approval August 13, 1949, authorizes the State to acquire certain blighted vacant areas to be sold under particular conditions for the development of homes or rental housing. H. 281, approved June 16, 1949, amends the "Neighborhood Redevelopment Corporation Law" relative to method of appeal from final decisions of the redevelopment commission. S. 549, approved August 2, 1949, provides for reorganization of the State Housing Board. S. J. R. 15, adopted March 1, 1949, created a joint committee to study and investigate housing conditions and to report to the general assembly by May 1, 1949.

Kansas.[7]—Chapter 191, approved April 2, 1949, repealed the State housing law which provided, among other things, for limited dividend housing companies to undertake housing projects for persons of low income. Chapter 124, approved

[7] See second introductory paragraph, page 91.

March 30, 1949, authorized cities to pass ordinances incorporating by reference certain standard or model building codes.

Maine.—Chapter 441, approved May 7, 1949, creates local housing authorities to undertake slum clearance and low-rent housing projects.[8]

Maryland.—Chapter 217, approved April 22, 1949, provides for dissolution of the Baltimore Redevelopment Commission and places redevelopment powers in the mayor and city council or any agency designated or created by them. Chapter 688, approved May 6, 1949, continues the State housing rent control law to June 1, 1951.

Massachusetts.—Chapter 760, approved August 27, 1949, amends the housing authority law to conform to public housing provisions of the Housing Act of 1949 (Public Law 171) relating to tenant eligibility, tenant preference, and equivalent eliminations; Chapter 688, approved August 16, 1949, amends the housing authority to provide a method for filling vacancies of elected members of housing authorities; Chapters 742 and 713, approved August 24, 1949, amend the housing authority law with respect to State aid; Chapter 682, approved August 15, amends the housing authority law relative to auditing of accounts of housing authorities undertaking projects pursuant to State aid and for veterans' housing programs. Chapter 712, approved August 22, 1949, amends the Act providing for housing for veterans of World War II to liberalize authorization procedure for State aid. Chapters 314 and 469 approved May 23 and June 28, 1949, respectively, extend for 3 years the veterans' temporary housing program. Chapter 378, approved June 2, 1949, authorizes cooperative associations to construct or rehabilitate dwellings for their members. H. 2518, adopted August 23, 1949, authorized the Committee of Mercantile Affairs to study the housing problem and report before the first Wednesday of December 1949; Chapter 87, approved March 28, 1949, continues from March 31, 1949, to March 31, 1950, certain provisions for stay of judgment and execution in eviction proceedings.

Michigan.—Public Act 208, approved May 29, 1949, provides for clearance of urban slums and redevelopment in accordance with a plan approved by the local planning commission. (This Act is substantially the same as a redevelopment law enacted in this State in 1945 and amended in 1947, but it does not expressly repeal the 1945 law.) Public Act No. 23, approved March 29, 1949, permits a corporation to invest 25 percent of its assets in housing projects for its employees.

Minnesota.—Chapter 505, approved April 20, 1949, amends the Municipal Housing and Redevelopment Act to prohibit an authority from operating housing projects owned or operated by a municipality or other local public body; provides that the referendum requirement shall not apply to any federally aided low-rent housing project if the contract does not require any direct loan or grant from the municipality; and makes certain other technical changes. Chapter 733, approved April 25, 1949, authorizes municipalities to provide emergency rental housing to veterans, subject to referendum; provides tenant eligibility requirements and veterans' preference; also provides for disposition after termination of the emergency. Chapter 224, approved March 31, 1949, provides for stay of eviction in hardship cases.

Missouri.—H. 2081, awaiting approval by the Governor,[9] amends the urban redevelopment corporations law to authorize any redevelopment corporation to maintain an action for unlawful detainer or ejectment to recover possession of its property.

Montana.—S. R. 2, approved February 2, 1949, resolves that, instead of acting on low-rent housing legislation, the Congress should substitute legislation pro-

[8] See second introductory paragraph, page 91.
[9] Approved by the Governor February 10, 1950.

viding assistance in the form of a subsidy of $1,000 for construction of new homes by owner-occupants at a cost not exceeding $7,000, thus making available older housing for low-rent use.

Nebraska.—L. B. 215, approved March 9, 1949, authorizes certain insurance companies to construct and operate moderate-cost rental housing projects. L. B. 538, passed over Governor's veto May 25, 1949, decontrols rents.

Nevada.—Chapter 307, approved March 29, 1949, authorizes insurance companies to invest in housing projects under certain conditions.

New Hampshire.—H. J. R. 3, approved May 26, 1949, authorizes appointment of a joint committee to study laws relating to tax exemption of real and personal property and to report back in 1951.

New Jersey.—Chapter 303, approved June 14, 1949, provides for a program of State aid for slum clearance and housing in the form of loans, grants, and annual subsidies; includes $100,000,000 appropriation to be derived from the sale of bonds. Chapter 304, approved June 14, 1949, authorizes a State bond issue (as above), subject to referendum in November; the measure was rejected at the November election. Chapter 185, approved May 20, 1949, amends the urban redevelopment law and gives municipalities broad powers in acquiring property for development and redevelopment by private enterprise; also provides for certain tax exemptions on improvements; Chapter 187, approved May 20, 1949, authorizes municipalities to determine that areas are blighted and to proceed with acquisition, clearance, and redevelopment for public use, or to authorize private corporations to undertake such activity; Chapter 30, approved June 14, 1949, grants redevelopment powers to local housing authorities, but not if a redevelopment agency has been created for the municipality; Chapter 306, approved June 14, 1949, authorizes creation of redevelopment agencies to acquire, clear and prepare blighted areas for redevelopment (not inconsistent with authorization to local housing authority) and to issue bonds and accept Federal aid. Chapter 184, approved May 20, 1949, provides for incorporation of limited dividend housing corporations to acquire, construct, alter, and operate housing projects and to develop and redevelop blighted areas, also provides for tax exemption under certain conditions. Chapter 305, approved June 14, 1949, amends Chapter 184 and provides for payments in lieu of taxes. Chapter 157, approved May 19, 1949, requires approval by municipal planning board of plans for improvements or construction to be undertaken by a municipal housing authority. Chapter 177, approved May 20, 1949, requires taxation of real estate exempt from taxation, where such property is leased to another whose property is not exempt. (Public housing projects are exempt from these provisions.) Chapter 17, approved April 11, 1949, amended by Chapter 3073 approved June 14, 1949, authorizes stay of eviction in hardship cases. Chapter 4, approved March 11, 1949, extends provisions for emergency housing from July 1, 1949, to July 1, 1950. Chapter 5, approved March 11, 1949, extends veterans' emergency housing provisions to July 1, 1950; Chapter 186, approved May 20, 1949, amends the Veterans' Emergency Housing Act to provide for tax exemption for a limited time for housing projects constructed thereunder, and for disposition of such emergency housing. Chapter 164, approved May 19, 1949, prohibits demand or receipt of bonus or gratuity to facilitate rental of real property; applies to State or Federal rent-controlled property.

New York.—A total of 403 bills relating to housing were introduced in the 1949 session of the State legislature, constituting 233 legislative proposals (the others were companion measures). The Committee on Housing gave consideration to 115 proposals. A total of 48 were passed by the legislature; 42 were signed by the Governor and 6 were vetoed. Twenty of the measures enacted consisted of amendments to the Public Housing Law, viz: Chapters 134, approved March 12, 1949, and 722, approved April 20, 1949, deal with financing of housing authorities. Chapter 659, approved April 16, 1949, exempts housing authorities from payment of State taxes and fees; Chapter 760, approved April 22, 1949, deals with construction bids; Chapter 106, approved March 9, 1949, deals with tenant eligibility; Chapter 320, approved March 28, 1949, deals with housing authority employees; Chapter 282, approved March 24, 1949, corrects certain typographical errors; Chapters 102, approved March 9, 1949, and 327, approved March 28, 1949, deal with tax exemption; Chapters 25, 26, and 27, approved February 21, 1949, and adopted by the electors at the general election in November, increase amounts available for State aid in the form of subsidies and loans for slum clearance and public housing; Chapter 32, approved February 22, 1949, continues emergency housing provisions until March 31, 1950; Chapter 808, approved April 25, 1949, deals with mortgage security of housing company projects; Chapter 308, approved March 28, 1949, deals with amortization charges of housing companies; Chapter 309, approved March 28, 1949, authorizes housing companies to sell or transfer real property to municipalities; Chapter 306, approved March 28, 1949, eliminates the provision relating to maximum rent limitations in certain cases; Chapter 616, approved April 16, 1949, and Chapter 761, approved April 22, 1949, deal with tenant eligibility; Chapter 724, approved April 20, 1949, exempts, until July 1, 1951, emergency housing projects operated by educational institutions, as transferees, from application of building and zoning codes and also provides for removal of emergency projects by July 1, 1951.

Eleven of the remaining measures, consisting of initial legislation, provide as follows: Chapter 523, approved April 11, 1949, authorizes banks to invest in obligations of public housing authorities and to purchase FHA insured mortgages in any part of the country; Chapter 784, approved April 25, 1949, authorizes municipalities, under certain conditions, to sell or lease property acquired for slum clearance and rehabilitation to the highest bidder who agrees to clear and redevelop such property; A. 1109, filed March 14, 1949, and adopted by the electors at the general election in November, proposes a constitutional amendment to provide that villages over 5,000, as well as cities, may contract indebtedness in aid of low-rent housing and slum clearance in excess of the ordinary debt limit under certain circumstances; Chapter 699, approved April 18, 1949, provides for relocation of dwellings located on property to be used for State highway purposes; Chapter 449, approved April 6, 1949, continues provision for stay of execution against hold-over tenant; Chapter 85, approved March 2, 1949, continues until March 31, 1950, the temporary State commission to study rental conditions; Chapter 591, approved April 12, 1949, continues rent control until June 30, 1950; S. R. 101, adopted March 30, 1949, continues the Joint Legislative Committee on Housing and Multiple Dwellings and directs the committee to report by April 1, 1950; S. R. 10, adopted January 25, 1949, and S. R. 85, adopted March 30, 1949, continued the committee created to study and make recommendations for the promulgation of a building code; Chapter 700, approved April 21, 1949, creates a State building code commission to formulate and adopt a State building and construction code. The others deal with fire protection and other safety measures.

North Carolina.—S. 382, ratified April 20, 1949, authorizes the organization of veterans' mutual housing associations and provides for the conversion of State low-rent veterans' housing projects to projects with Federal assistance.

North Dakota.—H. 247, approved March 11, 1949, reenacts and extends provisions of the war housing law to veterans of World War I and II as well as to defense workers; H. 249, approved March 10, 1949, authorizes the Governor to appoint a housing coordinator to facilitate housing of veterans, and to report to the next session of the legislature. H. 170, approved March 10, 1949, authorizes insurance companies to invest in real estate.

Ohio.—S. 385, approved July 25, 1949, authorizes formation of veterans' nonprofit corporations for the purpose of purchasing real estate and constructing housing thereon for sale to members. H. 195, approved June 27, 1949, grants redevelopment powers to cities to be exercised by either an existing or a newly created department; authorizes acceptance of Federal aid, issuance of bonds (subject to referendum) or use of general tax revenues. H. 179, approved July 7, 1949, amends the housing authorities law to provide tax exemption [10] and payment in lieu of taxes, rent-income ratio, and veterans' preference for a limited period in selection of tenants. H. 273, approved July 7, 1949, amends the general tax exemption statutes to declare property of housing authorities to be public property used exclusively for a public purpose and to include such property among tax exempt properties.[10] S. 30, approved March 30, 1949, provides that, beginning July 1, 1949, the metropolitan housing authorities shall be included in the public employees retirement system.

Oklahoma.—H. 52, adopted May 19, 1949, requests each municipality to hold a public hearing on rent control with a view toward decontrol.

Oregon.—Chapter 130, approved March 11, 1949, amends the housing authorities law to provide for increased number of commissioners of housing authorities in cities having a population of 100,000 or more. H. 562, approved May 5, 1949, grants slum clearance powers to local housing authorities in any county having a population of 70,000 or more and in which is located a State institution of higher learning; authorizes redevelopment by public or private agencies and setting up of advisory board. H. C. R. 1, adopted January 26, 1949, created a joint committee to study housing problems and to make early recommendation to the legislature with particular emphasis on need for enabling legislation for participation in Federal aid. Chapter 423, approved April 18, 1949, appropriates $30,000 (to be matched by city or county) for housing surveys in areas where acute housing shortage exists.

Pennsylvania.—Joint Resolution No. 2, proposing an amendment to the State constitution relative to taxation of land acquired for urban redevelopment, was adopted March 28, 1949, but rejected by the voters at the November election. Act No. 486, approved May 20, 1949, amends the housing authorities law to extend provisions to all cities (instead of only those having over 30,000 inhabitants), to extend the field of operation of a county housing authority, provides for compliance with State conditions in contract awards, authorizes use of State aid toward payment of housing authority bonds, and transfers responsibility with respect to projects from State Board of Housing to State Planning Board. Act No. 489, approved May 20, 1949, amends housing cooperation law to broaden definition of "housing project"; also clarifies existing provisions permitting long term agreements between localities and local housing authorities. Act No. 487, approved May 20, 1949, amends urban redevelopment law to substitute State Planning Board for State Board of Housing with respect to exercise of certain supervisory controls. Act No. 490, approved May 20, 1949, amends redevelopment cooperation law to clarify existing provisions relative to long-term agreements, and authorizes localities to issue bonds to obtain funds for local contributions required by Federal-aid statute. Act No. 493, approved May 20, 1949, appropriates $15,000,000 to the State Planning Board for State aid for slum clearance and low-cost housing; underwrites 35 percent of cost under certain conditions; provides for tenant-income limitations and occupancy priorities; also

[10] The Ohio Supreme Court has ruled previously that public housing did not constitute a "public use" for purposes of tax exemption.

includes nondiscrimination provisions. Acts No. 485 and 491, approved May 20, 1949, reorganize the State Board of Housing into a State Planning Board, and establish a State planning code. Act No. 488, approved May 20, 1949, transfers supervision of limited dividend housing companies from State Board of Housing to State Planning Board. Act No. 544, approved May 26, 1949, authorizes fiduciaries to invest in obligations of housing authorities. Act No. 372, approved May 11, 1949, authorizes cities, boroughs, and townships to determine whether a housing shortage exists in their localities, preparatory to decontrol of rents. H. R. 74, adopted April 27, 1949, directs the State Government Commission to study and revise laws relating to eviction proceedings and rent control.

Rhode Island.—H. 783, approved May 3, 1949, amends the Community Redevelopment Act relative to submission and approval of a redevelopment plan and authorizes community aid for redevelopment purposes; excepts a bond issue authorized for Providence in 1948 from further approval. S. 149, approved May 9, 1949, endorses pending bill which would provide for Federal contributions to local and State governments in lieu of taxes on Federal real property. S. 366, approved May 6, 1949, provides for stay of execution in eviction proceedings until January 31, 1950.

South Dakota.—H. 190, extends until July 1, 1951, authority of a municipality of the first class to provide temporary housing for veterans.[11]

Texas.—H. 808, approved June 23, 1949, decontrols rents, but authorizes any city or town in which a housing emergency exists to recontrol with approval of the Governor.

Utah.—S. R. 3, approved February 16, 1949, urges Congress to decontrol rents.[11]

Wisconsin.—Chapter 198, approved May 31, 1949, provides for creation of village housing authorities under provisions of the housing authorities law and validates prior action of village board. Chapter 472, approved July 12, 1949, amends the housing authorities law relative to tenant eligibility, to conform with Housing Act of 1949 (P. L. 171). Chapter 592, approved August 2, 1949, amends housing authorities law, urban redevelopment law, blighted area law, and veterans' housing law to include nondiscrimination provision. Chapter 379, approved June 27, 1949, amends the blighted area law to authorize local legislative body to designate the housing authority of the city to act as its agent for the purposes of redevelopment and replanning of blighted areas.

Chapter 390, approved June 27, 1949, authorizes counties of 500,000 or more (Milwaukee) to issue bonds and accept Federal aid for low-rent housing. Chapters 247 and 392, approved June 8 and 27, 1949, respectively, provide housing for families displaced by housing or public works projects. Joint Resolution No. 1, approved February 9, 1949, and adopted by the electors on April 5, 1949, amends the State constitution to authorize appropriation for veterans' housing. Chapter 627, approved August 8, amends and repeals various statutes to provide for: discontinuance of the Wisconsin veterans' authority and transfer of its functions to the Department of Veterans' Affairs; grants to housing authorities to provide housing for veterans and their families; loans to veterans' nonprofit housing cooperatives, to veterans' housing corporations, and to veterans for the purchase or construction of homes; also includes nondiscrimination provision. Chapter 63, approved April 27, 1949, amends general tax-exemption statute to include exemption for property exempt under veterans' housing law or housing authorities law. Chapter 57 removes certain restrictions on investments of insurance corporations in Federal obligations. Chapter 272, approved June 16, 1949, requires private housing corporations to secure approval from various city authorities before laying out streets, lots, or other subdivisions within 6 miles of a city, and authorizes

[11] See second introductory paragraph, page 91.

such corporations to lease to veterans who are not stockholders. Chapter 33, approved April 1, 1949, continued rent control until May 15, 1949, Chapters 597 and 598, approved August 2, 1949, provide for State rent control until February 1, 1951, in lieu of Federal rent control.

2. Territorial Legislation

Alaska.—Chapter 8, approved February 16, 1949, amends the housing authority law to authorize the Alaska Housing Authority to undertake housing for veterans and other citizens of the Territory (in addition to slum clearance and housing for persons engaged in defense activities), and removes requirement that defense housing projects be administered as low-cost housing after termination of the war. Chapter 13, approved February 23, 1949, as amended by Chapter 127, approved March 26, 1949, authorizes and directs the Alaska Housing Authority to construct, operate, rent and sell moderate cost or rental housing, with certain preferences for veterans; to accept Federal aid; to sell or transfer any housing project to the Federal Government; to make loans from revolving fund of $250,000 to public agencies, private nonprofit or limited dividend corporations, or private corporations which are subject to certain restrictions.

Hawaii.—Act 268, approved May 13, 1949, authorizes the Hawaii Housing Authority to make payments in lieu of taxes or charges to any county and provides for cooperation agreements between the Authority and any county. Act 281, approved May 14, 1949, prohibits facility or service charge by county which has not charged previously, but authorizes the Authority to make voluntary agreement for such charges; county is required to furnish garbage collection and disposal service free of charge. Act 20, approved October 18, 1949, amends Act 281 to provide that the Housing Authority may agree to make payments for garbage disposal service. Act 229, approved May 12, 1949, makes certain clarifying amendments to Hawaii housing authority law. Act 302, approved May 17, 1949, amends Hawaii housing authority law to provide for appointment of temporary commissioner to act in the event of absence or illness. Act 384, approved May 23, 1949, amends Hawaii housing authority law to provide procedure for evictions for specified reasons. Act 379, approved May 23, 1949, provides for creation of county redevelopment agencies with powers to acquire, improve, replan, and rehabilitate property for redevelopment by redevelopment corporations subject to certain restrictions. Act 362, approved May 23, 1949, appropriates $1,500,000 for territorial aid for completing deferred housing projects. Act 338, approved May 21, 1949, authorizes an $18,000,000 bond issue to provide territorial aid for construction of housing; provides certain preferences in tenant selections; authorizes acceptance of Federal aid and provides for subsequent transfer of projects to low-rent use. Acts 220 and 128 authorize liens for rent and storage charges on personal property of tenants in housing projects. S. C. R. 12, adopted March 17, 1949, requests HHFA to defer removal of Lanham Act projects until January 1, 1952. S. C. R. 11, adopted March 22, 1949, requests the Congress to amend the Lanham Act to empower each state or municipality (instead of the HHFA Administrator) to determine how long temporary housing will be needed. S. C. R. 30, adopted April 8, 1949, requests deferral of evictions of civilians from war housing projects until housing shortage can be alleviated.

Puerto Rico.—Act No. 206, approved May 7, 1949, amends housing authorities law relative to leasing or sale of real property. Act No. 243, approved May 10, 1949, authorizes territorial aid by transfer of certain property to Puerto Rico Housing Authority for construction of model homes. Act No. 363, approved May 14, 1949, appropriates $250,000 for land and utility projects and $1,300,000 for construction of settlements and housing developments for persons now living in slum areas. Act No. 319, approved May 13, 1949, appropriates $47,698.30 to the Puerto Rico Housing Authority for reimbursement for emergency housing which the Authority provided for persons displaced by the United States Navy.

Virgin Islands.—Bill No. 5, approved May 18, 1949, creates the Virgin Islands Housing Authority to undertake slum clearance and low-rent housing projects in urban and rural areas; authorizations follow generally those contained in most States for local housing authorities; included are provisions for legal investments in the bonds of the Authority.

Appendix C

PUBLICATIONS OF THE HHFA

A. Office of the Administrator

Annual Report.—Second annual report of HHFA covering calendar year 1948. Available from Government Printing Office, Washington 25, D. C., $0.75.

For the Home Buying Veteran, His Rights and Wrongs.—A compilation of Federal aids and preferences available to veterans to help them to meet their housing needs. Issued jointly by HHFA, the Office of the Housing Expediter, and the Veterans' Administration. Available from Government Printing Office, Washington 25, D. C., $0.05.

A Handbook of Information on Provisions of the Housing Act of 1949 and Operations Under the Various Programs.—Introductory material concerning this act. Available from Government Printing Office, Washington 25, D. C., $0.15.

Housing and Home Finance Agency—Its Organization and Functions.—A descriptive analysis of the basic permanent functions administered by the Office of the Administrator and the three constituent agencies of the HHFA. August 1949. Available upon request to the HHFA.

Technical Bulletin.—Issued irregularly as technical reports became available. Supplies of Nos. 1 to 9 exhausted; No. 10 and later available Government Printing Office, Washington 25, D. C., $0.20.

The Housing Situation, The Factual Background.—A descriptive analysis of the statistical material used in compiling data concerning the housing situation. Available Government Printing Office, Washington 25, D. C., $0.15.

Housing Statistics.—A monthly publication of pertinent housing statistics. Available upon request to the HHFA.

How Big Is the Housing Job?—Summary of various estimates of the size of the housing job ahead. Available upon request to the HHFA.

The Local Community Job Under the Housing Act of 1949, a Bulletin for Leaders of Local Community Groups.—Informative material concerning local responsibilities under this act. Available upon request to the HHFA.

Modular Coordination, What Is It? How Does It Work? Will It Help Reduce Housing Costs?—Illustrative material concerning modular design and its potential use in reducing housing costs. Available Government Printing Office, Washington 25, D. C., $0.15.

Report of the Uniform Plumbing Code Committee.—Issued jointly by the HHFA and the Department of Commerce. Available Government Printing Office, Washington 25, D. C., $0.40.

Slum Clearance Under the Housing Act of 1949.—A preliminary statement to local officials concerning slum clearance. Available upon request to the HHFA.

State Urban Redevelopment Legislation.—Supplement of October 31, 1949. Available upon request to the HHFA.

B. Home Loan Bank Board Publications

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

Federal Savings and Loan Associations, What They Are . . . How Charters Are Granted.—Booklet, available from HLBB.

Annual Report of the Home Loan Bank Board.—(Covering calendar year 1948.) Covers Federal Home Loan Bank system, Federal savings and loan associations, Federal Savings and Loan Insurance Corporation, and the Home Owners' Loan Corporation (in liquidation). Available from HLBB.

Outline of Functions of the Home Loan Bank Board.—Four-page leaflet describing how the savings of individuals are accumulated to finance the ownership of homes. Available from HLBB.

Are Your Savings Insured?—Question and answer pamphlet prepared for use by associations insured through Federal Savings and Loan Insurance Corporation. Available from HLBB.

C. Federal Housing Administration Publications

Annual Report.—Fifteenth annual report of the Federal Housing Administration; year ending December 31, 1947. Available Government Printing Office, Washington 25, D. C., $0.35.

Administrative Rules and Regulations for Military Housing Insurance Under Title VIII of the National Housing Act.—FHA 3300, issued August 22, 1949. Available upon request to the FHA.

Farm Mortgage Insurance.—Administrative rules and regulations under Section 203 (d) of the National Housing Act (as amended August 10, 1948); FHA Form No. 2011, revised January 1, 1949. Available upon request to the FHA.

Insured Mortgage Portfolio (issued quarterly)—Vol. 13, Nos. 3 and 4; Vol. 14, Nos. 1 and 2. Government Printing Office, Washington 25, D. C. Single copy $0.15, annual subscription $0.50.

New Home Loans Under Title I of the National Housing Act.—Part II regulations, including all amendments to October 26, 1949, Fh-20A, revised October 1949. Available upon request to FHA.

Property Improved Loans Under Title I of the National Housing Act.—Regulations governing class 1 and 2 loans, including all amendments to October 26, 1949; Fh-20, reprint October 1949. Available upon request to FHA.

D. Public Housing Administration Publications

Annual Report.—Second annual report of the Public Housing Administration covering the calendar year 1948. Available upon request to the PHA.

Low-Rent Public Housing Program—What It Is and How It Works.—A descriptive analysis of the federally assisted low-rent public housing programs. Available upon request to PHA.

PART II

OF THE

Third Annual Report

HOUSING AND HOME FINANCE AGENCY

Covering the Activities of the

HOME LOAN BANK BOARD

MARCH 16, 1950.

TRANSMITTAL

To the Congress of the United States:

Acting under provisions of law, we transmit herewith the annual reports of the Home Loan Bank Board, Federal Savings and Loan Insurance Corporation, and Home Owners' Loan Corporation for the calendar year 1949.

Respectfully,

WILLIAM K. DIVERS, *Chairman*,
J. ALSTON ADAMS, *Member*,
OSCAR K. LAROQUE, *Member*,
Home Loan Bank Board.

SUMMARY

Member institutions of the Federal Home Loan Bank System again led all other lending institutions in the number and volume of loans on nonfarm homes.

Members increased their net holdings of savings during the 12-month period from $9,900,000,000 to $11,400,000,000, an increase of $1,500,000,000.

Of the approximately 2,500,000 nonfarm mortgages of $20,000 or less recorded in 1949, the great majority of which were on homes, about 700,000 or 28 percent were made by members of the Bank System.

During the year, there was a net increase of 91 members in the Bank System bringing the total number to 3,860 at the year end.

Stock ownership of members in the System increased during the year from $121,237,475 to $136,239,250. Stock held by the Federal Government declined from $119,791,200 to $95,818,000.

Interest charged by members on home mortgage loans averaged about 5 percent, and earnings on invested savings averaged close to 2.6 percent after payment of expenses and setting apart additional reserves.

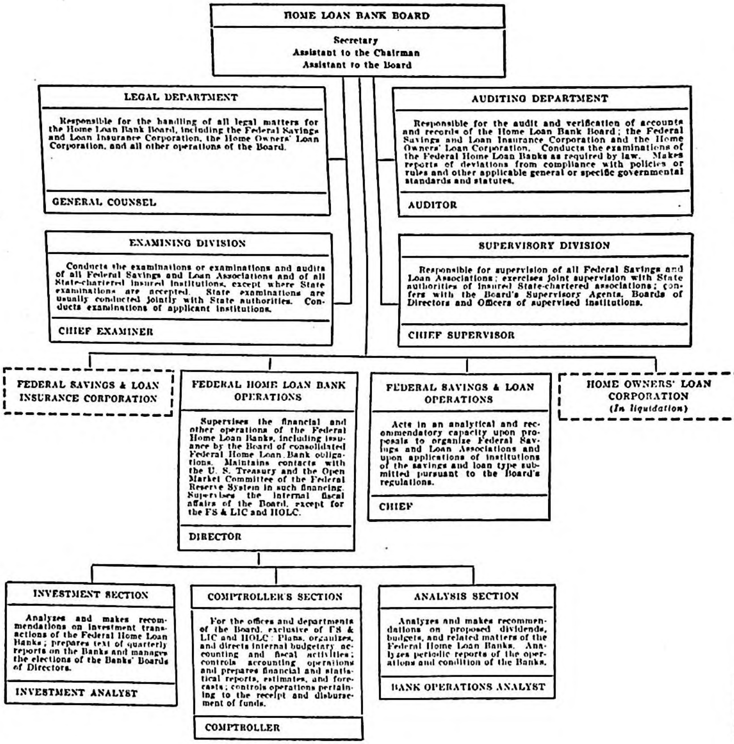
One thousand five hundred and eight Federal savings and loan associations and 1,248 State-chartered associations are insured by the Federal Savings and Loan Insurance Corporation. The combined total of 2,756 associations have total assets above $11,300,000,000 and approximately 7,100,000 holders of savings share certificates.

The Home Owners' Loan Corporation is continuing to make substantial progress in liquidating its loans. On December 31, 1948, 89.45 percent of its accounts had been liquidated with a balance of $368,936,083. On December 31, 1949, the outstanding balance was $230,660,630, representing a total liquidation of 93.41 percent.

During the year, the Home Owners' Loan Corporation passed from red figure entries to black, marking the turn from a deficit to a surplus in its total transactions.

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).



REPORT OF THE HOME LOAN BANK BOARD FOR CALENDAR YEAR 1949

Reports of the operating units of the Home Loan Bank Board which describe their activities for calendar year 1949 indicate the character and extent of the Board's participation in promoting savings and the financing of home ownership. The Federal Home Loan Bank System as a reservoir of funds for home financing, the Federal Savings and Loan Associations as federally chartered instruments for the local accumulation of savings and encouragement of home ownership, the Federal Savings and Loan Insurance Corporation as a Federal instrumentality for the protection of private savings, and the Home Owners' Loan Corporation as a salvaging agency, operate under the administrative direction of the Home Loan Bank Board. Each year distinctive phases develop which serve to distinguish the work of the Board from previous years and help to emphasize its functions.

In 1949 two undertakings, outside the customary program of administration, engaged the Board's attention. One was a careful revision and simplification of its rules and regulations governing each of its four operating units; another was a reduction in the volume of reports and interoffice transactions between the national, regional, and local offices of member organizations.

Early in 1948 the Board had appointed a committee to improve its outstanding rules and regulations by making them more clear and by eliminating obsolete provisions and accumulated conflicts and duplications. In October 1948 the first substantial simplification was effected in the lending and investment regulations for Federal Savings and Loan Associations. Revision of the Federal Home Loan Bank regulations was then begun. By January 1, 1949, the revisions were completed and published. A part of the former Home Loan Bank Board regulations controlling functions under the Board was separately incorporated into the general regulations of the Home Loan Bank Board and regulatory authorities were also reestablished and defined for the operations of the Home Owners' Loan Corporation which primarily affected the internal affairs and contractual relations of that Corporation. With the issuance of the 1949 edition of the Code of Federal Regulations, all of the Board's regulations were renumbered and redesignated in chapter I of title 24–B of the Federal Code.

Continuing the revision of regulations for Federal Savings and Loan Associations, a second major improvement was proposed in the form of a new simplified charter designated "Charter N." In March 1949, after wide clearance in the industry, the proposal of this revision was published. It was further modified to meet objections and finally was adopted in July, effective August 15, 1949. Proposed regulations for insurance of accounts by the Federal Savings and Loan Insurance Corporation were published in December 1949. They have also had the benefit of wide preliminary circulation in the industry and are scheduled for the final consideration of the Board early in 1950.

Reduction in Required Forms and Reports

In connection with the revisions of its rules and regulations published by the Board in 1949, the Board on October 6, 1949, rescinded its actions over a series of years from 1937 to 1948 by which it required that certain specified forms of record and reporting be used either in dealing with its own accounts and operations or with the public. Like the rules and regulations, these forms ran the whole gamut of activity from savings and home financing through accounting and reporting. Some of the forms were so approved as to permit the individual institution, upon specific approval by the Board, to use a substitute form or wording. Others without change or alteration were mandatory.

Of the 53 forms which from time to time were prescribed, only 7 now are required to be used by Federal Savings and Loan Associations and sent to the Home Loan Bank Board. These are standard forms covering (1) Application for Permission to Organize, (2) Public Notice of Application and Hearing, (3) Subscriptions to Capital Stock, (4) Petition for Charter, (5) Certificates Evidencing Ownership of Savings Share Accounts, (6) Fidelity Bonds, and (7) Forms for the Submission of Monthly and Annual Reports. Each State-chartered organization seeking to convert to a Federal charter or seeking to be insured by the Federal Savings and Loan Insurance Corporation also is required to file forms and reports similar to those required of Federal associations, but the number has been largely reduced.

Initially, the forms were prescribed during the early stages of development of the Bank System as a means of obtaining uniformity of methods and standards of operation. The broad purposes sought by the prescribed practices have been achieved. While the continued use of many of the forms will be considered necessary or desirable by the executives of local institutions, their operating experience and standards are such that wide latitude for individual preferences can now safely be given. The Board considers that many of the specific forms and much of the prescribed wording are no longer necessary. Special provisions or occasional revisions of specific forms are sometimes determined by local laws or circumstances with which local management can deal without the necessity of submitting every detail to the Board in Washington. When on the basis of facts local practices appear to be inadequate or unsound, the Board is free and, of course, is obliged to take supervisory action. However, as a practical matter it believes that such action has been reduced to a minimum. The resulting emphasis on local autonomy in contrast to highly centralized supervision is in harmony with our central purpose of encouraging local responsibility and avoiding cumbersome mechanics and costly overhead.

Responsibilities of the Examining Division of the Board

The Examining Division of the Home Loan Bank Board is responsible for the conduct of examinations of all Federal Savings and Loan Associations, of State-chartered associations whose accounts are insured by the Federal Savings and Loan Insurance Corporation, and, in States where examinations are not made by State departments, of uninsured State-chartered members of the Federal Home Loan Bank System. The Division also examines savings and loan associations which apply for membership in the Bank System, for insurance of accounts, or for conversion from State to Federal charter.

Examinations Made in 1949

There is a greater volume of work for the Examining Division year after year because of the increasing number of insured institutions and the growth in their mortgage loan portfolios and savings accounts.

In 1949 there was a net increase of 140 in the number of insured associations. At the beginning of the year there were 2,616 insured associations with assets aggregating $9,734,000,000. At the close of the year there were 2,756 insured associations with total assets of $11,300,000,000. Thus it will be seen that the average size of each institution subject to examination increased from $3,721,000 to $4,100,000.

During the year the Examining Division made 2,466 supervisory examinations, 126 examinations of applicant institutions for membership, insurance, or conversion, and 37 other examinations or audits.

Reduction in Overdue Examinations

Public Law 895, approved July 3, 1948, providing that expenses in connection with the making of examinations of savings and loan associations shall be considered as nonadministrative expenses, made it possible to rebuild the staff of field examiners which had declined in March 1948 to 127, the smallest number on the staff since the first few months after organization in 1934. It was understood that the work would be considered current on June 30, 1949, if there were no examinations more than 60 days past due.

The following schedule showing the number of insured associations not examined in the preceding 12 months and the size of the staff of examiners indicates how the program of overcoming the serious arrearage was accomplished:

Date	Number of overdue examinations	Percent of number of associations	Number of field examiners
Mar. 31, 1948	724	28.5	127
June 30, 1948	746	29.2	151
Sept. 30, 1948	706	27.5	185
Dec. 31, 1948	586	22.4	207
Mar. 31, 1949	437	16.6	224
June 30, 1949	[1] 176	6.6	219

[1] Did not include examinations of 58 State-chartered associations which by agreement were to be made by State examiners.

During the last half of 1949 there was very little change in the volume of arrearage. At the end of the calendar year there were 141 overdue examinations, not including 35 to be made by State examiners. However, there were among the 141 overdue examinations 51 which were more than 60 days past due. The staff of field examiners at the end of the year was 209.

Rebuilding and maintaining an adequate examining staff was not the only program for overcoming the backlog of past due examinations. Constant attention through the years has been given to considering and adopting methods of improving examining procedures. The aim is to complete all examinations as rapidly as is consistent with sound examining principles. There has been a reduction year after year in average examination time in relation to the size of the institutions examined. The Examining Division has consequently been able to operate, at least for a period, with a staff of examiners that at the end of 1949 was actually smaller than it was on June 30, 1941, when there were 2,313 insured institutions with total assets of $3,159,763,000, whereas on December 31, 1949, there were 2,756 insured associations with assets aggregating $11,300,000,000.

Auditing

During the year plans were perfected by which the Board's Auditor in cooperation with the General Accounting Office broadened the scope of his audits and still further facilitated "spot checking" of accounts by the Comptroller General. Examinations and reviews by the Auditor cover every phase of accounting and reporting done by the Federal Home Loan Banks, the Federal Savings and Loan Insurance Corporation, and the Home Owners' Loan Corporation. Plans for auditing were developed not only to increase coverage and unify accounting and reporting procedures, but to achieve further simplicity and economy in the details of auditing. The efforts of the Auditor supported by the advice, concern, and cooperation of the General Accounting Office, have sought to provide better, more intelligible, and more comprehensive reports and analyses for the members of the Home Loan Bank Board, the Housing and Home Finance Agency, the Bureau of the Budget, and the Congress.

Basic Elements of Supervision

The purpose of supervision of Federal Savings and Loan Associations and of State-chartered institutions the accounts of which are insured by the Federal Savings and Loan Insurance Corporation is protection of the interests of the public and of the millions of individuals whose savings are entrusted to them.

Each supervised institution is privately owned and is governed by its own board of directors, which selects the management and which is primarily responsible for the safe conduct of the institution's affairs. In keeping with this fundamental fact, it is the Board's policy to avoid encroachments upon the responsibilities and prerogatives of management and to devote its supervisory efforts to those situations and institutions where there is evidence of need for corrective action with respect to important aspects of policy and operation such as compliance with laws and regulations, reserves and reserve building, lending and investment practices, collection policy, and basic accounting practices and procedures.

Methods and Procedures

The Board's supervisory function is discharged by a supervisory division directed by a chief supervisor and the supervisory work in the field is carried on through the Presidents of the Federal Home Loan Banks in their capacity as Supervisory Agents in the respective Bank Districts. This arrangement not only brings to supervision the benefits of personal contact and of first-hand acquaintance with local business conditions and developments, but it also facilitates and promotes 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.

During 1949 the Board authorized a further decentralization of supervisory activity, particularly with respect to those insured institutions in the most favorable classification as to financial stability. Developed by the Supervisory Division in 1943 and refined in 1949, the classification process used in determining the need for supervision measures the adequacy of reserves and reserve building programs, the soundness of lending and investment policies, and the effectiveness of collection policies and of programs for the disposition of foreclosed real estate. The purposes of the revised procedure are to effect certain economies in the operation of the Supervisory Division and to enable it to concentrate more fully on major supervisory problems.

Highlights of Conditions and Trends in 1949

In 1949 the assets of Federal associations and other insured institutions increased from $9,734,000,000 to $11,305,000,000; the number of insured institutions increased from 2,616 to 2,756.

The Supervisory Division's study of lending policies with reference to uninsured and unguaranteed loans made to finance home purchases continued to reflect the policy of directors and management generally to base mortgage loans on long-term values rather than on the inflated prices at which real estate is sometimes currently being sold. Our comprehensive sampling indicates that loans below 65 percent of purchase price represent 67.3 percent of all uninsured and unguaranteed home-purchase lending during 1949 as compared with 64.4 percent in 1948, 61.7 percent in 1947, and 52.6 percent in 1946.

During 1949, the Supervisory Division inaugurated an analysis of examination report data regarding payment performance on mortgage loans. Thus, for the first time were averages as to delinquent loan experience of insured savings and loan associations compiled on a national and Bank District basis. These averages afford supervision a means of measuring and comparing current loan performance and the effectiveness of collection policies in individual institutions. Supervisory emphasis is being given to collections and incipient collection problems. In this connection, the loan-performance test applied in supervisory examinations of insured institutions disclosed that delinquent mortgage loans in 1949 averaged only 1.6 percent of total mortgage loans outstanding.

As of January 1, 1949, 2,390 insured institutions had been classified as to their reserve positions. Of that number, only 697 had reserves and surpluses of less than 5 percent of their net assets. By the end of the year, 174 of those with low reserves had increased their reserves to 5 percent or more, leaving only 523 of this particular group in the low-reserve category.

During the calendar year, 2,535 insured institutions were classified. By reason of substantial increases in savings accounts without a corresponding increase in reserves, some institutions that previously had reserves of at least 5 percent fell below that figure. As of December 31, 1949, all but 618 had reserves and surpluses equal to 5 percent or more of net assets.

In this connection, an amount equal to 19.2 percent of withdrawable capital of all insured institutions at December 31, 1949, was at that date either invested in United States Government obligations or carried as cash, and 29.4 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.

Conservatorships and Receiverships

No conservatorships or receiverships were established or were in existence during 1949.

Participation in Conferences

Throughout 1949 the Board has continued its policy of direct participation with representatives of savings and home financing institutions in discussing subjects of mutual interest. Attendance at conferences carried Board Members into every section of the United States and enabled them to exchange views on such current subjects as trends in savings and home ownership, lending methods and terms, interest and dividend rates, liquidity, reserves, insurance, examinations, management, and legislation. Out of their conferences and observations the Board Members received direct information concerning the points of view and practices of member institutions of the Federal Home Loan Bank System and received also cross sections of evidence and advice as to broad economic, social and political trends and their influences on thrift and home financing. In exchange, the Board Members were able to give direct information concerning their policies and programs and to interpret and clarify points arising from new or revised regulations and charters.

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FEDERAL HOME LOAN BANK SYSTEM

The Federal Home Loan Banks, created by act of Congress approved July 22, 1932, constitute a permanent reservoir of credit for their membership which is open to building and loan associations, savings and loan associations, cooperative banks, homestead associations, insurance companies, and savings banks. Eligibility requirements, as defined in section 4 (a) of the Federal Home Loan Bank Act, as amended, provide that each applicant shall be duly organized under the laws of any State or of the United States, be subject to examination and regulation by any State or the United States, and make long-term home mortgage loans. To become eligible as a Bank member, each applicant in the judgment of the Home Loan Bank Board shall be in a sound financial condition so that advances may safely be made to it, and the character of its management and its home financing policy shall be consistent with sound and economical home financing.

There were 3,860 members of the Federal Home Loan Bank System on December 31, 1949, consisting of 3,822 savings and loan associations, 30 savings banks, and 8 insurance companies. This total membership represents a net increase of 91 members during the year, resulting from the admission of 82 State-chartered savings and loan associations, 16 new Federal savings and loan associations, 8 cooperative banks, and 4 savings banks, and the cancellation of 19 memberships through withdrawals. Eight of the withdrawals represent voluntary liquidations, 1 reincorporation, 6 consolidations, and 4 were the result of members' requests. Also 13 State-chartered savings and loan association members changed their status during the year—11 converted to Federal charter, 1 to a mutual savings bank, and 1 to a cooperative bank. As of December 31, 1949, 38 applications for membership were pending.

Functions of the Bank System

The principal function of the Federal Home Loan Banks is to supply funds required by member institutions for the purpose of enabling them to meet the home financing needs in their communities as well as their other legitimate operating requirements. As a result of the establishment of the Federal Home Loan Bank System, thrift and home mortgage financing have been better protected against local and national economic fluctuations, home ownership has been placed on a more secure basis, and the construction of new homes as well as the improvement of housing conditions generally has been encouraged. The Federal Home Loan Banks have made credit available to their members at moderate rates and in volume more than sufficient for their needs.

The extent to which the Federal Home Loan Banks have functioned as a national credit reservoir is evidenced by the fact that, since they first opened for business on October 15, 1932, to December 31, 1949, the Federal Home Loan Banks (originally 12, now 11 in number) have made advances to home financing institutions totaling $2,942,711,670, of which $2,509,282,520 have been repaid, leaving a balance of $433,429,150 outstanding on the latter date.

Advances and Repayments During 1949

During the year ended December 31, 1949, the Federal Home Loan Banks advanced the sum of $255,662,642. Repayments during the year aggregated $337,249,581. A summary of the lending operations of the Banks, by years, through December 31, 1949, is contained in exhibit 1 which follows this text.

On December 31, 1949, 1,799 member institutions, or 46.6 percent of the total membership, were borrowers from the Federal Home Loan Banks, as compared with 1,993 member borrowers, or 52.9 percent of the membership, on December 31, 1948.

There was also one nonmember borrower indebted to a Federal Home Loan Bank at the close of the year 1949, the advance to such nonmember borrower representing the first advance of this type since August 1939. The average number of member borrowers during the year 1949 was 1,715, or a decrease of 7.9 percent under the average of 1,863 borrowing members during the preceding calendar year.

Number and Percent of Borrowing Members

Of the 1,799 borrowing members, as of December 31, 1949, 761 were Federal savings and loan associations, the outstanding advances to which aggregated $260,226,885 on that date. This amount of outstanding advances represented 4.3 percent of the share accounts in this type of association. The borrowing members as of the close of the year also included 584 insured State-chartered institutions, the indebtedness of which to the Federal Home Loan Banks totaled $130,114,877, or 3.6 percent of the savings held by this type of institutional member, and 453 noninsured State-chartered associations with advances of $36,862,388, or 2.1 percent of the total savings held by all members of this type. One insurance company member held advances from a Federal Home Loan Bank in the amount of $6,000,000. The nonmember mortgagee, a noninsured savings and loan association, held advances totaling $225,000.

The number and percent of borrowing members as of December 31, 1949, and December 31, 1948, are reflected in the following tabulation:

	Dec. 31, 1949			Dec. 31, 1948		
	Number	Percent of—		Number	Percent of—	
		Type	Total		Type	Total
Borrowing members:						
Federals	761	50.5	42.3	868	58.5	43.6
Insured State	584	46.9	32.5	632	56.1	31.7
Noninsured State	454	41.0	25.2	493	42.6	24.7
Total	[1] 1,799	[2] 46.6	100.0	1,993	[2] 52.9	100.0
Nonborrowing members	2,061	[2] 53.4		1,776	[2] 47.1	
Total members	3,860	100.0		3,769	100.0	

[1] Also 1 nonmember borrower.
[2] Percentage of total membership.

Collateral for Advances

The secured advances of the Federal Home Loan Banks outstanding on December 31, 1949, amounted to $321,920,182, which represented the borrowings of 1,230 members and one nonmember mortgagee and were 74.3 percent of the total advances outstanding on that date. $202,323,231 of such advances were for terms of more than 1 year. These advances were collateralized by 128,196 home mortgages, the unpaid balances of which aggregated $585,197,549, United States Government obligations having a par value of $67,094,300, and other collateral permitted by the regulations having a face value of $5,987,218. The face value of all such collateral, exclusive of $64,706,000 par value of Federal Home Loan Bank stock representing that portion of members' stock applicable to their loans on which the Banks held a statutory lien as additional collateral, amounted to $658,279,067, or 204 percent of the secured advances, to all of which collateral, exclusive of the Federal Home Loan Bank stock, the Banks had assigned a collateral value of $469,194,014. Unsecured advances aggregating $111,410,968, or 25.7 percent of the total, were outstanding to 751 members on December 31, 1949.

Interest Rates on Advances

Included in this report as exhibit 2 is a statement reflecting the rates of interest charged by the Federal Home Loan Banks on advances to member institutions which were in effect on December 31, 1949, and the interest rates applicable to time deposits of members. Interest rates charged by the Federal Home Loan Banks on advances to members have been considerably reduced since the commencement of their operations in October 1932, at which time interest rates on Federal Home Loan Bank advances ranged from 4 percent to 5 percent. On December 31, 1949, however, as reflected in exhibit 2, such rates ranged from 1¾ percent to 2½ percent.

Sources of Funds

The Federal Home Loan Banks obtain their funds from their capital stock, the sale to the public of consolidated Federal Home Loan Bank obligations, and deposits received from member institutions. The capital stock of each Federal Home Loan Bank was originally owned by both member institutions and by the United States Government, the latter having originally invested in the capital stock of the Banks, pursuant to the provisions of the Federal Home Loan Bank Act, in the aggregate amount of $124,741,000. Each member institution is required by the Act to invest in the stock of its Federal Home Loan Bank in an amount at least equal to one percent of the aggregate of the unpaid principal of its home mortgage loans, but in no event less than $500. The Federal Home Loan Bank Act also requires that the amount paid in on capital stock held by any member shall at all times be not less than one-twelfth of the aggregate outstanding advances made by any Federal Home Loan Bank to such member. With the continued growth in number and assets of member institutions, the total member-owned stock in the Banks on November 30, 1948, equaled that owned by the United States Government. By December 31, 1948, the percentage had risen to 50.3 percent of the total capital, so that at the beginning of 1949, the members owned more than half of the capital stock of the Federal Home Loan Bank System.

Retirement of Government Stock

The Federal Home Loan Bank Act provides that the Government-owned stock in each Federal Home Loan Bank must be retired to the extent of 50 percent of all payments on capital stock made by members subsequent to such time as the amount of member-owned stock in such equals that originally owned by the Government. The Act also provides for the voluntary retirement of Government-owned stock in the Federal Home Loan Banks by direction or with the approval of the Home Loan Bank Board. During calendar year 1949, five of the Federal Home Loan Banks made statutory retirements of Government-owned stock to the extent of $3,567,300, while six of the Banks made voluntary retirements of such stock aggregating $20,405,600. As a result of these transactions, Government-owned stock declined to $95,818,800. One Bank, during the year, retired in full the balance of its Government-owned stock. During the same period the paid-in capital stock of the Banks held by members was increased by $15,001,775 to a total of $136,239,250, or 58.7 percent of the total paid-in capital stock of all Banks on December 31, 1949, as compared to $95,818,800, or 41.3 percent held by the United States Government.

Further retirements of Government-owned stock, totaling $20,596,900, were accomplished during January 1950 when seven Banks made statutory retirements aggregating $3,723,300 and six Banks made voluntary retirements of $16,873,600, resulting in the Government holdings in two additional Banks being retired in full and its total investment being reduced to $75,221,900 as of January 31, 1950.

The following tabulation reflects, by individual Banks, the original Government investments in their capital stock and the balance of such investments as of December 31, 1949, and January 31, 1950:

Federal Home Loan Bank of—	Original Government investment	Balance held Dec. 31, 1949	Balance held Jan. 31, 1950
Boston	$12,467,500	$10,000,000	$9,200,000
New York	18,963,200	15,963,200	14,000,000
Pittsburgh	11,146,300	11,146,300	5,000,000
Winston-Salem	9,208,200	6,618,000	5,821,300
Cincinnati	12,775,700	5,000,000	
Indianapolis	6,577,400		
Chicago	14,173,900	12,000,000	10,000,000
Des Moines	7,394,900	3,298,700	
Little Rock	8,772,400	8,772,400	8,772,400
Topeka	7,333,600	7,092,300	6,764,400
San Francisco	15,927,900	15,927,900	15,663,800
Total	124,741,000	95,818,800	75,221,900

The following tabulation reflects the capital structure of the Federal Home Loan Banks as of December 31, 1949, and December 31, 1948:

	Dec. 31, 1949	Dec. 31, 1948
Capital stock, U. S. Government	$95,818,800	$119,791,200
Members:		
Stock subscribed	136,271,100	121,249,300
Less unpaid subscriptions	31,850	11,825
	136,239,250	121,237,475
Total paid-in capital	232,058,050	241,028,675
Surplus:		
Legal reserve	13,184,046	12,232,449
Reserve for contingencies	4,785,651	4,283,027
Undivided profits	9,026,884	9,001,282
Total surplus	26,996,581	25,516,758
Total capital	259,054,631	266,545,433

Sale of Consolidated Obligations

As indicated before, the sale of consolidated Federal Home Loan Bank obligations represents one source of funds employed by the Federal Home Loan Banks in the conduct of their operations. These obligations are the joint and several obligations of the 11 Federal Home Loan Banks. They are not guaranteed by the United States Government. Since the first public offering of its consolidated obligations in May 1937, the Federal Home Loan Banks through January 1, 1949, had issued a total of $1,608,700,000, of which $1,192,200,000 had been retired, leaving $416,500,000 outstanding at the beginning of 1949. During the year, three public offerings were made aggregating $206,-500,000 and one private sale of $51,500,000 was made. This financing represented no new funds, but $258,000,000 of refunding and the liquidating of $210,000,000, resulting in the balance of $206,500,000 of consolidated obligations outstanding on December 31, 1949, which mature on the dates and in the amounts indicated below:

Consolidated obligations

Federal Home Loan Bank of—	Series A-1950 1⅝ percent notes due 1-20-50	Series B-1950 1¼ percent notes due 2-15-50	Series C-1950 1.35 percent notes due 9-15-50	Total
Boston	$6,000,000	$5,000,000	$5,000,000	$16,000,000
New York	6,000,000			6,000,000
Pittsburgh		5,000,000	5,000,000	10,000,000
Winston-Salem	7,000,000	10,900,000	11,100,000	29,000,000
Cincinnati		3,000,000	3,000,000	6,000,000
Indianapolis		9,400,000	9,600,000	19,000,000
Chicago		14,900,000	15,100,000	30,000,000
Des Moines	3,000,000	7,700,000	7,800,000	18,500,000
Little Rock	8,000,000	4,700,000	4,800,000	17,500,000
Topeka		7,200,000	7,300,000	14,500,000
San Francisco	13,000,000	20,700,000	6,300,000	40,000,000
Total	43,000,000	88,500,000	75,000,000	206,500,000

NOTE.—With the maturity of series A-1950 notes on Jan. 20, 1950, it was necessary to refinance a total of $21,000,000 to meet the estimated requirements of 4 Banks. This was accomplished through the private sale to 11 commercial banks of 1¼ percent notes maturing Feb. 15, 1950.

Each offering of consolidated Federal Home Loan Bank obligations has been heavily oversubscribed, an indication of the high regard for and confidence of the dealers and dealer banks in the Federal Home Loan Bank System. As required by the Government Corporation Control Act of December 6, 1945, each issue by the Home Loan Bank Board of consolidated Federal Home Loan Bank obligations is cleared with the United States Treasury Department.

Interbank Deposits and Deposits of Members

Deposits of cash by one Federal Home Loan Bank, in an area of smaller loan demand, with another Federal Home Loan Bank, in an area of larger loan demand, continued to represent an important part in the financing of the Banks during the year and, to some degree, at least, tended to decrease the extent to which some of the Federal Home Loan Banks might otherwise have had to participate in the sales of consolidated Federal Home Loan Bank obligations. At the beginning of the year 1949, $6,250,000 of such interbank deposits were outstanding. During the year such deposits were made to the extent of $47,700,000, repayments amounted to $25,250,000, resulting in a balance of $28,700,000 outstanding on December 31, 1949, all of which were payable on demand.

As already indicated, deposits of member institutions represent one of the sources of funds of the Federal Home Loan Banks, a source of constantly growing importance. During the year 1949 there was a further substantial increase in such deposits, the total amount of which as of December 31, 1949, aggregated $267,112,161, consisting of $35,434,559 on a demand and $231,677,602 on a time basis. No interest is paid by the Federal Home Loan Banks on members' demand deposits. However, on members' time deposits remaining for 30 days or more, interest at rates ranging from 1 percent to 1½ percent per annum is paid. (See exhibit 2.)

Statutory and Other Reserves

Section 16 of the Federal Home Loan Bank Act, as amended, provides that each Federal Home Loan Bank shall carry to a reserve account semiannually 20 percent of its net earnings until such reserve account shall show a credit balance equal to 100 percent of the paid-in capital stock of the Bank, after which time 5 percent of the Bank's net earnings shall be added thereto semiannually. As indicated in the tabulation reflecting the capital structure of the Banks, this reserve amounted to $13,184,046 as of December 31, 1949, in addition to which there was a reserve for contingencies aggregating $4,785,651, making total surplus reserves of $17,969,697. As was likewise already indicated in the tabulation above referred to, the undivided profits of the Banks on December 31, 1949, amounted to $9,026,884, resulting in a total earned surplus of $26,996,581 as of that date.

In addition to and exclusive of the statutory and contingent reserves reported, each Federal Home Loan Bank maintains its pro rata portion of a $100,000,000 "liquidity reserve." While such reserve is not reflected in the balance sheet of the Banks, they must, nevertheless, maintain assets aggregating the amount thereof, as follows:

- 50 percent in 2 percent special series United States Treasury notes.
- 15 percent in 1½ percent special series United States Treasury notes.
- 35 percent in cash and/or United States Treasury bills, United States Treasury certificates of indebtedness or United States Treasury notes commonly traded in on the market on the same basis as certificates of indebtedness.

The Federal Home Loan Banks are not permitted to use any portion of this "liquidity reserve" without prior approval of the Home Loan Bank Board and, if and when used, the 35 percent portion thereof must first be utilized before resorting to the special series United States Treasury notes which will be redeemed by the United States Treasury Department upon request of the Home Loan Bank Board only in case of an emergency when required funds are not available from the assets of the Banks or through the sale of consolidated Federal Home Loan Bank obligations. On December 31, 1949, the $100,000,000 "liquidity reserve" consisted of the following:

Cash, U. S. Treasury bills, certificates of indebtedness and/or notes	$35, 000, 000
2 percent special series U. S. Treasury notes	50, 000, 000
1½ percent special series U. S. Treasury notes	15, 000, 000
Total	100, 000, 000

In addition to the $100,000,000 "liquidity reserve," the Banks held the following highly liquid assets as of December 31, 1949:

Cash, U. S. Treasury bills, certificates of indebtedness and/or notes	$11, 478, 884
1¼ percent and 1½ percent special series Treasury notes	60, 500, 000
Total	71, 978, 884

Although on December 31, 1949, the Banks held United States Government obligations of approximately $128,000,000 in excess of statutory requirements, approximately $77,000,000 of the excess was held in the "liquidity reserve" referred to above. During the year ended December 31, 1949, United States Government obligations were purchased by the Federal Home Loan Banks to the extent of $559,193,000 face amount. United States Government obligations having a par value of $558,293,000 were matured and/or sold, and $272,793,000 face amount of such securities were held by the Banks on December 31, 1949.

Consolidated Statement of Condition

A consolidated statement of condition of the 11 Federal Home Loan Banks as of December 31, 1949, and December 31, 1948, is contained in exhibit 3 of this report, from which it will be noted that the total resources of the Banks decreased from $820,684,758 at the close of 1948 to $734,274,206 at the close of 1949.

Income and Expense

A consolidated statement of income and expense of the 11 Federal Home Loan Banks for the calendar years 1948 and 1949 is contained in exhibit 4. The figures disclose that the total gross operating income of the Banks for the calendar year 1949 was $13,426,355 as compared with $12,684,043 for the preceding calendar year. This represents an increase of 5.9 percent in gross operating income over that applicable to the year 1948, which may be primarily attributable to increased investment interest and decreased interest on advances. The former reflected a gain of 53.2 percent while the latter decreased 14.4 percent. Also disclosed in exhibit 4 is the fact that the total operating expenses for the calendar year 1949 amounted to $9,016,829 as compared with $8,104,324 for the preceding year. The nonoperating income for 1949 aggregated $366,331 compared with the total of $99,971 for 1948, and nonoperating charges for 1949 amounted to $17,875 while such charges for the preceding calendar year aggregated $52,925. The net income of the Federal Home Loan Banks for the calendar year 1949 aggregated $4,757,983 compared with $4,626,764 for the preceding calendar year.

While the 1949 net income of the Banks exceeded that for 1948 by $131,200, a comparison, item by item, of the income and expenses for the 2 years reveals that several factors were involved in arriving at this net result. Interest earned on advances declined $1,276,000 due to the fact that the average amount of advances outstanding during 1949 was $370,400,000 compared to an average of $440,500,000 during 1948. This decrease in interest on advances was, however, more than offset by the increase in interest on investments purchased with funds received on account of repayment of advances and from deposits of members. Interest paid on such deposits reflected an increase of $1,815,000 over 1948 while the cost of money from issuance of consolidated obligations was $1,055,000 less than the previous year by reason of a $73,500,000 smaller average amount outstanding at slightly higher interest rates.

The average weekly balance of members' deposits during 1949 aggregated $217,206,150 and represented an annual cost of 1.17 percent. Funds derived by the Federal Home Loan Banks from the sale of Federal Home Loan Bank obligations and outstanding during 1949 averaged $274,738,000, the annual cost of which was 1.73 percent compared with the 1948 average of $347,200,000 and an annual cost of 1.67 percent.

The total net income of the Federal Home Loan Banks for the calendar year 1949, which, as indicated above, amounted to $4,758,000, was distributed (in round figures) as follows:

		Percent
Dividends paid:		
U. S. Government	$1, 260, 300	26. 5
Members	1, 882, 700	39. 6
Retirement fund—prior service [1]	135, 200	2. 8
Legal reserve	951, 600	20. 0
Contingent reserve	502, 600	10. 6
Undivided profits	25, 600	. 5
Total	4, 758, 000	100. 0

[1] Represents supplemental contributions to increase retirement benefits of employees computed on services through June 30, 1949.

The net income of the Federal Home Loan Banks from the beginning of their operations in October 1932 through December 31, 1949, aggregated $65,288,670 which was distributed (in round figures) as follows:

		Percent
Dividends paid:		
U. S. Government	$25, 157, 700	38. 5
Members	12, 496, 400	19. 2
Retirement fund—prior service [1]	638, 000	1. 0
Legal reserve	13, 184, 000	20. 2
Contingent reserve	4, 785, 700	7. 3
Undivided profits	9, 026, 900	13. 8
Total	65, 288, 700	100. 0

[1] Represents contributions applicable to periods prior to date such contributions were made by individual Banks.

Distribution of Dividends

Dividend declarations by the Federal Home Loan Banks resulted in the distribution of $3,143,000 for the year 1949, which amount was $14,800 less than that applicable to the preceding year. The dividend rates ranged from 1 percent to 2¼ percent per annum. Of the amount of dividends distributed for the year 1949, the United States Government received $1,260,300 and member institutions received $1,882,700. The total amount of dividends received by the United States Government and member institutions on their stock investments in the Federal Home Loan Banks from October 15, 1932, through December 31, 1949, aggregated $25,157,700 and $12,496,400, respectively.

The following tabulation reflects the total dividend distribution by the Federal Home Loan Banks from the beginning of their operations through December 31, 1949:

Federal Home Loan Bank of—	Members	U. S. Government	Total
Boston	$880, 172. 45	$2, 015, 204. 61	$2, 895, 377. 06
New York	1, 134, 151. 70	3, 456, 988. 75	4, 591, 140. 45
Pittsburgh	899, 588. 89	2, 394, 593. 39	3, 294, 182. 28
Winston-Salem	1, 252, 601. 84	1, 740, 625. 79	2, 993, 227. 63
Cincinnati	2, 537, 352. 03	3, 234, 798. 08	5, 772, 150. 11
Indianapolis	1, 427, 355. 14	1, 523, 465. 34	2, 950, 820. 48
Chicago	1, 563, 058. 68	3, 665, 163. 95	5, 228, 222. 63
Des Moines	893, 656. 36	1, 717, 899. 59	2, 611, 555. 95
Little Rock	465, 420. 50	1, 625, 923. 62	2, 091, 344. 12
Topeka	429, 639. 88	1, 189, 665. 06	1, 619, 304. 94
San Francisco	1, 013, 452. 24	2, 593, 332. 74	3, 606, 784. 98
Total	12, 496, 449. 71	25, 157, 660. 92	37, 654, 110. 63

Budgets of the Individual Banks

In supervising the operations of the Federal Home Loan Banks pursuant to the provisions of the Federal Home Loan Bank Act, as amended, the Home Loan Bank Board requires each Federal Home Loan Bank to submit to it for approval an annual budget covering the estimated expenses to be incurred by it. The dividend declarations by the local boards of directors of the Federal Home Loan Banks are likewise subject to the approval of the Home Loan Bank Board, as are also the maximum rates of interest on advances, members' deposits or interbank deposits.

With the exception of the purchase and sale of United States Treasury bills, United States certificates of indebtedness, and United States Treasury notes commonly traded in on the market in the same manner as United States Treasury certificates of indebtedness, with respect to which transactions the Board has given its blanket approval in advance, all transactions of the Banks in United States Government obligations and in other investment securities are subject to the prior approval of the Home Loan Bank Board. As provided in the Government Corporation Control Act of December 6, 1945, all Government security transactions of the Federal Home Loan Banks in excess of $100,000 are first cleared with the United States Treasury Department through an official of the Federal Reserve Bank of New York, designated by the Treasury Department for that purpose. All officers and counsel appointed by the local boards of directors of the Federal Home Loan Banks and their annual salaries are subject to the approval of the Home Loan Bank Board. Under the Federal Home Loan Bank Act, as amended, the management of each Federal Home Loan Bank is vested in a local board of 12 directors, 4 of whom are appointed by the Home Loan Bank Board and 8 of whom are elected by the members. Annual elections of directors are held under the auspices of the Home Loan Bank Board pursuant to its regulations governing the election of directors. Exhibit 5 of this report contains a list of the directors and officers of each Federal Home Loan Bank as of December 31, 1949, and shows the designation or representation of each director.

Audits and Reports

The Federal Home Loan Banks are audited semiannually pursuant to law by examiners attached to the staff of the Office of the Auditor of the Home Loan Bank Board. In addition thereto, the Federal Home Loan Banks as well as the internal operations of the Home Loan Bank Board 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 in this respect largely to periodic surveys of the operations of the Federal Home Loan Banks and an analysis of reports of examinations and audits thereof made by the examiners attached to the staff of the Board's Auditor, 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 a supervisory agency pursuant to law. This is likewise true to a large extent with respect to the audit of the internal fiscal operations of the Home Loan Bank Board whereby the effectiveness of the internal audits and the use thereof warrant the omission of certain detail auditing procedures that otherwise the Corporation Audits Division should have deemed necessary. This arrangement affords the Home Loan Bank Board and the Federal Home Loan Banks a comprehensive audit and an analysis of operations at a minimum of expense and effort.

The United States Treasury Department is furnished a copy of the Home Loan Bank Board's annual report to the Congress as well as with monthly reports reflecting all security transactions of the Federal Home Loan Banks and with special quarterly and annual reports pertaining to the operations of the Federal Home Loan Banks as required by Budget-Treasury Regulation No. 3.

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

Creation and Purposes

The Federal Savings and Loan System had its inception in the Home Owners' Loan Act of 1933, section 5 of which provided for the chartering of Federal savings and loan associations either by the granting of new charters to local organizing groups or by the conversion of existing institutions of the savings and loan type from State to Federal charter. The underlying purpose of this legislation was to provide for adequate thrift and home financing facilities by creating local institutions throughout the country that would operate on a uniform plan incorporating the best practices and operating principles of savings institutions specializing in the financing of homes.

Federal savings and loan associations are mutual institutions the capital of which is represented entirely by the savings accounts of members, who are the sole owners. All savings accounts participate equally in the earnings of the association, on a pro rata basis, earnings being paid semiannually at a rate determined by the directors on the basis of net profits. As contrasted with commercial banks, the funds of which are mainly derived from demand deposits and which make short-term loans principally for commercial purposes, the funds received by Federal savings and loan associations are primarily of a savings or investment nature. Such associations make their loans principally on a monthly, long-term, amortization basis on the security of homes owned by citizens of the community.

Federal associations are not permitted to accept deposits or to issue certificates of indebtedness except for such borrowed money as is authorized by regulations made by the Home Loan Bank Board. Their shares are nonassessable. All Federal savings and loan associations must be members of the Federal Home Loan Bank System and must qualify for insurance of their accounts by the Federal Savings and Loan Insurance Corporation. Also, they are examined regularly and supervised by the Board, and are subject to its regulations.

Granting of Charters and Branches

In accordance with the provisions of the Act, applications for permission to organize new Federal associations are considered on the basis of all facts available with respect to the character and responsibility of the organization group, the need for such an institution in the community to be served, the prospects for its usefulness and success, and the question whether the association could be established without undue injury to properly conducted, existing local thrift and home financing institutions. In no case is an application approved without provision having been made for a public hearing thereon, which usually is dispensed with if no objection is recorded in response to locally published notice of such hearing. During the year 1949, 16 new Federal savings and loan associations were chartered.

In keeping with the Board's policy of strict impartiality as between State-chartered and Federally chartered associations, the Board applies the same tests for conversion of an uninsured State association to Federal charter as if it were seeking insurance of accounts under State charter. In the case of insured associations it is the Board's policy to permit associations to convert either from State to Federal charter or from Federal to State charter, in accordance with the expressed vote of the association's mutual shareholders. The dual system under which the total assets of all savings and loan associations are about evenly divided between State and Federal associations is considered a healthy one. During 1949, 11 State-chartered savings and loan associations converted to Federal charter and one Federal association reincorporated as a State-chartered insured association.

When considering applications for branch offices by Federal associations, the Board applies the same tests as in the organization of new associations. Branch offices are not permitted unless there is conclusive evidence of a real need, and strong prospects that such need can be served by the proposed branch without undue injury to existing local institutions. Neither is a branch office approved without first providing for a public hearing, notice of which is published locally and also mailed to the appropriate State supervisory authorities and to the organized savings and loan group, if any, in the locality. Those who wish to protest the establishment of a branch may appear in person or submit their objections in writing. As of December 31, 1949, 64 Federal associations were operating 80 branch offices and no Federal association had more than 4 branches. During 1949 the Board authorized Federal associations to operate 23 additional branch offices.

Growth and Development to Date

As of December 31, 1949, a total of 1,508 Federal savings and loan associations were in operation, of which 852 were converted from State to Federal charter and 656 were originally organized under Federal charter. There are Federal associations in each of the 48 States as well as in the District of Columbia, Alaska, Hawaii, and Puerto Rico. Combined assets of all Federal associations at the end of 1949 amounted to $7,107,000,000, representing a 15 percent increase during the year and 81 percent from December 31, 1945, the 4-year postwar period. Resources of Federal associations now account for almost one-half (49 percent) of total resources of all savings and loan associations in the country. During the past year the average size of Federal associations increased from $4,150,000 to $4,713,000, or by 14 percent.

During 1949, 27 Federal charters were issued, of which 16 were for newly organized associations and 11 were for converted State associations. Four charters were canceled, one by reason of voluntary liquidation, one Federal reincorporated as a State-insured association, one consolidated with an insured State-chartered association, and the remaining association consolidated with another Federal. All these changes effected a net increase of 23 in number of Federal savings and loan associations during the year.

Savings Activity and Trends During Year

At the end of 1949, the total number of private investors in Federal associations was 4,260,000, an increase of 591,000, or 16 percent, during the year. The flow of savings into Federal associations continued at a record pace during 1949 and the net increase of $877,000,000, or 14 percent, represents the largest annual gain in the 16-year history of Federals. The aggregate of all savings accounts in Federal associations at December 31, 1949, was $6,132,000,000, representing an increase of 82 percent during the 4-year postwar period since December 31, 1945. Total savings invested during the year amounted to $2,382,000,000, while withdrawals aggregated $1,565,000,000, resulting in a withdrawal ratio of 66 percent. This compares favorably with the 1948 ratio of 70 percent.

Lending Activity and Trends During Year

First mortgage loans, secured primarily by one- to four-family homes, represented 80 percent of the total assets of Federal associations at the end of 1949. The total amount increased from $4,938,000,000 to $5,673,000,000, or 15 percent during the year, as compared with a 17-percent increase during 1948. The mortgage loan portfolio of Federals on December 31, 1949, consisted of FHA loans of $407,000,000, or 7 percent, GI loans of $1,369,000,000, or 24 percent, and conventional loans of $3,897,000,000, or 69 percent. Federals made $1,770,000,000 of mortgage loans during 1949, a volume 3 percent more than during 1948. A brief comparative summary of new loans made by Federal associations during 1948 and 1949, classified as to purpose of loan, is shown in the following table:

New mortgage loans made by all Federal Savings and Loan Associations

[Dollar amounts in thousands]

Purpose	1949		1948		Percent change in 1949
	Amount	Percent of total	Amount	Percent of total	
Construction	$573,166	32.4	$551,354	32.1	+4.0
Purchase	719,892	40.7	768,040	44.7	−6.3
Refinancing	189,737	10.7	161,853	9.4	+17.2
Reconditioning	77,517	4.4	61,076	3.5	+26.9
Other	210,087	11.8	177,214	10.3	+18.5
Total	1,770,390	100.0	1,719,537	100.0	+3.0

Liquidity and Reserves

Liquidity and reserves are becoming increasingly important as subjects of policy and administration. General reserves and undivided profits accounts of all Federal associations increased from $393,000,000 to $470,000,000 during 1949 and such reserve accounts equaled 6.6 percent of total assets at December 31, 1949, as compared with 6.4 percent at the end of 1948 and 6 percent at the end of 1947. In relation to savings accounts, the corresponding reserve ratios were 7. percent for 1949, 7.5 percent for 1948, and 7.1 percent for 194 Cash and United States Government obligations of all Federal assc ciations amounted to $1,176,000,000, or 19.2 percent of all savings accounts, and 16.5 percent of total assets at December 31, 1949. This represents an increase of $166,000,000, or 16 percent during the year. It is the Board's policy to encourage maintenance of strong liquidity and reserve positions, and Federal associations generally have established substantial ratios in these respects, as evidenced by the aforementioned percentages.

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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 $5,000.

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

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Introduction

Designed to apply the basic principles of insurance to the savings in savings and loan associations, the Federal Savings and Loan Insurance Corporation was established by Congress in 1934.

Two major objectives were in sight. First, with recognition of the important role played by savings and loan associations in the extension of credit to home owners, it was expected that insurance of their accounts would accelerate the flow of savings into these institutions, thus providing an increased supply of funds to be channeled into home financing activities. Second, guaranty of savings would tend to stabilize the financial structure of the country.

Extent of Insurance Coverage

Facilities of insured savings and loan associations today are available in every State of the United States, the District of Columbia, and in the Territories of Alaska, Hawaii, and Puerto Rico. They hold over 77 percent of the gross assets of the savings and loan business. By December 31, 1949, a total of 2,756 institutions with aggregate assets of $11,305,000,000 had qualified for insurance.

Federal savings and loan associations, which are required by law to become insured, numbered 1,508, with assets of $7,107,000,000. Insurance of savings is optional with State-chartered institutions of the savings and loan type. In all, 1,248 State associations have applied for insurance and received the Corporation's approval; their assets on December 31, 1949, totaled $4,198,000,000.

Approximately 7,100,000 savers and investors are using insured associations as their savings medium. These individuals and organizations had accumulated $9,713,000,000 of savings in insured associations by December 31, 1949. Of this amount, over 93 percent was covered entirely by insurance, with the balance representing the amounts in excess of $5,000 per saver.

Membership

Eligibility requirements.—The broad standards of qualification for insurance are found in the insurance law. In order to become insured, an institution must have unimpaired capital and must operate under safe financial policies and management. The Corporation may reject an application for insurance if it finds that the character of the management of the applicant or its home financing policy is inconsistent with economical home financing or with the purposes of insurance.

In order to obtain complete facts upon which a decision as to insurability of an applicant may be based, examiners of the Home Loan Bank Board conduct a thorough examination of the applicant's assets, liabilities, financial policies, and operating procedures. If the association has not had an audit of its affairs within the preceding year, the eligibility examination is extended to include an audit of its accounts.

Following analysis of the facts included in the examination and additional information supplied by the association, determination is made by the Corporation as to whether the association is insurable in its present condition, whether the association could qualify for insurance by meeting certain conditions or whether the application should be rejected. If conditions are stipulated, the association is insured following compliance.

Admissions.—The steady upward trend in insurance admissions which began in 1946 continued to a high in 1949, when 148 associations were admitted to membership. The 1949 admissions constitute a record for the decade, and apparently reflect a more general understanding of the value of insurance and an increasing demand from the public for the added protection which insurance provides. The associations admitted to membership during 1949 had total assets of $220,835,000 at the time of insurance.

Terminations.—Associations have the right, granted by law, of terminating their insurance contract, provided adequate notice is given to all insured account holders. No association canceled its insurance during 1949 in order to continue operations as an uninsured institution. There were, however, eight withdrawals from the insured membership during the year. Four associations consolidated with other insured institutions and two voluntarily dissolved. The remaining two associations changed their corporate entity, one of them becoming an insured mutual savings bank and the other an insured State-chartered savings and loan association.

The Corporation has never found it necessary to terminate the insured status of an institution for a violation of law or the rules and regulations of the Corporation.

Nature of Insurance Protection

To achieve its purpose of protecting the saver against loss, the Corporation has authority to act in two specific areas—rehabilitation of impaired institutions and payment of insurance to account holders of institutions placed in liquidation. In every case in which the insured institution operates under State charter, the Corporation works in close cooperation with the State supervisory authorities. By this cooperation the program agreed upon represents the combined judgment and participation of State and Federal supervisors and seeks not only to comply with the State and Federal laws involved, but to give full protection to local and public interests. If the facts warrant, the Corporation may prevent the default of an insured institution or restore an impaired association to normal operation under capable management, in this manner protecting the savings entrusted to the institution not only from loss but also from any disturbance. To effect rehabilitation of an institution in trouble, a cash contribution may be made to the association or the Corporation may make a loan or may purchase assets with cash.

In cases where rehabilitation does not appear feasible and the decision is made to liquidate the institution, the Corporation immediately effects payment of insurance, in the form of two methods of settlement which are optional with the saver. First, the individual may choose an insured account in another operating institution equal to his insured savings in the liquidating association. If he selects this method, his new account will share in earnings and be entitled to the same rights and privileges as other accounts of that association. To make this type of settlement, the Corporation contracts with other insured institutions to issue the required number of accounts, reimbursing those associations in cash. It is also possible to create a new savings and loan association solely for this purpose.

If the investor prefers, he may choose to receive 10 percent of his insured account in cash and the balance in negotiable noninterest-bearing debentures of the Corporation, half of which are payable within 1 year and the remainder within 3 years from the date of default.

The Payment Record

In any insurance operation, claims under the insurance contract are a natural and expected development. For over 5 years, the Corporation has experienced no new losses and for over 8 years no insured institution has been placed in liquidation. This record is due in large part to the favorable economic conditions which have existed during the recent period and also to preventive efforts of the Corporation and Federal and State supervisory authorities which have minimized eventual loss by encouraging adherence to sound operating policies by the insured membership.

Condition of Corporation

Recognizing the importance of liquidity in the operation of an insurance fund, the Corporation maintains the bulk of its assets, over 98 percent to be exact, in cash and United States Government securities. Of the total assets of $218,905,000 on December 31, 1949, about $551,000 consisted of cash and $215,100,000 of Government securities. The major portion of the remaining assets consisted of insurance premiums due but not yet payable, in the amount of $3,035,000.

The entire capital stock of the Corporation, in the amount of $100,000,000, is held by the United States Treasury. In accordance with a statute enacted on June 30, 1948, accumulated but undeclared dividends on the capital stock were computed at the figure of $25,-182,000. Because of the uncertainty of the status of dividends since that date, clarifying legislation is being sought.

Because capital and reserves show the extent to which insurance claims may be paid and losses absorbed at a given moment, the reserve is an important indication of the strength of an insurance fund. In addition to its $100,000,000 of capital the Corporation had accumulated a reserve of $113,128,000 by December 31, 1949. Exhibit 6 presents a detailed comparative statement of condition of the Corporation at the end of 1949 and 1948.

Operations of Corporation

The primary source of income of the Corporation is the premiums paid by insured members at the annual rate of one-eighth of 1 percent of their savings accounts and creditor liabilities. During 1949, nearly 70 percent of gross income was received from this source, with the balance coming in large part in the form of earnings on United States Government securities.

Of the gross operating income of $15,711,000 during 1949, $10,948,000 consisted of premium income, $4,678,000 of interest income, and $80,000 represented admission fees paid by associations upon qualifying for insurance. The admission fee is computed at $400 for each $1,000,000 of total savings accounts and creditor liabilities of the applicant institution.

Administrative expenses of the Corporation, which in effect show the cost of operation of the Corporation, amounted to $602,000 during 1949. The major portion of these expenses was paid in the form of salaries of $349,000 to Corporation employees. Other items included in the heading of administrative expenses were the sums of $185,000 paid for services of the Home Loan Bank Board and $49,000 paid for rent, supplies, communications, and audit expenses.

All furnitures, fixtures, and equipment owned by the Corporation are carried on the records at cost and are fully depreciated at the time of purchase. Depreciation charges during 1949 amounted to $5,000. The amount of $11,000 represented expenses during 1949 in connection with the minimizing of insurance losses and the conduct of receiverships. Upon the termination of two receiverships during the year, $278,000 was charged against operations for the excess of book value of insured accounts paid by the Corporation over liquidating dividends received.

A complete income and expense statement of the Corporation for the calendar years 1948 and 1949 appears in exhibit 7.

Condition of Insured Associations

Average association.—With recognition of the danger of misinterpretation inherent in the use of averages, a concrete picture still may be gained by examining the condition of the hypothetical "average insured association" on December 31, 1949. The average association had assets of $4,102,000, reflecting an increase of 10 percent during the year. Nearly 2,600 savers and investors of the community had entrusted their savings to the institution. Its first mortgage loans had increased 10 percent during the year and were equivalent to 80 percent of assets. Liquid holdings, consisting of cash and United States Government securities were equivalent to 16 percent of assets, showing the same ratio of liquidity existing a year earlier. It had accumulated reserves and undivided profits, which were available for future losses, of about $282,000, or 6.9 percent of assets. Actual figures showing the condition of the insured membership at the end of 1949 are given below.

Assets.—Total assets of the insured membership grew during the year by about 16 percent to a total of $11,305,000,000. This increase reflects to some extent the addition of new members to the insured group, but principally the growth experienced by those associations already insured at the beginning of the year. Mortgage loans amounted to $9,038,000,000 and liquid holdings, consisting of cash and United States Government securities, totaled $1,862,000,000, equivalent to 16.5 percent of assets. Exhibit 8 shows a comparison of the number and assets of insured associations at the end of 1949 and 1948, by States.

Included in the mortgage loan portfolio were $2,065,000,000 of loans insured or guaranteed by the Veterans Administration and an additional $593,000,000 of loans insured by the Federal Housing Administration. About 29 percent of the mortgage loan portfolio, therefore, consisted of insured or guaranteed loans, with the balance in loans of the conventional uninsured type.

Savings.—Study of activity in the savings field reveals that the net increase in savings experienced by insured associations was at a rate nearly 30 percent greater than the rate of increase during 1948. The flow of new savings into such institutions was nearly 15 percent greater than during the preceding year, but withdrawals were only 8 percent higher.

Expressed in dollar amounts, new savings of, $3688,000,000 were received by insured associations during 1949. After deduction of total withdrawals of $2,425,000,000, the net increase in savings during the year amounted to $1,263,000,000. The ratio of withdrawals to new savings received was 65.7 in 1949 as compared with 69.7 during 1948.

Reserves.—The reserves and undivided profits accounts of insured associations, which are available for the absorption of losses arising in the course of business, increased nearly 20 percent during 1949. Insured institutions now hold aggregate reserves and undivided profits of $776,000,000, equivalent to 6.9 percent of assets, while a year earlier these accounts amounted to $648,000,000, or 6.7 percent of assets.

ORGANIZATION AND FUNCTION CHART OF THE HOME OWNERS' LOAN CORPORATION

Created under the Act of June 13, 1933, for refinancing mortgages and extending relief to distressed home owners. Since June 12, 1936, it has been engaged in servicing its loans and liquidating its assets.

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.

GENERAL MANAGER

Under the direction and authority of the Home Loan Bank Board, plans, organizes and directs the operations of the Corporation.

LOANS AND PROPERTIES DIVISION

Supervises and directs the servicing of the Corporation's loans, management of properties, reconditioning and appraisal operations. Maintains records and provides for the payment of taxes and insurance coverage on security and owned properties.

DEPUTY GENERAL MANAGER

ACCOUNTING DIVISION

Responsible for the maintenance of all accounting records of the Corporation; the preparation and interpretation of all financial and statistical records and forecasts of financial condition and operating results.

CHIEF ACCOUNTANT

PURCHASE AND SUPPLY SECTION

Responsible for purchase and sale operations; stock room; maintenance of equipment; processes and promulgates official regulations and procedures forms and instructions.

SUPERVISOR

TREASURY DIVISION

Responsible for the safekeeping and proper disbursement of all funds of the Corporation, the safe keeping of bonds, investment certificates, agreements, and other valuable papers and instruments entrusted to its care.

TREASURER

HOME OWNERS' LOAN CORPORATION

13 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 13-year period of liquidation have been gratifyingly favorable. Of the total lending of approximately three and a half billion dollars, over 93 percent has been liquidated. Less than $231,000,000 of the cumulative investment was outstanding at the end of calendar year 1949.

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 three hundred million to half a billion dollars. Instead, at the end of 13 years of liquidation, it now appears that when liquidation of the remaining loans is completed, the Corporation will have repaid the three-and-a-half billion dollars of bonds guaranteed by the Government and will be able to return, without impairment, the $200,000,000 of capital originally subscribed by the Government.

In the course of its operations, the Corporation extended a helping hand to thousands of financial institutions by taking over almost $2,000,000,000 of their mortgage loans at a time when no other refinancing was available. The Corporation also helped thousands of local Government units by advancing $485,000,000 to pay taxes, many of which were seriously delinquent. In addition, the Corporation initiated a loan plan which has had a beneficial influence on the entire structure and procedure of home financing. This was the 15-year monthly payment, direct-reduction type of loan which proved to be the safest and most economical type of home mortgage ever available in this country. The lenient collection policy of the Corporation, together with the servicing methods which it developed to help home owners, also contributed greatly. The successful outcome of this lending operation stands as a demonstration of the respect of borrowers for their financial obligations to their Federal Government which extended a helping hand to them in a time of crisis.

The Home Owners' Loan Corporation has devoted much effort to individual servicing of its loan accounts. This servicing has enabled the Corporation to locate causes of trouble and to take prompt action to avoid foreclosure. As part of this servicing program, the Corporation collects funds from borrowers on a monthly installment basis for the payment of taxes and insurance. This procedure assists borrowers to avoid tax difficulties and reduces the Corporation's expenses by eliminating the necessity for searching tax records to determine whether delinquencies exist. The proportion of such accounts increased from 77.9 percent of outstanding loan accounts at the beginning of the 1949 calendar year to 87.6 percent at the end of the year.

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, 1949, these supplemental capitalizations totaled $404,546,778, and brought the Corporation's gross cumulative investment to $3,497,998,099.

Liquidation

Liquidation of this investment has proceeded rapidly. At the end of the 1949 calendar year, the balance of original loans, vendee accounts and property accounts was $230,660,630, a decrease of 37.5 percent from the balance of $368,936,083 at the beginning of the year. Of the $3,497,998,099 gross cumulative investment, $3,267,337,469, or 93.4 percent, had been liquidated by the end of calendar year 1949. The reduction in these assets is summarized in the following table:

Original amount loaned		$3, 093, 451, 321. 01
Subsequent advances to borrowers, net additions included in capitalized value of properties, etc		404, 546, 778. 25
Original loans plus advances, capitalized additions, etc		3, 497, 998, 099. 26
Outstanding on Dec. 31, 1949:		
Original loans and advances	$146, 266, 440. 06	
Vendee accounts and advances	84, 356, 755. 67	
Property acquired and in process of acquisition	37, 434. 07	
Total outstanding		230, 660, 629. 80
Net reduction in mortgage and property assets		3, 267, 337, 469. 46

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 the 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 induced 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 13 other States the loan balances had been reduced by more than 99 percent. The success of this program is reflected in the following table:

States	Date started	Number of loans			Balances		
		Start	Dec. 31, 1949	Percent liquidation	Start	Dec. 31, 1949	Percent liquidation
Nevada	3–48	163		100.0	$105,155		100.0
Wyoming	4–48	384		100.0	242,925		100.0
Montana	5–48	552	1	99.8	384,180	43	99.9+
Idaho	6–48	655		100.0	436,555		100.0
Vermont	8–48	358	4	98.9	408,785	3,518	99.1
New Mexico	8–48	368	2	99.5	211,277	1,617	99.2
New Hampshire	9–48	350	2	99.4	429,813	2,448	99.4
Delaware	11–48	473	1	99.8	588,527	1,126	99.8
Maine	11–48	724	73	89.9	731,398	76,133	89.6
Oregon	12–48	912	1	99.9	748,390	943	99.9
South Dakota	1–49	1,029	92	91.1	789,687	80,027	89.9
North Dakota	2–49	730	3	99.6	789,680	1,646	99.8
Arizona	3–49	869	2	99.8	836,934	187	99.9+
Utah	3–49	1,332	6	99.5	888,665	113	99.9+
South Carolina	4–49	967	5	99.5	960,243	5,234	99.5
District of Columbia	4–49	491	1	99.8	1,053,917	1,436	99.9
Washington	4–49	1,402	4	99.7	1,140,843	3,114	99.7
Mississippi	5–49	1,230	610	50.4	1,183,883	538,092	54.5
Arkansas	5–49	1,351	408	69.8	1,105,469	291,097	75.6
Colorado	6–49	1,332	9	99.3	1,132,271	2,278	99.8
West Virginia	6–49	1,466	460	68.6	1,467,533	453,127	69.1
		17,138	1,684	90.2	15,726,130	1,462,179	90.7

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 $102,000,000. As a result of this offer, a bid was accepted and the contract of sale executed on September 1,

1949. Bids have since been accepted and contracts of sale executed for the portfolios of Massachusetts, Connecticut, Rhode Island, New Jersey, and Michigan, making a total of 77,800 loans aggregating $173,000,000 sold up to December 31, 1949. 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 continues to service these mortgages and accepts 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 net number, 869,282 or over 85 percent have been terminated, leaving 150,404 accounts outstanding as of December 31, 1949.

Included in the 869,282 terminated accounts were 724,066 original loans and 129,589 vendee accounts paid in full; 15,381 acquired properties sold for cash; and the remaining balances on 246 accounts charged off.

Of the 150,404 accounts outstanding as of December 31, 1949, there were 99,518 original loans, 50,866 vendee accounts and 20 properties. Of the outstanding debtor accounts, 87,288 original loans had been extended under the Mead-Barry Act. Of the 20 properties on hand, 5 were owned and 15 still subject to redemption.

Over 96 percent of the Corporation's outstanding accounts were paid on schedule or less than 3 months in arrears at the end of the reporting period. For the loans extended from the original 15 years to not more than 25 years under authorization of the Mead-Barry Act, the results have been especially noteworthy. All of these borrowers were delinquent in their payments when the extensions were granted. By December 31, 1949, there were 96.4 percent of the outstanding extended original loans, which were paid on schedule or less than 3 months in arrears. By reducing the required monthly payments, these extensions averted many thousands of foreclosures which would have resulted in losses to the Corporation.

Properties

As a result of foreclosures, voluntary deeds, abandonments, etc., the Corporation had acquired up to December 31, 1949, a total of 198,228 properties including 15 still subject to redemption. Of this total, 4,007 were reacquisitions of properties sold and 74 other properties acquired, leaving 194,147 properties acquired from original borrowers. Subtracting these latter acquisitions from the 1,017,821 total original borrowers, leaves 823,674, 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, 1949. Of this investment, only $1,951,800 remained outstanding at the end of the 1949 calendar year, as compared with $5,882,650 at the beginning of the year. Dividends aggregating $44,731,877 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 uses certain other receipts such as amounts received as a result of the repurchase of shares in savings and loan associations. By the end of calendar 1949, the total applied to bond retirement was $3,328,029,792. The amounts deposited with the Treasurer of the United States and used or available to retire bonds are shown in the following table:

Disposition of funds allocated (through Dec. 31, 1949) to bond retirement fund

Applied to retirement of bonds	$3, 328, 029, 792. 23
Deposited for matured or called bonds on which interest has ceased	1, 855, 125. 00
Available for future retirement of unmatured bonds	63, 195. 85
Gross amount deposited in bond retirement fund	3, 329, 948, 113. 08
Balance due retirement fund for December 1949 to be deposited in January 1950	2, 301, 579. 32
Total applicable to bond retirement	3, 332, 249, 692. 40

As a result of bond retirements, the outstanding unmatured bonds of the Corporation on December 31, 1949, totaled $29,000,000, or 0.83 percent of the total amount of $3,489,453,550 of bonds which had been issued for value. (On January 27, 1950, final payment was made on unmatured bonds, thus completing the retirement of all HOLC bonds outstanding.)

Financial Operations

The balance sheet of the Corporation as of December 31, 1949, is presented in exhibit 9. Because of the rapid progress of the Corporation's liquidation during calendar 1949, the total assets decreased 36.1 percent during the year. Exhibit 10 presents a cumulative statement of income and expense from the beginning of operations through December 31, 1949, and exhibit 11 a statement of income and expense for calendar year 1949.

Up to December 31, 1949, the Corporation had a cumulative net income of $347,531,025 before actual losses and provisions for future losses. The total cumulative loss on the sale of properties amounted to $336,541,314. This loss includes brokers' commissions, selling costs, and the difference between the sale price and capital value of the property. The capital value includes unpaid principal, delinquent interest and subsequent capital charges for taxes, reconditioning, acquisition, etc.

In addition to the $336,541,314 loss on property sales, there were other losses amounting to $1,426,354 from principal, interest and properties charged off, fire and other hazards, and fidelity and casualty losses. This makes the cumulative total of all losses $337,967,668 as of December 31, 1949.

Deducting the $337,967,668 cumulative losses from the $347,531,025 net income, leaves $9,563,357 net profit as of December 31, 1949. Balances in reserves and provisions for future losses amounted to $772,057, leaving a surplus of $8,791,300 as of December 31, 1949.

During calendar year 1949, the total income of the Corporation amounted to $14,785,925. Expenses, including interest on bonds and administrative expense, amounted to $3,631,596, leaving a net income of $11,154,329. Losses during the year amounted to $60,925, leaving a net profit of $11,093,404. The $14,785,925 income for the year included $277,224 premium on the sale of loans.

Administrative

The personnel and administrative expense of the Corporation has been reduced rapidly in recent years. The number of employees on December 31, 1949, was 467 as compared with 473 one year before, and 21,000 at the peak of its operations. Its administrative expenses during calendar 1949 were $2,117,829 as compared with $2,395,209 during the preceding year, and $37,427,000 during its peak year.

Exhibit 1

FEDERAL HOME LOAN BANKS

Summary of lending operations

	Year 1949		Balance outstanding end of year
	Advances	Repayments	
Boston	$20, 357, 569. 00	$19, 726, 501. 00	$27, 859, 056. 00
New York	26, 108, 400. 00	32, 850, 419. 46	30, 231, 122. 83
Pittsburgh	14, 543, 050. 00	20, 832, 072. 50	36, 753, 105. 00
Winston-Salem	23, 842, 500. 00	58, 275, 163. 60	58, 786, 906. 65
Cincinnati	14, 314, 000. 00	18, 172, 194. 22	27, 055, 800. 00
Indianapolis	9, 964, 014. 50	15, 839, 208. 80	31, 247, 950. 11
Chicago	38, 524, 521. 00	47, 432, 549. 20	61, 248, 059. 50
Des Moines	14, 775, 887. 00	24, 125, 621. 87	23, 525, 169. 81
Little Rock	11, 186, 200. 00	18, 456, 493. 00	22, 920, 661. 00
Topeka	10, 015, 000. 00	11, 344, 356. 53	21, 796, 291. 97
San Francisco	72, 031, 500. 00	70, 195, 000. 65	92, 005, 026. 99
Total, year 1949	255, 662, 641. 50	337, 249, 580. 83	433, 429, 149. 86
1948	359, 612, 776. 74	280, 168, 873. 35	515, 016, 089. 19
1947	351, 079, 350. 99	208, 961, 931. 93	435, 572, 185. 80
1946	329, 231, 890. 68	230, 649, 366. 93	293, 454, 766. 74
1945	277, 748, 276. 84	213, 438, 982. 95	194, 872, 242. 99
1944	239, 254, 221. 89	218, 759, 089. 74	130, 562, 949. 10
1943	156, 925, 588. 93	176, 070, 303. 60	110, 067, 816. 95
1942	99, 461, 876. 19	189, 695, 394. 41	129, 212, 531. 62
1941	157, 600, 420. 85	139, 646, 335. 38	219, 446, 049. 84
1940	134, 212, 165. 93	114, 033, 192. 20	201, 491, 964. 37
1939	94, 780, 586. 64	112, 310, 034. 15	181, 312, 990. 64
1938	81, 958, 343. 39	83, 153, 601. 22	198, 842, 438. 15
1937	123, 251, 172. 91	68, 440, 498. 13	200, 037, 695. 98
1936	93, 257, 057. 50	50, 715, 704. 66	145, 227, 021. 20
1935	59, 130, 068. 56	43, 046, 971. 39	102, 685, 668. 36
1934	38, 675, 566. 12	37, 515, 249. 30	86, 602, 571. 19
1933	90, 032, 164. 49	5, 427, 410. 12	85, 442, 254. 37
1932	837, 500. 00	----------------	837, 500. 00
Grand total	2, 942, 711, 670. 15	2, 509, 282, 520. 29	----------------

Exhibit 2

FEDERAL HOME LOAN BANKS

Schedule of interest rates on new advances and interest rates paid on members' time deposits Jan. 1, 1950

	Boston	New York	Pittsburgh	Winston-Salem	Cincinnati	Indianapolis	Chicago	Des Moines	Little Rock	Topeka	San Francisco
Advances to members	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Only 1 rate in effect	-----	-----	-----	2.0	2.25	-----	-----	2.25	2.0	-----	2.0
Secured advances:											
Not exceeding 1 year	2.0	[1] 1.75–2.0	2.0	-----	-----	2.0	2.0	-----	-----	[1] 2.0–2.5	-----
1 year to 5 years	-----	-----	2.5	-----	-----	-----	2.25	-----	-----	-----	-----
1 year to 10 years	2.5	2.5	-----	-----	-----	2.5	2.5	-----	-----	2.5	-----
Unsecured advances: 1 year or less	2.0	1.75–2.0	2.5	-----	-----	2.0	2.0	-----	-----	[1] 2.0–2.5	-----
Deposits of members											
Rates paid on time deposits remaining:											
Over 30 days	1.0	1.5	1.0	1.0	1.0	1.5	1.0	-----	[1] 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	1.25	-----	1.5	-----

[1] New rate effective since Oct. 1, 1949.

Exhibit 3

FEDERAL HOME LOAN BANKS

Consolidated statement of condition as of Dec. 31, 1949 and 1948

	Dec. 31, 1949	Dec. 31, 1948
ASSETS		
Cash:		
On hand—including imprest funds	$112,872.10	$30,810.02
On deposit with:		
Treasurer of the United States	7,314,843.32	9,685,084.62
Commercial banks	15,951,168.70	20,620,594.51
Total cash	23,378,884.12	30,336,489.15
Investments:		
U. S. Treasury bills	6,886,093.41	69,381,649.30
Other U. S. Treasury obligations	268,082,257.55	204,474,898.78
Total investments	274,968,350.96	273,856,548.08
Advances outstanding:		
1 year or less	230,880,919.05	257,178,514.93
Amortized—1 to 10 years	202,323,230.81	257,837,574.26
Total to members	433,204,149.86	515,016,089.19
Nonmember mortgagees	225,000.00	
Total advances outstanding	433,429,149.86	515,016,089.19
Accrued interest receivable:		
Investments	1,647,365.97	580,503.18
Advances	751,327.25	696,111.04
Total accrued interest receivable	2,398,693.22	1,276,614.22
Deferred charges:		
Prepaid consolidated obligations expense	69,056.43	179,689.49
Prepaid surety bond premiums	6,591.72	11,154.57
Other prepaid expenses	7,666.18	811.10
Total deferred charges	83,314.33	191,655.16
Other assets:		
U. S. Savings bonds redeemed	2,948.21	
Accounts receivable	12,854.75	7,351.65
Furniture and equipment	11.00	11.00
Total other assets	15,813.96	7,362.65
Total assets	734,274,206.45	820,684,758.45
LIABILITIES AND CAPITAL		
Liabilities:		
Deposits:		
Members—Time	231,677,602.61	108,801,049.43
Members—Demand	35,434,558.70	24,554,177.12
Applicants for membership	147,550.00	177,400.00
Government instrumentalities—demand		98,419.70
Total deposits	267,259,711.31	133,631,046.25
Accrued interest payable:		
Deposits—members' time	717,190.09	93,507.93
Consolidated obligations	1,242,975.67	3,993,950.04
Total accrued interest payable	1,960,165.76	4,087,457.97

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Consolidated statement of condition as of Dec. 31, 1949 and 1948—Continued

	Dec. 31, 1949	Dec. 31, 1948
LIABILITIES AND CAPITAL—continued		
Dividends payable:		
Member institutions	$1,087,133.43	$934,842.56
U. S. Treasury	681,879.25	849,464.88
Total dividends payable	1,769,012.68	1,784,307.44
Accounts payable	5,685.99	6,513.71
Consolidated obligations (net) [1]	204,225,000.00	414,630,000.00
Total liabilities	475,219,575.74	554,139,325.37
Capital:		
Capital stock outstanding (par):		
Members (fully paid)	136,182,900.00	121,224,000.00
Members (partially paid)	88,200.00	25,300.00
Total member subscriptions	136,271,100.00	121,249,300.00
Less: Unpaid subscriptions	31,850.00	11,825.00
Total paid in by members	136,239,250.00	121,237,475.00
U. S. Government subscriptions (fully paid)	95,818,800.00	119,791,200.00
Total paid in on capital stock	232,058,050.00	241,028,675.00
Surplus—earned:		
Legal reserve	13,184,045.91	12,232,449.37
Reserve for contingencies	4,785,650.60	4,283,027.01
Total surplus reserves	17,969,696.51	16,515,476.38
Undivided profits	9,026,884.20	9,001,281.70
Total earned surplus	26,996,580.71	25,516,758.08
Total capital	259,054,630.71	266,545,433.08
Total liabilities and capital	734,274,206.45	820,684,758.45

[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.

Exhibit 4

FEDERAL HOME LOAN BANKS

Consolidated comparative statement of operations for the calendar years 1949 and 1948

	Year ended Dec. 31, 1949	Year ended Dec. 31, 1948
Earned operating income:		
Interest on advances	$7,608,097.09	$8,884,812.97
Interest on securities	5,815,223.81	3,796,212.15
Miscellaneous	3,034.48	3,017.60
Total earned operating income	13,426,355.38	12,684,042.72
Less operating charges:		
Compensation, travel, and other expenses	1,276,097.79	1,213,445.79
Interest on consolidated obligations	4,417,690.97	5,412,449.92
Consolidated obligation expense—concessions	273,150.58	329,325.54
Paid through office of fiscal agent	49,872.03	54,348.70
Interest on members' deposits	2,536,858.69	722,284.94
GAO audit expense	20,729.74	7,469.09
Assessment for expenses of HLB Board	442,429.29	365,000.00
Total operating charges	9,016,829.09	8,104,323.98
Net operating income	4,409,526.29	4,579,718.74
Add—nonoperating income:		
Profit—sales of securities	286,571.48	99,377.28
Assessment credit	78,679.29	-----------
Miscellaneous	1,080.28	593.33
Total nonoperating income	366,331.05	99,970.61
Less—nonoperating charges:		
Loss—sales of securities	4,579.32	14,369.16
Furniture and equipment purchased	13,295.35	10,521.16
GAO audit expense (prior years)	-----------	28,035.11
Total nonoperating charges	17,874.67	52,925.43
Net income	4,757,982.67	4,626,763.92

DETAIL OF COMPENSATION, TRAVEL, AND OTHER EXPENSES

Compensation:		
Directors' fees	$57,625.00	$46,490.22
Officers' salaries	435,306.35	387,946.38
Counsel's compensation	69,001.81	76,519.63
Other salaries	287,107.44	285,942.36
Total compensation	849,040.60	796,898.59
Travel expense:		
Directors	52,953.24	47,054.14
Officers	33,507.61	28,517.91
Counsel and others	9,589.64	10,426.65
Maintenance and operation costs of automobile	3,989.75	4,032.71
Total travel expense	100,040.24	90,031.41
Other expenses:		
Retirement fund contribution	64,973.19	51,639.76
Telephone and telegraph	26,070.30	27,519.63
Postage and expressage	20,363.87	19,716.18
Stationery, printing, and other office supplies	31,358.31	29,070.78
Rent of banking quarters (net)	91,030.75	85,440.89
Maintenance of banking quarters and equipment	13,214.00	20,427.77
Services of HLBB's examining division	4,164.28	5,880.11
Safekeeping and protection services	2,529.60	2,571.46
Insurance and surety bond premiums	16,671.49	15,628.67
Reports and other publications	6,966.94	7,885.33
Stockholders' annual meeting expenses	17,556.23	14,463.11
Dues and subscriptions	15,236.81	14,579.84
Public relations expense	13,240.08	12,173.44
Miscellaneous operating expenses	3,641.10	19,518.82
Total other expenses	327,016.95	326,515.79
Total compensation, travel, and other expenses	1,276,097.79	1,213,445.79

Exhibit 5

FEDERAL HOME LOAN BANKS

List of directors and officers, as of Dec. 31, 1949

Boston

DIRECTORS

J. Bertram Watson (public interest).
Frederick J. Dillon [1] (public interest).
William J. Pape (public interest).
Rockwell C. Tenney (public interest).
H. Dudley Mills (at large).
Milton A. Barrett (at large).
Edward H. Weeks [2] (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 [2] (public interest).
Eustace Seligman (public interest).
E. H. Schoonmaker (at large).
Walter J. Babcock (at large).
Willis J. Almekinder (class A).
Cadman H. Frederick (class A).
Joseph Holzka (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 [2] (public interest).
Arthur B. Koontz (public interest).
Walter B. Gibbons (public interest).
James J. O'Malley (at large).
Alexander Salvatori (at large).
Norman E. Clark (class A).
C. Elwood Knapp (class A).
N. F. Braun (class B).
Matthew L. Leib (class B).
Francis E. McGill (class C).
Charles Warner (class C).

OFFICERS

G. R. Parker, president.
Harold L. Tweedy, vice president.
William M. Stout, vice president.
Dale Park, treasurer.
Warren A. Sutton, secretary.

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).
Peyton R. Keller (class B).
D. R. Fonville (class B).
George E. Rutledge (class C).
H. L. Sudduth (class C).

OFFICERS [3]

Joseph W. Holt, president.
John M. Sink, Jr., vice president.
C. Edwin Kline, secretary.
James T. Spence, treasurer.

[1] Chairman.
[2] Vice chairman.
[3] As of January 1, 1950.

List of directors and officers, as of Dec. 31, 1949—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

S. Rudolph Light (public interest).
Herman B. Wells [1] (public interest).
Charles T. Fisher, Jr. (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).
Donald L. Adair (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

George F. Rowe (public interest).
Ralph M. Monk (public interest)
Charles E. Broughton [1] (public interest).
Henry G. Zander, Jr.[2] (public interest).
Arthur G. Erdmann (at large).
Edward J. Czekala (at large).
A. H. Koepke (class A).
Robert M. Brown (class A).
Allen R. Calhoun (class B).
Rilen McConachie (class B).
Robert L. Hirschinger (class C).
Austin J. Waldron (class C).

OFFICERS

A. R. Gardner, president.
John P. Domeier, vice president and treasurer.
Allan Anderson, secretary.
Lauretta Quam, assistant treasurer.

Des Moines

DIRECTORS

Willis L. Williams (public interest).
Harry H. Welsh, Jr. (public interest).
Robert E. Lee Hill [1] (public interest).
John D. Adams (public interest).
J. W. Davis (at large).
C. A. Williams (at large).
C. B. Fletcher (class A).
John W. Ballard (class A).
W. L. Sloan [2] (class B).
E. A. Kamp (class B).
Edward A. Murphy (class C).
Stanton R. Dahlen (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.

[1] Chairman.
[2] Vice chairman.

List of directors and officers, as of Dec. 31, 1949—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).
A. J. Bush (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

A. O. Johnson (public interest).
Harrington Wimberly[1] (public interest).
Paul F. Good (public interest).
Henry A. Bubb [2] (at large).
Fred Brimmer (at large).
D. A. Willbern (class A).
Louis W. Grant (class A).
Leo Smith (class B).
J. L. Coffman (class B).
Cecil Calvert (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 [2] (public interest).
Archibald B. Young (public interest).
C. W. Leaphart (public interest).
R. Floyd Hewitt (at large).
Guy E. Jaques (at large).
J. H. Andrews (class A).
Roy E. Hegg (class A).
C. N. Bloomfield (class B).
Douglas H. Driggs (class B).
P. C. Bulen (class C).
F. M. Donahoe (class C).

OFFICERS

Guy E. Jaques, vice president.
Irving Bogardus, vice president and treasurer.
Frank C. Noon, vice president.
L. F. Nolan, assistant treasurer.
Helen C. Stearman, assistant treasurer.
Ray E. Humphrey, assistant treasurer.
E. M. Jenness, assistant secretary.
E. E. Pearson, assistant secretary.

[1] Chairman.

[2] Vice chairman.

Exhibit 6

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Statement of condition

	Dec. 31, 1949	Dec. 31, 1948
ASSETS		
Cash	$551,245.92	$792,925.15
Accounts receivable:		
Insurance premiums—payments due	134,451.30	96,808.25
Insurance premiums—payments deferred	3,034,533.74	2,647,449.48
Admission fees receivable	2,290.22	3.20
Due from governmental agencies	64.20	886.46
Miscellaneous	875.43	
Total	3,172,223.89	2,745,147.39
Investments:		
U. S. Government securities (par value)	213,962,000.00	198,962,000.00
Unamortized premium on investments	16,568.15	17,503.91
Total	213,978,568.15	198,979,503.91
Accrued interest on investments	1,117,765.53	171,576.69
Subrogated accounts in insured institutions in liquidation		365,845.78
Less: Allowance for losses		280,025.28
Total		85,820.50
Pending and unclaimed insured accounts in liquidated institutions	10,146.38	10,146.38
Less: Allowance for losses	710.35	718.61
Total	9,436.03	9,427.77
Furniture, fixtures, and equipment	50,981.32	52,629.74
Less: Reserve for depreciation	50,981.32	52,629.74
Total		
Deferred charges:		
Home Loan Bank Board	71,879.65	44,621.51
Fidelity bond and other insurance premiums	463.64	927.28
Unallocated preliminary expense on problem cases	2,924.38	
Total	75,267.67	45,548.79
Total assets	218,904,507.19	202,829,950.20
LIABILITIES AND CAPITAL		
Liabilities:		
Accounts payable	151.42	69.51
Accrued liabilities	30,932.28	21,540.23
Deductions from employees' salaries	13,861.15	13,304.12
Pending and unclaimed insured accounts in liquidated institutions	10,146.38	10,146.38
Custodial funds—receiverships	11,115.01	2,655.97
Total	66,206.24	47,716.21
Deferred credits:		
Unearned insurance premiums	5,710,562.62	4,948,599.94
Prepaid insurance premiums	66.97	26.01
Unapplied collections	37.25	
Total	5,710,666.84	4,948,625.95
Capital:		
Capital stock	100,000,000.00	100,000,000.00
Reserve fund as provided by law	[1] 105,354,411.15	92,206,266.04
Unallocated income	7,773,222.96	5,627,342.00
Total	113,127,634.11	97,833,608.04
Total liabilities and capital	218,904,507.19	202,829,950.20

[1] Pursuant to Public Law 860, 80th Cong., cumulative dividends as of June 30, 1948, were determined to be $25,181,749.08. Cumulative dividends thereafter are being computed by the Corporation at the rate of $250,000 monthly.

Exhibit 7

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Income and expense statement

	Jan. 1, 1949, through Dec. 31, 1949	Jan. 1, 1948, through Dec. 31, 1948
Operating income and recoveries:		
Insurance premiums earned	$10,948,225.12	$9,456,079.50
Admission fees earned	79,686.72	40,295.52
Interest earned on U. S. Government securities	4,677,631.44	4,388,169.53
Miscellaneous	5,355.78	103.74
Total operating income and recoveries	15,710,899.06	13,884,648.29
Operating expenses and losses:		
Administrative expenses	602,346.30	515,806.52
Liquidation and other expenses	10,912.96	13,140.64
Depreciation of furniture, fixtures, and equipment	5,003.60	16,940.80
Losses on subrogated accounts	278,372.19	6,343.59
Total operating expenses and losses	896,635.05	552,231.55
Net income from operations	14,814,264.01	13,332,416.74
Nonoperating income:		
Profit on sale of securities	190,843.77	
Sale of furniture, fixtures, and equipment	6,441.02	
Miscellaneous		18.51
Total nonoperating income	197,284.79	18.51
Nonoperating charges: Commission on securities	390.63	156.26
Net income before adjustment of valuation reserves	15,011,158.17	13,332,278.99
Adjustment of valuation reserves:		
Provision for losses on subrogated accounts in insured institutions in liquidation	280,025.28	7,530.10
Provision for losses on insured accounts in institutions in liquidation—pending and unclaimed	8.26	92.02
Net adjustments of valuation reserves	280,033.54	7,622.12
Net income for period	15,291,191.71	13,339,901.11
Adjustment of net income for prior years	2,834.36	−5,116.29
Net income	15,294,026.07	13,334,784.82

Exhibit 8

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Number and assets of insured savings and loan associations, by type, Dec. 31, 1948 and 1949

	All insured				Federal				Insured State			
	1949		1948		1949		1948		1949		1948	
	Number	Assets	Number	Assets	Number	Assets	Number	Assets	Number	Assets	Number	Assets
United States	2,756	$11,304,868,000	2,616	$9,733,723,000	1,508	$7,107,202,000	1,485	$6,162,094,000	1,248	$4,197,666,000	1,131	$3,571,629,000
District No. 1—Boston	71	533,544,000	67	464,652,000	53	464,090,000	53	416,457,000	18	69,454,000	14	48,195,000
Connecticut	31	179,189,000	28	150,935,000	17	132,916,000	17	117,103,000	14	46,273,000	11	33,832,000
Maine	5	7,094,000	5	6,298,000	5	7,094,000	5	6,298,000	-----	-----	-----	-----
Massachusetts	27	285,737,000	26	254,797,000	26	279,534,000	26	254,797,000	1	6,203,000	-----	-----
New Hampshire	4	23,732,000	4	19,761,000	2	22,092,000	2	18,368,000	2	1,640,000	2	1,393,000
Rhode Island	2	25,665,000	2	22,011,000	1	10,327,000	1	9,041,000	1	15,338,000	1	12,970,000
Vermont	2	12,127,000	2	10,850,000	2	12,127,000	2	10,850,000	-----	-----	-----	-----
District No. 2—New York	288	1,514,402,000	267	1,298,874,000	85	750,067,000	82	652,888,000	203	764,335,000	185	645,986,000
New Jersey	140	465,901,000	135	396,521,000	18	56,974,000	17	42,108,000	122	408,927,000	118	354,413,000
New York	147	1,046,711,000	132	902,353,000	66	691,303,000	65	610,780,000	81	355,408,000	67	291,573,000
Puerto Rico	1	1,790,000	-----	-----	1	1,790,000	-----	-----	-----	-----	-----	-----
District No. 3—Pittsburgh	262	717,774,000	250	628,728,000	138	468,633,000	135	413,924,000	124	249,141,000	115	214,804,000
Delaware	1	1,655,000	1	1,250,000	1	1,655,000	1	1,250,000	-----	-----	-----	-----
Pennsylvania	236	665,444,000	224	582,015,000	116	423,693,000	113	373,935,000	120	241,751,000	111	208,080,000
West Virginia	25	50,675,000	25	45,463,000	21	43,285,000	21	38,739,000	4	7,390,000	4	6,724,000
District No. 4—Winston-Salem	353	1,348,905,000	320	1,147,838,000	242	1,056,923,000	232	903,583,000	111	291,982,000	88	244,255,000
Alabama	28	58,040,000	26	49,377,000	20	47,890,000	18	40,820,000	8	10,150,000	8	8,557,000
District of Columbia	17	141,939,000	14	115,540,000	8	78,516,000	7	72,960,000	9	63,423,000	7	42,580,000
Florida	51	312,583,000	50	267,048,000	50	309,620,000	49	264,319,000	1	2,963,000	1	2,729,000
Georgia	59	200,845,000	53	170,582,000	53	191,180,000	47	145,557,000	6	9,665,000	6	25,025,000
Maryland	43	208,445,000	42	185,551,000	32	160,734,000	32	142,650,000	11	47,711,000	10	42,901,000
North Carolina	77	197,876,000	65	161,909,000	27	100,087,000	27	88,922,000	50	97,789,000	38	72,987,000
South Carolina	47	107,162,000	42	89,563,000	32	82,887,000	32	70,748,000	15	24,275,000	10	18,815,000
Virginia	31	122,015,000	28	108,268,000	20	86,009,000	20	77,607,000	11	36,006,000	8	30,661,000
District No. 5—Cincinnati	363	1,738,420,000	349	1,536,764,000	221	1,008,839,000	218	885,375,000	142	729,581,000	131	651,389,000
Kentucky	56	170,174,000	56	156,186,000	54	166,009,000	54	152,145,000	2	4,165,000	2	4,041,000
Ohio	270	1,435,681,000	258	1,266,922,000	131	710,845,000	129	619,574,000	139	724,836,000	129	647,348,000
Tennessee	37	132,565,000	35	113,656,000	36	131,985,000	35	113,656,000	1	580,000	-----	-----
District No. 6—Indianapolis	187	691,488,000	183	619,072,000	102	478,729,000	102	431,438,000	85	212,759,000	81	187,634,000
Indiana	140	412,828,000	137	375,912,000	69	278,096,000	69	256,555,000	71	134,732,000	68	119,357,000
Michigan	47	278,660,000	46	243,160,000	33	200,633,000	33	174,883,000	14	78,027,000	13	68,277,000

Number and assets of insured savings and loan associations, by type, Dec. 31, 1948 and 1949—Continued

	All insured				Federal				Insured State			
	1949		1948		1949		1948		1949		1948	
	Number	Assets	Number	Assets	Number	Assets	Number	Assets	Number	Assets	Number	Assets
District No. 7—Chicago	356	$1,322,304,000	326	$1,121,566,000	143	$704.177,000	140	$502,751,000	213	$618,127,000	186	$528,815,000
Illinois	258	1,056,213,000	234	897,713,000	103	607,692,000	100	512,128,000	155	448,521,000	134	385,585,000
Wisconsin	98	266,091,000	92	223,853,000	40	96,485,000	40	80,623,000	58	169,606,000	52	143,230,000
District No. 8—Des Moines	165	630,502,000	160	544,730,000	106	470,552,000	106	410,573,000	59	159,950,000	54	134,157,000
Iowa	43	99,478,000	43	85,815,000	32	78,601,000	32	67,951,000	11	20,877,000	11	17,864,000
Minnesota	36	244,740,000	35	210,412,000	30	238,241,000	30	205,881,000	39	117,827,000	5	4,531,000
Missouri	73	252,415,000	69	219,287,000	34	134,588,000	34	120,507,000	6	6,499,000	35	98,780,000
North Dakota	7	24,926,000	7	21,411,000	6	13,172,000	6	11,065,000	1	11,754,000	1	10,346,000
South Dakota	6	8,943,000	6	7,805,000	4	5,950,000	4	5,169,000	2	2,993,000	2	2,636,000
District No. 9—Little Rock	275	652,332,000	269	556,073,000	159	296,837,000	159	252,748,000	116	355,495,000	110	303,325,000
Arkansas	38	55,368,000	38	47,297,000	34	47,459,000	34	40,106,000	4	7,909,000	4	7,191,000
Louisiana	72	216,874,000	71	188,470,000	14	33,936,000	13	29,741,000	58	182,938,000	58	158,729,000
Mississippi	25	37,479,000	24	29,019,000	20	32,110,000	20	25,885,000	5	5,369,000	4	3,134,000
New Mexico	14	25,839,000	13	20,964,000	7	16,445,000	7	13,320,000	7	9,394,000	6	7,644,000
Texas	126	316,772,000	123	270,323,000	84	166,887,000	85	143,696,000	42	149,885,000	38	126,627,000
District No. 10—Topeka	164	451,598,000	157	388,836,000	97	327,146,000	97	287,302,000	67	124,452,000	60	101,534,000
Colorado	38	117,056,000	36	90,344,000	23	83,797,000	23	72,418,000	15	33,259,000	13	26,926,000
Kansas	62	134,879,000	59	113,933,000	28	81,705,000	28	72,461,000	34	53,174,000	31	41,472,000
Nebraska	19	27,434,000	19	24,380,000	15	22,022,000	15	19,447,000	4	5,412,000	4	4,933,000
Oklahoma	45	172,229,000	43	151,179,000	31	139,622,000	31	122,976,000	14	32,607,000	12	28,203,000
District No. 11—San Francisco	272	1,703,599,000	268	1,426,590,000	162	1,081,209,000	161	915,055,000	110	622,390,000	107	511,535,000
Alaska	1	1,674,000	1	1,302,000	1	1,674,000	1	1,302,000	-	-	-	-
Arizona	3	30,512,000	3	26,839,000	2	22,647,000	2	19,652,000	1	7,865,000	1	7,187,000
California	151	1,184,100,000	148	971,947,000	74	708,190,000	73	585,571,000	77	475,910,000	75	386,376,000
Hawaii	4	11,211,000	4	9,584,000	1	6,584,000	1	5,272,000	3	4,627,000	3	4,312,000
Idaho	8	34,518,000	8	29,759,000	8	34,518,000	8	29,759,000	-	-	-	-
Montana	10	26,366,000	10	22,792,000	3	4,309,000	3	3,536,000	7	22,057,000	7	19,256,000
Nevada	1	5,152,000	1	4,063,000	1	5,152,000	1	4,063,000	-	-	-	-
Oregon	21	68,205,000	21	59,169,000	21	68,205,000	21	59,169,000	-	-	-	-
Utah	10	58,542,000	9	50,038,000	6	26,028,000	6	22,299,000	4	32,514,000	3	27,739,000
Washington	54	267,472,000	54	237,407,000	36	188,055,000	36	170,742,000	18	79,417,000	18	66,665,000
Wyoming	9	15,847,000	9	13,690,000	9	15,847,000	9	13,690,000	-	-	-	-

Exhibit 9

HOME OWNERS' LOAN CORPORATION

Balance sheet at Dec. 31, 1949

ASSETS

Mortgage loans, vendee accounts and advances—at present face value			$230,623,195.73
Interest receivable			785,834.50
Property:			
Owned		$6,339.60	
In process of acquiring title		31,094.47	37,434.07
			231,446,464.30
Less: Reserve for losses			522,057.11
Investments—at cost:			230,924,407.19
Savings and loan associations:			
Federally chartered	$1,158,200.00		
State chartered	793,600.00	$1,951,800.00	
Public debt obligations of the United States (borrowers' special deposits)—at face value		8,200,000.00	10,151,800.00
Bond retirement fund: Cash (including $1,855,125 deposited with U. S. Treasury for retirement of matured bonds)			1,918,320.85
Cash:			
Operating funds—(includes $2,301,579.32 payable to bond retirement fund in January 1950; and $1,616,477.97 deposited by borrowers and employees)—(see contra)		$8,886,256.50	
Special funds held by the U. S. Treasury for payment of bond interest (see contra)		217,890.08	
Special funds—Federal tax withheld (see contra)		39,633.28	
Special funds—held by U. S. Treasury for refunding of 1½ percent series M bonds called as of June 1, 1945		65,750.00	9,209,529.86
Fixed assets:			
Furniture, fixtures, and equipment—at cost		232,481.07	
Less: Reserve for depreciation		232,481.07	

Balance sheet at Dec. 31, 1949—Continued

ASSETS—continued

Other assets:		
Accounts receivable	$79, 104. 41	
Less: Reserve for uncollectible accounts receivable	74, 821. 65	
	4, 282. 76	
Dividends receivable—savings and loan associations	21, 941. 25	$26, 224. 01
Deferred and unapplied charges		103, 824. 59
		252, 334, 106. 50

LIABILITIES AND CAPITAL

Bonded indebtedness:		
(Guaranteed as to principal and interest by United States, except $92,125 of unpaid matured bonds guaranteed as to interest only):		
Bonds outstanding—not matured	$29, 000, 000. 00	
Bonds matured—on which interest has ceased	1, 920, 875. 00	$30, 920, 875. 00
Accounts payable:		
Interest due (see contra)	217, 890. 08	
Accrued pay roll	31, 395. 63	
Insurance premiums	120, 614. 21	
Special deposits—		
By borrowers	9, 802, 140. 73	
By employees (savings bonds)	3, 819. 31	
Civil service retirement deductions	10, 517. 93	
Federal tax withheld (see contra)	39, 633. 28	
Miscellaneous	38, 435. 57	10, 264, 446. 74
Accrued liabilities		47, 879. 81
Deferred and unapplied credits		2, 059, 604. 60
Reserve for fidelity and casualties		250, 000. 00
Capital stock (held by U. S. Treasury):		
Authorized, issued, and outstanding	$200, 000, 000. 00	
Surplus	8, 791, 300. 35	208, 791, 300. 35
		252, 334, 106. 50

EXHIBIT 10

HOME OWNERS' LOAN CORPORATION

Statement of income and expense from the beginning of operations, June 13, 1933, to Dec. 31, 1949

Operating and other income:			
Interest:			
Mortgage loans and advances		$1,052,799,482.40	
Vendee accounts and advances		134,729,108.99	
		1,187,528,591.39	
Special investments		1,374,969.65	$1,188,903,561.04
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			44,731,877.28
Miscellaneous			9,881,978.53
			1,410,380,161.70
Operating and other expenses:			
Interest on bonded indebtedness	$655,191,923.96		
Less: Premium on bonds sold	1,618,866.43	$653,573,057.53	
Discount on refunded bonds		7,147,710.28	
		660,720,767.81	
Administrative expenses		270,626,738.97	
General expenses		18,675,414.84	
Property expense		112,826,215.05	1,062,849,136.67
Net income before provision for losses which may be sustained in the liquidation of assets			347,531,025.03
Losses and provision for losses:			
On mortgage loans, interest, and property		$349,737,153.25	
For fidelity and casualties		1,371,778.31	
For fire and other hazards		881,252.50	
For uncollectible accounts receivable		67,810.78	
Total provision for losses		352,057,994.84	
Losses on investments in savings and loan associations		30,557.48	352,088,552.32
Loss for period June 13, 1933, to Dec. 31, 1949			4,557,527.29
Deduct: Surplus adjustments—reserve against fire and other hazards, reserve for losses on mortgage loans, interest and property and unlocated payments (net)			13,348,827.64
Surplus at Dec. 31, 1949			8,791,300.35

EXHIBIT 11

HOME OWNERS' LOAN CORPORATION

Statement of income and expense for the calendar year 1949

Operating and other income:		
Interest:		
Mortgage loans and advances		$8, 896, 115. 58
Vendee accounts and advances		5, 237, 302. 53
		14, 133, 418. 11
Special investments		124, 824. 77
Total		14, 258, 242. 88
Property income		310. 40
Dividends received from savings and loan associations		71, 013. 92
Miscellaneous		456, 358. 49
Total income		14, 785, 925. 69
Operating and other expenses:		
Interest on bonded indebtedness		1, 485, 829. 02
Administrative and general expenses:		
Administrative expenses		2, 117, 829. 59
General expenses		28, 204. 32
Property expense		[1] 266. 51
Total expense		3, 631, 596. 42
Net income before provision for losses which may be sustained in the liquidation of assets		11, 154, 329. 27
Provision for losses:		
On mortgage loans, interest and property		—
For fidelity and casualties		16, 507. 45
For fire and other hazards		—
For uncollectible accounts receivable		4, 389. 52
Total provision for losses		20, 896. 97
Losses on investments in savings and loan associations		[2] 30, 557. 48
		51, 454. 45
Net income for calendar year after provision for losses		11, 102, 874. 82
Deficit at Dec. 31, 1948	$4, 407, 116. 64	
Deduct: Surplus adjustments—net	2, 095, 542. 17	2, 311, 574. 47
Surplus at Dec. 31, 1949		8, 791, 300. 35

[1] Net credit.

[2] Excess liquidating dividends of $31,080.61 included in income "Dividends on investments in savings and loan associations"—Exhibit 10.

PART III

OF THE

Third 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 Sixteenth Annual Report of the Federal Housing Administration. This report covers the calendar year 1949.

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 no building.

The following paragraphs describe the FHA programs in operation during 1949 and the legislative limitations in effect during the year. Modifications of FHA operations established by the Housing Act of 1950 (Public Law 475, 81st Congress, approved April 20, 1950) are not reflected in this report for the year 1949.

Title I, Property Improvement Loan Insurance

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 new small structures.

Title II, Mortgage Insurance

Section 203 of Title II authorizes the insurance of mortgages on one- to four-family dwellings. The principal activity of the FHA over its 15½ years of operation has been carried on under this section.

Section 207 authorizes the insurance of loans on rental housing projects and on projects built by nonprofit cooperatives to provide housing for their members.

Title VI, Mortgage Insurance

Sections 603 and 608 of Title VI were enacted to aid the production of war housing through mortgage insurance provisions somewhat more liberal than those under Title II. Sections 603 and 608 became inactive after the war ended, but were revived in 1946 as part of the Veterans' Emergency Housing Program.

Section 603 (added to the act in 1941) authorizes the insurance of mortgages on one- to four-family dwellings. The authority to issue commitments on new construction under this section expired April 30, 1948.

Section 608 (added in 1942) authorizes the insurance of mortgages on rental housing projects. Authority to issue commitments on new construction under this section was to expire March 1, 1950.

Section 609 (added in 1947) authorizes the insurance of short-term loans to finance the manufacture of housing, and the insurance of lending institutions against loss on notes given in part payment by purchasers of manufactured housing financed with insured loans.

Section 610 (added in 1947) authorizes the insurance under Sections 603 and 608 of mortgages on specified types of permanent housing sold by the Government.

Section 611 (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 cost-reduction techniques through site fabrication and other large-scale modernized construction operations.

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Title VII, Insurance for Investments in Rental Housing for Families of Moderate Income

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, Military Housing Mortgage Insurance

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.

Section I

GENERAL REVIEW

Significant Developments in 1949

For the Federal Housing Administration, the year 1949 was marked by the largest volume of insurance in its history, and by a considerable degree of success in its efforts to encourage increased production of housing in the areas of the market where demand was greatest—that is, rental housing, lower-cost housing both for sale and for rent, and housing available to Negroes and other minority groups.

In his State of the Union message on January 5, 1949, the President said:

> The housing shortage continues to be acute * * * Most of the houses we need will have to be built by private enterprise, without public subsidy * * * Building costs must be lowered.
>
> The Government is now engaged in a campaign to induce all segments of the building industry to concentrate on the production of lower priced housing.

The operations of the Federal Housing Administration throughout the year continued to be directed toward this objective.

Housing at Lower Cost

The success of the FHA program depends on the cooperation given by private enterprise, and an evaluation of FHA accomplishments in any field during the year is in the nature of a tribute to the various components of the building and home financing industry.

When the most urgent phase of the postwar housing shortage was over, it became apparent that, although there was still a vast unsatisfied demand for housing, the largest and most insistent requirement was for homes and apartments within the means of families with limited incomes. The need for rental housing was particularly acute. Largely because of the difficulties incident to bringing down prices while all the elements of cost continued high, it was anticipated at the beginning of 1949 that, despite the financing aids provided in the Housing Act of 1948 for lower-cost homes, the number of dwellings built during the year would fall below the 1948 volume, which had been the highest since 1925.

The building industry, however, was alert to changes in the market indicated by the relative lengths of time required to sell properties at various price levels, and to the necessity of meeting demand at the levels where it was greatest. Following the passage of the Housing Act of 1948 in August of that year a series of meetings had been held throughout the country under the sponsorship of the FHA and the National Association of Home Builders to acquaint the industry with the provisions and purposes of the act. Largely as an outgrowth of these meetings, a campaign had been planned in the closing months of the year by the Government and the industry in cooperation to bring about economies in dwelling construction wherever it was possible to effect them. The campaign was launched in January 1949. Its objective was not simply to expand the production of cheaper houses, but rather to reduce production costs at all levels of the market without sacrificing either standards of good design and construction or reasonable profits to the producers. Emphasis was placed on the achievement of economies chiefly through increased efficiency of operations and through large-scale production.

The Housing Act of 1948 had recognized the nature of the current housing market by providing for FHA insurance of mortgages with more liberal terms for lower-cost homes and for rental housing and cooperative projects; also by making special provision for the insurance of mortgages on large-scale projects of single-family homes in order to encourage the use of site fabrication and other modern building techniques, and for the insurance of yields on rental housing investments where no mortgage financing was involved. The effect of these various provisions, and of the determined effort of the industry to produce housing at the price levels required, is apparent in the volume of FHA insurance written in 1949 on lower-priced homes, and in the number of dwellings started during the year under the FHA program in relation to the total number started with and without FHA financing.

The total number of privately financed nonfarm units started in 1949 as estimated by the Bureau of Labor Statistics was 989,000, which was 8.2 percent higher than the 1948 total and 5.5 percent higher than the total for the previous record building year of 1925.

The number of units started in 1949 under FHA inspection was 360,293, or 36.4 percent of the total number of privately financed nonfarm units started during the year. This is the highest volume of units started in any year of FHA history. The number of FHA starts represents an increase of 23.8 percent over those in 1948.

Of the total dollar volume of mortgage insurance commitments issued on new one- to four-family homes in 1949, $304,000,000 represented commitments in amounts of $6,000 or less issued under the provisions of Section 203 (b) (2) (D) of the National Housing Act.

Housing Available to Minority Groups

FHA field offices received an unprecedented number of applications in 1949 for mortgage insurance on housing available to minority groups. These are expected to result in a volume of new construction in 1950 that may equal the entire amount so far produced for minority groups under the FHA program.

During the year the Federal Housing Administration intensified its efforts to encourage the production of needed housing for minority groups. In speeches and published articles addressed to the building industry, and in letters of instruction to its own field offices, the agency called attention to the fact that a large and profitable market exists among members of these groups, and that relatively little has been done by lenders and builders to take advantage of it.

The FHA has not suggested that the building industry make special concessions to minority groups, but it does recommend that they be given the same consideration as other members of the community. FHA experience indicates that, when the same standards are applied, race is not a factor in mortgage experience. The chief hazards in financing homes for minority groups, as with other borrowers, occur when the borrower pays more for the property than it is worth, or when the price is too high in relation to his income. The problem of providing homes for these groups is closely tied in with the general problem of providing homes at lower sale and rental levels, although there is also a substantial market for higher-priced properties among minority groups.

The two major aspects of the problem in the past have been sites and financing. Favorable experience on the part of mortgagees who pioneered in the market has encouraged others to follow their example, and minority groups themselves are providing more financing for their own members as time goes on. The problems incident to finding suitable locations are slower in reaching solutions, but progress is being made.

The five FHA racial relations advisers, who work in cooperation with FHA field offices to determine the extent of this market in specific areas and to arouse the interest of the building industry in meeting the demand, were called in to Washington in August 1949 to take part in a discussion of methods by which the effectiveness of their services could be increased. A number of recommendations made at the conference were adopted.

FHA market analysts working in the field have been instructed to give consideration to the pertinent aspects of the minority-group segment of the market in their studies of local housing markets where minority groups are a factor.

On December 12, 1949, FHA administrative rules were amended to provide that no property would be eligible for mortgage insurance, if, after February 15, 1950, and before the insured mortgage was recorded, there had been recorded a covenant restricting the use or occupancy of the property on the basis of race, creed, or color.

The amendments require the mortgagor to certify that until the insured mortgage is paid in full or the contract of insurance otherwise terminated he will not file for record any such restriction upon the sale or occupancy of the mortgaged property, or execute any agreement, lease, or conveyance which imposes any such restriction upon its sale or occupancy. The amendments also require that the insured mortgage contain a covenant to the same effect which in the event of violation will give the mortgagee the right at its option to declare the unpaid balance of the mortgage immediately due and payable.

The purpose of these amendments is to bring FHA policies fully in line with the principle underlying recent Supreme Court decisions to the effect that, although individuals may be free to impose or comply with restrictive racial covenants, governmental support of such covenants is contrary to the public policy of the United States and cannot be enforced by State or Federal courts.

The amendments do not affect property on which such covenants were in effect before February 15, 1950, nor do they affect mortgages insured or commitments issued before that date.

Legislative Changes

The following amendments affecting FHA operations were made to the National Housing Act in 1949:

1. An amendment to Section 1 authorizes the FHA to pay its non-administrative expenses from its insurance funds, with the provision that without specific authorization from Congress such payments in any fiscal year may not exceed 35 percent of income from fees and premiums during the preceding fiscal year. (Public Law 387, 81st Cong., approved October 25, 1949.)

2. The Title I insurance authorization, which at the beginning of 1949 was limited to loans made prior to July 1, 1949, was extended during the year as follows:

New expiration date:	*Public Law (81st Cong.)*
Aug. 31, 1949	171, approved July 15.[1]
Oct. 31, 1949	278, approved Aug. 30.
Feb. 28, 1950	387, approved Oct. 25.

[1] Effective June 30, 1949.

The amount of the net insurance liability that may be outstanding at any time as a result of Title I insurance operations was increased from $200,000,000 to $225,000,000 (Public Law 387, 81st Cong., approved October 25, 1949).

3. The following increases were made during the year (subject to presidential approval) in the aggregate amount of mortgage principal that may be outstanding under Title II:

Maximum increased to—	Public law (81st Cong.)	Presidential approval of increase
$5,500,000,000	171, approved July 15 [1]	July 25.
6,000,000,000	278, approved Aug. 30	Aug. 30.
6,750,000,000	387, approved Oct. 25	Nov. 18.

[1] Effective June 30, 1949.

4. Title II was amended by the addition of Section 214, which provides that mortgages insured by the FHA on properties located in Alaska may be in amounts as much as one-third higher than those authorized elsewhere in the act, if the Commissioner finds that because of higher costs it is not feasible to build satisfactory housing in Alaska within the established limitations. (Public Law 52, 81st Cong., approved April 23.)

5. Title V was amended by the addition of Section 515, which authorizes the Commissioner, in his discretion, to amend, extend, or increase the amount of any mortgage insurance commitment before final endorsement for insurance, provided the mortgage is eligible for insurance under the provisions of the act and the FHA rules and regulations in effect at the time the original commitment was issued. (Public Law 387, 81st Cong., approved October 25, 1949.)

6. The authority to issue commitments of mortgage insurance on new construction under Section 608, which was to expire on March 31, 1949, was extended during the year, as follows:

New expiration date:	*Public Law (81st Cong.)*—
June 30, 1949	31, approved Mar. 30.
Aug. 31, 1949	171, approved July 15.[1]
Oct. 31, 1949	278, approved Aug. 30.
Mar. 1, 1950	387, approved Oct. 25.

[1] Effective June 30, 1949.

Subject to presidential approval the aggregate amount of mortgage principal that may be outstanding at any time under Title VI was increased from $6,150,000,000 to $6,650,000,000 (Public Law 387, 81st Cong., approved October 25, 1949). On November 18, 1949, the President approved $200,000,000 of the proposed increase.[2]

7. Title VIII, which authorizes FHA insurance of mortgages on rental housing built on or near military reservations for personnel of the Army, Navy, or Air Force, was added to the National Housing Act by Public Law 211, 81st Cong., approved August 8, 1949. The insurance under this title is similar to that authorized under Section

[2] On February 3, 1950, the President approved the remaining $300,000,000 of the proposed increase. In doing so he requested that first preference be given to projects designed for occupancy by Negro and other minority groups and to rental housing projects in the territories of Puerto Rico, Alaska, and Hawaii, and said it was his understanding that FHA field offices would process cases on a selective basis, giving preference to projects that would provide lower rentals.

608, the chief difference being that, in place of the determination of acceptable risk required under Section 608, Title VIII requires a certification by the Secretary of Defense or his designee that the proposed housing is necessary for the personnel concerned, that the installation is deemed to be a part of the permanent military establishment, and that there is no present intention to curtail its activities substantially.

Title VIII provides for a maximum mortgage of $5,000,000, representing not more than 90 percent of replacement costs and not more than $8,100 per family unit, except that on single-family dwellings in exceptional cases upon special certification by the Secretary of Defense and concurrence by the FHA Commissioner the mortgage principal may be as much as $9,000 per family unit. Interest may not exceed 4 percent.

A separate insurance fund is created to serve as a revolving fund for carrying out the purposes of Title VIII. The authority to issue commitments of insurance on new construction under this title expires June 30, 1951.

Section 24 of the Federal Reserve Act was amended (Public Law 387, 81st Cong., approved October 25, 1949) to authorize national banks to purchase military housing mortgages insured under Title VIII of the National Housing Act.

Field Organization

As of December 31, 1949, there were 120 FHA field offices. These included 68 insuring offices, in which applications for mortgage insurance are received and undergo complete processing; 15 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 37 valuation stations in which technical personnel prepare architectural and valuation reports for the insuring offices having jurisdiction in their respective areas. The number of service offices increased by three during the year, and the number of valuation stations decreased by three.

Aggregate Volume of Insurance

Table 1 and Chart I show the yearly volume of insurance written by the Federal Housing Administration since its establishment in 1934. Operations in 1949 brought the grand total to well over $18,000,000,000.

By far the largest share of this total represents mortgages on one- to four-family homes insured under Sections 203 and 603. Property improvement loans covered by Title I insurance account for another large share of the total. In the last 3 years, however, there have been notable increases in the number and amount of mortgages insured on rental housing projects, as shown graphically in Chart I.

TABLE 1.—*Yearly volume of mortgages and loans insured by FHA under all titles: Face amount of mortgages written and net proceeds of loans insured, 1934–49*

Year	Total all titles (amount)	Title I Classes 1, 2, and 3 loans		Title II			
				Sec. 203 home mortgages		Sec. 207 [1] rental projects	
		Number	Net proceeds	Number	Amount	Units	Amount
1934	$27,405,525	72,658	$27,405,525				
1935	297,495,144	635,747	201,258,132	23,397	$93,882,012	738	$2,355,000
1936	532,581,028	617,697	221,534,922	77,231	308,945,106	624	2,101,000
1937	489,200,337	124,758	54,344,338	102,076	424,372,999	3,023	10,483,000
1938	671,593,326	382,325	150,709,152	109,279	473,246,124	11,930	47,638,050
1939	925,262,132	513,091	203,994,512	153,747	669,416,154	13,462	51,851,466
1940	991,173,855	662,948	241,734,821	168,293	736,490,344	3,559	12,948,690
1941	1,152,342,183	687,837	248,638,549	198,799	876,707,384	3,741	13,565,000
1942	1,120,839,108	432,755	141,163,398	149,635	691,445,427	1,547	5,792,000
1943	933,986,444	308,161	87,194,156	52,408	244,514,138	185	714,000
1944	877,472,057	389,592	113,939,150	46,677	216,368,057	2,181	7,175,806
1945	664,984,729	501,401	170,823,788	46,572	219,299,950	891	3,806,015
1946	755,777,661	799,284	320,593,183	66,858	347,356,890	694	2,509,977
1947	1,788,264,284	1,247,590	533,604,178	76,813	445,667,150		[2] 32,000
1948	3,340,865,390	1,359,776	621,612,484	133,280	880,353,450		
1949	3,826,283,157	1,249,538	607,023,920	257,622	1,854,564,000	813	7,313,000
Total	18,395,526,360	9,985,158	3,945,574,208	1,662,687	8,482,629,185	[3] 43,388	[3] 168,285,004

Year	Title VI [4]							
	Sec. 603 home mortgages		Sec. 608 rental projects		Sec. 603–610 home mortgages		Sec. 608–610 rental projects	
	Number	Amount	Units	Amount	Number	Amount	Units	Amount
1941	3,778	$13,431,250						
1942	68,706	267,015,578	4,295	$15,422,705				
1943	113,659	517,656,180	19,994	83,907,970				
1944	100,320	491,068,944	10,249	48,920,100				
1945	50,244	255,044,040	3,167	16,010,936				
1946	14,034	74,652,600	1,538	10,665,011				
1947	64,570	449,027,650	46,604	359,912,206	4	$21,100		
1948	163,441	1,224,925,850	77,818	605,862,784	920	3,390,350	1,366	$2,848,500
1949	43,550	336,321,000	129,072	996,589,229	1,249	5,677,300	1,435	3,607,600
Total	622,305	3,629,143,092	[5] 292,737	[5] 2,137,290,941	2,173	9,088,750	2,801	6,456,100

Year	Title VI [4]				Title VII [6] Sec. 701 yield insurance		Title VIII [7] Sec. 803 military housing	
	Sec. 609, manufactured housing		Sec. 611, site-fabricated homes					
	Units	Amount	Units	Amount	Units	Amount	Units	Amount
1947								
1948	524	$1,871,972						
1949	626	1,466,308	275	$1,650,000			1,540	$12,070,800
Total	1,150	3,338,280	275	1,650,000			1,540	12,070,800

[1] Includes also rental and release-clause projects insured under Sec. 210.
[2] Increase in amount of a mortgage insured prior to 1947.
[3] Includes 38,760 units provided in new and rehabilitation projects securing insured mortgages totaling $151,606,206.
[4] Sec. 603 enacted on Mar. 28, 1941, Sec. 608 on May 26, 1942, Sec. 609 on June 30, 1947, Sec. 610 on Aug. 5, 1947, and Sec. 611 on Aug. 10, 1948.
[5] Includes 291,592 units provided in new and rehabilitation projects securing insured mortgages totaling $2,133,715,743.
[6] Title VII enacted on Aug. 10, 1948.
[7] Title VIII enacted on Aug. 8, 1949.

The dollar volume of mortgages and loans insured in the last 3 years was nearly half the volume written from the beginning of operations in 1934 through 1949.

In 1949 new records were made in the total dollar amount of insurance written under all titles combined, in the dwelling units and dollar amount of rental housing mortgages insured, and in the number and amount of mortgages insured on one- to four-family homes under Section 203. The Title I insurance volume was only slightly under the record volume of 1948.

YEARLY VOLUME OF FHA INSURANCE WRITTEN
1934 - 1949

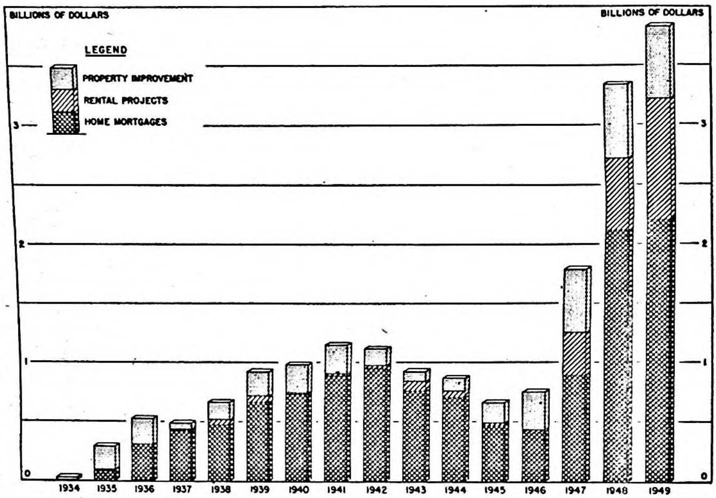


Chart I

At the end of 1949 over \$6¾ billion of the aggregate insurance written by the FHA since 1934 had been terminated, and of the insurance in force it was estimated that over \$1⅔ billion had been amortized, leaving net insurance outstanding of slightly less than \$10 billion. The status as of December 31, 1949, of insurance written under each title is shown in Table 2.

Chart II and Table 3 show the number of new dwelling units started under FHA inspection each year and their relation to the total number of privately financed nonfarm dwellings started as estimated by the Bureau of Labor Statistics. The total of 989,000 privately financed nonfarm units started in the United States in 1949 was the largest ever recorded, as was the total of 360,293 units started under

TABLE 2.—*Status of insurance written under all titles as of Dec. 31, 1949*

Status of insurance written	Total all titles (amount)	Title I [1] Classes 1, 2, and 3 loans		Title II			
				Sec. 203 home mortgages		Sec. 207 rental projects [2]	
		Number	Net proceeds	Number	Amount	Units	Amount
Total insured	$18,395,526,360	9,985,158	$3,945,574,208	1,662,687	$8,482,629,185	43,388	$168,285,004
Less: Terminated	6,766,560,933	7,068,158	2,196,125,485	783,701	3,471,341,045	34,369	129,653,583
Total in force	11,628,965,427	2,917,000	1,749,448,723	878,986	5,011,288,140	9,019	38,631,421
Less: Estimated amount amortized	1,669,136,586		803,000,000		652,679,971		6,565,406
Net balance outstanding	9,959,828,841	2,917,000	946,448,723	878,986	4,358,608,169	9,019	32,066,015

Status of insurance written	Title VI							
	Sec. 603 home mortgages [3]		Sec. 608 rental projects [3]		Sec. 609 manufactured housing [4]		Sec. 611 site-fabricated homes	
	Number	Amount	Units	Amount	Units	Amount	Units	Amount
Total insured	624,478	$3,638,231,842	295,538	$2,143,747,041	1,150	$3,338,280	275	$1,650,000
Less: Terminated	201,261	938,202,347	6,902	29,595,488	577	1,642,985		
Total in force	423,217	2,700,029,495	288,636	2,114,151,553	573	1,695,295	275	1,650,000
Less: Estimated amount amortized		181,204,295		25,686,914				
Net balance outstanding	423,217	2,518,825,200	288,636	2,088,464,639	573	1,695,295	275	1,650,000

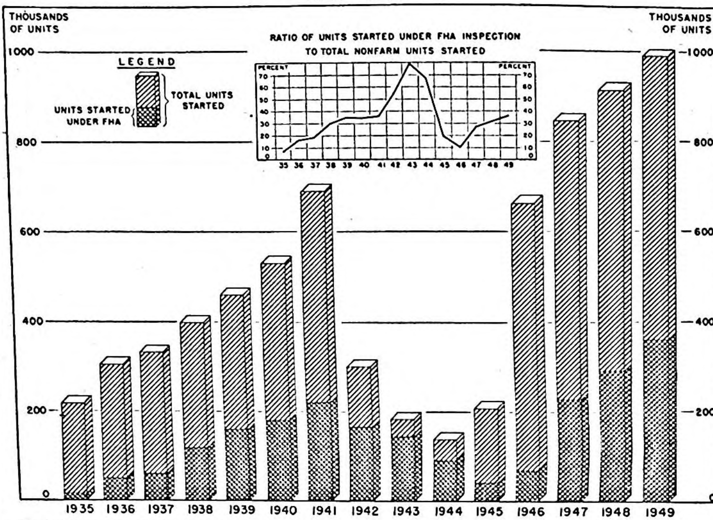
Status of insurance written	Title VII		Title VIII	
	Sec. 701 yield insurance		Sec. 803 military housing	
	Units	Amount	Units	Amount
Total insured			1,540	$12,070,800
Less: Terminated				
Total in force			1,540	12,070,800
Less: Estimated amount amortized				
Net balance outstanding			1,540	12,070,800

[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.

FHA inspection. The FHA total represents 36.4 percent of all units started. This is the largest proportion ever started in the FHA program except during the war years of 1942, 1943, and 1944, when the major part of residential construction was built with FHA-insured financing under the war housing provisions of the National Housing Act.

NEW DWELLING UNITS STARTED UNDER FHA INSPECTION AND TOTAL NUMBER OF NONFARM DWELLING UNITS STARTED*

1935 - 1949



*BASED ON TOTAL PRIVATELY FINANCED NONFARM DWELLING UNITS STARTED AS REPORTED BY THE BUREAU OF LABOR STATISTICS

Chart II.

TABLE 3.—*New dwelling units started under FHA inspection and total number of privately financed nonfarm dwelling units started, 1935–49*

Year	1- to 4-family homes				Rental projects			Total FHA units	Total United States units [2]	Percent FHA to total
	Class 3	Sec. 203	Sec. 603	Total	Sec. 207 [1]	Sec. 608	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	(3)	20,884	157,168	178,052	....	50,766	50,766	228,818	846,000	27.0
1948	(3)	82,979	130,464	213,443	....	77,610	77,610	291,053	914,000	31.8
1949	(3)	241,559	7,806	[4] 249,465	813	109,747	[5] 110,828	360,293	989,000	36.4
Total	40,284	1,149,244	691,440	1,881,068	38,777	275,999	315,044	2,196,112	7,101,000	30.9

[1] Includes rental and release-clause projects insured under Sec. 210.
[2] Total number of privately financed nonfarm dwelling units started as reported by the Bureau of Labor Statistics.
[3] Not available.
[4] Includes 100 units started under Sec. 611.
[5] Includes 268 units started under Sec. 803.

Mortgage Insurance in 1949

In its mortgage insurance operations during the year the FHA emphasized, as it has done throughout the postwar period, the need for rental housing, the importance of producing a larger volume of relatively low-priced homes, and efforts in the direction of greater efficiency on the part of its staff in processing applications.

Improvements were made in underwriting forms and procedures, especially those for large rental projects. A special program for training new underwriting personnel in field offices was undertaken in the latter part of the year. Cost data for the use of field offices were revised to make them current. Land planning activities were broadened. FHA analysis of new building materials and special methods of construction was carried forward, and approximately 200 engineering bulletins were issued to field offices, establishing bases for acceptance of the structural design of particular construction systems. Improved and new systems of heating and mechanical equipment were analyzed. Reasonable uniformity on a national scale in established minimum property requirements was effected on a number of items. Conferences were planned to be held in the field and at Washington headquarters in 1950 to study underwriting problems. Statistical studies in progress during the year were also expected to effect improvements in field office performance. In order to simplify procedures and reduce the cost of handling mortgage insurance applications under Sections 203 and 603, the administrative rules were amended as of January 1, 1949 to require a flat fee of $20 for processing an application for a firm or a conditional commitment, instead of the previous requirement of a fee based on the amount of the mortgage. Also effective January 1, 1949, both firm and conditional commitments on properties to be constructed were authorized for a term of 1 year. Several other procedural changes were made at the same time.

The chief obstacle in recent years to greater efficiency in handling applications has been a shortage of personnel. In the interest of greater flexibility in FHA personnel requirements to meet changes in its volume of operations, Congress provided, in an act approved by the President October 25, 1949, for a change in the basis on which FHA expenditures are controlled, by allowing "nonadministrative" or operating expenses, principally in field offices, up to 35 percent of the income received from fees and premiums during the preceding fiscal year. This procedure allows operating expenditures to vary according to the volume of operations, while general administrative expenditures continue to be controlled by annual budget authorizations.

Rental Housing

Rental housing mortgages were insured in 1949 under the provisions of Sections 207, 608, 610, and 803 of the National Housing Act.

Section 207, the long-range FHA rental housing program, was amended in August 1948 to make special provision for the insurance of mortgages on cooperative projects. Under these provisions, two mortgages were insured in 1949 totaling $7,313,000 and involving 813 units. One of the two projects, Bell Park Gardens, a veterans' cooperative in the New York City area, contains 800 units. In December a second commitment of mortgage insurance was issued covering 550 units to be added to this project. The other cooperative housing mortgage insured in 1949 covered a 13-unit project built in Topeka, Kans., not limited to veteran occupancy.

The insurance of the two mortgages on cooperative projects was the only insuring activity under Section 207 during the year, and the first new-project activity under this section since 1946.

Operations under Section 608, the emergency rental housing program, accounted for most of the record volume of FHA rental housing mortgage insurance in 1949. Authority to issue commitments of insurance on new construction under this section was scheduled to expire March 31, 1949, but was extended four times during the year, the final expiration date being March 1, 1950. Mortgages insured under Section 608 during the year covered 129,072 units and amounted to $996,589,229, bringing the total for the entire period since its enactment in 1942 to 292,737 units with mortgages aggregating $2,137,290,941. In 1949 eight rental housing mortgages in the amount of $3,607,600, covering 1,435 units, were insured under Section 608 pursuant to Section 610, which authorizes the insurance of mortgages on specified types of permanent housing sold by the Government.

In spite of the continued demand for new rental housing, there were indications during the year in reports from FHA field offices that the demand for housing at the higher rent levels was rapidly being satisfied in many areas. To assist in stabilizing the rental market and to encourage construction for lower rentals, the various FHA insuring offices established rental ceilings in their jurisdictions, based on anticipated effective demand with reference to the estimated rent-paying capacity of the families that constitute the rental market. Insuring offices were instructed to reject in preliminary examination applications on units whose proposed rentals exceeded the established ceilings, and to examine closely applications in which proposed rentals approached the higher ranges.

In order to assist field directors in establishing rental ceilings, and to determine the time required for initial occupancy of new projects, a Nation-wide survey of occupancy and vacancy in Section 608 projects was made as of September 30 and is to be repeated hereafter in April of each year.

Effective August 8, 1949 a new Title VIII was added to the National Housing Act to provide for FHA insurance of mortgages on rental housing projects built on or near military reservations for the use of civilian and military personnel of the Army, Navy, and Air Force. The provisions of this title are outlined in this section of the report under "Legislative Changes."

The first commitments of insurance under Title VIII, involving 1,000 units to be built at Fort Knox, Ky., were issued 6 weeks after the legislation became effective. By the end of the year mortgages on 1,540 units of military housing had been insured, in the total amount of $12,070,800.

One- to Four-Family Homes

Mortgages on one- to four-family homes were insured in 1949 under the provisions of Sections 203 and 603 of the National Housing Act, and a small volume of mortgages on site-fabricated single-family homes was insured under Section 611.

Under Section 203 as amended, mortgage insurance for one- to four-family homes is made available for owner-occupants, for long-term investors, and for operative builders. On new homes valued at $11,000 or less, the ratio of loan to value may be higher for owner-occupants than for other types of mortgagors.

On a cumulative basis, over its 15½ years of activity, the insurance of mortgages under Section 203 has been the major activity of the Federal Housing Administration. From June 1934 to the end of 1949, 1,662,687 mortgages in a total amount of $8,482,629,185 were insured under this section. The 257,622 mortgages totaling $1,854,564,000 insured in 1949 represent the largest volume for any one year.

Although no additional commitments on new construction were issued under Section 603 after April 30, 1948, when the authority to do so expired, outstanding commitments and the refinancing of a small number of mortgages originally insured under the section resulted in insurance during 1949 of 43,550 mortgages with a total principal of $336,321,000.

Under Section 611, which was added to the act in August 1948 to encourage the application of site-fabrication and other cost-saving methods to large-scale construction of single-family homes, mortgages totaling $1,650,000 on 275 units were insured during the year.

Prefabricated Housing

In June 1949 Commissioner Richards appointed a special liaison officer to work with manufacturers of housing in order to make available to this group the maximum benefits of the National Housing Act.

Special incentives to increased production of prefabricated houses are contained in Section 609 of the National Housing Act, which authorizes the FHA to insure short-term loans to provide working capital for manufacturers of such houses. The loan may not exceed 90 percent of the FHA Commissioner's estimate of necessary current manufacturing costs, exclusive of profit, and is secured by an assignment of the purchase contracts and of the amounts payable under them.

Four loans of this type, totaling $967,909 and involving 434 dwelling units, were insured in 1949. Although the insurance contracts under Section 609 specify a maximum dollar amount for the manufacture of the number of houses included in the eligible purchase contracts submitted with the application, the terms of the loan may provide that new purchase contracts for additional houses may be substituted as deliveries and payments are made under the original purchase contracts. In this way a manufacturer may produce additional houses during the term of the loan without negotiating a new loan each time delivery of houses under the original purchase contracts has been completed.

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 192 of these purchasers' loans for $498,399 were insured, bringing the total insurance written under Section 609 for the year to $1,466,308.

Manufacturers can file a preliminary application with FHA for review, and, if it appears from this review that satisfactory arrangements can be entered into leading to a formal commitment, preliminary approval is indicated. An application for insurance can then be filed by an approved lending institution. Eight preliminary applications were received in 1949 in amounts totaling $1,256,917, to finance the manufacture of 827 dwelling units. One preliminary application under review at the beginning of 1949, in the amount of $450,000 to finance the manufacture of 250 units, was approved in January.

From the enactment of Section 609 in June 1947 through December 1949, 7 loans aggregating $2,839,881, for the manufacture of 958 units, had been insured. By the year end, 1 loan had been repaid, 4 were outstanding, and debentures had been issued on the remaining 2 under the terms of the insurance contracts. Of the 192 purchasers' notes for $498,399 insured under Section 609, 117 notes totaling $301,414 were still in force at the end of 1949, 47 notes totaling $117,465 had been paid in full, and 28 notes totaling $79,520 had been defaulted and assigned to FHA.

Title I Insurance

In 1949 more than a million householders and owners of small businesses used loans made by private lending institutions and insured under Title I of the National Housing Act to repair and improve their homes or places of business. The greater number of the loans were for structural alterations and repairs, heating and plumbing installations, and preserving roofs and outside walls of buildings. Other maintenance work such as interior decorating, insulating and weatherstripping, and landscaping was also financed by loans insured under Title I.

New homes were built and financed with insured Title I Class 3 loans. These houses were located generally in outlying areas, and were low in cost because it was possible for the borrowers to perform much of the finishing and decorating themselves after they had taken possession of the properties. In all, over 5,700 loans of this type totaling $20,735,300 have been insured since August 1947.

The total net proceeds of all loans insured under Title I in 1949 were $14½ million less than the all-time record total in 1948. The total number of loans insured in the years 1947, 1948, and 1949 was greater than the total for the preceding 7 years.

Scope of Title I

Under authority of Title I the Federal Housing Administration in 1949 insured qualified lending institutions against loss on the following classes of property improvement loans:

Type of loan	Type of improvement	Maximum maturity	Maximum amount	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[1]	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	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.

Application for a Title I loan is made to a lending institution either direct or through a contractor or dealer. The lending institution has full responsibility for approving the applicant's credit and for using prudent judgment in making the loan.

The lending institution is insured against loss up to 10 percent of its total net advances under Title I. The aggregate outstanding insurance liability, plus the amount of claims paid, less the amount collected from insurance premiums and other sources, is limited in the act to $225,000,000. The Housing Act of 1949 authorized an increase to this amount from the former maximum of $200,000,000.

The FHA has charged a premium for Title I insurance since July 1, 1939. The income from premiums, plus the recoveries obtained on defaulted notes on which claims were paid, has exceeded the amount of claims paid since that date plus the amount of all administrative expenses incurred in the same period. Thus the operation of this title of the act is self-supporting.

The only important change in 1949 in the regulations governing Title I loans was the discontinuance, effective April 28, of the requirement that the borrower make a cash down payment of at least 10 percent of the cost of the work. This requirement had been inserted in the regulations on May 10, 1948, as an anti-inflation measure.

Insurance Operations Under Title I

The number of loans insured under Title I in 1949 totaled 1,249,538 with net proceeds of $607,023,920. Included in these figures are 3,296 Class 3 loans amounting to $13,298,763, made for the construction of low-cost houses. Since 1934, when Title I loans were first made, 9,985,158 loans with net proceeds of $3,945,574,208 have been insured. It is estimated that balances of outstanding Title I loans as of December 31, 1949 were approximately $946,450,000.

The number of active insured lending institutions increased significantly during the year, rising from an average of 2,837 monthly in the first half to a postwar record of 3,235 institutions reporting loans in the month of December. These figures do not include a large number of branch offices making loans under the contracts of their home offices. At the end of the year there were 9,358 outlets for Title I property improvement loans. These included 6,052 contract holders plus their 3,306 branches.

Claims and Recoveries

In 1949 the FHA paid 50,950 claims amounting to $17,493,909. This volume is an increase of nearly 22 percent in dollar amount over 1948. Since 1934, 312,929 claims have been paid in a total amount of $92,260,780. The ratio of total claims paid to total loans insured was only 2.34 percent at the end of 1949 as compared to 2.24 percent in December 1948—a very moderate increase in view of the size of postwar operations and the extent of economic readjustments in 1949.

Of the $92,260,780 paid in claims since 1934, recoveries of $48,947,-914 ($33,953,527 in cash and $14,994,387 anticipated from notes in process of collection) will leave net unrecovered claims of $43,312,866 or 1.10 percent of the net proceeds of loans insured.

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 staffs of the FHA field offices, and by reference of cases 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 recoveries in 1949 amounted to $3,414,216, and in addition $291,685 was collected as interest. The recoveries increased 36.4 percent over those in 1948, because of the larger number of collectible accounts on hand in 1949. The direct cost of collections for 1949 was $608,922, or an average of approximately 16.3 cents per dollar recovered. The cumulative direct collection cost since 1934 is 14.6 cents for each dollar collected.

Detailed statistics of Title I operations will be found in Section II of this report.

Financial Position

As of June 30, 1949 the accounts of the Federal Housing Administration were converted from a cash to an accrual basis. The figures for 1948 and 1949 in the financial statements in Section III of this report, Accounts and Finance, have been prepared on the accrual basis and have been shown for the fiscal year rather than the calendar year as heretofore. Section II of the report, Statistics of Insuring Operations, will be continued 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 will remain on a calendar year basis.

From the establishment of the Federal Housing Administration in 1934 through June 30, 1949, its gross income from fees, insurance premiums, and income on investments totaled $355,527,750, while operating expenses amounted to $194,046,869. 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 1949 under all insurance operations of the FHA totaled $63,983,953. Expenses of administering the agency during the fiscal year 1949 amounted to $23,400,904, leaving an excess of gross income over operating expenses of $40,583,049 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.).

At June 30, 1949 the Federal Housing Administration had capital and statutory reserves of $184,379,218. Of this amount the Government had contributed $81,428,627 and the remaining $102,950,591 had been built up from income. The Government's contribution consisted of $17,000,000 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, and $1,000,000 allocation from the Mutual Mortgage Insurance Fund to establish the Housing Insurance Fund) and $64,428,627 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 and Title I Claims Account	$13, 498, 671
Mutual Mortgage Insurance Fund	120, 580, 980
Housing Insurance Fund	4, 628, 949
War Housing Insurance Fund	43, 710, 844
Housing Investment Insurance Fund	992, 950
Administrative Expense Account	966, 824
	$184, 379, 218

In previous annual reports, mortgage insurance premiums, which are collected in advance under all FHA programs, were shown as earned when received. In the conversion of the financial statements as of June 30, 1949 from a cash to an accrual basis, insurance premiums aggregating $36,586,730 were deferred, resulting in a corresponding reduction in the capital and statutory reserves. Each month as these deferred premiums are earned, they will be added to income and allocated to the statutory and insurance reserves.

Participation payments from group accounts in the amount of $6,088,007 for 54,946 families financing their homes under the mutual mortgage insurance program of the Federal Housing Administration were made during the fiscal year 1949. The first participation payments were made as of January 1, 1944, and during the 5½ years following that date total payments of $16,590,510 have been made on 207,406 insured loans. These 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.

Publications

The following are the principal new or revised FHA publications issued in 1949. Unless otherwise indicated, they can be obtained, without charge, from the Federal Housing Administration, Washington 25, D. C.

Annual report.—Fifteenth annual report of the Federal Housing Administration; year ending December 31, 1948. Government Printing Office, Washington 25, D. C. 35 cents.

Property Improvement Loans under Title I of the National Housing Act.—Regulations governing Class 1 and 2 loans, including all amendments to October 26, 1949; FH–20, reprint October 1949.

Farm Mortgage Insurance.—Administrative rules and regulations under Section 203 (d) of the National Housing Act; FHA Form No. 2011, revised January 1, 1949.

Administrative Rules and Regulations for Military Housing Insurance under Title VIII of the National Housing Act.—FHA 3300, issued August 22, 1949.

Insured Mortgage Portfolio (issued quarterly).—Vol. 13, Nos. 3 and 4; Vol. 14, Nos. 1 and 2. Government Printing Office, Washington 25, D. C. Single copy 15 cents, annual subscription 50 cents.

Section II

STATISTICS OF INSURING OPERATIONS

A detailed statistical analysis of the insuring operations of the Federal Housing Administration during 1949, as provided for under Titles I, II, VI, VII, and VIII of the National Housing Act as amended, is presented below. There were in operation during the year three major types of FHA programs: (1) home mortgage insurance under Titles II and VI; (2) rental 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.[1] 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 1949, is shown below:

	Year 1949		1934–1949	
	Billions of dollars	Percent	Billions of dollars	Percent
Home mortgages	$2.2	57	$12.1	66
Rental-project mortgages	1.0	27	2.3	13
Property improvement loans	.6	16	3.9	21
Total	3.8	100	18.4	100

Of the $3.8 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 shares 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

[1] Production credit and interim credit for prefabricated housing totaled $1,466,308 during the year, of which $967,909 covered the insurance of manufacturing loans for 434 houses, and $498,399 covered the insurance of 192 purchaser's loans. The cumulative total of insurance under Sec. 609 amounted to $3,338,280 for the manufacture of 1,150 units. Both insurance volume and default experience under this program are discussed in Sec. I of this report.

importance only during more recent years. Relative to 1948, the 1949 annual volume of home mortgages insured increased about 4 percent, rental-project insurance rose some 67 percent, while property improvement loans fell 2 percent.

Home Mortgage Insurance Under Titles II and VI

During 1949, home mortgage insurance was written under four sections of the National Housing Act. The long-range Section 203 program of Title II, which provides for the insurance of mortgages secured by one- to four-family structures, accounted for 84 percent of all home mortgages insured during the year. The remainder of the home mortgages were insured under Title VI: 15 percent in one- to four-family home mortgages insured under the Veterans' Emergency Housing program of Section 603, and the remaining 1 percent in mortgages on site-fabricated single-family homes insured under Section 611 and in one- to seven-family home mortgages insured under Section 603 pursuant to Section 610. Section 610 provides for the insurance under Section 603 of home mortgages financing the sale of certain publicly financed housing.

In addition to these four programs, a small volume of loans was insured covering the construction of new single-family homes under the Class 3 program of Title I. This activity is discussed in the portion of Section II of this report which describes the insurance of property improvement loans.

Volume of Business

FHA insured $2.2 billion in home mortgages during 1949, secured by 316,000 dwelling units (303,000 mortgages). Up 4 percent from 1948 (see Table 4), this 1949 activity brought the dollar volume of business cumulative from 1934 through 1949 to $12 billion (2.4 million dwelling units). In 1949, about 58 percent of the dwelling units covered by these mortgages were in newly constructed houses and the remaining 134,000 were in existing structures. As compared with 1948, units covered by new-home mortgages in 1949 declined 11 percent while units covered by existing-home mortgages increased 17 percent.

The average amount of home mortgages insured during 1949 was $6,945 per unit—$7,160 for new construction and $6,654 for existing construction. The average for the total was up $321 from the previous year, new construction increasing $176 and existing construction rising $672.

The table shows a substantial decline in the volume of insurance written during the year under the Section 603 Veterans' Emergency Housing program. Authority to issue new-construction commitments

TABLE 4.—*Yearly volume of all home mortgages insured by FHA: Number of units and amount of mortgages on new and existing homes, by sections, 1935–49*

Year	Grand total,[1] new and existing construction		Total, new construction		Total, existing or refinanced construction	
	Units	Amount	Units	Amount	Units	Amount
1935	25, 453	$93, 882, 012	5, 091	$22, 331, 303	20, 362	$71, 550, 709
1936	83, 920	308, 945, 106	21, 415	95, 060, 335	62, 505	213, 884, 771
1937	110, 850	424, 372, 999	38, 479	168, 866, 553	72, 371	255, 506, 446
1938	116, 315	473, 246, 124	50, 592	227, 309, 275	65, 723	245, 846, 849
1939	160, 449	669, 416, 154	103, 186	461, 018, 197	57, 263	208, 397, 957
1940	173, 867	736, 490, 344	127, 455	561, 542, 477	46, 412	174, 947, 867
1941	208, 044	890, 138, 634	161, 509	707, 126, 350	46, 535	183, 012, 284
1942	230, 545	958, 461, 005	179, 963	750, 829, 315	50, 582	207, 631, 690
1943	189, 398	762, 170, 318	140, 432	552, 218, 446	48, 966	209, 951, 872
1944	157, 161	707, 437, 001	106, 319	483, 740, 388	50, 842	223, 696, 613
1945	103, 418	474, 343, 990	54, 829	257, 243, 300	48, 589	217, 100, 6[illegible]0
1946	85, 771	422, 009, 490	22, 523	120, 148, 509	63, 248	301, 860, 9[illegible]1
1947	150, 114	894, 715, 900	71, 384	476, 927, 200	78, 730	417, 788, 7[illegible]0
1948	318, 335	2, 108, 669, 650	203, 978	1, 424, 614, 084	114, 357	684, 055, 5[illegible]6
1949	316, 497	2, 198, 212, 300	182, 366	1, 305, 716, 300	134, 131	892, 496, 0[illegible]0
Total	2, 430, 137	12, 122, 511, 027	1, 469, 521	7, 614, 782, 032	960, 616	4, 507, 728, 995

Year	New construction					
	Sec. 203		Sec. 603		Sec. 611	
	Units	Amount	Units	Amount	Units	Amount
1935	5, 091	$22, 331, 303				
1936	21, 415	95, 060, 335				
1937	38, 479	168, 866, 553				
1938	50, 592	227, 399, 275				
1939	103, 186	461, 018, 197				
1940	127, 455	561, 542, 477				
1941	157, 541	693, 695, 100	3, 968	$13, 431, 250		
1942	104, 958	490, 044, 149	75, 005	260, 785, 166		
1943	9, 186	45, 184, 400	131, 246	507, 034, 046		
1944	327	1, 758, 050	105, 992	481, 982, 338		
1945	1, 585	7, 600, 450	53, 244	249, 642, 850		
1946	11, 143	62, 968, 857	11, 380	57, 179, 652		
1947	10, 643	69, 701, 400	60, 741	407, 225, 800		
1948	29, 348	215, 413, 484	174, 630	1, 209, 200, 600		
1949	134, 283	968, 499, 250	47, 808	335, 567, 050	275	$1, 650, 000
Total	805, 232	4, 091, 083, 280	664, 014	3, 522, 048, 752	275	1, 650, 000

Year	Existing or refinanced construction					
	Sec. 203		Sec. 603		Sec. 603–610	
	Units	Amount	Units	Amount	Units	Amount
1935	20, 362	$71, 550, 709				
1936	62, 505	213, 884, 771				
1937	72, 371	255, 506, 446				
1938	65, 723	245, 846, 849				
1939	57, 263	208, 397, 957				
1940	46, 412	174, 947, 867				
1941	46, 535	183, 012, 284				
1942	49, 179	201, 401, 278	1, 403	$6, 230, 412		
1943	46, 043	199, 329, 738	2, 923	10, 622, 134		
1944	48, 568	214, 610, 007	2, 274	9, 086, 606		
1945	47, 284	211, 699, 500	1, 305	5, 401, 190		
1946	58, 952	284, 388, 033	4, 296	17, 472, 948		
1947	70, 603	375, 965, 750	8, 119	41, 801, 850	8	$21, 100
1948	110, 297	664, 939, 966	2, 989	15, 725, 250	1, 071	3, 390, 350
1949	132, 058	886, 064, 750	165	753, 950	1, 908	5, 677, 300
Total	934, 155	4, 391, 545, 905	23, 474	107, 094, 340	2, 987	9, 088, 750

[1] For yearly volume of all home mortgages insured, by sections, see Table 1.

under this section expired April 30, 1948, but the volume of commitments outstanding as of that date enabled a high volume of insuring activity to continue during 1948 and into the spring of 1949, with 48,000 new units being insured in the 12-month period ending December 31, 1949. Although Section 203 new-construction insurance rose fourfold in 1949, total new-home mortgage insurance was off 8 percent from 1948. Practically all of the record 134,000 existing units insured during the year were under Section 203.

Status of processing.—During 1949, an all-time record number of 508,000 home mortgage applications were processed by FHA. As indicated in Table 5, about 7 out of every 8 applications processed during the year resulted in commitments to insure, while slightly over one-eighth were rejected. Of the cases disposed of during the year, nearly 2 out of every 3 were insured. Expired commitments constituted the remainder or slightly over one-fifth of the total cases disposed of during 1949.

TABLE 5.—*Disposition of cases closed: 1- to 4-family home mortgages processed under Sec. 203, 1940–49*

[Percentage distribution]

Disposition of cases closed [1]	Total construction				New construction				Existing construction			
	1940	1947	1948	1949	1940	1947	1948	1949	1940	1947	1948	1949
Rejections [2]	18.8	19.4	19.3	13.4	15.3	15.0	26.9	12.5	27.9	21.3	16.3	14.2
Conditional commitments expired [2]	8.2	30.6	21.8	15.7	10.1	56.9	25.8	14.2	3.2	19.6	20.3	17.2
Firm commitments expired [2]	4.2	5.3	4.4	6.3	3.3	7.6	5.7	8.9	6.3	4.3	3.9	3.7
Insured	68.8	44.7	54.5	64.6	71.3	20.5	41.6	64.4	62.6	54.8	59.5	64.9
Total cases closed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Excludes cases still in process and commitments outstanding at end of year.
[2] Excludes cases reopened.

State Distribution

Totals for the year.—About 16 percent of the home mortgages insured during 1949 were secured by properties located in the State of California. After this State, which accounted for 47,800 cases (see Table 6), the next leading State was Texas with 21,200 cases, followed by Michigan with 15,700, New York with 13,300, Pennsylvania with 12,900, and Washington with 12,700. These six States accounted for about 41 percent of the United States total—approximately the same as in 1948.

TABLE 6.—*State distribution of all home mortgages: Number and face amount of home mortgages insured by FHA under Secs. 203 and 603, for the year 1949*

State location of property	Total [1]		Sec. 603		Sec. 203			
			Total construction [2]		New construction		Existing construction	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Alabama	3,469	$24,291,600	122	$896,000	1,855	$13,344,950	1,492	$10,050,650
Arizona	4,428	28,615,500	1,054	6,866,350	2,337	15,883,150	1,037	5,866,000
Arkansas	3,727	22,941,281	14	104,000	1,900	12,179,500	1,813	10,657,781
California	47,779	365,989,350	8,965	72,010,750	20,005	154,654,350	18,809	139,324,250
Colorado	3,743	27,492,800	94	749,000	2,175	16,576,050	1,474	10,167,750
Connecticut	2,543	20,607,800	100	500,300	432	3,596,200	2,011	16,511,300
Delaware	374	2,719,900	19	146,300	279	2,039,000	76	534,600
District of Columbia	288	2,785,250	115	1,186,200	56	511,700	117	1,087,350
Florida	11,506	85,679,600	1,314	11,932,400	8,471	61,285,250	1,721	12,461,950
Georgia	5,284	37,136,250	694	4,713,900	2,674	19,109,050	1,916	13,313,300
Idaho	1,505	9,886,500	9	54,800	547	4,065,550	949	5,766,150
Illinois	10,519	86,588,250	1,792	14,298,050	2,494	20,741,400	6,233	51,548,800
Indiana	10,712	75,377,750	1,199	9,249,700	5,254	36,918,400	4,259	29,209,650
Iowa	2,874	20,335,550	57	416,150	903	6,878,450	1,914	13,040,950
Kansas	5,764	41,260,450	213	1,530,150	3,098	23,912,750	2,453	15,817,550
Kentucky	3,303	23,523,900	135	1,205,850	1,120	8,092,100	2,048	14,225,950
Louisiana	6,129	47,323,650	325	2,753,200	2,848	22,346,750	2,956	22,223,700
Maine	746	4,645,000	8	55,350	178	1,241,100	560	3,348,550
Maryland	5,188	41,239,400	1,423	12,817,050	1,725	12,793,300	2,040	15,629,050
Massachusetts	1,968	14,245,650	194	1,459,000	521	3,834,950	1,253	8,951,700
Michigan	15,667	116,436,100	2,390	18,743,600	6,548	49,561,050	6,729	48,131,450
Minnesota	3,139	25,043,800	654	5,334,300	1,231	9,815,350	1,254	9,894,150
Mississippi	2,935	17,921,050	169	1,070,700	2,016	12,686,000	750	4,164,350
Missouri	8,014	60,037,950	217	1,692,200	2,744	21,923,000	5,053	36,422,750
Montana	946	5,922,050	6	42,200	214	1,530,300	726	4,349,550
Nebraska	2,963	20,547,850	280	2,228,200	817	6,169,300	1,866	12,150,350
Nevada	655	5,473,100	5	40,500	407	3,517,800	243	1,914,800
New Hampshire	290	1,905,600	11	79,000	102	710,400	177	1,116,200
New Jersey	11,575	87,487,885	1,726	13,580,000	4,938	38,958,210	4,911	34,949,675
New Mexico	3,112	21,272,550	160	1,310,000	2,601	17,751,650	351	2,210,900
New York	13,284	102,585,700	3,482	27,133,850	6,051	47,765,850	3,751	27,686,000
North Carolina	4,592	32,247,500	737	5,527,400	2,596	17,867,250	1,259	8,852,850
North Dakota	289	2,176,300	39	292,700	133	1,047,400	117	836,200
Ohio	11,402	86,918,950	1,519	12,184,650	4,582	35,132,200	5,301	39,602,100
Oklahoma	9,080	61,719,150	721	5,395,850	4,809	33,138,150	3,550	23,185,150
Oregon	5,255	37,626,050	751	5,795,050	1,788	13,194,750	2,716	18,636,250
Pennsylvania	12,911	96,160,850	5,071	39,669,250	4,214	32,808,050	3,626	23,683,550
Rhode Island	225	1,861,100	34	261,350	93	787,950	98	811,800
South Carolina	4,222	22,473,400	470	4,287,000	885	5,706,350	2,867	12,480,050
South Dakota	1,107	7,244,100	24	183,800	396	2,881,000	687	4,179,300
Tennessee	6,062	40,274,150	738	5,574,000	3,822	25,214,300	1,502	9,485,850
Texas	21,229	140,891,828	2,670	19,310,240	12,122	80,621,250	6,437	40,960,338
Utah	2,263	16,757,150	369	2,885,150	941	7,185,200	953	6,686,800
Vermont	214	1,514,600	4	29,800	40	304,750	170	1,180,050
Virginia	7,276	51,892,000	1,058	7,296,750	2,746	19,335,550	3,472	25,259,700
Washington	12,705	90,662,150	936	7,220,900	2,474	18,586,000	9,295	64,855,250
West Virginia	1,969	13,718,900	20	142,800	642	4,839,950	1,307	8,736,150
Wisconsin	2,237	18,461,100	247	1,956,500	844	6,938,800	1,146	9,565,800
Wyoming	780	5,107,450	116	857,100	212	1,569,950	452	2,680,400
Alaska	51	507,700	-------	----------	8	84,600	43	423,100
Hawaii	1,008	10,049,450	97	783,800	452	4,591,800	459	4,673,850
Puerto Rico	3,320	14,911,900	1,297	4,894,400	1,742	7,926,700	281	2,000,800
Virgin Islands	1	12,000	-------	----------	1	12,000	-------	----------
Total [3]	302,627	2,200,506,844	43,864	338,747,540	132,083	970,166,810	126,680	891,592,494

[1] Excludes 1,249 mortgages for $5,677,300 insured under Sec. 603 pursuant to Sec. 610, and 3 site-fabricated home mortgages for $1,650,000 insured under Sec. 611.
[2] Includes 502 refinanced cases amounting to $3,629,300.
[3] Cases tabulated in Washington during the period Jan. 1, 1949 through Dec. 31, 1949.

The following is a distribution of the year's home mortgage insuring activity by geographic divisions:

Insurance written under Secs. 203 and 603 by geographic divisions[2] during 1949

Geographic divisions	Number	Amount	Average
New England	5,986	$44,779,750	$7,481
Middle Atlantic	37,770	286,234,435	7,578
East North Central	50,537	383,782,150	7,594
West North Central	24,150	176,646,000	7,315
South Atlantic	40,699	289,892,200	7,123
East South Central	15,769	106,010,700	6,723
West South Central	40,165	272,875,909	6,794
Mountain	17,432	120,527,100	6,914
Pacific	65,739	494,277,550	7,519
Territories	4,380	25,481,050	5,815
United States total	302,627	2,200,506,844	7,271

The Pacific States led other geographic divisions in 1949 with more than one-fifth of the United States total, followed in order by the East North Central, South Atlantic, West South Central, and Middle Atlantic areas. In three divisions, the average amounts of mortgages insured under Sections 203 and 603 exceeded $7,500. The lowest averages were under $7,000 in the two South Central divisions and the Mountain division. The average for the United States was $7,271.

Cumulative totals.—California has also led all other States in the number of home mortgages insured cumulative from 1934 through 1949. The 390,000 mortgages secured by California properties have accounted for 17 percent of the United States total. Michigan has been the next leading State with 158,100 mortgages, followed by Texas with 140,200, Pennsylvania with 124,400, Illinois with 115,200, and Ohio with 107,300 (see Table 7 and Chart III). These six States have accounted for about 45 percent of the total number of home mortgages insured.

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[2] The list of States located in the nine geographic divisions as defined by the Bureau of the Census is as follows:

New England:
- Maine.
- New Hampshire.
- Vermont.
- Massachusetts.
- Rhode Island.
- Connecticut.

Middle Atlantic:
- New York.
- New Jersey.
- Pennsylvania.

East North Central:
- Ohio.
- Indiana.
- Illinois.
- Michigan.
- Wisconsin.

West North Central:
- Minnesota.
- Iowa.
- Missouri.

West North Central—Continued
- North Dakota.
- South Dakota.
- Nebraska.
- Kansas.

South Atlantic:
- Delaware.
- Maryland.
- District of Columbia.
- Virginia.
- West Virginia.
- North Carolina.
- South Carolina.
- Georgia.
- Florida.

East South Central:
- Kentucky.
- Tennessee.
- Alabama.
- Mississippi.

West South Central:
- Arkansas.
- Louisiana.
- Oklahoma.
- Texas.

Mountain:
- Montana.
- Idaho.
- Wyoming.
- Colorado.
- New Mexico.
- Arizona.
- Utah.
- Nevada.

Pacific:
- Washington.
- Oregon.
- California.

TABLE 7.—*State distribution of all home mortgages: Number and face amount of home mortgages insured by FHA under Secs. 203 and 603, cumulative through 1949*

State location of property	Total [1]		Sec. 603		Sec. 203	
	Number	Amount	Number	Amount	Number	Amount
Alabama	28, 046	$144, 142, 622	9, 601	$50, 472, 050	18, 445	$93, 670, 572
Arizona	20, 023	104, 964, 124	7, 120	43, 203, 200	12, 903	61, 760, 924
Arkansas	22, 257	107, 225, 748	4, 869	24, 492, 600	17, 388	82, 733, 148
California	389, 998	2, 069, 953, 593	125, 854	741, 609, 050	264, 144	1, 328, 344, 543
Colorado	24, 418	124, 991, 924	5, 064	29, 404, 150	19, 354	95, 587, 774
Connecticut	23, 184	132, 861, 613	7, 460	37, 104, 150	15, 724	95, 757, 463
Delaware	5, 101	27, 713, 750	2, 631	14, 621, 600	2, 470	13, 092, 150
Dist. of Columbia	5, 874	40, 647, 350	2, 778	20, 690, 500	3, 096	19, 956, 850
Florida	65, 710	362, 534, 946	26, 819	164, 860, 740	38, 891	197, 674, 206
Georgia	38, 064	190, 873, 152	13, 271	70, 505, 500	24, 793	120, 367, 652
Idaho	9, 562	42, 987, 455	527	3, 103, 550	9, 035	39, 883, 905
Illinois	115, 200	673, 926, 432	21, 839	127, 607, 050	93, 361	546, 319, 382
Indiana	77, 652	386, 891, 483	15, 588	91, 999, 850	62, 064	294, 891, 633
Iowa	19, 661	95, 839, 199	2, 504	13, 519, 300	17, 157	82, 319, 899
Kansas	37, 088	185, 670, 917	10, 326	57, 628, 700	26, 762	128, 042, 217
Kentucky	21, 198	115, 651, 456	4, 616	26, 896, 250	16, 582	88, 755, 206
Louisiana	36, 503	212, 897, 395	12, 377	75, 593, 124	24, 126	137, 304, 271
Maine	6, 744	28, 863, 250	1, 240	6, 469, 650	5, 504	22, 393, 600
Maryland	38, 202	211, 009, 735	14, 375	88, 226, 750	23, 827	122, 782, 985
Massachusetts	13, 235	72, 135, 719	3, 074	17, 260, 085	10, 161	54, 875, 634
Michigan	158, 147	855, 211, 579	41, 272	247, 762, 072	116, 875	607, 449, 507
Minnesota	23, 336	123, 369, 208	4, 764	31, 602, 550	18, 572	91, 766, 658
Mississippi	15, 772	71, 885, 839	4, 158	22, 925, 600	11, 614	48, 960, 239
Missouri	56, 733	297, 566, 103	7, 068	38, 334, 550	49, 665	259, 231, 553
Montana	7, 072	32, 591, 091	332	2, 832, 850	6, 740	29, 758, 241
Nebraska	20, 173	98, 642, 337	5, 838	31, 249, 480	14, 335	67, 392, 857
Nevada	5, 023	29, 247, 455	1, 923	10, 161, 650	3, 100	19, 085, 805
New Hampshire	3, 444	15, 809, 986	327	2, 111, 950	3, 117	13, 698, 036
New Jersey	99, 103	538, 748, 377	16, 527	105, 579, 850	82, 576	433, 168, 527
New Mexico	10, 035	55, 530, 575	2, 618	16, 543, 950	7, 417	38, 986, 625
New York	104, 434	598, 882, 808	22, 395	146, 552, 700	82, 039	452, 330, 108
North Carolina	26, 577	144, 612, 023	8, 828	53, 927, 200	17, 749	90, 684, 823
North Dakota	1, 678	7, 695, 095	162	1, 135, 400	1, 516	6, 559, 695
Ohio	107, 311	590, 097, 271	24, 741	146, 542, 000	82, 570	443, 555, 271
Oklahoma	57, 585	301, 261, 388	17, 675	101, 536, 950	39, 910	199, 727, 438
Oregon	25, 837	133, 930, 250	6, 757	39, 688, 900	19, 080	94, 241, 350
Pennsylvania	124, 361	622, 518, 822	30, 382	184, 788, 350	93, 979	437, 730, 472
Rhode Island	5, 281	26, 826, 670	1, 262	6, 724, 550	4, 019	20, 102, 120
South Carolina	19, 467	92, 106, 882	6, 378	34, 136, 900	13, 089	57, 969, 982
South Dakota	6, 217	26, 528, 680	520	3, 438, 950	5, 697	23, 089, 730
Tennessee	43, 964	227, 683, 488	15, 937	96, 132, 000	28, 027	131, 551, 488
Texas	140, 180	707, 906, 217	51, 877	281, 012, 315	88, 303	426, 893, 902
Utah	21, 626	108, 696, 925	7, 877	42, 687, 550	13, 749	66, 009, 375
Vermont	3, 097	12, 812, 171	283	1, 371, 500	2, 814	11, 440, 671
Virginia	51, 458	282, 413, 349	18, 749	102, 657, 738	32, 709	179, 755, 611
Washington	88, 886	454, 396, 492	19, 072	103, 202, 850	69, 814	351, 193, 642
West Virginia	17, 046	86, 048, 599	1, 256	6, 077, 050	15, 790	79, 971, 549
Wisconsin	20, 729	116, 265, 766	4, 383	25, 171, 550	16, 346	91, 094, 216
Wyoming	7, 697	32, 887, 851	1, 124	6, 574, 350	6, 573	26, 313, 501
Alaska	603	3, 466, 560	1	7, 000	602	3, 459, 560
Hawaii	3, 955	26, 097, 390	544	3, 676, 900	3, 411	22, 420, 490
Puerto Rico	9, 109	47, 622, 650	4, 144	19, 146, 400	4, 965	28, 476, 250
Virgin Islands	3	24, 800	2	12, 800	1	12, 000
Total [2]	2, 283, 659	12, 101, 169, 560	621, 109	3, 620, 574, 254	1, 662, 550	8, 480, 595, 306

[1] Excludes 2,173 mortgages for $9,097,200 insured under Sec. 603 pursuant to Sec. 610, and 3 mortgages for $1,650,000 insured under Sec. 611.
[2] Cases tabulated in Washington through Dec. 31, 1949.

Terminations and Foreclosures

Of the 2,287,000 home mortgages insured by FHA from 1934 through 1949, about 985,000, or 43 percent, have been terminated. About

NUMBER OF HOME MORTGAGES INSURED UNDER SECTIONS 203 AND 603
CUMULATIVE THROUGH DECEMBER 31, 1949

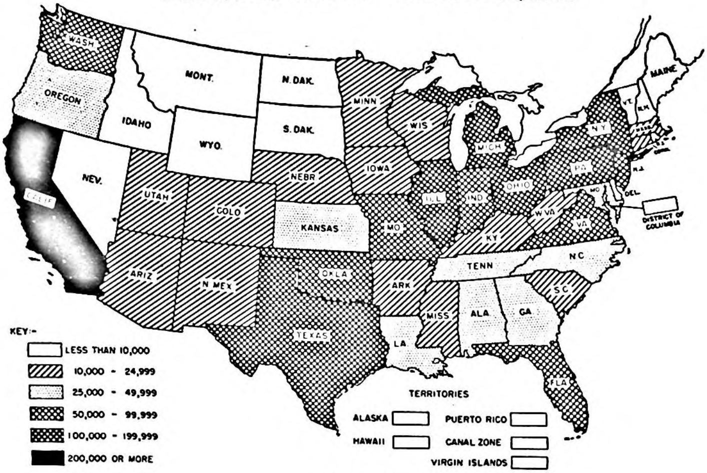


Chart III.

88,000 of these terminations occurred in 1949—a drop of 27 percent from 1948 and the lowest yearly volume since 1943.

The termination of an FHA-insured mortgage occurs when it is paid off in full prior to maturity, is superseded by a new FHA mort-

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, 1949*

Disposition	Total [1]		Sec. 203		Sec. 603	
	Number	Amount	Number	Amount	Number	Amount
Mortgages insured	2,287,168	$12,122,511,027	1,662,687	$8,482,629,185	622,305	$3,629,143,092
Mortgages terminated:						
Prepayments in full	819,359	3,668,782,504	673,791	2,986,908,701	145,566	681,865,803
Prepayments by supersession	148,242	664,931,046	99,996	447,663,402	48,246	217,267,644
Matured loans	3,949	8,797,681	3,949	8,797,681		
Mortgages assigned to FHA						
Properties acquired by FHA	10,847	55,445,051	4,108	19,623,551	6,739	35,821,500
Withdrawals	2,037	9,308,051	1,457	6,577,551	580	2,730,500
Other terminations	528	2,279,059	400	1,770,159	128	508,900
Total terminations	984,962	4,409,543,392	783,701	3,471,341,045	201,259	938,194,347
Mortgages in force	1,302,206	7,712,967,635	878,986	5,011,288,140	421,046	2,690,948,745

[1] Includes 2,173 mortgages totaling $9,088,750 under Section 603-610 (2 mortgages for $8,000 prepaid in full); and 3 Section 611 mortgages (275 dwelling units) amounting to $1,650,000 insured and in force as of Dec. 31, 1949.

gage, matures according to the terms of the mortgage, or is foreclosed by the mortgagee. When foreclosure takes place, the mortgagee has the option either of retaining the property or of transferring it to FHA in exchange for debentures and a certificate of claim. The cumulative number of terminations and the face amount of the mortgages terminated under the various home mortgage insurance programs are shown in Table 8.

Prepayments in full have accounted for the bulk of the terminated cases, numbering through the end of the year 819,000, or 36 percent of the number of mortgages insured and 83 percent of all cases terminated. About 148,000, or 15 percent of the number terminated, have been terminated by supersession of the original mortgage by a new FHA-insured mortgage. Only 13,000 mortgages have been foreclosed, and very few terminations—only 4,000 through the end of 1949—have resulted from the maturing of the loan.

Yearly trend.—Table 9 shows the annual trend of terminations, titles acquired by mortgagees, and foreclosures in process. As noted above, 1949 was marked by a 27 percent decline in the yearly number of home mortgages terminated, but titles acquired by mortgagees through foreclosure rose from 323 in 1948 to 1,183 in 1949. As in the previous year, most of the foreclosures were under Section 603—1,064 as compared with only 119 under Section 203. From 1935 through 1949 only 13,691 properties were acquired by mortgagees, or a little more than one-half of 1 percent of the mortgages insured. Of these, 10,847 were transferred to FHA in exchange for debentures and certificates of claim. Some 544 of the transfers occurred in 1949—nearly double the 284 transferred in 1948. Cumulatively, transfers of foreclosed properties to FHA have occurred for 4,108 Section 203 cases, or 0.25 percent of mortgages insured, compared with 6,739 cases, or 1.08 percent, for Section 603 operations.

State distribution.—Tables 10 and 11 show, by State location of property, the number of mortgages insured under Sections 203 and 603, the number of these mortgages which have been terminated—with separate identification of cases with titles acquired by mortgagees—and the number of mortgages still in force as of December 31, 1949.

At the end of 1949, about 47 percent of all Section 203 mortgages had been terminated, 8 States showing more than 55 percent of their mortgages terminated and 12 States showing less than 40 percent. In only 4 States did the number of titles acquired by mortgagees exceed 1 percent of the mortgages insured, the percentage for all States and Territories amounting to about one-third of 1 percent.

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, 1935–49*

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		
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	[4] 783,701	47.13	119	5,647	.34	302	.02
Sec. 603								
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	[5] 35,013	176,465	30.44	284	6,980	1.21	170	.04
1949	[5] 24,796	[4] 201,261	32.23	1,064	8,044	1.29	979	.23
Total [6]								
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	[5] 121,306	896,501	45.17	323	12,508	.63	263	.02
1949	[5] 88,461	[4] 984,962	43.06	1,183	13,691	.60	1,281	.06

[1] Includes terminations of mortgage insurance after acquisition of titles by mortgagees.
[2] Includes titles transferred to FHA and those retained by the mortgagees with termination of mortgage insurance, and titles to 82 foreclosed properties under Sec. 203, and 725 foreclosed properties under Sec. 603, which are subject to redemption or held by mortgagees pending final disposition.
[3] Less than 0.05 percent.
[4] Of the cumulative number of terminated mortgages, FHA refinanced 99,996 Sec. 203 cases and 48,246 Sec. 603 cases. A refinanced mortgage involves the same property covered by the original FHA insurance contract.
[5] Includes one mortgage insured under Sec. 603, pursuant to Sec. 610, terminated during the year.
[6] No terminations of mortgage insurance under Sec. 611 have been reported.

TABLE 10.—*State distributions of terminations of mortgage insurance contracts and titles acquired by mortgagees: Home mortgages insured by FHA under Sec. 203, 1935–49*

Location of property	Total mortgages insured	Terminations: Number: Total	Terminations: Number: Titles acquired [1]	Terminations: As a percent of mortgages insured: Total	Terminations: As a percent of mortgages insured: Titles acquired	Insured mortgages in force Dec. 31, 1949
Alabama	18,445	6,679	48	36.21	0.26	11,766
Arizona	12,903	4,888	26	37.88	.20	8,015
Arkansas	17,388	5,185	51	29.82	.29	12,203
California	264,144	151,171	420	57.23	.16	112,973
Colorado	19,354	9,337	39	48.24	.20	10,017
Connecticut	15,724	6,032	36	38.36	.23	9,692
Delaware	2,470	1,194	25	48.34	1.01	1,276
District of Columbia	3,096	1,673	2	54.04	.06	1,423
Florida	38,891	15,589	174	40.08	.45	23,302
Georgia	24,793	10,797	93	43.55	.38	13,996
Idaho	9,035	4,320	20	47.81	.22	4,715
Illinois	93,361	52,172	207	55.88	.22	41,189
Indiana	62,064	27,957	145	45.05	.23	34,107
Iowa	17,157	8,504	30	49.57	.17	8,653
Kansas	26,762	12,264	350	45.83	1.31	14,498
Kentucky	16,582	7,045	80	42.49	.48	9,537
Louisiana	24,126	7,924	54	32.84	.22	16,202
Maine	5,504	2,396	48	43.53	.87	3,108
Maryland	23,827	12,527	80	52.57	.34	11,300
Massachusetts	10,161	5,292	159	52.08	1.56	4,869
Michigan	116,875	54,506	546	46.64	.47	62,369
Minnesota	18,572	10,719	80	57.72	.43	7,853
Mississippi	11,614	5,097	61	43.89	.53	6,517
Missouri	49,665	21,404	200	43.10	.40	28,261
Montana	6,740	3,163	10	46.93	.15	3,577
Nebraska	14,335	7,087	45	49.44	.31	7,248
Nevada	3,100	1,288	----	41.55	----	1,812
New Hampshire	3,117	1,606	24	51.52	.77	1,511
New Jersey	82,576	37,867	548	45.86	.66	44,709
New Mexico	7,417	2,548	4	34.35	.05	4,869
New York	82,039	32,299	641	39.37	.78	49,740
North Carolina	17,749	8,028	59	45.23	.33	9,721
North Dakota	1,516	948	8	62.53	.53	568
Ohio	82,570	46,505	178	56.32	.22	36,065
Oklahoma	39,910	14,744	140	36.94	.35	25,166
Oregon	19,080	8,061	23	42.25	.12	11,019
Pennsylvania	93,979	47,040	239	50.05	.25	46,939
Rhode Island	4,019	2,173	26	54.07	.65	1,846
South Carolina	13,089	4,395	53	33.58	.40	8,694
South Dakota	5,697	2,814	21	49.39	.37	2,883
Tennessee	28,027	12,198	132	43.52	.47	15,829
Texas	88,303	34,336	175	38.88	.20	53,967
Utah	13,749	6,965	38	50.66	.28	6,784
Vermont	2,814	1,598	37	56.79	1.31	1,216
Virginia	32,709	12,291	85	37.58	.26	20,418
Washington	69,814	28,863	97	41.34	.14	40,951
West Virginia	15,790	6,382	20	40.42	.13	9,408
Wisconsin	16,346	9,213	52	56.36	.32	7,133
Wyoming	6,573	3,805	16	57.89	.24	2,768
Alaska	602	311	2	51.66	.33	291
Hawaii	3,411	1,735	----	50.86	----	1,676
Puerto Rico	4,965	766	----	15.43	----	4,199
Virgin Islands	1	----	----	----	----	1
Total	[2] 1,662,687	783,701	[1] 5,647	47.13	.34	[2] 878,986

[1] Includes titles transferred to FHA and those retained by the mortgagees with termination of mortgage insurance, and titles to 82 foreclosed properties which are subject to redemption or held by mortgagees pending final disposition.
[2] Includes 137 insured cases not yet tabulated by States as of Dec. 31, 1949.

TABLE 11.—*State distribution of terminations of mortgage insurance contracts and titles acquired by mortgagees: Home mortgages insured by FHA under Sec. 603, 1941–49*

Location of property	Total mortgages insured	Terminations: Number: Total	Terminations: Number: Titles acquired [1]	Terminations: As a percent of mortgages insured: Total	Terminations: As a percent of mortgages insured: Titles acquired	Insured mortgages in force Dec. 31, 1949
Alabama	9,601	3,432	319	35.75	3.32	6,169
Arizona	7,120	522	334	7.33	4.69	6,598
Arkansas	4,869	1,784	13	36.64	.27	3,085
California	125,854	43,001	48	34.17	.04	82,853
Colorado	5,064	1,401	----------	27.67	----------	3,663
Connecticut	7,460	3,968	1,595	53.19	21.38	3,492
Delaware	2,631	1,437	----------	54.62	----------	1,194
District of Columbia	2,778	738	2	26.57	.07	2,040
Florida	26,819	3,911	120	14.58	.45	22,908
Georgia	13,271	4,248	117	32.01	.88	9,023
Idaho	527	143	----------	27.13	----------	384
Illinois	21,839	9,834	6	45.03	.03	12,005
Indiana	15,588	4,815	10	30.89	.06	10,773
Iowa	2,504	1,012	146	40.42	5.83	1,492
Kansas	10,326	3,971	90	38.46	.87	6,355
Kentucky	4,616	1,467	2	31.78	.04	3,149
Louisiana	12,377	5,015	325	40.52	2.63	7,362
Maine	1,240	621	15	50.08	1.21	619
Maryland	14,375	6,037	918	42.00	6.39	8,338
Massachusetts	3,074	1,458	20	47.43	.65	1,616
Michigan	41,272	12,149	667	29.44	1.62	29,123
Minnesota	4,764	1,407	3	29.53	.06	3,357
Mississippi	4,158	660	----------	15.87	----------	3,498
Missouri	7,068	2,944	180	41.65	2.55	4,124
Montana	332	96	----------	28.92	----------	236
Nebraska	5,838	2,750	124	47.11	2.12	3,088
Nevada	1,923	766	----------	39.83	----------	1,157
New Hampshire	327	95	5	29.05	1.53	232
New Jersey	16,527	5,591	138	33.83	.83	10,936
New Mexico	2,618	418	----------	15.97	----------	2,200
New York	22,395	4,522	324	20.19	1.45	17,873
North Carolina	8,828	1,788	27	20.25	.31	7,040
North Dakota	162	18	----------	11.11	----------	144
Ohio	24,741	10,155	87	41.05	.35	14,586
Oklahoma	17,675	5,124	215	28.99	1.22	12,551
Oregon	6,757	1,874	7	27.73	.10	4,883
Pennsylvania	30,382	10,940	23	36.01	.08	19,442
Rhode Island	1,262	556	1	44.06	.08	706
South Carolina	6,378	1,445	26	22.66	.41	4,933
South Dakota	520	125	----------	24.04	----------	395
Tennessee	15,937	2,886	103	18.11	.65	13,051
Texas	51,877	14,137	241	27.25	.46	37,740
Utah	7,877	3,063	397	38.89	5.04	4,814
Vermont	283	131	10	46.29	3.53	152
Virginia	18,749	7,176	916	38.27	4.89	11,573
Washington	19,072	8,915	189	46.74	.99	10,157
West Virginia	1,256	608	277	48.41	22.05	648
Wisconsin	4,383	1,785	3	40.73	.07	2,598
Wyoming	1,124	198	----------	17.62	----------	926
Alaska	1	1	----------	100.00	----------	----------
Hawaii	544	113	1	20.77	.18	431
Puerto Rico	4,144	8	----------	.19	----------	4,136
Virgin Islands	2	----------	----------	----------	----------	2
Total	[2] 622,305	201,259	8,044	32.34	1.29	[2] 421,046

[1] Includes titles transferred to FHA and those retained by the mortgagees with termination of mortgage insurance and titles to 725 foreclosed properties which are subject to redemption or held by mortgagees pending final disposition.

[2] Includes 1,196 insured cases not yet tabulated by States as of Dec. 31, 1949.

Of the home mortgages insured since 1941 under Section 603, slightly less than one-third have been terminated. Proportions of terminated cases range from more than one-half of all cases in four States and Territories to less than one-fourth in 13 States or Territories. Foreclosures amounted to 1.3 percent of all mortgages insured under Section 603—substantially higher than the ratio of 0.3 percent reported under Section 203. There were 9 States showing foreclosures of more than 3.0 percent, but 13 States or Territories showed none.

The cumulative numbers of mortgages insured, terminated, and in force under Sections 203 and 603 are shown below by geographic divisions:

The number of mortgages insured, terminated, and in force under Secs. 203 and 603 combined, by geographic divisions [3] as of Dec. 31, 1949

Geographic divisions	Mortgages insured	Mortgages terminated	Mortgages in force
New England	54,985	25,926	29,059
Middle Atlantic	327,898	138,259	189,639
East North Central	479,039	229,091	249,948
West North Central	164,886	75,967	88,919
South Atlantic	267,499	100,264	167,235
East South Central	108,980	39,464	69,516
West South Central	256,525	88,249	168,276
Mountain	105,456	42,921	62,535
Pacific	504,721	241,885	262,836
Territories	13,670	2,934	10,736
Tabulating Adjustment	1,333	----------	1,333
Total	2,284,992	984,960	1,300,032

Defaults of home mortgages.—During 1949, there were significant increases in the number of Section 203 and Section 603 mortgages in default and in the number of titles held by mortgagees pending final disposition or mortgagor's redemption. At the end of 1949, there were 5,122 Section 203 mortgages in default as compared with only 2,375 at the end of 1948. In addition there were 82 titles held by mortgagees under Section 203 pending final disposition of title or redemption by the mortgagor.

Under Section 603, the number of outstanding defaults increased from 2,553 at the end of 1948 to 6,524 at the end of 1949. Titles held by mortgagees also increased to a total of 725 at the end of 1949 under Section 603.

The 1949 total of 12,453 defaults and potential acquisitions under these two sections amounted to nearly 1 percent of the 1,300,032 mortgages in force as of the year end, compared with a 1948 year-end ratio of slightly under one-half of 1 percent. Ratios of defaulted cases increased under Section 203 from 0.37 percent to 0.59 percent and under Section 603 from 0.70 percent to 1.72 percent between the end of 1948 and December 31, 1949.

Financial Institution Activity

FHA-insured mortgage loans are made by private lending institutions directly to mortgagors financing the purchase of their homes

[3] For list of States located in each geographic division see text footnote [3] in this section.

under the monthly payment plan. Approved mortgagee institutions may originate loans and hold them to maturity or termination in their own portfolio, or originate them for sale to other approved mortgagees. That an active market in insured mortgages exists—one of the original purposes of the National Housing Act—is evidenced by the widespread investment in FHA-insured loans by various types of financial institutions and by the recognized transferability of such investments in a secondary market.

Originations and holdings.—During 1949 mortgage companies originated the largest proportion—27.4 percent—of the 303,900 home mortgages totaling $2.2 billion insured by FHA, followed by insurance companies with 23.0 percent and national banks with 17.2 percent. The number and amount of loans originated by each type of mortgagee and the number of institutions active in the various home mortgage programs are shown in Table 12.

TABLE 12.—*Type of institution originating home mortgages: Number and face amount of mortgages originated during the year 1949*

Type of institution as classified Dec. 31, 1949	Mortgages originated [1]						
	Total [2]			Sec. 203			
	Number	Amount	Percentage distribution [3]	Number of institutions	Number	Amount	Percentage distribution [3]
National bank	51,475	$380,028,725	17.2	1,161	43,343	$315,983,275	17.0
State bank	40,854	291,825,650	13.2	1,323	34,313	246,601,800	13.3
Mortgage company	84,667	604,325,571	27.4	403	69,660	489,526,081	26.3
Insurance company	68,117	506,985,041	23.0	386	61,792	456,653,841	24.5
Savings and loan association	33,562	237,893,457	10.8	857	28,721	201,081,607	10.8
Savings bank	13,890	106,949,550	4.9	174	10,995	84,510,200	4.5
All other [4]	11,311	78,184,600	3.5	41	9,939	67,402,500	3.6
Total	303,876	2,206,192,594	100.0	4,345	258,763	1,861,759,304	100.0

	Sec. 603				Sec. 603-610			
	Number of institutions	Number	Amount	Percentage distribution [3]	Number of institutions	Number	Amount	Percentage distribution [3]
National bank	155	8,001	$63,543,800	18.8	9	131	$501,650	8.8
State bank	185	6,440	44,702,100	13.2	7	101	521,750	9.2
Mortgage company	223	14,429	112,364,340	33.2	9	578	2,435,150	42.8
Insurance company	118	6,321	50,308,200	14.8	4	4	23,000	.4
Savings and loan association	188	4,451	34,990,650	10.3	9	390	1,821,200	32.0
Savings bank	58	2,851	22,061,750	6.5	2	44	377,600	6.7
All other [4]	15	1,371	10,776,700	3.2	1	1	5,400	.1
Total	942	43,864	338,747,540	100.0	41	1,249	5,685,750	100.0

[1] Cases tabulated in Washington during 1949.
[2] Excludes 3 mortgages for $1,650,000 insured under Sec. 611.
[3] Based on amount of mortgage.
[4] Includes Federal agencies, industrial banks, finance companies, endowed institutions, private and State benefit funds, etc.

As in previous years, the volume of business for each type of institution was not in proportion to the number of individual lending institutions in each category. State banks, for example, which ranked first in the number of institutions originating Section 203 mortgages, ranked fourth in the dollar amount of insured mortgage business done. The 403 mortgage companies, on the other hand, representing 9 percent of the number of institutions, accounted for over 26 percent of the Section 203 mortgages insured in 1949.

Mortgage companies characteristically originate mortgages with the intention of selling them to other institutions, commonly in conjunction with a servicing agreement. They, therefore, also account for a large proportion of total sales, while purchases and holdings by mortage companies are relatively small. Insurance companies, on

TABLE 13.—*Type of institution holding home mortgages: Number and face amount of mortgages insured under Secs. 203, 603, and 603–610 and held in portfolio as of Dec. 31, 1949*

Type of institution as classified Dec. 31, 1949	Mortgages held [1]						
	Total [2]			Sec. 203			
	Number	Amount	Percentage distribution [3]	Number of institutions	Number	Amount	Percentage distribution [3]
National bank	257,175	$1,419,382,326	19.1	2,785	193,077	$1,023,290,764	21.5
State bank	179,987	985,018,190	13.2	3,470	136,262	722,273,856	15.2
Mortgage company	38,886	266,540,603	3.6	427	30,323	206,397,853	4.3
Insurance company	488,835	2,934,685,223	39.5	538	311,955	1,827,916,041	38.5
Savings and loan association	105,906	614,974,412	8.3	1,626	74,174	416,365,810	8.8
Savings bank	114,686	703,109,722	9.4	274	69,883	403,685,141	8.5
Federal agency	52,985	365,721,821	4.9	2	9,311	52,440,221	1.1
All other [4]	26,782	149,009,231	2.0	135	18,520	98,819,781	2.1
Total	1,265,242	7,438,441,528	100.0	9,257	843,505	4,751,189,467	100.0

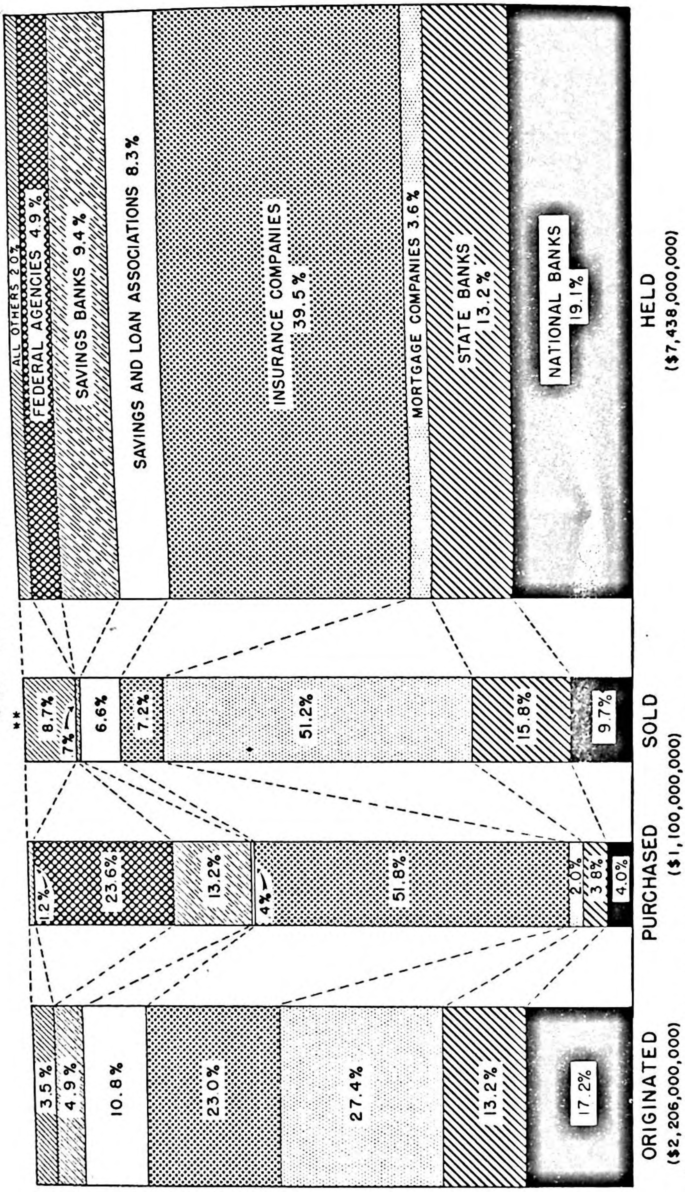
	Sec. 603				Secs. 603–610			
	Number of institutions	Number	Amount	Percentage distribution [3]	Number of institutions	Number	Amount	Percentage distribution [3]
National bank	982	63,983	$395,674,612	14.8	10	115	$416,950	4.7
State bank	1,261	43,607	262,171,234	9.8	8	118	573,100	6.5
Mortgage company	230	8,516	59,961,260	2.2	10	47	181,500	2.1
Insurance company	276	176,781	1,106,325,632	41.3	6	99	443,550	5.1
Savings and loan association	702	31,346	196,742,152	7.3	7	386	1,866,450	21.2
Savings bank	158	44,524	297,831,531	11.1	5	279	1,593,050	18.1
Federal agency	2	42,633	309,593,200	11.6	1	1,041	3,688,400	42.0
All other [4]	48	8,255	50,164,350	1.9	2	7	25,100	.3
Total	3,659	419,645	2,678,463,961	100.0	49	2,092	8,788,100	100.0

[1] Less than face amount in force due to lag in tabulation.
[2] Excludes 3 mortgages for $1,650,000 insured under Sec. 611.
[3] Based on amount of mortgage.
[4] Includes industrial banks, finance companies, endowed institutions, private and State benefit funds, etc.

TYPE OF INSTITUTION ORIGINATING, TRANSFERRING OR HOLDING HOME MORTGAGES

(BASED ON DOLLAR AMOUNT OF MORTGAGES INSURED UNDER SECTIONS 203, 603 AND 603-610)

FOR THE YEAR 1949*



* ORIGINATIONS AND TRANSFERS AS TABULATED IN WASHINGTON DURING 1949

the other hand, which were the second largest originators of home mortgages in 1949, report FHA-insured holdings with face amounts aggregating $2,935,000,000 as of December 31, 1949, accounting for two-fifths of the $7,438,000,000 held by all types of mortgagees, as indicated in Table 13. National banks, ranking second, held one-fifth of the total ($1,419,000,000), followed by State banks, which held over one-eighth. Thus, the combined holdings of all commercial banks included about one-third of the face amount of all home mortgages in force as of the year end. Chart IV shows the distribution by type of mortgagee for mortgages originated, purchased, and sold during the year, as well as the total face amount held at the end of the year by different types of lending institutions.

Table 13 shows also the distribution of holdings of various types of lenders for home mortgages insured under the various programs. It is interesting to note, for instance, that Federal agencies, which held 1 percent of the mortgages insured under Section 203, account for 12 percent of the holdings of mortgages insured under Section 603. Nearly three-fifths of the $366,000,000 of FHA-insured home mortgage holdings of Federal agencies at the close of 1949 consisted of Section 603 mortgages purchased by the Federal National Mortgage Association during 1949.

Transfers.—Transfers of insured home mortgages among FHA-approved financial institutions in 1949 involved 157,100 home mortgages with original face amounts aggregating $1,100,400,000, showing a rise of 24 percent above the dollar amount for 1948 (see Table 14). Under Section 203, over 2,600 institutions purchased from 1,400 selling institutions about 92,700 mortgages totaling $629,000,000; under Section 603, almost 1,000 institutions purchased 63,500 mortgages amounting to $467,900,000 from 832 institutions; and under Section 603–610, only 5 institutions purchased, and 14 institutions sold, the 884 mortgages for $3,500,000 transferred during the year.

Insurance companies, which led all other types of purchasing institutions in 1949, bought over one-half of all home mortgages transferred—two-thirds of the Section 203 mortgages, and slightly less than one-third of the Section 603 mortgages. The Federal National Mortgage Association bought the second largest amount, acquiring almost 24 percent of all home mortgages transferred—7 percent of the total under Section 203 and 45 percent under Section 603. Section 603 purchases by FNMA were substantially higher in proportion in 1949 than the 17 percent reported for 1948. The third largest buyers were the savings banks, purchasing about 13 percent of the total. The volume of home mortgages purchased by State banks declined during 1949, their share of the total amounting to 4 percent in 1949 as compared with 12 percent in 1948.

TABLE 14.—*Type of institution purchasing and selling all home mortgages: Number and face amount of home mortgages transferred (including resales) under Secs. 203, 603, and 603–610, for the year 1949*

Type of institution as classified Dec. 31, 1949	Number of institutions		Mortgages purchased			Mortgages sold		
	Purchasing	Selling	Number	Amount	Percentage distribution [1]	Number	Amount	Percentage distribution [1]
Sec. 203								
National bank	293	277	5,577	$33,581,115	5.3	8,605	$55,999,623	8.9
State bank	400	340	5,591	35,490,868	5.6	14,916	97,366,783	15.5
Mortgage company	48	377	1,319	8,245,650	1.3	52,031	358,259,560	57.0
Insurance company	221	206	60,782	425,199,960	67.6	8,000	57,954,700	9.2
Savings and loan association	73	108	448	2,828,200	.5	3,154	20,346,400	3.2
Savings bank	98	17	10,274	71,504,723	11.4	514	3,265,150	.5
Federal agency	1	2	7,613	45,261,700	7.2	117	532,600	.1
All other [2]	23	25	1,080	6,883,900	1.1	5,347	35,271,300	5.6
Total	1,157	1,352	92,684	628,996,116	100.0	92,684	628,996,116	100.0
Sec. 603								
National bank	74	148	1,555	$10,708,450	2.3	7,285	$50,779,900	10.9
State bank	114	180	970	6,580,850	1.4	11,662	76,739,050	16.4
Mortgage company	39	278	1,936	14,051,550	3.0	26,452	201,828,250	43.1
Insurance company	120	90	19,708	144,108,000	30.8	2,864	21,709,550	4.6
Savings and loan association	28	108	199	1,508,150	.3	6,863	52,163,050	11.2
Savings bank	49	10	9,508	73,324,650	15.7	548	3,814,450	.8
Federal agency	2	1	28,876	211,977,100	45.3	68	457,900	.1
All other [2]	13	17	781	5,611,750	1.1	7,791	60,378,350	12.9
Total	439	832	63,533	467,870,500	100.0	63,533	467,870,500	100.0
Secs. 603–610								
National bank	-------	3	-------	-------	-------	75	$280,700	8.0
State bank	-------	1	-------	-------	-------	4	24,950	.7
Mortgage company	-------	9	-------	-------	-------	758	3,025,950	86.1
Insurance company	1	-------	30	$167,350	4.8	-------	-------	-------
Savings and loan association	-------	1	-------	-------	-------	47	184,100	5.2
Savings bank	3	-------	141	707,500	20.1	-------	-------	-------
Federal agency	1	-------	713	2,640,850	75.1	-------	-------	-------
Total	5	14	884	3,515,700	100.0	884	3,515,700	100.0
Total [3]								
National bank			7,132	$44,289,565	4.0	15,965	$107,060,223	9.7
State bank			6,561	42,071,718	3.8	26,582	174,130,783	15.8
Mortgage company			3,255	22,297,200	2.0	79,241	563,113,760	51.2
Insurance company			80,520	569,475,310	51.8	10,864	79,664,250	7.2
Savings and loan association			647	4,336,350	.4	10,064	72,693,550	6.6
Savings bank			19,923	145,536,873	13.2	1,062	7,079,600	.7
Federal agency			37,202	259,879,650	23.6	185	990,500	.1
All other [2]			1,861	12,495,650	1.2	13,138	95,649,650	8.7
Total			157,101	1,100,382,316	100.0	157,101	1,100,382,316	100.0

[1] Based on amount of mortgage.
[2] Includes industrial banks, finance companies, endowed institutions, private and State benefit funds, etc.
[3] Excludes mortgages insured under Sec. 611.

In contrast to the institutional distribution of purchasers is the pattern of institutions selling home mortgages during the year: Mortgage companies sold over one-half of all home mortgages transferred—57 percent of the Section 203 mortgages and 43 percent of the Section 603 mortgages. These institutions purchased only 2 percent of the total, since they characteristically do not acquire or hold large mortgage portfolios. The second largest sellers of home mortgages were the State banks. They sold 16 percent of all home mortgages transferred, the proportion being about the same for Section 203 as for Section 603. National banks were the next ranking seller, selling about 1 out of every 10 home mortgages transferred.

Mortgage Loan Characteristics

The fact that one of every three new homes in the United States is financed with an FHA-insured mortgage recorded and analyzed in Washington provides a unique source of information about mortgage loans, the borrowers, and the houses which characterize today's home building activity. Reports on thousands of individual cases received in Washington from every State and Territory of the United States are summarized and analyzed during the year to provide facts which help in guiding national home financing policy. They comprise what is perhaps the largest single supply of uniformly gathered statistical data about current financing operations. Analyzed, they also provide builders, mortgage lenders, home buyers, and others concerned with this phase of our economy with figures on home building trends which serve as a factual basis for comparison—a yardstick for the industry, so to speak.

For new-home cases, the characteristics described in the following pages are most significant as a description of 1949 operations and for comparisons with prewar operations. Since 1940 was the last prewar year which was not greatly influenced by war conditions, including emergency terms for home mortgage insurance available under Section 603, the principal comparisons in the following analyses are made between 1940 and 1949. On the other hand, the significance of changes in characteristics of Section 203 operations in 1949 as compared with 1948 must be minimized because the preponderance of single-family home mortgage insurance in 1948 was handled under Section 603—an emergency program whose provisions had ceased to be effective by early 1949.

For existing homes, in contrast, Section 203 has provided the principal vehicle for mortgage insurance throughout the period of FHA operations since 1934. Direct comparisons of Section 203 data for 1949 with those for any previous year are therefore appropriate with respect to existing-home operations.

Type of data available.—What is the average amount of mortgage insured by the FHA? What is the annual income of the typical borrower under the FHA plan? What value property does the average home purchaser buy, and how does its value compare to his annual income? What is the monthly housing cost for typical homes of different value? How large are houses in different value groups, and what is the value of the land on which they are built?

The answers to these and related home financing questions are presented in the following pages in such a way as to show yearly trends in averages for the nation as a whole, together with detailed analyses for the year 1949 of the characteristics of mortgages, borrowers, and houses. Statistical analyses are confined to *single-family* homes, since the 2- 3- and 4-family units also eligible under this program comprise only a very small fraction of the total. This fact has been consistently true over the entire period of FHA experience; for both new and existing homes insured under Section 203, single-family homes prevailed. As Table 15 shows, in 1949 over 99 percent of the insured mortgages on new properties and 96 percent of those on existing properties covered single-family homes. Of the dwelling units securing these mortgages, 98 percent for new structures and 92 percent for existing were in single-family houses.

The type of mortgagor using FHA financing is indicated by the following significant detail: Over 93 percent of the new homes and 98 percent of the existing homes are owner-occupied at the time of mortgage insurance. For new homes, landlords building single-family houses for rent account for 1.2 percent, while the builders themselves appear as initial mortgagors for 5.8 percent of the transactions.

TABLE 15.—*Structures and dwelling units: Percentage distribution based on FHA insured mortgages secured by 1- to 4-family homes, Sec. 203 for selected years 1940–49*

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										
1949	98.9	1.1	(1)	(1)	100.0	97.7	2.2	(1)	0.1	100.0	1.01
1948	98.0	1.7	0.1	0.2	100.0	95.6	3.4	0.3	.7	100.0	1.02
1947	97.5	2.2	.1	.2	100.0	94.6	4.4	.3	.7	100.0	1.03
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										
1949	96.1	3.9	(1)	(1)	100.0	92.4	7.4	0.1	0.1	100.0	1.04
1948	94.4	4.9	0.3	0.4	100.0	88.6	9.2	.8	1.4	100.0	1.07
1947	94.1	5.0	.3	.6	100.0	87.5	9.2	.8	2.5	100.0	1.08
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.

The typical 1949 case.—The typical new 1949 dwelling securing a Section 203 mortgage was a one-family structure of 5 rooms with a total floor area of about 840 square feet. The property had a total FHA valuation of $8,502, including the value of the house, the site, and physical improvements such as landscaping or a garage. The available market price of the site averaged $1,018, or about 12 percent of the total value. The typical new-home owner financed his purchase with a mortgage of $7,143, to be amortized over 23 years by monthly payments of $55.59. Monthly mortgage payments, on the average, amounted to about 16 percent of his income, which for the year totaled $3,880. The average property was valued at just over twice the home buyer's annual income.

CHARACTERISTICS OF MORTGAGES, HOMES, AND MORTGAGORS
FHA-INSURED SINGLE-FAMILY HOME MORTGAGES
SECTION 203, FOR SELECTED YEARS 1940 - 1949

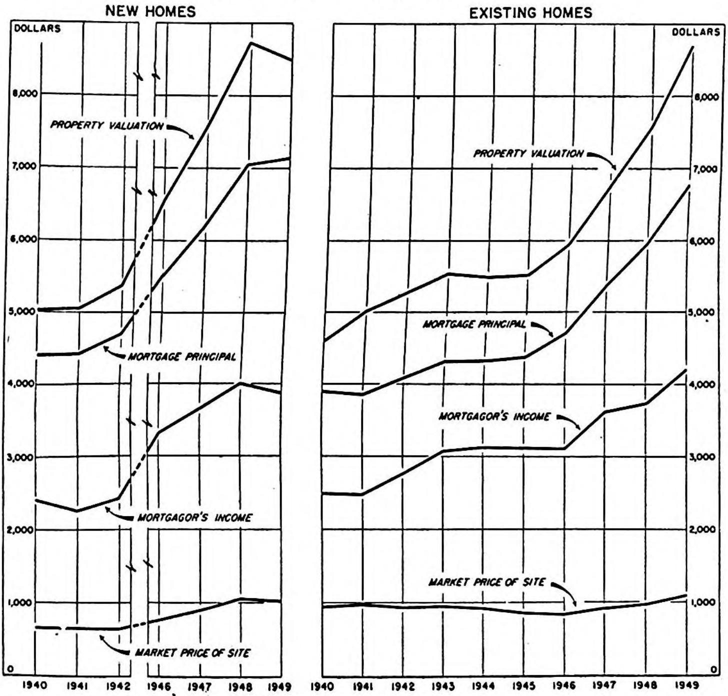


Chart V.

The rising trends which marked 1948 were not maintained for all loan characteristics in 1949, as Table 16 and Chart V show. The mortgage principal and mortgage term increased, reflecting the influence of legislation passed in August 1948 which permitted mortgages up to 95 percent of the property valuation and maturities up to 30 years. The FHA valuation of new homes, however, dropped nearly 3 percent from 1948, while that of existing homes increased nearly 15 percent, making 1949 the first year in Section 203 history in which the median valuation of existing homes was greater than that for new homes.

The downward trend in some of these representative figures reflects the increasing use in 1949 of Section 203 for financing new construc-

TABLE 16.—*Characteristics of mortgages, homes, and mortgagors: Based on FHA-insured mortgages secured by single-family homes, Sec. 203, for selected years 1940–49*

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	
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
1947	6,201	5,363	20.2	19.1	81.2	77.3	97.5	94.1
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	[2] 4,410	[2] 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	
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
1947	7,574	6,769	893	915	5.3	5.7	56.1	73.1
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]	
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
1947	3,643	3,614	50.84	45.25	15.7	14.5	1.97	1.83
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 as 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.

tion during the year in place of Section 603, which expired in 1948. The average market price of sites was $1,098 for existing-home properties and $80 less, or $1,018, for new-home properties. This relationship has also been generally true in FHA experience in other years, when site values were somewhat lower, due primarily to the more central locations of existing dwellings.

The typical mortgage payment for new-home mortgagors dropped by 4 percent from 1948, although the amount of mortgage increased over 1 percent. The longer period of maturity available during 1949 resulted in somewhat lower monthly payments. For existing-home buyers the increase in the median monthly payment was 12.8 percent, paralleling the 13.6 percent increase in the amount of mortgage. Average payments as a percent of average income dropped 0.1 percent for those mortgaging new homes, and increased 0.4 percent (from 14.4 in 1948 to 14.8 in 1949) for those mortgaging existing homes.

The 10-year trend.—For new-home construction over the 10-year period between 1940 and 1949, the typical mortgage principal rose from $4,410 to $7,143, while property valuation rose from $5,028 to $8,502 and mortgagor's income rose from $2,416 to $3,880. These factors reflect the general increase in prices and incomes over the 10-year period. It is interesting to note, however, that during these same years the ratio of average property value to the family's average annual income changed only insignificantly—from 1.97 in 1940 to 2.05 in 1949—while the ratio of average mortgage payment to average income actually decreased from 17.2 percent to 16 percent. Thus, despite rising costs reflected in higher property valuations, parallel increases in income actually lowered the proportion devoted to housing each month. It may be noted that, in both Table 16 and the preceding summary, medians are presented as representative of typical factors such as mortgages, valuations, and incomes, but ratios in all instances are based on arithmetic mean averages.

New homes built under Section 203 during 1949 typically contained fewer rooms than those in any previous year. Both the median number of rooms and the floor area show a decrease from the 1948 figures under Section 203, but show little change from those under Section 603. The room count for existing homes was unchanged from 1948, but is still below the typical 6.3 room count which prevailed before 1948. The floor area of new homes increased by about 1½ percent from 1948. More than half—50.4 percent—of all new homes reported are being built without garages, a higher proportion than in any comparable period in FHA statistics. On the other hand, 70.4 percent of the existing structures were reported with garages—practically no change from previous years.

The effective annual income of mortgagors buying new homes dropped 3 percent from 1948, while income of existing-home buyers increased more than 13 percent. Since the typical FHA valuation of new homes also dropped almost 3 percent, very little change in the ratio of property valuation to income of new-home buyers was noted. On the other hand, where existing homes were concerned, property valuation increased nearly 15 percent, while income rose only 13 percent, explaining the somewhat greater increase in the value-to-income ratio for existing homes. For both new- and existing-home buyers, the ratios of average property valuation to annual income reached all-time highs of 2.05 and 1.92, respectively, in 1949, rising fractionally from 1948 levels.

Monthly mortgage payments for purchasers of new homes under the FHA plan in 1949 reached an average of $55.59, compared with $35.15 in 1940. As stated before, however, current housing costs continued to bear about the same relationship to family income as they did 10 years ago.

Table 16 also highlights average trends in other characteristics. For example, the average term for new-home mortgages (22.8 years) remained practically unchanged from 1940, and the ratio of loan to FHA valuation also remained steady as regards both new homes (83.6 percent) and existing homes (76.6 percent). Property characteristics, on the other hand, showed more pronounced changes. Representative property valuations for new homes increased 69.1 percent, from $5,028 in 1940 to $8,502 in 1949, while the market price of the site increased from $662 to $1,018, or 53.8 percent. During that same period the typical size of new houses decreased—the number of rooms, 5.6 per house in 1940, was only 4.9 in 1949. The percentage of new homes with garages decreased from 75.6 percent in 1940 to only 49.6 percent in 1949—reflecting efforts toward cost reduction by eliminating what in recent years has been considered a less important amenity in private residences.

Amount of mortgage.—Under Section 203, FHA insured in 1949 home mortgages up to $16,000 for up to 20-year terms on all types of properties and up to 30-year terms on homes approved for mortgage insurance prior to construction. For properties approved prior to construction, insurable mortgages up to $6,000 were permitted up to 95 percent of value with 30-year terms for repayment. Larger mortgages on these properties were permitted 25-year terms, with mortgage amounts of $6,300 or less permitted up to 90 percent of value; mortgage amounts between $6,300 and $9,500 up to 90 percent of $7,000 plus 80 percent of additional value up to $11,000; and mortgage amounts above $9,500 up to 80 percent of value. FHA's successful emphasis on lower-cost housing is evidenced by the fact that, despite this wide range, the typical (median) mortgages in 1949 amounted to only $7,143 for new homes and $6,778 for existing homes; the great bulk—67.6 percent of the new and 55.9 percent of the existing homes—falling into the $5,000 to $8,000 bracket.

Table 17 shows the distribution by mortgage amount for the mortgages insured during 1949 and selected earlier years. This table shows a gradual increase in the average and median amount and a corresponding upward shift in the proportion of mortgages in each group between the prewar years and the postwar period. For instance, as shown in Chart VI, new-home mortgages for amounts of less than $4,000 accounted for 37 percent of the total in 1941 but for only 1 percent in 1949, while mortgages for amounts of more than $7,000 accounted for only 5 percent in 1941 but for 55 percent in 1949. Mortgages between $4,000 and $7,000 made up the remainder—59 percent in 1941 and 44 percent in 1949. Between 1948 and 1949 the median new-home mortgage increased from $7,058 to $7,143.

MORTGAGE PRINCIPAL IN 1941 AND 1949
SINGLE - FAMILY HOMES, SECTION 203

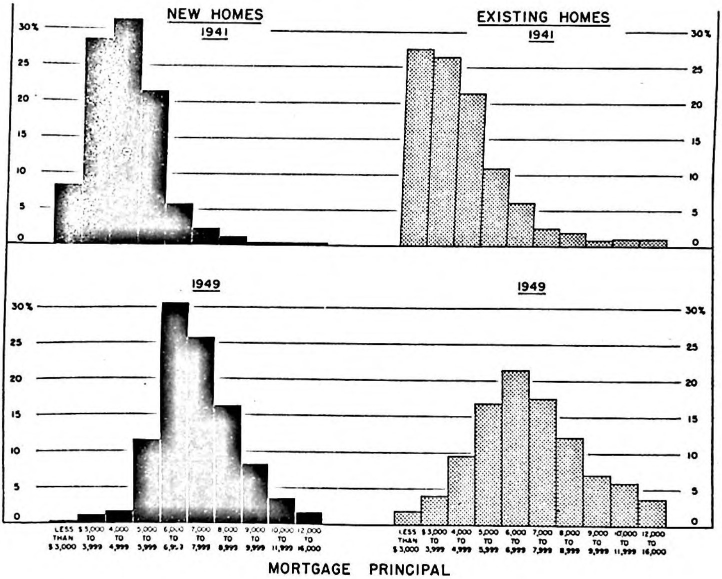


Chart VI.

Similar shifts from prewar years are evidenced for mortgages on existing homes. For these, mortgages for amounts of less than $4,000 accounted for 54 percent in 1941 but only 6 percent in 1949,

TABLE 17.—*Amount of mortgage principal: Percentage distribution based on FHA-insured mortgages secured by new and existing single-family homes, Sec. 203, for selected years, 1941–49*

Mortgage principal	New homes[1]					
	1949	1948	1947	1946	1942	1941
Less than $2,000	(2)	(2)	0.1	0.1	0.1	0.3
$2,000 to $2,999	0.1	0.2	.5	1.1	3.7	8.0
$3,000 to $3,999	1.1	1.7	4.2	7.1	19.2	28.6
$4,000 to $4,999	1.7	7.4	14.6	22.6	38.8	31.4
$5,000 to $5,999	11.5	16.8	25.2	31.4	30.1	21.4
$6,000 to $6,999	30.5	21.4	20.4	25.0	5.0	5.8
$7,000 to $7,999	25.6	18.9	17.9	9.5	1.6	2.4
$8,000 to $8,999	16.2	19.3	11.9	2.4	.8	1.2
$9,000 to $9,999	8.2	6.5	2.3	.4	.2	.3
$10,000 to $10,999	2.4	3.6	1.3	.2	.2	.3
$11,000 to $11,999	1.1	1.8	.5	.2	.1	
$12,000 to $12,999	.7	1.1	.4	(2)	.1	.3
$13,000 to $16,000	.9	1.3	.7	----------	.1	
Total	100.0	100.0	100.0	100.0	100.0	100.0
Average mortgage	$7,315	$7,184	$6,345	$5,548	$4,670	$4,483
Median mortgage	7,143	7,058	6,201	5,504	4,692	4,419

Mortgage principal	Existing homes						
	1949	1948	1947	1946	1944	1942	1941
Less than $2,000	0.1	0.3	0.6	1.0	2.4	2.8	5.2
$2,000 to $2,999	1.7	1.8	4.0	7.6	14.3	18.0	22.4
$3,000 to $3,999	4.0	7.4	11.6	19.2	24.2	26.9	26.4
$4,000 to $4,999	9.5	17.8	23.4	28.9	24.5	24.4	21.4
$5,000 to $5,999	16.8	23.0	24.1	21.3	15.8	13.6	10.9
$6,000 to $6,999	21.5	20.0	17.0	11.0	9.0	6.7	6.1
$7,000 to $7,999	17.6	12.6	9.2	4.7	3.8	2.9	2.6
$8,000 to $8,999	12.2	8.0	4.9	2.7	2.1	2.0	1.9
$9,000 to $9,999	7.0	3.3	1.8	1.2	1.1	.8	.9
$10,000 to $10,999	4.1	2.5	1.4	1.1	1.1	.8	1.1
$11,000 to $11,999	1.8	1.0	.6	.2	.3	.2	
$12,000 to $12,999	1.6	.9	.6	.4	.5	.4	1.1
$13,000 to $16,000	2.1	1.4	.8	.7	.9	.5	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average mortgage	$6,969	$6,181	$5,561	$4,929	$4,586	$4,208	$4,129
Median mortgage	6,778	5,969	5,363	4,697	4,317	4,076	3,847

[1] Data not available 1943–45.
[2] Less than 0.05 percent.

while mortgages for $7,000 or more accounted for only 8 percent in 1941 but for 46 percent in 1949. Mortgages for $4,000 to $7,000 accounted for the remaining 38 percent and 48 percent, respectively, in 1941 and 1949.

These trends in the amount of mortgage debt assumed by the home buyer reflect principally the increasing cost of housing and, to a lesser extent, the fact that borrowers were able in 1949 to obtain mortgages which represented a slightly higher percentage of property value than in previous years. Legislation approved in August 1948 had authorized 95 percent mortgages and also increased by $900 the maximum amount of 90 percent mortgages and the limit for other mortgages up to $9,500.

TABLE 18.—*Mortgage principal by property valuation: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, 1949*

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	1.1	$3,586		0.2	85.0	14.8										100.0
$5,000 to $5,999	2.7	5,233		.2	1.1	33.6	65.1									100.0
$6,000 to $6,999	18.1	6,128		(2)	.1	1.3	41.2	57.4								100.0
$7,000 to $7,999	18.4	6,500		(2)	.1	.7	7.4	83.6	8.2							100.0
$8,000 to $8,999	19.6	7,395		.1	.1	.4	2.2	14.7	82.5							100.0
$9,000 to $9,999	16.3	8,077		.1	.1	.4	1.5	8.2	35.6	54.1						100.0
$10,000 to $10,999	10.1	8,564		(2)	.2	.5	1.4	3.3	14.7	53.1	26.8					100.0
$11,000 to $11,999	5.5	9,249			.1	.6	1.0	2.1	6.8	22.8	66.6					100.0
$12,000 to $13,999	4.8	9,858		.2	.2	.2	.8	1.6	5.0	13.0	33.8	39.4	5.8			100.0
$14,000 to $15,999	1.9	11,469			.2		.2	.7	1.2	4.4	8.4	15.8	40.8	28.3		100.0
$16,000 or more	1.5	13,601			.1	.3	.6	.8	.7	1.8	2.9	8.9	4.8	38.3	40.8	100.0
Total	100.0	7,143		.1	1.1	1.7	11.5	30.5	25.6	16.2	8.2	2.4	1.1	1.0	.6	100.0
Existing homes																
Less than $4,000	1.7	$2,589	4.5	77.3	18.2											100.0
$4,000 to $4,999	2.1	3,484	.6	8.1	85.9	5.4										100.0
$5,000 to $5,999	5.2	4,440	.4	2.1	15.8	72.2	9.5									100.0
$6,000 to $6,999	11.3	5,255	.1	.5	3.6	31.1	57.6	7.1								100.0
$7,000 to $7,999	15.9	5,984	(2)	.2	1.8	7.4	41.2	48.4	1.0							100.0
$8,000 to $8,999	17.2	6,628	(2)	.2	.8	2.9	12.4	53.7	30.0							100.0
$9,000 to $9,999	14.2	7,420		.1	.5	1.7	4.0	16.4	63.7	13.6						100.0
$10,000 to $10,999	10.4	8,313		.1	.5	1.0	2.4	7.3	19.3	62.0	7.4					100.0
$11,000 to $11,999	7.0	8,888		(2)	.3	.7	1.6	4.8	10.7	35.9	46.0					100.0
$12,000 to $13,999	8.4	9,856		(2)	.2	.5	1.3	2.7	4.7	12.8	32.4	41.3	4.1			100.0
$14,000 to $15,999	3.4	11,446			.1	.4	.8	1.3	3.2	4.3	8.1	14.9	38.0	28.9		100.0
$16,000 or more	3.2	13,707			.2	.2	.2	.7	.9	1.5	2.3	5.2	5.6	39.1	44.1	100.0
Total	100.0	6,778	.1	1.7	4.0	9.5	16.8	21.5	17.6	12.2	7.0	4.1	1.8	2.2	1.5	100.0

[1] Includes valuation of the house, all other physical improvements, and land.
[2] Less than 0.05 percent.

Range of mortgages for each property value group.—Evidence that not all mortgages insured by FHA are at the upper limit of loan-to-value ratio allowed under the statute is brought out in Table 18 below. In the $11,000 to $12,000 value group, for instance, two-thirds of the mortgages are for amounts of $9,000 to $10,000, but the other third are for amounts as low as $3,000 to $4,000. In other words, although in many instances mortgage loans represent the highest permitted proportion of property value, nevertheless for a good part of the total the purchaser has a sizable equity in the property if only by comparison with FHA valuation. Allowing for the fact that the purchase price often exceeded FHA valuation, the mortgagor's investment was actually even higher than this table would indicate.

Loan-to-value ratio.—By statute, maximum ratios of loan to value for FHA-insured mortgages vary, depending on the estimated property value and whether the property was approved for insurance before construction. In general, the lower the valuation for properties accepted for insurance before construction, the higher the loan-to-value ratio permitted.

The effect of these statutory limits is illustrated by the figures in the column of Table 19 showing the median loan-value ratio, and in Chart VII. The median ratio ranges from 90.6 percent for properties valued between $5,000 and $6,000 to only 76.9 percent for properties

DISTRIBUTION OF LOAN-VALUE RATIO BY PROPERTY VALUATION
FHA-INSURED SINGLE-FAMILY HOME MORTGAGES

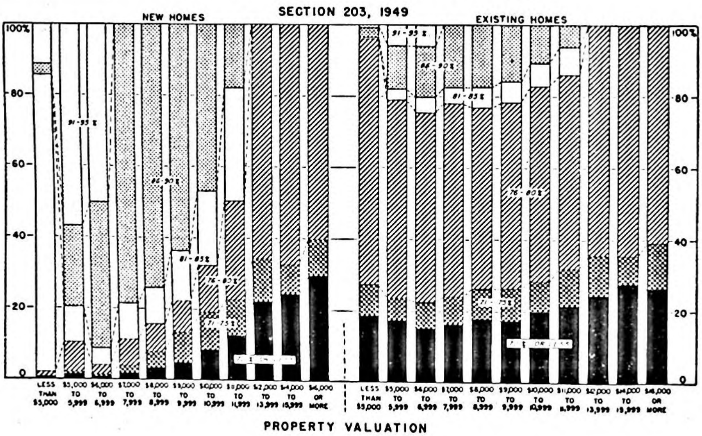


CHART VII.

TABLE 19.—*Ratio of loan to value by property valuation: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, 1949*

FHA property valuation [1]	Percentage distribution	Median loan value ratio	Ratio of loan to value (percent)										Total
			50 or less	51 to 55	56 to 60	61 to 65	66 to 70	71 to 75	76 to 80	81 to 85	86 to 90	91 to 95	
	New homes												
Less than $4,000	([2])	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
$4,000 to $4,999 [3]	1.1	83.9	-----	-----	-----	-----	0.4	0.2	1.4	83.5	3.0	11.5	100.0
$5,000 to $5,999	2.7	90.6	0.1	0.2	0.2	0.2	.6	.7	8.5	9.8	22.8	56.9	100.0
$6,000 to $6,999	18.1	90.0	.1	([2])	.1	.2	.3	.6	2.8	4.7	41.1	50.1	100.0
$7,000 to $7,999	18.4	87.8	.2	.1	.3	.3	.8	2.1	7.4	10.1	78.7	-----	100.0
$8,000 to $8,999	19.6	87.6	.4	.2	.6	.8	1.4	4.6	7.7	10.2	74.1	-----	100.0
$9,000 to $9,999	16.3	87.1	.7	.5	.6	1.2	1.9	8.4	8.9	14.1	63.7	-----	100.0
$10,000 to $10,999	10.1	85.3	1.3	.6	1.3	1.5	3.9	10.5	13.2	20.9	46.8	-----	100.0
$11,000 to $11,999	5.5	80.9	1.7	.9	1.0	2.7	6.3	10.2	27.7	31.6	17.9	-----	100.0
$12,000 to $13,999	4.8	77.2	2.4	1.3	2.7	5.0	10.9	12.0	65.7	-----	-----	-----	100.0
$14,000 to $15,999	1.9	77.3	2.3	2.2	3.3	5.2	11.5	8.3	67.2	-----	-----	-----	100.0
$16,000 or more	1.5	76.9	4.3	2.3	5.0	9.9	8.1	10.2	60.2	-----	-----	-----	100.0
Total	100.0	87.3	.7	.4	.7	1.2	2.4	5.3	13.3	12.0	53.2	10.8	100.0
	Existing homes												
Less than $4,000	1.7	77.6	0.9	0.9	1.2	2.1	15.6	6.2	72.1	-----	0.5	0.5	100.0
$4,000 to $4,999	2.1	77.7	1.4	1.3	1.4	3.0	9.9	10.7	65.8	0.8	4.6	1.1	100.0
$5,000 to $5,999	5.2	78.4	1.8	1.7	2.0	2.4	9.3	6.3	55.5	3.0	12.1	5.9	100.0
$6,000 to $6,999	11.3	78.6	1.5	1.0	1.7	2.6	8.5	7.3	52.9	4.4	14.1	6.0	100.0
$7,000 to $7,999	15.9	78.4	1.5	1.3	2.1	3.1	8.2	7.9	54.0	4.5	17.4	-----	100.0
$8,000 to $8,999	17.2	78.3	1.9	1.6	2.2	3.5	9.3	8.5	50.6	5.6	17.4	-----	100.0
$9,000 to $9,999	14.2	78.3	2.1	1.4	1.4	3.5	8.9	9.1	52.1	5.7	15.8	-----	100.0
$10,000 to $10,999	10.4	78.0	2.7	1.1	3.0	3.6	9.5	8.5	54.5	6.5	10.6	-----	100.0
$11,000 to $11,999	7.0	77.7	2.4	2.0	3.4	3.9	9.8	10.5	54.1	7.9	6.0	-----	100.0
$12,000 to $13,999	8.4	77.1	3.5	1.6	3.2	4.6	11.8	11.0	64.3	-----	-----	-----	100.0
$14,000 to $15,999	3.4	77.1	4.1	2.9	4.1	4.8	11.9	7.9	64.3	-----	-----	-----	100.0
$16,000 or more	3.2	76.9	3.3	2.6	5.0	5.6	9.9	12.8	60.8	-----	-----	-----	100.0
Total	100.0	78.0	2.2	1.4	2.4	3.5	9.5	8.7	55.1	4.4	11.8	1.0	100.0

[1] Includes valuation of the house, all other physical improvements, and land.
[2] Less than 0.05 percent.
[3] Includes a high proportion of properties located in Puerto Rico.

of over $16,000. In other words, the higher the property valuation, the lower the ratio of loan to value. As shown in Table 19, the great bulk of the mortgages insured fall into the maximum permissible loan-to-value ratio groups. The typical ratios for all value groups combined are 87.3 percent for new homes and 78 percent for existing homes.

Duration.—The maximum number of years in which an FHA mortgage must be amortized is 20 years, except for homes inspected during construction and for which approval for insurance was given prior to construction. For these properties, the term of the mortgages insured in 1949 could extend to 25 years, or to 30 years for mortgages of $6,000 or less. The fact that in 1949 the average duration of mortgages was 22.8 years for new homes and 19.8 years for existing homes shows how near to the upper limit the bulk of FHA mortgages are written. These averages have shown only a gradual rise over a period of years. The increase in recent years in the average term of loans for existing properties is at least partly a result of the increasing number of existing properties which were approved for mortgage insurance prior to construction and which are accordingly eligible for the same extended mortgage terms available to new home buyers.

Income and Housing Expense

Perhaps the most important factor in home ownership is an income sufficient to enable the borrower to continue making his monthly mortgage payments until the loan is paid off. That families with modest incomes are enabled to achieve home ownership under the FHA plan is illustrated by the high proportion of FHA-insured loans to families with incomes of less than $5,000 per year. The monthly mortgage payments (covering amortization, interest, insurance premiums, and property taxes) made by the greater number of these families range between $40 and $60 per month. The cost of maintaining and operating the house needs to be added to the mortgage payment, of course, to arrive at the total monthly housing expense, which ranged for most families from $70 to $95 per month. Detailed analyses of these factors are shown on the following pages.

Annual income trends.—The home purchaser's income is the most important factor in determining the kind of house he buys. The distribution in Table 20 and Chart VIII by income groups shows the

DISTRIBUTION OF MORTGAGOR'S EFFECTIVE ANNUAL INCOME

FHA-INSURED SINGLE-FAMILY HOME MORTGAGES

SECTION 203, 1949

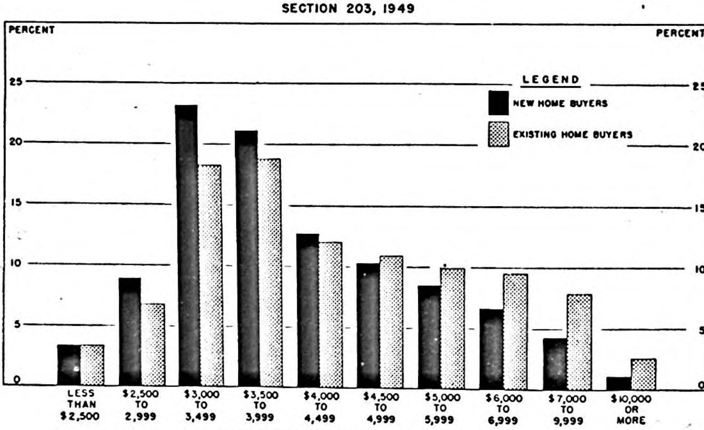


CHART VIII.

proportion of families in each income group. It also shows the trend in the average and median annual income of borrowers over the last 10 years. Tabulations of incomes of FHA home borrowers indicate the estimated earning capacity of the borrower expected to prevail for about the first third of the mortgage term. Excluded from current family incomes in preparing these estimates are incomes of secondary workers and overtime earnings of the principal earner, if that income is not likely to continue indefinitely to be available for family expenditures such as housing.

The median income shown for new-home borrowers in 1949 is $3,880, a decrease from $4,000 in 1948. This change indicates that the special emphasis on new low-cost home construction in the last year enabled families of somewhat lower incomes to purchase homes

TABLE 20.—*Mortgagor's effective annual income: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, for selected years 1940–49*

Mortgagor's effective annual income [1]	New homes [2]					
	1949	1948	1947	1946	1942	1940
Less than $1,500	(3)	(3)	0.1	0.2	1.5	5.1
$1,500 to $1,999	0.2	0.6	1.2	2.7	17.6	23.4
$2,000 to $2,499	3.1	5.1	11.3	16.0	37.0	28.3
$2,500 to $2,999	8.9	7.7	11.2	15.8	14.7	15.4
$3,000 to $3,499	20.5	17.8	19.8	19.7	12.8	11.9
$3,500 to $3,999	23.8	18.7	18.9	17.6	7.0	6.2
$4,000 to $4,499	12.7	13.2	9.4	8.8	3.0	3.2
$4,500 to $4,999	10.3	11.5	10.3	7.5	2.2	2.0
$5,000 to $5,999	8.5	8.6	6.0	4.1	1.5	1.9
$6,000 to $6,999	6.6	8.6	6.1	4.3	1.3	1.2
$7,000 to $9,999	4.3	6.3	4.5	2.4	1.0	.9
$10,000 or more	1.1	1.9	1.2	.9	.4	.5
Total	100.0	100.0	100.0	100.0	100.0	100.0
Average income	$4,285	$4,404	$3,978	$3,619	$2,721	$2,665
Median income	3,880	4,000	3,643	3,313	2,416	2,416

Mortgagor's effective annual income [1]	Existing homes						
	1949	1948	1947	1946	1944	1942	1940
Less than $1,500	(3)	0.1	0.1	0.3	0.6	1.5	5.2
$1,500 to $1,999	0.3	.9	1.7	4.2	5.1	14.0	20.5
$2,000 to $2,499	3.0	6.5	12.2	19.4	26.4	27.9	25.0
$2,500 to $2,999	6.8	9.9	12.9	14.8	13.7	13.0	13.9
$3,000 to $3,499	16.1	10.4	20.5	19.3	17.1	15.5	11.6
$3,500 to $3,999	21.0	18.8	17.1	14.5	12.8	9.2	6.9
$4,000 to $4,499	12.0	12.0	8.5	7.1	5.6	4.2	4.0
$4,500 to $4,999	10.9	9.8	9.0	6.7	5.9	4.0	3.1
$5,000 to $5,999	9.9	7.1	5.9	4.3	3.3	3.2	3.3
$6,000 to $6,999	9.5	7.1	5.8	4.4	4.1	3.0	2.5
$7,000 to $9,999	7.9	6.2	4.5	3.5	3.7	2.8	2.5
$10,000 or more	2.6	2.2	1.8	1.5	1.7	1.7	1.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average income	$4,742	$4,308	$3,941	$3,640	$3,539	$3,229	$3,012
Median income	4,219	3,731	3,614	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.

in 1949 under the FHA plan. Contributing to this decline also was the use of Section 203 during 1949 for mortgage insurance on lower value classes of construction which in 1948 were predominantly financed with Section 603 mortgages. Incomes of purchasers of existing homes, on the other hand, averaged somewhat higher than in preceding years.

While 12 percent of the families buying new homes in 1949 reported incomes of less than $3,000, some 67 percent reported incomes of $3,000 to $5,000, and 21 percent reported incomes of $5,000 or over. Of the existing-home buyers, 10 percent reported incomes of less than $3,000, 60 percent reported incomes of $3,000 to $5,000, and 30 percent reported incomes of $5,000 or more.

Monthly mortgage payment.—The monthly mortgage payment a family makes is principally determined by the size and repayment period of the mortgage debt incurred. The size of the debt in turn reflects the value of the property financed. The median mortgage payment for new-home buyers was $55.59 in 1949, down from $58.08 in 1948, but substantially higher than prewar levels—reflecting higher costs of housing as well as higher annual incomes of home purchasers. Table 21 and Chart IX show the percentage distribution of mortgage payments for the year 1949 and selected preceding years for both new and existing homes.

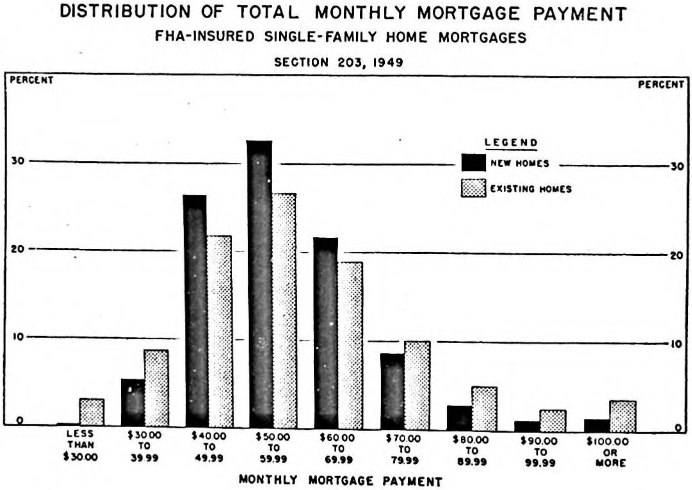


CHART IX.

TABLE 21.—*Total monthly mortgage payment: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, for selected years, 1941–49*

Total monthly mortgage payment [1]	New homes [2]					
	1949	1948	1947	1946	1942	1941
Less than $25.00	0.1	0.2	0.5	1.3	5.6	11.0
$25 to $29.99	.1	.7	2.4	4.1	10.9	17.1
$30 to $34.99	.6	2.6	6.7	11.3	20.5	21.1
$35 to $39.99	4.7	6.7	12.2	13.7	26.2	18.8
$40 to $44.99	12.1	8.1	12.7	16.6	19.0	13.0
$45 to $49.99	14.2	11.4	13.1	14.5	8.0	6.7
$50 to $54.99	16.3	13.1	12.7	17.1	3.6	4.1
$55 to $59.99	16.2	11.7	11.1	10.0	2.6	2.9
$60 to $64.99	12.3	11.8	10.9	5.8	2.1	1.9
$65 to $69.99	9.3	11.5	8.2	3.2	.1	1.2
$70 to $74.99	5.6	8.5	4.3	1.4	.7	.8
$75 to $79.99	3.0	5.0	1.8	.4	([3])	.4
$80 to $89.99	2.8	4.6	1.7	.3	.3	.4
$90 to $99.99	1.2	2.1	.7	.2	.2	.2
$100 or more	1.5	2.0	1.0	.1	.2	.4
Total	100.0	100.0	100.0	100.0	100.0	100.0
Average payment	$57.15	$58.70	$51.86	$46.06	$38.07	$36.88
Median payment	55.59	58.08	50.84	46.18	37.46	35.21

Total monthly mortgage payment [1]	Existing homes						
	1949	1948	1947	1946	1944	1942	1941
Less than $25.00	1.5	1.2	2.5	5.5	8.0	10.5	15.8
$25 to $29.99	1.5	3.0	5.4	9.0	11.8	13.8	15.2
$30 to $34.99	2.8	6.5	10.6	16.0	16.1	16.7	16.3
$35 to $39.99	5.9	11.6	14.8	18.3	15.8	16.2	14.4
$40 to $44.99	9.4	14.0	15.9	15.3	13.4	12.6	11.0
$45 to $49.99	12.3	14.4	14.0	11.6	10.1	9.2	7.8
$50 to $54.99	13.7	12.5	11.2	7.8	7.4	6.4	5.1
$55 to $59.99	12.9	10.7	8.1	5.0	4.8	4.2	3.6
$60 to $64.99	10.6	7.5	5.6	3.5	3.3	4.5	2.6
$65 to $69.99	8.3	5.7	3.8	2.2	2.4	.2	1.8
$70 to $74.99	5.8	3.8	2.4	1.6	1.6	2.2	1.4
$75 to $79.99	4.2	2.4	1.5	1.2	1.1	.1	1.0
$80 to $89.99	5.0	2.9	1.8	1.2	1.5	1.8	1.4
$90 to $99.99	2.5	1.5	.9	.6	.9	.1	.9
$100 or more	3.6	2.3	1.5	1.2	1.8	1.5	1.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average payment	$58.38	$52.18	$47.53	$43.25	$42.91	$40.75	$39.50
Median payment	56.12	49.76	45.25	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 1943-45.
[3] Less than 0.05 percent.

Over seven-tenths of all new-home payments amounted to from $40 to $65 a month, with just over 5 percent calling for payments of less than $40 and the remainder, or over 20 percent, calling for payments of $65 or more. These mortgage payments include payment for first year to principal, interest, FHA insurance premium, hazard insurance, taxes, and special assessments, but do not include the cost of maintenance and operation of the properties. The latter two items are included in the total housing expense shown in Chart X.

Average characteristics of income groups.—Selected characteristics of property, mortgage, and mortgagor are presented in Table 22, based on new and existing home-mortgage transactions insured under Sec-

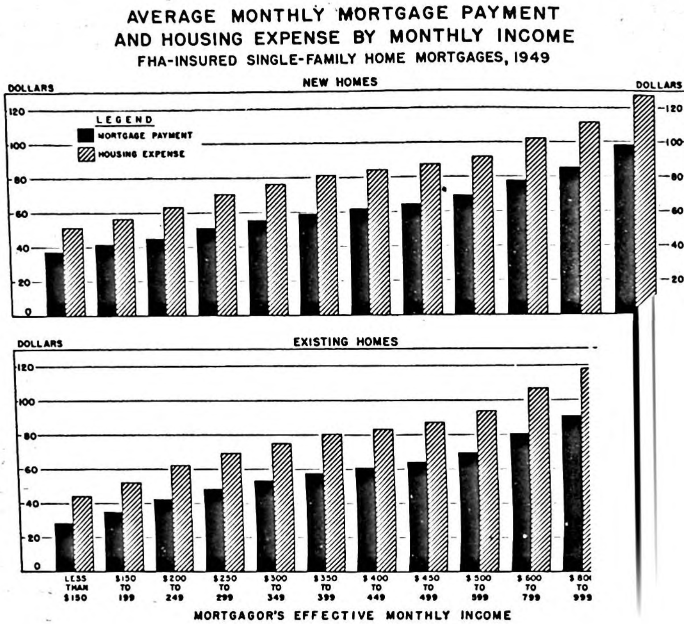


Chart X.

tion 203 during 1949. The average monthly income of new-home buyers was $357.09, ranging between $181.66 for those mortgagors earning from $150.00 to $199.99 per month to $1,321.50 for those in the highest monthly income group of $1,000.00 or more. For successively higher income groups, the average FHA estimate of valuation of the homes purchased increased from $6,436 for properties purchased by members of the lowest income group to $14,460 for those borrowers making $1,000 or more per month—the ratio of valuation to annual income declining from 3.0 to 0.9 between the lowest and the highest income groups. The average mortgage amounts paralleled the average valuations within specific income groups, with the total monthly mortgage payments—which reflect both the principal amount and the term of the mortgage—ranging from $41.54 to $98.43 per month with an over-all average of $57.15. Adding to this payment the estimated monthly cost of maintenance, regular operating expense items, and the monthly payment on a secondary loan, if any, brought the average monthly housing expense being assumed by new-home buyers to $78.37, or slightly more than one-fifth of the average income. Within individual income groups, the ratio of average housing expense to income declined from 31.3 percent to 9.6 percent as the income of the purchasers increased from the lowest to the highest groups.

Comparable averages for existing-home purchasers are also shown in Table 22. As may be seen, the average characteristics for this group of mortgagors generally parallel those discussed above in connection with new-home transactions. Reflecting the lower loan-value ratios, the average mortgage principal and monthly mortgage payment generally averaged somewhat lower than for new homes. The ratios of FHA valuation to borrowers' annual income for existing-home mortgages were nearly identical with those for new homes.

TABLE 22.—*Average characteristics by mortgagor's monthly income: Based on FHA-insured mortgages secured by single-family, owner-occupied homes, Sec. 203, 1949*

Mortgagor's effective monthly income [1]	Percentage distribution	Average								
		Mortgagor's monthly income [1]	Monthly income tax	FHA valuation [2]	Mortgage principal	Total monthly mortgage payment [3]	Total monthly housing expense [4]	Monthly rental value [5]	Mortgage as a percent of FHA valuation	Ratio of FHA valuation to annual income
	New homes									
Less than $150	(6)									
$150 to $199.99	1.4	$181.66	$13.77	$6,436	$5,567	$41.54	$56.86	$53.27	86.5	3.0
$200 to $249.99	10.8	225.24	17.07	7,023	6,085	45.29	63.69	57.91	86.6	2.6
$250 to $299.99	23.2	270.03	20.02	7,779	6,696	51.04	71.06	63.82	86.1	2.4
$300 to $349.99	23.4	316.10	22.90	8,506	7,208	55.50	76.85	69.09	84.7	2.2
$350 to $399.99	13.5	366.72	29.05	9,096	7,637	59.14	81.22	73.25	84.0	2.1
$400 to $449.99	11.1	414.13	36.66	9,570	7,977	62.07	84.60	76.81	83.4	1.9
$450 to $499.99	4.5	466.03	43.36	9,988	8,247	64.84	87.40	80.03	82.6	1.8
$500 to $599.99	6.8	525.09	52.35	10,674	8,674	69.12	91.92	84.81	81.3	1.7
$600 to $799.99	3.7	655.22	71.71	12,114	9,694	78.00	102.20	95.16	80.0	1.5
$800 to $999.99	.8	847.89	103.88	13,508	10,601	85.94	111.64	104.91	78.5	1.3
$1,000 or more	.8	1,321.50	170.34	14,460	11,185	98.43	127.47	112.29	77.4	.9
Total	100.0	357.09	31.55	8,781	7,385	57.15	78.37	71.01	84.1	2.0
	Existing homes									
Less than $150	0.1	$131.44	$13.65	$5,132	$3,306	$28.76	$44.20	$45.39	64.4	3.3
$150 to $199.99	1.5	179.90	10.61	5,570	4,134	35.07	52.41	47.82	74.2	2.6
$200 to $249.99	8.5	224.13	15.11	6,730	5,086	42.60	62.26	56.54	75.6	2.5
$250 to $299.99	18.3	269.85	19.56	7,599	5,832	48.48	69.57	63.52	76.7	2.3
$300 to $349.99	20.7	315.65	21.91	8,425	6,448	53.45	75.28	69.41	76.5	2.2
$350 to $399.99	13.0	366.79	28.36	9,048	6,981	58.01	80.51	74.13	77.2	2.1
$400 to $449.99	12.2	413.93	34.65	9,555	7,337	61.07	83.89	77.84	76.8	1.9
$450 to $499.99	5.6	465.98	42.24	10,068	7,709	64.41	87.82	81.17	76.6	1.8
$500 to $599.99	9.8	525.66	51.08	10,853	8,336	70.01	94.16	87.69	76.8	1.7
$600 to $799.99	6.7	661.34	71.32	12,456	9,564	80.79	107.11	99.88	76.8	1.6
$800 to $999.99	1.8	847.82	102.58	13,830	10,672	91.00	118.64	110.85	77.2	1.4
$1,000 or more	1.8	1,295.46	169.72	15,079	11,285	98.77	129.22	119.52	74.8	1.0
Total	100.0	395.20	35.54	9,117	6,984	58.38	80.90	74.65	76.6	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 payments 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 typical year-round tenant-occupancy, excluding any premium obtainable because of local housing shortages or newness of the individual property.

[6] Less than 0.05 percent.

Housing expense by income groups.—How much does a family pay for its housing? One indication is the monthly housing expense reported for FHA borrowers in different income groups. The typical figure for the $250 to $300 per month income group of those buying new homes, for instance, is $71.29. Reference to Table 23 and Chart XI, however, shows a wide range of housing expense reported for this group. Actually, only about one-sixth (18.6 percent) of the home purchasers in this group had a $70 to $75 housing expense in 1949, with almost the same proportions in each of the two class intervals above and below the $70 to $75 median group. The remaining sixth reported either less than $60 or over $90 expenses per month. The wide range of housing expense estimates for each income class in Table 23 illustrates that no rule of thumb is adequate for general application—each case must be determined by its individual circumstances. On the other hand, the table does show the range of housing expenses assumed by families of various incomes.

RANGE OF MONTHLY HOUSING EXPENSE
FOR NEW HOME BUYERS IN DIFFERENT INCOME GROUPS
(PROSPECTIVE COSTS FOR 50% AND FOR 90% OF EACH INCOME GROUP)

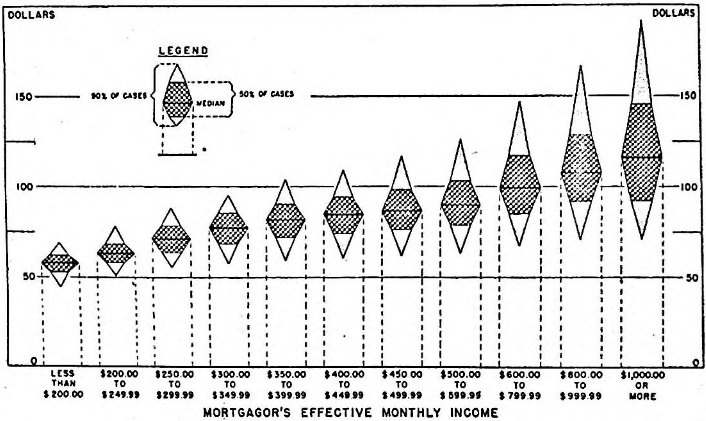


CHART XI.

TABLE 23.—*Prospective monthly housing expense y mortgagor's effective monthly income: Percentage distribution based on FHA-insured mortgages secured by single-family, owner-occupied homes, Sec. 203, 1949*

Mortgagor's effective monthly income [1]	Percentage distribution	Median monthly housing expense	Prospective monthly housing expense [2]: Less than $35	$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 $150.00	(3)																				
$150 to $199.99	1.4	$57.88	0.5	1.0	3.0	8.5	19.2	30.8	25.4	8.7	1.7	1.0	0.2								100.0
$200 to $249.99	10.8	63.17	(2)	.1	.5	2.5	8.6	19.7	29.2	18.3	11.8	6.6	2.5	0.2							100.0
$250 to $299.99	23.2	71.20	.1	(2)	.1	.7	3.5	8.6	16.0	16.2	18.6	16.0	17.5	2.6	0.1						100.0
$300 to $349.99	23.4	77.38	(2)	(2)	.1	.3	2.0	5.3	8.8	11.2	14.7	16.0	28.3	12.0	1.2	0.1					100.0
$350 to $399.99	13.5	81.77	.1	(2)	.1	.3	1.4	3.7	6.2	7.6	11.9	13.5	28.3	19.5	6.3	1.0	0.1				100.0
$400 to $449.99	11.1	84.98	.1		.1	.1	.9	3.0	5.2	7.0	9.4	11.1	26.8	21.9	10.3	3.5	.5	0.1			100.0
$450 to $499.99	4.5	87.01	.1	.1	.1	.1	.8	2.6	3.5	5.8	8.5	11.1	23.9	20.7	13.0	6.7	2.4	.4	0.2		100.0
$500 to $599.99	6.8	90.18	.1	(2)	(2)	.1	.6	1.7	3.4	4.6	7.2	8.6	23.2	20.4	13.9	8.2	4.5	1.8	1.1	0.6	100.0
$600 to $799.99	3.7	99.60	.1			.3	.3	.6	1.9	3.6	4.0	6.8	15.1	18.0	15.1	12.3	8.8	5.5	3.6	4.0	100.0
$800 to $999.99	.8	107.86	.3				.3	.6	1.4	2.0	3.9	2.8	11.0	15.4	15.7	11.8	10.7	6.7	6.4	11.0	100.0
$1,000 or more	.8	116.17	.6					.9	1.2	1.5	3.8	3.8	10.6	8.3	13.9	8.8	7.1	11.2	5.3	23.0	100.0
Total	100.0	76.71	.1	.1	.2	.7	2.9	6.9	11.1	11.0	12.8	12.6	21.1	11.6	4.6	2.0	1.0	.5	.3	.5	100.0
Existing homes																					
Less than $150.00	0.1	$43.54	15.4	15.4	30.8	25.6	5.1	7.7													100.0
$150 to $199.99	1.5	52.63	2.4	8.6	15.2	14.7	17.5	15.2	13.7	8.1	3.7	0.5	0.4								100.0
$200 to $249.99	8.5	63.30	.5	2.3	4.6	6.1	10.4	15.1	16.7	18.0	14.1	7.7	4.1	0.4							100.0
$250 to $299.99	18.3	70.50	.2	.9	1.9	2.9	5.6	8.7	12.4	15.8	16.2	14.8	17.6	2.8	0.2						100.0
$300 to $349.99	20.7	76.27	.1	.5	1.0	1.7	3.3	5.8	8.6	12.1	13.4	14.1	25.1	11.8	2.2	0.3					100.0
$350 to $399.99	13.0	81.06	.1	.6	1.0	1.3	2.3	4.1	6.3	9.1	10.9	11.8	23.8	17.8	8.6	1.8	0.5				100.0
$400 to $449.99	12.2	84.00	.2	.4	.7	.8	1.9	3.5	4.9	7.7	10.2	10.5	23.0	17.9	11.2	5.5	1.3	0.3			100.0
$450 to $499.99	5.6	87.63	.2	.5	.6	.9	.9	3.4	4.5	5.7	9.1	9.5	19.4	18.4	13.3	8.2	3.7	1.3	0.4		100.0
$500 to $599.99	9.8	93.15	.1	.1	.3	.6	1.1	1.8	3.3	4.8	6.5	7.2	18.7	17.9	14.6	9.8	6.6	3.7	1.7	1.2	100.0
$600 to $799.99	6.7	104.73	.1	.1		.2	.7	1.0	1.9	3.2	4.1	5.1	11.9	14.4	15.4	11.7	9.9	7.4	5.1	7.8	100.0
$800 to $999.99	1.8	116.00	.2		.2	.3	.6	.7	.8	2.0	2.2	3.2	7.9	11.1	13.6	12.0	11.5	9.1	7.2	17.4	100.0
$1,000 or more	1.8	126.89	.2		.2	.2	.7	.3	1.1	1.8	1.3	2.9	7.3	10.3	8.8	8.5	9.2	9.5	7.7	30.0	100.0
Total	100.0	78.20	.2	.8	1.5	2.0	3.6	5.8	7.8	10.3	11.1	10.8	18.7	11.6	6.6	3.5	2.1	1.3	.8	1.5	100.0

[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 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.

[3] Less than 0.05 percent.

Property Characteristics

Typical facts about houses financed under the FHA plan are brought out in the several statistical analyses made in the following pages for properties securing mortgages insured during 1949. They relate to the FHA valuation of the property; floor area and room count for the house; the market price of the site; property tax charges; and estimated monthly rental for properties in different value groups.

Valuation of single-family homes.—Table 24 presents percentage distributions which indicate the trend in FHA valuations reported in selected years between 1940 and 1949. Estimates of value tabulated include the house, all other physical improvements, and the land. The general trend in both new and existing homes indicates almost steady increases in valuations since 1940. In 1940 more than 50 percent of the new homes were valued at between $4,000 and $6,000; in 1949 only 3.8 percent were in this range. In 1940, 3.8 percent of the new homes were valued at between $8,000 and $10,000; in 1949 nearly 36 percent. Homes valued at $10,000 and over made up less than 2 percent of the 1940 total and nearly 24 percent of the 1949 total.

Average and median valuations of existing homes increased each year from 1940 through 1949. New-home averages and medians increased until 1949, when they dropped by about 2½ percent from the 1948 high. In the period between 1940 and 1949, the FHA valuations of homes insured under Section 203 increased by about 69 percent for new homes and some 75 percent for existing homes.

The distribution of single-family properties by valuation is shown in Table 24 and Chart XII. For both new and existing homes, a fairly even distribution of cases is shown within the value range of $6,000 to $10,000, with a slight concentration in the $8,000 to $9,000 value group. Properties valued at less than $6,000 accounted for less than 10 percent of the existing homes and less than 5 percent of new homes, whereas properties valued at $10,000 or more accounted for nearly one-fourth of the new homes and one-third of the existing-home total. On the whole, the $6,000 to $10,000 homes, which make up well over half of the total, are the most popular range for FHA mortgage financing.

The gradual shift in the distribution by property valuation parallels the rise in average and median amounts over the past 10 years. The value range of the greatest concentration of new homes, for instance, has shifted from the $4,000-to-$6,000 range in 1940 to a $6,000-to-$9,000 range in 1949. A similar shift can be traced for existing-home values, almost half of which in 1940 were between $3,000 and $6,000, whereas in 1949 this proportion fell into the $6,000 to $10,000 range.

TABLE 24.—*Property valuation: Percentage distribution based on FHA-insured mortgages secured by new and existing single-family homes, Sec. 203, for selected years, 1940–49*

FHA property valuation [1]	New homes [2]					
	1949	1948	1947	1946	1942	1940
Less than $2,000			(3)		(3)	0.1
$2,000 to $2,999			(3)		0.9	3.1
$3,000 to $3,999		0.1	0.5	2.3	9.5	18.6
$4,000 to $4,999	1.1	1.0	3.4	10.0	26.8	26.8
$5,000 to $5,999	2.7	6.7	14.3	20.2	33.7	23.6
$6,000 to $6,999	18.1	14.1	20.3	27.9	20.7	16.5
$7,000 to $7,999	18.4	16.0	17.8	22.4	4.4	5.7
$8,000 to $8,999	19.6	15.7	16.8	11.1	1.8	2.6
$9,000 to $9,999	16.3	15.6	12.7	3.4	.9	1.2
$10,000 to $10,999	10.1	11.8	7.2	1.5	.5	.7
$11,000 to $11,999	5.5	7.1	2.9	.5	.2	.3
$12,000 to $13,999	4.8	7.4	2.4	.5	.3	.4
$14,000 to $15,999	1.9	2.7	.9	.2	.2	.2
$16,000 or more	1.5	1.8	.8	(3)	.1	.2
Total	100.0	100.0	100.0	100.0	100.0	100.0
Average valuation	$8,753	$8,965	$7,817	$6,597	$5,385	$5,109
Median valuation	8,502	8,721	7,574	6,558	5,368	5,028

FHA property valuation [1]	Existing homes						
	1949	1948	1947	1946	1944	1942	1940
Less than $2,000		(3)	(3)		0.7	0.4	1.1
$2,000 to $2,999	0.2	0.2	0.6	1.6	4.1	4.9	9.8
$3,000 to $3,999	1.5	1.2	3.0	7.3	13.8	16.6	21.8
$4,000 to $4,999	2.1	4.7	8.2	16.8	20.7	22.1	22.5
$5,000 to $5,999	5.2	11.7	18.0	24.6	20.7	20.8	17.3
$6,000 to $6,999	11.3	19.0	22.5	20.3	16.2	14.9	10.8
$7,000 to $7,999	15.9	17.9	17.4	12.1	9.8	8.3	6.1
$8,000 to $8,999	17.2	15.1	11.5	7.0	5.2	4.3	3.6
$9,000 to $9,999	14.2	10.1	7.2	3.4	2.8	2.4	1.9
$10,000 to $10,999	10.4	7.1	4.5	2.5	1.8	1.8	1.5
$11,000 to $11,999	7.0	4.2	2.2	1.1	1.0	1.0	.9
$12,000 to $13,999	8.4	4.9	2.7	1.8	1.5	1.2	1.3
$14,000 to $15,999	3.4	1.9	1.1	.7	.7	.6	.7
$16,000 or more	3.2	2.0	1.1	.8	1.0	.7	.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average valuation	$9,093	$8,075	$7,190	$6,269	$5,809	$5,568	$5,179
Median valuation	8,700	7,579	6,769	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.

Averages by property value groups.—Averages of selected characteristics for houses in various valuation groups shown in Table 25 serve as a quick "bench mark" which builders, mortgagees, and home purchasers can use in comparing their own with the national figures. It may be particularly noted that the averages in this table are arithmetic means, as distinct from medians or "typical" cases described at various places elsewhere in the report. Medians generally reflect more effectively the concentrations of cases at the middle of distributions, while averages give relatively more weight to the cases at the ends of distributions.

DISTRIBUTION OF PROPERTY VALUATION
FHA-INSURED SINGLE-FAMILY HOME MORTGAGES
SECTION 203, 1949

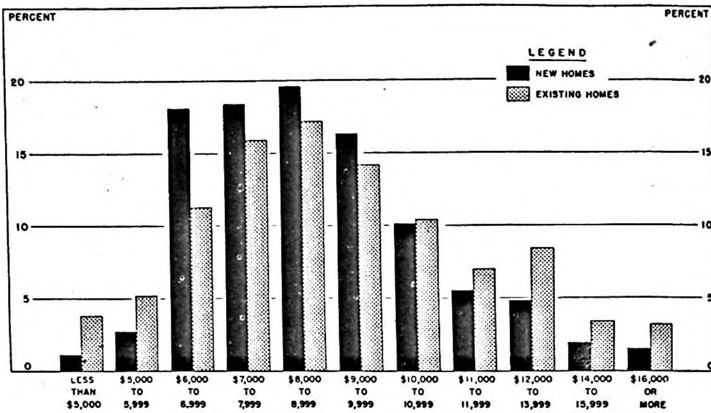


CHART XII.

As the average valuation for Section 203 new homes increased from $4,192 for new homes in the $4,000-to-$4,999 group to $18,338 for those properties valued at or above $16,000, the median mortgage principal rose from $3,586 to $13,601, with the typical loan-value ratio ranging from a maximum of 90.6 percent for homes in the $5,000 valuation interval down to 76.9 percent for the properties in the highest value group. Generally paralleling the increasing valuations, the average market price of site varied between $574—representing 10.2 percent of the average valuation in the $5,000 interval—to $2,732, or 14.9 percent of the average of the highest valuation group.

The estimated monthly property taxes averaged $8.09. Total monthly payments for the first year covering principal and interest, FHA insurance premium, property taxes, and hazard insurance premiums averaged for all cases $56.88 per month. This payment ranged between $28.99 and $108.97 in the various value classes. Property taxes alone averaged $8.09 per month for all valuation groups combined. The average housing expense, which is reported by property valuation classes for the first time in this report, varied between $38.10 and $134.74 and averaged about 37 percent above the mortgage payment.

TABLE 35.—*Average characteristics by property valuation: Based on FHA-insured mortgages secured by single-family homes, Sec. 203, 1949*

FHA property valuation [1]	Percentage distribution	Average									Median loan-value ratio (percent)	Ratio of site to total value (percent)	Percentage of structures with garage
		Property valuation	Mortgage principal [2]	Market price of site [3]	Estimated monthly taxes [4]	Total monthly payment [5]	Prospective monthly housing expense [6]	Estimated monthly rental value [7]	Number of rooms [8]	Floor area (sq. ft.) [9]			
New homes													
Less than $4,000	(10)	------	------	------	------	------	------	------	------	------	------	------	------
$4,000 to $4,999 [11]	1.1	$4,192	$3,586	$1,120	$4.77	$28.99	$38.10	$40.17	4.8	560	83.9	26.7	7.0
$5,000 to $5,999	2.7	5,606	5,233	574	4.13	38.70	54.74	48.69	4.0	704	90.6	10.2	8.8
$6,000 to $6,999	18.1	6,462	6,128	704	4.86	43.73	61.89	54.00	4.2	757	90.0	10.9	23.2
$7,000 to $7,999	18.4	7,449	6,500	866	6.65	50.12	70.41	62.86	4.4	824	87.8	11.6	53.8
$8,000 to $8,999	19.6	8,426	7,395	947	8.04	55.59	77.17	69.24	4.5	879	87.6	11.2	54.1
$9,000 to $9,999	16.3	9,378	8,077	1,043	9.32	60.78	83.26	75.45	4.7	934	87.1	11.1	52.8
$10,000 to $10,999	10.1	10,362	8,564	1,211	10.34	66.28	89.77	81.75	4.9	1,003	85.3	11.7	59.9
$11,000 to $11,999	5.5	11,323	9,249	1,343	11.34	70.44	94.92	87.98	5.1	1,081	80.9	11.0	60.6
$12,000 to $13,999	4.8	12,752	9,858	1,550	11.97	76.95	101.73	97.31	5.4	1,218	77.2	12.2	71.3
$14,000 to $15,999	1.9	14,714	11,469	1,944	13.58	88.66	115.62	112.29	5.7	1,385	77.3	13.2	78.4
$16,000 or more	1.5	18,338	13,601	2,732	15.31	108.97	134.74	134.71	6.0	1,639	76.9	14.9	83.9
Total	100.0	8,753	7,143	1,018	8.09	56.88	78.03	70.88	4.6	909	87.3	11.6	49.6
Existing homes													
Less than $4,000	1.7	3,385	2,589	464	2.09	23.60	41.10	31.33	4.1	965	77.6	13.7	11.5
$4,000 to $4,999	2.1	4,411	3,484	573	4.06	31.05	49.51	40.60	4.8	935	77.7	13.0	33.9
$5,000 to $5,999	5.2	5,421	4,440	636	5.32	37.15	56.54	48.20	4.8	899	78.4	11.7	53.1
$6,000 to $6,999	11.3	6,374	5,255	729	5.99	42.64	62.70	55.00	4.8	915	78.6	11.4	61.3
$7,000 to $7,999	15.9	7,380	5,984	847	7.08	48.62	69.23	62.71	4.9	961	78.4	11.5	67.7
$8,000 to $8,999	17.2	8,356	6,628	961	8.15	53.92	75.79	69.36	5.0	1,007	78.3	11.5	71.6
$9,000 to $9,999	14.2	9,319	7,429	1,089	9.11	59.71	82.58	76.04	5.1	1,063	78.3	11.7	73.4
$10,000 to $10,999	10.4	10,290	8,313	1,223	10.21	65.26	88.40	82.91	5.3	1,147	78.0	11.9	77.2
$11,000 to $11,999	7.0	11,296	8,888	1,350	10.90	70.40	94.75	89.99	5.5	1,202	77.7	12.0	78.9
$12,000 to $13,999	8.4	12,676	9,856	1,571	12.43	78.92	104.13	100.01	5.8	1,358	77.1	12.4	81.2
$14,000 to $15,999	3.4	14,696	11,446	1,955	14.36	91.11	119.10	114.83	6.1	1,531	77.1	13.3	85.9
$16,000 or more	3.2	18,276	13,707	2,761	18.14	112.76	144.25	141.18	6.5	1,833	76.9	15.1	91.5
Total	100.0	9,093	6,778	1,098	8.83	58.32	80.77	74.52	5.2	1,091	78.0	12.1	70.4

[1] Includes valuation of the house, all other physical improvements, and land.
[2] Data shown are medians.
[3] Estimated by FHA for equivalent site as including street improvements or utilities, rough grading, terracing, and retaining walls, if any.
[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-round 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.
[10] Less than 0.05 percent.
[11] Includes a high proportion of properties located in Puerto Rico.

In size, the new homes averaged between 4.0 rooms for homes in the $5,000 valuation group to 6.0 rooms for properties valued at or above $16,000; likewise, the average floor area increased from 560 square feet for dwellings in the lowest value group to a maximum of 1,639 square feet. On the average, just under half of these properties included garage facilities—the proportion varying widely in relation to the valuation.

In comparing the averages for characteristics of existing-home transactions with those for new homes, it may be noted that the percentage distribution of existing-home mortgages for 1949 was marked by a greater concentration in the higher value groups—32 percent of the cases in the sample being valued at or above $10,000 as compared with 24 percent for new homes. Within individual valuation groups, however, the average value, mortgage principal, and loan-value ratio are uniformly lower, and the average market price of site, monthly rental value, number of rooms, floor area, and proportion with garages were generally higher for existing than for new homes. It is particularly interesting to note that existing homes in the $6,000 to $10,000 value classes average as large or larger in area than new homes valued at $2,000 more.

Size of house.—The size of a house may be described in square feet of floor area or in number of rooms in the dwelling. Square foot area is calculated by measuring to the outside surfaces of exterior walls above basement or foundation; garage and finished space in attic are excluded. Room count includes all living, sleeping, and cooking areas, but excludes such spaces as bathrooms, toilet compartments, hallways, closets, and storage and similar spaces. The typical (median) FHA-financed new house had 841 square feet in floor area and a room count of 4.9 rooms, as shown in Tables 26 and 27. Existing homes were somewhat larger, with medians of 1,001 square feet in floor area, and 5.6 rooms. Naturally, the more expensive the house, the more space it contains. For new homes, median room counts ranged from 4.5 rooms for houses in the $5,000 to $6,000 group, to 6.4 rooms in houses of $16,000 or more in value. Similarly, calculated floor areas ranged from 559 square feet in the $4,000 to $5,000 house to 1,599 square feet for the property valued at $16,000 or more.

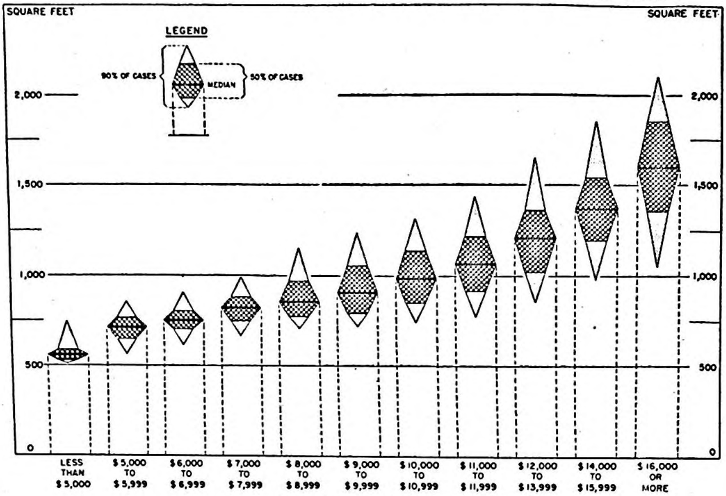
There was quite a range of sizes for houses in any one value group, rooms and floor area being only one factor determining value. For example, as indicated in Table 26 and Chart XIII, new houses valued between $9,000 and $10,000 ranged from under 600 square feet to more than 2,000 square feet with substantial percentages in each of the four size classes between 700 and 1,100 square feet.

TABLE 26.—*Calculated floor area by FHA valuation: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, 1949*

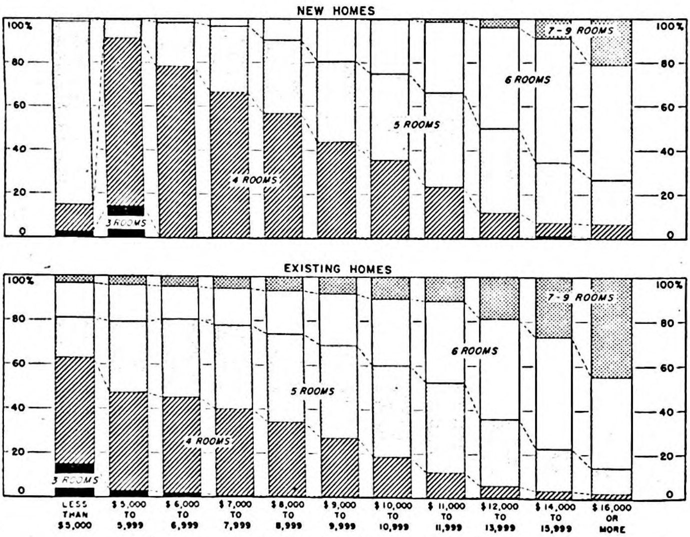
FHA property valuation [1]	Percentage distribution	Median floor area [2] (square feet)	Calculated floor area [2] in 100 square feet: Less than 600	600 to 699	700 to 799	800 to 899	900 to 999	1,000 to 1,099	1,100 to 1,199	1,200 to 1,299	1,300 to 1,399	1,400 to 1,499	1,500 to 1,599	1,600 to 1,699	1,700 to 1,799	1,800 to 1,899	1,900 to 1,999	2,000 or more	Total
New homes																			
Less than $4,000	(3)	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	100.0
$4,000 to $4,999 [4]	1.1	559	85.0	8.4	3.4	1.8	0.4	0.8	------	0.2	------	------	------	------	------	------	------	------	100.0
$5,000 to $5,999	2.7	712	8.0	36.3	46.6	7.3	1.1	.5	------	.1	0.1	------	------	------	------	------	------	------	100.0
$6,000 to $6,999	18.1	751	2.9	20.8	51.2	19.9	4.3	.7	0.1	.1	------	------	------	------	------	------	------	------	100.0
$7,000 to $7,999	18.4	820	.3	7.3	34.3	40.6	12.2	4.1	1.0	.2	------	------	------	------	------	------	------	------	100.0
$8,000 to $8,999	19.6	856	2	3.2	31.2	27.8	18.5	12.1	4.3	2.4	.3	------	------	------	------	------	------	------	100.0
$9,000 to $9,999	16.3	902	.1	.4	26.6	22.6	15.8	18.1	9.7	4.4	1.4	0.5	0.1	0.1	(3)	0.1	(3)	0.1	100.0
$10,000 to $10,999	10.1	987	.1	.5	10.7	26.3	14.3	17.1	16.3	9.1	3.2	1.3	.6	.2	0.2	.1	(3)	(3)	100.0
$11,000 to $11,999	5.5	1,065	.1	(3)	6.8	15.3	18.3	14.6	17.3	14.1	7.1	3.6	1.8	.6	.1	.1	------	.2	100.0
$12,000 to $13,999	4.8	1,210	.1	(3)	1.4	6.4	14.3	12.4	13.5	17.8	14.4	8.0	5.4	2.4	2.5	.4	0.4	.6	100.0
$14,000 to $15,999	1.9	1,371	------	.1	.3	.9	4.6	9.0	10.5	14.1	14.7	15.8	11.7	7.4	4.7	2.1	1.2	2.9	100.0
$16,000 or more	1.5	1,599	------	.3	1.1	.8	1.7	3.7	4.2	8.3	9.7	9.6	10.7	10.1	10.1	9.0	4.8	15.9	100.0
Total	100.0	841	1.8	7.0	28.8	24.2	12.5	9.6	6.1	4.2	2.1	1.3	.8	.5	.4	.2	.1	.4	100.0
Existing homes																			
Less than $4,000	1.7	935	3.2	5.1	8.2	27.7	17.2	12.2	20.7	1.8	1.1	0.9	0.6	1.3	------	------	------	------	100.0
$4,000 to $4,999	2.1	866	7.1	13.6	18.4	16.5	8.4	10.8	5.6	7.6	4.4	2.6	1.9	1.7	0.4	0.2	0.2	0.6	100.0
$5,000 to $5,999	5.2	817	2.6	12.0	32.2	18.7	9.4	7.3	5.3	4.0	2.8	1.8	1.5	.8	.4	.4	.3	.5	100.0
$6,000 to $6,999	11.3	851	1.7	8.1	26.8	26.4	13.0	7.1	5.0	3.5	2.5	1.9	1.2	.8	.7	.4	.3	.6	100.0
$7,000 to $7,999	15.9	892	.4	5.4	20.1	20.4	16.6	10.1	6.9	4.2	3.2	2.2	1.5	1.0	.6	.4	.2	.8	100.0
$8,000 to $8,999	17.2	948	.3	2.9	17.5	20.6	18.2	14.8	8.1	5.4	3.5	2.7	1.8	1.1	1.0	.6	.4	1.1	100.0
$9,000 to $9,999	14.2	1,014	.2	.9	12.9	16.8	16.6	18.8	11.0	7.4	4.4	3.5	1.9	1.6	1.2	.8	.6	1.4	100.0
$10,000 to $10,999	10.4	1,095	.2	.4	6.4	14.7	13.9	15.1	14.5	10.8	7.6	4.8	3.9	2.4	1.5	1.2	.8	1.8	100.0
$11,000 to $11,999	7.0	1,164	.1	.2	3.0	10.1	13.6	13.4	14.9	14.6	9.4	6.8	4.4	3.4	2.4	1.0	.7	2.9	100.0
$12,000 to $13,999	8.4	1,306	.1	------	.7	3.2	8.5	10.5	12.2	14.0	13.1	10.3	8.4	5.3	4.1	2.5	1.8	5.3	100.0
$14,000 to $15,999	3.4	1,467	.1	.1	.4	1.0	2.6	5.6	7.2	12.1	12.9	11.9	12.3	8.6	5.8	5.1	3.4	10.9	100.0
$16,000 or more	3.2	1,733	.2	.1	.4	.6	1.6	1.9	3.5	4.9	6.1	8.2	9.9	9.5	9.4	6.4	6.9	30.4	100.0
Total	100.0	1,001	.7	3.5	14.2	17.5	13.8	12.1	9.3	7.3	5.5	4.2	3.3	2.3	1.7	1.1	.8	2.7	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.
[3] Less than 0.05 percent.
[4] Includes a high proportion of properties located in Puerto Rico.

RANGE OF FLOOR AREAS FOR NEW HOUSES OF DIFFERENT VALUES
(SQUARE FEET IN 50% AND IN 90% OF HOUSES IN EACH FHA VALUATION GROUP)



DISTRIBUTION OF ROOMS BY PROPERTY VALUATION
FHA-INSURED SINGLE-FAMILY HOME MORTGAGES
SECTION 203, 1949



CHARTS XIII AND XIV.

TABLE 27.—*Rooms by property valuation: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, 1949*

FHA property valuation [1]	Percentage distribution	Median number of rooms [2]	Number of rooms [2]					
			3 rooms	4 rooms	5 rooms	6 rooms	7-9 rooms	Total
			New homes					
Less than $4,000	(3)	----	----	----	----	----	----	----
$4,000 to $4,999	1.1	5.4	2.6	12.1	84.3	1.0	----	100.0
$5,000 to $5,999	2.7	4.5	14.3	76.5	8.5	.6	0.1	100.0
$6,000 to $6,999	18.1	4.6	1.2	76.7	20.3	1.8	(2)	100.0
$7,000 to $7,999	18.4	4.8	.4	65.9	30.2	3.4	.1	100.0
$8,000 to $8,999	19.6	4.9	.4	56.0	33.5	10.0	.1	100.0
$9,000 to $9,999	16.3	5.2	.2	43.6	40.3	15.6	.3	100.0
$10,000 to $10,999	10.1	5.4	.2	35.2	39.5	24.7	.4	100.0
$11,000 to $11,999	5.5	5.6	.2	23.3	42.7	32.3	1.5	100.0
$12,000 to $13,999	4.8	6.0	.3	11.3	38.5	45.8	4.1	100.0
$14,000 to $15,999	1.9	6.3	1.2	5.9	27.4	56.2	9.3	100.0
$16,000 or more	1.5	6.4	.1	6.1	20.5	51.8	21.5	100.0
Total	100.0	4.9	.9	51.9	32.5	13.8	.9	100.0
Median valuation	----	----	$6,112	$7,813	$8,898	$10,567	$14,591	$8,602
			Existing homes					
Less than $4,000	1.7	4.5	24.7	55.6	7.9	10.5	1.3	100.0
$4,000 to $4,999	2.1	5.1	6.6	41.3	26.9	19.5	5.7	100.0
$5,000 to $5,999	5.2	5.1	2.9	43.9	32.5	16.3	4.4	100.0
$6,000 to $6,999	11.3	5.1	1.8	43.1	35.5	14.8	4.8	100.0
$7,000 to $7,999	15.9	5.3	.6	39.3	38.0	16.7	5.4	100.0
$8,000 to $8,999	17.2	5.4	.4	33.5	40.1	19.6	6.4	100.0
$9,000 to $9,999	14.2	5.5	.3	26.5	42.3	23.3	7.6	100.0
$10,000 to $10,999	10.4	5.8	.2	18.3	41.5	30.1	9.9	100.0
$11,000 to $11,999	7.0	5.9	.2	11.4	40.8	36.6	11.0	100.0
$12,000 to $13,999	8.4	6.3	.5	5.1	30.4	45.1	18.9	100.0
$14,000 to $15,999	3.4	6.5	.2	3.4	19.1	50.4	26.9	100.0
$16,000 or more	3.2	6.9	.4	2.1	11.6	40.9	45.0	100.0
Total	100.0	5.6	1.2	28.1	36.1	24.9	9.7	100.0
Median valuation	----	----	$5,322	$7,807	$8,807	$10,862	$10,000	$8,700

[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.

Reference to Table 27 and Chart XIV shows the same relationship expressed in room count. In the $9,000 to $10,000 new-house group, 44 percent had only 4 rooms, 40 percent had 5 rooms, and 16 percent had 6 rooms or more.

Existing homes in all valuation groups showed larger floor areas and higher room counts than new homes. In the $9,000 to $10,000 group, only 27 percent had 4 rooms, 42 percent had 5 rooms, and 31 percent had 6 rooms or more.

Floor area.—The size of the house is one of the important factors in determining value, although by no means the sole determinant. How values of houses with similar floor area vary and how even the number of rooms in these houses ranges from three to over six rooms for each area group is shown in Tables 26 and 27.

TABLE 28.—*Number of rooms by calculated floor area: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, 1949*

Calculated floor area [1] (square feet)	Percentage distribution	Median number of rooms	Number of rooms [2]					Total
			3	4	5	6	7-9	
			New homes					
Less than 600	1.8	5.0	13.5	35.1	50.9	0.5	------	100.0
600 to 699	7.0	4.5	5.4	92.2	2.2	.2	(3)	100.0
700 to 799	28.8	4.6	.4	85.5	13.7	.4	(3)	100.0
800 to 899	24.2	4.8	.2	58.8	39.0	1.9	0.1	100.0
900 to 999	12.5	5.3	.2	30.3	59.2	10.1	.2	100.0
1,000 to 1,099	9.6	5.6	.2	14.7	59.3	25.5	.3	100.0
1,100 to 1,199	6.1	6.0	.2	7.5	41.3	50.5	.5	100.0
1,200 to 1,299	4.2	6.2	.2	3.3	32.2	63.2	1.1	100.0
1,300 to 1,399	2.1	6.3	.2	3.6	23.9	70.2	2.1	100.0
1,400 to 1,499	1.3	6.4	.2	1.2	17.7	76.0	4.9	100.0
1,500 to 1,699	1.3	6.4	1.1	2.7	19.1	63.8	13.3	100.0
1,700 to 1,999	.7	6.7	.6	3.4	10.2	52.3	33.5	100.0
2,000 or more	.4	7.5	.6	6.7	8.4	25.1	59.2	100.0
Total	100.0	4.9	.9	51.9	32.5	13.8	.9	100.0
			Existing homes					
Less than 600	0.7	4.2	41.4	40.0	13.6	2.8	2.2	100.0
600 to 699	3.5	4.6	5.1	78.6	13.5	2.6	.2	100.0
700 to 799	14.2	4.7	.8	71.3	23.5	3.9	.5	100.0
800 to 899	17.5	5.0	2.5	48.3	42.8	5.5	.9	100.0
900 to 999	13.8	5.4	.3	25.4	60.8	11.6	1.9	100.0
1,000 to 1,099	12.1	5.6	.3	14.6	60.3	22.3	2.5	100.0
1,100 to 1,199	9.3	5.9	.2	8.0	45.7	42.5	3.6	100.0
1,200 to 1,299	7.3	6.2	.4	2.8	33.0	57.0	6.8	100.0
1,300 to 1,399	5.5	6.4	.2	1.4	21.1	64.6	12.7	100.0
1,400 to 1,499	4.2	6.5	.3	.8	14.1	64.4	20.4	100.0
1,500 to 1,699	5.6	6.8	.2	.9	8.1	54.2	36.6	100.0
1,700 to 1,999	3.6	7.5	.2	.8	3.8	35.2	60.0	100.0
2,000 or more	2.7	8.2	.9	1.0	1.5	12.2	81.4	100.0
Total	100.0	5.6	1.2	28.1	36.1	24.9	9.7	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.

That neither room count nor floor area alone adequately describes home size is illustrated in Table 28, which shows that of the houses which have more or less the same floor area, some contain one or two rooms more than others. Of the houses with 1,000 to 1,100 square feet floor area, for instance, 15 percent have only 4 rooms, 59 percent have 5 rooms, and 26 percent have 6 rooms.

Statistics by Geographic Divisions

The map immediately following shows which States comprise each geographic division and how much of FHA's home mortgage insurance originates there. In the six tables which follow, there are presented selected characteristics of mortgages, of borrowers, and of properties for the nine census divisions of the United States. To the extent that geographic differences influence the characteristics of housing financed under the FHA plan, they are reflected by variations in the distributions and in the averages shown in these tables.

The distribution of mortgaged properties by type of structure appears in Table 29, together with average valuations of 1-, 2-, 3-, and 4-family houses, both new and existing, financed under the Section 203 program. Although one-family units comprise the bulk of Section 203 housing in all regions, 4-family houses are most prevalent in the West North Central division, where 0.8 percent of the structures and 3.2 percent of the dwelling units are of this type. The average valuation in such structures also happens to be highest in this region, amounting to $19,612, or $4,903 per family unit. A similar comparison can be made for existing homes.

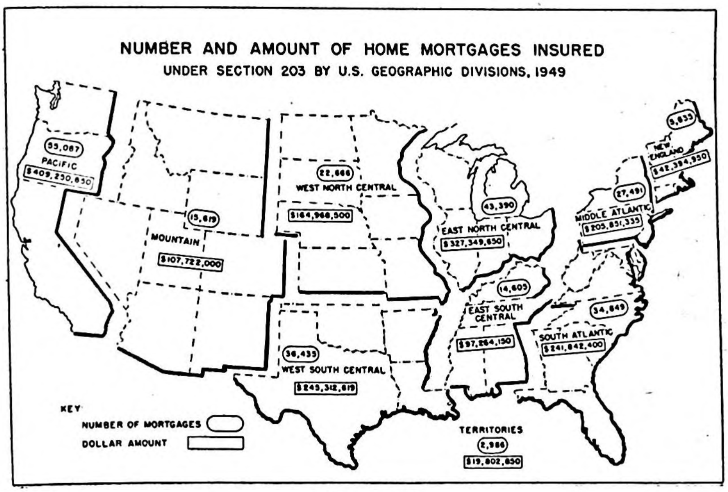


CHART XV.

TABLE 29.—*Structures and dwelling units: Percentage distribution based on FHA-insured mortgages secured by single-family homes, by geographic divisions, Sec. 203, July–December 1949*

Size of structure	Geographic divisions: United States total	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
	New homes									
Structures:										
1-family	98.5	99.6	99.4	99.3	98.0	98.5	99.1	99.0	98.2	97.1
2-family	1.2	.3	.6	.6	1.2	1.2	.8	.9	1.3	2.4
3-family	.1	.1				(1)	(1)	(1)	.2	.3
4-family	.2		(1)	.1	.8	.3	.1	.1	.3	.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Dwelling units:										
1-family	96.7	99.0	98.8	98.6	94.5	96.6	97.9	97.9	95.7	93.7
2-family	2.3	.7	1.1	1.1	2.3	2.3	1.6	1.7	2.6	4.7
3-family	.3	.3				.1	.1	(1)	.6	1.0
4-family	.7		.1	.3	3.2	1.0	.4	.4	1.1	.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average FHA property valuation: [2]										
1-family	$8,507	$9,089	$9,316	$8,750	$9,159	$8,193	$7,458	$7,673	$8,272	$8,904
2-family	14,150	12,750	14,625	14,476	15,858	13,372	12,215	13,693	13,857	14,416
3-family	16,825	15,000							17,205	16,918
4-family	16,456			10,606	19,612	13,676	17,850	9,338	18,533	18,646
Total	8,596	9,107	9,346	8,787	9,325	8,273	7,511	7,728	8,392	9,082
	Existing homes									
Structures:										
1-family	95.7	89.5	91.4	94.4	97.3	97.6	97.3	97.1	94.3	97.1
2-family	3.9	8.4	8.2	5.3	2.4	2.1	2.5	2.7	4.9	2.4
3-family	.2	1.8	.2	.2	.1	.1	(1)	.1	.3	.2
4-family	.2	.3	.2	.1	.2	.2	.2	.1	.5	.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Dwelling units:										
1-family	91.2	79.2	83.6	89.1	94.2	95.0	94.3	94.1	88.3	93.8
2-family	7.4	14.9	14.9	9.9	4.7	4.0	4.9	5.2	9.2	4.7
3-family	.6	4.8	.6	.6	.3	.4	.1	.2	.8	.5
4-family	.8	1.1	.9	.4	.8	.6	.7	.5	1.7	1.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average FHA property valuation: [2]										
1-family	$9,164	$9,807	$9,359	$9,809	$9,033	$8,928	$8,402	$8,321	$8,338	$9,403
2-family	10,873	10,429	10,268	10,700	10,937	11,629	11,351	10,980	10,076	12,152
3-family	12,932	11,095	11,906	13,650	15,063	15,384		16,735	11,995	14,188
4-family	15,137	15,775	13,268	13,471	15,591	16,043	18,182	12,767	14,668	16,232
Total	9,251	9,901	9,447	9,867	9,099	9,003	8,496	8,403	8,463	9,496

[1] Less than 0.05 percent.
[2] Includes valuation of the house, all other physical improvements, and land.

Table 30 shows the proportion of mortgage loans insured for the various types of financial institutions participating in the FHA program. It shows that the degree to which each type of lending institution makes FHA-insured loans on a national basis is not necessarily representative for any specific division. Savings and loan associations, for instance, which for the country as a whole account for 13 percent of FHA's insured mortgage business, originated as much as 31 percent of the new-home mortgages in New England, but only 4.2 percent in the Middle Atlantic States. Similar disparities in the proportions and differences for each region are reflected for existing-home mortgages.

TABLE 30.—*Type of mortgagee by geographic divisions: Percentage distribution* [1] *based on FHA-insured mortgages secured by single-family homes, Sec. 203, July–December 1949*

Type of mortgagee	Geographic divisions									
	United States total	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
	New homes									
National bank	13.0	7.7	11.2	9.0	7.4	3.7	2.6	2.4	23.3	35.0
State bank	12.0	10.2	20.1	14.3	15.4	7.4	9.2	3.3	12.4	14.3
Mortgage company	31.0	3.4	30.6	37.9	28.6	37.2	39.3	49.9	16.3	11.1
Insurance company	20.2	11.5	5.7	21.5	25.5	27.0	30.2	22.5	20.0	17.7
Savings and loan association	13.0	31.4	4.2	12.7	21.8	9.7	12.9	10.6	20.2	16.6
Savings bank	4.8	35.8	28.0	1.6	.3	.3	------	(2)	(2)	1.4
Federal agency	(2)	------	(2)	(2)	(2)	------	------	------	------	(2)
All other [3]	6.0	(2)	.2	3.0	1.0	14.7	5.8	11.3	7.8	3.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Existing homes									
National bank	17.7	7.0	16.5	15.0	11.5	6.1	3.3	4.4	25.9	37.6
State bank	12.9	13.6	14.3	18.8	18.3	8.4	5.6	7.5	15.8	10.1
Mortgage company	22 9	3.8	36.5	23.9	14.0	33.4	31.4	33.2	13.6	15.1
Insurance company	29.5	18.2	10.7	28.0	35.5	41.1	52.5	37.1	26.9	24.7
Savings and loan association	10.5	18.1	4.5	11.6	19.3	7.1	6.6	11.5	16.8	7.0
Savings bank	4.8	39.3	17.4	1.8	.6	.4	(2)	------	.1	4.7
Federal agency	(2)	------	------	(2)	------	------	------	------	------	------
All other [3]	1.7	------	.1	.9	.8	3.5	.6	6.3	.9	.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Based on amount of mortgage.
[2] Less than 0.05 percent.
[3] Includes industrial banks, finance companies, endowed institutions, private and State benefit funds, etc.

Table 31 contains a distribution by income groups for FHA borrowers for each geographic division. A remarkable similarity is presented, region by region, in the income distribution of families financing their homes under the FHA plan. This consistency is further evidenced by the narrow range in median incomes for these families—ranging from $298 per month in the West South Central division to $331 per month in the Middle Atlantic division. Incomes for families purchasing existing homes are somewhat higher than for those purchasing new homes in all geographic divisions; otherwise the relationship parallels that for new homes.

TABLE 31.—*Mortgagor's income: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Section 203, July–December, 1949*

Mortgagor's effective monthly income [1]	Geographic divisions									
	United States total	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
	New homes									
Less than $150.00	0.1	------	(2)	(2)	(2)	(2)	0.2	0.2	------	(2)
$150 to $199.99	1.6	2.5	0.3	1.3	1.4	2.5	2.8	3.3	1.1	0.5
$200 to $249.99	13.1	12.5	6.2	13.4	11.4	15.8	17.1	21.5	10.0	7.9
$250 to $299.99	25.9	21.6	24.7	29.3	23.1	25.5	25.8	25.8	23.0	27.1
$300 to $349.99	23.5	23.2	27.1	23.5	22.5	21.7	21.5	19.1	24.8	27.2
$350 to $399.99	12.7	13.2	14.4	11.9	13.6	12.1	12.0	10.9	14.2	13.4
$400 to $449.99	9.5	11.4	11.3	9.3	11.9	8.8	9.4	7.8	10.7	9.2
$450 to $499.99	4.2	4.7	5.1	3.5	5.0	4.0	3.6	3.8	4.6	4.5
$500 to $599.99	5.5	6.0	6.1	4.6	6.8	5.4	4.2	4.9	6.7	6.0
$600 to $799.99	2.9	3.1	3.5	2.4	3.2	3.2	2.3	2.1	3.4	3.1
$800 to $999.99	.5	.8	.8	.4	.6	.5	.6	.3	.9	.5
$1,000 or more	.5	1.0	.5	.4	.5	.5	.5	.3	.6	.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average income	$341.67	$358.97	$364.26	$332.74	$351.03	$339.48	$326.73	$321.60	$353.81	$350.43
Median income	309.75	328.00	331.28	305.84	323.22	306.97	303.72	297.59	321.63	319.06
	Existing homes									
Less than $150.00	0.1	0.1	(2)	(2)	0.1	0.1	(2)	0.1	0.2	(2)
$150 to $199.99	1.5	1.8	1.3	0.6	2.0	2.6	2.2	3.6	.9	0.5
$200 to $249.99	8.8	9.4	8.8	5.8	10.5	11.1	12.2	12.9	8.2	6.4
$250 to $299.99	18.8	18.3	19.3	18.6	18.2	18.8	19.2	20.0	18.1	18.9
$300 to $349.99	20.4	16.8	19.7	21.6	19.9	17.4	18.9	19.0	24.1	22.1
$350 to $399.99	13.4	11.1	12.7	14.3	13.0	12.4	13.1	13.5	13.3	14.1
$400 to $449.99	12.0	12.4	11.4	13.5	12.3	10.3	12.0	10.4	11.9	12.3
$450 to $499.99	6.0	6.2	6.6	6.1	6.0	5.9	5.8	5.0	4.8	6.4
$500 to $599.99	9.2	10.0	9.7	9.5	8.5	9.4	7.8	7.6	9.1	10.2
$600 to $799.99	6.5	8.1	6.7	6.6	6.1	8.5	5.5	5.1	6.1	6.3
$800 to $999.99	1.8	3.1	2.0	2.0	1.6	2.1	1.7	1.5	1.6	1.5
$1,000 or more	1.5	2.7	1.8	1.4	1.8	1.4	1.6	1.3	1.7	1.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average income	$391.88	$421.87	$400.34	$398.54	$386.19	$393.02	$381.33	$370.98	$387.04	$394.53
Median income	350.85	365.64	352.69	356.31	346.75	349.89	337.76	329.67	340.94	353.86

[1] Estimated amount of the mortgagor's earning capacity that is likely to prevail during approximately the first third of the mortgage term.
[2] Less than 0.05 percent.

Table 32 is a comparison of selected averages of housing costs and housing expenses for low, middle, and high-income families among FHA home mortgagors in the various geographic divisions. The figures shown here are a quick reference source for mortgage lenders, builders, and home purchasers, in that they indicate the relationships which are typical of each region, rather than of the country as a whole. In this way, any comparisons the reader wishes to make are pinpointed in the light of local, rather than national, experience.

TABLE 32.—*Average characteristics by mortgagor's income by geographic divisions: Based on FHA-insured mortgages secured by single-family, owner-occupied homes, Sec. 203, July–December 1949*

Mortgagor's effective monthly income [1]	United States total	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
New homes	Average monthly income [1]									
Less than $250	$220.93	$220.62	$226.98	$220.81	$220.56	$220.71	$216.34	$219.24	$221.25	$227.53
$250 to $399.99	307.77	315.18	314.68	303.18	309.19	307.36	303.68	305.46	308.57	309.11
$400 or more	509.90	529.57	517.39	504.34	499.61	521.47	501.38	501.53	511.60	511.17
Total	341.67	358.97	364.26	332.74	351.03	339.48	326.73	321.60	353.81	350.43
	Average property valuation [2]									
Less than $250	$6,951	$7,442	$8,094	$7,078	$7,663	$6,752	$6,301	$6,640	$6,920	$7,478
$250 to $399.99	8,231	8,637	9,001	8,439	8,812	7,840	7,307	7,548	8,012	8,491
$400 or more	10,124	10,700	10,336	10,684	10,528	10,306	9,039	9,437	9,397	10,357
Total	8,479	9,016	9,306	8,704	9,144	8,194	7,460	7,684	8,266	8,850
	Average total monthly mortgage payment [3]									
Less than $250	$45.01	$48.56	$49.10	$44.57	$48.79	$43.32	$41.81	$43.78	$49.19	$48.08
$250 to $399.99	53.47	59.03	58.15	54.09	56.98	49.85	48.01	49.74	54.93	54.97
$400 or more	65.51	71.00	66.90	69.08	66.29	64.95	58.46	61.37	65.89	66.64
Total	55.00	60.70	59.95	55.79	58.53	52.04	48.91	50.49	57.26	57.18
	Average prospective monthly housing expense [4]									
Less than $250	$63.60	$69.56	$71.63	$64.87	$65.91	$63.10	$59.01	$60.42	$68.62	$66.67
$250 to $399.99	74.70	81.71	82.75	76.61	77.15	71.22	67.64	67.55	77.24	75.72
$400 or more	88.62	94.33	93.06	94.36	88.24	89.16	81.10	80.20	87.58	89.30
Total	76.27	83.30	84.82	78.56	78.80	73.75	68.67	68.20	79.08	78.19
Existing homes	Average monthly income [1]									
Less than $250	$218.13	$217.82	$221.23	$222.06	$216.03	$215.95	$216.48	$213.95	$215.94	$223.94
$250 to $399.99	313.45	315.78	315.03	313.70	311.62	312.84	311.53	313.48	311.08	314.34
$400 or more	552.10	591.76	563.03	545.47	549.77	562.09	555.17	552.18	552.20	541.86
Total	391.88	421.87	400.34	398.54	386.19	393.02	381.33	370.98	387.04	394.53
	Average property valuation [2]									
Less than $250	$6,703	$6,687	$6,735	$7,539	$6,678	$5,974	$6,523	$6,396	$6,399	$7,321
$250 to $399.99	8,349	8,597	8,459	8,867	8,340	7,920	7,772	7,749	7,750	8,576
$400 or more	11,018	12,143	11,247	11,452	10,819	11,341	10,131	10,291	9,813	11,007
Total	9,166	9,887	9,350	9,794	9,032	8,935	8,400	8,312	8,350	9,413
	Average total monthly mortgage payment [3]									
Less than $250	$42.54	$44.92	$43.02	$46.42	$42.79	$37.03	$41.75	$40.35	$43.44	$46.55
$250 to $399.99	53.37	57.56	55.04	55.98	53.57	49.23	45.97	49.73	51.75	54.59
$400 or more	71.35	80.30	75.91	74.64	71.28	70.30	64.87	65.39	65.90	70.44
Total	58.90	65.79	61.80	62.67	58.65	55.45	53.68	53.03	55.95	60.06
	Average prospective monthly housing expense [4]									
Less than $250	$61.93	$65.64	$65.71	$68.47	$61.85	$55.75	$60.23	$56.21	$62.73	$67.37
$250 to $399.99	75.28	79.52	79.65	79.67	74.51	70.25	70.19	66.60	72.85	77.79
$400 or more	96.37	107.28	104.32	101.17	94.26	96.42	88.31	83.40	89.16	96.56
Total	81.70	89.73	87.65	87.36	80.10	78.07	74.97	70.08	77.64	84.20

[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.

Valuation of single-family homes securing insured mortgages in each geographic division are presented in Table 33. The range of the median valuation for new FHA-insured homes is significant. The lowest is $6,995 for the East South Central division, and the highest is $9,046 for the Middle Atlantic division, a spread of over $2,000 per house. A similar observation applies to existing-home valuations, the typical figure for which ranges from $7,685 for West South Central States to $9,293 for the East North Central States.

TABLE 33.—*Property valuation by geographic divisions: Percentage distribution based on FHA-insured mortgages secured by single-family homes, Sec. 203, July–December 1949*

FHA property valuation [1]	Geographic divisions									
	United States total	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
	New homes									
Less than $4,000	(2)	------	(2)	(2)	------	(2)	0.1	------	------	------
$4,000 to $4,999	0.2	------	(2)	------	------	0.1	1.8	0.5	0.1	------
$5,000 to $5,999	2.7	0.3	(2)	0.9	0.6	5.1	6.6	6.4	2.9	0.2
$6,000 to $6,999	21.8	5.7	2.1	26.9	11.8	27.8	41.6	38.2	23.4	9.1
$7,000 to $7,999	19.6	21.3	6.9	13.2	16.8	24.6	21.3	23.3	24.4	25.1
$8,000 to $8,999	20.9	29.0	37.9	14.9	24.5	14.9	13.6	13.4	22.4	26.2
$9,000 to $9,999	15.0	18.5	26.3	17.8	16.7	10.2	6.3	7.6	13.4	18.1
$10,000 to $10,999	9.1	10.0	13.6	12.1	12.7	7.3	3.9	4.7	6.0	10.4
$11,000 to $11,999	4.6	7.2	6.4	6.7	7.5	3.5	1.9	2.7	2.6	4.8
$12,000 to $13,999	3.8	4.6	4.8	4.9	6.7	3.5	1.7	2.1	2.9	3.5
$14,000 to $15,999	1.3	1.2	1.3	1.5	1.5	1.6	.7	.5	1.2	1.5
$16,000 or more	1.0	2.2	.7	1.1	1.2	1.4	.5	.6	.7	1.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average valuation	$8,507	$9,089	$9,316	$8,750	$9,159	$8,193	$7,458	$7,673	$8,272	$8,904
Median valuation	8,124	8,633	9,046	8,614	8,817	7,554	6,995	7,174	7,939	8,549
	Existing homes									
Less than $4,000	1.0	0.6	1.3	------	0.9	5.0	0.3	0.5	0.9	0.1
$4,000 to $4,999	1.8	2.4	2.1	0.4	3.6	2.3	1.5	2.7	3.0	.7
$5,000 to $5,999	5.2	3.5	4.8	2.0	7.2	7.6	8.1	9.8	6.5	2.9
$6,000 to $6,999	11.6	11.7	9.4	7.1	11.3	12.5	19.1	20.0	16.4	8.9
$7,000 to $7,999	16.3	13.4	13.5	13.8	14.9	15.1	21.4	20.5	20.2	17.0
$8,000 to $8,999	17.1	16.0	15.8	18.5	16.5	13.3	17.2	15.1	20.0	19.2
$9,000 to $9,999	14.0	12.1	14.4	16.3	13.6	11.0	10.9	9.9	13.1	16.7
$10,000 to $10,999	10.8	10.4	13.5	13.2	10.0	8.9	7.6	7.6	7.9	12.3
$11,000 to $11,999	7.3	7.6	8.4	10.1	7.4	6.4	3.8	4.5	4.0	7.9
$12,000 to $13,999	8.3	10.7	9.9	10.9	8.1	9.5	5.2	5.0	4.4	8.1
$14,000 to $15,999	3.4	4.1	3.9	4.0	3.4	4.8	2.5	2.3	1.7	3.1
$16,000 or more	3.2	7.5	3.0	3.7	3.1	3.6	2.4	2.1	1.9	3.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average valuation	$9,164	$9,807	$9,359	$9,809	$9,033	$8,928	$8,402	$8,321	$8,338	$9,403
Median valuation	8,721	9,056	9,053	9,293	8,596	8,516	7,833	7,685	8,050	9,021

[1] Includes valuation of the house, all other physical improvements, and land.
[2] Less than 0.05 percent.

Table 34 shows certain characteristics of properties and building sites, presented for low, middle, and high valuation properties in each geographic division. It is interesting to note, for instance, how estimated market price of building sites varies from region to region;

also how taxes and housing expense differ in various parts of the country from the national average. The differences are somewhat more pronounced in new-home properties than in existing-home properties. The greater the variation among geographic areas for a home characteristic, the more significant it may be in individual cases to use local or regional patterns as standards for comparison rather than national averages.

TABLE 34.—*Average characteristics by property valuation, by geographic divisions: Based on FHA-insured mortgages secured by single-family homes, Sec. 203, July–December 1949*

FHA property valuation [1]	Geographic divisions									
	United States total	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
New homes	Average property valuation [1]									
Less than $8,000	$6,838	$7,185	$7,263	$6,750	$7,035	$6,767	$6,597	$6,703	$6,895	$7,246
$8,000 to $9,999	8,801	8,715	8,732	8,965	8,843	8,813	8,679	8,744	8,785	8,800
$10,000 or more	11,734	11,875	11,422	11,615	11,708	12,058	11,763	11,797	12,144	11,789
Total	8,507	9,089	9,316	8,750	9,159	8,193	7,458	7,673	8,272	8,904
	Average market price of site [2]									
Less than $8,000	$773	$626	$705	$662	$596	$743	$726	$820	$642	$1,029
$8,000 to $9,999	1,008	777	959	837	876	1,027	1,005	1,245	812	1,178
$10,000 or more	1,401	1,100	1,252	1,123	1,297	1,537	1,560	1,829	1,097	1,664
Total	981	817	1,014	841	918	952	854	1,017	764	1,231
	Average monthly taxes [3]									
Less than $8,000	$5.68	$10.28	$9.40	$5.64	$7.34	$3.30	$4.66	$5.23	$7.77	$7.83
$8,000 to $9,999	8.92	13.94	11.41	8.83	8.58	5.12	5.91	6.65	9.84	9.18
$10,000 or more	11.60	14.03	14.99	12.28	10.37	8.34	8.25	7.86	14.16	12.07
Total	8.01	12.97	12.18	8.43	8.75	4.63	5.22	5.79	9.36	9.33
	Average calculated floor area [4] (in square feet)									
Less than $8,000	774	750	732	716	716	780	803	782	820	791
$8,000 to $9,999	889	806	848	798	799	926	999	960	945	945
$10,000 or more	1,098	1,077	1,020	978	996	1,179	1,280	1,212	1,143	1,207
Total	879	859	884	812	833	886	884	865	908	948
Existing homes	Average property valuation [1]									
Less than $8,000	$6,514	$6,510	$6,382	$6,884	$6,315	$6,060	$6,522	$6,463	$6,482	$6,829
$8,000 to $9,999	8,791	8,761	8,798	8,808	8,800	8,798	8,694	8,743	8,716	8,820
$10,000 or more	12,377	13,123	12,192	12,270	12,471	12,686	12,438	12,474	12,105	12,228
Total	9,164	9,807	9,359	9,809	9,033	8,928	8,402	8,321	8,338	9,403

See footnotes at end of table.

TABLE 34.—*Average characteristics by property valuation, by geographic divisions: Based on FHA-insured mortgages secured by single-family homes, Sec. 203, July–December 1949*—Continued

FHA property valuation [1]	Geographic divisions									
	United States total	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
Existing homes—Continued	Average market price of site [2]									
Less than $8,000	$758	$657	$693	$706	$676	$719	$818	$784	$667	$900
$8,000 to $9,999	1,020	863	918	878	898	1,065	1,099	1,230	811	1,174
$10,000 or more	1,551	1,514	1,393	1,360	1,430	1,646	1,666	1,962	1,236	1,721
Total	1,102	1,060	1,031	1,040	984	1,111	1,079	1,148	828	1,281
	Average monthly taxes [3]									
Less than $8,000	$6.31	$9.39	$9.28	$6.49	$6.59	$3.66	$5.15	$4.87	$7.89	$7.21
$8,000 to $9,999	8.77	12.46	11.91	8.76	8.60	5.56	6.91	6.14	10.24	9.25
$10,000 or more	12.41	16.10	16.42	13.45	11.72	8.93	9.77	8.08	14.93	12.20
Total	9.10	12.96	12.84	10.19	8.83	5.87	6.64	5.87	10.07	9.66
	Average calculated floor area [4] (in square feet)									
Less than $8,000	936	904	1,117	937	955	920	932	911	879	909
$8,000 to $9,999	1,038	1,064	1,121	958	997	1,088	1,147	1,096	966	1,048
$10,000 or more	1,329	1,466	1,403	1,223	1,269	1,374	1,499	1,416	1,258	1,341
Total	1,098	1,175	1,229	1,064	1,068	1,111	1,114	1,065	983	1,108

[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 real-estate taxes, special assessments if any, and water rent provided its nonpayment results in a lien against the property.
[4] 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.

Rental Housing Mortgage Insurance

During 1949, FHA-insured mortgages on rental housing projects under the terms of Section 207 of Title II, Section 608 of Title VI, Section 608 pursuant to Section 610 of Title VI, and Section 803 of Title VIII. In a fifth available program permitting insurance of yields on rental projects under the terms of Title VII, no applications were received nor insurance written during the year.

Section 207 was effectively revised by the Housing Act of 1948. This revision both increased the maximum allowable mortgage amounts per dwelling unit for all eligible projects and provided special incentives for development of cooperative housing projects. Most processing activity under Section 207 during 1949 related to proposals for housing cooperatives, with an aggregate of $7,313,000 of mortgages insured during the year on 2 cooperative projects with 813 dwelling units.

In August 1949, the Congress authorized a program of FHA insurance of mortgages on rental projects located on or near United States military establishments, as described in Section I of this report. By the end of the year insurance had been written under this program for $12,070,800 of mortgages on 7 projects with 1,540 dwelling units.

Most rental housing mortgage insurance in 1949 was carried out through Section 608 operations, as described below. The aggregate of just over $1,000,000,000 of insurance written under this section included $996,224,136 of mortgages on 1,836 new projects providing for 128,994 units; $3,607,600 of mortgages on 8 public war housing projects with 1,435 dwelling units, sold with mortgages insured under Section 608 pursuant to Section 610; and mortgages totaling $365,093 refinanced under Section 608 for 3 projects containing 78 dwelling units.

Details about the volume and characteristics of these insuring operations for rental projects are presented below.

Volume of Business

Over $1,000,000,000 of rental-project mortgages were insured by the FHA during 1949, setting a new record for the third successive year. The 1949 volume of rental housing insurance represented more than one-fourth of the total insurance written under all FHA programs this year and nearly 44 percent of the $2,300,000,000 of all rental-project mortgage insurance written by FHA through the end of 1949.

Table 35 shows the yearly volume of insurance written under the various FHA rental housing programs from 1935 through 1949. Almost all of this insurance covered the financing of new construction, including rehabilitation projects, with only 1 percent utilized for refinancing purposes. More than 330,000 family units are provided in the rental projects built or being constructed with the aid of FHA insurance.

The major program of rental-project insurance in 1949 was that under Section 608, accounting for almost 98 percent of the year's dollar volume. In fact, nearly 85 percent of the 15-year total of insurance written under all the rental housing sections of the National Housing Act is attributable to the Section 608 Veterans' Emergency Housing program, initiated May 22, 1946.

The magnitude of the rental-project workload of the FHA insuring offices in 1949 is indicated by the following summary:

Applications received—nearly $2 billion covering 244,000 units.
Commitments issued—over $1¼ billion covering 170,000 units.
Construction started—nearly 111,000 units.
Construction completed—more than 70,000 units.

TABLE 35.—*Yearly volume of all rental-project mortgages insured by FHA: Number of units and amount of mortgages on new and existing or refinanced construction, by sections, 1935–49*

Year	Grand total new and existing		Total, new construction		Total, existing or refinanced construction	
	Units	Amount	Units	Amount	Units	Amount
1935	738	$2,355,000	738	$2,355,000		
1936	624	2,101,000	624	2,101,000		
1937	3,023	10,483,000	3,023	10,483,000		
1938	11,930	47,638,050	11,930	47,638,050		
1939	13,462	51,851,466	13,462	51,851,466		
1940	3,559	12,948,690	3,446	12,488,690	113	$460,000
1941	3,741	13,565,000	3,296	12,014,000	445	1,551,000
1942	5,842	21,214,705	5,458	19,532,705	384	1,682,000
1943	20,179	84,621,970	20,035	84,046,970	144	575,000
1944	12,430	56,095,906	9,655	46,105,100	2,775	9,990,806
1945	4,058	19,816,951	3,137	15,902,936	921	3,914,015
1946	2,232	13,174,988	1,579	10,889,011	653	2,285,977
1947	46,604	359,944,206	46,446	358,602,206	158	1,342,000
1948	79,184	608,711,284	77,808	605,799,784	1,376	2,911,500
1949	132,860	1,019,580,629	131,347	1,015,607,936	1,513	3,972,693
Total	340,466	2,324,102,845	331,984	2,295,417,854	8,482	28,684,991

Year	New construction					
	Secs. 207 and 210		Sec. 608		Sec. 803	
	Units	Amount	Units	Amount	Units	Amount
1935	738	$2,355,000				
1936	624	2,101,000				
1937	3,023	10,483,000				
1938	11,930	47,638,050				
1939	13,462	51,851,466				
1940	3,446	12,488,690				
1941	3,296	12,014,000				
1942	1,163	4,110,000	4,295	$15,422,705		
1943	41	139,000	19,994	83,907,970		
1944			9,655	46,105,100		
1945	200	950,000	2,937	14,952,936		
1946	41	224,000	1,538	10,665,011		
1947		[1] 32,000	46,446	358,570,206		
1948			77,808	605,799,784		
1949	813	7,313,000	128,994	996,224,136	1,540	$12,070,800
Total	[2] 38,777	[2] 151,699,206	[3] 291,667	[3] 2,131,647,848	1,540	12,070,800

Year	Existing or refinanced construction					
	Secs. 207 and 210		Sec. 608		Sec. 608-610	
	Units	Amount	Units	Amount	Units	Amount
1935						
1936						
1937						
1938						
1939						
1940	113	$460,000				
1941	445	1,551,000				
1942	384	1,682,000				
1943	144	575,000				
1944	2,181	7,175,806	594	$2,815,000		
1945	691	2,856,015	230	1,058,000		
1946	653	2,285,977				
1947			158	1,342,000		
1948			10	63,000	1,366	$2,848,500
1949			78	365,093	1,435	3,607,600
Total	4,611	16,585,798	1,070	5,643,093	2,801	6,456,100

[1] Increase in amount of a mortgage insured prior to 1947.

[2] Includes 38,760 units provided in new and rehabilitation projects securing insured mortgages totaling $151,606,206.

[3] Includes 291,592 units provided in new and rehabilitation projects securing insured mortgages totaling $2,133,715,743.

State Distribution

Table 36 shows that during 1949 the FHA insured mortgages on rental projects in every State but 2, with Section 608 projects insured in every State but 3. However, nearly 3 out of every 4 rental units insured last year were located in 10 States: New York, New Jersey,

TABLE 36.—*State distribution of rental-project mortgages: Number, face amount, and units of FHA-insured mortgages under all rental-project programs and Sec. 608 VEH, during 1949*

Location of projects	All sections [1]			Sec. 608 VEH		
	Number	Amount	Units	Number	Amount	Units
Alabama	69	$15,843,300	3,132	69	$15,843,300	3,132
Arizona	1	103,814	10	1	103,814	10
Arkansas	7	486,000	68	7	486,000	68
California	292	56,282,345	7,917	292	56,282,345	7,917
Colorado	2	351,900	49	2	351,900	49
Connecticut	6	4,317,000	549	6	4,317,000	549
Delaware	8	11,635,900	1,596	7	11,590,000	1,576
District of Columbia	41	66,982,700	7,651	41	66,982,700	7,651
Florida	86	20,419,500	3,095	86	20,419,500	3,095
Georgia	47	40,633,900	6,429	46	40,285,900	6,279
Idaho	3	837,300	112	3	837,300	112
Illinois	34	13,931,197	1,695	34	13,931,197	1,695
Indiana	29	15,303,700	1,955	29	15,303,700	1,955
Iowa	10	3,626,700	446	10	3,626,700	446
Kansas	20	4,830,318	720	19	4,739,318	707
Kentucky	15	10,612,500	1,334	10	2,512,500	334
Louisiana	14	11,929,900	1,510	13	11,667,300	1,360
Maine	---	---	---	---	---	---
Maryland	80	87,348,100	11,568	79	84,515,300	11,220
Massachusetts	10	6,001,500	722	10	6,001,500	722
Michigan	68	17,297,000	2,547	67	16,217,000	2,047
Minnesota	71	16,214,679	1,985	71	16,214,679	1,985
Mississippi	20	5,811,900	959	20	5,811,900	959
Missouri	30	10,745,445	1,365	30	10,745,445	1,365
Montana	1	1,138,000	192	---	---	---
Nebraska	18	5,021,383	682	18	5,021,383	682
Nevada	---	---	---	---	---	---
New Hampshire	3	1,395,853	192	3	1,395,853	192
New Jersey	128	99,625,600	12,238	128	99,625,600	12,238
New Mexico	5	571,300	84	5	571,300	84
New York	201	221,486,797	25,872	200	214,264,797	25,072
North Carolina	27	23,749,683	3,853	26	23,502,183	3,768
North Dakota	1	125,552	20	1	125,552	20
Ohio	44	14,126,121	1,742	44	14,126,121	1,742
Oklahoma	19	3,006,100	434	19	3,006,100	434
Oregon	27	7,110,500	906	27	7,110,500	906
Pennsylvania	126	57,382,034	7,051	126	57,382,034	7,051
Rhode Island	3	684,800	84	3	684,800	84
South Carolina	25	17,865,000	2,827	25	17,865,000	2,827
South Dakota	2	231,900	33	2	231,900	33
Tennessee	28	9,091,800	1,371	28	9,091,800	1,371
Texas	83	38,517,989	5,386	83	38,517,989	5,386
Utah	3	929,600	118	3	929,600	118
Vermont	1	700,000	92	1	700,000	92
Virginia	88	69,933,600	9,154	86	69,588,000	9,024
Washington	19	10,885,948	1,355	19	10,885,948	1,355
West Virginia	3	1,502,800	430	2	224,800	30
Wisconsin	28	4,098,346	517	28	4,098,346	517
Wyoming	2	126,325	19	2	126,325	19
Alaska	3	8,401,400	749	3	8,401,400	749
Hawaii	5	325,600	45	5	325,600	45
Puerto Rico	---	---	---	---	---	---
Total	1,856	1,019,580,629	132,860	1,839	996,589,229	129,072

[1] Includes mortgages insured during 1949 under:

Section 207 in:
- Kansas—1 for $91,000 and 13 units.
- New York—1 for $7,222,000 and 800 units.

Sec. 803 in:
- Kentucky—5 for $8,100,000 and 1,000 units.
- Maryland—1 for $2,832,800 and 348 units.
- Montana—1 for $1,138,000 and 192 units.

Sec. 608-610 in:
- Delaware—1 for $45,900 and 20 units.
- Georgia—1 for $348,000 and 150 units.
- Louisiana—1 for $262,600 and 150 units.
- Michigan—1 for $1,080,000 and 500 units.
- North Carolina—1 for $247,500 and 85 units.
- Virginia—2 for $345,600 and 130 units.
- West Virginia—1 for $1,278,000 and 400 units.

Pennsylvania in the Middle Atlantic geographic division; Maryland, District of Columbia, Virginia, North Carolina, and Georgia in the South Atlantic division; Texas in the West South Central division; and California in the Pacific division.

The cumulative number of rental projects, units, and amount of mortgages insured in each State under all sections of the National Housing Act and the Section 608 VEH program alone are also presented in Table 37. Chart XVI shows the heavy concentration of FHA-insured rental units in the eastern seaboard States, and in Ohio, Michigan, Illinois, Texas, California, and Washington.

TABLE 37.—*State distribution of rental-project mortgages: Number, face amount and units of FHA-insured mortgages under all rental-project programs and Sec. 608 VEH, cumulative through 1949*

Location of projects	All sections [1]			Sec. 608 VEH		
	Number	Amount	Units	Number	Amount	Units
Alabama	148	$43,405,300	7,358	140	$40,940,600	6,777
Arizona	38	5,203,114	884	35	4,177,414	619
Arkansas	44	6,195,000	1,021	43	5,875,000	822
California	824	134,002,182	21,580	785	118,959,557	16,994
Colorado	47	5,993,300	1,080	24	3,114,300	430
Connecticut	46	19,516,800	2,885	27	13,832,900	1,703
Delaware	15	19,203,919	2,679	11	18,106,800	2,402
District of Columbia	159	119,624,349	18,000	74	86,942,800	10,230
Florida	302	66,796,600	9,937	295	65,512,600	9,531
Georgia	99	80,198,900	11,629	88	75,437,600	10,383
Idaho	7	4,342,600	542	7	4,342,600	542
Illinois	180	74,758,945	10,241	143	60,318,345	7,131
Indiana	82	28,494,242	4,012	66	25,527,592	3,284
Iowa	12	4,253,200	597	11	3,703,200	461
Kansas	61	14,162,859	2,463	46	10,301,218	1,463
Kentucky	79	22,431,356	3,221	65	11,843,900	1,579
Louisiana	68	33,448,097	4,656	60	27,049,800	3,257
Maine	13	2,820,661	665	1	120,000	28
Maryland	264	214,509,743	31,921	201	175,348,900	22,594
Massachusetts	32	21,405,600	2,983	27	18,055,700	2,190
Michigan	205	40,264,877	6,092	184	32,951,653	4,143
Minnesota	103	22,931,261	3,446	93	17,945,149	2,264
Mississippi	29	6,905,900	1,114	28	6,871,900	1,102
Missouri	90	30,416,545	4,683	66	21,807,245	2,817
Montana	2	1,228,000	212	1	90,000	20
Nebraska	34	7,070,783	1,001	32	6,834,183	940
Nevada	10	1,039,300	168	10	1,039,300	168
New Hampshire	5	1,497,253	218	5	1,497,253	218
New Jersey	400	262,731,342	36,789	328	235,305,350	29,744
New Mexico	5	571,300	84	6	571,300	84
New York	505	408,428,581	54,320	442	355,844,697	12,479
North Carolina	80	42,010,783	7,348	52	34,225,883	5,124
North Dakota	2	170,552	31	2	170,552	31
Ohio	185	45,668,980	7,018	115	30,141,091	3,692
Oklahoma	98	18,719,450	2,708	89	18,134,000	2,544
Oregon	122	26,131,241	3,824	89	21,462,300	2,750
Pennsylvania	252	100,933,484	13,982	225	90,430,484	11,130
Rhode Island	6	1,536,800	234	5	1,422,800	198
South Carolina	41	24,900,100	3,871	37	23,900,100	3,581
South Dakota	7	890,500	156	5	773,000	110
Tennessee	57	15,519,350	2,497	50	13,734,500	2,049
Texas	298	81,654,215	11,901	253	73,341,106	9,704
Utah	9	2,154,900	338	4	1,411,300	182
Vermont	1	700,000	92	1	700,000	92
Virginia	306	191,103,290	30,581	219	146,685,500	19,068
Washington	87	39,367,835	5,387	81	37,629,135	4,938
West Virginia	4	2,152,800	604	2	224,800	30
Wisconsin	71	13,154,931	1,755	66	12,389,531	1,577
Wyoming	5	401,125	71	3	176,725	27
Alaska	3	8,401,400	749	3	8,401,400	749
Hawaii	50	4,676,200	838	50	4,676,200	838
Puerto Rico						
Total	5,592	2,324,102,845	340,466	4,695	1,970,332,263	254,813

[1] State distributions on a cumulative basis for Secs. 207, 608 War, 608-610, and 803 are available upon request from the Division of Research and Statistics of FHA.

UNITS IN RENTAL PROJECTS SECURING MORTGAGES INSURED BY F H A UNDER SECTIONS 207, 608, 608-610 AND 803, CUMULATIVE THROUGH DECEMBER 31, 1949

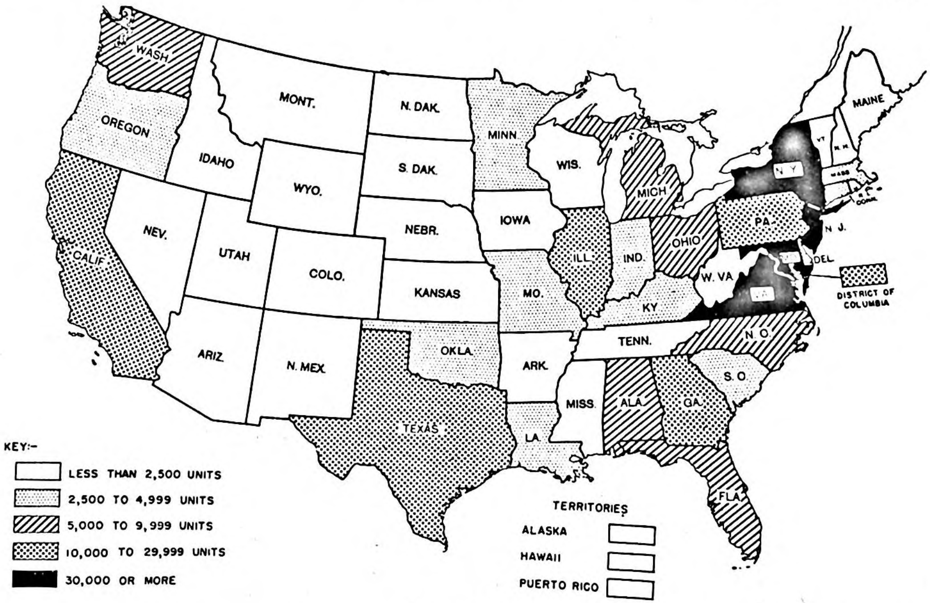


CHART XVI.

Terminations

As of the end of 1949, FHA insurance contracts had been terminated on only 416 rental-project mortgages with total face amounts of $159,000,000, or less than 7 percent of the aggregate amount of mortgages insured under all FHA rental programs. Almost all of these terminated mortgages had been insured under Section 207 and Section 210.[4]

As shown in Table 38, prepayment in full prior to maturity was the major reason for termination of FHA insurance contracts on rental projects. 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 85 percent of the total face amount of the mortgage insurance terminated.

FHA insurance contracts were terminated because of defaults on the part of the mortgagors for 57 mortgages having face amounts totaling $25,000,000, or 1.1 percent of the total amount of insurance written under all FHA rental programs. These default terminations affected about $17.7 million of mortgages insured under Section 207 and $7.5 million insured under Section 608.

TABLE 38.—*Disposition of all rental-project mortgages insured by FHA: Number and amount of mortgages insured, terminated, and in force, by sections, cumulative through Dec. 31, 1949*

Disposition	Total [1]		Sec. 207		Sec. 608	
	Projects	Amount	Projects	Amount	Projects	Amount
Mortgages insured	5,592	$2,324,102,845	381	$168,285,004	5,190	$2,137,290,941
Mortgages terminated:						
Prepayments in full	333	124,170,844	263	103,884,283	70	20,286,561
Prepayments by supersession	26	9,852,900	13	8,032,000	13	1,820,900
Matured loans						
Mortgages assigned to FHA [2]	14	5,513,622	1	3,000,000	13	2,513,622
Properties acquired by FHA [3]	23	17,268,605	17	12,752,100	6	4,516,505
Withdrawals	9	1,638,900	7	1,406,900	2	232,000
Other terminations	11	804,200	8	578,300	3	225,900
Total terminations	416	159,249,071	309	129,653,583	107	29,595,488
Mortgages in force	5,176	2,164,853,774	72	38,631,421	5,083	2,107,695 453

[1] Includes 14 projects with mortgages amounting to $6,456,100 under Secs. 608-610 and 7 projects with mortgages amounting to $12,070,800 under Sec. 803 of which no insurance contracts have been terminated.

[2] Under Sec. 207, mortgage was sold with reinsurance.

[3] Under Sec. 207, of the properties acquired by FHA, 9 projects were sold with mortgages held by FHA; 7 projects were sold by FHA with reinsurance; and 1 project was sold by FHA without reinsurance. Under Sec. 608, 1 project was sold with reinsurance.

Of the 18 Section 207 projects or mortgage notes acquired by FHA because of defaults, all have been sold. An analysis of the financial experience of these terminated cases is presented in detail in Financial

[4] Section 210, which was enacted on February 3, 1938, expired in 1939. Data on the status of the $7,782,866 (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.

Statement 15 in Section III of this report. No Section 207 mortgages or projects have been acquired by FHA since 1943.

During 1949 the FHA was assigned 12 Section 608 mortgage notes, 10 of which had been insured under the Veterans' Emergency Housing program and 2 under the War Housing program. In addition, title was transferred to FHA for 4 Section 608 projects, 3 of which were covered by mortgages insured under the VEH program. This brings the total of Section 608 mortgages assigned to FHA to 13, all of which were held by FHA at the year end, compared with a cumulative total of 6 Section 608 projects acquired by FHA through title transfer, 5 of which were being operated by FHA at the close of 1949.

In addition to defaults which have resulted in termination of FHA insurance contracts, there were 84 Section 608 mortgages on completed projects which lending institutions had reported as being in default at the end of the year. Foreclosure proceedings had been started with respect to 13 of these defaulted mortgages, and in 10 of the remaining cases mortgages were in process of being assigned to the FHA.

Financial Institution Activity

Table 39 shows the volume of FHA-insured rental-project mortgages originated by the different types of financial institutions during the

TABLE 39.—*Type of institution originating rental-project mortgages: Number and face amount of mortgages originated for the year 1949 and cumulative through 1949*

Type of institution (as classified Dec. 31, 1949)	Year 1949				Cumulative Dec. 31, 1949			
	Number of institutions	Number	Amount	Percentage distribution [1]	Number of institutions	Number	Amount	Percentage distribution [1]
	All sections [2]							
National bank	60	295	$138,811,906	13.6	(Not available)	952	$316,793,781	13.6
State bank	50	531	462,191,471	45.3		1,325	852,870,116	36.7
Mortgage company	87	254	94,258,024	9.3		804	215,673,663	9.3
Life insurance company	46	460	163,360,411	16.0		1,684	605,113,754	26.0
Other insurance company	5	22	7,136,500	.7		34	9,387,800	.4
Savings bank	27	145	109,010,903	10.7		337	205,551,989	8.9
Savings and loan association	29	77	20,375,716	2.0		233	49,150,760	2.1
Federal agency	1	2	7,740,400	.8		16	16,548,400	.7
All other [3]	5	70	16,695,298	1.6		207	53,012,582	2.3
Total	310	1,856	1,019,580,629	100.0		5,592	2,324,102,845	100.0
	Sec. 608 VEH							
National bank	60	295	$138,811,906	13.9	104	858	$293,574,084	14.9
State bank	50	529	461,845,871	46.3	91	1,182	789,611,291	40.1
Mortgage company	83	244	84,132,524	8.5	131	622	165,708,764	8.4
Life insurance company	46	458	159,389,611	16.0	80	1,371	454,306,574	23.1
Other insurance company	5	22	7,136,500	.7	6	32	8,479,800	.4
Savings bank	25	142	100,461,403	10.1	39	275	174,464,805	8.9
Savings and loan association	29	77	20,375,716	2.0	59	192	40,292,218	2.0
Federal agency	1	2	7,740,400	.8	1	2	7,740,400	.4
All other [3]	5	70	16,695,298	1.7	8	161	36,154,327	1.8
Total	304	1,839	996,589,229	100.0	519	4,695	1,970,332,263	100.0

[1] Based on amount of mortgage.
[2] Secs. 207, 210, 608 War, 608 VEH, 608 pursuant to 610, and 803.
[3] Includes investment companies, private and State benefit funds, and endowed institutions.

year 1949 and cumulatively through the end of 1949, under all rental-project programs and under the Section 608 Veterans' Emergency Housing program separately.

State banks were by far the leading type of lending institutions originating rental-project mortgages in 1949, accounting for 45 percent of the amount of mortgages insured under all rental programs. Next in rank, but with only 16 percent of the originations, were life insurance companies, followed closely by national banks, which financed about 14 percent. Savings banks and mortgage companies accounted for about 11 percent and 9 percent, respectively, of the 1949 rental-project mortgage originations.

TABLE 40.—*Type of institution holding rental-project mortgages: Number and face amount of mortgages insured under Secs. 207, 608, 608–610, and 803 held in portfolios as of Dec. 31, 1949*

Type of institution (as classified Dec. 31, 1949)	Number of institutions	Number	Amount	Percentage distribution [1]	Number of institutions	Number	Amount	Percentage distribution [1]
	All sections				Sec. 207			
National bank	Not available	514	$180,306,938	8.6	3	3	$60,700	.2
State bank		681	507,517,168	24.1	5	7	2,513,219	6.5
Mortgage company		217	87,237,400	4.2	2	2	522,000	1.3
Life insurance company		2,432	797,179,766	37.9	13	39	14,799,502	38.3
Other insurance company		211	65,158,156	3.1	1	1	800,000	2.1
Savings bank		719	362,729,453	17.2	6	13	15,258,000	39.5
Savings and loan association		102	28,031,926	1.3	1	1	64,000	.2
Federal agency		85	33,468,700	1.6	1	1	35,000	.1
All other		131	42,934,515	2.0	2	5	4,579,000	11.8
Total	------	5,092	2,104,564,022 [2]	100.0	34	72	38,631,421	100.0
	Sec. 608 VEH				Sec. 608 War			
National bank	77	457	$163,770,141	8.6	11	49	$8,376,097	5.9
State bank	64	647	489,438,849	25.7	9	26	14,622,800	10.2
Mortgage company	66	202	82,396,500	4.3	8	12	3,970,900	2.8
Life insurance company	89	2,145	687,843,089	36.1	38	242	88,875,775	62.3
Other insurance company	18	207	63,942,956	3.4	3	3	415,200	.3
Savings bank	44	636	321,737,566	16.9	12	65	22,866,887	16.0
Savings and loan association	45	88	25,000,726	1.3	10	13	2,967,200	2.1
Federal agency	1	81	32,825,500	1.7	------	------	------	------
All other	10	121	37,718,890	2.0	2	5	636,625	.4
Total	414	4,584	1,904,674,217 [2]	100.0	93	415	142,731,484	100.0
	Secs. 608–610				Sec. 803			
National bank	------	------	------	------	1	5	$8,100,000	67.1
State bank	1	1	$942,300	14.6	------	------	------	------
Mortgage company	1	1	348,000	5.4	------	------	------	------
Life insurance company	3	4	1,690,600	26.2	2	2	3,970,800	32.9
Savings bank	3	5	2,867,000	44.4	------	------	------	------
Federal agency	1	3	608,200	9.4	------	------	------	------
Total	9	14	6,456,100	100.0	3	7	12,070,800	100.0

[1] Based on amount of mortgage.
[2] Less than face amount in force, due to lag in tabulation.

On a cumulative basis, State banks were also the top-ranking type of originating institution, with 37 percent of the amount of the mortgages. Life insurance companies, however, were not far behind, accounting for 26 percent of all rental-project mortgages insured by FHA since 1935. National banks, mortgage companies, and savings banks ranked next, in that order. Savings and loan associations have financed only 2 percent of FHA-insured rental-project mortgages, while two Federal agencies—the RFC Mortgage Company (dissolved in 1947) and the Federal National Mortgage Association (FNMA)—have accounted for less than 1 percent of the amount of the originations.

In the proportions of FHA-insured rental-project mortgages held in institution portfolios as of the close of 1949, life insurance companies predominated with nearly 38 percent of the total amount (Table 40). Ranking next were State banks, holding 24 percent, and savings banks with slightly more than 17 percent. Federal agency holdings, as tabulated in Washington, represented less than 2 percent of the total amount of FHA-insured rental-project mortgages with insurance in force at the year end.

As is evident from Tables 39 and 40, National and State banks and mortgage companies have been the principal sellers of FHA-insured rental-project mortgages, holding considerably smaller amounts than they originated. Data available on sales of Section 608 VEH mortgages reported to Washington during the last half of 1949 further substantiate the fact that these types of institutions are major sellers:

Type	Percent of Sec. 608 VEH sales July-December 1949
State banks	48.1
National banks	24.2
Mortgage companies	13.6
All others	14.1
Total	100.0

On the other hand, the most active types of purchasing institutions have been life insurance companies and savings banks, as evidenced in Tables 39 and 40 by the fact that their holdings substantially exceeded their originations. The data on purchases of Section 608 VEH mortgages reported for the last half of 1949 corroborate the predominance of life insurance companies and savings banks as buyers:

Type	Percent of Sec. 608 VEH purchases July-December 1949
Life insurance companies	41.0
Savings banks	19.8
Federal agencies	7.9
State and National banks	9.1
All others	22.2
Total	100.0

Project Characteristics

Under the rental housing provisions of the National Housing Act, the FHA during 1949 issued commitments for mortgage insurance on about 170,000 dwelling units in more than 2,000 individual projects, each covered by a separate mortgage. As in the other post-World War II years, the FHA's rental housing activity occurred almost exclusively under the Veterans' Emergency Housing program provisions of Section 608.

Table 41 presents a summary of the characteristics of loans, projects, and dwelling units covered by FHA rental housing commitments issued last year.

TABLE 41.—*Summary of characteristics of Sec. 608 VEH rental projects covered by FHA commitments issued during 1949*

Type of project [1]	Percent of total		Size of project (units)		Median			
	Projects	Units	Median	Average	Size of unit (rooms)	Monthly rental per unit [2]	Mortgage per unit [2] [3]	Ratio of mortgage to replacement cost (percent)
Walk-up	68.8	58.2	31.5	66.4	4.1	$79.99	$7,392	87.4
Elevator	14.0	26.7	104.9	149.8	3.4	91.96	8,029	86.8
Row house	11.9	11.0	42.2	71.9	4.4	63.95	6,396	86.9
Semidetached	5.3	4.1	37.5	60.5	4.3	65.00	6,322	86.5
All types	100.0	100.0	41.6	78.4	4.0	82.49	7,608	87.2

[1] Projects classified by predominant type of structure.
[2] Exclusive of data for projects in Alaska covered by commitments issued under the Alaska Housing Act, enacted Apr. 23, 1949.
[3] Amount of mortgage allocable to dwelling use.

Yearly trends.—Comparisons of the 1949 rental projects with those approved for insurance or insured by FHA in previous years are made in Table 42, which shows selected characteristics of rental projects, dwelling units, and mortgages for the Section 207 projects of the prewar period 1935–41, the wartime Section 608 projects with mortgages insured from 1942 through 1946, and the postwar Section 608 projects covered by commitments issued during 1947, 1948, and 1949 under the Veterans' Emergency Housing program.

The Section 608 VEH projects approved in 1949 were substantially larger than those approved under the same program in previous years, about the same size as the wartime projects but somewhat smaller than the prewar Section 207 projects. The median project in 1949 contained about twice as many dwelling units as those in 1947 and 1948, but 30 units less than the median project of the 1935–41 period.

TABLE 42.—*Trend of characteristics of FHA rental projects and dwelling units under Sec. 207 and Sec. 608, 1935–49*

Year and program [1]	Number of units per project		Number of rooms per dwelling unit		Monthly rental		Mortgage allocable to dwelling use [3]	
	Median	Average	Median	Average	Per unit [2]	Per room [3]	Per unit	Per room
1949 (Sec. 608 VEH)	41.6	78.4	4.0	3.7	$82.49	$22.22	$7,190	$1,940
1948 (Sec. 608 VEH)	22.5	51.1	4.7	4.3	87.56	20.13	7,645	1,769
1947 (Sec. 608 VEH)	20.3	39.8	4.7	4.4	84.13	[4] 19.00	7,505	1,724
1942–46 (Sec. 608 War)	41.0	75.9	4.0	3.7	56.45	15.10	4,427	1,187
1935–41 (Sec. 207)	72.2	121.1	3.9	3.7	53.09	14.54	3,725	1,009
	Percent of projects with				Percent of dwelling units in			
	Walk-up structures	Elevator structures	Row-house structures	Semidetached [5] structures	Walk-up structures	Elevator structures	Row-house structures	Semidetached [5] structures
1949 (Sec. 608 VEH)	68.8	14.0	11.9	5.3	58.2	26.7	11.0	4.1
1948 (Sec. 608 VEH)	81.4	3.1	10.9	1.6	76.7	13.1	9.0	1.2
1947 (Sec. 608 VEH)	85.9	1.1	10.4	2.6	83.6	2.7	12.1	1.6
1942–46 (Sec. 608 War)	81.6	--------	17.1	1.3	79.4	--------	17.6	3.0
1935–41 (Sec. 207)	87.0	9.9	(6)	3.1	84.4	14.0	(6)	1.6

[1] Data on Sec. 207 and Sec. 608 War Housing programs based on projects covered by insured mortgages; Sec. 608 Veterans' Emergency Housing program data based on projects covered by FHA commitments.
[2] Data shown are medians.
[3] Data shown are arithmetic means.
[4] Estimated.
[5] Includes relatively small proportions of units in detached-structure projects.
[6] In compilation of Sec. 207 data, row-house projects were classified as walk-ups.

In line with the increase in project size last year, the proportion of dwelling units in elevator-structure projects rose to 26.7 percent, an all-time high in FHA history, double the 13.1 percent in VEH projects in 1948 and almost twice the 14 percent in the prewar Section 207 projects. At the same time the proportion of walk-up units reached an all-time low of 58.2 percent.

The median dwelling units in Section 608 VEH commitments issued in 1949 contained 4 rooms, between one-half and a full room less than the median units approved for insurance in 1947 and 1948. This decrease in size is due partially to the marked increase in the proportion of units in elevator projects, in which the typical unit tends to be somewhat smaller than in other types of projects. Table 41 shows that the median unit in elevator projects had 3.4 rooms. Another factor contributing to the decrease in size was the legislative change in the maximum amount of mortgage allocable to dwelling units from $1,800 per room—in effect during 1947 and for more than 80 percent of the units approved during 1948—to $8,100 per unit, which applied to all units covered by commitments issued in 1949. Under the $1,800 per-room maximum, the more rooms contained in the dwelling units of a project the larger the amount of the over-all mortgage that could be insured by FHA. On the other hand, the $8,100 per-unit maximum tended to dissipate the incentive to construct units of greater room count.

Table 43.—*Trend in size of dwelling units provided in FHA rental projects, 1935–49*

Year	Median number of rooms per unit	Percentage distribution by number of rooms per unit						Total
		Less than 3	3	3½	4	4½	5 or more	
	All types							
1949	4.0	11.0	15.3	23.2	20.8	22.7	7.0	100.0
1948	4.7	2.3	3.7	18.9	15.9	26.3	32.9	100.0
1947	4.7	1.5	4.8	16.6	15.2	28.3	33.6	100.0
1942–46	4.0	.2	29.8	20.9	28.0	16.9	4.2	100.0
1935–41	3.9	2.9	32.3	20.6	21.8	13.1	9.3	100.0
	Walk-up structure projects							
1949	4.1	3.3	15.3	24.5	23.3	24.6	9.0	100.0
Prewar 1935–41	3.9	2.1	32.9	20.8	21.8	12.8	9.6	100.0

Note: 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; and for the years 1947–49 on commitments to insure mortgages under Veterans' Emergency Housing provisions of Sec. 608.

Compared with the units in the prewar Section 207 projects, the units approved in 1949 tended to have higher room counts despite the greater proportion of units in elevator structures last year. As shown in Table 43, about half of the 1949 units had 4 rooms or more, as against 44 percent of the prewar units. In the case of walk-up projects alone, the difference is more marked, with 57 percent of the units approved in 1949 having 4 rooms or more, while only 44 percent of the prewar Section 207 units were that size.

The median monthly rental for Section 608 VEH projects approved in 1949 was $82.49, a decline of almost 6 percent from the $87.56 median for the 1948 projects. On a per-room basis, however, the average rental showed a 10 percent increase—from $20 in 1948 to $22 in 1949. Here again the influence of elevator projects in the 1949 FHA rental program is apparent, for, due to locations closer to the center of the city and the inclusion of almost all items of equipment, utilities, and services in the rentals for elevator apartments, these rentals tend to be higher than rentals for units in other types of projects. As is indicated in Table 41, the median unit rental for elevator projects approved in 1949—$95—was $15 higher than the walk-up project median rental and $30 more than the median rentals for row-house and semidetached-structure projects.

The average per-room rental for the 1949 projects is about 50 percent higher than for the prewar Section 207 projects.

Although the amount of mortgage allocable to dwellings registered a decrease on a unit basis from 1948 to 1949 of almost 6 percent, on a per-room basis there was an increase of more than 9½ percent. The greater influence of elevator projects in the 1949 program thus demonstrates itself again, for the per-room cost of construction that typifies elevator projects is substantially higher than the cost of construction for walk-up projects. Compared with the prewar Section 207 projects, the per-room amount of mortgage allocable to dwellings in projects covered by commitments issued during 1949 was 92 percent higher. This marked increase is due primarily to higher construction costs and the fact that 90 percent rather than 80 percent maximum mortgages were permitted. It is particularly noteworthy that although the amount of the mortgage on a per-room basis increased 92 percent from the period 1935–41 to 1949, the per-room rental rose only 53 percent.

Type of project.—Almost 7 out of every 10 projects in 1949 were garden-type developments in which walk-up structures—principally 2-story buildings—predominated. In terms of dwelling units provided, however, walk-up projects accounted for a slightly smaller proportion—not quite 6 out of every 10 units (Table 44 and Chart XVII).

Elevator-structure projects provided almost 27 percent of the units, although only 14 percent of the projects were of this type. About one out of every nine units was in a row-house project, and less than 5 percent of all units were in projects consisting of semidetached structures.

TABLE 44.—*Type of project: Percentage distribution based on FHA commitments to insure mortgages secured by rental projects, Sec. 608 VEH, 1949*

Type of project [1]	Projects	Dwelling units	Average number of units per project
Walk-up total	68.8	58.2	66
1- and 2-story combined	2.2	2.9	105
2-story	51.7	40.0	61
2- and 3-story combined	3.4	5.9	137
3-story	11.5	9.4	64
Elevator	14.0	26.7	150
Row house	11.9	11.0	72
Semidetached	5.3	4.1	60
Total	100.0	100.0	78

[1] Projects classified by predominant type of structure.

DISTRIBUTION OF PROJECTS AND DWELLING UNITS BY TYPE OF PROJECT, 1949
FHA COMMITMENTS TO INSURE SECTION 608 VEH RENTAL PROJECT MORTGAGES

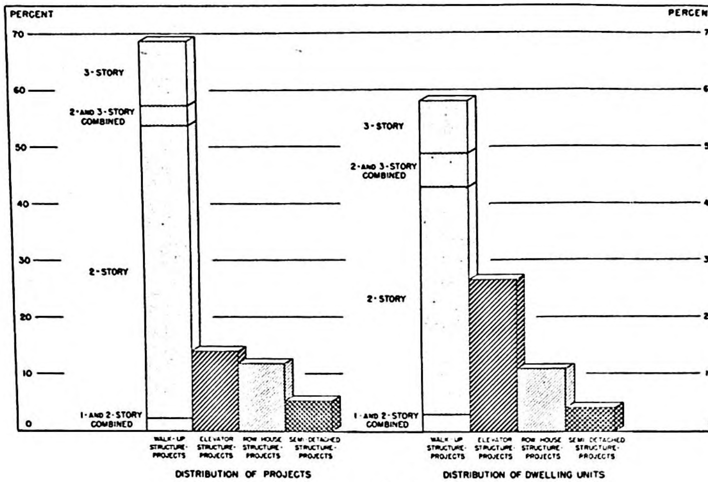
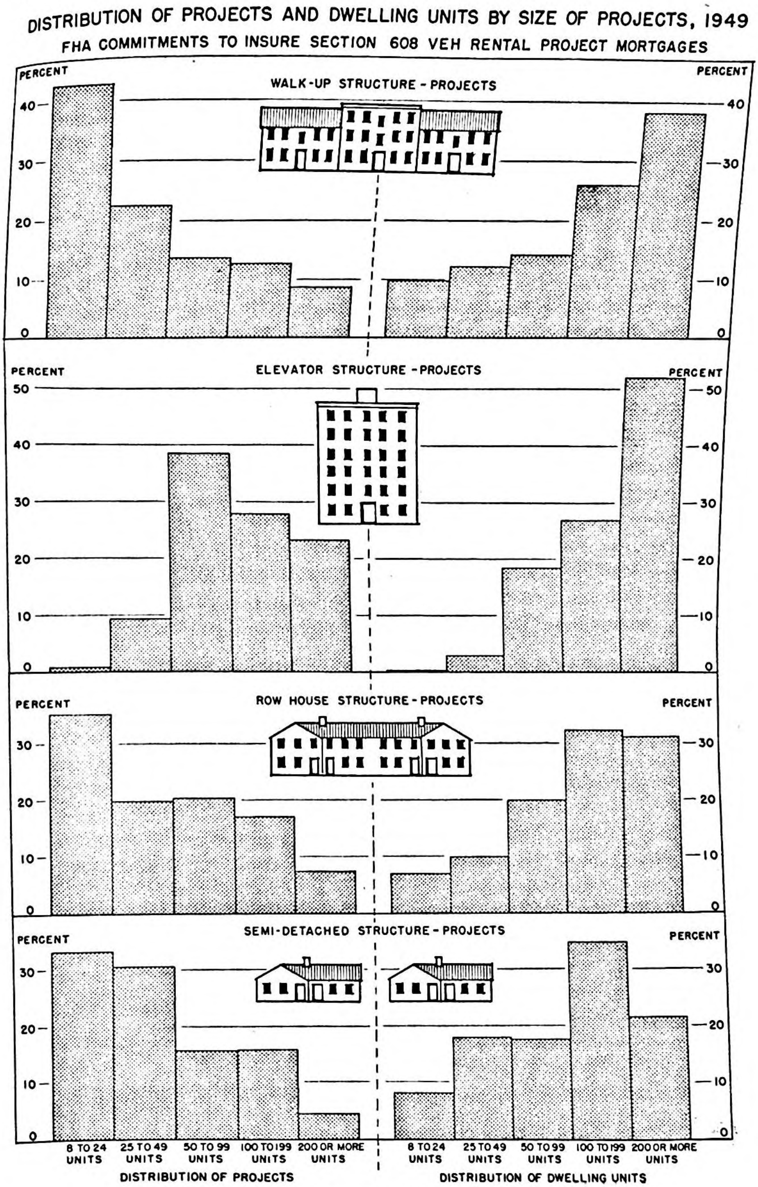


CHART XVII.

Size of project.—In size, the 1949 projects ranged from the prescribed minimum of 8 dwelling units to one with 612 units. The maximum size of projects is limited by the $5,000,000 maximum mortgage insurable under Section 608. The median size for all projects was 42 units, the average (arithmetic mean) 78 units. Although both median and average number of units are shown in Table 45, the

TABLE 45.—*Size of project by type of project: Percentage distribution based on FHA commitments to insure mortgages secured by rental projects, Sec. 608 VEH, 1949*

Number of dwelling units per project	All projects		Type of project							
			Walk-up		Elevator		Row house		Semidetached	
	Projects	Dwelling units	Projects	Dwelling units	Projects	Dwelling units	Projects	Dwelling units	Projects	Dwelling units
8 to 9	7.0	0.7	7.8	1.0	-------	-------	7.8	0.9	13.0	1.7
10 to 24	28.4	6.1	34.9	8.8	0.8	0.1	27.4	6.0	20.3	6.5
25 to 49	20.8	9.5	22.5	12.0	9.4	2.7	19.9	9.9	30.6	18.0
50 to 99	18.2	16.0	13.6	14.1	38.6	18.4	20.4	19.9	15.7	17.6
100 to 149	10.4	16.2	8.7	15.8	16.4	13.8	12.2	20.7	12.1	24.1
150 to 199	5.1	11.1	3.9	10.2	11.5	13.0	4.9	11.5	3.7	10.6
200 to 299	6.0	18.7	5.5	19.9	12.5	20.1	3.7	11.9	2.8	9.2
300 to 399	2.1	9.1	1.7	8.6	4.2	9.8	2.5	11.6	.9	4.6
400 to 499	1.3	7.2	1.1	6.7	3.1	9.4	1.2	7.6	-------	-------
500 or more	.7	5.4	.3	2.9	3.5	12.7	-------	-------	.9	7.7
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	41.6	78.4	31.5	66.4	104.9	149.8	42.2	71.9	37.5	60.5



DISTRIBUTION OF PROJECTS AND DWELLING UNITS BY SIZE OF PROJECTS, 1949
FHA COMMITMENTS TO INSURE SECTION 608 VEH RENTAL PROJECT MORTGAGES
WALK-UP STRUCTURE - PROJECTS
ELEVATOR STRUCTURE - PROJECTS
ROW HOUSE STRUCTURE - PROJECTS
SEMI-DETACHED STRUCTURE - PROJECTS
PERCENT
8 TO 24 UNITS
25 TO 49 UNITS
50 TO 99 UNITS
100 TO 199 UNITS
200 OR MORE UNITS
DISTRIBUTION OF PROJECTS
DISTRIBUTION OF DWELLING UNITS

CHART XVIII.

median figures are more representative, since the averages tend to be weighted upward by the largest projects in the distributions. On the basis of median number of units, the walk-up structure projects were the smallest (32 units), the elevator projects the largest (105 units). More than half of the walk-up, row-house, and semidetached structure projects contained fewer than 50 units, while nearly 40 percent of the elevator projects were in the 50- to 99-unit bracket. On the other hand, the larger projects account for more than half of all units—about 6 out of every 10 nonelevator units are in projects of 100 or more units while more than half of the elevator units are provided by projects with 200 or more units. (See Table 45 and Chart XVIII.)

Mortgage allocable to dwellings.—Rental-project mortgages committed under Section 608 during 1949 were subject to a maximum limitation of $8,100 per unit. Prior to August 1948, when the $8,100 per unit maximum first became effective, an $1,800 per room maximum applied to all mortgages committed under the postwar provisions of Section 608. Under the wartime Section 608 and the prewar Section 207, the maximum was $1,350 per room.

As shown in Table 46 and Chart XIX, the rental units approved in 1949 were concentrated in mortgage amounts of $7,000 or more. In walk-up projects, 37 percent of the units were in projects with mortgages per unit between $7,000 and $7,999. Nearly one-fourth more of the walk-up units had mortgages of $8,000 to $8,100 per unit. In elevator projects the largest proportion of the units—more than three-fifths—were those with mortgages averaging $8,000 to $8,100. Over nine-tenths had mortgages of $7,500 or more per unit. In contrast, dwelling units in row-house and semidetached structure projects tend to have much lower average mortgage amounts—54 percent of the former and 51 percent of the latter being less than $6,500. Lower-cost projects are also common in the walk-up class, where 38 percent had mortgage amounts below $7,000 per unit.

The over-all median mortgage amount for dwelling purposes was about $7,600 per unit compared with a high of $8,029 for elevator projects and a low of $6,322 for semidetached-structure projects. The median for walk-up projects was slightly less than $7,400, for row-house projects about $6,400 per unit.

DISTRIBUTION OF AVERAGE MORTGAGE* PER UNIT BY TYPE OF PROJECT, 1949
FHA COMMITMENTS TO INSURE SECTION 608 VEH RENTAL PROJECT MORTGAGES

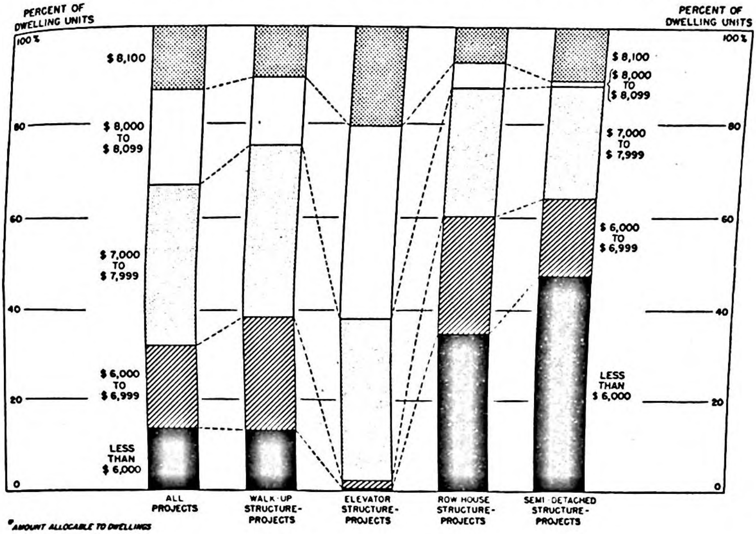


CHART XIX.

TABLE 46.—*Mortgage allocable to dwellings by type of project: Percentage distribution based on FHA commitments to insure mortgages secured by rental projects, Sec. 608 VEH, 1949* [1]

Average amount of mortgage per dwelling unit [2]	All projects		Type of project							
			Walk-up		Elevator		Row house		Semidetached	
	Projects	Dwelling units	Projects	Dwelling units	Projects	Dwelling units	Projects	Dwelling units	Projects	Dwelling units
Less than $5,000	4.6	5.4	3.4	4.5	0.4	0.1	15.6	17.5	7.4	20.6
$5,000 to $5,999	10.0	8.3	10.3	8.8	.8	.3	13.9	17.3	22.2	26.8
$6,000 to $6,499	10.2	8.7	11.5	10.7	.7	.7	13.9	19.2	10.2	4.0
$6,500 to $6,999	9.3	9.7	10.8	14.2	1.7	1.0	6.2	6.2	15.7	12.7
$7,000 to $7,499	14.4	13.2	14.4	15.1	10.6	7.3	16.4	16.8	20.4	16.8
$7,500 to $7,999	19.2	21.8	20.5	21.9	23.3	28.5	13.5	10.4	3.7	7.0
$8,000 to $8,099	14.9	19.9	12.4	14.2	37.1	41.3	8.6	5.3	2.8	1.1
$8,100	17.4	13.0	16.7	10.6	25.4	20.8	11.9	7.3	17.6	11.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median amount of mortgage [3]	$7,608		$7,392		$8,029		$6,396		$6,322	

[1] Exclusive of projects in Alaska covered by commitments issued under Alaska Housing Act (Apr. 23, 1949) which permits a maximum of $10,800 per unit in the amount of mortgage allocable to dwellings.
[2] Dwelling units and rooms not producing income, e. g., janitor units, are included in the computation of this average.
[3] Based on dwelling unit distribution.

The data on the average mortgage amounts per unit also provide an indicator of the relative construction costs of dwelling units in the four basic types of projects.

Ratio of mortgage to replacement cost.—Rental-project mortgages committed during 1949 could not exceed 90 percent of the FHA estimate of the replacement cost of the entire project (including land) as of December 31, 1947, or as of the date the project analysis was prepared, whichever was the lower. The data in Table 47 are based on the ratio of the mortgage amount to the current replacement cost.

TABLE 47.—*Ratio of mortgage amount to current replacement cost of project by type of project: Percentage distribution based on FHA commitments to insure mortgages secured by rental projects, Sec. 608 VEH, 1949*

Mortgage as a percent of replacement cost	All projects		Type of project: Walk-up		Elevator		Row house		Semidetached	
	Projects	Dwelling units	Projects	Dwelling units	Projects	Dwelling units	Projects	Dwelling units	Projects	Dwelling units
Less than 70	1.1	0.6	1.1	0.5	1.4	1.0	0.8	0.2		
70 to 79.9	10.2	7.3	10.1	6.5	10.8	10.1	9.8	4.3	11.1	8.1
80 to 82.4	8.1	6.0	8.1	4.4	7.0	7.9	11.4	8.3	4.6	11.6
82.5 to 84.9	15.6	13.1	16.3	14.0	12.2	10.9	15.9	12.3	14.8	16.3
85 to 87.4	26.3	26.8	24.3	25.4	31.0	28.0	31.4	31.7	29.6	26.1
87.5 to 89.9	28.8	35.4	29.7	37.4	33.8	37.1	18.0	23.8	27.8	26.0
90	9.9	10.8	10.4	11.8	3.8	5.0	12.7	19.4	12.1	11.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median ratio [1] (percent)	87.2		87.4		86.8		86.9		86.5	

[1] Based on dwelling unit distribution.

In 1949 more than half the Section 608's were covered by mortgages averaging from 85 to 89.9 percent of the replacement cost—more than three-fifths of the units in walk-up and elevator projects and more than half of the units in row-house and semidetached structure projects. The median ratio of mortgage to replacement cost for all types of dwelling units combined was 87.2 percent, and ranged from 86.5 percent for semidetached structure units to 87.4 percent for walk-up units.

Row-house projects accounted for the largest proportion of units having mortgage-to-cost ratios at the full 90 percent maximum, as contrasted with the elevator projects, wherein only 5 percent of the units were at the maximum ratio and nearly 30 percent were below an 85-percent ratio.

Size of unit.—The three most popular sizes of dwelling units in Section 608 properties approved in 1949 were the 3½-, 4- and 4½-room apartments, together accounting for about two out of every three units. Slightly more than one of every four units had 3 rooms or less and only 7 percent had 5 or more rooms.

As shown in Table 48 and Chart XX, in the walk-up projects the most popular dwelling unit sizes were the 3½-, 4- and 4½-rooms, each accounting for about one-fourth of the total. Elevator projects were characterized by smaller units, one-third being the efficiency type of less than 3 rooms and another 47 percent containing 3 or 3½ rooms. In row-house projects, the larger-size units predominated, with the 4- and 4½-room apartments accounting for more than 70 percent. Similarly, in projects consisting of semidetached structures larger dwelling units were in the majority—more than half contained 4 rooms, while more than one-fourth provided 4½ rooms or more.

TABLE 48.—*Size of dwelling unit and median monthly rental by type of project: Based on FHA commitments to insure mortgages secured by rental projects, Sec. 608 VEH, 1949* [1]

Number of rooms per dwelling unit [2]	Percentage distribution by type of project					Median monthly rental by type of project				
	All projects	Walk-up	Elevator	Row house	Semidetached	All projects	Walk-up	Elevator	Row house	Semidetached
Less than 3	11.0	3.3	33.8	1.0	--------	$78.39	$63.65	$82.12	$51.55	--------
3	15.3	15.3	19.3	7.6	10.5	77.24	68.61	92.22	45.53	$46.01
3½	23.2	24.5	27.3	13.4	4.3	91.72	85.16	103.83	59.93	58.90
4	20.8	23.3	6.1	29.2	57.3	72.28	73.73	117.51	51.74	61.88
4½	22.7	24.6	11.5	42.5	16.2	85.27	86.78	121.45	67.63	75.04
5	6.3	8.2	1.9	5.6	9.5	89.95	89.72	128.60	87.55	77.35
More than 5	.7	.8	.1	.7	2.2	88.91	98.35	165.00	85.43	72.50
Total	100.0	100.0	100.0	100.0	100.0	82.49	79.99	94.96	63.95	65.00

[1] Exclusive of projects in Alaska, covered by commitments issued under the Alaska Housing Act enacted Apr. 23, 1949.
[2] FHA room count excludes bathrooms, dressing closets, halls, and similar spaces.

Monthly rental.—Monthly rentals reported for units in all 1949 projects combined were distributed evenly throughout a $50 to $125 range without a noteworthy clustering in any one rental bracket. As shown in Table 49, one-third of the units in all projects were approved for rentals ranging from $60 to $79 and another third in the $80 to $99 bracket. Monthly rentals of $100 or more were reported for 20 percent of the apartments, as against rentals of less than $60 for 12 percent of the units.

SIZE OF DWELLING UNIT AND MONTHLY RENTAL BY TYPE OF PROJECT, 1949
FHA COMMITMENTS TO INSURE SECTION 608 VEH RENTAL PROJECT MORTGAGES

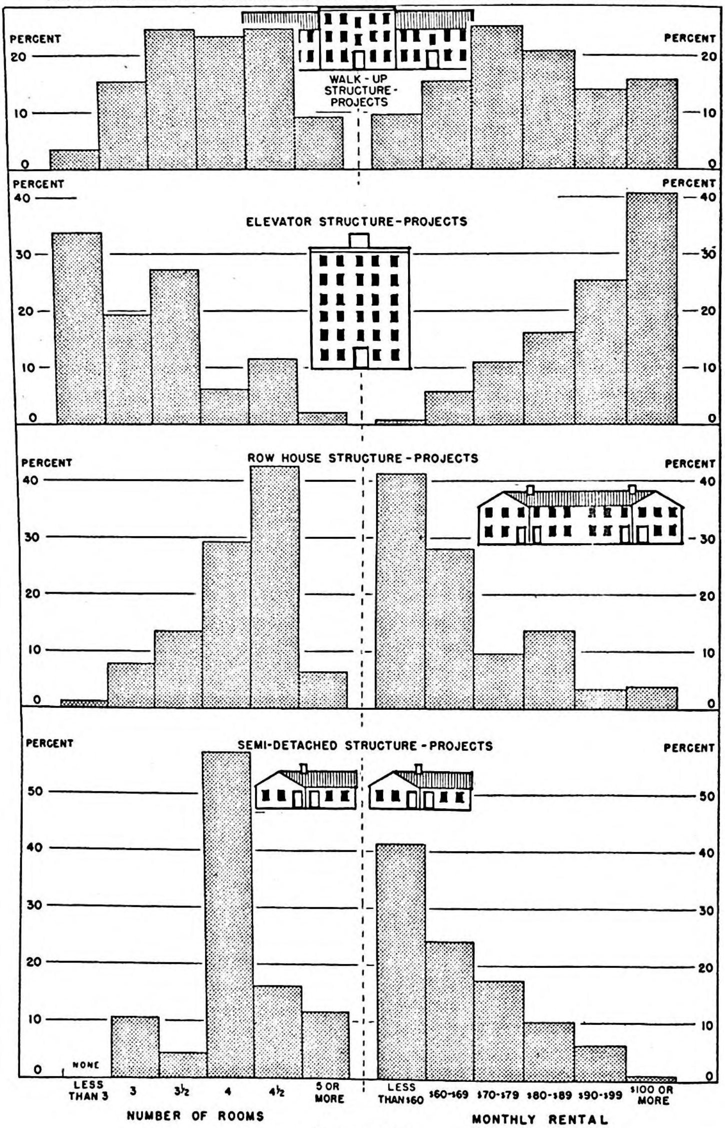


Chart XX.

The highest monthly rentals reported for units approved in 1949 were in elevator projects, in which two-thirds of the units had rents of $90 or more, and lowest in the row-house and semidetached-structure projects, with 70 percent and 65 percent of the units, respectively, approved to rent for less than $70 monthly.

TABLE 49.—*Monthly rental and median dwelling unit size by type of project: Based on FHA commitments to insure mortgages secured by rental projects, Sec. 608 VEH, 1949* [1]

Monthly rent per dwelling unit	Percentage distribution by type of project					Median number of rooms [2] by type of project				
	All projects	Walk-up	Elevator	Row house	Semidetached	All projects	Walk-up	Elevator	Row house	Semidetached
Less than $50	5.0	3.3	-------	18.5	25.8	4.1	4.0	-------	4.1	4.2
$50 to $59.99	7.1	6.3	0.8	22.7	15.4	4.0	3.8	2.3	4.2	4.1
$60 to $64.99	6.3	7.5	1.3	11.2	8.8	3.7	3.4	2.3	4.7	4.3
$65 to $69.99	8.2	7.8	4.6	16.9	15.4	4.1	3.9	2.3	4.7	4.3
$70 to $74.99	11.6	16.0	5.8	3.5	8.6	4.0	4.1	2.3	4.5	4.5
$75 to $79.99	7.7	9.1	5.2	6.2	8.7	4.0	4.1	2.3	4.7	5.1
$80 to $84.99	8.3	9.3	5.9	8.2	9.3	4.3	4.5	2.4	4.7	4.3
$85 to $89.99	9.9	11.3	10.3	5.5	.8	3.9	4.3	3.0	4.3	5.1
$90 to $94.99	8.8	7.0	16.3	1.2	4.6	3.6	4.1	2.8	4.8	4.7
$95 to $99.99	6.7	6.9	9.1	2.2	1.6	3.9	4.5	3.7	5.1	5.0
$100 to $109.99	8.5	8.1	12.9	3.0	.6	3.9	4.3	3.7	4.6	4.8
$110 to $124.99	8.4	5.8	18.3	.5	.4	4.4	4.7	3.9	4.9	4.5
$125 or more	3.5	1.6	9.5	.4	-------	4.7	4.8	4.6	5.3	-------
Total	100.0	100.0	100.0	100.0	100.0	4.0	4.1	3.4	4.4	4.3

[1] Exclusive of projects in Alaska, covered by commitments issued under the Alaska Housing Act, enacted Apr. 23, 1949.
[2] FHA room count excludes bathrooms, dressing closets, halls, and similar spaces.

The high level of elevator-project rentals is attributable not only to the higher construction costs but also to the larger amount of equipment, services, and utilities furnished for elevator units and included in the rent. For 99 percent of the elevator units, the rentals cover a full complement of range, refrigerator, laundry facilities, heat, hot and cold water, janitor service, and ground maintenance. Current for lighting, gas or electricity for cooking and refrigeration and often for air-conditioning, are included in the rentals of more than one-third of these elevator units.

The lower level of the rentals for row-house and semidetached structures may be attributed to the fact that more than two-thirds of these units are located in the South where construction and operating costs are much lower. Heat and hot water, which are fairly large items of expense in the North, are excluded from the rentals of 85 percent of the row-house units and 99 percent of those in semidetached structures. Only 15 percent of the row-house units and 1 percent of the semidetached structures have rentals which include the full complement of equipment, services, and utilities.

Rentals reported for the walk-up projects approved in 1949 tend to be concentrated in the middle range—$70 to $89—while one-fourth of these units have rents of less than $70 and about 15 percent rents of $100 or more. (See Chart XX and Table 49.)

Almost two-thirds of the reported walk-up rentals include the full complement of range, refrigerator, laundry facilities, heat, hot and cold water, and janitor and grounds maintenance services. For about 8 percent of the units, additional cooking, refrigeration, and lighting utilities are covered by the reported rentals.

Size of dwelling unit by monthly rental.—The distribution of the dwelling units in the several monthly rental groups by size of the dwelling unit is shown for all projects in Table 50. Also presented are the median number of rooms for each rental group and the median monthly rental for each size of unit.

TABLE 50.—*Size of dwelling unit by monthly rental for all projects: Percentage distribution based on FHA commitments to insure mortgages secured by rental projects, Sec. 608 VEH, 1949* [1]

Monthly rental	Percentage distribution	Median number of rooms	Number of rooms per dwelling unit [2]							Total
			Less than 3	3	3½	4	4½	5	More than 5	
Less than $50	5.0	4.1	3.6	28.9	3.3	64.2	-------	-------	-------	100.0
$50 to $59.99	7.1	4.0	11.8	15.8	18.7	36.8	15.7	1.1	0.1	100.0
$60 to $64.99	6.3	3.7	9.3	36.6	13.6	15.9	23.7	.6	.3	100.0
$65 to $69.99	8.2	4.1	16.3	13.8	15.9	21.8	30.6	1.3	.3	100.0
$70 to $74.99	11.6	4.0	14.8	8.6	23.2	33.8	15.3	3.7	.6	100.0
$75 to $79.99	7.7	4.0	16.4	19.6	12.1	22.9	18.3	10.0	.7	100.0
$80 to $84.99	8.3	4.3	13.0	14.2	13.6	15.4	35.8	6.4	1.6	100.0
$85 to $89.99	9.9	3.9	12.8	18.9	23.8	11.6	20.4	12.0	.5	100.0
$90 to $94.99	8.8	3.6	28.2	15.1	27.3	8.1	12.9	8.1	.3	100.0
$95 to $99.99	6.7	3.9	1.6	9.4	46.9	9.2	22.4	9.7	.8	100.0
$100 to $109.99	8.5	3.9	1.9	12.8	45.1	10.8	22.1	6.1	1.2	100.0
$110 to $124.99	8.4	4.4	.1	7.7	29.5	14.4	38.6	8.2	1.5	100.0
$125 or more	3.5	4.7	-------	2.4	15.5	17.1	48.6	15.6	.8	100.0
Total	100.0	4.0	11.0	15.3	23.2	20.8	22.7	6.3	.7	100.0
Median rental			$78.39	$77.24	$91.72	$72.28	$85.27	$89.95	$88.91	$82.49

[1] Exclusive of projects in Alaska, covered by commitments issued under the Alaska Housing Act enacted Apr. 23, 1949.
[2] FHA room count excludes baths, dressing closets, halls, and similar spaces.

As is evident from the data in Table 50, there seems to be no definite correlation between monthly rentals and size of dwelling units approved for insurance in 1949 when all the units are combined and analyzed without reference to the type of project. For example, the median rental for the 4-room apartments ($72) is not only less than rentals for the larger 4½- and 5-room units, but also $20 less than the median for the smaller 3½-room units and even $5 less than the rentals for the units with only 3 rooms. Further, in comparing the median sizes of units in the various rental brackets, it is apparent that units in the $65 to $84 range are larger than those in the $85 to $109 level, but smaller than those with rents of $110 or more.

When a specific type of project is considered, however, the rents and sizes of apartments reveal a much closer relationship. The best example is in the elevator projects (Table 48) where the median rents for each size of unit rise in line with the increase in the number of rooms per unit, and as shown in Table 49 the median unit sizes display a definite tendency to become larger as the rentals increase. Similar correlation between apartment sizes and rents is evident in the row-house (except for the 4-room units) and semidetached-structure projects.

Although in the case of the walk-up projects there is a general tendency for higher rents to be charged for the larger units, the median rentals for the 3½- and 4-room units—$85.16 and $73.73 respectively—are so out of line that they appear to have been accidentally interchanged. Further investigation reveals, however, that a substantial proportion of the 3½-room apartments is in projects located in the New York City area where high construction costs and continuing demand result in rentals considerably above those in most other sections of the country. On the other hand, almost half of the 4-room walk-up units are in projects located in the South, with more than half of these renting for less than $70 a month

Monthly rental by number of bedrooms.—The influence of the dwelling unit size on monthly rental is more pronounced when the unit size is measured in terms of the number of bedrooms provided.

MEDIAN MONTHLY RENTAL BY NUMBER OF BEDROOMS PER UNIT
BY TYPE OF PROJECT, 1949

FHA COMMITMENTS TO INSURE SECTION 608 VEH RENTAL PROJECT MORTGAGES

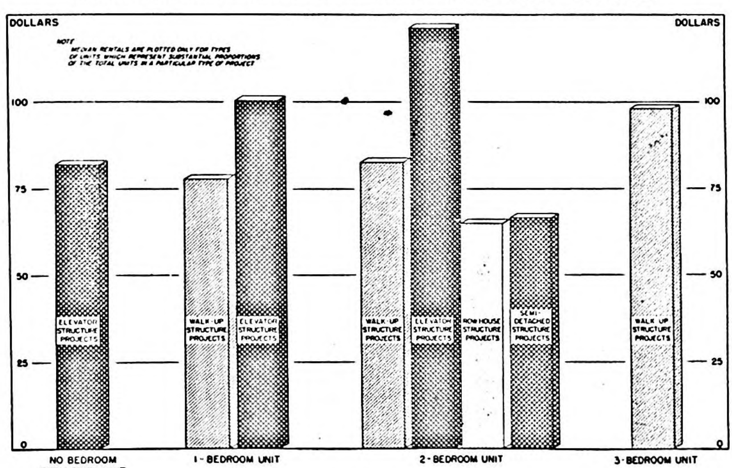


CHART XXI.

In each of the four types of projects the median monthly rental increases with each addition of a bedroom. (See Table 51 and Chart XXI.) In walk-up projects, 1-bedroom units have a median rental of $78, compared with $83 for 2-bedroom apartments and $98 for 3-bedroom units. The greatest increases occur in the elevator projects, where the median rental for 2-bedroom units is $20 more than the median for 1-bedroom apartments and the $165 median for 3-bedroom units is more than $40 higher than that of 2-bedroom apartments.

TABLE 51.—*Monthly rental by number of bedrooms per unit: Based on FHA commitments to insure mortgages secured by rental projects, Sec. 608 VEH, 1949* [1]

Number of bedrooms per unit	Percentage distribution	Median monthly rental	Percentage distribution by monthly rental per unit									
			Less than $50	$50 to $59.99	$60 to $69.99	$70 to $79.99	$80 to $89.99	$90 to $99.99	$100 to $109.99	$110 to $124.99	$125 or more	Total
All projects												
No bedroom [2]	11.0	$78.39	1.6	7.6	17.5	27.0	21.3	23.4	1.5	0.1	------	100.0
1	43.7	86.67	3.7	5.7	14.1	16.9	17.4	18.7	12.3	8.8	2.4	100.0
2	44.6	80.17	7.2	8.4	14.3	19.8	18.1	10.5	6.5	9.8	5.4	100.0
3	.7	88.91	------	.9	6.2	18.2	26.2	10.9	15.2	18.0	4.4	100.0
Total	100.0	82.49	5.0	7.1	14.5	19.3	18.2	15.5	8.5	8.4	3.5	100.0
Walk-up structure projects												
No bedroom [2]	3.2	$63.65	7.4	33.2	24.5	27.0	3.4	0.1	4.4	------	------	100.0
1	46.6	77.80	2.8	5.6	21.2	25.0	19.4	14.5	8.0	3.3	.2	100.0
2	49.4	82.65	3.6	5.4	9.3	25.5	22.6	14.2	8.2	8.3	2.9	100.0
3	.8	98.35	------	------	2.6	6.6	28.8	15.5	19.9	25.0	1.6	100.0
Total	100.0	79.99	3.3	6.3	15.3	25.1	20.6	13.9	8.1	5.8	1.6	100.0
Elevator structure projects												
No bedroom [2]	33.9	$82.12	------	1.8	16.2	27.2	25.3	28.5	0.9	0.1	------	100.0
1	51.2	100.59	------	.3	.3	3.4	14.4	30.3	22.5	21.6	7.2	100.0
2	14.8	121.50	------	------	1.6	------	1.7	2.1	7.2	48.7	38.7	100.0
3	.1	165.00	------	------	------	18.5	------	------	14.8	1.9	64.8	100.0
Total	100.0	94.96	------	.8	5.9	11.0	16.2	25.4	12.9	18.3	9.5	100.0
Row-house structure projects												
No bedroom [2]	1.0	$51.55	37.9	43.2	------	18.9	------	------	------	------	------	100.0
1	21.4	55.44	27.1	28.9	12.6	6.9	15.9	3.6	5.0	------	------	100.0
2	76.9	65.09	16.0	20.8	32.7	10.4	12.9	3.4	2.5	0.7	0.6	100.0
3	.7	85.43	------	7.8	27.1	10.9	49.6	------	3.1	1.5	------	100.0
Total	100.0	63.95	18.5	22.7	28.1	9.7	13.7	3.4	3.0	.5	.4	100.0
Semidetached-structure projects												
No bedroom [2]	------	------	------	------	------	------	------	------	------	------	------	------
1	14.8	$55.35	40.2	39.0	13.3	2.5	------	5.0	------	------	------	100.0
2	83.1	66.63	23.9	11.7	26.5	18.1	12.2	6.5	0.7	0.4	------	100.0
3	2.1	72.50	------	------	10.0	90.0	------	------	------	------	------	100.0
Total	100.0	65.00	25.8	15.4	24.2	17.3	10.1	6.2	.6	.4	------	100.0

[1] Exclusive of projects in Alaska, covered by commitments issued under the Alaska Housing Act enacted Apr. 23, 1949.
[2] Efficiency apartments.

As Chart XXI and Table 51 indicate, the highest median rentals for units with the same number of bedrooms are those reported for the elevator projects. In fact, the median rental for the no-bedroom efficiency units in elevator projects is greater than the 1-bedroom medians for all other types of projects and the 2-bedroom units in row-house and semidetached projects. Higher construction costs due to type of structure and location in the higher cost areas, as well as the greater amount of utilities, services, and equipment provided, are the major reasons for the higher rents in the elevator projects.

Two-bedroom units predominate in all types of projects except elevator projects, in which more than one-half are 1-bedroom units and one-third are efficiency units without bedrooms. There are relatively few 3-bedroom units provided in Section 608 VEH projects approved in 1949, less than 1 percent of the total, and most of these larger units are in walk-up projects.

Statistics by geographic divisions

As shown in Table 52 and Chart XXII, the Middle Atlantic and South Atlantic geographic divisions together accounted for the lion's share of the rental-project dwelling units approved for Section 608 VEH insurance during 1949—more than 65 percent. Projects in the North Central States accounted for about 15 percent of the units, while those in the South Central States had slightly more than 10 percent.

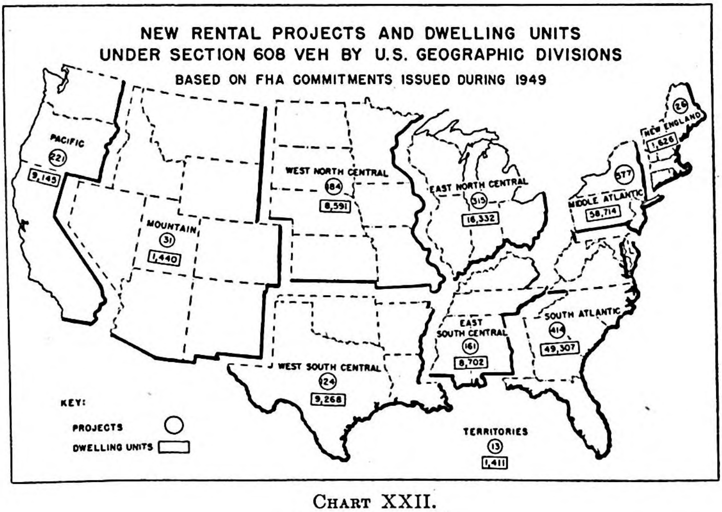


CHART XXII.

The largest projects were those located in the South Atlantic division where the average size was almost 120 units. Projects in the Territories—principally Alaska—averaged about 110 units, and those in the Middle Atlantic States about 100 units. Projects on the west coast and in the Mountain States tended to be substantially smaller, averaging only 41 and 46 units respectively.

TABLE 52.—*Characteristics of Sec. 608 VEH rental projects by United States geographic divisions: Based on FHA commitments to insure mortgages secured by rental projects, 1949*

Geographic divisions	Commitments issued		Average size of project [1] (units)	Type of project (percent of units in)			
	Projects	Units		Walk-up	Elevator	Row house	Semi-detached
New England	26	1,626	63	70.6	1.7	15.8	11.9
Middle Atlantic	577	58,714	102	62.3	34.7	2.2	.8
East North Central	315	16,332	52	46.7	34.3	14.4	4.6
West North Central	184	8,591	47	76.3	5.6	16.2	1.9
South Atlantic	414	49,307	119	51.7	22.8	23.5	2.0
East South Central	161	8,702	54	57.4	7.1	21.5	14.0
West South Central	124	9,268	75	54.1	23.6	8.3	14.0
Mountain	31	1,440	46	89.4	----------	4.5	6.1
Pacific	221	9,145	41	60.6	35.7	3.7	----------
Territories	13	1,411	109	65.3	29.6	5.1	----------
All divisions	2,066	[2] 164,536	[2] 80	58.2	26.7	11.0	4.1

Geographic divisions	Average mortgage allocable to dwelling use [1]		Average current replacement cost of project [1]		Number of rooms per unit		Average monthly rental [1 3]	
	Per unit	Per room	Per unit	Per room	Average [1]	Median	Per unit	Per room
New England	$7,571	$1,986	$9,017	$2,363	3.9	4.2	$87.50	$23.00
Middle Atlantic	7,698	2,105	9,468	2,590	3.7	3.8	95.00	26.00
East North Central	7,631	2,045	9,397	2,517	3.7	4.1	92.00	24.50
West North Central	7,452	1,971	8,708	2,302	3.8	4.0	84.50	22.00
South Atlantic	6,825	1,825	7,948	2,125	3.7	4.2	71.50	19.00
East South Central	5,519	1,461	6,255	1,655	3.8	4.2	54.00	14.00
West South Central	6,704	1,959	8,170	2,386	3.5	4.1	69.00	20.00
Mountain	7,355	1,963	9,018	2,406	3.8	4.1	93.50	25.00
Pacific	7,112	1,818	8,609	2,198	3.9	4.1	83.50	21.00
Territories	10,610	3,332	13,527	4,248	3.2	3.5	125.50	39.50
All divisions	7,217	1,949	8,675	2,344	3.7	4.0	82.50	22.00

[1] Arithmetic mean.
[2] Includes increases in number of units for projects covered by commitments originally issued prior to 1949; hence discrepancy between United States average size of project in this table and that shown in Tables 41, 42, 44, and 45.
[3] Rounded to nearest half-dollar.

Although the larger average size of the projects in the Middle Atlantic division may be attributed to the high proportion of units in elevator projects (nearly 35 percent), this relationship did not hold in other geographic divisions. In the Pacific division, for example, more than 35 percent of the units were in elevator projects, yet the average project had only 41 units. On the other hand, the South Atlantic States, with only a fifth of the units in elevator projects, had the largest average project size.

Walk-up projects predominated in all sections of the country—to the greatest extent in the Mountain States, to the least in the East North Central division. In three geographic divisions—the Middle Atlantic, East North Central, and Pacific—elevator projects accounted for more than a third of the total units. The highest proportions of row-house units were reported in the South Atlantic and East South Central States, while significant proportions of units in semidetached structures were in the South Central division.

The sizes of the individual dwelling units tend to be larger in the New England, South Atlantic, and East South Central States, each having a median unit size of 4.2 rooms. The smallest apartments were found in the Territories and the Middle Atlantic division.

The same two divisions had the highest average rentals per dwelling unit and per room—$125.50 per unit and $39.50 per room in the Territories, and $95 per unit and $26 per room in the Middle Atlantic States. The high Territorial rents were due largely to the fact that most of these units were located in Alaska, where initial construction cost and operating expenses are considerably higher than in continental United States and the supply of rental units much below current demand. In recognition of these higher costs, the FHA Commissioner was authorized in the Alaska Housing Act (April 23, 1949) to insure mortgages on dwelling units in Alaska for amounts up to one-third more than would otherwise be permissible under the National Housing Act.

The Middle Atlantic States had the highest average mortgage amounts and replacement costs in continental United States—about $7,700 per unit and $2,100 per room in mortgage amounts for dwelling purposes and $9,500 per unit and $2,600 per room for total replacement cost. The above-average rentals in this area are attributable to the high replacement cost and debt service charges resulting from the larger average mortgage amounts and, in addition, to higher operating expenses.

In two other areas above-average replacement costs were mirrored by average monthly dwelling unit rentals in excess of $90—in the East North Central States where the average unit cost was $9,400, and in the Mountain division which had a $9,000 average replacement cost per unit.

In the South, where lower building and operating costs prevail, the monthly rentals are likewise lower. In the East South Central States, the average mortgage for dwelling purposes was $5,500 per unit, the average replacement cost about $6,300 and monthly rental $54. The West South Central division reported an average monthly rental of $69 per dwelling unit, an average mortgage of $6,700, and a per-unit replacement cost of $8,200.

Property Improvement Loan Insurance Under Title I

Short-term character loans financing the modernization and improvement of properties are insured by FHA for approved financial institutions operating under regulations authorized by Title I of the National Housing Act. No review of these loans is made by FHA other than verification that the loans comply with the regulations. The entire portfolio of eligible loans is insured against loss for an individual lending institution up to 10 percent of the aggregate amount of net proceeds approved for insurance. Unlike the Title II mortgage insurance procedure where each individual transaction is reviewed and approved by FHA prior to insurance, under Title I each individual loan is reported to the Commissioner and is accepted by him for insurance recordation in reliance upon the certification of the institution that the loan was made in accordance with the provisions of the regulations.

Volume of Business

Yearly trends.—Accounting for 16 percent of the dollar volume of all insurance written by FHA in 1949, the $607,000,000 of Title I loans insured during the year provided 1,250,000 individual borrowers with funds with which to finance the repair, alteration, or improvement of existing properties (Table 53).

TABLE 53.—*Trend of FHA property improvement loans insured and claims paid: Volume of loans insured, claims paid, and the gross loss ratio under Title I, 1934–49*

Period	For the year				Cumulative				Amount of claims paid as percent of loans insured
	Loans insured		Claims paid		Loans insured		Claims paid		
	Number	Net proceeds	Number	Amount	Number	Net proceeds	Number	Amount	
1934	72, 658	$27, 405, 525	------	----------	72, 658	$27, 405, 525	------	----------	--------
1935	635, 747	201, 258, 132	1, 288	$447, 448	708, 405	228, 663, 657	1, 288	$447, 448	0. 20
1936	617, 697	221, 534, 922	25, 315	5, 884, 885	1, 326, 102	450, 198, 579	26, 603	6, 332, 333	. 14
1937	124, 758	54, 344, 338	28. 824	6, 890, 897	1, 450, 860	504, 542, 917	55, 427	13, 223, 230	2. 62
1938 [1]	382, 325	150, 709, 152	29, 433	6, 016, 306	1, 833, 185	655, 252, 069	84, 860	19, 239, 536	2. 94
1939	513, 091	203, 994, 512	18, 566	4, 728, 346	2, 346, 276	859, 246, 581	103, 426	23, 967, 882	2. 79
1940	662, 948	241, 734, 821	18, 672	6, 543, 568	3, 009, 224	1, 100, 981, 402	122, 098	30, 511, 450	2. 77
1941	687, 837	248, 638, 549	21, 900	7, 265, 059	3, 697, 061	1, 349, 619, 951	143, 998	37, 776, 509	2. 80
1942	432, 755	141, 163, 398	22, 691	7, 132, 210	4, 129, 816	1, 490, 783, 349	166, 689	44, 908, 719	3. 01
1943	308, 161	87, 194, 156	15, 243	3, 718, 643	4, 437, 977	1, 577, 977, 505	181, 932	48, 627, 362	3. 08
1944	389, 592	113, 939, 150	8, 009	1, 939, 261	4, 827, 569	1, 691, 916, 655	189, 941	50, 566, 623	2. 99
1945	501, 401	170, 823, 788	6, 791	1, 588, 875	5, 328, 970	1, 862, 740, 443	196, 732	52, 155, 498	2. 80
1946	799, 284	320, 593, 183	9, 254	2, 435, 964	6, 128, 254	2, 183, 333, 626	205, 986	54, 591, 462	2. 50
1947	1, 247, 590	533, 604, 178	17, 511	5, 829, 750	7, 375, 844	2, 716, 937, 804	223, 497	60, 421, 212	2. 22
1948	1, 359, 776	621, 612, 484	38, 482	14, 345, 659	8, 735, 620	3, 338, 550, 288	261, 979	74, 766, 871	2. 24
1949	1, 249, 538	607, 023, 920	50, 950	17, 493, 909	9, 985, 158	3, 945, 574, 208	312, 929	92, 260, 780	2. 34

[1] Title I expired Apr. 1, 1937, and was renewed by amendment of Feb. 3, 1938.

The 1948 volume was the peak in the long-term development of Title I operations. The accumulation of pent-up demand for repair and modernization work by the end of the war, and the rise in employment and national income which followed caused a tremendous upsurge in the volume of Title I insuring activity in the early postwar period, the annual dollar rate of insurance increasing 94 percent between 1946 and 1948. The yearly total in 1949 was only 2 percent below the total for 1948.

From the beginning of FHA operations in 1934 through the end of 1949, more than \$3.9 billion of FHA-insured, privately supplied credit had been disbursed to about 10,000,000 American families under the

TABLE 54.—*State distribution of property improvement loans insured and claims paid: Number and amount of loans insured and claims paid under Title I, cumulative 1934–49*

Location of property	Loans insured			Insurance claims paid			Amount of claims paid as percent of loans insured	Average	
	Number	Net proceeds	Percent of net proceeds	Number	Amount	Percent of amount		Loan insured	Claim paid
Alabama	141,994	\$44,901,936	1.1	4,692	\$1,059,105	1.1	2.36	\$316	\$226
Arizona	60,874	29,072,519	.7	1,651	570,329	.6	1.96	478	345
Arkansas	74,902	25,503,252	.6	3,603	860,157	.9	3.37	340	239
California	1,065,019	407,839,089	10.3	29,913	9,933,200	10.8	2.44	383	332
Colorado	68,560	25,766,446	.7	1,498	431,941	.5	1.68	376	288
Connecticut	133,507	55,657,516	1.4	4,026	1,406,678	1.5	2.53	417	349
Delaware	13,277	5,769,816	.1	475	177,744	.2	3.08	435	374
District of Columbia	54,645	24,829,322	.6	1,968	645,375	.7	2.60	454	328
Florida	173,654	75,455,510	1.9	7,678	2,529,150	2.7	3.35	435	329
Georgia	128,828	44,905,831	1.1	5,071	1,236,098	1.3	2.75	349	244
Idaho	52,582	20,898,154	.5	1,621	467,241	.5	2.24	397	288
Illinois	626,462	247,327,076	6.3	13,871	3,953,536	4.3	1.60	395	285
Indiana	352,916	115,918,149	2.9	12,407	3,093,196	3.4	2.67	328	249
Iowa	140,533	48,789,722	1.2	3,635	1,027,863	1.1	2.11	347	283
Kansas	85,072	25,845,434	.7	2,507	579,794	.6	2.24	304	231
Kentucky	105,476	36,054,660	.9	3,466	980,036	1.1	2.72	342	283
Louisiana	88,574	29,955,939	.8	3,326	719,132	.8	2.40	338	216
Maine	42,949	17,146,931	.4	1,647	564,808	.6	3.29	399	343
Maryland	177,737	70,517,750	1.8	5,162	1,484,163	1.6	2.10	397	288
Massachusetts	301,032	119,029,410	3.0	10,304	3,260,356	3.5	2.74	395	316
Michigan	812,891	300,268,674	7.6	26,057	7,138,144	7.7	2.38	369	274
Minnesota	218,106	76,236,939	1.9	4,558	1,345,225	1.5	1.76	350	295
Mississippi	69,623	25,607,617	.7	3,553	879,689	1.0	3.44	368	248
Missouri	258,765	83,784,085	2.1	8,220	2,000,595	2.2	2.39	324	243
Montana	25,480	11,101,515	.3	658	241,596	.3	2.18	436	367
Nebraska	59,486	21,630,118	.6	1,653	474,702	.5	2.19	364	287
Nevada	13,145	6,333,447	.2	269	107,871	.1	1.70	482	401
New Hampshire	28,805	11,720,370	.3	1,396	448,090	.5	3.82	407	321
New Jersey	414,277	201,976,966	5.1	17,914	5,229,362	5.7	2.59	488	292
New Mexico	15,867	7,592,047	.2	869	293,939	.3	3.87	478	338
New York	1,123,865	602,286,426	15.3	37,662	14,006,955	15.2	2.33	536	372
North Carolina	90,603	32,947,761	.8	3,589	907,405	1.0	2.75	364	253
North Dakota	18,941	7,639,328	.2	506	140,454	.2	1.84	403	278
Ohio	615,128	215,147,588	5.5	16,045	4,724,028	5.1	2.20	350	294
Oklahoma	141,056	46,493,518	1.2	4,376	1,024,499	1.1	2.20	330	234
Oregon	124,463	46,744,065	1.2	3,537	1,005,817	1.1	2.15	376	284
Pennsylvania	634,486	243,445,391	6.2	19,684	5,530,984	6.0	2.27	384	281
Rhode Island	47,743	19,525,776	.5	1,389	425,700	.5	2.18	409	306
South Carolina	50,532	18,186,591	.5	2,458	551,825	.6	3.03	360	225
South Dakota	15,032	5,865,892	.2	405	118,427	.1	2.02	390	292
Tennessee	191,444	60,327,011	1.5	5,537	1,648,676	1.8	2.73	315	298
Texas	431,328	156,731,881	4.0	14,367	2,911,454	3.2	1.86	363	203
Utah	84,437	29,025,262	.7	1,788	480,383	.5	1.66	344	269
Vermont	14,680	6,283,253	.2	848	312,116	.3	4.97	428	368
Virginia	125,614	59,081,195	1.5	3,806	1,492,081	1.6	2.53	470	392
Washington	241,445	88,542,710	2.2	7,196	1,824,211	2.0	2.06	367	254
West Virginia	46,102	18,928,523	.5	1,477	547,898	.6	2.89	411	371
Wisconsin	167,307	65,792,537	1.7	4,039	1,336,524	1.4	2.03	393	331
Wyoming	10,376	5,214,420	.1	207	77,529	.1	1.49	503	375
Alaska	371	345,770	(1)	24	6,574	(1)	1.90	932	274
Hawaii	915	468,709	(1)	6	2,873	(1)	.61	512	479
Puerto Rico	21	19,179	(1)	------	------	------	------	913	------
Canal Zone	3	3,541	(1)	------	------	------	------	1,180	------
Virgin Islands	------	------	------	------	------	------	------	------	------
Adjustments	4,228	−908,368	(1)	315	45,252	(1)	------	------	------
Total	9,985,158	3,945,574,208	100.0	312,929	92,260,780	100.0	2.34	395	295

[1] Less than 0.05 percent.

Title I program. This volume amounted to more than one-fifth of the total insurance written by FHA under all titles during this 15½-year period.

Table 53 also shows the annual trend of claims paid, which by the end of 1949 amounted to a total of $92,261,000. Recoveries of $33,954,000 by that date reduced the net amount of Title I claims paid to $58,307,000, or 1.5 percent of total insurance written under the program since 1934. It is expected that future collections on defaulted notes already held by FHA will reduce this loss further to an estimated $43,313,000, or 1.10 percent of total insurance written.

State distribution.—Of the $3.9 billion disbursed by FHA-insured institutions under the Title I program from 1934 through 1949, about $602,000,000, or 15 percent, has financed improvements to properties located in New York State (Table 54). This State with four others (California with $408,000,000, Michigan with $300,000,000, Illinois with $247,000,000, and Pennsylvania with $243,000,000) accounted for almost 46 percent of all Title I business.

As also shown in the table, New York led all other States in volume of claims paid—$14,000,000—followed by California with $9.9 million, Michigan with $7.1 million, Pennsylvania with $5.5 million, and New Jersey with $5.2 million. Despite the high volume of claims in these five States, the percent of claims paid to loans insured for these States was not substantially different from the United States average of 2.34 percent—New Jersey showing the highest ratio among these five

PROPERTY IMPROVEMENT LOANS INSURED BY FHA UNDER TITLE I
CUMULATIVE 1934-1949

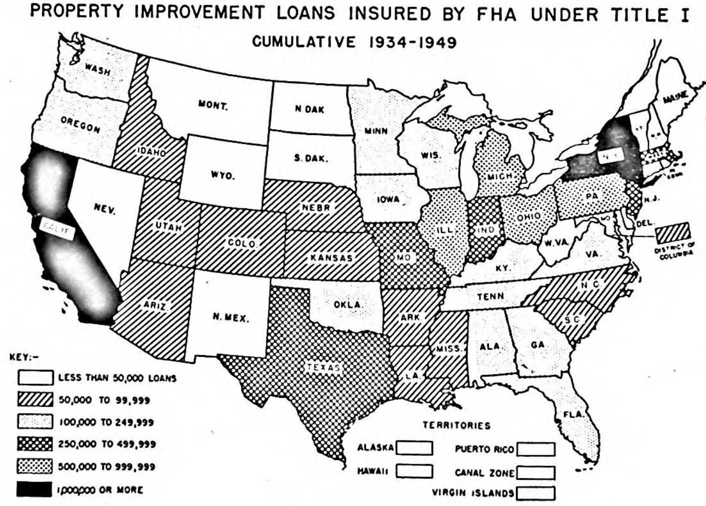


CHART XXIII.

States with 2.59 percent and Pennsylvania showing the lowest with 2.27 percent. Illinois, which ranked fourth in volume of loans insured but seventh in claims paid, had a claims ratio of only 1.60 percent.

The six States reporting 500,000 or more loans (Chart XXIII) are all located, except for California, in the Middle Atlantic and the East North Central geographic divisions as defined by the Bureau of the Census.[4] These two divisions plus the Pacific division accounted for 62 percent of the number of all loans insured.

Although there is a fairly high geographical concentration of Title I business, property in every one of the nearly 3,100 counties in the United States has been improved under the Title I program. The Mountain division States showed the lowest volume, reporting in the 15½-year period ending December 31, 1949 a total of only 331,000 loans—3 percent of the national total.

Class 3 new construction.—Title I insurance has provided some financial assistance for the construction of new homes. Under the Class 3 program during 1949, almost 3,300 single-family homes were built with net proceeds of loans totaling $13.3 million, bringing the cumulative volume of these loans from the beginning of the Class 3 program in 1938 through the end of 1949 to almost 44,600 loans for $120.3 million. California accounted for over one-third of the total amount of Class 3 loans insured through 1949. The next leading States were New York and Texas, each of which accounted for about 10 percent of the national total.

Type of Institution Activity

Volume of insurance.—National banks, State chartered banks, and finance companies have financed about 97.8 percent of all property improvement loans insured by FHA through 1949 (Table 55 and Chart XXIV). Of these three types of institutions, national banks have been the biggest lenders, accounting for 42 percent of the total, in comparison with 27.8 percent for State chartered banks and 28 percent for finance companies. Finance companies have received 41.1 percent of the amount of claims paid by FHA, compared with only 34.4 percent for national banks and 23.5 percent for State banks. Finance companies had the largest volume of claims paid per dollar of insurance, with a gross claims ratio amounting to 3.42 percent for the period.

[4] See text footnote 2 in this section for States located in each geographic division.

TABLE 55.—*Type of institution originating property improvement loans and receiving claim payments: Number and amount of Title I loans insured and claims paid by FHA, cumulative 1934–49*

Type of institution	Loans insured: Number	Loans insured: Net proceeds	Loans insured: Percent of net proceeds	Loans insured: Average net proceeds	Claims paid: Number	Claims paid: Amount	Claims paid: Percent of amount	Claims paid: Average claim	Amount of claims paid as percent of loans insured
National bank	4,081,277	$1,656,502,640	42.0	$406	106,415	$31,726,467	34.4	$298	1.92
State chartered bank [1]	2,644,038	1,096,067,596	27.8	415	76,982	21,711,699	23.5	282	1.98
Finance company	3,109,450	1,107,257,534	28.0	356	127,782	37,874,537	41.1	296	3.42
Savings and loan association	130,065	67,784,936	1.7	521	1,192	423,321	.4	355	.62
Other	20,328	17,961,502	.5	884	558	524,756	.6	940	2.92
Total	9,985,158	3,945,574,208	100.0	395	312,929	92,260,780	100.0	295	2.34

[1] Includes State banks, industrial banks, and savings banks.

TYPE OF INSTITUTION FINANCING PROPERTY IMPROVEMENT LOANS AND RECEIVING PAYMENTS OF CLAIMS

WITH RATIO OF CLAIMS PAID TO LOANS INSURED

1934-1949

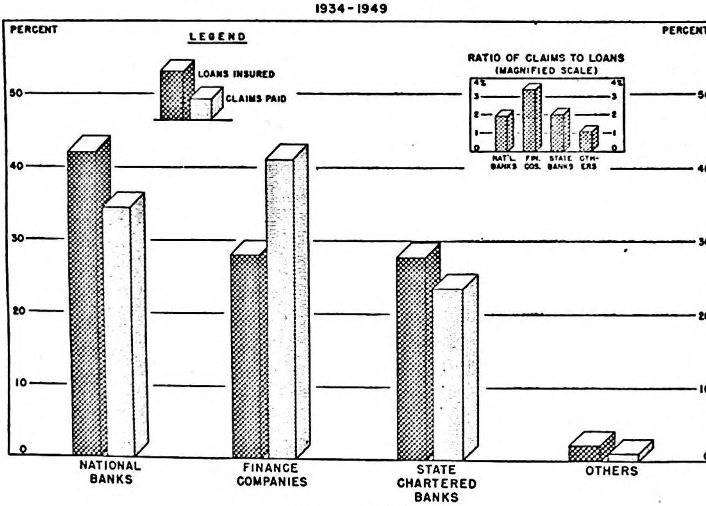


CHART XXIV.

Currently active under the Title I program are approximately 4,200 financial institutions. Exclusive of almost 3,000 branch offices, there are, among the types of institutions doing the greatest volume of business, about 1,760 State chartered banks, 1,690 national banks, and less than 70 finance companies. In addition, 630 savings and loan associations and 52 other institutions are participating in the Title I program. Data for these institutions during the last 2½ years (that is, under the July 1947 Reserve from July 1, 1947 through December 31, 1949) are shown in Table 56. Loans made by national banks during this period averaged $447 in net proceeds to the borrowers. For State chartered banks the average was $475, and for finance companies, $481. It is noteworthy that 69 finance companies have accounted for over one-fifth of the net proceeds of all Title I loans insured since mid-1947.

TABLE 56.—*Type of institution originating property improvement loans and receiving claim payments: Number and amount of Title I loans insured and claims paid by the FHA under the 1947 Reserve, cumulative July 1, 1947, through Dec. 31, 1949*

Type of institutions	Number of institutions	Loans insured: Number	Loans insured: Net proceeds	Loans insured: Percent of net proceeds	Loans insured: Average net proceeds	Number of institutions	Claims paid: Number	Claims paid: Amount	Claims paid: Percent of amount	Claims paid: Average claim	Percent of net proceeds insured
National bank	1,685	1,518,255	$678,329,744	46.7	$447	716	15,195	$6,036,485	33.0	$397	0.90
State chartered bank [1]	1,755	874,080	415,224,643	28.6	475	662	8,871	3,695,184	20.2	417	.90
Finance company	69	633,198	304,808,443	21.0	481	31	18,283	8,346,618	45.7	457	2.74
Savings and loan association	630	88,297	47,733,479	3.3	541	84	443	168,675	.9	381	.35
Other	52	10,616	5,027,706	.4	474	13	90	41,230	.2	458	.82
Total	4,191	3,124,446	1,451,124,015	100.0	464	1,506	42,882	18,288,201	100.0	426	1.26

[1] Includes State banks, industrial banks, and savings banks.

During the last 3 years, as shown below, the share of Title I business financed by banks (national and State chartered banks combined) has steadily increased from 65 percent of the total in 1947 to 73 percent in 1948 and 81 percent in 1949. Finance companies, however, have shown a steady decline from 34 percent in 1947 to 25 percent in 1948 and 13 percent in 1949.

Percentage distribution of net proceeds of Title I loans insured by FHA, by type of institution, by years, 1947–49

Type	1949	1948	1947
	Percent	*Percent*	*Percent*
National bank	49.0	46.1	41.1
State chartered bank	31.9	26.5	23.5
Finance company	13.3	24.9	34.4
Savings and loan association	5.2	2.3	.8
Other	.6	.2	.2
Total	100.0	100.0	100.0

Claim ratio.—Nearly 43,000 claims have been approved by FHA with respect to loans insured since July 1, 1947. These claims totaled $18,288,000, averaging $426 per claim. By the year end, gross claims under the 1947 Reserve equaled 1.26 percent of insurance written. About one-half of the finance companies have received claim payments from FHA, with more than 18,000 claims averaging $457 resulting in a gross claim ratio of 2.74 percent. National banks received the second largest proportion of claim payments accounting for one-third of the dollar amount of all claims paid, followed by State chartered banks with one-fifth of the total.

Loan Characteristics

The typical Title I loan insured during 1949 provided the borrower with $353 in net proceeds, had a maturity of 36.4 months, and called for a monthly payment of almost $10. During the year the median amount financed increased 7 percent from the $331 reported for 1948. The maturity remained approximately the same and the monthly payment decreased slightly. As in previous years, the principal type of property improved in 1949 was single-family dwellings, and the principal improvements financed from the net proceeds of these loans included the installation and repair of heating systems, additions and alterations, exterior finish and insulation.

Size of loan.—As shown in Table 57, almost 98 percent of the number (93 percent of the amount) of the Title I loans insured during 1949 financed the repair, alteration, or improvement of existing structures. The average net proceeds of this predominant type of loan amounted to $464—$22 more than in 1948—but when all classes of loans are considered, including loans for new homes, the average for the total is $486, or $30 more than in 1948. The median amounts of the loans also shown in the table indicate that as many loans were made during the year with net proceeds exceeding $353 as were made below that figure. Moreover, approximately two-thirds of all Title I loans insured during the year were written with net proceeds of less than $500 and about two-fifths for less than $300. Only about 1 in every 10 loans netted the borrower $1,000 or more.

TABLE 57.—*Size of loan: Percentage distribution based on FHA-insured property improvement loans,[1] Title I, 1949*

Net proceeds of loan	Total	Class 1a — Existing structures	Class 1b — Existing structures, multi-family	Class 2a — New structures, nonfarm and non-residential	Class 2b — New structures, farm and non-residential	Class 3 — New structures, 1-family
	Distribution of number					
Less than $100	2.8	2.9	0.5	0.3	0.6	----------
$100 to $199	18.5	18.9	3.1	3.1	3.9	----------
$200 to $299	20.6	21.0	4.5	7.0	6.5	----------
$300 to $399	15.4	15.5	5.0	13.4	8.0	----------
$400 to $499	10.2	10.2	3.9	15.8	6.0	----------
$500 to $599	8.2	8.2	5.0	17.0	8.9	----------
$600 to $799	9.1	9.0	7.2	17.9	12.7	----------
$800 to $999	5.0	4.9	6.8	8.2	7.7	----------
$1,000 to $1,499	5.8	5.6	17.7	8.5	15.7	0.1
$1,500 to $1,999	2.0	1.9	11.4	3.2	8.9	.6
$2,000 to $2,499	1.0	.9	9.1	1.7	6.1	1.1
$2,500 to $2,999	1.1	1.0	10.1	2.4	9.9	2.2
$3,000 to $3,999	.1	----------	8.0	1.5	5.1	25.6
$4,000 to $4,999	.2	----------	3.8	----------	----------	70.4
$5,000 or more	(2)	----------	3.9	----------	----------	----------
Total	100.0	100.0	100.0	100.0	100.0	100.0
Percent distribution	100.0	97.6	0.6	1.4	0.2	0.2
	Distribution of net proceeds					
Less than $100	0.5	0.5	(2)	(2)	(2)	----------
$100 to $199	5.6	6.0	0.3	0.7	0.5	----------
$200 to $299	10.3	11.0	.6	2.4	1.4	----------
$300 to $399	10.6	11.2	1.0	6.4	2.3	----------
$400 to $499	9.0	9.4	1.0	9.8	2.3	----------
$500 to $599	9.0	9.3	1.5	12.7	3.9	----------
$600 to $799	12.6	13.1	2.8	17.0	7.5	----------
$800 to $999	8.9	9.2	3.5	10.0	5.9	----------
$1,000 to $1,499	13.4	13.8	12.0	13.6	15.8	(2)
$1,500 to $1,999	6.7	6.7	11.3	7.2	12.9	0.2
$2,000 to $2,499	4.3	4.2	11.6	5.0	11.5	.6
$2,500 to $2,999	5.9	5.6	15.4	8.7	22.3	1.5
$3,000 to $3,999	1.0	----------	15.5	6.5	13.7	20.4
$4,000 to $4,999	1.9	----------	9.4	----------	----------	77.3
$5,000 or more	.3	----------	14.1	----------	----------	----------
Total	100.0	100.0	100.0	100.0	100.0	100.0
Percent distribution	100.0	93.2	2.1	2.0	0.5	2.2
	Size of loan					
Median based on number of loans	$353	$347	$1,395	$562	$889	$4,290
Average based on amount of loans	486	464	1,729	710	1,136	4,042

[1] A Class 1a loan is used to finance the repair, alteration, or improvement of an existing structure; Class 1b loan to finance the repair, alteration, or improvement of an existing structure used or to be used as a multifamily dwelling; Class 2a loan to finance the construction of a new structure to be used exclusively for other than residential or agricultural purposes; Class 2b loan to finance the construction of a new structure to be used in whole or part for agricultural, nonresidential purposes; and a Class 3 loan to finance new small homes.

[2] Less than 0.05 percent.

Duration of loan.—The percentage distribution of duration of all Title I loans insured in 1949 by class of loan is shown in Table 58. Slightly greater than in 1948, the average duration for all classes of loans amounted to 35.8 months in 1949, while the median duration (based on number of cases) was 36.4 months. Two-thirds of the loans,

TABLE 58.—*Duration of loan: Percentage distribution based on FHA-insured property improvement loans,*[1] *Title I, 1949*

Duration [2]	Total	Class 1a Existing structures	Class 1b Existing structures, multi-family	Class 2a New structures, nonfarm and non-residential	Class 2b New structures, farm and non-residential	Class 3 New structures, 1-family
	Distribution of number					
6 months	0.6	0.6	0.3	0.5	1.2	----------
12 months	9.9	10.1	4.0	5.6	6.4	----------
18 months	8.5	8.6	3.1	5.2	5.3	----------
24 months	10.3	10.4	4.7	6.5	9.4	----------
30 months	4.7	4.8	1.4	3.0	3.1	----------
36 months	65.3	65.5	26.8	79.2	55.7	0.1
48 months	.1	----------	14.2	----------	15.0	.2
60 months	.1	----------	11.5	----------	2.2	.5
Over 60 months	.5	----------	34.0	----------	1.7	99.2
Total	100.0	100.0	100.0	100.0	100.0	100.0
	Distribution of net proceeds					
6 months	0.3	0.3	0.1	0.3	0.6	----------
12 months	4.8	5.1	1.1	3.1	2.8	----------
18 months	4.8	5.0	1.0	3.3	2.4	----------
24 months	7.4	7.7	2.2	5.2	6.3	----------
30 months	3.1	3.2	.6	2.4	2.5	----------
36 months	75.8	78.7	21.8	85.7	61.7	(3)
48 months	.4	----------	13.5	----------	17.7	(3)
60 months	.3	----------	14.1	----------	3.2	0.3
Over 60 months	3.1	----------	45.6	----------	2.8	99.7
Total	100.0	100.0	100.0	100.0	100.0	100.0
	Duration in number of months					
Median based on number of loans	36.4	36.4	37.7	36.6	36.4	180.6
Average based on amount of loans	35.8	32.7	55.2	33.9	35.6	169.4

[1] A Class 1a loan is used to finance the repair, alteration, or improvement of an existing structure; Class 1b loan to finance the repair, alteration, or improvement of an existing structure used or to be used as a multifamily dwelling; Class 2a loan to finance the construction of a new structure to be used exclusively for other than residential or agricultural purposes; Class 2b loan to finance the construction of a new structure to be used in whole or in part for agricultural, nonresidential purposes; and a Class 3 loan to finance new small homes.

[2] The period stated for each particular interval is shown in order to emphasize the month of heavy concentration.

[3] Less than 0.05 percent.

accounting for three-fourths of the total net proceeds disbursed under Title I, had a duration of about 36 months.

Type of property and improvement.—Table 59 shows the types of property improved and the major types of improvement financed by Title I loans during 1949. Since only the major type of improvement is reported to FHA, it is possible for a portion of a roofing loan, for example, to be used to finance plumbing repairs and not be recorded in the latter category. Chart XXV shows graphically the percentage distributions of the data in Table 59.

By type of property, nearly seven-eighths of all loans insured under Title I in 1949 have financed improvements to one-family home

TABLE 59.—*Type of property and type of improvement financed: Based on FHA-insured property improvement loans, 1949*

Major type of improvement [1]	Single-family dwellings	Multi-family dwellings	Commercial and industrial	Farm homes and buildings	Others [2]	Total [3]	Percent of total
	Type of property improved						
	Number of loans insured						
New residence construction	3,296	----------	----------	----------	----------	3,296	.3
New nonresidence construction	----------	----------	1,439	3,347	14,413	19,199	1.5
Additions and alterations	102,419	12,595	4,071	3,121	2,480	124,686	10.0
Exterior finish	134,118	15,538	1,086	3,458	359	154,559	12.4
Interior finish	74,328	10,423	2,630	962	204	88,547	7.1
Roofing	87,955	9,532	1,077	3,622	329	102,515	8.2
Plumbing	96,747	10,072	1,697	4,091	314	112,921	9.0
Heating	240,446	28,996	5,663	4,515	401	280,021	22.4
Insulation	227,239	11,758	1,203	5,310	224	245,734	19.6
Miscellaneous	107,424	6,459	2,862	2,229	480	119,454	9.5
Total	1,073,972	105,373	21,728	30,655	19,204	1,250,932	100.0
Percent of total	85.9	8.4	1.7	2.4	1.6	100.0	------
	Net proceeds of loans insured						
New residence construction	$13,298,763	----------	----------	----------	----------	$13,298,763	2.2
New nonresidence construction	----------	----------	$2,475,403	$3,743,047	$8,651,130	14,869,580	2.5
Additions and alterations	70,784,194	$15,109,726	6,236,807	2,970,318	1,596,633	96,697,678	15.9
Exterior finish	78,039,482	13,013,211	1,214,140	2,343,126	198,657	94,808,616	15.6
Interior finish	35,831,944	8,013,365	3,364,328	776,822	169,038	48,155,497	7.9
Roofing	30,516,824	4,559,870	765,719	1,687,801	125,519	37,655,742	6.2
Plumbing	39,279,076	7,323,524	1,746,652	2,369,151	242,028	50,960,431	8.4
Heating	104,487,040	21,251,687	6,188,088	2,453,698	352,458	134,732,971	22.2
Insulation	62,881,591	4,619,950	678,031	1,813,551	85,455	70,078,578	11.5
Miscellaneous	36,616,292	4,818,560	2,834,581	1,472,834	329,201	46,071,468	7.6
Total	471,735,206	78,709,902	25,503,749	19,630,348	11,750,119	607,329,324	100.0
Percent of total	77.7	13.0	4.2	3.2	1.9	100.0	------
	Average net proceeds						
New residence construction	$4,035	----------	----------	----------	----------	$4,035	------
New nonresidence construction	----------	----------	$1,720	$1,118	$600	774	------
Additions and alterations	691	$1,200	1,532	952	644	776	------
Exterior finish	582	838	1,118	678	553	613	------
Interior finish	482	769	1,279	808	829	544	------
Roofing	347	478	711	466	382	367	------
Plumbing	406	727	1,029	579	771	451	------
Heating	435	733	1,093	543	879	481	------
Insulation	277	393	564	342	381	285	------
Miscellaneous	341	746	990	661	686	386	------
Total	439	747	1,174	640	612	486	------

[1] Type of improvement to which major portion of the proceeds of the loan was devoted.
[2] Includes 17,022 loans for $9,975,507 reported as financing garages.
[3] Excludes adjustments of 1,394 loans and $305,404 for canceled, corrected, and refinanced notes.

properties. In addition, however, 105,000 multifamily properties, almost 31,000 farm properties, and almost 41,000 other properties, including business and industrial structures, were improved with Title I insured loans.

More loans were used to finance heating and insulation improvements than for any other purposes, with the remaining loans quite evenly distributed among the other purposes listed in Table 59.

TYPE OF PROPERTY AND TYPE OF IMPROVEMENT FINANCED BY LOANS INSURED BY FHA UNDER TITLE I

DURING 1949

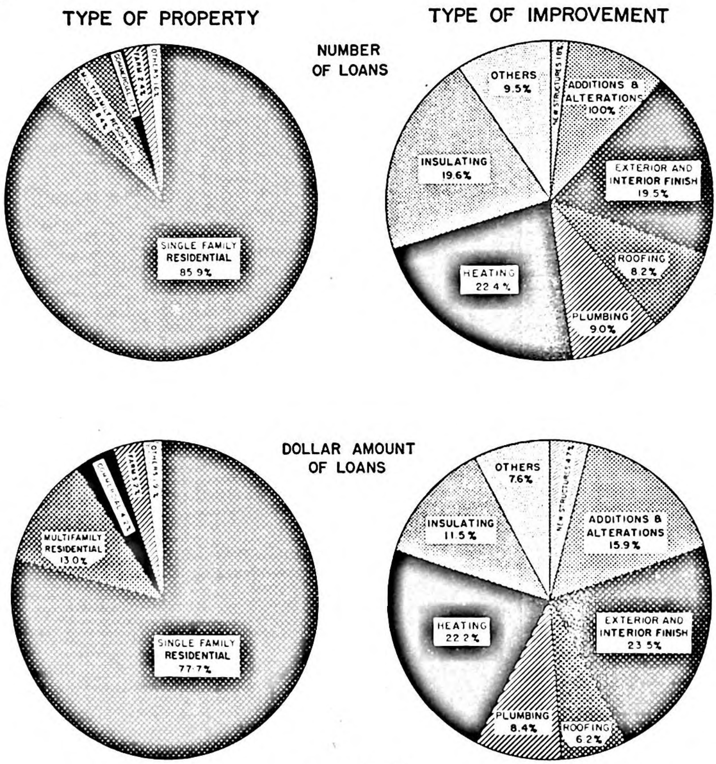


CHART XXV.

In terms of net proceeds, single-family home improvement loans with almost $472 million accounted for 77.7 percent of the amount of all loans financed under the Title I program. Multifamily structures, with almost $79 million, accounted for 13.0 percent, commercial and industrial properties for 4.2 percent, farm homes and buildings for 3.2 percent, and other properties, including garages, for the remaining 1.9 percent.

Some $135 million, or 22.2 percent of the proceeds of all Title I loans, were used primarily for heating work. Exterior and interior finish, with a total of $143 million, accounted for 23.5 percent, additions and alterations for 15.9 percent, insulation for 11.5 percent, plumbing for 8.4 percent, roofing for 6.2 percent, and new construction and miscellaneous improvements for the remainder of 12.3 percent.

TABLE 60.—*Claims paid and loans insured by type of improvement: Percentage distributions based on claims paid and insurance written, Title I, 1947 Reserve, 1947–49* [1]

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 residence construction		0.2		1.4		$3,599
New nonresidence construction	1.4	1.5	2.1	2.5	$644	760
Additions and alterations	7.7	9.7	11.7	15.7	649	754
Exterior finish	17.5	12.2	22.1	15.0	542	569
Interior finish	6.4	7.0	6.6	7.7	435	512
Roofing	9.7	8.6	8.1	6.6	361	358
Plumbing	8.2	8.8	8.0	8.4	419	442
Heating	20.1	22.1	21.7	22.8	461	479
Insulation	21.2	20.6	13.8	12.6	279	285
Miscellaneous	7.8	9.3	5.9	7.3	325	365
Total	100.0	100.0	100.0	100.0	428	464

[1] Based on claims paid cumulative July 1947 through Dec. 1948 plus claims paid during the last 3 months of 1949 and on loans insured cumulative from July 1947 through Dec. 1949.

DISTRIBUTION OF NUMBER OF LOANS INSURED AND CLAIMS PAID BY TYPE OF IMPROVEMENT

1947 RESERVE THROUGH DECEMBER 1949

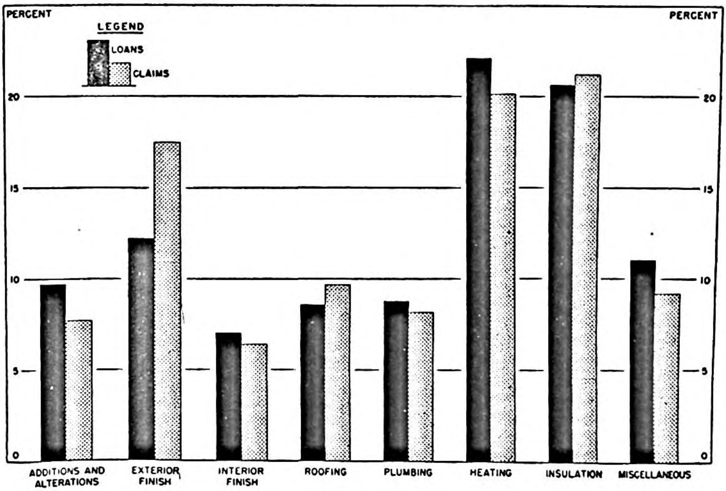


CHART XXVI.

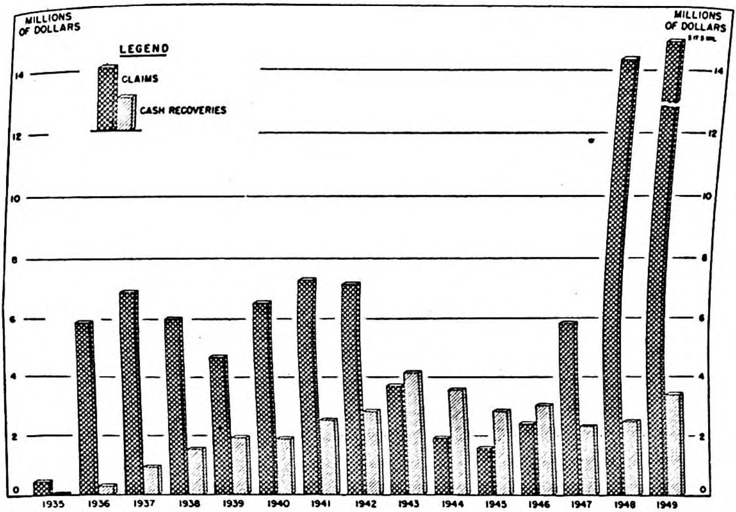
Table 60 and Chart XXVI show a comparison of loans insured to claims paid, by type of improvement, from July 1, 1947, through December 31, 1949. In general, the distribution of claims follows the distribution of loans insured. However, claims have been disproportionately great on loans financing exterior finish and small on loans financing additions and alterations. Since the average loans vary substantially, depending on the type of improvement, sizes of average claims also vary, as shown in Table 60.

Claims and Defaults

Default and recovery.—In 1949 the Federal Housing Administration paid almost 51,000 claims, disbursing some $17.5 million, to cover losses to the institutions insured under Title I. This represented an increase of about 22 percent over the amount paid during the previous year, but such an increase was to be expected in view of the record increases in insuring activity which occurred during the preceding 2 years. From the beginning of operations through 1949, FHA had paid $92.3 million in claims, or 2.34 percent of the amount of loans insured during this period. As shown in the last column of Table 53, this cumulative gross loss ratio has risen only slightly during the last 2 years despite the large volume of claims paid.

Of the $92.3 million in claims paid through the end of the year, FHA had recovered almost $34 million as described in Section III of this report ($33.2 million in actual cash and about $0.8 million in disposal of real properties after deducting losses). An estimated $15 million is expected to be recovered also on defaulted notes still in the process of collection, indicating anticipated recovery of 53 percent of the amount of claims paid. When these recoveries were deducted as of the end of 1949 from total claims, a balance of $43.3 million was left unrecovered. Compared with the $3.9 billion of Title I insurance written since the beginning of operations, this unrecovered claim amount results in a net ratio of loss to FHA of only 1.10 percent—about 1 cent on every dollar. The insurance premium which has been charged by FHA since July 1, 1939, has been ample since that time to cover this loss plus the administrative costs of operating the Title I program. Chart XXVII shows the relationship, by years, between claims paid and recoveries exclusive of estimated recoveries from notes in process of collection. Although before the war recoveries usually lagged behind claims by approximately 1 year, this relationship did not hold during the war or during the early postwar period because of the rise in employment and in the national income.

FHA TITLE I CLAIMS PAID AND RECOVERIES* ON DEFAULTED NOTES



* INCLUDES ONLY ACTUAL CASH RECOVERIES AND CASH RECOVERIES FROM THE DISPOSAL OF REAL PROPERTIES

CHART XXVII.

Number of payments prior to claim.—The number of installments paid by borrowers prior to default leading to payment of claims by FHA is shown in Table 61 and Chart XXVIII. Cross classification of number of payments made by the original terms for defaulted notes shows that borrowers on longer-term notes appear to default as soon as borrowers for shorter terms. Of the total notes on which claims were paid in 1949, nearly one-fifth were amortized by 6 to 10 installments prior to default, and almost one-fifth were amortized by 11 to 15 payments. Slightly more than 1 in 20 of the defaulted notes was in a default status with no payments made.

The 1949 distribution differs substantially from the default experience of 1948. Whereas in 1949, about 24 percent of the defaulted cases were notes on which less than 6 payments had been made, in 1948 as much as 43 percent fell within this category. The number of cases with 11 or more payments, however, increased from 33 percent in 1948 to almost 57 percent in 1949.

TABLE 61.—*Claims paid on Title I loans: Percentage distribution of total claims paid by duration of loan and number of payments made prior to default, 1944 and 1947 Reserves, 1949* [1]

Number of payments received prior to default	Percentage distribution of number of claims				Percent based on total amount	Average claim paid
	Duration			Total		
	6–23 months	24–30 months	31–36 months			
0	0.7	0.8	4.0	5.5	9.5	$582
1	.6	.6	2.3	3.5	5.5	532
2	.5	.5	2.7	3.7	5.4	495
3	.6	.4	2.7	3.7	5.6	506
4	.7	.5	2.6	3.8	5.7	499
5	.6	.5	2.6	3.7	5.3	481
6 to 10	2.9	2.1	14.6	19.6	23.8	408
11 to 15	1.7	2.4	15.2	19.3	18.9	328
16 to 20	.4	2.2	13.1	15.7	11.6	247
21 to 25	(2)	1.0	9.6	10.6	5.7	181
26 to 30	----------	.2	7.1	7.3	2.5	116
31 to 35	----------	----------	3.6	3.6	.5	51
Total	8.7	11.2	80.1	100.0	100.0	336

[1] Data based on claims paid during February, May, August, and November, 1949.
[2] Less than 0.05 percent.

PAYMENTS MADE ON TITLE I LOANS PRIOR TO DEFAULT UNDER THE 1944 AND 1947 RESERVES

DURING 1949

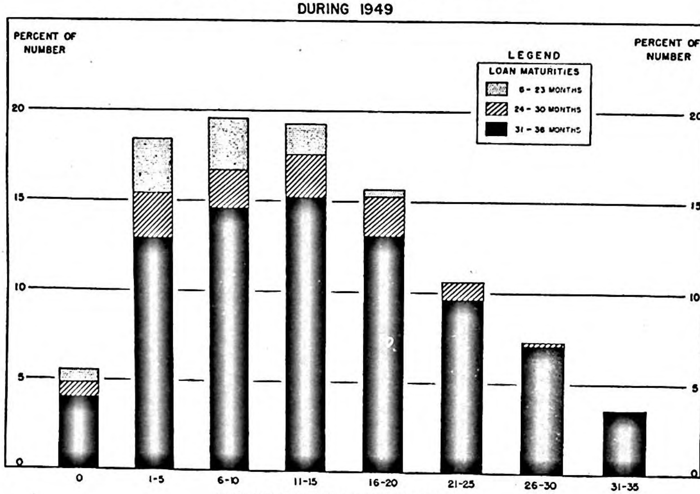


CHART XXVIII.

Section III

ACCOUNTS AND FINANCE

The accounts of the Federal Housing Administration were converted from a cash to an accrual basis as of June 30, 1949. The figures in the financial statements for 1948 and 1949 have been prepared on the accrual basis and have been shown, with certain exceptions, as of the fiscal year rather than the calendar year as heretofore. Since Section II of this report, Statistics of Insuring Operations, will be continued on a calendar-year basis to coincide with the housing year, those statements in the Accounts and Finance Section which are coordinated with the statistical statements shown in Section II will remain on a calendar-year basis.

Gross Income and Operating Expenses, Fiscal Year 1949

Gross income for fiscal year 1949 under all insurance operations totaled $63,983,953 and was derived from fees, insurance premiums, and income on investments. Operating expenses of the Administration during the fiscal year 1949 totaled $23,400,904. This left $40,583,049 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, 1949, gross income totaled $355,527,750, while operating expenses totaled $194,046,869. Gross income and operating expenses for each fiscal year are detailed below:

Income and operating expenses through June 30, 1949

Fiscal year	Income from fees, premiums, and investments	Operating expenses	Fiscal year	Income from fees, premiums, and investments	Operating expenses
1935	$539,609	$6,326,654	1944	28,322,415	11,155,027
1936	2,503,248	12,151,951	1945	29,824,744	10,232,231
1937	5,690,268	10,309,949	1946	30,729,072	11,197,574
1938	7,874,377	9,294,075	1947	26,790,341	16,085,112
1939	11,954,056	12,604,895	1948	51,164,456	20,096,567
1940	17,860,296	13,203,435	1949	63,983,953	23,400,904
1941	24,126,366	13,352,535			
1942	28,316,764	13,471,492	Total	355,527,750	194,046,869
1943	25,847,785	11,164,468			

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), $39,772,146; Title II (home mortgages), $216,721,022; Title II (rental housing projects), $6,895,146; and Title VI (war and veterans' emergency housing), $92,139,436. 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, and VI, by fiscal years, 1935–49*

	Examination fees	Initial premiums	Renewal premiums	Prepayment premiums	Income on investments	Total
Title I:						
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
Total	369,299	38,007,253	1,395,594	----------	----------	[1] 39,772,146
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
Total	42,300,502	32,088,762	109,499,983	12,311,502	20,520,273	216,721,022
Title II, Secs. 207–210:						
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
Total	581,703	796,556	3,990,481	905,463	620,943	6,895,146
Title VI, Secs. 603–608–609–611:						
1941	197,637	1,814	----------	----------	22,418	221,869
1942	1,566,954	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
Total	31,634,194	22,366,654	31,569,019	4,762,018	1,807,551	92,139,436

Minus figures caused by adjustments relating to prior years.

[1] In addition, cash recoveries and other income in the amount of $18,927,195 have been collected on claims paid on insurance granted on and after July 1, 1939, and credited to the Title I Insurance Fund.

STATEMENT 1.—*Income from fees, insurance premiums, and investments under Titles I, II, and VI, by fiscal years, 1935–49*—Continued

	Examination fees	Initial premiums	Renewal premiums	Prepayment premiums	Income on investments	Total
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, 089	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, 199, 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
Total	74, 885, 698	93, 259, 225	146, 455, 077	17, 978, 983	22, 948, 767	355, 527, 750

Salaries and Expenses

The current fiscal year is the tenth 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 1949 to cover operating costs and the purchase of furniture and equipment are as follows:

Salaries and expenses, fiscal year 1949 (July 1, 1948, to June 30, 1949)

Title and section	Amount	Percent	Title and section	Amount	Percent
Title I	$1, 640, 720	7.02	Title VI—Continued		
Title II:			Sec. 609	$66, 924	.28
Sec. 203	13, 746, 984	58.78	Sec. 611	44, 815	.19
Secs. 207–210	266, 829	1.14	Title VII	8, 583	.04
Title VI:					
Sec. 603	3, 367, 672	14.40	Total	23, 387, 499	100.00
Sec. 608	4, 244, 972	18.15			

Government Corporation Control Act

Section 501 (b) of the Housing Act of 1948 (Public Law 901, 80th Cong.) made the Federal Housing Administration subject to the Government Corporation Control Act (Public Law 248, 79th Cong.). The first of the annual audits to be made in accordance with principles and procedures applicable to corporate transactions, as required under Section 105 of that act, was performed by the Corporation Audits Division, General Accounting Office, as of June 30, 1949.

Capital and Statutory Reserves of Combined FHA Funds

The combined capital and statutory reserves of all FHA funds on June 30, 1949, amounted to $184,379,218, and consisted of $94,458,997 capital ($81,428,627 investment of the United States Government and $13,030,370 earned surplus), and $89,920,221 statutory reserves, as shown in Statement 2.

STATEMENT 2.—*Comparative statement of financial condition, all FHA funds combined, as of June 30, 1948, and June 30, 1949*

	June 30, 1948	June 30, 1949	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$45, 800, 256	$33, 554, 815	−$12, 245, 441
Investments:			
U. S. Government securities (amortized)	136, 134, 893	165, 919, 894	29, 785, 001
Other securities (stock in rental housing corporations)	80, 505	155, 785	75, 280
Total investments	136, 215, 398	166, 075, 679	29, 860, 281
Loans receivable:			
Mortgage notes and contracts for deed	23, 064, 651	20, 362, 157	−2, 702, 494
Less reserve for losses	383, 705	338, 419	−45, 286
Net loans receivable	22, 680, 946	20, 023, 738	−2, 657, 208
Accounts and notes receivable:			
Accounts receivable—insurance premiums	2, 961, 799	2, 650, 673	−311, 126
Accounts receivable—other	63, 528	74, 571	11, 043
Total accounts and notes receivable	3, 025, 327	2, 725, 244	−300, 083
Accrued assets:			
Interest on U. S. Government securities	497, 054	688, 826	191, 772
Interest on mortgage notes and contracts for deed	77, 285	85, 825	8, 540
Total accrued assets	574, 339	774, 651	200, 312
Commodities, supplies, and materials: Supplies held for use	108, 192		−108, 192
Land, structures, and equipment:			
Furniture and equipment	1, 540, 153	1, 614, 448	74, 295
Less reserve for depreciation	778, 901	870, 440	91, 539
Net furniture and equipment	761, 252	744, 008	−17, 244
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	4, 330, 626	3, 499, 732	−830, 894
Less reserve for losses	737, 791	593, 651	−144, 140
Net real estate	3, 592, 835	2, 906, 081	−686, 754
Mortgage notes acquired under terms of insurance (at cost plus expenses to date)		1, 405, 499	1, 405, 499
Less reserve for losses		247, 055	247, 055
Net mortgage notes acquired under terms of insurance		1, 158, 444	1, 158, 444
Defaulted Title I notes	18, 472, 151	30, 352, 471	11, 880, 320
Less reserve for losses	11, 310, 087	17, 935, 312	6, 625, 225
Net defaulted Title I notes	7, 162, 064	12, 417, 159	5, 255, 095
Net acquired security or collateral	10, 754, 899	16, 481, 684	5, 726, 785
Deferred charges: Prepaid expenses	13, 750	2, 704	−11, 046
Total assets	219, 934, 359	240, 382, 523	20, 448, 164

STATEMENT 2.—*Comparative statement of financial condition, all FHA funds combined, as of June 30, 1948, and June 30, 1949*—Continued

	June 30, 1948	June 30, 1949	Increase or decrease (−)
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies	$1,492,702	$1,572,012	$79,310
Group account participations payable	1,961,832	941,562	−1,020,270
Total accounts payable	3,454,534	2,513,574	−940,960
Accrued liabilities: Interest on debentures	366,511	200,861	−165,650
Trust and deposit liabilities:			
Excess proceeds of sale	872,248	899,999	27,751
Deposits held for mortgagors, lessees, and purchasers	517,597	318,420	−199,177
Due general fund of the United States Treasury	271,560	78,218	−193,342
Employees' pay roll deductions for taxes, etc	592,625	705,249	112,624
Total trust and deposit liabilities	2,254,030	2,001,886	−252,144
Bonds, debentures, and notes payable:			
Debentures payable	27,149,286	14,632,986	−12,516,300
Other liabilities:			
Reserve for foreclosure costs—mortgage notes		14,493	14,493
Statutory reserves:			
Net balances of group accounts available for contingent losses, expenses, other charges, and participations	84,271,900	89,920,221	5,648,321
Total other liabilities	84,271,900	89,934,714	5,662,814
Deferred and undistributed credits:			
Deferred credits—unearned insurance premiums	29,312,146	36,586,730	7,274,584
Deferred credits—other	92,055	52,775	−39,280
Total deferred and undistributed credits	29,404,201	36,639,505	7,235,304
Total liabilities	146,900,462	145,923,526	−976,936
CAPITAL			
Investment of the U. S. Government:			
Allocations from the U. S. Treasury	15,000,000	16,000,000	1,000,000
Appropriations for salaries and expenses	42,777,930	42,777,930	
Appropriations for payment of insurance claims	22,033,469	21,650,697	−382,772
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	80,811,399	81,428,627	617,228
Earned surplus (deficit −):			
Insurance reserve fund (cumulative earnings or deficit −) available for future losses and related expenses	4,972,851	23,393,600	18,420,749
General reinsurance reserve fund (cumulative earnings or deficit −) available for future losses and related expenses	−13,799,960	−11,330,054	2,469,906
Undivided equity of the several insurance funds represented by contribution balances and net book value of furniture and equipment	1,049,607	966,824	−82,783
Total earned surplus (deficit −)	−7,777,502	13,030,370	20,807,872
Total capital	73,033,897	94,458,997	21,425,100
Total liabilities and capital	219,934,359	240,382,523	20,448,164
Contingent liability for certificates of claim on properties on hand	117,836	96,279	−21,557

The paid-in capital of $81,428,627 and the earned surplus of $13,030,370 are available for future contingent losses and related expenses. The statutory reserves of $89,920,221 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 and Title I Claims Account	$13,498,671
Mutual Mortgage Insurance Fund	120,580,980
Housing Insurance Fund	4,628,949
War Housing Insurance Fund	43,710,844
Housing Investment Insurance Fund	992,950
Administrative Expense Account	966,824
Total	184,379,218

In addition, the various insurance funds had collected or accrued $36,586,730 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 and Title I Claims Account	$15,663,805
Mutual Mortgage Insurance Fund	9,613,824
Housing Insurance Fund	95,306
War Housing Insurance Fund	11,213,795
Total	36,586,730

Combined Income and Expenses, All FHA Funds

Total income from all sources during the fiscal year 1949 amounted to $65,087,053, while total expenses and insurance losses amounted to $25,859,998, leaving net income, before adjustment of valuation and statutory reserves, of $39,227,055. Increases in valuation and statutory reserves for the year amounted to $18,419,183, leaving $20,807,872 net income for the period. Cumulative income from June 30, 1934, through June 30, 1949, was $361,703,083, and cumulative expenses were $222,047,545, leaving net income of $139,655,538 before adjustment of valuation and statutory reserves.

STATEMENT 3.—*Combined statement of income and expenses for all FHA funds, through June 30, 1948, and June 30, 1949*

	June 30, 1934 to June 30, 1948	July 1, 1948 to June 30, 1949	June 30, 1934 to June 30, 1949
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$18,412,424	$3,691,110	$22,103,534
Interest on mortgage notes and contracts for deed	70,840	8,932	79,772
Interest—other	4,725,575	1,064,325	5,789,900
Dividends on rental housing stock	1,640	412	2,052
	23,210,479	4,764,779	27,975,258
Insurance premiums and fees:			
Premiums	213,723,039	43,970,246	257,693,285
Fees	58,844,831	16,040,867	74,885,698
	272,567,870	60,011,113	332,578,983
Other income:			
Profit on sale of investments	561,866	281,315	843,181
Miscellaneous income	275,815	29,846	305,661
	837,681	311,161	1,148,842
Total income	296,616,030	65,087,053	361,703,083
Expenses:			
Interest expense: Interest on debentures	2,209,484	414,788	2,624,272
Administrative expenses: Operating costs (including adjustments for prior years)	169,504,250	23,353,200	192,857,450
Other expenses:			
Depreciation on furniture and equipment	1,085,198	104,221	1,189,419
Miscellaneous expenses	191,896	14,212	206,108
	1,277,094	118,433	1,395,527
Losses and charge-offs:			
Loss on sale of acquired properties	3,802,606	−73,121	3,729,485
Loss on equipment	4,274,004	1,344	4,275,348
Loss on defaulted Title I notes	15,120,109	2,045,354	17,165,463
	23,196,719	1,973,577	25,170,296
Total expenses	196,187,547	25,859,998	222,047,545
Net income before adjustment of valuation and statutory reserves	100,428,483	39,227,055	139,655,538
Increase (−) or decrease (+) in valuation and statutory reserves:			
Valuation reserves:			
Reserve for loss on loans receivable	−383,599	+45,180	−338,419
Reserve for loss on acquired security or collateral	−12,047,983	−6,728,035	−18,776,018
Statutory reserves:			
Participations in mutual insurance earnings distributed	−10,502,503	−6,088,007	−16,590,510
Net balances of group accounts available for contingent losses, expenses, other charges, and participations	−84,271,900	−5,648,321	−89,920,221
Net adjustment of valuation and statutory reserves	−107,205,985	−18,419,183	−125,625,168
Net income (or loss −)	−6,777,502	20,807,872	14,030,370

ANALYSIS OF EARNED SURPLUS (OR DEFICIT −)

Balance at beginning of period		−$7,777,502	
Net income (or loss −) for the period	−$6,777,502	20,807,872	$14,030,370
Total	−6,777,502	13,030,370	14,030,370
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	−7,777,502	13,030,370	13,030,370

Title I: Property Improvement Loans

Loans Insured and Claims Paid

Operations under 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 building of new structures other than residential, and loans not exceeding $4,500 for the construction of new structures for residential use.

Loans aggregating 9,985,158 in number and $3,945,574,208 in amount (net proceeds) had been reported for insurance under Title I through December 31, 1949. Through that date 312,929 claims had been paid for $92,260,780, or approximately 2.3 percent of the total net proceeds of loans insured, as shown in Statement 4. For the calendar year 1949, the comparable figures were 1,249,538 loans insured for an aggregate of $607,023,920, and 50,950 claims paid for $17,493,909.

STATEMENT 4.—*Summary of Title I notes insured, claims for insurance paid, and recoveries on defaulted notes purchased, by calendar years, 1934–49*

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
Total	3,945,574,208	92,260,780	33,953,527	33,013,046	169,609	770,872

NOTES.—In addition to the above recoveries, $3,116,789 interest on outstanding balances of Title I notes, $83,459 interest on mortgage notes, and $289,747 miscellaneous income had been collected through Dec. 31, 1949.

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 under Title I, 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 Bureau of Federal Supply is authorized to pick up such equipment and dispose of it for the account of the Federal Housing Administration.

Real properties acquired under Title I are managed and sold by the Property Management Section 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, 1949, there had been acquired under the terms of Title I insurance a total of 397 real properties with a claim balance of $824,082. All but one of these had been sold at a net loss of $53,211, including all expenses (such as taxes, repairs, and sales commissions) incurred by FHA in acquiring, managing, and disposing of the properties.

Insurance losses under Title I through December 31, 1949, amounted to $43,312,866. These losses represent 1.10 percent of the total amount of loans insured ($3,945,574,208). A summary of Title I transactions through December 31, 1949, follows:

Summary of Title I transactions for the period June 30, 1934, to Dec. 31, 1949

	Total Title I transactions to Dec. 31, 1949	Percent to notes insured
Total notes insured	$3,945,574,208	100.000
Total claims paid	92,260,780	2.338
Recoveries:		
Cash collections:		
On notes	33,013,046	.837
On sale of repossessed equipment	169,609	.004
Total cash	33,182,655	.841
Real properties (after deducting losses)	770,872	.020
Total recoveries	33,953,527	.861
Net notes in process of collection	14,994,387	.380
Losses:		
Loss on sale of real properties	53,211	.001
Loss on repossessed equipment	4,305,331	.109
Loss on defaulted Title I notes	18,729,469	.475
Reserve for loss on defaulted Title I notes	20,224,855	.512
Total losses	43,312,866	1.097

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, $3,116,789 interest on outstanding balances of Title I notes, $83,459 interest on mortgage notes, and $289,747 miscellaneous income had been collected through December 31, 1949.

Title I Insurance Fund and Claims Account

Prior to July 1, 1939, there was no provision in the National Housing Act for collecting premiums on insurance granted under Title I. An amendment to the act on June 3, 1939, authorized FHA to charge financial institutions a premium on loans insured under this title on and after July 1, 1939. The present premium rate is three-fourths percent per annum of the net proceeds of the loan, except on Class 1 (b) loans in excess of $2,500, Class 2 (b) loans having maturities in excess of 7 years and 32 days, and on Class 3 loans covering the construction of individual homes. On these the premium rate is one-half percent per annum.

Fees and insurance premiums collected on Title I loans insured since July 1, 1939, have been credited to the Title I Insurance Fund, which was established pursuant to the amendment of June 3, 1939. Recoveries on claims paid in connection with insurance granted on and after July 1, 1939, have also been credited to this fund in accordance with an amendment to the act of June 28, 1941.

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 purposes 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 Title I 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.

In order to provide a more complete financial report of Title I operations from the initiation of the program in 1934 to June 30, 1949, combined statements have been prepared for the Title I Insurance Fund and the Title I Claims Account. The Title I Claims Account reflects the transactions with respect to insurance claims paid out of allocations by the Federal Government prior to July 1, 1939.

The total capital of the combined Title I Insurance Fund and Title I Claims Account as of June 30, 1949, as shown in Statement 5, was $13,498,671.

STATEMENT 5.—*Comparative statement of financial condition, Title I Insurance Fund and Title I Claims Account, as of June 30, 1948, and June 30, 1949*

	June 30, 1948	June 30, 1949	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$19,099,040	$15,507,978	−$3,591,062
Loans receivable:			
Mortgage notes and contracts for deed	224,838	179,550	−45,288
Less reserve for losses	3,372	2,693	−679
Net loans receivable	221,466	176,857	−44,609
Accounts and notes receivable:			
Accounts receivable—insurance premiums	2,066,329	1,120,567	−945,762
Accounts receivable—other		19,514	19,514
Total accounts and notes receivable	2,066,329	1,140,081	−926,248
Accrued assets:			
Interest on mortgage notes and contracts for deed	938	778	−160
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	2,525	846	−1,679
Less reserve for losses		106	106
Net real estate	2,525	740	−1,785
Defaulted Title I notes	18,472,151	30,352,471	11,880,320
Less reserve for losses	11,310,087	17,935,312	6,625,225
Net defaulted Title I notes	7,162,064	12,417,159	5,255,095
Net acquired security or collateral	7,164,589	12,417,899	5,253,310
Total assets	28,552,362	29,243,593	691,231
LIABILITIES			
Trust and deposit liabilities:			
Deposits held for mortgagors, lessees, and purchasers	3,917	3,645	−272
Due general fund of the United States Treasury	268,250	77,472	−190,778
Total trust and deposit liabilities	272,167	81,117	−191,050
Deferred and undistributed credits:			
Deferred credits—unearned insurance premiums	14,831,924	15,663,805	831,881
Total liabilities	15,104,091	15,744,922	640,831
CAPITAL			
Investment of the United States Government:			
Appropriations for salaries and expenses	6,615,214	6,615,214	
Appropriations for payment of insurance claims	22,033,469	21,650,697	−382,772
Total investment of the United States Government	28,648,683	28,265,911	−382,772
Earned surplus (deficit −):			
Insurance reserve fund (cumulative earnings or deficit −) available for future losses and related expenses	−15,200,412	−14,767,240	433,172
Total capital	13,448,271	13,498,671	50,400
Total liabilities and capital	28,552,362	29,243,593	691,231

The net resources of the Title I Insurance Fund alone, on which present and future Title I operations depend for capital, amounted to $13,314,865, of which $8,334,999 represented investment of the United States Government and $4,979,866 was earned surplus. The financial condition of each of the Title I funds as of June 30, 1949, is shown below:

Combined Title I Insurance Fund and Title I Claims Account statement of financial condition as of June 30, 1949

	Title I Insurance Fund	Title I Claims Account	Combined Title I
ASSETS			
Cash with U. S. Treasury	$15,430,941	$77,037	$15,507,978
Loans receivable:			
Mortgage notes and contracts for deed	149,856	29,694	179,550
Less reserve for losses	2,248	445	2,693
Net loans receivable	147,608	29,249	176,857
Accounts and notes receivable:			
Accounts receivable—insurance premiums	1,120,567		1,120,567
Accounts receivable—other	17,596	1,918	19,514
Total accounts and notes receivable	1,138,163	1,918	1,140,081
Accrued assets: Interest on mortgage notes and contracts for deed	653	125	778
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	846		846
Less reserve for losses	106		106
Net real estate	740		740
Defaulted Title I notes	28,992,110	1,360,361	30,352,471
Less reserve for losses	16,729,508	1,205,804	17,935,312
Net defaulted Title I notes	12,262,602	154,557	12,417,159
Net acquired security or collateral	12,263,342	154,557	12,417,899
Total assets	28,980,707	262,886	29,243,593
LIABILITIES			
Trust and deposit liabilities:			
Deposits held for mortgagors, lessees, and purchasers	2,037	1,608	3,645
Due general fund of the U. S. Treasury		77,472	77,472
Total trust and deposit liabilities	2,037	79,080	81,117
Deferred and undistributed credits: Deferred credits—unearned insurance premiums	15,663,805		15,663,805
Total liabilities	15,665,842	79,080	15,744,922
CAPITAL			
Investment of the U. S. Government:			
Appropriations for salaries and expenses		6,615,214	6,615,214
Appropriations for payment of insurance claims	8,334,999	13,315,698	21,650,697
Total investment of the U. S. Government	8,334,999	19,930,912	28,265,911
Earned surplus (deficit —):			
Insurance reserve fund (cumulative earnings or deficit —) available for future losses and related expenses	4,979,866	−19,747,106	−14,767,240
Total capital	13,314,865	183,806	13,498,671
Total liabilities and capital	28,980,707	262,886	29,243,593

For the fiscal year 1949 Title I income totaled $10,703,335, while expenses and losses amounted to $3,645,510, leaving $7,057,825 net income before adjustment of valuation reserves. After the valuation reserves had been increased by $6,624,653, there remained $433,172 net income for the year.

STATEMENT 6.—*Income and expenses, combined Title I Insurance Fund and Title I Claims Account, through June 30, 1948, and June 30, 1949*

	June 30, 1934 to June 30, 1948	July 1, 1948 to June 30, 1949	June 30, 1934 to June 30, 1949
Income:			
Interest and dividends:			
Interest on mortgage notes and contracts for deed	$70, 840	$8, 932	$79, 772
Interest—other	2, 670, 539	323, 149	2, 993, 688
	2, 741, 379	332, 081	3, 073, 460
Insurance premiums and fees:			
Premiums	29, 061, 227	10, 341, 620	39, 402, 847
Fees	369, 289	10	369, 299
	29, 430, 516	10, 341, 630	39, 772, 146
Other income:			
Miscellaneous income	242, 382	29, 624	272, 006
Total income	32, 414, 277	10, 703, 335	43, 117, 612
Expenses:			
Administrative expenses:			
Operating costs (including adjustments for prior years)	16, 647, 325	1, 587, 223	18, 234, 548
Other expenses:			
Miscellaneous expenses	173, 766	14, 212	187, 978
Losses and charge-offs:			
Loss on sale of acquired properties	53, 770	−349	53, 421
Loss (or profit −) on equipment	4, 306, 261	−930	4, 305, 331
Loss on defaulted Title I notes	15, 120, 109	2, 045, 354	17, 165, 463
	19, 480, 140	2, 044, 075	21, 524, 215
Total expenses	36, 301, 231	3, 645, 510	39, 946, 741
Net income (or loss −) before adjustment of valuation reserves	−3, 886, 954	7, 057, 825	3, 170, 871
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−3, 266	+573	−2, 693
Reserve for loss on acquired security or collateral	−11, 310, 192	−6, 625, 226	−17, 935, 418
Net adjustment of valuation reserves	−11, 313, 458	−6, 624, 653	−17, 938, 111
Net income (or loss −)	−15, 200, 412	433, 172	−14, 767, 240

ANALYSIS OF EARNED SURPLUS (OR DEFICIT −)

Balance at beginning of period		−$15, 200, 412	
Net income (or loss −) for the period	−$15, 200, 412	433, 172	−$14, 767, 240
Balance at end of period	−15, 200, 412	−14, 767, 240	−14, 767, 240

The cumulative income and expenses of each of the Title I funds as reflected in the combined figures through June 30, 1949, in Statement 6 are shown below:

Title I Insurance Fund and Title I Claims Account statement of income and expenses, June 30, 1934, to June 30, 1949

	Title I Insurance Fund	Title I Claims Account	Combined Title I
Income:			
Interest and dividends:			
Interest on mortgage notes and contracts for deed	$41,588	$38,184	$79,772
Interest—other	1,172,315	1,821,373	2,993,688
	1,213,903	1,859,557	3,073,460
Insurance premiums and fees:			
Premiums	39,402,847		39,402,847
Fees	369,299		369,299
	39,772,146		39,772,146
Other income:			
Miscellaneous income	113,024	158,982	272,006
Total income	41,099,073	2,018,539	43,117,612
Expenses:			
Administrative expenses:			
Operating costs (including adjustments for prior years)	11,619,334	6,615,214	18,234,548
Other expenses:			
Miscellaneous expenses	187,978		187,978
Losses and charge-offs:			
Loss on sale of acquired properties	23,797	29,624	53,421
Loss on equipment	46,001	4,259,330	4,305,331
Loss on defaulted Title I notes	7,510,235	9,655,228	17,165,463
	7,580,033	13,944,182	21,524,215
Total expenses	19,387,345	20,559,396	39,946,741
Net income (or loss −) before adjustment of valuation reserves	21,711,728	−18,540,857	3,170,871
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−2,248	−445	−2,693
Reserve for loss on acquired security or collateral	−16,729,614	−1,205,804	−17,935,418
Net adjustment of valuation reserves	−16,731,862	−1,206,249	−17,938,111
Net income (or loss −)	4,979,866	−19,747,106	−14,767,240
ANALYSIS OF EARNED SURPLUS (OR DEFICIT −)			
Balance at beginning of period			
Net income (or loss −) for the period	$4,979,866	−$19,747,106	−$14,767,240
Balance at end of period	4,979,866	−19,747,106	−14,767,240

Title I Insurance Liability Limitation

Section 2 (a) of the National Housing Act provides that the total liability which may be outstanding under Title I at any time, plus the amount of claims paid in respect of all insurance granted under this title, less the amount collected from insurance premiums and other sources and deposited in the Treasury of the United States under the Title I Insurance Fund, may not exceed in the aggregate $225,000,000.

The maximum insurance liability was increased from $200,000,000 to $225,000,000 by amendment of the National Housing Act approved October 25, 1949.

Calculations of estimated insurance liability are prepared regularly in order to determine that such liability is kept within the limitation prescribed. In addition, a report is obtained once a year from financial institutions of the outstanding balances of Title I loans in their portfolios, which report serves, among other things, as the basis for checking the calculations of the Federal Housing Administration's insurance liability.

As of December 31, 1949, the net estimated charges against the liability limitation of $225,000,000 were $196,786,596, which left $28,213,404 as the unallocated amount available for use as reserves.

STATEMENT 7.—*Insurance reserves under Title I, authorized, established, released, and remaining unallocated at Dec. 31, 1949, as provided under Secs. 2 and 6, National Housing Act*

Item	Gross reserves established	Reserves released	Charges against liability limitation as at Dec. 31, 1949			Summation
			Outstanding contingent liability	Claims paid	Total	
Basic liability limitation established by Congress						$225,000,000
Insurance reserves:						
Sec. 2:						
20 percent, original act	$66,331,508	$50,769,728		$15,561,780	$15,561,780	
10 percent, amendment Apr. 3, 1936	17,257,563	10,647,672		6,609,891	6,609,891	
10 percent, amendment Feb. 3, 1938	27,302,148	18,041,547		9,260,601	9,260,601	
10 percent, amendment June 3, 1939	86,073,320	57,590,872	$8,062,398	20,420,050	28,482,448	
10 percent, reserve of July 1, 1944	85,485,637	19,487,539	43,934,283	22,063,815	65,998,098	
10 percent, reserve of July 1, 1947	145,112,402		126,824,201	18,288,201	145,112,402	
Sec. 6:						
20 percent, amendment Apr. 22, 1937	297,366	246,498		50,868	50,868	
10 percent, amendment Apr. 17, 1936	11,913	6,339		5,574	5,574	
Total	427,871,857	156,790,195	178,820,882	92,260,780	271,081,662	
Estimated reserves for loan reports in process (118,748 loans at $458)					5,438,658	
					276,520,320	
Collections from insurance premiums and other sources (deduct)					79,733,724	
Net charges against liability limitation					196,786,596	196,786,596
Total unallocated amount available for use as reserves						28,213,404

Title II: Mutual Mortgage Insurance Fund

The Mutual Mortgage Insurance Fund was established by Section 202 of the National Housing Act 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). Subsequently, 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.

In the event that the expenses and losses of a group account exceed the income, no participation payments can be made and the deficit balance is absorbed by the general reinsurance account.

The general reinsurance account was established by Section 205 (b) of the act and, in accordance with this section, was credited with the original allocation of $10,000,000 provided by Section 202 of the act. In addition, Section 205 (c) of the act provides for the transfer to this account, upon the termination of each group account, of an amount equal to 10 percent of the total insurance premiums theretofore credited to the group. 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.

Limitation on Title II Insurance Liability

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 $6,750,000,000. Because of the continuing increase in applications for insurance under this title, the insurance limitation was raised during 1949 from $5,000,000,000 to $6,750,000,000 under authority granted by the Congress in amendments to the National Housing Act approved July 15, 1949, August 26, 1949, and October 25, 1949. This authorization applies to the insurance granted on all mortgages insured under Section 203 for one- to four-family homes and for rental housing projects under Sections 207 and 210. The Title II outstanding insurance liability at December 31, 1949, was calculated as follows:

STATEMENT 8.—*Outstanding insurance liability under Title II as of Dec. 31, 1949*

Total outstanding liability authorized			$6, 750, 000, 000
Charges against authorization:			
Section 203 estimated outstanding balance of insurance in force	$4, 359, 350, 669		
Section 203 outstanding commitments	1, 987, 209, 500		
		$6, 346, 560, 169	
Section 207 estimated outstanding balance of insurance in force	32, 066, 015		
Section 207 outstanding commitments	6, 006, 700		
		38, 072, 715	
Estimated insurance liability at Dec. 31, 1949			6, 384, 632, 884
Unused authorization for insurance			365, 367, 116

Mutual Mortgage Insurance Fund Capital

As of June 30, 1949, the assets of the Mutual Mortgage Insurance Fund totaled $138,858,802, against which there were outstanding liabilities of $108,198,043, leaving $30,660,759 capital. Included in the liabilities are the statutory reserves of $89,920,221 representing the net balances of the group accounts which are available for participation payments to mortgagors under the mutual provision of the act after providing for contingent insurance losses, expenses, and related charges.

STATEMENT 9.—*Comparative statement of financial condition, Mutual Mortgage Insurance Fund, as of June 30, 1948, and June 30, 1949*

	June 30, 1948	June 30, 1949	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$4, 471, 035	$6, 531, 002	$2, 059, 967
Investments:			
U. S. Government securities (amortized)	121, 662, 394	129, 804, 566	8, 142, 172
Loans receivable:			
Mortgage notes and contracts for deed	1, 834, 886	1, 500, 517	−334, 369
Less reserve for losses	27, 494	22, 476	−5, 018
Net loans receivable	1, 807, 392	1, 478, 041	−329, 351
Accounts and notes receivable:			
Accounts receivable—insurance premiums	361, 437	440, 410	78, 973

STATEMENT 9.—*Comparative statement of financial condition, Mutual Mortgage Insurance Fund, as of June 30, 1948, and June 30, 1949*—Continued

	June 30, 1948	June 30, 1949	Increase or decrease —
ASSETS—continued			
Accrued assets:			
Interest on U. S. Government securities	$447, 688	$554, 564	$106, 876
Interest on mortgage notes and contracts for deed	7, 810	6, 456	−1, 354
Total accrued assets	455, 498	561, 020	105, 522
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	4, 181	51, 296	47, 115
Less reserve for losses	627	7, 539	6, 912
Net acquired security or collateral	3, 554	43, 757	40, 203
Deferred charges—prepaid expenses		6	6
Total assets	128, 761, 310	138, 858, 802	10, 097, 492
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies	76	393	317
Due mortgagors—participation in mutual insurance earnings	1, 961, 832	941, 562	−1, 020, 270
Total accounts payable	1, 961, 908	941, 955	−1, 019, 953
Accrued liabilities:			
Interest on debentures	111, 668	112, 198	530
Trust and deposit liabilities:			
Excess proceeds of sale	57, 192	47, 849	−9, 343
Deposits held for mortgagors, lessees, and purchasers	46, 830	44, 954	−1, 876
Total trust and deposit liabilities	104, 022	92, 803	−11, 219
Bonds, debentures, and notes payable:			
Debentures payable	7, 448, 686	7, 510, 586	61, 900
Statutory reserves:			
Net balances of group accounts available for contingent losses, expenses, other charges, and participations	84, 271, 900	89, 920, 221	5, 648, 321
Deferred and undistributed credits:			
Deferred credits—unearned insurance premiums	6, 664, 463	9, 613, 824	2, 949, 361
Deferred credits—other	7, 810	6, 456	−1, 354
Total deferred and undistributed credits	6, 672, 273	9, 620, 280	2, 948, 007
Total liabilities	100, 570, 457	108, 198, 043	7, 627, 586
CAPITAL			
Investment of the United States Government:			
Allocation from the U. S. Treasury	10, 000, 000	10, 000, 000	
Appropriations for salaries and expenses	31, 990, 813	31, 990, 813	
Total investment of the U. S. Government	41, 990, 813	41, 990, 813	
Earned surplus (deficit —):			
General reinsurance reserve fund (cumulative earnings or deficit —) available for future losses and related expenses	−13, 799, 960	−11, 330, 054	2, 469, 906
Total capital	28, 190, 853	30, 660, 759	2, 469, 906
Total liabilities and capital	128, 761, 310	138, 858, 802	10, 097, 492
Contingent liability for certificates of claim on properties on hand	173	3, 947	3, 774

Income and Expenses

During fiscal year 1949 the income to the fund amounted to $28,671,746, while expenses and losses amounted to $14,463,618, leaving $14,208,128 net income before adjustment of valuation and statutory reserves. After the valuation and statutory reserves had been increased $5,650,215, and $6,088,007 participation payments had been distributed to mortgagors, the net income for the year was $2,469,906.

The cumulative income of the Mutual Mortgage Insurance Fund from June 30, 1934, to June 30, 1949, amounted to $219,681,546 while cumulative expenses amounted to $123,470,854, leaving $96,210,692 net income before adjustment of valuation and statutory reserves. After $89,950,236 had been allocated to valuation and statutory reserves and $16,590,510 had been provided for participation payments, the cumulative net loss amounted to $10,330,054.

STATEMENT 10.—*Income and expenses, Mutual Mortgage Insurance Fund, through June 30, 1948, and June 30, 1949*

	June 30, 1934 to June 30, 1948	July 1, 1948 to June 30, 1949	June 30, 1934 to June 30, 1949
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$16,732,352	$3,113,479	$19,845,831
Interest—other	2,153,786	333,721	2,487,507
Dividends on rental housing stock	156		156
	18,886,294	3,447,200	22,333,494
Insurance premiums and fees:			
Premiums	138,578,775	15,783,593	154,362,368
Fees	33,144,608	9,159,419	42,304,027
	171,723,383	24,943,012	196,666,395
Other income:			
Profit on sale of investments	392,971	281,315	674,286
Miscellaneous income	7,152	219	7,371
	400,123	281,534	681,657
Total income	191,009,800	28,671,746	219,681,546
Expenses:			
Interest expense:			
Interest on debentures	2,139,109	479,251	2,618,360
Administrative expenses:			
Operating costs (including adjustments for prior years)	104,449,864	13,980,230	118,430,094
Other expenses:			
Miscellaneous expenses	17,710		17,710
Losses and charge-offs:			
Loss on sale of acquired properties	2,400,553	4,137	2,404,690
Total expenses	109,007,236	14,463,618	123,470,854
Net income before adjustment of valuation and statutory reserves	82,002,564	14,208,128	96,210,692
Increase (−) or decrease (+) in valuation and statutory reserves:			
Valuation reserves:			
Reserve for loss on loans receivable	−27,494	+5,018	−22,476
Reserve for loss on acquired security or collateral	−627	−6,912	−7,539
Statutory reserves:			
Participations in mutual insurance earnings distributed	−10,502,503	−6,088,007	−16,590,510
Net balances of group accounts available for contingent losses, expenses, other charges, and participations	−84,271,900	−5,648,321	−89,920,221
Net adjustment of valuation and statutory reserves	−94,802,524	−11,738,222	−106,540,746
Net income (or loss −)	−12,799,960	2,469,906	−10,330,054

STATEMENT 10.—*Income and expenses, Mutual Mortgage Insurance Fund, through June 30, 1948, and June 30, 1949*—Continued

ANALYSIS OF EARNED SURPLUS (OR DEFICIT −)

	June 30, 1934 to June 30, 1948	July 1, 1948 to June 30, 1949	June 30, 1934 to June 30, 1949
Balance at beginning of period		−$13, 799, 960	
Net income (or loss −) for the period	−$12, 799, 960	2, 469, 906	−$10, 330, 054
Total	−12, 799, 960	−11, 330, 054	−10, 330, 054
Transfer to Housing Insurance Fund	−1, 000, 000		−1, 000, 000
Balance at end of period	−13, 799, 960	−11, 330, 054	−11, 330, 054

Investments

Section 206 of the act provides that excess moneys in the 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 1949, $4,900 of series A 3 percent Mutual Mortgage Insurance Fund debentures matured and were paid. No calls for the redemption of debentures under the Mutual Mortgage Insurance Fund were issued during the fiscal year 1949.

Purchases of United States Treasury bonds made during the year increased the holdings of the fund by $8,000,000 (principal amount). Special 2 percent United States Treasury notes in the amount of $4,000,000 were converted into cash and the proceeds reinvested in 2½ percent United States bonds, series 1967–72. These transactions resulted in an increase in the average annual yield from 2.49 percent to 2.50 percent. On June 30, 1949, the fund held United States Treasury bonds in the amount of $129,804,566, as follows:

Investments of the Mutual Mortgage Insurance Fund, June 30, 1949

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1951–54	2¾	$544, 844	$550, 000	$548, 215
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, 408, 755
1956–59	2¾	5, 305, 585	5, 242, 850	5, 269, 498
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	67, 436, 102	67, 167, 000	67, 428, 098
Average annual yield 2.5 percent		129, 878, 165	129, 499, 350	129, 804, 566

Properties Acquired under the Terms of Insurance

Thirty-seven homes insured under Section 203 were acquired during the calendar year 1949 by the Commissioner under the terms of insurance. During 1948, four foreclosed properties had been transferred to the Commissioner, and in 1947 there had been none. Through 1949, a total of 4,108 homes had been acquired under the Mutual Mortgage Insurance Fund, for which debentures and cash adjustments had been issued in the amount of $18,934,165. Statement 11 shows the turnover of Section 203 acquired properties since the acquisition of the first such property in 1936.

STATEMENT 11.—*Turnover of properties acquired under Sec. 203 of Title II contracts of insurance by years, and cumulative through Dec. 31, 1949*

Properties acquired		Properties sold by calendar years													Properties on hand Dec. 31, 1949
Year	Number	1936–37	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	
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	20
Total	4,108	24	208	384	997	1,346	692	327	67	20	2		2	19	20

NOTES.—On the 4,088 properties sold, the average time between acquisition and sale by the Federal Housing Administration was 6.33 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, 1949.

Through December 31, 1949, 4,088 acquired properties insured under Section 203 had been sold at prices which left a net charge against the fund of $2,415,218, or an average of approximately $591 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 12.—*Statement of profit and loss on sale of acquired properties, Mutual Mortgage Insurance Fund, through Dec. 31, 1949*

Item	Sec. 203 (4,088 properties)	Sec. 207 (1 property)	Total Title II (4,089 properties)
Proceeds of sales: [1]			
Sales price	$18,913,286	$1,000,000	$19,913,286
Less commission and other selling expenses	898,338		898,338
Net proceeds of sales	18,014,948	1,000,000	19,014,948
Income:			
Rental and other income (net)	308,694		308,694
Mortgage note income	2,536,187		2,536,187
Total income	2,844,881		2,844,881
Total proceeds of sold properties	20,859,829	1,000,000	21,859,829
Expenses:			
Debentures and cash adjustments	18,824,139	942,145	19,766,284
Interest on debentures	2,731,827	18,387	2,750,214
Additions and improvements	23,859		23,859
Taxes, water rent, hazard insurance, and other expenses	416,146	5,012	421,158
Repairs and maintenance	695,238		695,238
Settlement expense		1,669	1,669
Total expenses	22,691,209	967,213	23,658,422
Net profit (or loss —) before distribution of liquidation profits	—1,831,380	32,787	—1,798,593
Less distribution of liquidation profits:			
Certificates of claim	394,247	31,532	425,779
Increment on certificates of claim	29,652	1,255	30,907
Refunds to mortgagors	159,939		159,939
Loss to Mutual Mortgage Insurance Fund	2,415,218		2,415,218
Average loss to Mutual Mortgage Insurance Fund	591		

[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	717		$4,489,760		$4,489,760
Properties sold for cash and notes (or contracts for deed)	3,355	3,345	1,868,533	$13,494,016	15,362,549
Properties sold for notes only	17	17		60,977	60,977
Total	4,089	3,362	6,358,293	13,554,993	19,913,286

On December 31, 1949, 20 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, 1949 (20 properties)

	Section 203 (20 properties)
Expenses:	
Debentures and cash adjustments (issued, authorized, and claims in audit)	$110,026
Interest on debentures	2,559
Taxes and assessments	223
Hazard insurance	453
Maintenance	25
Repairs	1,227
Total expenses	114,513
Income:	
Rental income (net)	62
Net cost of properties on hand	114,451

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 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 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 4,088 Section 203 properties which had been acquired and sold through 1949 totaled $1,666,657. The net proceeds of sale in 1,500 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 $394,246 (approximately 24 percent), while certificates of claim totaling $1,272,411 (approximately 76 percent) had been or will be canceled.

In addition, there were excess proceeds on approximately 15 percent (or 601) of the 4,088 sold properties amounting to $159,939 for refund to mortgagors. The refund to mortgagors on these 601 cases averaged $266.

Mutual Mortgage Participation Payments

In carrying out the mutual provisions of Title II the Administration had established through June 30, 1949, a total of 274 group accounts, of which 149 had credit balances for distribution and 125 had deficit balances. The 149 group accounts with credit balances represented 8 from which participation payments at the time of termination of the group had been made, 11 from which payments will be made, and 130 from which participation shares are being currently disbursed to mortgagors who pay their mortgages in full prior to maturity.

Of the 125 deficit-balance groups at June 30, 1949, 56 had been terminated with deficits totaling $92,792, and these deficits had been charged against the general reinsurance account. The income of the remaining 69 groups had not yet been sufficient to offset the expenses and reserves for losses.

The credit balances of the 8 group accounts which had matured and from which participation payments had been made amounted to $137,318, and these balances were shared by 2,560 mortgagors. The payments ranged from $2.12 to $48.22 per $1,000 of original face amount of mortgage. The credit balances of the 11 groups from which participation payments will be made amounted to $145,160 on June 30, 1949, and will be shared by approximately 1,525 mortgagors.

The first participation payments in connection with insured loans prepaid in full were made as of January 1, 1944, and during the 5½ years following that date total payments of $16,590,510 were made or accrued on 207,406 insured loans.

The credit balances of the 130 groups, from which participation payments are being made as insured loans are paid in full, amounted to $47,582,186 on June 30, 1949. On that date there were still in force in these group accounts approximately 353,213 insured mortgages on which the original face amount had been $1,568,402,646.

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 the 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 the enactment of the amendments to the National Housing Act of August 10, 1948, 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, 1949, totaled $8,880,366, against which there were outstanding liabilities of $4,251,417. The capital of the fund amounted to $4,628,949, represented by $5,171,903 investment of the United States Government and an operating deficit of $542,954. Included in the capital is the sum of $1,000,000 which was transferred in accordance with Section 207 (f) of the act from appraisal fees collected under the Mutual Mortgage Insurance Fund.

STATEMENT 13.—*Comparative statement of financial condition, Housing Insurance Fund, as of June 30, 1948, and June 30, 1949*

	June 30, 1948	June 30, 1949	Increase or decrease (—)
ASSETS			
Cash with U. S. Treasury	$2, 521, 347	$1, 021, 562	—$1, 499, 785
Investments:			
U. S. Government securities (amortized)	2, 438, 880	2, 437, 757	—1, 123
Other securities (stock in rental housing corporations)	6, 350	5, 550	—800
Total investments	2, 445, 230	2, 443, 307	—1, 923
Loans receivable:			
Mortgage notes and contracts for deed	5, 898, 488	5, 474, 568	—423, 920
Less reserve for losses	88, 477	82, 118	—6, 359
Net loans receivable	5, 810, 011	5, 392, 450	—417, 561
Accounts and notes receivable:			
Accounts receivable—insurance premiums	1, 103	147	—956
Accrued assets:			
Interest on U. S. Government securities	9, 367	9, 367	
Interest on mortgage notes and contracts for deed	14, 423	13, 533	—890
Total accrued assets	23, 790	22, 900	—890
Total assets	10, 801, 481	8, 880, 366	—1, 921, 115
LIABILITIES			
Accrued liabilities:			
Interest on debentures	81, 653	54, 153	—27, 500
Trust and deposit liabilities:			
Excess proceeds of sale	103, 813	107, 474	3, 661
Deposits held for mortgagors, lessees, and purchasers	61, 239	56, 084	—5, 155
Total trust and deposit liabilities	165, 052	163, 558	—1, 494
Bonds, debentures and notes payable:			
Debentures payable	5, 938, 400	3, 938, 400	—2, 000, 000
Deferred and undistributed credits:			
Deferred credits—unearned insurance premiums	102, 862	95, 306	—7, 556
Total liabilities	6, 287, 967	4, 251, 417	—2, 036, 550
CAPITAL			
Investment of the United States Government:			
Allocation from general reinsurance reserve fund of the Mutual Mortgage Insurance Fund	1, 000, 000	1, 000, 000	
Appropriations for salaries and expenses	4, 171, 903	4, 171, 903	
Total investment of the U. S. Government	5, 171, 903	5, 171, 903	
Earned surplus (deficit —):			
Insurance reserve fund (cumulative earnings or deficit —) available for future losses and related expenses	—658, 389	—542, 954	115, 435
Total capital	4, 513, 514	4, 628, 949	115, 435
Total liabilities and capital	10, 801, 481	8, 880, 366	—1, 921, 115

Net income of the Housing Insurance Fund during the fiscal year 1949, before adjustment of valuation reserves, amounted to $109,076.

STATEMENT 14.—*Income and expenses, Housing Insurance Fund, through June 30, 1948, and June 30, 1949*

	Feb. 3, 1938 to June 30, 1948	July 1, 1948 to June 30, 1949	Feb. 3, 1938 to June 30, 1949
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$540, 709	$63, 136	$603, 845
Dividends on rental housing stock	1, 058	98	1, 156
	541, 767	63, 234	605, 001
Insurance premiums and fees:			
Premiums	5, 009, 223	221, 156	5, 230, 379
Fees	529, 185	48, 993	578, 178
	5, 538, 408	270, 149	5, 808, 557
Other income:			
Profit on sale of investments	15, 942		15, 942
Miscellaneous income	18, 179		18, 179
	34, 121		34, 121
Total income	6, 114, 296	333, 383	6, 447, 679
Expenses:			
Interest expense: Interest on debentures	70, 375	−64, 463	5, 912
Administrative expenses: Operating costs (including adjustments for prior years)	6, 566, 259	287, 340	6, 853, 599
Other expenses: Miscellaneous expenses	420		420
Losses and charge-offs: Loss on sale of acquired properties	47, 154	1, 430	48, 584
Total expenses	6, 684, 208	224, 307	6, 908, 515
Net income (or loss −) before adjustment of valuation reserves	−569, 912	109, 076	−460, 836
Increase (−) or decrease (+) in valuation reserves: Reserve for loss on loans receivable	−88, 477	+6, 359	−82, 118
Net income (or loss −)	−658, 389	115, 435	−542, 954

ANALYSIS OF EARNED SURPLUS (OR DEFICIT −)

Balance at beginning of period		−$658, 389	
Net income (or loss −) for the period	−$658, 389	115, 435	−$542, 954
Balance at end of period	−658, 389	−542, 954	−542, 954

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 1949, there were no purchases or sales of United States bonds. Upon the request of the FHA, the Treasury redeemed, by call, $2,000,000 of series D 2¾ percent debentures. On June 30, 1949, the fund held

United States Treasury bonds in the amount of $2,437,757, as follows:

Investments of the Housing Insurance Fund, June 30, 1949

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1955-60	2⅞	$948,783	$930,750	$937,757
1962-67	2½	1,500,000	1,500,000	1,500,000
Average annual yield 2.6 percent		2,448,783	2,430,750	2,437,757

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 1949. Through December 1949, a cumulative total of 16 rental

STATEMENT 15.—*Statement of profit and loss on sale of acquired projects, Housing Insurance Fund, through Dec. 31, 1949*

	Secs. 207-210		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	1,830,120	2,259,013
Total income	428,893	3,621,484	4,050,377
Total proceeds of sold properties	3,418,874	15,726,850	19,145,724
Expenses:			
Debentures and cash adjustments	2,930,182	11,731,713	14,661,895
Interest on debentures	300,201	2,252,890	2,553,091
Additions and improvements		172,566	172,566
Equipment		39,094	39,094
Taxes, hazard insurance, and other expense	10	474,543	474,553
Repairs, maintenance, and operation		872,588	872,588
Settlement expense	2,491	16,041	18,532
Total expenses	3,232,884	15,559,435	18,792,319
Net profit before distribution of liquidation profits	185,990	167,415	353,405
Less distribution of liquidation profits:			
Certificates of claim	15,728	178,424	194,152
Increment on certificates of claim	1,789	15,508	17,297
Refunds to mortgagors	168,473	3,816	172,289
Loss to Housing Insurance Fund		30,333	30,333
Average loss to Housing Insurance Fund			1,784

[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

housing projects and 1 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 $30,333.

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.

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 1949, totaled $290,400. Net proceeds of sale had been sufficient to provide an excess for the full or partial payment of 13 certificates of claim, and the remaining 4 certificates of claim had been or will be canceled in full. The amount paid or to be paid on these certificates totaled $194,152, and the amount canceled, $96,248. 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 Mutal 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 the amendment to the National Housing Act of March 28, 1941. 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 the sale by the Government of permanent type war housing acquired or constructed with public funds under the Lanham Act and certain related war acts; 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.

Limitation on Title VI Insurance Liability

As of December 31, 1949, Section 603 (a) of the National Housing Act provided that the aggregate amount of principal obligations of mortgages insured under Title VI shall not exceed $6,350,000,000, except that with the approval of the President such aggregate amount may be increased to $6,650,000,000. This limitation applies to insurance granted under Section 603 on home mortgages; under Section 608 on rental housing projects; under Section 609 on loans to finance the manufacture of housing; and under Section 611 on group housing.

In addition to the above authorization, the act provides that the aggregate amount of principal obligations of all mortgages insured pursuant to Section 610 (mortgages insured under Section 603 or 608 in connection with the sale of Government housing acquired or constructed with public funds under the Lanham Act and certain related war acts) shall not exceed $750,000,000.

The status of the Title VI insurance limitation at December 31, 1949, was calculated as follows:

STATEMENT 16.—*Status of Title VI insurance limitation as of Dec. 31, 1949*

	Secs. 603, 608, 609, and 611	Sec. 610
Aggregate principal amount of obligations which may be insured under limitation as of Dec. 31, 1949	$6,350,000,000	$750,000,000
Amount chargeable against insurance limitation to Dec. 31, 1949:		
Mortgages insured	5,771,422,313	15,544,850
Less: Mortgages reinsured	223,305,125	
Net mortgages insured	5,548,117,188	15,544,850
Commitments for insurance	531,230,800	1,134,600
Less: Commitments for reinsurance	49,300	
Net commitments	531,181,500	1,134,600
Total chargeable against limitation	6,079,298,688	16,679,450
Unused insurance limitation	270,701,312	733,320,550

War Housing Insurance Fund Capital

Assets of the War Housing Insurance Fund as of June 30, 1949, totaled $59,195,185, against which there were outstanding liabilities of $15,484,341. The fund had capital of $43,710,844, consisting of $5,000,000 invested by the United States Government and $38,710,844 earned surplus.

STATEMENT 17.—*Comparative statement of financial condition, War Housing Insurance Fund, as of June 30, 1948, and June 30, 1949*

	June 30, 1948	June 30, 1949	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$17,556,886	$7,083,603	−$10,473,283
Investments:			
U. S. Government securities (amortized)	12,033,619	33,677,571	21,643,952
Other securities (stock in rental housing corporations)	74,155	150,235	76,080
Total investments	12,107,774	33,827,806	21,720,032
Loans receivable:			
Mortgage notes and contracts for deed	15,106,439	13,207,522	−1,898,917
Less reserve for losses	264,362	231,132	−33,230
Net loans receivable	14,842,077	12,976,390	−1,865,687
Accounts and notes receivable:			
Accounts receivable—insurance premiums	532,930	1,089,549	556,619
Accounts receivable—other		5,158	5,158
Total accounts and notes receivable	532,930	1,094,707	561,777
Accrued assets:			
Interest on U. S. Government securities	39,999	124,895	84,896
Interest on mortgage notes and contracts for deed	54,114	65,058	10,944
Total accrued assets	94,113	189,953	95,840
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	4,323,920	3,447,590	−876,330
Less reserve for losses	737,164	586,006	−151,158
Net real estate	3,586,756	2,861,584	−725,172
Mortgage notes acquired under terms of insurance (at cost plus expenses to date)		1,405,499	1,405,499
Less reserve for losses		247,055	247,055
Net mortgage notes acquired under terms of insurance		1,158,444	1,158,444
Net acquired security or collateral	3,586,756	4,020,028	433,272
Deferred charges: Prepaid expenses	13,750	2,698	−11,052
Total assets	48,734,286	59,195,185	10,460,899
LIABILITIES			
Accounts payable: Bills payable to vendors and Government agencies	53,248	32,811	−20,437
Accrued liabilities: Interest on debentures	173,190	34,510	−138,680
Trust and deposit liabilities:			
Excess proceeds of sale	711,243	744,676	33,433
Deposits held for mortgagors, lessees, and purchasers	405,611	213,737	−191,874
Total trust and deposit liabilities	1,116,854	958,413	−158,441
Bonds, debentures, and notes payable: Debentures payable	13,762,200	3,184,000	−10,578,200
Other liabilities: Reserve for foreclosure costs—mortgage notes		14,493	14,493
Deferred and undistributed credits:			
Deferred credits—unearned insurance premiums	7,712,897	11,213,795	3,500,898
Deferred credits—other	84,245	46,319	−37,926
Total deferred and undistributed credits	7,797,142	11,260,114	3,462,972
Total liabilities	22,902,634	15,484,341	−7,418,293

STATEMENT 17.—*Comparative statement of financial condition, War Housing Insurance Fund, as of June 30, 1948, and June 30, 1949*—Continued

	June 30, 1948	June 30, 1949	Increase or decrease (−)
CAPITAL			
Investment of the United States 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	20,831,652	38,710,844	$17,879,192
Total capital	25,831,652	43,710,844	17,879,192
Total liabilities and capital	48,734,286	59,195,185	10,460,899
Contingent liability for certificates of claim on properties on hand	117,663	92,332	−25,331

Income and Expenses

During the fiscal year 1949, the fund earned $25,378,589 and had expenses of $7,436,730, leaving $17,941,859 net income before adjustment of valuation reserves. After increasing the valuation reserves by $62,667, the net income for the year amounted to $17,879,192, 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, 1949, amounted to $92,456,246 while cumulative expenses were $52,681,209, leaving $39,775,037 net income before adjustment of reserves. Valuation reserves of $1,064,193 were established, leaving cumulative net income of $38, 710, 844.

STATEMENT 18.—*Income and expenses, War Housing Insurance Fund, through June 30, 1948, and June 30, 1949*

	Mar. 28, 1941 to June 30, 1948	July 1, 1948 to June 30, 1949	Mar. 28, 1941 to June 30, 1949
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$1,139,363	$514,495	$1,653,858
Interest—other	−98,750	407,455	308,705
Dividends on rental housing stock	426	314	740
	1,041,039	922,264	1,963,303
Insurance premiums and fees:			
Premiums	41,073,814	17,623,877	58,697,691
Fees	24,801,749	6,832,445	31,634,194
	65,875,563	24,456,322	90,331,885
Other income:			
Profit on sale of investments	152,953		152,953
Miscellaneous income	8,102	3	8,105
	161,055	3	161,058
Total income	67,077,657	25,378,589	92,456,246

STATEMENT 18.—*Income and expenses, War Housing Insurance Fund, through June 30,1948, and June 30 1949*—Continued

	Mar. 28, 1941 to June 30, 1948	July 1, 1948 to June 30, 1949	Mar. 28, 1941 to June 30, 1949
Expenses:			
Administrative expenses:			
Operating costs (including adjustments for prior years)	$43,943,350	$7,515,069	$51,458,419
Losses and charge-offs:			
Loss on sale of acquired properties	1,301,129	−78,339	1,222,790
Total expenses	45,244,479	7,436,730	52,681,209
Net income before adjustment of valuation reserves	21,833,178	17,941,859	39,775,037
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−264,362	+33,230	−231,132
Reserve for loss on acquired security or collateral	−737,164	−95,897	−833,061
Net adjustment of valuation reserves	−1,001,526	−62,667	−1,064,193
Net income	20,831,652	17,879,192	38,710,844

ANALYSIS OF EARNED SURPLUS

Balance at beginning of period		$20,831,652	
Net income for the period	$20,831,652	17,879,192	$38,710,844
Balance at end of period	20,831,652	38,710,844	38,710,844

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 1949 excess funds not needed for current operations were used to retire series H 2½ percent War Housing Insurance Fund debentures in the amount of $13,969,250 of which $13,689,350 were called for redemption and $279,900 were purchased from RFC.

During the fiscal year 1949, $21,500,000 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, 1949, to $33,677,571, as follows:

Investments of the War Housing Insurance Fund, June 30, 1949

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	29,281,094	29,100,000	29,277,571
Average annual yield 2.46 percent		33,681,094	33,500,000	33,677,571

Properties Acquired under the Terms of Insurance

The Federal Housing Administration acquired title, under the terms of insurance, to 507 homes (515 units) insured under Section 603 and sold 384 (387 units) during 1949. Through December 31, 1949, a total of 6,739 Section 603 properties (9,283 units) had been acquired at a cost of $35,174,432 (debentures and cash adjustments), and 6,191 properties (8,665 units) had been sold at prices which left a net charge against the fund of $1,248,147, or an average of $202 per case. There remained on hand for future disposition 548 properties having 618 living units.

During 1949, 4 rental housing projects (606 units) and 12 mortgage notes (378 units) insured under Section 608 were assigned to the FHA

STATEMENT 19.—*Statement of profit and loss on sale of acquired properties, War Housing Insurance Fund, through Dec. 31, 1949*

	Sec. 603 (6,191 properties)	Sec. 608 (1 project and 1 mortgage note)	Total, Title VI (6,193 properties)
Proceeds of sales: [1]			
Sales price (or proceeds of mortgage note)	$33, 698, 262	$1, 338, 624	$35, 036, 886
Less commissions and other selling expenses	1, 182, 141		1, 182, 141
Net proceeds of sales	32, 516, 121	1, 338, 624	33, 854, 745
Income:			
Rental and other income (net)	3, 740, 281		3, 740, 281
Mortgage note income	2, 364, 527		2, 364, 527
Total income	6, 104, 808		6, 104, 808
Total proceeds of sold properties	38, 620, 929	1, 338, 624	39, 959, 553
Expenses:			
Debentures and cash adjustments	31, 949, 927	1, 296, 210	33, 246, 137
Interest on debentures	3, 234, 219	16, 899	3, 251, 118
Additions and improvements	100, 654		100, 654
Taxes, water rent, hazard insurance, and other expenses	1, 050, 354	2	1, 050, 356
Repairs, maintenance, and operation	2, 172, 988		2, 172, 988
Furniture and equipment	97, 172		97, 172
Settlement expense		5, 184	5, 184
Total expenses	38, 605, 314	1, 318, 295	39, 923, 609
Net profit (or loss −) before distribution of liquidation profits	15, 615	20, 329	35, 944
Less distribution of liquidation profits:			
Certificates of claim	446, 362	19, 389	465, 751
Increment on certificates of claim	43, 770	181	43, 951
Refunds to mortgagors	773, 630		773, 630
Loss to War Housing Insurance Fund	1, 248, 147	[2] −759	1, 247, 388
Average loss to War Housing Insurance Fund	202		

[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	1, 927		$10, 752, 658		$10, 752, 658
Properties sold for cash and notes (or contracts for deed)	4, 140	2, 768	1, 534, 408	$21, 312, 825	22, 847, 233
Properties sold for notes only	126	1		1, 436, 995	1, 436, 995
Total	6, 193	2, 769	12, 287, 066	22, 749, 820	35, 036, 886

[2] Excess remaining to credit of War Housing Insurance Fund in accordance with Sec. 608 (d).

Commissioner under the terms of insurance. Through December 31, 1949, a total of 6 projects (1,420 units) and 13 mortgage notes (420 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 5 projects (826 units) and 12 mortgage notes (378 units) still held by the FHA.

In addition, 2 manufacturers' notes and 28 discounted purchasers' notes insured under Section 609 had been assigned to the FHA Commissioner during the calendar year 1949, all of which were still held as of December 31, 1949.

STATEMENT 20.—*Statement of properties on hand, War Housing Insurance Fund, as of Dec. 31, 1949*

	Sec. 603 (548 properties, 618 units)	Sec. 608		Sec. 609		Total (553 properties, 42 notes, 2,155 units)
		(5 properties, 826 units)	(12 mortgage notes,[1] 378 units)	(2 notes,[2] 305 units)	(28 notes,[3] 28 units)	
Expenses:						
Debentures and cash adjustments (issued, authorized, and claims in audit)	$3,224,505	$3,136,503	$2,264,776	$936,032	$79,479	$9,641,295
Interest on debentures	119,883	120,269	46,902	6,091	97	293,245
Taxes and assessments	44,480	59,298	8,066			111,844
Water rent	2					2
Hazard insurance	36,784	10,405				47,189
Additions and improvements	328					328
Maintenance and operating expense	72,766	151,917				224,683
Repairs	57,922	32,549				90,471
Operating equipment	2,236	2,297				4,533
Furniture	274					274
Undistributed expense	1,554	74				1,628
Other expense	147	21,896				22,043
Total expense	3,560,881	3,535,208	2,319,744	942,126	79,576	10,437,535
Income:						
Rental and other income (net)	144,109	392,130	75,962	6,319		618,520
Net cost of properties on hand	3,416,772	3,143,078	2,243,782	935,807	79,576	9,819,015

[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 year, is given below:

STATEMENT 21.—*Turnover of properties acquired under Sec. 603 of Title VI, through Dec. 31, 1949*

Properties acquired		Properties sold, by calendar years							Properties on hand Dec. 31, 1949
Year	Number	1943	1944	1945	1946	1947	1948	1949	
1943	498	29	220	110	139				
1944	2,542		36	685	1,178	386	140	87	30
1945	2,062			187	1,050	317	350	139	19
1946	998				431	302	210	43	12
1947	16					5	9	1	1
1948	116						23	21	72
1949	507							93	414
Total	6,739	29	256	982	2,798	1,010	732	384	548

NOTE.—The number of properties sold has been reduced by 1 property repossessed because of default on mortgage note and resold by Dec. 31, 1949.

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 that 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 $814,901 had been issued through 1949 in connection with the 6,191 home 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 3,410 certificates in the amount of $446,362, or approximately 55 percent. Certificates of claim canceled or to be canceled amounted to $368,539, or approximately 45 percent. In addition, the proceeds of sale were sufficient to pay refunds of $773,630 to 2,248 mortgagors, or an average of $344 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, 1949. 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 Administrator 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 Administrator such funds as the Administrator may deem necessary, but not to exceed $10,000,000, which amount was 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, 1949, 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, 1948, and June 30, 1949*

	June 30, 1948	June 30, 1949	Increase or decrease −
ASSETS			
Cash with U. S. Treasury		$992, 950	$992, 950
Total assets		992, 950	992, 950
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		−7, 050	−7, 050
Total capital		992, 950	992, 950

STATEMENT 23.—*Income and expenses, Housing Investment Insurance Fund, from inception, August 10, 1948, through June 30, 1949*

	Aug. 10, 1948 to June 30, 1949
Expenses: Administrative expenses: Operating costs	$7, 050
Net income (or loss −)	−7, 050
ANALYSIS OF EARNED SURPLUS (OR DEFICIT −)	
Balance at beginning of period	
Net income (or loss −) for the period	−$7, 050
Balance at end of period	−7, 050

Title VIII: Military Housing Insurance Fund

The amendments to the National Housing Act of 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.).

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.

Limitation on Title VIII Insurance Liability

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 limitation at December 31, 1949, was calculated as follows:

Status of Title VIII insurance limitation

Aggregate principal amount of obligations which may be insured under limitation as of Dec. 31, 1949		$500, 000, 000
Amount chargeable against insurance limitation to Dec. 31, 1949:		
Mortgages insured	$12, 070, 800	
Commitments for insurance	9, 859, 700	
Total chargeable against limitation		21, 930, 500
Unused insurance limitation		478, 069, 500

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.

The capital of the salaries and expenses account as of June 30, 1949, amounted to $966,824 and consisted of the undivided equity of the several insurance funds represented by the unexpended balances of their contributions and the net book value of furniture and equipment.

STATEMENT 24.—*Comparative statement of financial condition, Administrative Expense Account (salaries and expenses), as of June 30, 1948, and June 30, 1949*

	June 30, 1948	June 30, 1949	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$2,151,948	$2,417,720	$265,772
Accounts and notes receivable: Accounts receivable—other	63,528	49,899	−13,629
Commodities, supplies and materials: Supplies held for use	108,192		−108,192
Land, structures and equipment:			
Furniture and equipment	1,540,153	1,614,448	74,295
Less reserve for depreciation	778,901	870,440	91,539
Net furniture and equipment	761,252	744,008	−17,244
Total assets	3,084,920	3,211,627	126,707
LIABILITIES			
Accounts payable: Bills payable to vendors and Government agencies	1,439,378	1,538,808	99,430
Trust and deposit liabilities:			
Due general fund of the United States Treasury	3,310	746	−2,564
Employees' pay roll deductions for taxes, etc	592,625	705,249	112,624
Total trust and deposit liabilities	595,935	705,995	110,060
Total liabilities	2,035,313	2,244,803	209,490
CAPITAL			
Earned surplus: Undivided equity of the several insurance funds represented by contribution balances and net book value of furniture and equipment	1,049,607	966,824	−82,783
Total capital	1,049,607	966,824	−82,783
Total liabilities and capital	3,084,920	3,211,627	126,707

STATEMENT 25.—*Income and expenses, Administrative Expense Account (salaries and expenses), through June 30, 1948, and June 30, 1949*

	June 30, 1934 to June 30, 1948	July 1, 1948 to June 30, 1949	June 30, 1934 to June 30, 1949
Expenses: Administrative expenses: Operating costs (including adjustments for prior years)	−$2,102,548	−$23,712	−$2,126,260
Other expenses: Depreciation on furniture and equipment	1,085,198	104,221	1,189,419
Losses and charge-offs: Loss (or profit −) on equipment	−32,257	2,274	−29,983
Total expenses	−1,049,607	82,783	−966,824
Net income (or loss −)	1,049,607	−82,783	966,824

ANALYSIS OF EARNED SURPLUS

Balance at beginning of period		$1,049,607	
Net income (or loss −) for the period	$1,049,607	−82,783	$966,824
Balance at end of period	1,049,607	966,824	966,824

PART IV

OF THE

Third 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, 1949.

Sincerely yours,

JOHN TAYLOR EGAN,
Commissioner.

Enclosure.

Chapter I

PUBLIC HOUSING IN 1949

The Public Housing Administration has responsibility for five separate housing programs, each with its own well-defined objective. Each program was designed to meet a certain kind of housing need, important enough to the Nation's welfare to call forth public action. In one program, the purpose was to provide good housing at low rents for low-income families who otherwise would live in slums. In two others, providing shelter for the workers who manned war industry was the objective. In still another, the aim was to help veterans returning from their service in the armed forces. A fifth program originated as a public works program during the depression of the 1930's.

The nature of the programs varies as widely as their purposes. Some of the housing is owned and operated by local public bodies, with financial assistance from PHA. Other public housing is federally owned, but operated by local agencies under lease contracts. Still other public housing is both owned and operated by the Federal agency.

Basic Program Expanded

Diverse as it is, all of the housing with which PHA is concerned shares two major characteristics: It is owned by the public, and the Federal Government has a financial interest in it.

At the start of the year, the five programs embraced a total of 716,000 dwelling units of all descriptions. By the end of 1949, this responsibility had declined by 100,000 units to a year-end total of 616,000 units.

This decline in the physical workload carried by PHA, however, reflects only one facet of its activities for the year. It is a measure of progress in liquidating certain of PHA's interim and short-term responsibilities, mainly in connection with war housing and veterans' housing.

PHA's basic, long-term program is the low-rent public housing program for low-income families. It is in this field that the most significant event of the public housing year occurred, the enactment by the Congress of the public housing provisions of the Housing Act of 1949.

This action extended and expanded PHA's basic program by authorizing development of 810,000 new units of low-rent public housing in a 6-year program. This new authorization established a program more than four times the size of the previous low-rent public housing program. Since passage of the Housing Act of 1949 at midyear, the tremendous task of putting the new program into motion has been a major field of PHA activity. The agency's prior duties in connection with earlier programs continued undiminished, but the far-reaching demands of the new program moved into the foreground.

The Programs and Their Purposes

The low-rent public housing program was instituted by the United States Housing Act of 1937 (Public Law 412, 75th Cong.). In essence, it is a program of Federal loan and subsidy assistance to local public housing agencies to enable them to build and operate housing for rent to families whose incomes are so low that they cannot afford adequate housing provided by private enterprise. Under this program, 191,700 dwelling units were built.

The public housing provisions of the Housing Act of 1949 amended the basic 1937 statute, preserving its central form and concept but refining it in detail and providing substantial new authorizations for Federal financial assistance to local housing agencies.

All of the other four PHA programs are emergency programs, destined for liquidation in a relatively short time through disposal of the Government's holdings and interests. Three of them were devised to meet certain emergency housing needs arising from the war and its aftermath. They are the public war housing program, authorized by the Lanham Act and related legislation; the veterans' reuse housing program, authorized by the postwar title V of the Lanham Act, and the homes conversion program, inaugurated by the Home Owners' Loan Corporation and transferred during the war period to the jurisdiction of the PHA's. predecessor agency, the Federal Public Housing Authority.

The public war housing program consisted of housing projects built and owned by the Federal Government to house war workers and military personnel in localities congested by the wartime migration of workers to war production centers. Since the war, this housing has been devoted mainly to housing the families of veterans and servicemen.

Both permanent and temporary war housing were built in the war housing program. Under terms of the Lanham Act, the permanent housing is to be disposed of by sale, and the temporary housing removed. In total, this program consisted of 628,263 dwelling units, 191,119 of them permanent and 437,144 temporary. As a result of postwar disposition activity, this stock of war housing had been reduced by the end of 1949 to 312,185 dwelling units, 132,981 permanent and 179,204 temporary—a total reduction of 316,078 dwelling units.

The homes conversion program also was a response to wartime housing needs. In this program, the Government leased properties from private owners and converted them into dwellings for war workers. This program is being liquidated by returning the properties to their owners, either by terminating the leases by negotiation, by canceling them before expiration or by normal expiration. Of the 49,565 converted units in this program, 33,411 had been returned to their owners by the end of 1949, mainly by negotiation. This represents disposition of 67 percent of the total program.

The veterans' reuse program resulted from another housing emergency, the need for shelter for veterans returning from service. In this program surplus temporary war housing and military structures were converted into living quarters for veterans and their families. In many cases, the structures were moved from their wartime sites to new locations where they were needed. The Government furnished the structures to local sponsors of the veterans' housing projects and in some cases paid the cost of relocating and converting them. The local sponsors of the projects were public bodies, nonprofit organizations and educational institutions. A total of 267,092 accommodations for veterans, servicemen, and their families were provided in this manner. By the year's end, the program had been reduced to 71,451 units, mainly through the Goverment's relinquishment of its interest in the housing to the local sponsors.

One PHA program—the subsistence homesteads and Greentowns program—originated in the economic emergency of the 1930's. This program was formerly administered by the Farm Security Administration and was transferred to the Federal Public Housing Authority when that agency was established in 1942. Virtually all of the subsistence homesteads have been disposed of, and one of the three Greentowns had been sold by the close of 1949.

Chapter II

THE NEW LOW-RENT PUBLIC HOUSING PROGRAM

When President Truman signed the Housing Act of 1949 on July 15, 1949, the United States had for the first time an official declaration of national housing policy. The heart of the policy statement is its definition of the housing objective to be sought by the Nation: "The realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family."

A cardinal principle laid down for attaining the national housing goal is encouragement to private enterprise to serve as large a part of the total housing need as it can. Where necessary and practicable, governmental assistance is to be utilized to help private enterprise to serve more of the total need.

The policy also recognizes the importance of public action in areas in which private enterprise is not able to function effectively. Governmental aid, the act declares, is to be used to assist local public action in these fields.

One of the specific purposes mentioned in the national housing policy for which governmental assistance is to be made available is to provide housing for low-income families. As the national housing policy expresses the intention, "governmental assistance * * * to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid."

Title III of the Housing Act of 1949 provides for carrying out this portion of the national housing policy through a program of Federal aid to local public housing agencies for low-rent public housing.

Unlike other parts of the Housing Act of 1949, the public housing title does not represent a new departure in the Government's housing activities. A low-rent public housing program had been on the statute books and in action for more than a decade. The United States Housing Act of 1937 provided Federal financial aid to communities to 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 assistance provided was in two forms. One was loans to local housing authorities to cover up to 90 percent of the capital cost of developing projects. The other was an annual contribution, or subsidy, to make up the difference between operating and amortization costs and the rents which low-income families can afford to pay.

The program established by this pioneer statute had been in successful operation ever since 1937 and had produced 191,700 dwelling units of low-rent public housing in programs operated by local housing authorities in 278 localities.

The public housing provisions of the Housing Act of 1949 build upon this extensive experience by amending the 1937 act to perfect its details and to authorize its expansion by making more Federal aid available to assist local public housing agencies in developing and operating an additional supply of low-rent housing for low-income families.

Major Features of the New Program

Under the Housing Act of 1949, the PHA is given the power to authorize local housing authorities to construct a total of 810,000 units of low-rent public housing. This authority becomes available to PHA in six equal annual increments of 135,000 units each. On July 1, 1949, PHA was empowered to authorize construction of the first 135,000 units. On July 1 of each subsequent year up to and including 1954, its power to authorize construction is increased by an additional 135,000 units, making a total authorization of 810,000 units at the end of the 6-year period.

In the 1937 act, the agency was authorized to enter into contracts to pay annual contributions to local housing authorities amounting to not more than $28,000,000 a year. This amount was increased by $308,000,000 in the 1949 act to provide for the annual subsidy payments that will help maintain low rents in the new housing to be built. The subsidy authorization also becomes available in installments, beginning with $85,000,000 on July 1, 1949, with additions of $55,-000,000 on July 1 of 1950, 1951, and 1952 and a final increment of $58,000,000 on July 1, 1953.

The extent of the agency's authorization to make capital loans to local housing authorities was also increased. In the 1937 act, the borrowing power of the agency against which it could make loans was limited to $800,000,000. In the 1949 amendments, the limit was raised to $1,500,000,000 in loans outstanding at any time. This increase is proportionately less than the increase in the number of units to be built, because it is anticipated that local housing authorities will be able in the future to finance a larger part of their capital costs than in the past by borrowings from private investors, and consequently will require proportionately less loan assistance from the Federal Government.

Since flexibility is desirable in a program of this character in order to make it adaptable to changing economic circumstances, the new law contains provisions for increasing or decreasing the rate at which the Federal aids may be made available to localities. Subject to the total authorization of 810,000 units and the limitation on the amount of annual contributions, the President may increase the number of units which may be put under construction in any one year to a maximum of 200,000 units or he may decrease the number of units to a minimum of 50,000 units, and he may also increase the amount of annual contributions commitments to be entered into in any one year by amounts aggregating not more than $55,000,000.

These changes may be made by the President after he has received advice from the Council of Economic Advisers as to the general effect the increases or decreases would have on conditions in the building industry and the national economy, and that the actions would be in the public interest.

The scope of the new program may be indicated by the fact that the 810,000 low-income families which may be housed at any one time in the completed housing will number about 3,200,000 persons. About half of them will be children who otherwise would spend their formative years in the unwholesome and hazardous surroundings associated with slum housing. The normal turn-over in occupancy throughout the useful life of the project will, of course, multiply by several times the number of persons who will benefit directly from the housing.

How the New Program Differs from the Old

Although the Housing Act of 1949 does not alter the general outline of the low-rent public housing program established in 1937, the new legislation does make a number of significant changes in detail.

One of these affects the areas in which the program is intended to operate. The 1937 act spoke of making its benefits available to low-income families "in rural or urban communities," which of course included farm families. In actual practice, the techniques developed to carry out the provisions of the 1937 act proved most effective in urban areas. Efforts were made to apply the program to farm families, principally through the device of regional housing authorities set up in a number of Southeastern States to operate in groups of adjacent counties. Experience indicated, however, that the housing problems of low-income farm families were quite different from those of nonfarm families, principally because a farm family's entire economic life is so closely linked to the farm land on which it lives and works. The experiments with farm housing under the 1937 act did not produce any substantial volume of publicly owned farm housing.

With this experience in mind, the Housing Act of 1949 included special provisions for assisting farm families through title V, which is administered by the Department of Agriculture. The Public Housing

Administration, however, was specifically charged in the act to develop a low-rent housing program in rural nonfarm areas. Hundreds of thousands of low-income families in such areas are in desperate need of adequate housing within their means, and their housing problem is basically similar to that of the low-income urban families.

This similarity, however, does not mean that the administrative and procedural methods developed in the past for urban localities can now be applied to rural nonfarm areas without modification. It is likely that public housing programs in rural nonfarm areas will be scattered in small projects over large areas. How programs of this character can be handled efficiently and effectively within the resources provided by the law remains to be worked out. Since this is a new aspect of the low-rent public housing program, there is no experience, either in the Federal agency or among local housing authorities, that can furnish quick and tested solutions to the problems involved.

These matters were still under study by PHA at the close of 1949, and commitments for financial assistance had not yet been made for rural nonfarm programs. The law provides that 10 percent of each increment to the annual contributions authorization must be reserved for 3 years for allocation to rural localities. This assures rural communities that they will not lose their opportunity to share in the benefits of the program simply because urban localities are able to proceed more rapidly at first.

The act continues to require that the housing built under it shall not be unduly expensive. This objective is stated both in a general mandate that projects shall "not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration" and in specific cost limits.

The limits originally set in the 1937 act for building and equipping low-rent housing were $4,000 per family dwelling unit or $1,000 per room in localities of less than 500,000 population and $5,000 per dwelling unit and $1,250 per room in larger cities. These costs were exclusive of the costs for land demolition and any nondwelling facilities which might be a part of a project.

Several important difficulties with these limitations had become apparent when the 1949 amendments were drafted. In the first place, the cost of building had risen about 75 percent since 1937, making the earlier cost limits totally unrealistic for new construction. Secondly, there had been some leveling out of building costs so that costs in small cities were much closer to costs in large cities than they had been earlier. This was particularly true for cities of less than 500,000 population that were part of a larger metropolitan area. Finally, experience had shown that the imposition of a cost limit on dwelling units tended to prevent local housing authorities from building as many large units as they needed to accommodate the numerous large families among the low-income group eligible for public housing.

The new cost limits are intended to correct each of these shortcomings. The general requirement for economical design and construction was retained, but the distinction between cities larger and smaller than 500,000 was eliminated. The limitation on cost per unit was abandoned while the per-room cost limit was revised to $1,750, an increase somewhat less than the general rise in building costs since 1937. 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 higher costs not to exceed an additional $750 a room.

It should be noted that these costs are maxima. If 810,000 units of low-rent housing are to be built with the financial authorizations provided by the statute, the average cost of each unit, including all cost factors, must not exceed about $8,500. In order to attain the economy objectives of the law, the amount of each main construction contract to be let by a local housing authority must be examined and approved by PHA.

In keeping with the local character of the program and the principle of local determinations expressed in the national housing policy, the new low-rent public housing program places numerous important responsibilities on the local housing authorities. Among these is the requirement that the local authority must determine whether there is a need in the locality for low-rent housing which is not being met by private enterprise and must estimate the extent of that need. This finding and the data supporting it must be submitted to the Public Housing Administration before any program allocation will be made to a locality. Furthermore, the law requires that the local governing body of the community must specifically approve a local housing authority's application to PHA for a preliminary loan for planning proposed low-rent public housing projects. The local governing body also is required to enter into a cooperation agreement with the local housing authority, setting forth the arrangements for tax exemption, payments in lieu of taxes by the housing authority to local taxing jurisdictions, and the provision of public services to the housing projects.

The act also changed the formula for local contributions. Instead of requiring that in each year the local contribution, generally in the form of tax exemption, be equal to at least 20 percent of the Federal contribution, the amended statute now requires complete tax exemption but permits payments in lieu of taxes up to 10 percent of shelter rents. This change greatly simplifies administration and makes it possible for local authorities to deal fairly with their local governments in paying as much as possible toward local government cost and yet meeting the needs of low-income families.

Local authorities are also made responsible for seeing to it that the housing aided by the Federal agency is made available only to low-income families who cannot afford decent privately-owned housing. Each local authority is required to set and maintain income limits which determine the eligibility of any family for admission to a low-rent public housing project and the eligibility of resident families to remain as tenants of the housing. Periodic written reports are to be made to PHA on investigation of the eligibility of each family admitted, and the local authority must also make periodic reexaminations of the incomes of tenant families to determine whether they are still eligible to reside in the housing. As a further assurance that only low-income families will be housed and that low-rent public housing does not compete with private housing, each local authority must demonstrate to PHA that a gap of at least 20 percent has been left between the upper rental limits for admission to a project and the lowest rents at which private enterprise, unaided by public subsidy, is providing, either through new construction or through available existing structures, a substantial supply of decent, safe, and sanitary housing toward meeting the need for an adequate volume of such housing.

These are working arrangements which had been developed in the course of operations under the 1937 act to make sure that its objectives were attained. Until passage of the Housing Act of 1949, however, they were matters of administrative regulation. Now they have become embodied as law in the basic legislation.

The 1949 act also added provisions giving preferences in admission to low-rent housing projects to families displaced from their homes by construction of a low-rent housing project or by any public slum clearance or redevelopment project and to families of veterans and servicemen. Among the eligible applicants claiming preference by reason of displacement, first priority is to be given to veterans with service-connected disabilities, second priority to families of deceased veterans and servicemen whose deaths were service-connected, and third priority to families of other veterans and servicemen. Similar priorities will prevail among eligible families not entitled to preference because of displacement. In selecting tenants, a local authority may not discriminate against families which derive all or part of their income from public assistance and must give preference to those families having the most urgent housing needs.

Steps also were taken in the 1949 amendments to make the program more responsive to the housing needs of larger families. The elimina tion of the per unit cost limitation, previously mentioned, was on of these steps. Another involved changing the prescribed relation ship between rent and income for eligible tenants. The 1937 ac required that the housing operated under its terms could be mad available only to families whose net income at the time of admissio did not exceed five times the rental (including the value or cost o utilities) for the dwelling they were to occupy. In the case of families with three or more dependents, the ratio was not more than six to one.

This formula had the weakness of giving the same treatment to a family with two children as was accorded a family with no children and the same treatment to a family with four, five, or more children as was given to a family with three children, despite the fact that families with more children inevitably have higher living costs and cannot afford to devote as large a proportion of their income to rent.

To correct this inequitable arrangement, the new law substitutes for the old dual ratios a straight five-to-one ratio with an allowable deduction from net family income of $100 for each minor in the family group. In this way, a measure of consideration is given to each gradation in family size in determining eligibility for admission.

Another special provision is included in the new law to give fair treatment to families with children grown old enough to have some earnings of their own but not yet ready to leave the family group to establish their own households. Under the old law, the children's earnings, although only a temporary addition to the family income, might be sufficient to make the entire family ineligible for continued residence in the housing project and force it to move. To correct this injustice, the law now permits a local housing authority to grant an exemption from the family income of either $100 for each minor member of the family or all or part of the annual income of a minor member. This exemption relates only to determinations for establishing the family's eligibility for continued occupancy in the public housing project. It does not apply to examinations of family income to determine eligibility for admission or for the purpose of setting rent.

The changes in the program relating to the financing of projects have three principal objectives: encouraging the participation of private capital in financing low-rent public housing, reducing interest costs and shortening the period for which a Government obligation would be required.

The initial financing of a project during its first development period is covered by temporary loans. These may be obtained directly from the PHA or through sale of the local housing authority's temporary loan notes to private investors. In the latter case, the PHA obligates itself to lend to the authority enough funds to cover the principal and interest on these notes when they mature. Thus the loan notes have excellent security and can be sold at exceedingly low rates.

When the project is far enough along so that costs can be determined accurately, the local authority proceeds to permanent financing by sale of long-term serial bonds. These are secured by the Government's pledge to pay annual contributions to the projects. With this backing, local authority bonds present an attractive investment for private capital and can be marketed at favorable rates.

This financing plan is the same as that followed successfully in the previous low-rent public housing program. In that program, however, the annual contributions to be paid by the Government could not exceed a rate determined by applying the going Federal rate of interest at the time the contract was entered into, plus 1 percent, to the development cost of the project—a formula designed to accomplish amortization in 60 years. In the new program, the maximum rate of annual contributions is increased to the applicable going Federal rate plus 2 percent. With the higher rate of annual contributions, amortization may be completed in not longer than 40 years. Since the amortization period is shortened, the interest rate on borrowings will be correspondingly less. If bonds are sold at interest rates averaging 1⅞ percent, as seemed feasible under conditions prevailing in 1949, a project could be amortized in approximately 29 years. Lower interest rates, of course, would achieve even earlier amortization, while higher rates would result in a somewhat longer amortization period.

The 1949 amendments also contain provisions to permit the PHA, in the event of a substantial default by a local authority, to take over a project, either by a transfer of possession or by a transfer of title. In such an event, the PHA would continue to operate the project and would be authorized to make annual contributions available in order to maintain its low-rent character. The fact that annual contributions will be continued in any event greatly increases the security on which bondholders depend and will assure much lower interest rates than otherwise would be possible.

The act also amended the National Bank Act to authorize national banks and State banks which are members of the Federal Reserve System to purchase or underwrite the short-time notes and long-term bonds of local housing authorities without regard to the former legal restrictions limiting transactions to a fixed percentage of a bank's capital and surplus.

Chapter III

THE NEW PROGRAM IN ACTION

The Housing Act of 1949, with its provisions for a new, expanded low-rent public housing program, was signed into law by President Truman on July 15, 1949. Three weeks later, on August 8, 1949, the Public Housing Administration announced that it was distributing application forms for local participation in the program to about 500 local housing authorities throughout the Nation.

Eight days later, on August 16, the housing authority of the city of Galveston, Tex., was assigned 600 dwelling units for development in the first 2 years of the 6-year program, becoming the first housing authority to receive a program reservation.

By the end of the year, 463 applications had been received by PHA from local authorities desiring to take part in the program. A total of 320 program reservations had been approved and issued, assigning 263,356 dwelling units for 2-year programs of the local authorities.

Program Reservations

The "program reservation" is the device used by PHA to apportion the program among the hundreds of local housing authorities wishing to share in it. Under the law, the local authority must take the initiative in starting its own local program by determining that a need for low-rent housing exists in the community which is not being met by private enterprise, estimating the extent of the need, and applying to PHA for Federal assistance in meeting the need.

At the outset, PHA was faced with the problem of how to distribute fairly the 810,000 units authorized by the statute among the hundreds of local housing authorities that would seek to take part in the program. It was obvious that 810,000 units would not meet the full needs of all localities. The agency therefore had to assume the task of rationing the available authority equitably among all applicants.

It was determined to begin by allotting to applying authorities only their fair share of the program for the first 2 years rather than for the full 6-year span of the program. There were two main reasons for this decision. In the first place, this device would make it possible to allocate the remainder of the localities' programs on the basis of the more accurate data on relative needs to become available from the housing census of 1950.

Secondly, it was apparent that many localities which had not taken part in the earlier low-rent public housing program would wish to share in the new one. Many of these localities had yet to establish local housing authorities. In six States—Iowa, Kansas, Oklahoma, Utah, Wyoming, and South Dakota [1]—State legislation was needed to empower localities to establish housing authorities to operate low-rent housing. In some of these States, the legislatures would not be in session for another year or two. By withholding allocations for the later years of the program, communities which had not yet set up local housing authorities could be assured that they would not be put at an unfair disadvantage by those localities which were ready to act the moment the law was passed.

The application forms for program reservations require the applying authority to submit in detail all available information concerning the housing situation in the locality. This includes data on the existing housing supply, the extent of substandard housing, the extent of available vacancies, if any, and the present local supply of low-rent public housing, if any.

This information forms the factual background to support the local authority's request for the assignment of a specific number of dwelling units to it from the new program. The submission is examined in detail by the PHA, and if found satisfactory, a program reservation is issued to the authority.

A program reservation is not a binding legal obligation upon either PHA or the local housing authority. The reservation simply sets aside for the authority a specified number of dwelling units from the national total of units which may be authorized. The reservation is, however, a statement of PHA's intent to reserve enough of the Federal loan funds and annual contributions funds to cover the development and operation of the reserved units. For that reason, the reservation enables the local housing authority to proceed with its planning with assurance that the necessary Federal assistance will be forthcoming if satisfactory projects are submitted for approval.

Each program reservation sets forth the number of units which are assigned for the authority's first-year program and the number assigned to it for its second-year program. The authority is advised that it is expected to proceed expeditiously to prepare its proposed projects for construction. The dwellings assigned for a first-year program are reserved for the authority for 12 months from the date of the reservation. Those allocated to a second-year program are reserved for 24 months from the reservation date. Within the respective reservation periods, the authority is expected to be able to enter into a definitive contract for financial assistance with PHA.

[1] South Dakota adopted such legislation early in 1950.

Preliminary Loans

Since specific plans are needed before a definitive contract for loans and annual contributions can be made, and this planning necessarily involves expenditures which a local housing authority is not ordinarily prepared to meet, the program provides for preliminary loans to finance the planning stage of a local program. A preliminary loan may be applied for either at the time of application for a program reservation or later. The amount of the preliminary loan is scaled to the number of units in the program reservation for the local housing authority. The amount allowed per unit for planning purposes declines as the number of units increases. The loan may not exceed $400 per unit for the first 100 units, $300 per unit for the next 300 units, $200 per unit for the next 600 units, and $100 per unit for any additional units.

This money is to be spent for the expenses a local housing authority incurs for preliminary surveys, studies in connection with site selection, necessary appraisals, all architectural and engineering plans except final working drawings, and the making of definitive cost estimates.

The funds are not advanced at one time. An initial advance may be made in an amount equal to one-fifth of the amount of the loan applicable to the units reserved for the first year's program. Subsequent advances may not be made until after the local authority obtains a cooperation agreement from its local government providing for the necessary local cooperation by provision of the usual public services to the proposed projects and the elimination of unsafe and insanitary dwelling units in the locality. The authority also must account for money already spent, establish the need for further advances and specify the purposes for which the money will be used.

All preliminary loan contracts require two specific approvals other than that of PHA. The local authority must obtain the local governing body's approval of its loan application before PHA will consider it. In addition, each proposed preliminary loan contract must be submitted to the President for his approval before PHA can execute a preliminary loan contract with the authority.

Presidential approval for the first group of proposed preliminary loans was announced on November 16, 1949. The list authorized PHA to enter into preliminary loan contracts with local authorities in 108 localities to enable them to plan 134,500 low-rent dwellings for about half a million persons. The loans authorized in this group totaled $20,375,400 or an average of $151 per unit. Although the list included projects to be built in some of the Nation's largest metropolitan centers, such as New York City, Chicago, and Los

Angeles, 38 percent of the communities concerned were cities of less than 25,000 population.

The first preliminary contracts actually entered into were executed on the following day. They provided for a loan of $50,000 to the housing authority of the city of Columbus, Ga., for planning the 800 units reserved for it and for another of $650,000 to the housing authority of New Orleans, La., for planning 5,000 units.

By the end of the year, PHA had been authorized by the President to enter into preliminary loan contracts with 196 local housing authorities for a total of $35,869,000 to cover the planning of 221,391 units. All of these loans had been approved earlier by the local governments concerned. Forty-five of the authorized contracts had been executed, and others were being entered into daily. Initial advances amounting to $1,027,000 had been made to 19 local housing authorities.

The Local Role

With almost 200 local housing authorities actively beginning their planning work and another 77 authorities about to enter that stage, local action on the new public housing program was well underway at the year's end. In keeping with the principle of local determination, the Federal agency was neither dictating to the local housing authorities nor directing them in deciding what kinds of housing they should provide. These decisions are left to the local officials and the architects and engineers they retain. The PHA is encouraging local authorities and their architects to plan and build the best possible housing they can, consistent with the congressional mandate to achieve all possible economies in construction and operation. The PHA is limiting its activities to seeing that the objectives of the program are served and that the Federal funds are utilized for the purposes for which they were provided. It gives some general guidance and advice to the authorities, such as is embodied in its minimum physical standards for low-rent housing. These standards relate to such physical characteristics as room sizes, spacing between buildings, and provisions for open spaces and play areas. These are minimum requirements which must be adhered to by all local authorities.

The agency is also publishing a series of advisory bulletins on various aspects of public housing design, such as site selection, zoning problems, and subsurface soil conditions. These bulletins are intended to assist local authorities and their planners by making available to them the observations and experiences of others working on similar problems. In order to locate fruitful new ideas in the design field, PHA has sought to enlist the cooperation of the planning profession in calling attention to work which might mark new progress in public housing planning.

The record of the first few months of operations under the new public housing program revealed two important facts which indicated an active future for the program and the probable fulfillment of the underlying purposes of the legislation. The early experience indicated clearly that local housing authorities generally were eager to take full advantage of the opportunity the program offered them to make major contributions toward improving housing standards in their localities. Furthermore, this desire was not limited to big cities but was widespread among the smaller urban communities.

An analysis of applications submitted, made shortly after the close of the year, revealed the following distribution by city size:

Applications for program reservations received by PHA through January 1950

By city size	Number	Percent
Total	[1] 476	100.0
Under 5,000	88	18.5
5,000 to 9,999	78	16.3
10,000 to 14,999	51	10.7
15,000 to 19,999	38	8.0
20,000 to 24,999	16	3.4
25,000 to 49,999	66	13.9
50,000 to 99,999	60	12.6
100,000 to 249,999	42	8.8
250,000 and over	37	7.8

[1] Excludes Hawaii, Puerto Rico, and Virgin Islands.

This distribution reveals that nearly 20 percent were from localities with less than 5,000 population, and more than one-third were from places with less than 10,000 population. Over 50 percent of the applications were from places of less than 20,000 population.

Chapter IV

EXISTING LOW-RENT HOUSING

As the work of getting the new low-rent program into action began, PHA continued to carry out its responsibilities in connection with the operation of the active low-rent housing program.

This program comprises four classes of projects. The first group consists of those developed by local housing authorities under the original 1937 act, known as Public Law 412 projects. Those in the second group, built under the wartime legislation authorizing use of low-rent housing funds for projects to be used initially to house war workers and for conversion to low-rent use when the war housing emergency ended, are designated as Public Law 671 projects. All but five of these had been transferred to low-rent use by the end of 1949. The third group consists of projects built by the Public Works Administration before enactment of the United States Housing Act and now administered as part of the low-rent program. The fourth group, designated as Public Law 171 projects, includes Public Law 412 projects deferred during the war and reactivated under provisions of the Housing Act of 1949.

These last projects, although programmed under Public Law 412, were not built before the onset of the war halted work on all projects except those which could be completed as Public Law 671 projects. The Federal assistance for these projects was still available for them when the war ended, but it was impossible to proceed with them because construction costs had risen above the maximum limits allowed by the 1937 statute.

Three of these deferred projects were reactivated in 1947 and 1948 under Public Law 301 of the Eightieth Congress which allowed costs over those permissible under the United States Housing Act to be paid by the State or a local political subdivision. These projects were Hillside in Milwaukee, Wis., 232 units; Jacob Riis Homes, New York City, 1,190 units; and Dearborn Homes, Chicago, 800 units. In addition, two Puerto Rico projects totaling 480 units were reactivated within the original cost limits.

At the start of 1949, 153 projects of 20,921 units remained in the deferred classification.

Enactment of the public housing provisions of the Housing Act of 1949, with the revision of the cost limitations in the United States Housing Act, made it possible to reactivate a number of the deferred projects.

The table below shows the size of the four component parts of the low-rent program:

Active U. S. Housing Act program as of Dec. 31, 1949

	Projects	Units
Public Law 412	382	118,507
Public Law 671	199	51,287
PWA	50	21,640
Public Law 171 [1]	74	13,438
Total	705	204,872

[1] Includes two projects reactivated under Public Law 301 but not yet completed.

Extent of Federal Aid

Excluding the PWA projects, which were built directly by the Federal Government, and all other projects not yet permanently financed, the PHA has entered into loan and annual contribution contracts for 339 permanently financed Public Law 412 projects, comprising 103,802 dwelling units and with a total development cost of $567,860,353. While loan commitments were made in maximum amounts reflecting 90 percent of development costs, the actual loans outstanding at the close of 1949 amounted to only $285,165,000, or about 50 percent of the total development costs. This reflected the ability of local housing authorities, at the time some years ago when these projects were financed, to borrow more than the required 10 percent of the capital cost of their projects from other sources on more favorable terms than offered by Federal loans. Under the new program, it is expected that substantially 100 percent private financing will be obtained. The low interest rates applying to private borrowings reduce the cost of financing the projects and in turn reduce the amount of annual contributions required from the Federal Government.

All of the locally owned Public Law 671 projects and 19 of the active Public Law 412 projects have not yet been permanently 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. These temporary loan notes are, in effect, guaranteed by the PHA through its unconditional promise to loan funds, if required, to pay the principal and interest on these notes at their maturity. The interest rates secured by local authorities on these temporary loan notes average well below one percent per year.

The Federal Government owns 21 of the Public Law 671 projects, in which it has a capital investment of $42,728,594, and 32 of the Public Law 412 projects situated in Ohio, for which the Federal investment is $59,396,107. 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 $127,026,661 was met from funds appropriated in the early 1930's in connection with the emergency relief programs.

The annual contributions 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 set 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 need for subsidy each year. Under existing contracts for permanently financed Public Law 412 projects in 1949, the maximum annual contribution which could have been paid if needed amounted to $14,800,150. During 1949, actual subsidy payments totaled only $3,931,048, or 26 percent of the maximum commitment. This represents a contribution of $3.16 a month for each dwelling unit.

Removing Ineligible Families

In ordinary circumstances, families living in low-rent projects whose incomes rise above the locally established maximum for continued occupancy are required to move out to make way for families whose incomes fall within the limit.

During the war and in the years just after its end, when employment and wage levels were rising to new heights, many families living in low-rent public housing experienced income increases which put them into the ineligible class. It was nearly impossible to remove them in the usual manner while the war was going on. Rent-control regulations forebade removals in many cases. Furthermore, enforced removals would have disrupted the essential war industries in which many of the family workers were employed. As a result, the number of ineligibles living in the projects began to accumulate.

Although these ineligible families were charged economic rents and so required no subsidy, their presence in the projects was contrary to the program's purpose of housing only families in the lowest income group.

The end of hostilities did not ease the situation. The general housing shortage made it exceedingly difficult for ineligible families to find other places to live. At the same time, the Public Law 671 projects, previously devoted to housing war workers regardless of their incomes, began to be converted to peacetime low-rent use. Many tenant families originally admitted as war workers found they were ineligible to remain when the housing was converted to low-rent operation. This added to the accumulation of ineligibles, as did the continuing upward trend in economic levels.

By March 1947, the ineligibility problem reached its peak when 29 percent of the occupants of low-rent housing were found to be

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ineligible. Although the stringent housing shortage still made summary removals out of the question, it was obviously necessary to proceed at once with an orderly plan for reducing the backlog of ineligibles. Such a program was adopted in 1947. It sought to minimize hardship for the families required to move and to avoid mass evictions by spreading removals over a period of time so that each ineligible tenant had at least 6 months and usually longer to find other accommodations.

This program was halted almost before it began. Public Law 301 of the Eightieth Congress forbade local housing authorities to initiate eviction actions if any hardship would result. This statutory barrier remained in effect until the power to seek evictions was restored to local housing authorities by the Housing Act of 1948 (Public Law 901, 80th Cong.), enacted on August 10, 1948.

The Commissioner of PHA thereupon notified local housing authorities that they would be expected to renew their efforts to carry out orderly removal programs. To give effect to this order, the authorities were directed to issue vacate notices each month to a number of ineligibles equal to at least 5 percent of the number of ineligibles in their projects on May 1, 1947.

It soon became evident, however, that this policy would not result in restoring the projects to full low-rent use rapidly enough, principally because new families were being added to the ineligible rolls almost as quickly as others were vacating under the removal policy.

Consequently, a new program was devised early in 1949 to remove all ineligibles, including those subsequently becoming ineligible, by July 1, 1950. This goal was to be reached by requiring the authorities to serve vacate notices to an increasing proportion of their ineligibles over an 8-month period beginning May 1, 1949. Under this schedule, in the month of December 1949 the authorities would serve vacate notices to all ineligibles not previously notified. Thus the last of the vacate notices to be served would expire on July 1, 1950.

This policy began to produce the desired results very soon after its adoption. On December 31, 1949, 8 months after the new policy began operating, the proportion of low-rent units occupied by ineligibles was down to 14 percent. On the same date, 89 percent of all ineligible tenants were under notice to vacate by a specified time, usually within 6 months of the date the vacate notice was served. Local housing authorities were demonstrating their willingness to take legal action against those tenants who remained beyond the time allowed them, and court actions were pending against about 35 percent of the tenants whose vacate notices had expired.

As in the earlier removal program, vacate notices were served first to those ineligible families with the highest incomes. Not only are those families best able to find other housing within their means but this system also had the effect of giving families with more limited resources a longer time to find new homes.

The tenants reported as ineligible on December 31 had anticipated net annual incomes averaging $3,477. The incomes of over-income ineligibles exceeded the permissible maximums by an average of $869.

Once all ineligibles are removed, the local housing authorities will return to the prewar practice of notifying tenants to move as soon as the fact of their ineligibility is determined.

Family Incomes and Rents

The income limits for admission and continued occupancy are set by the local housing authorities with PHA approval. Income limits are revised when necessary to adjust to changed economic conditions.

Since these limits are related to local circumstances, there is considerable variation among localities. The lowest income limit for admission for an average family of four persons, for instance, is $1,308 in New Orleans, and the highest is $2,760 in Detroit. The median income limit for admission is $1,947, with three-fourths of the prevailing limits falling between $1,600 and $2,200.

The great majority of families admitted to low-rent public housing projects have incomes far lower than the maximum allowable. The incomes of the 6,500 families moving into Public Law 412 and PWA projects during the second quarter of 1949 ranged from less than $600 upward, with the average standing at $1,545.

The maximum income limits for continued occupancy show similar local variations. The most frequent income limits for occupancy by average-sized families range from $2,000 to $2,600, with four-fifths of them lower than $2,600.

The most recent comprehensive data on the characteristics of families actually living in low-rent public housing projects are contained in a study completed by PHA in 1949. The information is derived from the reexaminations of incomes of 118,000 of the 210,000 tenant families in low-rent housing. These reexaminations are made periodically by the local housing authorities to determine whether the families are still eligible to remain in residence.

The families as a group were found to be somewhat larger than average. The national average urban family size in 1949 was estimated at 3.4 persons, while the average family in low-rent housing was 3.9 persons. One-fifth of them were two-person families, one-quarter were three-person families, nearly another quarter were four-person families, and about 30 percent were families of five or more persons.

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Earlier studies had revealed that a considerable number of the tenants of low-rent housing—45 percent of the total—were living in accommodations which were too small for them by PHA standards.

This was a result of family growth and the fact that in the past not enough dwelling units with more than two bedrooms had been built in low-rent projects. The units with one bedroom were occupied, on the average, by 2.5 persons. The average for two-bedroom units was 4 persons; for three-bedroom units, 5.6 persons; and for four-bedroom units, 7.4 persons.

Sixty-three percent of the occupants were whites, and 37 percent were Negroes and other nonwhites. In general, the nonwhites had lower incomes than the white tenants and, as a consequence, paid lower rents.

On the basis of data for the first 6 months of 1949, the average anticipated net annual income for all tenants—eligible and ineligible alike—is estimated at between $1,700 and $2,000. The group with incomes under $3,000 included more than 85 percent of the families, while 1.5 percent fell below $600.

For the eligible families alone, the average estimated annual income of tenants in the Public Law 412 and PWA projects was between $1,500 and $1,700, with 70.5 percent of the families having incomes of less than $2,000. The average was somewhat higher in the Public Law 671 projects, standing between $2,100 and $2,300, with 41.3 percent of the families having incomes of less than $2,000.

On the average, the families in the Public Law 412 projects paid between $30 and $32 a month in rent. One and 6-tenths percent paid less than $12. In the PWA projects the average was between $32 and $35, and between $34 and $37 in the Public Law 671 projects. These averages and ranges include, of course, the rents paid by the ineligibles, who were charged up to the ceiling rents allowed under rent control for their accommodations.

Chapter V

THE EMERGENCY PROGRAMS

Four of PHA's five programs are emergency programs. They are undertakings the Government embarked upon in times of crisis. Each of the emergency programs was designed to meet a specific kind of housing need, generally one deemed to be of relatively short duration. In each case, it was intended that the Government should dispose of its holdings when the original purpose of the housing had been served.

Because the character of the housing provided in each of the programs is different, different methods of disposal are followed in each program. This disposition activity has been an important part of the agency's work ever since the end of the war, and during 1949 it resulted in reducing the emergency programs workload by nearly 100,000 units.

The bulk of the housing in the emergency programs category is contained in the public war housing program, authorized by the Lanham Act and related legislation. This housing was built by the Government during the war period for war workers in centers of industrial production and military activity.

A total of more than 628,000 units were provided in this program. About a third of the housing was of a permanent nature, suitable for long service in residential use. Two-thirds of the stock was temporary housing, not intended to serve as housing for an extended period and not built to the standards of permanent housing. Some of the housing was operated directly by the Federal agency, but a substantial proportion of it was managed by local housing authorities under lease arrangements with PHA.

By the end of 1949, this inventory of war housing had been reduced almost 50 percent, with 312,185 units in 1,184 projects remaining on hand.

Statutory responsibility for administration of Lanham Act housing is vested in the Administrator of the Housing and Home Finance Agency, with PHA performing its functions in this field under authorities delegated to it by the Administrator. The policies followed in both management and disposition of the properties are, of course, determined by the Administrator.

Disposing of Permanent War Housing

Since permanent war housing may remain in residential use, it can be sold by the Government to private purchasers. In its disposition policy, the Housing and Home Finance Agency has sought to encourage individual home ownership, especially by veterans. To achieve this end, each project offered for sale is subdivided into the smallest feasible offerings. Where possible, individual buildings are offered for sale to individual purchasers or groups of purchasers who will live in the housing. The physical characteristics of the developments, however, will not always permit the sale of individual buildings, so that groups of buildings and sometimes entire projects constitute the only practical offerings.

Categories of preferred purchasers have been set up to give preference to veterans and to families intending to live in the properties they purchase. All sales to preferred purchasers are made at fixed prices based on the long-term value or use of the property. Projects which cannot be disposed of to preferred purchasers may be offered for sale to investors after competitive bidding. The agency has attempted to make all sales for cash, leaving the purchaser to obtain any necessary financing, but exceptions have had to be made to this policy when private financing on reasonable terms was not available.

PHA continued to encounter numerous difficulties during the year in its efforts to sell permanent projects. In many cases, strong local opposition developed when any attempt was made to dispose of the properties. This opposition was often based on a local preference for maintaining the housing in Government operation as rental housing. Since local agreement to disposition plans is sought by the agency and is frequently essential in order to effect street dedications and other details requiring local cooperation, local opposition sometimes effectively blocks disposition efforts.

In other instances, the preferred treatment accorded outside veterans over nonveteran occupants has proved unpalatable to the occupants of the housing and to the community. Despite these obstacles, 9,487 permanent units were removed from the workload during 1949, more than 90 percent of them by sale.

A total stock of 132,981 units of permanent character remained on hand at the end of the year. The agency had completed its consultations on disposal methods with local communities concerned with 116,583 units, and disposition plans had been determined for 109,467 of these dwellings.

A group of 139 projects containing 42,539 units were being temporarily withheld from disposition action for possible transfer to local housing authorities for use as low-rent housing for low-income families. Such transfers may be made only when authorized by Congress. The projects being withheld for this reason are those requested by the localities concerned. Congressional action on these cases was pending in Congress at the end of the year.

Disposing of Temporary War Housing

The temporary portion of the public war housing program, which at one time consisted of more than 437,000 units, had been cut to 179,204 units in 768 projects by the end of 1949. A major part of this disposition had been accomplished by the reuse of temporary war housing in the veterans' housing program. More than 22,000 units had been removed from the program during 1949.

Disposal of these temporary units differs from disposal of permanent units in two major respects. In accordance with the Lanham Act, it must be removed rather than sold to purchasers who will continue to occupy it. Since it must be removed, it cannot be disposed of while it is still occupied.

The Lanham Act, in section 313, originally specified that the temporary units should be removed "as promptly as may be practicable and in the public interest." In any event, removal was to take place not later than 2 years after the end of the emergency declared on September 8, 1939, except in those cases where the Administrator, in consultation with the localities involved, found that the housing was needed for a longer period. In these cases, he was authorized to extend their use for 1 year at a time, reporting all extensions to Congress.

Under Public Law 239 of the Eightieth Congress, the 2-year period would have expired on July 25, 1949. Even before 1949, however, it was obvious that there was a continued need for most of the remaining temporary housing which would continue beyond the deadline date and that most of it inevitably would have to be continued in use. This condition was recognized in Congress, and in a later enactment of the same Congress, Public Law 796, the date for effecting removal was set as January 1, 1950. This date was again advanced to January 1, 1951, by Public Law 387 of the Eighty-first Congress, approved on October 25, 1949.

In keeping with the statutory instruction to remove temporary housing "as promptly as may be practicable," the agency has been terminating projects wherever possible. This action halts the intake of new tenants into the housing. As the occupancy declines thereafter, it becomes possible to remove the structures, sometimes a few buildings at a time.

Although the need for the temporary housing has continued at a high level in many localities, the buildings themselves are becoming increasingly expensive to maintain in a habitable condition. Although the agency desires to keep them in good repair while they remain in use, it is reluctant to spend large sums of money to rehabilitate buildings which it may have to demolish in a short time. Consequently, it has held expenditures for repairs and replacement to a minimum, even though this practice often has dissatisfied both the tenants and the communities where the housing is located. This problem was investigated by committees of Congress during 1949, suggesting that legislative action to determine the future of the temporary program might be forthcoming.

The stock of temporary war housing remaining in Federal ownership at the end of 1949 included 164,530 family dwelling units, 9,445 dormitory accommodations, and 5,229 stop-gap accommodations of various kinds including 2,530 trailers.

Veterans' Reuse Housing

The postwar housing shortage was a particularly pressing problem to veterans seeking to reestablish themselves in civilian life after their release from service in the armed forces. The veterans' reuse housing program was authorized by title V of the Lanham Act in 1945 and 1946 to provide emergency temporary accommodations for these veterans and their families.

The purpose of the program was to make new use of the considerable supply of Government-owned temporary structures which were vacant at the time and no longer needed for their wartime uses. These structures included a great variety of temporary buildings, both temporary war housing and numerous types of temporary military structures. Title V empowered the Government to make these buildings available to local sponsors who would operate them as housing for veterans. The local sponsors included local housing authorities and other public bodies, nonprofit organizations and educational institutions.

A total of 267,092 accommodations for veterans were provided in this way. In many cases, the structures were moved from their wartime locations to new sites. In some cases, the Federal Government paid the cost of moving and remodeling the buildings, while in other cases the local sponsors met this expense.

The first major step toward divesting the Government of its responsibilities in connection with this housing was taken in 1948 with passage of the McGregor Act (Public Law 796, 80th Cong.). This law authorized the Government to relinquish all its contractual rights and interest in veterans' reuse housing operated by educational institutions on lands which they owned or controlled. The initiative for obtaining a relinquishment was placed upon the eligible institutions themselves. They could apply for relinquishment simply by furnishing evidence that the projects involved were on lands owned or controlled by the institution, showing that they had the legal power to accept and operate the housing under the terms of the law, and agreeing to continue giving preference to veterans of World War II and servicemen. If these conditions were met, the Government was required to surrender its interest in the housing without monetary consideration, including its previous right to receive net revenues from project operations.

Since the housing was temporary and hence subject to the removal requirements of the Lanham Act, the law also provided that the institutions could be granted a waiver from this obligation if they could obtain the consent of the local governing body having jurisdiction in the locality.

A total of 720 educational institutions were eligible to submit applications for relinquishments as the operators of 127,276 accommodations in 1,088 projects. The work of effecting relinquishments requested under the McGregor Act was completed early in 1949. Relinquishments affecting 1,067 projects of 125,071 accommodations were granted to 710 institutions. These actions covered 98 percent of the accommodations eligible for relinquishment under the terms of the law.

The principle of the McGregor Act was extended during 1949 by a provision of the Independent Offices Appropriation Act, 1950 (Public Law 266, 81st Cong., approved August 24, 1949). This legislation gave to any State, county, city, or other public body, operating a veterans' reuse housing project on lands it owned or controlled, substantially the same right that the McGregor Act gave educational institutions.

A total of 988 projects comprising 85,506 accommodations were eligible for transfer under the provisions of Public Law 266. The act gave the eligible sponsors until December 22, 1949, to submit their requests for relinquishments to PHA. On that date, requests had been received affecting 94 percent of the eligible projects.

At the start of 1949, the total veterans' reuse housing program consisted of 135,462 accommodations. A total of 64,011 were removed from the program workload during the year, principally through relinquishment actions. This reduced the size of the program at the close of 1949 to 71,451 accommodations. Thus the Government had divested itself of responsibility for 73 percent of the total program of 267,092 accommodations by the end of 1949. It appeared that when all relinquishments requested had been effected, the program would be reduced to less than 40,000 accommodations early in 1950.

Terminating Conversion Leases

In the homes conversion program, privately owned properties were leased from their owners by the Government and remodeled into housing accommodations for war workers. This program is being liquidated in two ways, by expiration of the leases and by negotiated terminations or lease cancellations in advance of the expiration dates. Most of the leases were originally made for a term of 7 years. In prior years, all the disposal activity was accomplished through advance terminations. In 1949, however, some of the leases began to reach their expiration dates.

A total of 8,842 properties were leased in this program and converted to 49,565 dwelling accommodations. By the start of 1949, a total of 5,057 leaseholds covering 25,062 units had been terminated. During 1949, 1,342 additional leaseholds covering 8,349 units were disposed of, leaving 2,443 leaseholds with 16,154 units yet to be terminated.

The total disposition activity in this program to the end of 1949 represents 67 percent of the total units converted and 72 percent of the properties leased.

Greentowns and Subsistence Homesteads

The Greentowns and subsistence homesteads program had its origin in the economic crisis of the 1930's. The program was formerly administered by the Farm Security Administration and was transferred to PHA's predecessor agency, the Federal Public Housing Authority, by Executive Order 9070 in 1942.

The Greentowns' portion of the program consists of three planned suburban communities. They are Greenhills, a 742-unit project near Cincinnati, Ohio; Greendale, a 637-unit project outside Milwaukee, Wis.; and Greenbelt, near Washington, D. C. Greenbelt includes 893 units in its original portion and 1,000 units of permanent Lanham Act war housing built early in the war years.

These towns were built by the Resettlement Administration to demonstrate modern suburban community planning, to give useful work to the unemployed, and to provide housing for families of moderate income. They derive their name from the protective belt of park, forest, and farm lands which surrounds each of the communities and shelters them from the encroachment of any undesirable environment.

In recognition of its responsibility to dispose of these towns, PHA had made extensive studies of possible methods of sale and had explored the numerous unusual problems involved in disposing of entire communities wholly owned by the Federal Government. In the course of this preparatory work, the agency came to the conclusion that it had no authority to sell the towns by any other method than offering them for sale for cash to the highest bidder. The tenants of the towns and other groups, on the other hand, were anxious that some disposition method be devised which would give them special opportunities to acquire the projects before they were offered to investors.

The question of what manner of disposal PHA was authorized to use was settled by passage of Public Law 65 by the Eighty-first Congress on May 19, 1949. This act empowered the Public Housing

Commissioner to negotiate sales of the three communities without competitive bidding and for their fair market value based on independent appraisals. In any such sales, preferences were to be extended for a reasonable time to responsible veterans' groups organized on a nonprofit basis. To qualify for priority consideration, such groups must accept any tenant of the project being sold on the same terms and conditions extended to other members of the group. In the event that more than one qualified group desired to buy one of the projects, the law required them to submit sealed bids, with the award going to the group whose proposal offered the highest acceptable monetary return to the Government.

Public Law 65 also permitted PHA to sell the Greentowns on terms rather than for cash. For a term sale, the law specified a minimum down payment of 10 percent, with the balance amortized over not more than 25 years at 4 percent interest. The unpaid balance was to be secured by a first mortgage or deed of trust against the properties sold.

Greenhills, Ohio, became the first of the Greentowns to be sold under provisions of the new law. A sales contract was entered into with the Greenhills Home Owners Corporation, a nonprofit cooperative group composed primarily of veterans and tenants of Greenhills, on December 6, 1949. The purchase price of $3,511,300 covered a total of 610 acres of land, including the entire incorporated area of the village of Greenhills and 32 additional acres adjacent to the village, as well as the 680 urban dwelling units, a commercial building, a management building and a service station. The 43 rural units were not included in the sale, while some 55 acres of land were dedicated to the local government for public purposes. The transaction was completed under the term-sale provisions of Public Law 65, and title was transferred to the purchaser early in 1950. A total of 4,047 acres in undeveloped land also remains in the Greenhills tract, which PHA will dispose of by other means.

Negotiations with prospective purchasers of Greendale were underway during 1949, and the preliminary steps were begun leading toward an offering for sale of the Greenbelt community.

Disposal of the subsistence homesteads was virtually completed with only 23 units remaining on hand at the end of the year.

Chapter VI

ADMINISTRATIVE DEVELOPMENTS

In years prior to 1948, the Public Housing Administration had conducted its work through a decentralized organization. A number of regional offices were maintained throughout the country, situated in cities which were centrally located in the major areas of public housing activity. These offices held a high degree of authority and were empowered to take action in many important matters without seeking case-by-case approvals from the agency's Washington headquarters.

This form of organization was modified in 1948 to accommodate the administrative structure to a stringently reduced budget. Numerous functions were centralized in the Washington office, and the regional offices were abolished. The minimum essential field staff was retained in small field offices, which did not approach the former regional offices in either size or responsibility.

With passage of the Housing Act of 1949, however, PHA was confronted with vast new responsibilities in administering the expanded low-rent public housing program. As an administrative problem, the new program focused on the relationship between the Federal agency providing Federal aids for local low-rent housing programs and the local housing authorities actually carrying out local programs.

It was apparent that this relationship would be cumbersome and inefficient if the Federal agency continued to be highly centralized. The local agencies would be handicapped by being out of touch with the parts of the Federal agency that would make decisions on their problems. The Federal agency, on the other hand, would find it difficult to obtain full and uniform compliance with its requirements if it could not keep in reasonably close contact with the local agencies. These difficulties would be particularly apparent in the period when the localities were planning their programs and in greatest need of consultation and guidance from the Federal agency.

To meet these new conditions, a new pattern of organization was put into effect in October 1949, which returned the agency to a decentralized structure, at least in its operational aspects. Some functions, which were principally of a housekeeping nature and did not have a direct bearing on the agency's relationships with local authorities, continued to be centralized.

Responsibility in the Field

The most important change brought about by the reorganization was the new importance attached to the field offices. The objective sought was to make it possible for each local housing authority to get final decisions on as many matters as possible from the field office serving its locality. To make this possible, broad delegations of authority were to be made to the field offices by the Commissioner. In general, only those actions requiring control on a national basis were to be handled in Washington. These included program allocations, presidential approvals of loan contracts, and approvals of the amount of main construction contracts. Authority to grant most other approvals was to be placed in the field offices.

Two new field offices were established after passage of the Housing Act of 1949. They were located in Boston, Mass., and San Juan, P. R. The other 10 field offices, already in existence when the act was passed, were retained in their former locations. The present field offices and their jurisdictions are:

Boston, Mass.—Maine, Vermont, New Hampshire, Connecticut, Massachusetts, and Rhode Island.

New York, N. Y.—New York and New Jersey.

Philadelphia, Pa.—Pennsylvania, Maryland, Delaware, and the District of Columbia.

Detroit, Mich.—Michigan and Ohio.

Richmond, Va.—West Virginia, Virginia, Kentucky, and North Carolina.

Atlanta, Ga.—Tennessee, Mississippi, Alabama, Georgia, South Carolina, and Florida.

Fort Worth, Tex.—Colorado, New Mexico, Oklahoma, Texas, Arkansas, and Louisiana.

Chicago, Ill.—North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Iowa, Missouri, Wisconsin, Illinois, and Indiana.

Seattle, Wash.—Washington, Oregon, Idaho, Montana, Wyoming, and Alaska.

San Francisco, Calif.—Northern California, Nevada, Utah, and Hawaii.

Los Angeles, Calif.—Southern California and Arizona.

San Juan, P. R.—Puerto Rico and the Virgin Islands.

The coordination of field operations is managed through three field operations staffs in the Washington office, each headed by an assistant commissioner with responsibility for operations in a specified geographic area. Area A includes the territory under the jurisdictions of the Boston, New York, Philadelphia, Detroit, and Puerto Rico field offices. Area B embraces the territories of Richmond, Atlanta, and Fort Worth field offices. Area C consists of the territory under the Chicago, Seattle, San Francisco, and Los Angeles field offices.

The central office organization also was realigned in keeping with the new responsibilities of the agency. Previously, the Washington office had been organized primarily on functional lines, with a management division handling management aspects of all programs and a disposition division handling disposition for all programs. In the new organization, the major groupings are on program lines. In recognition of the new importance of the low-rent housing program in the agency's work, a low-rent housing division was created, charged with the central office's responsibility in connection with both development and management phases of this program. The central office's responsibilities in connection with all of the emergency housing programs were grouped in a new war emergency housing division dealing with management and disposition activities in all four of the emergency programs. The other major divisions are a legal division, an administrative and fiscal division, and an economics and statistics division.

Budget and Employment

The administrative expenses of PHA have in the past been met from funds derived from the operation of the programs under its jurisdiction. For the fiscal year beginning July 1, 1948, it had been authorized to spend $10,095,000 for administrative expenses, including only $279,000 from appropriated development funds. The provisions of the Independent Offices Appropriations Act, 1950 (Public Law 266, 81st Cong.), authorized PHA to spend $8,054,600 of its funds for administrative expenses in the fiscal year beginning July 1, 1949. This was $2,040,400 less than available in the previous year.

This authorization was granted before passage of the Housing Act of 1949 and, of course, was based only on the agency's workload in connection with its old programs. After the new low-rent public housing program was enacted, a supplemental appropriation of $4,250,000 was provided by Public Law 358, Eighty-first Congress, approved October 14, 1949, to meet expenses in connection with the new program.

The two actions together made a total administrative expense budget of $12,304,600 available to the agency for the fiscal year from July 1, 1949, to June 30, 1950.

On January 1, 1949, PHA administrative employment stood at 1,611, including 1,062 in the central office and 549 in the field. By midyear, the level had risen to 1,712, with 1,220 employees in Washington and 492 in the field. At the end of 1949, total administrative employment had risen to 2,007, with 1,285 in Washington and 722 in the field.

The distribution of employees between Washington and the field reflected the organizational changes which took place during the year. By the close of the year, the proportion of administrative employees in Washington had declined from a maximum of 71 percent to 64 percent.

TABLE 1.—*Number of dwelling units owned or supervised by the Public Housing Administration* [1] *by program as of Dec. 31, 1949*

Program	Total		Federally owned	Locally owned
	Number	Net change since Dec. 31, 1948		
Total	616, 264	−99, 892	383, 093	233, 171
Active	592, 117	−82, 199	358, 946	233, 171
Veterans' reuse housing	71, 451	−64, 011	1, 587	[2] 69, 864
Under management	69, 630	−63, 105	1, 587	68, 043
Under construction	1, 746	−832		1, 746
Not under construction	75	−74		75
Public war housing (Lanham constructed)	297, 383	−20, 881	297, 383	
Homes conversion	16, 154	−8, 349	16, 154	
United States Housing Act	204, 872	+11, 065	41, 565	163, 307
Under management	191, 626	+744	41, 565	150, 061
Under construction	1, 699	+197		1, 699
Not under construction	11, 547	+10, 124		[3] 11, 547
Public Law 171	13, 438	+13, 438		13, 438
Public Law 412	118, 507	[4] −2, 446	11, 855	106, 652
Public Law 671	51, 287	+37	8, 070	43, 217
PWA	21, 640	+36	21, 640	
Subsistence homesteads and Greenbelt towns	2, 257	−23	2, 257	
Inactive—Public war housing (Lanham constructed)	14, 802	−6, 117	14, 802	
Deferred—United States Housing Act	9, 345	−11, 576	9, 345	

[1] Excludes units which have been sold to mutual housing associations, limited dividend corporations (PWA) and homestead associations on which PHA holds mortgages for collection.
[2] This veterans' housing is so classified even though title or income rights may not yet be formally transferred.
[3] Includes 1,423 rural units not yet built but which are parts of active rural projects.
[4] Reflects reclassification to Public Law 171 of Public Law 412 projects built under McCarthy Act.

TABLE 2.—*Number of active projects and dwelling units [1] owned or supervised by the Public Housing Administration by program and State, Dec. 31, 1949*

State	Total program		Veterans' reuse housing		War housing [2]		USHA [3]		Subsistence homesteads and Green-belt 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	2,419	592,117	616	71,451	1,090	313,537	705	204,872	8	2,257
Alabama	64	14,941	6	760	32	8,458	26	5,723	-------	-------
Arizona	58	6,363	16	1,236	35	4,211	7	916	-------	-------
Arkansas	16	2,043	4	537	2	352	10	1,154	-------	-------
California	375	105,950	109	14,149	221	81,551	45	10,250	-------	-------
Colorado	13	2,126	5	862	3	494	5	770	-------	-------
Connecticut	81	18,077	12	798	52	11,046	17	6,233	-------	-------
Delaware	7	2,122	-------	-------	5	1,742	2	380	-------	-------
Florida	61	11,843	9	728	20	3,781	32	7,334	-------	-------
Georgia	69	17,472	9	764	18	5,292	42	11,416	-------	-------
Idaho	16	1,046	8	466	5	421	3	159	-------	-------
Illinois	76	20,251	21	4,249	14	2,161	41	13,841	-------	-------
Indiana	54	8,872	16	1,293	20	3,951	18	3,628	-------	-------
Iowa	21	2,232	17	1,319	4	913	-------	-------	-------	-------
Kansas	21	6,927	6	171	15	6,756	-------	-------	-------	-------
Kentucky	26	5,269	6	223	2	519	18	4,527	-------	-------
Louisiana	29	8,160	3	172	7	1,490	19	6,498	-------	-------
Maine	13	1,948	-------	-------	13	1,948	-------	-------	-------	-------
Maryland	51	18,635	4	308	32	12,078	14	5,371	1	878
Massachusetts	59	14,420	29	3,304	12	2,663	18	8,453	-------	-------
Michigan	80	26,827	9	828	60	18,410	11	7,589	-------	-------
Minnesota	15	1,083	13	556	1	63	1	464	-------	-------
Mississippi	35	4,827	5	739	9	1,907	20	2,180	1	1
Missouri	13	3,745	8	1,343	2	445	3	1,957	-------	-------
Montana	12	974	3	132	5	309	4	533	-------	-------
Nebraska	25	3,792	14	771	8	1,943	3	1,078	-------	-------
Nevada	18	1,749	7	196	11	1,553	-------	-------	-------	-------
New Hampshire	5	1,361	1	80	4	1,281	-------	-------	-------	-------
New Jersey	90	16,723	40	3,059	15	4,465	34	9,189	1	10
New Mexico	16	1,241	7	592	8	571	1	78	-------	-------
New York	99	35,434	60	10,737	17	5,961	22	18,736	-------	-------
North Carolina	40	7,614	3	288	17	3,837	20	3,489	-------	-------
North Dakota	6	160	6	160	-------	-------	-------	-------	-------	-------
Ohio	118	34,203	22	2,581	57	15,448	38	15,451	1	723
Oklahoma	10	2,387	6	825	2	1,128	2	434	-------	-------
Oregon	58	10,807	8	625	47	9,582	3	600	-------	-------
Pennsylvania	130	37,172	7	1,166	73	22,122	50	13,884	-------	-------
Rhode Island	12	3,254	3	128	2	800	7	2,326	-------	-------
South Carolina	33	5,880	4	321	12	2,888	17	2,671	-------	-------
South Dakota	9	629	8	539	1	90	-------	-------	-------	-------
Tennessee	38	9,832	5	1,050	8	1,689	24	7,083	1	10
Texas	125	28,188	31	5,002	46	12,175	48	11,011	-------	-------
Utah	30	6,720	13	1,874	17	4,846	-------	-------	-------	-------
Vermont	8	699	5	376	3	323	-------	-------	-------	-------
Virginia	56	25,952	5	833	36	22,118	14	3,000	1	1
Washington	89	27,354	7	717	73	23,030	9	3,607	-------	-------
West Virginia	22	1,925	10	368	-------	-------	11	1,556	1	1
Wisconsin	22	3,678	14	1,131	4	1,011	3	903	1	633
Wyoming	9	901	2	54	7	847	-------	-------	-------	-------
District of Columbia	33	7,675	2	898	19	3,264	12	3,513	-------	-------
Alaska	13	379	1	22	12	357	-------	-------	-------	-------
Hawaii	12	4,077	6	1,989	2	1,247	4	841	-------	-------
Puerto Rico	27	6,052	1	132	-------	-------	26	5,920	-------	-------
Virgin Islands	1	126	-------	-------	-------	-------	1	126	-------	-------

[1] See footnote 1, table 1.
[2] Consists of Public war housing (Lanham constructed) and homes conversion programs.
[3] Includes PWA projects.

TABLE 3.—*Number of dwelling units made available for disposition and disposed of, by program, type of structure and accommodations, and method of disposition, Dec. 31, 1949*

Program	Total disposition responsibility	Made available for disposition	Disposed of—							
			Total	Veterans' reuse	Sale	Reuse war housing	Lease cancellation	Transfer to other agencies	Demolition	Other
Total	982,121	769,221	580,074	105,896	95,253	58,870	40,421	227,218	9,004	43,412
Public war housing (Lanham constructed)	628,263	450,594	316,078	100,099	67,672	58,470	6,641	53,672	9,004	20,520
Family dwelling	527,637	354,710	225,289	58,254	52,487	47,896	258	41,129	6,467	18,798
Permanent	102,163	96,789	26,373	-------	13,711	843	30	11,729	-------	60
Demountable	78,934	71,479	22,317	598	14,929	4,067	-------	2,357	-------	366
Temporary and stop-gap	345,922	185,895	176,193	57,648	23,805	42,986	-------	26,915	6,467	18,372
Converted (by PHA)	618	547	406	8	42	-------	228	128	-------	-------
Dormitory	100,626	95,884	90,789	41,845	15,185	10,574	6,383	12,543	2,537	1,722
Permanent	1,670	1,632	1,452	-------	1,246	-------	206	-------	-------	-------
Temporary and stop-gap	91,222	86,518	81,747	41,845	13,314	10,574	-------	11,779	2,537	1,698
Converted (by PHA)	7,734	7,734	7,590	-------	625	-------	6,177	764	-------	24
Veterans' reuse	267,092	233,415	195,641	-------	-------	-------	-------	[1] 172,803	-------	22,838
Homes conversion	49,565	49,565	33,411	-------	-------	-------	33,411	-------	-------	-------
Subsistence homesteads and Greenbelt towns	5,419	3,865	3,162	-------	3,132	-------	-------	6	-------	24
United States Housing Act	3,759	3,759	3,759	-------	3,120	400	-------	209	-------	30
Defense Homes Corporation	11,489	11,489	11,489	-------	10,592	-------	369	528	-------	-------
Surplus Property Act	16,534	16,534	16,534	5,797	10,737	-------	-------	-------	-------	-------

[1] Includes 125,071 units transferred to educational institutions under the provisions of the McGregor Act and 47,732 units transferred to public bodies under the Independent Offices Appropriation Act, 1950.

TABLE 4a.—*Housing Act of 1949 program: Number of dwelling units included in applications, reservations, authorizations, preliminary loan contracts executed, and covered by funds advanced, by State as of Dec. 31, 1949*

State	Dwelling units				
	Requested	Reserved	Preliminary loan		
			Authorized	Executed	Funds advanced
Total	387, 631	263, 356	221, 391	90, 105	55, 565
Alabama	12, 736	6, 348	6, 348	----------	----------
Arizona	3, 050	1, 050	1, 000	----------	----------
Arkansas	1, 850	1, 150	1, 150	----------	----------
California	35, 362	18, 159	12, 335	10, 000	10, 000
Colorado	2, 500	2, 500	2, 500	2, 500	2, 500
Connecticut	6, 700	2, 710	2, 310	750	750
Delaware	380	380	----------	----------	----------
District of Columbia	6, 000	4, 000	4, 000	----------	----------
Florida	11, 385	6, 740	4, 265	1, 920	----------
Georgia	16, 415	8, 670	7, 020	1, 800	----------
Idaho	300	200	200	200	----------
Illinois	30, 299	25, 829	24, 942	21, 125	10, 000
Indiana	2, 550	2, 175	----------	----------	----------
Iowa [1]	----------	----------	----------	----------	----------
Kansas [1]	----------	----------	----------	----------	----------
Kentucky	4, 965	4, 045	3, 065	2, 400	2, 000
Louisiana	6, 700	5, 400	5, 400	5, 400	400
Maine	----------	----------	----------	----------	----------
Maryland	5, 975	5, 420	5, 120	----------	----------
Massachusetts	12, 650	7, 050	6, 350	----------	----------
Michigan	18, 725	12, 355	12, 355	190	190
Minnesota	5, 850	3, 500	2, 500	----------	----------
Mississippi	1, 565	790	650	----------	----------
Missouri	9, 000	7, 800	7, 800	----------	----------
Montana	260	50	50	----------	----------
Nebraska	1, 400	1, 400	1, 400	----------	----------
Nevada	640	250	250	----------	----------
New Hampshire	800	----------	----------	----------	----------
New Jersey	33, 231	12, 660	12, 100	6, 775	3, 575
New Mexico	----------	----------	----------	----------	----------
New York	27, 060	25, 040	24, 350	22, 800	20, 300
North Carolina	6, 800	5, 350	3, 950	1, 150	1, 150
North Dakota	----------	----------	----------	----------	----------
Ohio	21, 070	18, 855	10, 350	2, 850	----------
Oklahoma [1]	----------	----------	----------	----------	----------
Oregon	2, 975	2, 060	2, 000	----------	----------
Pennsylvania	28, 128	21, 513	20, 113	750	----------
Rhode Island	3, 000	1, 520	1, 520	1, 520	----------
South Carolina	3, 300	2, 500	1, 700	----------	----------
South Dakota [1]	----------	----------	----------	----------	----------
Tennessee	9, 010	7, 775	5, 375	1, 675	----------
Texas	20, 748	14, 853	12, 273	6, 210	4, 700
Utah [1]	----------	----------	----------	----------	----------
Vermont	----------	----------	----------	----------	----------
Virginia	10, 400	7, 790	4, 850	----------	----------
Washington	3, 191	1, 731	450	90	----------
West Virginia	538	538	----------	----------	----------
Wisconsin	3, 390	2, 950	2, 950	----------	----------
Wyoming [1]	----------	----------	----------	----------	----------
Alaska	----------	----------	----------	----------	----------
Hawaii	2, 283	900	----------	----------	----------
Puerto Rico	14, 100	9, 000	8, 400	----------	----------
Virgin Islands	350	350	----------	----------	----------

[1] No enabling legislation.

TABLE 4b.—*Housing Act of 1949 program: Number and amount of preliminary loan contracts authorized and executed, and amount of funds advanced by State as of Dec. 31, 1949*

State	Applications					Amount of preliminary loan ($000)		
	Received in field office	Reservations						
		Total issued	With preliminary loan					
			Authorized	Executed	Funds advanced	Authorized	In executed contracts	Advanced
Total	463	320	227	45	19	$35,869	$11,161	$1,027
Alabama	25	8	8			1,365		
Arizona	4	2	1			250		
Arkansas	4	2	2			285		
California	60	35	13	1	1	1,925	1,150	130
Colorado	1	1	1	1	1	400	400	50
Connecticut	7	6	5	1	1	630	200	30
Delaware	1	1						
District of Columbia	1	1	1			550		
Florida	13	11	8	3		824	440	
Georgia	27	17	14	3		1,427	335	
Idaho	1	1	1	1		70	70	
Illinois	35	24	18	2	1	1,870	768	270
Indiana	5	4						
Iowa [1]								
Kansas [1]								
Kentucky	8	7	4	2	1	630	434	60
Louisiana	3	2	2	2	1	780	780	14
Maine								
Maryland	5	3	2			685		
Massachusetts	13	9	6			1,105		
Michigan	8	7	7	1	1	1,837	67	5
Minnesota	5	3	2			500		
Mississippi	5	4	3			225		
Missouri	3	2	2			1,080		
Montana	2	1	1			20		
Nebraska	2	2	2			380		
Nevada	2	2	2			95		
New Hampshire	1							
New Jersey	28	25	22	7	2	2,586	1,240	66
New Mexico								
New York	9	6	4	2	1	2,900	2,580	234
North Carolina	13	11	8	3	3	1,130	365	37
North Dakota								
Ohio	14	14	3	1		1,250	200	
Oklahoma [1]								
Oregon	8	2	1			350		
Pennsylvania	34	24	16	1		3,253	200	
Rhode Island	2	1	1	1		302	302	
South Carolina	5	4	3			382		
South Dakota [1]								
Tennessee	9	9	8	2		1,054	328	
Texas	51	28	26	10	6	2,732	1,292	131
Utah [1]								
Vermont								
Virginia	9	8	5			975		
Washington	8	5	3	1		113	10	
West Virginia	2	2						
Wisconsin	5	3	3			555		
Wyoming [1]								
Alaska								
Hawaii	2	2						
Puerto Rico	22	20	19			1,264		
Virgin Islands	1	1						

[1] No enabling legislation.

TABLE 5.—*United States Housing Act program, statement of income and expense for the fiscal year ended June 30, 1949*

Income:		
Project rents:		
Directly operated: Public Works Administration	$929, 432	
Leased (net):		
Public Works Administration	1, 808, 039	
Public Law 671	859, 678	
Public Law 412	1, 576, 017	
Total leased	4, 243, 734	
Total rents		$5, 173, 166
Interest		7, 689, 812
Other income		255, 568
Total income		13, 118, 546
Expense:		
Direct operating expense—PWA projects		658, 684
Interest expense		6, 605, 988
Administrative expense		2, 617, 000
Nonadministrative expense: Development service expense		17, 360
Nonoperating expense		20, 781
Provision for losses on loans—LHA obligations		1, 500, 000
Collection losses		1, 286
Casualty losses:		
Cost of replacements	$706	
Less: Insurance recoveries	319	
Net casualty losses		387
Depreciation:		
Structures and equipment—projects:		
Public Works Administration	$1, 881, 491	
Public Law 671	873, 835	
Public Law 412	1, 078, 650	
Total depreciation		3, 833, 976
Increase or (decrease*) in reserves:		
Operating reserves	$587, 248	
Operating improvements reserve	*2, 192	
Total increase in reserves		585, 056
Total expense		15, 840, 518

TABLE 5.—*United States Housing Act program, statement of income and expense for the fiscal year ended June 30, 1949*—Continued

Disposition of property:		
Cost of property sold	$30, 225	
Less: Proceeds from sales	25, 669	
Net loss on disposition of property		$4, 556
Total expense and net loss on disposition of property		15, 845, 074
Net loss before annual contributions		2, 726, 528
Annual contributions		3, 288, 019
Net loss for the fiscal year		6, 014, 547

ANALYSIS OF DEFICIT

Deficit (excluding annual contributions):		
Balance at beginning of fiscal year	$1, 784, 732	
Less: Adjustments to beginning balance	3, 083, 971	
Adjusted balance		1, 299, 239
Less: Net loss before annual contributions		2, 726, 528
Balance at end of the fiscal year		1, 427, 289
Cumulative annual contributions:		
Balance at beginning of fiscal year	$59, 547, 266	
Add: Adjustments to beginning balance	94, 837	
Adjusted balance		59, 642, 103
Add: Annual contributions for the fiscal year		3, 288, 019
Balance at end of the fiscal year		62, 930, 122
Total deficit at end of the fiscal year		64, 357, 411

TABLE 6.—*United States Housing Act program, balance sheet, as of June 30, 1949, and Dec. 31, 1949*

	As of June 30, 1949	As of Dec. 31, 1949
ASSETS		
Cash: With U. S. Treasury	$3,888,543	$8,308,092
Loans and investments:		
Local housing authority and other	285,096,398	285,489,236
Less: Allowance for losses on loans	1,500,000	1,500,000
	283,596,398	283,989,236
Accounts receivable:		
Receivables from local housing authorities	2,521,204	2,057,623
Tenants	10,378	14,509
Returnable premium—insurance	141,488	36,642
Miscellaneous	23,117	16,929
Advances	257,016	167,984
	2,953,203	2,293,687
Accrued assets: Interest receivable	2,796,861	2,815,872
Land, structures and equipment:		
Development costs:		
Projects:		
PWA—cost	127,026,661	127,026,661
Less: Allowance for depreciation	20,730,199	21,670,944
PWA projects	106,296,462	105,355,717
Public Law 671—cost	42,324,375	42,728,594
Less: Allowance for depreciation	3,401,895	3,843,391
Public Law 671 projects	38,922,480	38,885,203
Public Law 412—cost	59,644,199	59,396,107
Less: Allowance for depreciation	6,592,775	7,132,846
Public Law 412 projects	53,051,424	52,263,261
	198,270,366	196,504,181
Deferred and undistributed charges:		
Prepaid insurance—fixed premium	15,193	11,483
Advances to administrative program		4,100,000
Undistributed charges	85,070	261
	100,263	4,111,744
Total assets	491,605,634	498,022,812

TABLE 6.—*United States Housing Act program, balance sheet, as of June 30, 1949, and Dec. 31, 1949*—Continued

	As of June 30, 1949	As of Dec. 31, 1949
LIABILITIES		
Accounts payable:		
Management	$129,989	$132,892
Disposition	5,800	
Local housing authorities	369,521	180,964
Miscellaneous	554	
	505,864	313,856
Trust and deposit liabilities: Miscellaneous	698	3,039
Deferred and undistributed credits:		
Prepaid rents	5,076	1,634
Undistributed credits	163	629,345
	5,239	630,979
Total liabilities	511,801	947,874
RESERVES		
Operating reserve	5,982,888	6,191,847
Operating improvements reserve	110,805	127,943
Contingencies	31,589	
Total reserves	6,125,282	6,319,790
INVESTMENT OF U. S. GOVERNMENT		
Interest-bearing investment: Notes (held by U. S. Treasury)	337,000,000	337,000,000
Non-interest-bearing investment:		
Capital stock	1,000,000	1,000,000
Assets transferred to and from other agencies and programs	146,274,351	146,275,744
Appropriations for:		
Annual contributions	65,051,611	70,051,611
Administrative expense		4,250,000
Total appropriations	65,051,611	74,301,611
Total non-interest-bearing investment	212,325,962	221,577,355
Total investment	549,325,962	558,577,355
Reduction of investment by: Deficit (table 4)	64,357,411	67,822,207
Net investment of U. S. Government	484,968,551	490,755,148
Total liabilities, reserves, and investment of U. S. Government	491,605,634	498,022,812

NOTES

(a) Public Housing Administration has outstanding loan commitments to local housing authorities in the amount of $358,227,095 computed as follows:

Gross loan commitments from inception		$820,101,301
Less (per books):		
Loans for which series "B" bonds were acquired	$356,677,000	
Loans for which notes were acquired	3,291,388	
Acquisition and development cost, Public Law 412 projects	59,644,199	
Contract development cost, Public Law 671 projects	42,261,619	
		461,874,206
Total outstanding loan commitments to local housing authorities		358,227,095

(b) Public Housing Administration has other commitments as of June 30, 1949, as follows:
1. $219,018,000 of local housing authority notes which are held in escrow to secure loans made to these authorities by private investors.
2. $60,838 of commitments to contractors for incompleted development work.

(c) Public Housing Administration has a contingent liability in the form of unused accrued annual leave at June 30, 1949, in the amount of $73,416.37 computed on the basis of 44,717 actual hours at an average annual salary rate of $3,415 or $1.6418 per hour.

TABLE 7.—*United States Housing Act program, statement of sources and application of funds, for the fiscal year ended June 30, 1949*

FUNDS PROVIDED		
By realization of assets:		
Sale of property		$25, 669
Sale of investments		8, 111, 840
Repayment of principal on loans:		
Local housing authority obligations:		
"B" bonds	$943, 000	
Advance loan notes	21, 376, 977	
Mortgage loan notes	27, 000	
		22, 346, 977
Total by realization of assets		30, 484, 486
By income:		
Rents	$5, 173, 166	
Interest	7, 689, 812	
Miscellaneous	17, 638	
Total by income		12, 880, 616
By appropriations: Annual contributions		4, 840, 000
By decrease in working capital		16, 492, 026
Total funds provided		64, 697, 128
FUNDS APPLIED		
To acquisition of assets:		
Land, structures, and equipment—development costs		664, 040
Purchase of local housing authority obligations:		
"B" bonds	$8, 056, 000	
Advance loan notes	17, 762, 642	
		25, 818, 642
Total to acquisition of assets		26, 482, 682
To expense (excluding depreciation and other charges not requiring funds):		
Direct operating expense	$658, 684	
Interest expense	6, 605, 988	
PHA administrative expense	2, 617, 000	
Other expense	38, 141	
Annual contributions	3, 288, 019	
Losses and charge-offs	6, 600	
Total to expense		13, 214, 432
To retirement of borrowings and capital:		
Payments on U. S. Treasury note	$25, 000, 000	
Deposits of general fund receipts	14	
Total to retirement of borrowings and capital		25, 000, 014
Total funds applied		64, 697, 128

TABLE 8.—*Maximum development cost of all projects under the United States Housing Act, Dec. 31, 1949*

	Total all projects	Public Law 412				Public Law 671 active not permanently financed
		Total	Active		Deferred	
			Permanently financed	Not permanently financed		
Maximum development cost of all projects	$933, 004, 965	$654, 066, 469	$463, 616, 837	$101, 174, 366	$89, 275, 266	$278, 938, 496
Locally owned projects:						
Federal funds:						
Bonds purchased:						
Outstanding	280, 837, 000	280, 837, 000	280, 837, 000			
Retired	4, 328, 000	4, 328, 000	4, 328, 000			
Total bonds purchased	285, 165, 000	285, 165, 000	285, 165, 000			
Advance loan notes	2, 731, 926	2, 690, 926		446, 149	2, 244, 777	41, 000
Funds not yet advanced	112, 104, 732	90, 635, 254	7, 235, 049	11, 372, 930	72, 027, 275	21, 469, 478
Total Federal commitment	400, 001, 658	378, 491, 180	292, 400, 049	11, 819, 079	74, 272, 052	21, 510, 478
Non-Federal funds:						
Bonds issued:						
Outstanding	135, 683, 500	135, 683, 500	135, 683, 500			
Retired	34, 567, 500	34, 567, 500	34, 009, 500	558, 000		
Total bonds issued	170, 251, 000	170, 251, 000	169, 693, 000	558, 000		
Capital donations	2, 042, 303	2, 042, 303	1, 523, 788	518, 515		
Temporary loan notes	241, 319, 575	31, 127, 119		24, 629, 000	6, 498, 119	210, 192, 456
Funds not yet advanced	11, 479, 882	11, 479, 882		2, 974, 787	8, 505, 095	
Total non-Federal commitments	425, 092, 760	214, 900, 304	171, 216, 788	28, 680, 302	15, 003, 214	210, 192, 456
Maximum development cost—locally owned projects	825, 094, 418	593, 391, 484	463, 616, 837	40, 499, 381	89, 275, 266	231, 702, 934
Federally owned projects:						
Expenditures to date	102, 124, 701	59, 396, 107		59, 396, 107		42, 728, 594
Funds not yet advanced	5, 785, 846	1, 278, 878		1, 278, 878		4, 506, 968
Maximum development cost—federally owned projects	107, 910, 547	60, 674, 985		60, 674, 985		47, 235, 562

TABLE 9a.—*Development cost and loans for locally owned projects under the United States Housing Act, Dec. 31, 1949*

	Development cost	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	$786,989,042	$676,423,945	$283,568,926	$220,627,000	$135,683,500	$639,879,426
Public Law 412 projects	567,860,353	457,295,256	283,527,926	30,638,000	135,683,500	449,849,426
Public Law 671 projects	219,128,689	219,128,689	41,000	189,989,000		190,030,000
By State:						
Alabama	20,992,490	19,057,343	13,411,471	2,101,000	720,000	16,232,471
Arizona	3,474,100	3,215,000	1,632,782	1,084,000	153,000	2,869,782
Arkansas	6,462,995	6,009,995	945,850	1,729,000	34,000	2,708,850
California	48,677,125	47,350,625	2,308,109	36,154,000	452,000	38,914,109
Colorado	3,492,800	2,992,800	1,414,000	1,288,000	393,000	3,095,000
Connecticut	27,613,219	20,859,939	14,770,000	5,263,000	5,343,000	25,376,000
Delaware	2,059,529	2,059,529		1,660,000		1,660,000
Florida	22,868,330	20,331,439	17,463,500	949,000	1,152,000	19,564,500
Georgia	40,044,471	35,170,171	22,822,694	2,393,000	7,297,000	32,512,694
Idaho	922,000	826,000	388,439		22,000	410,439
Illinois	49,196,616	45,771,624	11,804,300	29,066,000	1,057,000	41,927,300
Indiana	11,320,322	10,126,222	7,036,880	830,000	618,000	8,484,880
Kentucky	20,897,000	16,159,700	12,140,960		5,475,000	17,615,960
Louisiana	35,612,743	31,532,243	22,729,688	4,000,000	2,191,000	28,920,688
Maryland	26,962,145	21,041,045	5,074,225	13,608,000	5,058,000	23,740,225
Massachusetts	43,066,640	33,118,240	16,161,000	11,044,000	7,661,000	34,866,000
Michigan	34,248,435	29,828,435	2,584,000	15,825,000	2,631,000	21,040,000
Mississippi	8,491,413	7,639,613	4,741,252	757,000	243,000	5,741,252
Missouri	14,510,625	13,762,425	254,000	6,922,000		7,176,000
Montana	2,472,000	2,193,000	1,722,000	368,000	161,000	2,251,000
Nebraska	3,782,000	3,333,000	553,000		2,628,000	3,181,000
New Jersey	43,046,600	38,211,600	25,986,000	10,045,000	2,875,000	38,906,000
New Mexico	361,000	324,900	12,074			12,074
New York	79,366,698	64,573,400	16,644,000	4,110,000	48,045,000	68,799,000
North Carolina	13,877,524	12,318,259	6,327,221	320,000	3,308,000	9,955,221
Oregon	2,435,502	2,435,502		2,003,000		2,003,000
Pennsylvania	68,711,984	54,611,198	23,581,800	24,675,000	12,555,000	60,811,800
Rhode Island	11,210,677	10,827,577	1,218,000	6,569,000	117,000	7,904,000
South Carolina	11,759,630	10,580,438	5,524,866	1,418,000	431,000	7,376,866
Tennessee	23,308,341	20,550,600	7,400,000	1,390,000	11,612,000	20,402,000
Texas	44,311,446	35,533,096	22,930,845	7,551,000	7,641,500	38,126,345
Virginia	15,278,394	14,558,694	2,732,278	6,858,000	192,000	9,782,278
Washington	7,487,400	6,976,400	2,678,254	3,329,000	341,000	6,348,254
West Virginia	7,117,679	6,254,679	4,467,507		1,934,000	6,401,507
Wisconsin	2,453,728	2,275,128		2,163,000		2,163,000
District of Columbia	15,328,326	11,584,326	3,119,000	5,758,000	3,283,000	12,160,000
Hawaii	4,097,200	3,741,600	977,000	948,000	54,000	1,979,000
Puerto Rico	9,669,915	8,688,160	11,931	8,449,000		8,460,931

TABLE 9b.—*Annual contributions for locally owned projects under the United States Housing Act, Dec. 31, 1949*

	Maximum contributions under contract	First annual contribution		Second and subsequent annual contributions amount actually paid	Total paid during 1949
		Maximum commitment	Amount actually paid		
All PHA-aided locally owned projects	$24, 802, 093	$71, 160	$4, 127	$3, 954, 180	$3, 958, 307
Public Law 412 projects	18, 132, 925			3, 702, 097	3, 702, 097
Public Law 671 projects	6, 669, 168	71, 160	4, 127	252, 083	256, 210
By State:					
Alabama	658, 414			180, 739	180, 739
Arizona	111, 632			8, 400	8, 400
Arkansas	214, 390				
California	1, 491, 892			17, 077	17, 077
Colorado	104, 784				
Connecticut	849, 328			178, 875	178, 875
Delaware	72, 083				
Florida	730, 818			137, 056	137, 056
Georgia	1, 212, 296			41, 648	41, 648
Idaho	30, 460			3, 854	3, 854
Illinois	1, 506, 637			133, 968	133, 968
Indiana	362, 633			20, 303	20, 303
Kentucky	693, 990			149, 485	149, 485
Louisiana	1, 110, 145			654, 588	654, 588
Maryland	808, 816			139, 628	139, 628
Massachusetts	1, 291, 998			224, 662	224, 662
Michigan	1, 027, 453			28, 396	28, 396
Mississippi	291, 478			45, 691	45, 691
Missouri	472, 728				
Montana	74, 160			6, 733	6, 733
Nebraska	141, 825			60, 146	60, 146
New Jersey	1, 362, 176			245, 115	245, 115
New Mexico	12, 635				
New York	2, 730, 002	71, 160	4, 127	806, 746	810, 873
North Carolina	469, 958			74, 828	74, 828
Oregon	81, 510			44, 184	44, 184
Pennsylvania	2, 160, 829			6, 026	6, 026
Rhode Island	343, 983				
South Carolina	379, 042			70, 727	70, 727
Tennessee	766, 631			203, 139	203, 139
Texas	1, 363, 904			74, 454	74, 454
Virginia	421, 940			38, 903	38, 903
Washington	224, 077			62, 771	62, 771
West Virginia	244, 526			17, 984	17, 984
Wisconsin	82, 542				
District of Columbia	459, 848			32, 626	32, 626
Hawaii	147, 031			12, 320	12, 320
Puerto Rico	203, 499			233, 108	233, 108

TABLE 10.—*Statement of capital funds and annual contributions committed under United States Housing Act, Dec. 31, 1949*

	Total all projects	Public Law 412 projects				Public Law 671 projects, active, not permanently financed	Public Law 171 projects, preliminary loans
		Total	Active		Deferred		
			Permanently financed	Not permanently financed			
CAPITAL FUNDS							
Capital funds committed:							
For locally owned projects:							
Bonds purchased	$285,165,000	$285,165,000	$285,165,000				
Advance-loan notes	3,758,226	2,690,926		$446,149	$2,244,777	$41,000	$1,026,300
Temporary loan notes (Federal contingent liability)	241,319,575	31,127,119		24,629,000	6,498,119	210,192,456	
Funds not yet advanced	119,404,432	90,635,254	7,235,049	11,372,930	72,027,275	21,469,478	7,299,700
Total locally owned projects	649,647,233	409,618,299	292,400,049	36,448,079	80,770,171	231,702,934	8,326,000
For federally owned projects:							
Expenditures to date	102,124,701	59,396,107		59,396,107		42,728,594	
Funds not yet expended	5,785,846	1,278,878		1,278,878		4,506,968	
Total federally owned projects	107,910,547	60,674,985		60,674,985		47,235,562	
Total capital funds committed	757,557,780	470,293,284	292,400,049	97,123,064	80,770,171	278,938,496	8,326,000
Capital funds required and available:							
Capital funds committed	757,557,780	470,293,284	292,400,049	97,123,064	80,770,171	278,938,496	8,326,000
Less: Total loans made and investment in federally owned projects	391,047,927	347,252,033	285,165,000	59,842,256	2,244,777	42,769,594	1,026,300
Net PHA loan commitment outstanding	366,509,853	123,041,251	7,235,049	37,280,808	78,525,394	236,168,902	7,299,700
Unused borrowing authority available from U. S. Treasury	1,163,000,000						
ANNUAL CONTRIBUTION FUNDS							
Maximum commitment on locally owned projects	25,997,310	18,881,824	14,760,123	1,275,073	2,846,628	7,115,486	
Maximum contribution authorized	28,000,000						
Less: Maximum contributions committed	25,997,310						
Uncommitted balance available for use in the event of sale of federally owned projects to local housing authorities	2,002,690						

TABLE 11a.—*Income and expense statement of all federally owned PWA projects under United States Housing Act, fiscal year ended June 30, 1949*

	PWA projects		
	Directly operated	Leased	Total
Number of developments	7	[1] 43	[1] 50
Number of dwelling units	2,481	[1] 19,159	[1] 21,640
Latest development cost	$12,625,241	$114,401,420	$127,026,661
Average development cost per unit	$5,107	[1] $6,022	[1] $5,917
Number of dwelling units in operation	2,472	[1] 19,126	[1] 21,598
Income:			
Dwelling rent schedule	$907,255	$7,884,802	$8,792,057
Dwelling vacancy loss	3,447	16,496	19,943
Dwelling income	903,808	7,868,306	8,772,114
Commercial rental	9,548	90,034	99,582
Other nondwelling rental	7,626	47,822	55,448
Sales and services to tenants	5,310	36,604	41,914
Miscellaneous project income	3,140	28,644	31,784
Interest on investments		938	938
Dormitory and land rental		12,225	12,225
Total operating income	929,432	8,084,573	9,014,005
Expense:			
Direct operating expense:			
Management	91,874	797,094	888,968
Operating services	40,782	478,564	519,346
Dwelling and commercial utilities	268,800	2,252,489	2,521,289
Repairs, maintenance, and replacements	182,394	2,202,747	2,385,141
Supplementary community services	203	13,934	14,137
Insurance	6,177	75,045	81,222
Rents		174	174
Taxes		162	162
Contributions to pension and insurance funds		63,877	63,877
Cost of sales and services to tenants	3,981	35,976	39,957
Payments in lieu of taxes	64,473	173,473	237,946
Miscellaneous		15	15
Total direct operating expense	658,684	6,093,550	6,752,234
Nonoperating expense:			
Damage to persons and property		79	79
Operating improvements	20,758	174,920	195,678
Moving expense—other than structures	23		23
Total nonoperating expense	20,781	174,999	195,780
Losses and charge-offs:			
Collection losses	1,286	7,159	8,445
Property losses:			
Cost of replacement	706	3,212	3,918
Proceeds from casualty claims	*319	*2,386	*2,705
Total losses and charge-offs	1,673	7,985	9,658
Total expense (before depreciation and adjustment of reserves)	681,138	6,276,534	6,957,672
Net income before depreciation and adjustment of reserves	248,294	1,808,039	2,056,333
Depreciation: Structures and equipment	195,096	1,686,395	1,881,491
Adjustment of reserves (increase or decrease*):			
Operating reserves		207,584	207,584
Operating improvements reserve	625	*1,233	*608
Total adjustment of reserves	625	206,351	206,976
Total depreciation and adjustment of reserves	195,721	1,892,746	2,088,467
Net income (or loss*)	52,573	*84,707	*32,134

* Indicates negative item.

[1] Includes 1 development of 194 dormitory units as equivalent to 48-family dwelling units in computing average development cost per unit.

TABLE 11b.—*Income and expense statement of all federally owned leased projects under United States Housing Act, fiscal year ended June 30, 1949*

	Leased projects			
	PWA	Public Law 671	Public Law 412	Total
Number of developments	[1] 43	21	[2] 32	[1,2] 96
Number of dwelling units	[1] 19,159	8,069	[2] 11,855	[1,2] 39,083
Latest development cost	$114,401,420	$42,324,375	[2] $59,644,199	[2] $216,369,994
Average development cost per unit	[1] $6,022	$5,247	[2] $5,011	[1,2] $5,554
Number of dwelling units in operation	[1] 19,126	8,061	11,946	[1] 39,133
Income:				
Dwelling rent schedule	$7,884,802	$3,312,710	$4,722,220	$15,919,732
Dwelling vacancy loss	16,496	30,617	12,879	59,992
Dwelling income	7,868,306	3,282,093	4,709,341	15,859,740
Commercial rental	90,034	20,339	------------	110,373
Furniture rental	------------	16,442	------------	16,442
Other nondwelling rental	47,822	2,060	893	50,775
Sales and services to tenants	36,604	24,227	34,881	95,712
Miscellaneous project income	28,644	7,788	19,858	56,290
Interest on investments	938	85	551	1,574
Dormitory and land rental	12,225	------------	------------	12,225
Total income	8,084,573	3,353,034	4,765,524	16,203,131
Expense:				
Direct operating expense:				
Management	797,094	338,941	462,975	1,599,010
Operating services	478,564	180,425	223,295	882,284
Dwelling and commercial utilities	2,252,489	822,372	1,364,760	4,439,621
Repairs, maintenance and replacements	2,202,747	903,517	903,972	4,010,236
Supplementary community services	13,934	3,754	13,171	30,859
Insurance	75,045	42,886	46,301	164,232
Rents	174	10,011	------------	10,185
Taxes	162	6,052	------------	6,214
Contributions to pension and insurance funds	63,877	2,333	19,489	85,699
Cost of sales and services to tenants	35,976	24,217	34,885	95,078
Payments in lieu of taxes	173,473	135,696	2,011	311,180
Miscellaneous	15	*255	38	*202
Total direct operating expense	6,093,550	2,469,949	3,070,897	11,634,396
Nonoperating expense:				
Damage to persons and property	79	30	25	134
Operating improvements	174,920	6,685	110,141	291,746
Moving expense—other than structures	------------	74	286	360
Total nonoperating expense	174,999	6,789	110,452	292,240
Losses and charge-offs:				
Collection losses	7,159	13,116	8,165	28,440
Property losses:				
Cost of replacement	3,212	5,552	497	9,261
Proceeds from casualty claims	*2,386	*2,050	*530	*4,966
Loss on disposition of investments	------------	------------	26	26
Total losses and charge-offs	7,985	16,618	8,158	32,761
Total expense (before interest, depreciation, and adjustment of reserves)	6,276,534	2,493,356	3,189,507	11,959,397
Net income before interest, depreciation, and adjustment of reserves	1,808,039	859,678	1,576,017	4,243,734
Interest and depreciation:				
Interest on development costs of PHA-owned and aided projects	------------	732,354	1,001,193	1,733,547
Depreciation of structures and equipment	1,686,395	873,835	1,078,650	3,638,880
Total interest and depreciation	1,686,395	1,606,189	2,079,843	5,372,427

See footnotes at end of table.

TABLE 11b.—*Income and expense statement of all federally owned leased projects under United States Housing Act, fiscal year ended June 30, 1949*—Continued

	Leased projects			
	PWA	Public Law 671	Public Law 412	Total
Adjustment of reserves (increase or decrease*):				
Operating reserve	207, 584	143, 297	236, 367	587, 248
Operating improvements reserve	*1, 233	2, 387	*3, 971	*2, 817
Total adjustment of reserves	206, 351	145, 684	232, 396	584, 431
Total interest, depreciation, and adjustment of reserves	1, 892, 746	1, 751, 873	2, 312, 239	5, 956, 858
Net loss	84, 707	892, 195	736, 222	1, 713, 124

*Indicates negative item.

[1] Includes 1 development of 194 dormitory units as equivalent to 48-family dwelling units in computing average development cost per unit.

[2] Excludes 1 development of 95 units on which cost of land is included in the latest development cost in the amount of $247,662. The cost of land is excluded in computing average development cost per unit.

TABLE 12.—*Income and expense statement of PWA projects under United States Housing Act, fiscal year ended June 30, 1949*

	Managed by PHA	Leased to local authorities [1]
Number of developments [1]	7	42
Number of dwelling units in operation	2, 472	18, 932
	Average per unit per month	
Income:		
Dwelling rent schedule	$30. 59	$34. 70
Dwelling vacancy loss	. 12	. 07
Dwelling income	30. 47	34. 63
Other income	. 86	. 90
Total operating income	31. 33	35. 53
Expense:		
Operating expense:		
Management	3. 10	3. 51
Operating services	1. 38	2. 11
Dwelling and commercial utilities	9. 06	9. 91
Repairs, maintenance and replacements	6. 15	9. 70
Insurance	. 21	. 33
Public services	. 01	. 06
Collection losses	. 04	. 03
Miscellaneous	. 13	. 44
Total operating expense	20. 08	26. 09
Provision for reserves:		
Operating reserve	----------	. 92
Operating improvements reserve	. 02	*. 01
Total provision for reserves	. 02	. 91
Payments in lieu of taxes	2. 17	. 76
Operating improvements	. 70	. 77
Depreciation of structures and equipment	6. 58	7. 42
Miscellaneous non-operating expense	. 01	(2)
Total other expenses	9. 46	8. 95
Total expense	29. 56	35. 95
Net income (or loss*)	1. 77	*. 42

*Indicates negative item.

[1] Excludes 1 development, with 194 units, leased on a fixed-fee basis for which no income and expense data are included in the per unit-month tabulation.

[2] Less than $0.005.

TABLE 13.—*Income and expense statement of PHA permanently financed Public Law 412 projects by fiscal years ending in calendar years 1941–49*

Item	All projects with fiscal year ending in 1949		Average per unit per month for groups of projects by fiscal years								
			Group 1—Projects completing ninth fiscal year in 1949								
	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
Number of statutory projects	164	----------									[2] 33
Number of developments	339	----------									55
Number of dwelling units	103,802	----------									23,157
Average development cost per unit	$4,482	----------									$4,727
Number of units available for occupancy	103,748	----------									23,142
Income (excluding PHA annual contribution):											
Dwelling rent schedule	$36,509,366.09	$29.25	$19.31	$20.67	$23.51	$26.70	$27.88	$28.33	$30.60	$31.82	$32.68
Less: Dwelling vacancy loss	88,127.97	.07	.57	.12	.24	.17	.09	.04	.04	.06	.07
Net dwelling rental income	36,421,238.12	29.18	18.74	20.55	23.27	26.53	27.79	28.29	30.56	31.76	32.61
All other income	939,005.62	.75	.35	.51	.35	.33	.11	.71	1.04	1.09	1.15
Total income (excluding PHA annual contribution)	37,360,243.74	29.93	19.09	21.06	23.62	26.86	27.90	29.00	31.60	32.85	33.76
Expense:											
Operating expense (excluding reserves):											
Management	4,592,745.89	3.68	2.40	2.67	2.58	2.66	2.76	2.97	3.45	3.83	4.31
Operating services	1,603,337.84	1.29	.90	1.00	1.07	1.18	1.30	1.53	1.94	2.13	2.23
Dwelling utilities	8,403,234.17	6.73	4.55	4.82	5.54	6.02	5.79	5.89	6.87	7.99	7.52
Repairs, maintenance, and replacements	8,049,784.93	6.45	1.12	2.14	3.09	3.70	5.19	4.39	6.16	8.29	6.74
Public services	114,509.65	.09	.02	.04	.09	.13	.13	.12	.14	.14	.14
Insurance	378,338.18	.30	.33	.47	.70	.50	.31	.31	.33	.35	.37
Collection losses	75,064.79	.06	.02	.02	.03	.02	.03	.02	.02	.03	.04
All other expense	202,073.57	.16	.01	.06	.01	.01	.19	.31	.24	.18	.17
Subtotal: Operating expense (excluding reserves)	23,419,089.02	18.76	9.35	11.22	13.11	14.22	15.70	15.54	19.15	22.94	21.52
Reserved from income for:											
Operating reserve	95,791.21	.08	----------	----------	----------	----------	----------	----------	----------	----------	.32
Repairs, maintenance, and replacements	*811,985.49	*.65	4.55	3.57	2.43	2.18	.74	1.57	*.95	*3.02	*.45
Vacancy and collection losses	73,621.82	06	.55	.61	1.39	2.29	1.61	.22	.11	.11	.03

Annual contribution allowance	56,988.35	.04	.75	.04	•.22	.04	•.24	.03	.12	.02	.05
Operating improvement—regular	148,208.79	.12								----	•.06
Contingencies for postwar improvements							.13				
All other reserves	47,998.81	.04						.37	.50	.33	.19
Subtotal: Reserved	•389,376.51	•.31	5.85	4.22	3.60	4.51	2.24	2.19	•.22	•2.56	.08
Payments in lieu of taxes	763,544.53	.61	.48	.77	.93	1.98	2.15	2.17	.46	.76	.82
Debt service:											
Interest paid non-Federal bonds (A bonds)	2,800,989.07	2.24	.70	2.28	4.84	4.86	4.80	4.63	4.55	4.36	4.19
Interest paid PHA bonds (B bonds)	7,385,637.63	5.92	4.92	8.55	4.98	4.83	4.66	4.61	4.51	4.47	4.46
Interest paid on temporary notes											
Non-Federal bonds retired (A bonds)	4,167,000.00	3.34	7.90	2.21	4.07	4.19	4.46	4.61	4.92	5.13	5.29
PHA bonds retired (B bonds)	1,024,000.00	.82				.10	.25	.22	.32	.58	.54
Temporary notes retired											
Reserved for debt service	546,681.11	.44	.96	1.54	•.24	1.17	.91	1.12	.96	.86	.96
Subtotal: Debt service	15,924,307.81	12.76	14.48	14.58	13.65	15.15	15.08	15.19	15.26	15.40	15.44
Total expense	39,717,564.85	31.82	30.16	30.79	31.29	35.86	35.17	35.09	34.65	36.54	37.86
Deficit—current year operations	2,357,321.11	1.89	11.07	9.73	7.67	9.00	7.27	6.09	3.05	3.69	4.10
Special nonrecurring items:											
Bond refunding	27,429.26	.02	1.26	1.00	1.86	.61		.02	.01	(3)	
Earnings in excess of normal debt service [4]	•80,265.24	•.06								•.24	•.25
Operating improvements	679,151.44	.54			.63	.45	.65	.37	.20	.20	.59
Creation of working capital					.18						
Adjustments to previous years	•197,512.90	•.16		•.04	•.02	.19	.24	.21	•.11	•.07	•.21
Subtotal: Special nonrecurring items	428,802.56	.34	1.26	1.56	2.65	.65	.89	.60	.10	•.11	.13
Total deficit—current year	2,786,123.67	2.23	12.33	11.29	10.32	9.65	8.16	6.69	3.15	3.58	4.23
Annual contributions payable to projects having operating deficits	3,931,047.97	3.15	12.33	11.29	10.32	9.65	8.16	6.69	3.28	3.78	4.52
Less: Operating gain from projects not requiring annual contributions	1,144,924.30	.92							.13	.20	.29
Total deficit—current year	2,786,123.67	2.23	12.33	11.29	10.32	9.65	8.16	6.69	3.15	3.58	4.23
Maximum annual contributions payable under contracts	14,800,149.94	11.86	13.98	14.03	14.02	14.07	14.05	13.96	14.06	14.06	14.07
Percentage of maximum annual contributions paid to projects having operating deficits	26.6%	26.6%	88.2%	80.5%	73.6%	68.6%	58.1%	47.9%	23.3%	26.9%	32.1%

See footnotes at end of table.

TABLE 13.—*Income and expense statement of PHA permanently financed Public Law 412 projects by fiscal years ending in calendar years 1941–49*—Continued

Item	All projects with fiscal year ending in 1949—Continued		Average per unit per month for groups of projects by fiscal years—Continued							
			Group 2—Projects completing eighth fiscal year in 1949							
	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
Number of statutory projects	164									88
Number of developments	339									[3] 177
Number of dwelling units	103,802									45,285
Average development cost per unit	$4,482									$4,278
Number of units available for occupancy	103,748									45,263
Income (excluding PHA annual contribution):										
Dwelling rent schedule	$36,509,366.09	$29.25	$14.81	$17.98	$20.85	$22.76	$23.91	$25.08	$25.96	$26.47
Less: Dwelling vacancy loss	88,127.97	.07	.25	.15	.13	.09	.06	.04	.05	.06
Net dwelling rental income	36,421,238.12	29.18	14.56	17.83	20.72	22.67	23.85	25.04	25.91	26.41
All other income	939,005.62	.75	.19	.43	.21	.11	.32	.51	.58	.64
Total income (excluding PHA annual contribution)	37,360,243.74	29.93	14.75	18.26	20.93	22.78	24.17	25.55	26.49	27.05
Expense:										
Operating expense (excluding reserves):										
Management	4,592,745.89	3.68	2.06	2.32	2.37	2.41	2.57	2.74	2.96	3.31
Operating services	1,603,337.84	1.29	.45	.45	.46	.47	.57	.64	.68	.70
Dwelling utilities	8,403,234.17	6.73	3.70	4.20	4.54	4.63	4.83	5.17	5.64	5.77
Repairs, maintenance, and replacements	8,049,784.93	6.45	.92	1.71	2.21	3.02	3.70	5.09	5.25	5.82
Public services	114,509.65	.09	.03	.06	.14	.21	.16	.10	.09	.08
Insurance	378,338.18	.30	.27	.47	.44	.25	.22	.23	.26	.28
Collection losses	75,064.79	.06	.02	.03	.03	.03	.02	.03	.03	.05
All other expense	202,073.57	.16	(5)	(5)	(5)	.01	.13	.21	.24	.16
Subtotal: Operating expense (excluding reserves)	23,419,089.02	18.76	7.45	9.24	10.19	11.03	12.20	14.21	15.15	16.17

Reserve from income for:										
Operating reserve	95,791.21	.08								.24
Repairs, maintenance, and replacements	*811,985.49	*.65	2.86	2.19	1.05	1.23	.91	.31	*.68	*.54
Vacancy and collection losses	73,621.82	.06	.59	1.36	1.72	1.48	.46	.24	.11	.05
Annual contribution allowance	56,988.35	.04	.18	*.02	*.09	*.01	.14	*.03	.04	.06
Operating improvement—regular	148,208.79	.12								.30
Contingencies for postwar improvements										
All other reserves	47,998.81	.04					.01	.06	.04	(5)
Subtotal: Reserved	*389,376.51	*.31	3.63	3.53	3.58	2.70	1.52	.58	*.49	.11
Payments in lieu of taxes	763,544.53	.61	.67	.78	1.34	1.74	1.85	1.12	.84	.37
Debt service:										
Interest paid non-Federal bonds (A bonds)	2,800,989.07	2.24	.45	1.11	1.12	1.27	1.27	1.33	1.30	1.23
Interest paid PHA bonds (B bonds)	7,385,637.63	5.92	4.00	7.75	7.67	7.32	7.33	7.11	6.97	6.95
Interest paid on temporary notes										
Non-Federal bonds retired (A bonds)	4,167,000.00	3.34	6.15	1.81	1.93	2.11	2.17	2.39	2.44	2.55
PHA bonds retired (B bonds)	1,024,000.00	.82		.01	.19	.86	.98	.89	.95	.99
Temporary notes retired										
Reserved for debt service	546,681.11	.44	.97	1.18	.94	.23	.10	.20	.16	.12
Subtotal: Debt service	15,924,307.81	12.76	11.57	11.86	11.85	11.79	11.85	11.92	11.82	11.84
Total expense	39,717,564.85	31.82	23.32	25.41	26.96	27.26	27.42	27.83	27.32	28.49
Deficit—Current year operations	2,357,321.11	1.89	8.57	7.15	6.03	4.48	3.25	2.28	.83	1.44
Special nonrecurring items:										
Bond refunding	27,429.26	.02	.17	.06	(5)	.01	(5)	.02		
Earnings in excess of normal debt service [6]	*80,265.24	*.06							*.02	*.02
Operating improvements	679,151.44	.54		.07	.06	.19	.21	.22	.23	.71
Creation of working capital				.01	.01					
Adjustments to previous years	*197,512.90	*.16		.09	.05	.07	*.02	*.01	*.01	*.27
Subtotal: Special nonrecurring items	428,802.56	.34	.17	.23	.12	.27	.19	.23	.20	.42
Total deficit—current year	2,786,123.67	2.23	8.74	7.38	6.15	4.75	3.44	2.51	1.03	1.86
Annual contributions payable to projects having operating deficits	3,931,047.97	3.15	8.74	7.38	6.15	4.75	3.44	2.81	1.87	2.93
Less: Operating gain from projects not requiring annual contributions	1,144,924.30	.92						.30	.84	1.07
Total deficit—current year	2,786,123.67	2.23	8.74	7.38	6.15	4.75	3.44	2.51	1.03	1.86
Maximum annual contributions payable under contracts	14,800,149.94	11.86	11.07	11.12	11.09	11.07	11.11	11.08	11.08	11.10
Percentage of maximum annual contributions paid to projects having operating deficits	26.6%	26.6%	79.0%	66.4%	55.5%	42.9%	31.0%	25.4%	16.9%	26.4%

See footnotes at end of table.

TABLE 13.—*Income and expense statement of PHA permanently financed Public Law 412 projects by fiscal years ending in calendar years 1941–49*—Continued

Item	All projects with fiscal year ending in 1949—Continued		Average per unit per month for groups of projects by fiscal years—Con.						
			Group 3—Projects completing seventh fiscal year in 1949						
	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
Number of statutory projects	164	----------							29
Number of developments	339	----------							62
Number of dwelling units	103,802	----------							21,628
Average development cost per unit	$4,482	----------							$4,833
Number of units available for occupancy	103,748	----------							21,624
Income (excluding PHA annual contribution):									
Dwelling rent schedule	$36,509,366.09	$29.25	$21.79	$27.36	$28.75	$29.95	$31.35	$32.88	$33.76
Less: Dwelling vacancy loss	88,127.97	.07	.28	.17	.12	.08	.06	.07	.10
Net dwelling rental income	36,421,238.12	29.18	21.51	27.19	28.63	29.87	31.29	32.81	33.66
All other income	939,005.62	.75	.20	.38	.86	.37	.55	.64	.79
Total income (excluding PHA annual contribution)	37,360,243.74	29.93	21.71	27.57	29.49	30.24	31.84	33.45	34.45
Expense:									
Operating expense (excluding reserves):									
Management	4,592,745.89	3.68	2.76	2.95	3.08	3.29	3.44	3.77	3.87
Operating services	1,603,337.84	1.29	.84	.92	.93	1.09	1.34	1.44	1.44
Dwelling utilities	8,403,234.17	6.73	5.29	6.16	6.29	6.44	7.02	7.82	7.64
Repairs, maintenance and replacements	8,049,784.93	6.45	2.16	3.29	4.07	4.90	6.46	6.77	8.09
Public services	114,509.65	.09	.06	.23	.45	.27	.04	.05	.04
Insurance	378,338.18	.30	.47	.47	.30	.28	.30	.31	.34
Collection losses	75,064.79	.06	.04	.04	.06	.04	.03	.02	.09
All other expense	202,073.57	.16	.01	----------	.01	.09	.19	.22	.23
Subtotal: Operating expense (excluding reserves)	23,419,089.02	18.76	11.63	14.06	15.19	16.40	18.82	20.40	21.74

Reserved from income for:									
Operating reserve	95,791.21	.08							*.49
Repairs, maintenance and replacements	*811,985.49	*.65	2.58	2.58	2.42	1.43	*.72	*1.00	*1.15
Vacancy and collection losses	73,621.82	.06	1.78	2.07	2.05	.84	.15	.09	.04
Annual contribution allowance	56,988.35	.04	.23	(5)	*.06	.15	.01	.10	.01
Operating improvement—regular	148,208.79	.12							.01
Contingencies for postwar improvement					.62	.65			
All other reserves	47,998.81	.04				.18	.13	*.03	*.03
Subtotal: Reserved	*389,376.51	*.31	4.59	4.65	5.03	3.25	*.43	*.84	*1.61
Payments in lieu of taxes	763,544.53	.61	.99	1.68	2.16	2.23	1.94	.33	.96
Debt service:									
Interest paid non-Federal bonds (A Bonds)	2,800,989.07	2.24	1.32	2.54	2.46	2.47	2.39	2.30	2.23
Interest paid PHA bonds (B Bonds)	7,385,637.63	5.92	3.34	6.67	6.75	6.64	6.63	6.62	6.64
Interest paid on temporary notes									
Non-Federal bonds retired (A Bonds)	4,167,000.00	3.34	7.14	2.49	2.59	2.70	2.78	2.88	2.94
PHA bonds retired (B Bonds)	1,024,000.00	.82	(5)		.09	.48	.71	.75	.89
Temporary notes retired									
Reserved for debt service	546,681.11	.44	1.06	1.26	1.09	.66	.52	.42	.30
Subtotal: Debt service	15,924,307.81	12.76	12.86	12.96	12.98	12.95	13.03	12.97	13.00
Total expense	30,717,564.85	31.82	30.07	33.35	35.36	34.83	33.36	32.86	34.00
Deficit—current year operations	2,357,321.11	1.89	8.36	5.78	5.87	4.59	1.52	*.59	*.36
Special nonrecurring items:									
Bond refunding	27,420.26	.02				(5)			
Earnings in excess of normal debt service [6]	*80,265.24	*.06							
Operating improvements	679,151.44	.54	.17	.98	.94	.52	.13	.50	.41
Creation of working capital									
Adjustments to previous years	*197,512.90	*.16		.04	.19	*.59	.01	*.17	*.13
Subtotal: Special nonrecurring items	428,802.56	.34	.17	1.02	1.13	*.07	.14	.33	.28
Total deficit—current year	2,786,123.67	2.23	8.53	6.80	7.00	4.52	1.66	*.26	*.08
Annual contribution payable to projects having operating deficits	3,931,047.97	3.15	8.53	6.80	7.00	4.52	2.20	1.43	1.75
Less: Operating gain from projects not requiring annual contributions	1,144,924.30	.92					.54	1.69	1.83
Total deficit—current year	2,786,123.67	2.23	8.53	6.80	7.00	4.52	1.66	*.26	*.08
Maximum annual contributions payable under contracts	14,800,149.04	11.86	12.20	12.01	12.03	12.04	12.05	12.09	12.10
Percentage of maximum annual contributions paid to projects having operating deficits	26.6%	26.6%	69.9%	56.6%	58.2%	37.5%	18.3%	11.8%	14.5%

See footnotes at end of table.

TABLE 13.—*Income and expense statement of PHA permanently financed Public Law 412 projects by fiscal years ending in calendar years 1941–49*—Continued

Item	All projects with fiscal year ending in 1949—Continued		Average per unit per month for groups of projects by fiscal years—Continued										
			Group 4—Projects completing sixth fiscal year in 1949						Group 5—Projects completing fifth fiscal year in 1949				
	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	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
Number of statutory projects	164	--------						11					1
Number of developments	339	--------						[4] 42					1
Number of dwelling units	103,802	--------						12,386					90
Average development cost per unit	$4,482	--------						$3,902					$4,211
Number of units available for occupancy	103,748	--------						12,373					90
Income (excluding PHA annual contribution):													
Dwelling rent schedule	$36,509,366.09	$29.25	$18.76	$20.94	$21.34	$21.76	$23.71	$24.82	$17.82	$18.53	$17.42	$17.87	$20.82
Less: Dwelling vacancy loss	88,127.97	.07	.29	.23	.08	.03	.05	.03	.12	.02	.10	.09	.04
Net dwelling rental income	36,421,238.12	29.18	18.47	20.71	21.26	21.73	23.66	24.79	17.70	18.51	17.32	17.78	20.78
All other income	939,005.62	.75	.27	.20	.25	.27	.30	.39	.05	.27	*.17	.01	.01
Total income (excluding PHA annual contribution)	37,360,243.74	29.93	18.74	20.91	21.51	22.00	23.96	25.18	17.75	18.78	17.15	17.79	20.79
Expense:													
Operating expense (excluding reserves):													
Management	4,592,745.89	3.68	2.50	2.32	2.49	2.78	3.13	3.42	3.36	2.86	2.84	2.92	3.46
Operating services	1,603,337.84	1.29	.76	.78	.86	.95	.97	1.17	.22	.28	.29	.21	.27
Dwelling utilities	8,403,234.17	6.73	5.01	4.97	5.12	5.54	6.74	7.17	3.15	3.70	3.96	4.03	4.21
Repairs, maintenance and replacements	8,049,784.93	6.45	2.15	3.80	3.96	5.24	4.96	5.71	1.07	2.06	4.27	4.79	7.34
Public services	114,509.65	.09	.07	.14	.09	.11	.16	.15	.02	.04	.09	.13	--------
Insurance	378,338.18	.30	.33	.20	.14	.17	.19	.21	.40	.40	.42	.42	.59
Collection losses	75,064.79	.06	.02	.03	.01	.02	.03	.07	--------	.19	*.03	--------	.21
All other expense	202,073.57	.16	--------	.03	.06	.07	.05	.04	--------	.01	([5])	--------	--------
Subtotal: Operating expense (excluding reserves)	23,419,089.02	18.76	10.84	12.27	12.73	14.88	16.23	17.94	8.22	9.54	11.84	12.50	16.08
Reserved from income for:													
Operating reserve	95,791.21	.08	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
Repairs, maintenance and replacements	*811,985.49	*.65	1.94	.52	.96	*1.11	*1.00	*.04	3.14	2.44	.23	.19	*2.35
Vacancy and collection losses	73,621.82	.06	1.04	1.22	1.30	.80	.64	.18	1.73	1.63	1.39	.06	--------

Annual contribution allowance	56,988.35	.04	.19	*.02	*.16	(4)	.08	.06	.34	.41	.35	.67	*1.19
Operating improvement—regular	148,208.79	.12						.02					
Contingencies for postwar improvements													
All other reserves	47,998.81	.04				.02	.01						
Subtotal: Reserved	*389,376.51	*.31	3.17	1.72	2.10	*.29	*.27	*.38	5.21	4.48	1.97	.92	*3.54
Payments in lieu of taxes	763,544.53	.61	.85	1.23	1.45	.56	.45	.43	1.36	1.01	.80	.35	.47
Debt Service:													
Interest paid non-Federal bonds (A bonds)	2,800,989.07	2.24	1.52	2.98	3.20	2.73	2.85	2.53	.57	.44	.37	.32	.28
Interest paid PHA bonds (B bonds)	7,385,637.63	5.92	1.56	3.35	3.11	3.43	3.20	3.64	9.25	9.25	9.25	9.25	9.33
Interest paid on temporary notes			.54										
Non-Federal bonds retired (A bonds)	4,167,000.00	3.34	5.45	2.80	3.45	3.66	3.74	2.84	6.48	1.85	2.78	1.85	2.78
PHA bonds retired (B bonds)	1,024,000.00	.82		.45		.02	.03	.70					
Temporary notes retired			.50										
Reserved for debt service	546,681.11	.44	1.01	.82	.68	.58	.61	.75	*3.99	.85	*.01	.97	.23
Subtotal: Debt service	15,924,307.81	12.76	10.58	10.40	10.44	10.42	10.43	10.46	12.31	12.39	12.39	12.39	12.62
Total expense	39,717,564.85	31.82	25.44	25.62	26.72	25.57	26.84	28.45	27.10	27.42	27.00	26.16	25.63
Deficit—Current year operations	2,357,321.11	1.89	6.70	4.71	5.21	3.57	2.88	3.27	9.35	8.64	9.85	8.37	4.84
Special non-recurring items:													
Bond refunding	27,429.26	.02											
Earnings in excess of normal debt service [6]	*80,265.24	*.06											
Operating improvements	679,151.44	.54	.04	.35	1.00	.15	.14	.18					
Creation of working capital													
Adjustments to previous years	*197,512.90	*.16		*.06	.17	.09	*.04	.29		.11	*.04		.16
Subtotal: Special non-recurring items	428,802.56	.34	.04	.29	1.17	.24	.10	.47		.11	*.04		.16
Total deficit—current year	2,786,123.67	2.23	6.74	5.00	6.38	3.81	2.98	3.74	9.35	8.75	9.81	8.37	5.00
Annual contribution payable to projects having operating deficits	3,931,047.97	3.15	6.74	5.00	6.38	3.81	2.99	3.79	9.35	8.75	9.81	8.37	5.00
Less: Operating gain from projects not requiring annual contributions	1,144,924.30	.92					.01	.05					
Total deficit—current year	2,786,123.67	2.23	6.74	5.00	6.38	3.81	2.98	3.74	9.35	8.75	9.81	8.37	5.00
Maximum annual contributions payable under contracts	14,800,149.94	11.86	9.96	9.74	9.77	9.78	9.78	9.78	12.06	12.06	12.06	12.06	12.28
Percentage of maximum annual contributions paid to projects having operating deficits	26.6%	26.6%	67.7%	51.3%	65.3%	39.0%	30.6%	38.7%	77.5%	72.6%	81.3%	69.4%	40.7%

See footnotes at end of table.

TABLE 13.—*Income and expense statement of PHA permanently financed Public Law 412 projects by fiscal years ending in calendar years 1941–49*—Continued

Item	All projects with fiscal year ending in 1949—Continued		Average per unit per month for groups of projects by fiscal years—Continued				
			Group 6—Projects completing fourth fiscal year in 1949				Group 7—Projects completing first fiscal year in 1949
	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	First fiscal year ending 1949 [7]
Number of statutory projects	164					1	1
Number of developments	339					1	1
Number of dwelling units	103,802					66	1,190
Average development cost per unit	$4,482					$3,848	$7,197
Number of units available for occupancy	103,748					66	1,190
Income (excluding PHA annual contribution):							
Dwelling rent schedule	$36,509,366.09	$29.25	$24.76	$26.89	$24.40	$24.71	$32.49
Less: Dwelling vacancy loss	88,127.97	.07	.01	.03	.01	.06	.01
Net dwelling rental income	36,421,238.12	29.18	24.75	26.86	24.39	24.65	32.48
All other income	939,005.62	.75	.13	.14	.21	.14	.34
Total income (excluding PHA annual contribution)	37,360,243.74	29.93	24.88	27.00	24.60	24.79	32.82
Expense:							
Operating expense (excluding reserves):							
Management	4,592,745.89	3.68	2.86	3.46	3.66	3.91	4.53
Operating services	1,603,337.84	1.29	.50	.55	.63	.82	2.99
Dwelling utilities	8,403,234.17	6.73	6.47	5.84	5.65	6.13	7.22
Repairs, maintenance, and replacements	8,049,784.93	6.45	2.17	7.77	3.10	4.11	3.50
Public services	114,509.65	.09	.01				.01
Insurance	378,338.18	.30	.25	.17	.17	.17	.36
Collection losses	75,064.79	.06		.01		.03	
All other expense	202,073.57	.16		.01	.11	.01	.07
Subtotal: Operating expense (excluding reserves)	23,419,089.02	18.76	12.26	17.81	13.32	15.18	18.68
Reserved from income for:							
Operating reserve	95,791.21	.08				1.28	
Repairs, maintenance, and replacements	*811,985.49	*.65	1.97	*1.60	2.69		
Vacancy and collection losses	73,621.82	.06	2.47	2.65	1.15		

Annual contribution allowance	56,988.35	.04	.24	•.03	•.02		.19
Operating improvement—regular	148,208.79	.12					
Contingencies for postwar improvements						.11	
All other reserves	47,998.81	.04					
Subtotal: Reserved	•389,376.51	•.31	4.68	1.02	3.82	1.39	.19
Payments in lieu of taxes	763,544.53	.61	1.83				1.26
Debt service:							
Interest paid non-Federal bonds (A bonds)	2,800,989.07	2.24	.49	.50	.46	.41	.64
Interest paid PHA bonds (B bonds)	7,385,637.63	5.92	7.41	8.64	8.64	8.64	5.34
Interest paid on temporary notes							
Non-Federal bonds retired (A bonds)	4,167,000.00	3.34	5.41	1.26	2.52	2.53	7.00
PHA bonds retired (B bonds)	1,024,000.00	.82					
Temporary notes retired							
Reserved for debt service	546,681.11	.44	•3.22	1.29	.07	.11	1.56
Subtotal: Debt service	15,924,307.81	12.76	10.09	11.69	11.69	11.69	14.54
Total expense	39,717,564.85	31.82	28.86	30.52	28.83	28.26	34.67
Deficit—current year operations	2,357,321.11	1.89	3.98	3.52	4.23	3.47	1.85
Special nonrecurring items:							
Bond refunding	27,429.26	.02					1.54
Earnings in excess of normal debt service [6]	•80,265.24	•.06					
Operating improvements	679,151.44	.54					
Creation of working capital							
Adjustments to previous years	•197,512.90	•.16			.01		•.03
Subtotal: Special nonrecurring items	428,802.56	.34			.01		1.51
Total deficit—current year	2,786,123.67	2.23	3.98	3.52	4.24	3.47	3.36
Annual contribution payable to projects having operating deficits	3,931,047.97	3.15	3.98	3.52	[6]4.24	3.47	3.36
Less: Operating gain from projects not requring annual contributions	1,144,924.30	.92					
Total deficit—current year	2,786,123.67	2.23	3.98	3.52	4.24	3.47	3.36
Maximum annual contributions payable under contracts	14,800,149.94	11.86	11.22	11.22	11.22	[7]11.22	14.39
Percentage of maximum annual contributions paid to projects having operating deficits	26.6%	26.6%	35.5%	31.4%	37.8%	31.0%	23.3%

•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] Excludes Ohio-2-1 (618 units) included in data for this group prior to third fiscal year.

[3] Includes GA-6-3A (179 units) for which income and expense were charged to development accounts prior to fourth fiscal year.

[4] Includes 22 developments (4,850 units) in Puerto Rico for which latest development costs average $1,836 per dwelling unit; also includes PR-4-2 (324 units) for which income and expense were charged to development accounts for first fiscal year.

[5] Less than ½ cent.

[6] 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.

[7] Average per unit per month covers period of 15 months with respect to project in its first fiscal year.

TABLE 14.—*Subsistence homestead and Greenbelt towns program, balance sheet, as of June 30, 1949, and Dec. 31, 1949*

	As of June 30, 1949	As of Dec. 31, 1949
ASSETS		
Cash:		
On hand and in banks	$3,466	
With U. S. Treasury	1,124,588	$1,794,560
Total cash	1,128,054	1,794,560
Loans receivable:		
Subsistence homestead association mortgage notes	280,060	110,450
Industrial cooperative mortgage notes	599,406	599,406
Mortgage loan notes—other	142,708	89,555
Other loans	1,000	28,500
Allowance for losses	[1] 291,489	[1] 318,989
Total loans receivable	731,685	508,922
Accounts receivable:		
Tenants accounts:		
Tenants in possession	15,767	11,712
Vacated tenants	15,571	14,650
Allowance for bad debts	[1] 15,571	[1] 14,650
Furniture sales	2,358	2,069
Other		14,208
Total accounts receivable	18,125	27,989
Accrued assets:		
Interest on industrial cooperative mortgage notes	93,082	96,722
Interest on other mortgage loan notes	1,388	859
Interest on other loans	5	1,238
Allowance for losses	[1] 43,185	[1] 44,418
Total accrued assets	51,290	54,401
Commodities, supplies, and materials: Stores inventories	113,715	145,459
Land, structures, and equipment:		
Greenbelt towns	35,808,602	35,019,891
Subsistence homesteads	235,263	196,624
Allowance for depreciation—Greenbelt towns	[1] 6,422,581	[1] 6,621,945
Total land, structures, and equipment	29,621,284	28,594,570
Deferred and undistributed debits:		
Prepaid expense:		
Payments in lieu of taxes	48,943	2,007
Insurance—fixed premiums	48,174	37,352
Undistributed charges	89,329	113,514
Total deferred and undistributed debits	186,446	152,873
Total assets	31,850,599	31,278,774

See footnotes at end of table.

TABLE 14.—*Subsistence homestead and Greenbelt towns program, balance sheet, as of June 30, 1949, and Dec. 31, 1949*—Continued

	As of June 30, 1949	As of Dec. 31, 1949
LIABILITIES		
Accounts payable:		
Management	$252,551	$225,590
Disposition	17,737	13,784
Due war housing program		175,000
Other	18,017	17,999
Total accounts payable	288,305	432,373
Trust and deposit liabilities:		
Deposits on lease and purchase agreements	98,557	463,693
Deposits for maintenance and repair	8,464	7,480
Unclaimed refunds	2,315	
Miscellaneous	4,289	3,401
Total trust and deposit liabilities	113,625	474,574
Deferred and undistributed credits:		
Prepaid rents	7,764	1,633
Undistributed credits	2,780	907
Total deferred and undistributed credits	10,544	2,540
Total liabilities	412,474	909,487
INVESTMENT OF U. S. GOVERNMENT		
Noninterest bearing investment:		
Assets transferred from other Federal agencies	62,770,743	62,736,455
Reduction of investment by:		
Assests transferred to other Federal agencies for disposition	1,581,894	1,581,894
Assets transferred to other Federal agencies for use	6,150	6,150
Assets transferred to other programs	9,403	9,403
Deposits of general fund receipts	11,574,700	12,054,932
Deficit	18,160,471	18,714,789
Total deductions	31,332,618	32,367,168
Total noninterest bearing investment of U. S. Government	31,438,125	30,369,287
Total liabilities and investment of U. S. Government	31,850,599	31,278,774

[1] Indicates negative item.

NOTE.—Contingent liability for unused accrued annual leave at June 30, 1949, applicable to this program was $67,653.65; computed on a basis of 41,207 actual hours at an average annual salary rate of $3,415 or $1.6418 per hour.

TABLE 15.—*Subsistence homestead and Greenbelt towns program statement of income and expense for the fiscal year ended June 30, 1949*

MANAGEMENT OPERATIONS

Income:		
Rents:		
Greenbelt towns projects	$1,479,425	
Subsistence homestead projects	7,472	
Total rents		$1,486,897
Interest:		
Subsistence homestead obligations	17,721	
Industrial cooperative obligations	9,523	
Other mortgage and miscellaneous loans	7,659	
Furniture sales contracts	2,064	
Total interest		36,967
Other income		3,027
Total income		1,526,891
Expense:		
Direct operating expense:		
Greenbelt towns projects	$1,269,044	
Subsistence homestead projects	7,114	
Total direct operating expense		1,276,158
PHA administrative expense		66,000
Nonoperating expense		991
Depreciation		574,449
Losses and charge-offs:		
Collection losses:		
Uncollectible rents	$43,581	
Uncollectible loans and interest	710,340	
Total losses and charge-offs		753,921
Total expense		2,671,519
Net income (or loss [1]) before adjustment of valuation reserves		[1] 1,144,628
Adjustment of valuation reserves:		
Loans and interest receivable	[1] $676,687	
Provision for bad debts	[1] 50,426	
Total adjustment of valuation reserves		[1] 727,113
Net management income (or loss [1]) for the year		[1] 417,515

[1] Indicates negative item.

TABLE 15.—*Subsistence homestead and Greenbelt towns program statement of income and expense for the fiscal year ended June 30, 1949*—Continued

DISPOSITION

Proceeds from disposition		$343, 922
Cost of property:		
Sold	$819, 689	
Demolished and abandoned	341, 295	
Reused by Public Housing Administration	88, 701	
Total cost of property	1, 249, 685	
Expense:		
Direct disposition expense	33, 907	
PHA administration expense	98, 000	
Total expense	131, 907	
Total cost of property and expense		1, 381, 592
Net disposition income (or loss [1]) for the year		[1] 1, 037, 670
Total net income (or loss [1]) for the year		[1] 1, 455, 185

ANALYSIS OF SURPLUS (OR DEFICIT [1])

Deficit:		
Balance at beginning of fiscal year	[1] $16, 346, 500	
Adjustments to beginning balance	[1] 358, 786	
Adjusted balance		[1] 16, 705, 286
Net income (or loss [1]) for the year		[1] 1, 455, 185
Balance at end of fiscal year		[1] 18, 160, 471

[1] Indicates negative item.

TABLE 16.—*Subsistence homestead and Greenbelt towns program statement of sources and application of funds for the fiscal year ended June 30, 1949*

FUNDS PROVIDED		
By realization of assets:		
Repayments of principal of loans:		
Subsistence homestead association mortgage notes	$516, 958	
Industrial cooperative mortgage notes	59, 368	
Other mortgage notes	76, 114	
Other loans	17, 111	
Total repayments of principal of loans	669, 551	
Sales of property	343, 922	
Total realization of assets		$1, 013, 473
By income:		
Rents	$1, 486, 897	
Interest	36, 967	
Other	3, 027	
Total income		1, 526, 891
By decrease in working capital		2, 301, 546
Total funds provided		4, 841, 910
FUNDS APPLIED		
To expenses (excluding charges not requiring funds):		
Management:		
Direct operating expense	$1, 276, 158	
Administrative expense	66, 000	
Nonoperating expense	991	
Disposition:		
Direct disposition expense	33, 907	
Administrative expense	98, 000	
Total expense		1, 475, 056
To retirement of borrowings and capital:		
Deposits of general fund receipts		3, 366, 854
Total funds applied		4, 841, 910

TABLE 17.—*Public war housing program balance sheet, as of June 30, 1949, and Dec. 31, 1949*

	As of June 30, 1949	As of Dec. 31, 1949
ASSETS		
Cash:		
On hand and in banks	$424,425	$782
With U. S. Treasury	32,078,376	39,039,152
Total cash	32,502,801	39,039,934
Investments: Other stock	50	50
Loans receivable: Mortgage loan notes	8,686,016	11,186,970
Accounts receivable:		
Government agencies	152	152
Receivables from lessees and contractors:		
Rents receivable	4,626,503	4,196,933
Other receivables	123,925	359,576
Other	105,426	70,952
Tenants accounts:		
Tenants in possession	172,849	207,311
Vacated tenants	165,538	173,105
Allowance for bad debts	*165,538	*173,105
Unbilled	664,979	218,012
Miscellaneous	367,685	1,672,003
Total accounts receivable	6,061,519	6,724,939
Advances:		
Local housing authorities	2,976,447	2,495,116
Others	233,455	245,332
Total advances	3,209,902	2,740,448
Accrued assets: Interest on mortgages	20,430	26,625
Commodities, supplies, and materials: Stores inventories	77,071	86,520
Land, structures, and equipment: Development costs	1,149,236,713	1,106,159,908
Deferred and undistributed charges:		
Prepaid expense:		
Payments in lieu of taxes	3,734,941	1,461,064
Insurance—fixed premiums	179	15
Land rental	41,572	68,790
Undistributed charges	55,609	286,430
Total deferred and undistributed charges	3,832,301	1,816,299
Total assets	1,203,626,803	1,167,781,693
LIABILITIES		
Accounts payable:		
Management liabilities	9,781,089	5,600,222
Disposition liabilities	355,413	112,447
Local housing authorities: Deficits leased projects	484,678	99,896
Others	53,984	65,469
Total accounts payable	10,675,164	5,878,034
Trust and deposit liabilities:		
Trust deposits	195,506	157,424
Unclaimed refunds	77,891	428
Other	353,728	340,804
Total trust and deposit liabilities	627,125	498,656

See footnotes at end of table.

TABLE 17.—*Public war housing program balance sheet, as of June 30, 1949, and Dec. 31, 1949*—Continued

	As of June 30, 1949	As of Dec. 31, 1949
LIABILITIES—continued		
Deferred and undistributed credits:		
Prepaid rents	$416, 992	$318, 872
Undistributed credits	232, 999	410, 550
Total deferred and undistributed credits	649, 991	729, 422
Total liabilities	11, 952, 280	7, 106, 112
INVESTMENT OF U. S. GOVERNMENT		
Noninterest bearing investment:		
Appropriations for development	1, 590, 168, 582	1, 590, 168, 366
Assets transferred from other Government agencies and programs	114, 531, 119	114, 531, 119
Total investment	1, 704, 699, 701	1, 704, 699, 485
Reduction of investment by:		
Assets transferred to other Government agencies and programs	167, 136, 839	174, 783, 800
Deposits of general fund receipts	246, 183, 061	259, 368, 968
Deficit	99, 705, 278	109, 871, 136
Total deduction	513, 025, 178	544, 023, 904
Net noninterest bearing investment of U. S. Government	1, 191, 674, 523	1, 160, 675, 581
Total liabilities and investment of U. S. Government	1, 203, 626, 803	1, 167, 781, 693

*Indicates negative item.

NOTE

Contingent liability for unused accrued annual leave at June 30, 1949, was $1,956,935.30 computed on a basis of 1,191,945 actual hours at an average annual salary of $3,415 or $1.6418 per hour.

Contingent loss on "Offer to Purchase Real Property" accepted by PHA:

Total development cost of units covered by "Offer and Acceptance"	$2, 258, 997. 83
Total sales price per "Offer and Acceptance"	1, 372, 385. 45
Contingent loss	886, 612. 38

TABLE 18.—*Public war housing program statement of income and expense for the fiscal year ended June 30, 1949*

MANAGEMENT OPERATIONS

Income:		
Rents:		
Directly operated projects:		
Family dwellings	$43, 391, 265	
Dormitories	1, 306, 609	
Stopgap	932, 091	
Total directly operated projects		$45, 629, 965
Leased (net):		
Family dwellings	19, 737, 256	
Dormitories	[1] 96, 411	
Stopgap	[1] 137, 919	
Total leased projects		19, 502, 926
Contract managed projects		7, 583
Rented projects and project property		200, 652
Total rents		65, 341, 126
Interest on mortgage loan notes		361, 113
Other income		58, 011
Total income		65, 760, 250
Expense:		
Direct operating expense:		
Directly operated projects:		
Family dwellings	$30, 473, 313	
Dormitories	1, 741, 418	
Stopgap	963, 387	
Total directly operated projects		33, 178, 118
Contract managed projects		4, 528
Rented projects and project property		20, 214
Unallocated project costs		1, 382
Total direct operating expense		33, 204, 242
Excess property warehouse expense		10, 822
Nonoperating expense		148, 989
Administrative expense		2, 509, 000
Losses and charge-offs:		
Collection losses: Directly operated projects	$150, 568	
Casualty losses	384, 283	
Total losses and charge-offs		534, 851
Total expense		36, 407, 904

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TABLE 18.—*Public war housing program statement of income and expense for the fiscal year ended June 30, 1949*—Continued

MANAGEMENT OPERATIONS—Continued

Net income (or loss [1]) before adjustment of valuation reserves		$29, 352, 346
Adjustment in valuation reserves (increase or decrease [1]): Provision for bad debts		[1] 35, 544
Net income (or loss [1]) for the fiscal year		29, 387, 890

DISPOSITION

Proceeds from disposition		26, 625, 833
Cost of property:		
Reused for veterans' reuse housing program	$4, 939, 586	
Reused for public war housing program	980, 107	
Sold	48, 260, 911	
Demolished and abandoned	4, 844, 445	
Dedicated	3, 638, 478	
Total cost of property	62, 663, 527	
Expense:		
Direct expense	733, 110	
PHA administrative expense	3, 517, 000	
Total expense	4, 250, 110	
Total cost of property and expense		66, 913, 637
Net income (or loss [1]) for the fiscal year		[1] 40, 287, 804
Total net income (or loss [1]) for the fiscal year		[1] 10, 899, 914

ANALYSIS OF SURPLUS (OR DEFICIT [1])

Balance at beginning of fiscal year	[1] $93, 053, 094	
Adjustment to beginning balance	4, 247, 730	
Adjusted balance		[1] 88, 805, 364
Net income (or loss [1]) for the fiscal year		[1] 10, 899, 914
Balance at end of fiscal year		[1] 99, 705, 278

[1] Indicates negative item.

TABLE 19.—*Average income and expense per unit per month of entirely active projects in the public war housing program (Lanham constructed), by type of accommodation, fiscal year ended June 30, 1949*

	Family dwellings	Dormitories	Stopgap accommodations
Income:			
Dwelling rent schedule	$32.63	$24.57	$26.49
Dwelling vacancy loss	.56	1.71	.85
Dwelling income	32.07	22.86	25.64
Other income	2.25	1.52	1.95
Total operating income	34.32	24.38	27.59
Expense:			
Management	3.22	8.65	4.22
Operating services	.75	3.49	2.61
Dwelling and commercial utilities	6.59	3.30	5.13
Repairs, maintenance, and replacements	7.89	3.21	7.53
Public services	1.52	3.22	.68
Housekeeping services	(1)	6.32	
Other expense [2]	.57	(1)	1.71
Total operating expense before collection loss and payments in lieu of taxes	20.54	28.19	21.88
Collection losses	.08		.08
Payments in lieu of taxes	4.26	.05	1.75
Total operating expense	24.88	28.24	23.71
Net operating income	9.44	*3.86	3.88
Net nonoperating expense [3]	.29		.13
Total expense	25.17	28.24	23.84
Net income (or loss*)	9.15	*3.86	3.75

[1] Less than $0.005.
[2] Includes sales and services to tenants, insurance, rents, taxes, contributions to pension and insurance funds and miscellaneous.
[3] Includes operating improvements, property losses, etc.
*Indicates negative item.

TABLE 20.—*Public war housing program statement of sources and application of funds for the fiscal year ended June 30, 1949*

FUNDS PROVIDED

By realization of assets:		
Sales of property	$24, 394, 816	
Repayments of principal of mortgage loan notes	295, 432	
		$24, 690, 248
By income:		
Rents	65, 341, 126	
Interest	361, 113	
Other	58, 011	
		65, 760, 250
By decrease in working capital: Checking account		33, 908, 162
Total funds provided		124, 358, 660

FUNDS APPLIED

To acquisition of assets: Land, structures and equipment		4, 257, 237
To expense (excluding charges not requiring funds):		
Management:		
Direct operating expense	$33, 215, 064	
Administrative expense	2, 509, 000	
Direct nonoperating expense	148, 989	
Casualty losses—cost of replacement	69, 758	
Disposition:		
Direct disposition expense	733, 110	
Administrative expense	3, 517, 000	
		40, 192, 921
To retirement of borrowings and capital:		
Deposits of general fund receipts	77, 581, 432	
Allotment rescissions:		
Office of Administrator, HHFA	697, 672	
General Services Administration	27	
		78, 279, 131
To increase in working capital: Other		1, 629, 371
Total funds applied		124, 358, 660

TABLE 21.—*Veterans' reuse housing program, balance sheet, as of June 30, 1949, and Dec. 31, 1949*

	As of June 30, 1949	As of Dec. 31, 1949
ASSETS		
Cash:		
On hand and in banks	$2,815	
With U. S. Treasury	4,173,303	$12,328,770
Total cash	4,176,118	12,328,770
Accounts receivable:		
Due from Government agencies	8,525	
Due from local bodies	10,333,902	5,520,265
Tenants' accounts:		
Tenants in possession	3,007	2,349
Vacated tenants	383	936
Allowance for bad debts	[1] 383	[1] 936
Miscellaneous	121,381	135,272
Total accounts receivable	10,466,815	5,657,886
Advances:		
Due from contractors	202,197	114,200
Due from local bodies	2,417	3,789
Total advances	204,614	117,989
Land, structures and equipment: Development costs	16,406,321	17,076,045
Deferred and undistributed charges:		
Prepaid expense: Payment in lieu of taxes	22,250	78,749
Undistributed charges	25,875	100
Total deferred and undistributed charges	48,125	78,849
Total assets	31,301,993	35,259,539
LIABILITIES		
Accounts payable:		
Management	93,591	108,920
Administrative	16	
Disposition	306	10,253
Miscellaneous	31,450	34,311
Total accounts payable	125,363	153,484
Trust and deposit liabilities:		
Unclaimed refunds	18,326	
Miscellaneous	4,464	4,536
Total trust and deposit liabilities	22,790	4,536
Deferred and undistributed credits:		
Prepaid rents	5,121	2,846
Undistributed credits	24,330	161,789
Total deferred and undistributed credits	29,451	164,635
Total liabilities	177,604	322,655
INVESTMENT OF U. S. GOVERNMENT		
Noninterest bearing investment:		
Appropriation for development	445,751,035	445,751,035
Appropriation for trust fund	2,078	
Assets transferred from other Federal agencies	1,743,412	1,774,908
Assets transferred from other programs	6,099,328	6,099,328
Total investment	453,595,853	453,625,271
Reduction of investment by:		
Assets transferred to other Government agencies	35,936	35,936
Deposit of general fund receipts	17,767,184	17,895,309
Deficit	404,668,344	400,757,142
Total deductions	422,471,464	418,688,387
Net noninterest bearing investment	31,124,389	34,936,884
Total liabilities and investment of U. S. Government	31,301,993	35,259,539

[1] Indicates negative item.

NOTE.—Contingent liability for unused accrued annual leave at June 30, 1949, applicable to this program, was $4,293.31 computed on a basis of 2,615 actual hours at an average annual salary rate of $3,415 or $1.6418 per hour.

TABLE 22.—*Veterans' reuse housing program, statement of income and expense for the fiscal year ended June 30, 1949*

MANAGEMENT OPERATIONS		
Income:		
Rents:		
Directly operated projects	$723, 385	
Rented projects and project property	21	
Total rents		$723, 406
Other income		3, 718
Total income		727, 124
Expense:		
Direct operating expense—directly operated projects	$648, 005	
Losses and charge-offs: Collection losses	584	
Total expense		648, 589
Net income (or loss [1]) before adjustment of valuation reserve and administrative expense		78, 535
Adjustment of valuation reserve: Provision for bad debts		[1] 62
Net management income (or loss [1]) before administrative expense		78, 473
DISPOSITION		
Proceeds from disposition:		
Sale of property	$79, 531	
Net return from:		
Properties transferred to local bodies	9, 614, 082	
Transportation facilities	2, 217	
Total proceeds		9, 695, 830
Cost of property transferred to local bodies	$8, 814, 509	
Disposition expense	9, 813	
Total cost of property and expense		8, 824, 322
Net disposition income (or loss [1]) before administrative expense		871, 508
Total net income (or loss [1]) before administrative expense		949, 981
ADMINISTRATIVE		
Administrative expense		634, 000
Total net income (or loss [1]) for the fiscal year		315, 981

[1] Indicates negative item.

TABLE 22.—*Veterans' reuse housing program, statement of income and expense for the fiscal year ended June 30, 1949*—Continued

ANALYSIS OF SURPLUS (OR DEFICIT[1])

Deficit:	
Balance at beginning of fiscal year	[1] $400, 678, 439
Adjustment to beginning balance	[1] 4, 305, 886
Adjusted balance	[1] 404, 984, 325
Net income (or loss [1]) for the fiscal year	315, 981
Balance at end of fiscal year	[1] 404, 668, 344

[1] Indicates negative item.

TABLE 23.—*Veterans' reuse housing program statement of sources and application of funds for the fiscal year ended June 30, 1949*

FUNDS PROVIDED

By realization of assets:		
Sales of property	$79, 531	
Net return from properties transferred to local bodies	9, 616, 299	
Total realization of assets		$9, 695, 830
By income:		
Rents	$723, 406	
Other	3, 718	
Total income		727, 124
By appropriations: Allotments—trust funds		2, 078
By decrease in working capital		22, 236, 576
Total funds provided		32, 661, 608

FUNDS APPLIED

To acquisition of assets: Land, structures, and equipment		9, 336, 733
To expense (excluding charges not requiring funds):		
Direct operating expense	$648, 005	
Administrative expense	634, 000	
Direct disposition expense	9, 813	
Total expense		1, 291, 818
To retirement of borrowings and capital:		
Deposits of general fund receipts	$13, 033, 057	
Allotment rescissions	9, 000, 000	
Total retirement of borrowings and capital		22, 033, 057
Total funds applied		32, 661, 608

TABLE 24.—*Homes conversion program, balance sheet, as of June 30, 1949, and Dec. 31, 1949*

	As of June 30, 1949	As of Dec. 31, 1949
ASSETS		
Cash:		
On hand and in banks	$3,696	
With U. S. Treasury	1,546,617	$1,163,352
Total cash	1,550,313	1,163,352
Loans receivable: Notes receivable	45,619	39,487
Accounts receivable:		
Due from contract managers	286,000	267,008
Due from lessors	10,055	11,589
Tenants' accounts:		
Tenants in possession	44,112	49,501
Vacated tenants	103,018	97,697
Allowance for bad debts	[1] 103,018	[1] 97,697
Miscellaneous	76,237	38,122
Total accounts receivable	416,404	366,220
Advances:		
Lessees and contractors: Contract managers	1,999	1,044
Accrued interest: Accrued interest receivable	386	694
Land, structures, and equipment:		
Leaseholds and improvements:		
Direct conversion costs: Active leaseholds	6,330,845	3,176,138
Indirect conversion costs	804,297	474,274
Operating improvements	192,882	115,512
Equipment	36,599	17,063
Net land, structures, and equipment	7,364,623	3,782,987
Deferred and undistributed charges: Prepaid insurance	19,724	41,875
Total assets	9,399,068	5,395,659
LIABILITIES		
Accounts payable:		
Management	45,673	45,000
Development	31,568	20,987
Total accounts payable	77,241	65,987
Trust and deposit liabilities:		
Unclaimed refunds	13,759	1,352
Miscellaneous	87,023	6,637
Total trust and deposit liabilities	100,782	7,989
Deferred and undistributed credits:		
Prepaid rents	13,481	8,995
Undistributed credits	80	89
Total deferred and undistributed credits	13,561	9,084
Total liabilities	191,584	83,060
INVESTMENT OF U. S. GOVERNMENT		
Noninterest bearing investment:		
Appropriation for development	90,182,756	90,182,756
Assets transferred from other programs	193,965	193,965
Total investment	90,376,721	90,376,721
Reduction of investment by:		
Assets transferred to other Federal agencies for disposition	3,952	3,952
Assets transferred to other programs	32,458	32,458
Deposits of general fund receipts	26,992,785	28,285,862
Deficit	54,140,042	56,741,850
Total deductions	81,169,237	85,064,122
Net noninterest bearing investment	9,207,484	5,312,599
Total liabilities and investment of U. S. Government	9,399,068	5,395,659

[1] Indicates negative item.

TABLE 25.—*Homes conversion program statement of income and expense for the fiscal year ended June 30, 1949*

MANAGEMENT OPERATIONS

Income:		
Rents:		
Dwelling rent schedule	$12, 259, 888	
Dwelling vacancy loss	191, 238	
Dwelling rents		$12, 068, 650
Furniture rental		39, 397
Total rents		12, 108, 047
Interest		3, 100
Other income		10, 741
Total income		12, 121, 888
Expense:		
Contract managers' operating expense:		
Management fees	$810, 451	
Management services	3, 915, 161	
Repairs, maintenance, and replacements	1, 568, 156	
Total contract managers' expense	6, 293, 768	
Fixed operating expense:		
Insurance	62, 402	
Rental payments to lessors	1, 916, 614	
Payments to mortgagees	360, 700	
Taxes	1, 045, 182	
Total fixed operating expense	3, 384, 898	
Nonoperating expense	50	
Administrative expense	296, 000	
Amortization and depreciation:		
Leaseholds	8, 021, 424	
Operating improvements	157, 303	
Equipment	34, 713	
Furniture	2, 267	
Total amortization and depreciation	8, 215, 707	
Losses and charge-offs:		
Collection losses	11, 802	
Casualty losses:		
Losses and replacements	10, 536	
Insurance recoveries	[1] 10, 889	
Net casualty losses	[1] 353	
Total losses and charge-offs	11, 449	
Total expense		18, 201, 872

TABLE 25.—*Homes conversion program statement of income and expense for the fiscal year ended June 30, 1949*—Continued

MANAGEMENT OPERATIONS—Continued

Net operating income (or loss [1]) before adjustment of valuation reserve		[1] $6, 079, 984
Adjustment of valuation reserve: Provision for bad debts		12, 074
Net management income (or loss [1]) for the fiscal year		[1] 6, 092, 058

DISPOSITION

Proceeds from disposition		1, 574, 414
Value of property disposed of:		
Costs:		
Leaseholds	$15, 908, 752	
Operating improvements	195, 887	
Equipment	46, 574	
Furniture	30, 340	
Total costs	16, 181, 553	
Allowance for prior amortization	11, 979, 573	
Value of property disposed of	4, 201, 980	
Expense:		
Direct disposition expense	90, 457	
Administrative expense	239, 000	
Total expense	329, 457	
Total value of property and expense		4, 531, 437
Net disposition income (or loss [1]) for fiscal year		[1] 2, 957, 023
Total net income (or loss [1]) for the fiscal year		[1] 9, 049, 081

ANALYSIS OF SURPLUS (OR DEFICIT [1])

Deficit:	
Balance at beginning of fiscal year	[1] 44, 645, 325
Adjustments to beginning balance	[1] 445, 636
Adjusted balance	[1] 45, 090, 961
Net income (or loss [1]) for the fiscal year	[1] 9, 049, 081
Balance at end of fiscal year	[1] 54, 140, 042

[1] Indicates negative item.

TABLE 26.—*Homes conversion program, statement of sources and application of funds for the fiscal year ended June 30, 1949*

FUNDS PROVIDED		
By realization of assets:		
Repayments of principal of loans	$40, 537	
Lease cancellations	1, 507, 414	
Total realization of assets		$1, 547, 951
By income:		
Dwelling rents	$12, 068, 650	
Furniture rental and other income	53, 238	
Total income		12, 121, 888
By decrease in working capital		2, 557, 381
Total funds provided		16, 227, 220
FUNDS APPLIED		
To acquisition of assets:		
Leaseholds and improvements	$110, 333	
Equipment	70	
Furniture	76	
Total acquisition of assets		110, 479
To expense (excluding depreciation and other charges not requiring funds):		
Management operations:		
Contract manager's expense	$6, 293, 768	
Fixed operating expense	3, 384, 898	
Nonoperating expense	50	
Administrative expense	296, 000	
Net casualty losses—cost of replacements	[1] 353	
Disposition:		
Direct disposition expense	90, 457	
Administrative expense	239, 000	
Total expense		10, 303, 820
To retirement of borrowings and capital:		
Deposit of general fund receipts	$5, 774, 163	
Allotment rescissions	38, 758	
Total retirement of borrowings and capital		5, 812, 921
Total funds applied		16, 227, 220

[1] Indicates negative item.

TABLE 27.—*Analysis of PHA administrative expense for fiscal year 1949*

By objective classification:		
Personal services:		
Personal services	$7, 631, 386	
Leave liability	354, 748	
Total personal services		$7, 986, 134
Travel:		
Travel	$515, 508	
Loyalty board	7, 798	
Convention travel	521	
Total travel		523, 827
Transportation of things		117, 982
Communication services		176, 756
Rents and utility services		817, 887
Printing and binding		39, 575
Other contractual services:		
Reimbursements to GAO Corporate Audit Division	$111, 000	
Other contractual services	157, 799	
Total other contractual services		268, 799
Supplies and materials		68, 780
Equipment		77, 292
Tort claims		503
Total		10, 077, 535
By source of funds:		
Development funds:		
Public war housing program	$65, 000	
Veterans' reuse housing program	214, 000	
United States housing act program	226, 000	
Total development funds		505, 000
Management income funds:		
Public war housing program	$3, 022, 535	
Veterans' reuse housing program	1, 354, 000	
Subsistence homesteads and Greentown program	82, 000	
Homes conversion program	344, 000	
United States housing act program	2, 305, 000	
Total management income funds		7, 107, 535
Disposition funds:		
Public war housing program	$1, 996, 000	
Subsistence homesteads and Greentown program	71, 000	
Homes conversion program	398, 000	
Total disposition funds		2, 465, 000
Total from all sources		10, 077, 535

TABLE 28.—*Cumulative expenditures for project development, by program and State, other than United States Housing Act low-rent projects, as of June 30, 1949*

State	Subsistence homestead and Greenbelt towns	War housing	Veterans' reuse	Total program
Alabama	$2, 536, 100	$42, 471, 878	$5, 634, 704	$50, 642, 682
Arizona	123, 469	19, 193, 277	2, 703, 184	22, 019, 930
Arkansas		14, 507, 993	1, 381, 269	15, 889, 262
California		303, 152, 387	31, 754, 274	334, 906, 661
Colorado	121, 968	5, 817, 461	6, 319, 416	12, 258, 845
Connecticut		55, 569, 934	5, 071, 759	60, 641, 693
Delaware		6, 502, 956	426, 699	6, 929, 655
Florida		32, 256, 235	3, 474, 644	35, 730, 879
Georgia		36, 534, 139	4, 449, 326	40, 983, 465
Idaho		3, 786, 705	3, 535, 457	7, 322, 162
Illinois	556, 629	23, 995, 077	20, 829, 194	45, 380, 900
Indiana		40, 129, 908	12, 865, 456	52, 995, 364
Iowa		4, 976, 316	11, 484, 579	16, 460, 895
Kansas		38, 094, 104	3, 736, 623	41, 830, 727
Kentucky		5, 944, 999	5, 187, 914	11, 132, 913
Louisiana		10, 858, 692	7, 441, 027	18, 299, 719
Maine		17, 985, 098	1, 022, 314	19, 007, 412
Maryland	13, 448, 870	65, 514, 009	2, 201, 011	81, 163, 890
Massachusetts		14, 103, 406	16, 825, 595	30, 929, 001
Michigan	1, 348, 897	85, 450, 024	16, 215, 403	103, 014, 324
Minnesota		318, 073	8, 898, 585	9, 216, 658
Mississippi	231, 495	19, 278, 688	4, 222, 071	23, 732, 254
Missouri		9, 241, 525	9, 060, 679	18, 302, 204
Montana		1, 639, 167	4, 527, 050	6, 166, 217
Nebraska		10, 709, 026	2, 976, 467	13, 685, 493
Nevada		7, 292, 883	707, 269	8, 000, 152
New Hampshire		6, 625, 392	1, 801, 472	8, 426, 864
New Jersey	3, 182, 191	24, 133, 573	20, 609, 790	47, 925, 554
New Mexico		6, 994, 344	874, 159	7, 868, 503
New York	43, 020	43, 658, 343	64, 538, 964	108, 240, 327
North Carolina		27, 204, 065	6, 766, 210	33, 970, 275
North Dakota			2, 203, 641	2, 203, 641
Ohio	11, 971, 007	73, 756, 465	23, 990, 672	109, 718, 144
Oklahoma		8, 362, 030	6, 842, 330	15, 204, 360
Oregon		64, 089, 003	5, 459, 846	69, 548, 849
Pennsylvania	1, 863, 253	104, 460, 063	21, 220, 826	127, 544, 142
Rhode Island		3, 621, 447	703, 615	4, 325, 062
South Carolina	26, 893	21, 164, 893	3, 474, 183	24, 665, 969
South Dakota		2, 340, 543	1, 743, 509	4, 084, 052
Tennessee	2, 857, 080	7, 773, 134	6, 534, 572	17, 164, 786
Texas	75, 488	77, 174, 687	16, 688, 612	93, 938, 787
Utah		23, 973, 253	3, 265, 847	27, 239, 100
Vermont		1, 793, 562	911, 235	2, 704, 797
Virginia	1, 285, 169	109, 452, 882	5, 476, 336	116, 214, 387
Washington		169, 178, 365	5, 068, 315	174, 246, 680
West Virginia	4, 340, 233	7, 157, 259	2, 650, 997	14, 148, 489
Wisconsin	10, 964, 378	13, 434, 582	8, 485, 603	32, 884, 563
Wyoming		3, 199, 800	2, 726, 474	5, 926, 274
District of Columbia		18, 430, 612	3, 960, 586	22, 391, 198
Alaska		5, 254, 703	894, 091	6, 148, 794
Canal Zone		1, 675, 141		1, 675, 141
Hawaii		13, 402, 897	1, 092, 371	14, 495, 268
Puerto Rico		4, 257, 249	212, 541	4, 469, 790
Administrative expense		30, 185, 670	[1] 21, 893, 586	52, 079, 256
Trailers		42, 088, 537		42, 088, 537
Advances			202, 197	202, 197
Costs not chargeable to projects		3, 282, 961	10, 321, 084	13, 604, 045
Total	[2] 54, 976, 140	[3] 1, 793, 449, 415	443, 565, 633	2, 291, 991, 188

[1] Includes field supervision and inspection.
[2] All projects developed by Farmers' Home Administration and transferred to PHA.
[3] Includes costs of $114,531,119 for projects developed by other Government agencies and transferred to PHA. Also includes $90,088,340 Homes conversion program.

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