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Nineteenth Annual Report  
*of the*  
**FEDERAL HOUSING  
ADMINISTRATION**

GUY T. O. HOLLYDAY  
*Commissioner*



*For the year ending  
December 31, 1952*

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NINETEENTH ANNUAL REPORT  
OF THE  
FEDERAL HOUSING ADMINISTRATION

Year ending December 31, 1952

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This report is identical with Part III of the Sixth Annual Report of the Housing and Home Finance Agency, of which the Federal Housing Administration is a constituent agency

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## 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 Nineteenth Annual Report of the Federal Housing Administration. This report covers the calendar year 1952.

Respectfully.

GUY T. O. HOLLYDAY,  
*Commissioner.*

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## Functions of the Federal Housing Administration

Under authority provided in the National Housing Act of June 27, 1934, as amended, the Federal Housing Administration operates insurance programs designed to encourage improvement in housing standards and conditions and to guide the creation of a sound mortgage market. Some of these are long-term programs; others are temporary in nature, having been put into effect to meet special conditions existing at various times. The FHA makes no loans and does not plan or build housing.

As provided by the President's Reorganization Plan No. 3 of 1947, the FHA is a constituent unit of the Housing and Home Finance Agency.

### Title I

Section 2 of Title I of the Act authorizes the FHA to insure qualified lending institutions against loss on loans made to finance the alteration, repair, improvement, or conversion of existing structures, and the building of small new non-residential structures. Under present law, this insurance is applicable to loans made on or before June 30, 1955.

Section 8 of Title I, added to the Act in 1950, authorizes the insurance of mortgages on new single-family dwellings for families of low and moderate income, particularly in suburban and outlying areas. No expiration date has been established for this program.

### Title II

Section 203 of Title II authorizes the insurance of mortgages on new and existing 1- to 4-family dwellings. The principal activity of the FHA over its 18½ years of operation has been carried on under this section.

Section 207 of Title II authorizes the insurance of mortgages, including construction advances, on rental housing projects. Mortgages on projects of 12 or more units are insured.

Section 213, added to Title II in 1950, authorizes the insurance of mortgages on cooperative housing projects. Mortgages on projects of 12 or more units are insured. In a sales-type project (one built by a nonprofit corporation or trust organized for the purpose of building homes for members), the individual homes may be released from the blanket mortgage on the project and individual mortgages on these homes may be insured under Section 213. This section also authorizes the FHA to furnish technical advice and assistance in the organization of the cooperatives and in the planning, development, construction, and operation of their housing projects.

### Title VI

Sections 603 and 608 of Title VI were enacted in 1941 and 1942, respectively, to aid the production of war housing through mortgage insurance provisions somewhat more liberal than those under Sections 203 and 207. Section 603 provided for the insurance of mortgages on 1- to 4-family homes and Section 608 for mortgage insurance on rental projects. These sections became inactive after the war ended, but were revived in 1946 as part of the Veterans' Emergency Housing Program. The authority to issue commitments of mortgage insurance

on new construction under Section 603 expired April 30, 1948, and new-construction commitments under Section 608 were limited to those for which applications were received on or before March 1, 1950.

Section 609 of Title VI, added in 1947, authorizes the insurance of short-term loans to finance the manufacture of housing, and the insurance of lending institutions against loss on notes given in part payment by purchasers of manufactured housing financed with insured loans.

Section 610 of Title VI, added in 1947, authorizes the insurance under Sections 603 and 608 of mortgages on specified types of permanent housing sold by the Government.

Section 611 of Title VI, added in 1948, authorizes the insurance of mortgages, including construction advances, on projects of 25 or more new single-family dwellings. The purpose of this section is to encourage the application of site fabrication and other cost-reduction techniques to large-scale homebuilding operations. The individual dwellings may be released from the blanket project mortgage and individual mortgages on these dwellings may be insured under Section 611.

#### Title VII

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

Title VIII, added in 1949, authorizes the insurance of mortgages on rental housing built on or near military reservations for the use of civilian or military personnel of the Army, Navy, or Air Force, on certification by the Secretary of Defense, and rental housing for employees of Atomic Energy installations on certification by the Atomic Energy Commission. Commitments to insure mortgages on new construction under this title are limited to those issued on or before July 1, 1953.

#### Title IX

This title, added to the Act in September 1951, provides for the insurance of mortgages on housing programed for critical defense areas by the Administrator of the Housing and Home Finance Agency. Preference of opportunity to rent or purchase must be given to eligible defense workers. Section 903 of Title IX authorizes the insurance of mortgages on 1- and 2-family dwellings. Under Section 908, mortgages on rental projects of 12 or more units are insured. No commitment of mortgage insurance on new construction may be made under Title IX after June 30, 1953.

## Section 1

### GENERAL REVIEW

In 1934 the Federal Housing Administration was an experimental venture having as its purpose the encouragement of improvement in housing standards, conditions, and financing methods. The new agency undertook to provide this encouragement to private enterprise with the least possible Government intervention and the least possible cost to the Government, through a program of insurance covering property improvement loans and mortgage loans on homes and rental projects, made by private lending institutions. Underlying the provisions of the National Housing Act, which established the FHA, was the basic idea of a sound transaction—one in which the ability and willingness of the borrower to repay his loan in accordance with the contract terms was recognized as the most important element, and one in which such repayment could be looked forward to with reasonable confidence.

Today, the FHA holds a prominent place in the pattern of real estate finance throughout the United States and has contributed directly or indirectly to many of the improvements that have taken place in the last two decades in the housing of the American people.

The extent of its influence is indicated by the volume of its operations. Insurance written by the FHA from 1934 through 1952 under all its programs totaled more than \$29 billion. Mortgages were insured in this period on over 3 million homes and on rental and cooperative housing projects with 609 thousand dwelling units. The greater number of both home and project mortgages involved new housing. In addition, over 14 million loans financing repairs and improvements to properties located in every county of the United States and manufactured-housing loans covering 1,750 units were insured.

Of the aggregate insurance written, \$15.9 billion was estimated to be outstanding as of December 31, 1952. As of the same date, losses on the total amount of mortgage insurance written amounted to  $\frac{2}{100}$  of 1 percent.

Since July 1, 1940, this agency has been entirely self-supporting. Its income is derived chiefly from fees and premiums on insurance contracts.

The long-term, high-percentage amortized mortgage insured by the FHA has been instrumental in broadening the base of home

ownership and making it a safer investment for the average family. The risk rating system of the FHA has been an important safety factor. The FHA program has unquestionably been an influence in the great increase in home ownership that occurred in the 1940's. By 1950, for the first time in our history, more than half of all families in the United States owned the homes they occupied.

From the beginning, FHA operations have been directed to the lower-price market. In the years of rising costs following the war, special effort has been made to encourage the production of housing, both for sale and for rent, within the means of families in this section of the market. Efforts by the FHA have also been instrumental in effecting a more favorable attitude on the part of builders and lenders towards increasing the volume of housing available to racial minorities.

By providing a standardized mortgage instrument, the FHA has made possible the purchase and sale of insured mortgages on a national scale. It has also contributed materially to improvement in housing standards and in methods of locating, planning, and developing subdivisions. Moreover, FHA analysis of local housing markets has helped to avert overbuilding in specific areas and price ranges.

Adequate housing for workers is a vital factor in defense and national production. This has been recognized by Congress in amendments made to the National Housing Act from time to time to meet specific situations. Title VI was added in 1941 to encourage the production of housing needed for defense workers, and became active again as a means of meeting the postwar crisis in veterans' housing. Title VIII was enacted in 1949 to help to provide housing for personnel at military installations. Title IX, approved September 1, 1951, offers mortgage insurance on programmed housing for workers in critical defense areas.

At the beginning of 1952, the FHA determined its major objective for the year to be increased production of housing in the most critical areas of the market: that is, military housing, defense housing, low-cost housing, and housing available to racial minorities. This objective continued to receive major stress by the FHA throughout the year. No new programs were inaugurated.

Developments in the national economy as 1952 progressed resulted in a larger volume of new housing than had been thought feasible when the year began. New privately financed nonfarm units started during the year totaled 1,068,500, a 4 percent increase over the number started in 1951. Applications for FHA insurance were received at a considerably higher rate than in the preceding year, and there was also an increase in the number of new units started under the FHA program, although the total amount of insurance written in 1952 was 3 percent under the 1951 amount.

## FEDERAL HOUSING ADMINISTRATION

## New Legislation

No major amendments were made to the National Housing Act in 1952. The Housing Act of 1952 (Public Law 531, 82d Congress, approved July 14, 1952) effected some minor changes which included the following:

1. Section 217 was amended by increasing the mortgage insurance authorization by \$400 million earmarked for mortgage insurance pursuant to commitments issued after June 30, 1952 on programmed housing in critical defense areas, military housing under Title VIII, and disaster housing.<sup>1</sup> Section 217 as amended also provides that available authorizations under the various titles of the Act may be transferred from one program to another.

2. Section 610 was amended to make eligible for insurance under Section 608 mortgages financing purchases from a State or municipality of certain housing constructed by the State or municipality. Such mortgages may not exceed 85 percent of appraised value of the property or \$8,100 per family unit.

3. Mortgages on properties located in Guam may be insured on the same terms and conditions as properties located in Alaska.

## Interest Rate

There was considerable discussion in 1952 of the effectiveness of FHA interest rates. Many lenders were of the opinion that the maximum rate of interest on insured home mortgages, which the administrative rules of the FHA had set at 4¼ percent, should be increased. This would be possible under the present provisions of the Act.

The Commissioner believed, however, that the weight of evidence favored retention during the year of the current maximum rate, which appeared to be effective in most parts of the country. Factors influencing this point of view included the prices bid for FHA mort-

<sup>1</sup> Section 217 as enacted by Public Law 139, 82d Congress, approved September 1, 1951, authorized the President to prescribe the amount of insurance authorization under the various titles and sections of the Act (except Section 2) and provided that the aggregate dollar amount of authorization prescribed by the President for Title IX plus any increases prescribed for authorization under other titles should not exceed \$1.5 billion. Pursuant to this authority a number of changes were prescribed in 1952, bringing the aggregate authorizations for the titles listed below to the amounts indicated:

Title II: Aggregate principal amount of insured mortgages outstanding at any one time, \$11.5 billion;

Title VI, Sections 609, 610, and 611: Aggregate principal insured, \$150 million;

Title VII: Aggregate amount of contingent liabilities outstanding at any one time under insurance contracts and commitments, \$100 million.

Title IX: Aggregate principal insured, \$900 million.

gages as reported by field offices throughout the country; an upward trend during most of the year in the volume of mortgage insurance applications received, dwelling units started, and mortgages insured; and the fact that the volume of funds being invested in new insured mortgages on existing homes was 9 percent higher in 1952 than in the highest previous year.

No change was made, therefore, in 1952 in the maximum allowable interest rate. As the year ended, the FHA was continuing to study the subject closely.<sup>1</sup>

On January 5, 1953, the administrative rules under Section 8 of Title I were amended to permit mortgagees to require payment of an annual service charge not to exceed one-half of 1 percent on monthly declining balances of principal on mortgages insured under this section.

#### Credit Controls Relaxed

Effective June 11, 1952, the Federal Reserve Board with the concurrence of the Housing and Home Finance Administrator relaxed the credit controls on residential real estate under Regulation X by increasing the maximum permissible loan-value ratios. Simultaneously, FHA administrative rules were amended to accord with these changes.

On September 16, 1952, at the same time that announcement was made by the Federal Reserve Board of the suspension of Regulation X on conventional residential credit, the FHA withdrew its credit control limitations on maximum mortgage ratios, thereby restoring the limitations that had been in effect before the imposition of FHA credit controls on July 19, 1950.

The \$14,000 limitation on mortgages covering single-family dwellings was retained until January 16, 1953. On April 21, 1953, all remaining temporary credit control limitations were removed.

#### Programed Housing

The designation of critical defense housing areas by the President and the programing by the Housing and Home Finance Administrator of new housing for sale or rent in those areas, as provided in the Defense Housing and Community Facilities and Services Act of 1951, continued through 1952; but with the relaxation, effective September 16, 1952, of controls on residential real estate credit the legal basis for the CR-3 requirements was removed. This brought about a change in the procedure for allocating defense housing units to be

<sup>1</sup> On May 2, 1953, the maximum interest rate under Sections 8, 203, 603-610, and 903 was increased to 4½ percent, and that under Sections 207 and 608-610 was increased to 4¼ percent.

constructed. After September 16, the distribution among builder-applicants of units under defense housing programs was obtained by having the defense housing units applied for through the submission of applications for mortgage insurance under Title IX, accompanied by the appropriate examination or application fees and a supplemental agreement concerning eligibility requirements. This agreement stated that the property to be covered by the mortgage was located in a critical defense housing area; that it was included within the number of permanent dwelling units programed by the HHFA as defense housing needed for eligible defense workers or military personnel employed by or stationed at the defense activities designated in the defense housing program; and that the established rent and sales prices stipulated in the program were complied with.

#### High-Cost Areas

On October 29, 1952, the Commissioner notified approved mortgagees that the FHA would give consideration to increasing maximum insurable mortgage amounts in critical defense housing areas where it was found that high construction costs were apparently retarding the defense housing programs approved for such areas.

Increased mortgage amounts, when authorized, apply to Section 203 (b) (2) (D) of Title II and Section 8 of Title I in addition to Sections 903 and 908 of Title IX.

Determinations of high-cost defense housing areas are made by the Commissioner on the basis of construction costs, and are limited to areas where it is clearly determined that such action is necessary in order to encourage the construction of additional housing for immigrant defense workers. The increased amounts are applicable to nonprogramed as well as programed new construction within the areas.

#### Controlled Materials Plan

FHA activity under the Controlled Materials Plan, which began in August 1951 by delegation of authority from the Housing and Home Finance Administrator and concerned the processing of applications for allotment of controlled materials to be used in the construction of multi-unit residential structures, was transferred from the field offices to Washington headquarters on October 1, 1952, where it was carried on through December 31, 1952. At the end of the year, all FHA activity was discontinued because of the self-authorization procedure that became effective on January 1, 1953. Revised CMP Regulation No. 6, Direction 8, as amended December 10, 1952, extended the self-authorization procedure provided for in Article IV of Revised CMP Regulation No. 6 for small construction projects to include construction of multi-unit residential structures.

### Disaster Housing

Section 8, Title I of the National Housing Act makes special provision for the insurance of mortgages in amounts up to \$7,000 (or up to \$8,000 in high-cost areas) to finance the replacement of properties damaged or destroyed by major disasters. In addition to the assistance extended to disaster victims throughout 1952 under the provisions of Section 8 in areas declared by the President to be areas of major disaster, the FHA administered a program of 250 units for rent or for sale without regard to credit controls, which the HHFA Administrator programed in June 1952 for the Missouri and Red River flood areas, declared disaster areas by the President under Public Law 875 of the 81st Congress. Fifty units each were allocated for disaster victims in the North Dakota-Minnesota Red River Valley, South Dakota, Nebraska, Iowa, and Western Missouri. Applications under this program must be filed on or before August 1, 1953.

### Regional Meetings

A series of regional meetings was held in May and June in New York, Salt Lake City, Atlanta, Chicago, and Houston, for discussions of over-all operations with particular emphasis on slum clearance and urban redevelopment, military housing, defense housing, and the housing of minority groups. These meetings were attended by FHA regional directors and insuring office personnel including directors, chief underwriters, and heads of technical sections, and also by regional representatives and division directors of the HHFA. The topics covered included discussion of the assistance available to local public agencies through the FHA in programs of slum clearance and urban redevelopment. This assistance is possible in such problems as those of land marketability, determination of re-use value, and the provision of housing to meet the needs of families displaced by slum clearance operations.

### Minority Groups

One of the basic responsibilities of the Federal Housing Administration, the encouragement of improvement in housing standards and conditions, cannot be carried out successfully unless the improvement extends to the housing of all racial groups. For this reason, the FHA continually emphasizes to the building industry the importance of making better housing available to racial minorities.

In general, FHA efforts on behalf of minorities have taken the form of studying the nature and extent of the housing market to be found among members of such groups, pointing out to lenders and builders the advantageous features of the market, and adjusting its

own procedures where necessary to allow full scope for the industry in providing needed housing under the FHA program.

Steps taken in this direction by the FHA in recent years include the appointment in 1947 of five racial relations officers working with FHA field offices in various sections of the country under the direction of the regional directors in Washington; the establishment in 1950 of the position of minority-group housing adviser in the office of the FHA Commissioner; amendments to the administrative rules in 1949 to bring FHA policies into full accord with those underlying Supreme Court decisions on racial covenants; amendments in 1949 and 1951 to the Underwriting Manual, emphasizing the right of equal opportunity for all races to receive the benefits of the mortgage insurance system; and instructions to field offices in 1951 to obtain full subscription of the number of units programed to meet the needs of minority-group workers in critical defense areas.

Measures made effective in 1952 included the following:

1. In January a joint policy statement was issued by the constituent agencies of the HHFA in which the FHA gave assurance of encouragement and assistance to private builders developing vacant land areas for housing available to minority groups displaced because of slum clearance operations.

2. In August field directors were instructed that, in considering applications for exception from real estate credit restrictions, preference should be given, among applications equally acceptable, to those proposing the construction of developments that would be open to occupancy by minority groups.

3. In September the number of racial relations officers in the field was doubled.

4. In September also, instructions were given to FHA market analysts for making general field studies of the housing market among minority groups. The program contemplates conducting, within about two years, a series of studies of this market in every Standard Metropolitan Area having a population of 250,000 or over that includes a significant minority-group population and is served by a market analyst. Market studies for a number of these areas had already been made in the regular course of FHA operations. Although the reports are confidential administrative reports, special arrangements are being made for release of pertinent factual materials to non-FHA groups or individuals having an interest in this field.

5. In October, in order that a larger proportion of new houses would be made available to members of minority groups during 1953, insuring office quotas were established for such housing, and meetings with builders, mortgagees, and others to attain these quotas were to be held during the year.

## HOUSING AND HOME FINANCE AGENCY

6. A statistical reporting service has been put into effect in field offices for the purpose of measuring progress in housing minority groups under the FHA program.

## Aggregate Volume of Insurance

Insurance written by the FHA under all its programs from 1934 to the end of 1952 totaled well over \$29 billion, covering 14.3 million property improvement loans and mortgages on 3.9 million dwelling units. The largest share of the total insurance written, \$18.6 billion, represented mortgages on homes. Property improvement loans accounted for another \$6.1 billion of the total, and rental and cooperative project mortgages for \$4.4 billion. The volume of insurance by years for each of these groups is shown in Table 1. Chart 1 presents the same information for selected years.

TABLE 1.—Mortgages and loans insured by FHA, 1934-52

(Dollar amounts in thousands)

| Year              | Total, all programs <sup>1</sup> | Home mortgage programs <sup>2</sup> |                   | Project mortgage programs <sup>3</sup> |                  | Property improvement loans <sup>4</sup> |                  | Manufactured housing loans <sup>4</sup> |              |
|-------------------|----------------------------------|-------------------------------------|-------------------|--|------------------|---|------------------|---|--------------|
|                   | Amount                           | Number                              | Amount            | Units                                  | Amount           | Number                                  | Net proceeds     | Units                                   | Amount       |
| 1934.....         | \$27,406                         |                                     |                   |  |                  | 78,658                                  | \$27,400         |   |              |
| 1935.....         | 297,495                          | 23,397                              | \$93,882          | 738                                    | \$2,355          | 635,747                                 | 201,258          |   |              |
| 1936.....         | 532,581                          | 77,231                              | 308,945           | 924                                    | 2,101            | 617,697                                 | 221,535          |   |              |
| 1937.....         | 489,200                          | 102,076                             | 424,373           | 3,023                                  | 10,483           | 124,768                                 | 54,344           |   |              |
| 1938.....         | 671,503                          | 115,124                             | 485,812           | 11,930                                 | 47,638           | 376,480                                 | 138,143          |   |              |
| 1939.....         | 925,262                          | 164,530                             | 694,704           | 13,462                                 | 51,851           | 502,308                                 | 178,647          |   |              |
| 1940.....         | 991,174                          | 177,400                             | 762,084           | 3,550                                  | 12,949           | 653,841                                 | 216,142          |   |              |
| 1941.....         | 1,152,342                        | 210,310                             | 910,770           | 3,741                                  | 13,565           | 680,104                                 | 228,007          |   |              |
| 1942.....         | 1,120,839                        | 223,562                             | 973,271           | 5,842                                  | 21,215           | 427,534                                 | 126,354          |   |              |
| 1943.....         | 933,936                          | 166,402                             | 763,097           | 20,179                                 | 84,622           | 307,826                                 | 86,287           |   |              |
| 1944.....         | 877,472                          | 146,974                             | 707,303           | 12,430                                 | 50,066           | 380,615                                 | 114,013          |   |              |
| 1945.....         | 664,985                          | 96,776                              | 474,245           | 4,053                                  | 19,817           | 501,441                                 | 170,923          |   |              |
| 1946.....         | 755,778                          | 80,872                              | 421,940           | 2,232                                  | 13,176           | 709,304                                 | 320,654          |   |              |
| 1947.....         | 1,788,264                        | 141,364                             | 894,675           | 46,604                                 | 359,914          | 1,247,613                               | 533,045          |   |              |
| 1948.....         | 3,340,865                        | 300,034                             | 2,116,045         | 70,184                                 | 608,711          | 1,357,380                               | 614,239          | 524                                     | \$1,872      |
| 1949.....         | 3,825,253                        | 305,705                             | 2,209,842         | 133,135                                | 1,021,231        | 1,246,264                               | 593,744          | 626                                     | 1,466        |
| 1950.....         | 4,343,378                        | 342,532                             | 2,492,367         | 154,597                                | 1,156,681        | 1,447,101                               | 693,761          | 324                                     | 569          |
| 1951.....         | 3,219,836                        | 252,642                             | 1,928,433         | 74,207                                 | 583,774          | 1,437,704                               | 707,070          | 195                                     | 560          |
| 1952.....         | 3,112,782                        | 234,426                             | 1,942,307         | 39,830                                 | 321,911          | 1,495,741                               | 848,327          | 85                                      | 237          |
| <b>Total.....</b> | <b>29,071,523</b>                | <b>3,161,407</b>                    | <b>18,604,222</b> | <b>609,384</b>                         | <b>4,388,110</b> | <b>14,321,172</b>                       | <b>6,074,478</b> | <b>1,754</b>                            | <b>4,703</b> |

<sup>1</sup> Throughout this report, component parts may not add to the indicated totals because of negative adjustments or rounding of numbers.

<sup>2</sup> Include the following sections listed in order of enactment date: Sec. 203, June 27, 1934; Sec. 2 (Class 3), Feb. 3, 1938; Sec. 603, Mar. 28, 1941; Sec. 603-610, Aug. 5, 1947; Sec. 8, Apr. 20, 1950; Sec. 213 (individual home mortgage provisions), Apr. 20, 1950; Sec. 611 (individual home mortgage provisions), Apr. 20, 1950; Sec. 903, Sept. 1, 1951.

<sup>3</sup> Include the following sections listed in order of enactment date: Sec. 207, June 27, 1934; Sec. 210, Feb. 3, 1938 (repealed June 3, 1939); Sec. 608, May 26, 1942; Sec. 608-610, Aug. 5, 1947; Sec. 611 (project mortgage provisions), Aug. 10, 1948; Sec. 803, Aug. 8, 1949; Sec. 213 (project mortgage provisions) Apr. 20, 1950; Sec. 908, Sept. 1, 1951.

<sup>4</sup> Sec. 2 (Classes 1 and 2), enacted June 27, 1934.

<sup>5</sup> Sec. 609, enacted June 30, 1947.

The total volume written in 1952 was \$3.1 billion, compared with \$3.2 billion in 1951. The volume of project mortgage insurance, which was greatest in 1950, declined in 1951 and again in 1952. The dollar volume of home mortgage insurance increased by about \$14 million

## FEDERAL HOUSING ADMINISTRATION

in 1952, after declining in 1951. The number of home mortgages insured in 1952 was 18 thousand less than in 1951 and over 100 thousand less than in 1950. The annual volume (net proceeds) of property improvement loan insurance has increased each year since 1949.

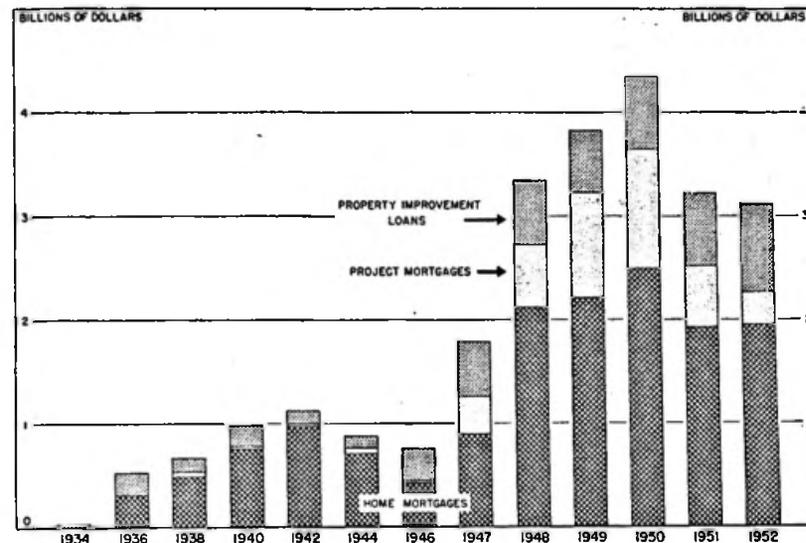
 VOLUME OF FHA INSURANCE WRITTEN  
 SELECTED YEARS 1934 - 1952


CHART 1.

Table 2 shows the volume of insurance written under the various titles and sections of the National Housing Act in 1952 and 1951, and in the 18½-year period 1934-52. Home mortgage insurance under Section 203 of Title II represents the major activity of the FHA in each of these periods, with property improvement loan insurance providing the next largest volume of insurance.

Detailed statistics of FHA home mortgage, project mortgage, and property improvement loan insurance operations appear in Section 2 of this report.

Table 3 shows as of December 31, 1952 the status of the \$29.1 billion of FHA insurance written through that date. Insurance had been terminated on \$10.8 billion of the total amount, leaving still in force loans and mortgages with original principal amounts aggregating \$18.3 billion. The amount in force had been reduced through amortization to about \$15.9 billion, which was outstanding at the year end.

Table 4 and Chart 2 show the number of new units started each year from 1935 onward under FHA inspection, and the relationship of this number to the total number of privately financed nonfarm

units started in the same years as reported by the Bureau of Labor Statistics. For the 18-year period FHA units represent 30.7 percent of the total. In 1952 the proportion of FHA units was 26.2 percent, a slight increase over the 1951 proportion of 25.8 percent.

As of December 31, 1952, the FHA had acquired through foreclosure or the assignment of mortgage notes 34,206 units of housing, representing 9/10 of 1 percent of the 3,944,460 units covered by mortgage insurance since the beginning of operations. Of the acquired units, 21,615 had been sold and 12,591 remained on hand at the end of 1952.

Losses realized on the total amount of mortgage insurance written from 1934 through 1952 amounted to 2/100 of 1 percent.

TABLE 2.—FHA insurance written by title and section, 1951, 1952, and 1934-52  
[Dollar amounts in thousands]

|  | 1952      |           |         | 1951      |           |         | 1934-52    |             |           |
|--|-----------|-----------|---------|-----------|-----------|---------|------------|-------------|-----------|
|  | Number    | Amount    | Units   | Number    | Amount    | Units   | Number     | Amount      | Units     |
| <b>Title I.</b>                        | 1,601,556 | \$878,435 | NA      | 1,443,916 | \$735,799 | NA      | 14,376,490 | \$6,320,997 | NA        |
| Section 2 property improvement loans   | 1,495,741 | 846,327   | NA      | 1,437,737 | 706,963   | NA      | 14,321,172 | 6,074,478   | NA        |
| Section 2 home mortgages               | 5,815     | 30,108    | 5,815   | 6,179     | 28,836    | 6,179   | 40,115     | 126,511     | 46,115    |
| Section 8 home mortgages               | 216,109   | 1,936,370 | 241,420 | 245,868   | 2,002,184 | 266,605 | 2,463,198  | 16,076,278  | 2,640,166 |
| <b>Title II.</b>                       | 212,748   | 1,772,472 | 222,308 | 245,454   | 1,883,598 | 233,407 | 2,450,014  | 14,814,753  | 2,561,729 |
| Section 203 home mortgages             | 67        | 41,843    | 6,043   | 66        | 33,201    | 4,890   | 1,538      | 1,261,354   | 1,56,835  |
| Section 207 project mortgages          | 3,294     | 122,055   | 13,009  | 348       | 75,385    | 8,308   | 3,648      | 200,131     | 21,602    |
| Section 213 cooperative housing        | (59)      | (91,701)  | (9,774) | (35)      | (72,921)  | (7,995) | (100)      | (107,312)   | (18,054)  |
| Project mortgages                      | (3,235)   | (30,355)  | (3,235) | (313)     | (2,464)   | (313)   | (3,548)    | (32,819)    | (3,548)   |
| Home mortgages                         | 219       | 31,383    | 3,792   | 1,039     | 276,766   | 37,065  | 635,701    | 7,226,011   | 1,68,622  |
| <b>Title VI.</b>                       | 16        | 109       | 16      | 40        | 258       | 40      | 694,587    | 3,644,982   | 689,941   |
| Section 603 home mortgages             | 19        | 29,634    | 3,457   | 299       | 266,132   | 34,683  | 7,049      | 3,444,782   | 465,949   |
| Section 603 project mortgages          | 85        | 207       | 85      | 131       | 560       | 105     | 500        | 1,703       | 1,754     |
| Section 603 manufactured-housing loans | 29        | 182       | (40)    | 550       | 3,934     | 1,195   | 3,378      | 24,410      | 9,054     |
| Section 610 public housing sales       | (29)      | (182)     | (40)    | (549)     | (3,909)   | (1,185) | (3,355)    | (16,059)    | (5,149)   |
| Section 604-610 home mortgages         | (—)       | (—)       | (—)     | (—)       | (35)      | (10)    | (23)       | (8,060)     | (3,915)   |
| Section 608-610 project mortgages      | 70        | 1,222     | 184     | 19        | 6,872     | 072     | 97         | 11,621      | 1,814     |
| Section 811 site-fabricated housing    | (69)      | (616)     | (69)    | (0)       | (5,832)   | (066)   | (22)       | (11,065)    | (1,839)   |
| Project mortgages                      | —         | —         | —       | —         | —         | —       | —          | —           | —         |
| Home mortgages                         | 58        | 135,842   | 17,233  | 72        | 205,653   | 25,683  | 186        | 476,617     | 59,535    |
| <b>Title VIII.</b>                     | 68        | 135,842   | 17,233  | 72        | 205,653   | 25,683  | 186        | 476,617     | 59,535    |
| Section 803                            | 12,540    | 130,721   | 17,769  | —         | —         | —       | 12,646     | 130,721     | 17,769    |
| <b>Title IX.</b>                       | 12,510    | 108,535   | 14,862  | —         | —         | —       | 12,510     | 108,535     | 14,862    |
| Section 903 home mortgages             | 30        | 22,186    | 3,207   | —         | —         | —       | 36         | 22,186      | 3,207     |
| Section 908 project mortgages          | 1,730,488 | 3,112,750 | NA      | 1,690,895 | 3,220,401 | NA      | 17,491,121 | 29,071,523  | NA        |
| <b>Total.</b>                          | 1,730,488 | 3,112,750 | NA      | 1,690,895 | 3,220,401 | NA      | 17,491,121 | 29,071,523  | NA        |

1 All tables presenting cumulative data for Sec. 207 include 106 mortgages for \$7,782,869 and 2,178 units insured under Sec. 210.

TABLE 3.—Status of FHA insurance written as of December 31, 1952

[Dollar amounts in thousands]

|   | Insurance written  |              |                 | Insurance terminated |                 | Insurance in force |                       | Net outstanding |
|---|--|--------------|-----------------|----------------------|-----------------|--------------------|-----------------------|-----------------|
|   | Number of loans<br>Net proceeds<br>Number of mortgages<br>Amount | Amount       | Number of units | Amount               | Number of units | Total              | Amortized (estimated) |                 |
| <b>Title I:</b>                                     |  |              |                 |                      |                 |                    |                       |                 |
| Section 2 property improvement loans <sup>1</sup>   | 14,367,287   | \$6,207,050  | 12,203          | 10,628,900           |                 | 3,738,387          | \$704,247             | \$1,248,460     |
| Section 8 home mortgages                            | 27,203   | \$6,908      |                 | \$403                |                 | 12,112             | \$1,597               | \$57,902        |
| <b>Title II:</b>                                    |  |              |                 |                      |                 |                    |                       |                 |
| Section 203 home mortgages                          | 2,459,014  | \$14,614,753 | 65,835          | 1,047,632            |                 | 1,411,382          | \$1,097,610           | \$6,594,904     |
| Section 207-210 project mortgages                   | \$201,391  | \$115,378    | 18,323          | \$115,378            |                 | \$6,200            | \$6,200               | \$100,178       |
| Section 213 cooperative housing                     | \$200,131  | \$18,564     | 21,602          | \$18,564             |                 | \$456              | \$456                 | \$180,821       |
| <b>Title VI:</b>                                    |  |              |                 |                      |                 |                    |                       |                 |
| Section 603 home mortgages <sup>2</sup>             | 627,942  | \$3,601,041  | 279,980         | 279,980              |                 | 347,962            | \$334,436             | \$1,955,876     |
| Section 608 project mortgages <sup>3</sup>          | \$3,449,515  | \$1,754      | 1,687           | \$1,754              |                 | \$4,522            | \$120,065             | \$3,162,908     |
| Section 609 manufactured-housing loans <sup>4</sup> | 1,914  | \$11,621     |                 | \$11,621             |                 | \$29               | \$29                  | \$181           |
| Section 611 site-fabricated housing                 | 59,555   | \$476,617    |                 | \$476,617            |                 | 59,555             | \$2,817               | \$473,800       |
| <b>Title VIII:</b>                                  |  |              |                 |                      |                 |                    |                       |                 |
| Section 903   | 12,510   | \$108,535    |                 | \$108,535            |                 | 12,510             | \$496                 | \$108,039       |
| <b>Title IX:</b>                                    |  |              |                 |                      |                 |                    |                       |                 |
| Section 908 project mortgages                       | 3,207  | \$22,186     |                 | \$22,186             |                 | 3,207              | \$6                   | \$22,179        |
| <b>Total</b>  | \$29,071,623   | \$10,789,221 | 18,282,302      | \$18,282,302         |                 | \$2,363,978        |                       | \$15,918,324    |

<sup>1</sup> Includes home mortgages insured under Sec. 2.<sup>2</sup> Includes 3,355 mortgages for \$16,059,100 insured under Sec. 610 provision, of which 240 mortgages in the amount of \$922,569 had been terminated, leaving 3,115 mortgages for \$15,136,250 in force.<sup>3</sup> Includes 3,915 units (23 mortgages) for \$8,359,500 insured under Sec. 610 provision, of which 970 units (5 mortgages) in the amount of \$1,742,700 had been terminated, leaving 2,945 units (18 mortgages) for \$6,616,800 in force.<sup>4</sup> Includes 580 discounted purchasers' loans for \$1,606,917, of which 533 loans in the amount of \$1,525,676 had been terminated, leaving 27 loans for \$81,241 in force.

## FEDERAL HOUSING ADMINISTRATION

TABLE 4.—Nonfarm dwelling units started under FHA programs compared with total for United States, 1935-52

| Year         | Home mortgage programs        |             |             |             |             | Project mortgage programs |                 |             |             |             | Total FHA nonfarm units <sup>1</sup> | FHA as percent of U. S. total |             |      |
|--------------|-------------------------------|-------------|-------------|-------------|-------------|---------------------------|-----------------|-------------|-------------|-------------|--------------------------------------|-------------------------------|-------------|------|
|              | Sections 2 and 8 <sup>1</sup> | Section 203 | Section 603 | Section 903 | Section 207 | Section 213               |                 | Section 608 | Section 611 | Section 803 |                                      |                               | Section 908 |      |
|              |                               |             |             |             |             | Sales type                | Management type |             |             |             |                                      |                               |             |      |
| 1935         |                               | 13,226      |             |             | 738         |                           |                 |             |             |             |                                      | 13,964                        | 216,700     | 6.5  |
| 1936         |                               | 48,752      |             |             | 624         |                           |                 |             |             |             |                                      | 49,376                        | 304,200     | 16.2 |
| 1937         |                               | 66,980      |             |             | 3,023       |                           |                 |             |             |             |                                      | 70,003                        | 332,400     | 18.1 |
| 1938         |                               | 100,906     |             |             | 11,930      |                           |                 |             |             |             |                                      | 112,830                       | 309,300     | 29.7 |
| 1939         | 6,845                         | 10,783      |             |             | 13,462      |                           |                 |             |             |             |                                      | 158,119                       | 483,400     | 34.5 |
| 1940         | 10,194                        | 166,451     |             |             | 3,446       |                           |                 |             |             |             |                                      | 180,091                       | 520,600     | 34.0 |
| 1941         | 9,145                         | 180,156     |             |             | 3,236       |                           |                 |             |             |             |                                      | 192,437                       | 619,500     | 35.6 |
| 1942         | 4,010                         | 41,338      |             |             | 1,103       |                           |                 |             |             |             |                                      | 42,451                        | 301,200     | 55.0 |
| 1943         |                               | 208         |             |             | 41          |                           |                 |             |             |             |                                      | 249                           | 183,700     | 79.6 |
| 1944         |                               | 17,049      |             |             | 200         |                           |                 |             |             |             |                                      | 197                           | 138,700     | 16.8 |
| 1945         |                               | 44,234      |             |             | 41          |                           |                 |             |             |             |                                      | 44,275                        | 208,100     | 21.1 |
| 1946         |                               | 20,864      |             |             |             |                           |                 |             |             |             |                                      | 69,033                        | 662,500     | 27.1 |
| 1947         | 217                           | 32,578      |             |             |             |                           |                 |             |             |             |                                      | 229,035                       | 845,900     | 32.2 |
| 1948         | 3,006                         | 241,637     |             |             |             |                           |                 |             |             |             |                                      | 294,059                       | 948,800     | 31.8 |
| 1949         | 3,191                         | 327,435     |             |             |             |                           |                 |             |             |             |                                      | 363,802                       | 1,020,100   | 36.0 |
| 1950         | 9,357                         | 160,973     |             |             |             |                           |                 |             |             |             |                                      | 170,330                       | 1,020,100   | 25.8 |
| 1951         |                               |             |             |             |             |                           |                 |             |             |             |                                      | 279,001                       | 1,068,500   | 26.2 |
| 1952         |                               |             |             |             |             |                           |                 |             |             |             |                                      | 3,232,949                     | 10,542,000  | 30.7 |
| <b>Total</b> | 64,849                        | 1,842,589   | 691,557     | 32,711      | 53,047      | 12,226                    | 465,299         | 1,837       | 59,748      | 3,374       | 3,374                                | 10,542,000                    |             |      |

<sup>1</sup> Sec. 2 activity 1938-50; Sec. 8 activity 1950-52.<sup>2</sup> Total number of privately financed nonfarm dwelling units started, as reported by the Bureau of Labor Statistics.

NEW DWELLING UNITS STARTED UNDER FHA INSPECTION  
AND TOTAL NUMBER OF NONFARM DWELLING UNITS STARTED\*  
SELECTED YEARS 1934-1952

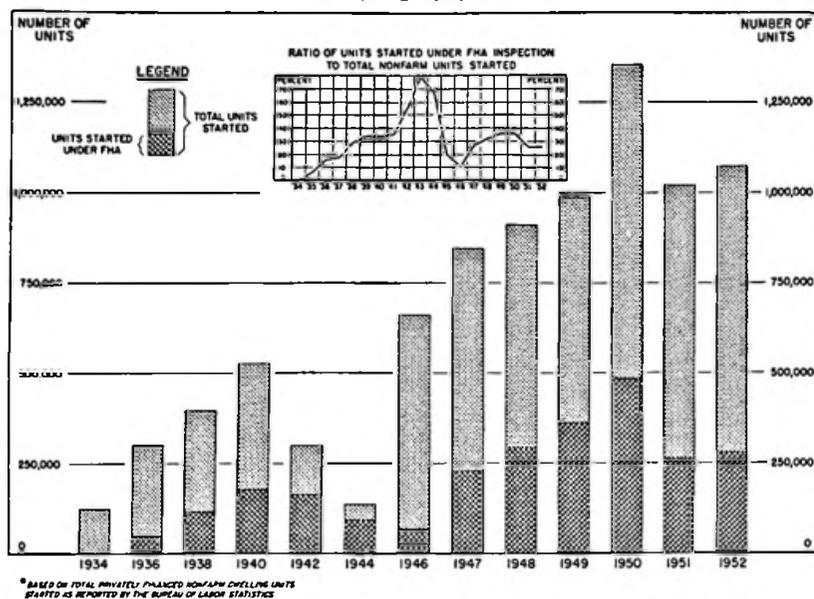


CHART 2.

## Mortgage Insurance

Mortgage insurance written by the FHA in 1952 totaled \$2.3 billion and involved 286 thousand units of housing. Mortgages on homes accounted for about 86 percent of the total amount and project mortgages for 14 percent. These ratios compared with 77 percent and 23 percent for 1951.

The 1952 volume was 90 percent of the amount and 85 percent of the number of units covered by insurance in 1951. Despite the decline in insurance written, there was an increase of 27 percent in the number of units covered by applications received during the year, with an increase of 38 percent in home applications more than offsetting a 26 percent decline in units covered by project applications. Beginning with June 1952, the number of new units started each month under FHA inspection exceeded the number started in the same month of 1951, and the number of units started for the entire year was more than 16,000 greater than in 1951. The number of starts in 1- to 4-family homes increased 22 percent, although the number of units started in projects was less by one-third than in 1951. The proportion of FHA starts to total nonfarm units started was also slightly higher in 1952.

The increase in application, and the upward trend in number of FHA units started in the second half of the year were affected by such factors as the ending of critical shortages of materials, the easing of credit controls in June and their virtual removal in September, a moderate improvement in the supply of mortgage money during the year, and the fact that construction costs changed less in 1952 than at any time since the Korean hostilities began in 1950.

Increased insurance activity in 1952 was most notable in cooperative housing and in defense housing. Mortgage insurance on cooperative housing under Section 213 of the Act totaled \$122 million and involved 13,009 units, compared with \$75.4 million and 8,308 units in 1951. Title IX of the Act, authorizing the insurance of mortgages on housing in critical defense areas, became effective with the issuance of FHA administrative rules and regulations in November 1951, and by the end of 1952 mortgages totaling \$130.7 million had been insured covering 17,769 units. Most of these units were in 1- and 2-family homes financed under Section 903 of Title IX. The \$900 million in FNMA funds set aside by Congress for purchasing mortgages on military and defense housing was instrumental in maintaining the volume of applications under this title in 1952.

## Home Mortgages

Mortgages on homes were insured in 1952 under the following titles and sections of the Act:

| Title and section       | Number of mortgages | Amount (thousands) | Number of units |
|-------------------------|---------------------|--------------------|-----------------|
| Title I: Sec. 8.....    | 5, 815              | \$30, 108          | 5, 815          |
| Title II:               |                     |                    |                 |
| Sec. 203.....           | 212, 748            | 1, 772, 472        | 222, 368        |
| Sec. 213.....           | 3, 235              | 30, 355            | 3, 235          |
| Title VI:               |                     |                    |                 |
| Sec. 603.....           | 16                  | 109                | 16              |
| Sec. 610.....           | 29                  | 182                | 40              |
| Sec. 611.....           | 69                  | 516                | 69              |
| Title IX: Sec. 903..... | 12, 510             | 108, 535           | 14, 562         |

As the comparison in Table 2 indicates, the only substantial changes from 1951 in the volume of home mortgage insurance resulted from the growth of two of the newest programs, cooperative housing under Section 213 and defense housing under Section 903. For all home mortgage programs combined, the 234,426 mortgages insured showed a slight decline from the 1951 total of 252,642, while the amount of the insured home mortgages increased slightly, aggregating \$1,942,307,000 in 1952 compared with \$1,928,433,000 in 1951. (See Table 1, footnote 1.) Under Section 203, the amount of existing-home mortgages established a new record of \$941,000,000.

The property requirements for low-cost homes financed under Section 8 of Title I were amended in September 1952, and no longer permit mortgage insurance on a "shell house"—that is, one without acceptable finish material on floors, interior walls, and ceilings. Painting or other final finish on walls or ceilings is not required, and the provisions with respect to location, lot area, planning, and lot improvements remain less restrictive than those under Section 203 of Title II. The opportunity for the owner to increase his equity in the property by putting on finishing details and adding other improvements through his own labor, thereby enhancing the value of the security while the mortgage is being amortized, continues to be an important element of this type of mortgage financing.

#### Rental and Cooperative Projects

Mortgages totaling \$322 million on 240 rental and cooperative projects that included 39,839 units of housing were insured in 1952 under the following titles and sections of the National Housing Act:

| <i>Title and section</i>  | <i>Number of mortgages</i> | <i>Amount (thousands)</i> | <i>Number of units</i> |
|---------------------------|----------------------------|---------------------------|------------------------|
| Title II:                 |                            |                           |                        |
| Sec. 207.....             | 67                         | \$41, 843                 | 6, 043                 |
| Sec. 213.....             | 59                         | 91, 701                   | 9, 774                 |
| Title VI:                 |                            |                           |                        |
| Sec. 608.....             | 19                         | 29, 634                   | 3, 457                 |
| Sec. 611.....             | 1                          | 706                       | 125                    |
| Title VIII: Sec. 803..... | 58                         | 135, 842                  | 17, 233                |
| Title IX: Sec. 908.....   | 36                         | 22, 186                   | 3, 207                 |

The aggregate volume of project mortgage insurance in 1952 was considerably less than the \$584 million insured the previous year on 486 projects with 74,207 units. (See Table 2.) The chief reason for the decrease was the cessation of veterans' housing insurance activity under Section 608. The 19 Section 608 mortgages totaling \$29.6 million insured in 1952 compared with 299 mortgages amounting to \$266 million on 34,663 units insured in 1951. Mortgages on new construction insured under this section were limited by the Act to those on which applications had been received on or before March 1, 1950. In 1951 the FHA adopted a policy of terminating the program as promptly as possible and in 1952 the last remaining commitments were disposed of. All projects under the Section 608 program have now been placed under construction.

The 1952 increase of activity in rental housing insurance under Section 207 and cooperative housing insurance under Section 213, together with insurance under the new Section 908 defense housing

program, was more than offset by the decline in the volume of Section 608 rental housing insurance. There were decreases also in the number and amount of site-fabrication project mortgages insured under Section 611 and mortgages on military housing insured under Section 803. No project mortgages financing sales of public housing under Section 610 were insured during the year.

The greatest increase in 1952 in volume of project mortgages insured occurred under Section 213. Insurance under this section since its enactment in April 1950 totals \$167 million on 100 projects with 18,054 units. Over 3,500 single-family homes constructed as part of sales-type cooperative projects have been released from the blanket project mortgages and reinsured under Section 213 with mortgages aggregating nearly \$33 million.

Through 1952, no applications had been received under the provisions of Title VII, which was enacted in 1948 to provide for the insurance of a minimum amortization charge and an annual return on outstanding investments in debt-free rental projects.

#### Prefabricated Housing

No loans to manufacturers of prefabricated housing were insured in 1952 under the provisions of Section 609 of the National Housing Act. One preliminary application was received but was rejected.

From the enactment of this section of the Act in 1947 to the end of 1952, ten loans to manufacturers, involving 1,174 units, were insured in the total amount of \$3,096,482. As of December 31, 1952, seven loans had been repaid, one was outstanding, and debentures had been issued on the remaining two under the terms of the insurance contracts. Purchasers' notes insured in 1952 totaled 85 and amounted to \$262,346, bringing the total notes insured since 1947 to 580 with an aggregate amount of \$1,606,917.

#### Property Improvement Loans

In 1952 FHA Title I insurance covered nearly 1.5 million loans made by private lending institutions to owners of homes, farms, and other properties to finance needed repairs or improvements. The greater number of the loans were for structural alterations, heating and plumbing installations, insulating, and measures to preserve roofs and outside walls of buildings. Other maintenance work such as interior decorating, weatherstripping, and landscaping was also financed.

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**Scope of Property Improvement Program**

Under authority contained in Section 2 of Title I of the National Housing Act, the Federal Housing Administration insures qualified lending institutions against loss on the following classes of loans:

| Type of loan   | Type of Improvement  | Maximum maturity   | 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 two or more families. | 7 years 32 days....  | 10,000         | \$5 discount per \$100 per year if \$2,500 or less, \$4 discount per \$100 if in excess of \$2,500.     |
| Class 2 (a)... | Construction of a new structure to be used exclusively for other than residential or agricultural purposes.  | 3 years 32 days....  | 3,000          | \$5 discount per \$100 per year.  |
| Class 2 (b)... | Construction of a new structure to be used in whole or in part for agricultural purposes, exclusive of residential purposes.                             | 7 years 32 days. If secured by first lien, 15 years 32 days. | 3,000          | \$5 discount per \$100 per year, \$3.50 discount per \$100 if maturity is in excess of 7 years 32 days. |

Application for a Title I insured loan is made to a lending institution direct or through a contractor or dealer. The lending institution is responsible for approving the applicant's credit and for using prudent judgment in making the loan. When the loan is originated through a contractor or dealer it is the responsibility of the lending institution to establish to its satisfaction that the dealer is reliable, financially responsible, and qualified to perform satisfactorily the work to be financed and to extend proper service to the customer.

Lending institutions sustaining losses are reimbursed for eligible claims in accordance with the following insurance plan. For 30 months after the issuance of a contract of insurance to an individual lending institution, an insurance reserve to cover possible claims is accumulated at the rate of 10 percent of the aggregate net proceeds of loans insured, less any claims paid. On the January 1 or July 1 next following the completion of this 30-month period, and at the beginning of each subsequent semiannual period, the reserve for each lending institution is adjusted by carrying forward four-fifths of its unused reserve outstanding on each such date according to the records of the FHA Commissioner. The payment of any eligible claim to an insured institution is limited to the balance of the unused reserve of the institution.

The Housing Act of 1950 set the FHA Commissioner's maximum insurance authorization, with respect to property improvement loan balances outstanding at any one time, at \$1.25 billion. The statutory limitation was approached early in September 1952. Thereafter the

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FHA continued to accept loan reports and to process them for insurance recordation during the remaining months of the year at the rate of approximately \$75 million per month, this being the estimated rate of amortization and prepayment of insured loans outstanding. The volume of new business exceeded the rate of liquidation to such an extent that by the end of the year there were on hand but not processed for insurance recordation approximately 260,000 loan reports for a dollar volume of more than \$175 million.

FHA regulations were amended as of March 24, 1952 to eliminate the requirement for a 10 percent cash down payment that had been in effect since August 1, 1950. This action was taken concurrently with the action of the Federal Reserve Board in eliminating the downpayment requirement under Regulation W on property improvement loans. The down payment was originally imposed as a measure to assist in curbing inflationary tendencies and to make available more materials for defense purposes.

The FHA has collected an insurance premium on all property improvement loans insured since July 1, 1939. Operations of the program since that time have been self-supporting, with income from premiums adequate to meet operating expenses and payment of claims, after allowing for recoveries on claims paid, without cost to the taxpayer.

**Insurance Operations**

During 1952, Title I insurance covered 1,496,000 property improvement loans representing \$848,327,000 in net proceeds. In dollar amount this was an increase of 20 percent over the volume for the year 1951. The increase refers only to tabulated figures and does not take into consideration the backlog of unprocessed loan reports amounting to approximately \$175 million on hand at the end of the year. Since 1934, when Title I property improvement loans were first made, 14,321,000 loans with net proceeds of over \$6.0 billion have been insured.

At the close of 1952, there were about 9,700 financial sources for these loans, including 6,800 main offices and 2,900 branches. Of the 6,800 lending institutions insured, 4,900 (excluding branches) were active at the end of 1952—an increase of 400 over the comparable number at the end of 1951.

**Claims and Recoveries**

In 1952, the FHA paid 33,265 claims amounting to \$11,524,000, a decrease of 4.7 percent from the 1951 dollar amount. This brought the year-end cumulative volume of claims paid to \$132.7 million, or 2.18 percent of the total net proceeds of all insured loans, as compared with

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2.32 percent at the end of 1951. FHA recoveries, actual and anticipated, from both notes and security assigned as a result of these claims, amount to \$66.7 million, leaving unrecoverable paid claims of \$66.0 million. The estimated unrecoverable amount is only 1.09 percent of the net proceeds of all insured loans.

After a claim on a defaulted note is paid, the FHA makes every effort to effect collection of the obligation. This is done by correspondence, by personal contact with the debtor through the staff of the FHA field office, and by reference of the case to the Department of Justice for legal action when such a course is deemed advisable. If all efforts fail, the case is held in suspense as uncollectible, although periodic attempts at collection on such accounts result in some recoveries.

Total cash recoveries made in 1952 amounted to \$7.5 million, representing an increase of 10 percent over recoveries for 1951. This recovery is the largest reported for any year in FHA history.

Financial Position

At June 30, 1952, the Federal Housing Administration had capital and statutory reserves of \$327,093,164. Of this amount, the Government had contributed \$68,497,433 and the remaining \$258,595,731 had been built up from income. The Government contribution consisted of \$24,000,000 paid-in surplus (\$10,000,000 allocation to the Mutual Mortgage Insurance Fund, \$5,000,000 to the War Housing Insurance Fund, \$1,000,000 to the Housing Investment Insurance Fund, \$5,000,000 to the Military Housing Insurance Fund, \$1,000,000 from the Mutual Mortgage Insurance Fund to establish the Housing Insurance Fund, \$1,000,000 from the Title I Insurance Fund to establish the Title I Housing Insurance Fund, and \$1,000,000 from the War Housing Insurance Fund to establish the National Defense Housing Insurance Fund) and \$44,497,433 in the form of appropriations for operating expenses and Title I claims in periods prior to the time that such expenditures could be met from FHA income.

The capital and statutory reserves of each fund as of June 30, 1952 are given below:

|  |                |
|--|----------------|
| Title I Insurance Fund.....                  | \$22, 528, 274 |
| Title I Housing Insurance Fund.....          | 872, 618       |
| Mutual Mortgage Insurance Fund.....          | 176, 838, 416  |
| Housing Insurance Fund .....                 | 5, 497, 496    |
| War Housing Insurance Fund.....              | 109, 853, 179  |
| Housing Investment Insurance Fund.....       | 988, 344       |
| Military Housing Insurance Fund.....         | 9, 515, 770    |
| National Defense Housing Insurance Fund..... | 1, 001, 087    |
|  | <hr/>          |
|  | 327, 093, 164  |

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From the establishment of the Federal Housing Administration in 1934 through June 30, 1952, gross income from fees, insurance premiums, and income on investments totaled \$642,259,053, while operating expenses for the same period amounted to \$283,252,643. Expenses of administration during the first three fiscal years, 1935 through 1937, were met from funds advanced through the Reconstruction Finance Corporation by the United States Treasury. During the following three fiscal years, 1938 through 1940, partial payments of operating expenses were met from income. Since July 1, 1940, FHA operating expenses have been paid in total by allocation from its insurance funds.

Gross income during the fiscal year 1952 under all insurance operations of the FHA totaled \$103,021,039. Expenses of administering the agency during the fiscal year 1952 amounted to \$30,485,827, leaving an excess of gross income over operating expenses of \$72,535,212 to be added to the various insurance funds.

Property Management

All properties acquired by the Federal Housing Commissioner under the terms of mortgage insurance contracts are managed and sold under the supervision of the Property Management Division of the FHA in compliance with general policies established by the Commissioner. No sale of a rental project or a group of houses may be concluded without the specific concurrence of the Commissioner.

It is the policy of the FHA not to sell acquired home properties in bulk, but instead to place them in good condition and to return them at fair prices in the going market, without speculative mark-up, to the home-ownership use for which they were originally produced. The agency utilizes the facilities of qualified local real estate brokers to manage and sell 1- to 4-family properties through established retail channels. The services of these brokers are always obtained in accordance with the applicable statute requiring competitive bidding whenever the potential compensation will exceed \$1,000.

The FHA rehabilitates acquired rental project properties to the extent necessary to enable them to compete in the rental market, and operates them until the income is stabilized. Although a local real estate broker is engaged to act as managing agent for such a property, the marketing of the property is handled independently of a broker as a direct transaction between the Government and the purchaser. The sale is publicized in advance through advertisements stating minimum prices and terms, and is sold to the qualified operator whose offer meets the minimums and is most advantageous.

## HOUSING AND HOME FINANCE AGENCY

The FHA began 1952 with an on-hand inventory of 1,517 1- to 4-family homes and 44 rental developments having a total of 5,079 units.

During the year, 941 1- to 4-family properties were acquired and 1,111 were sold, leaving the inventory at the end of the year at 1,347 properties. Acquisition of 22 rental developments consisting of 1,723 units and the sale of 2 developments totaling 28 units resulted in an inventory of 64 developments totaling 6,774 units, at the end of 1952.

### Technical Studies

The FHA constantly strives for greater efficiency and economy in its operations, and for improved quality of service. Continual training programs are carried on for its technical employees. Conferences are held with other groups within and outside the Government for cooperation in solving local and national housing problems, to effect improvements in building standards, and to plan conservation in the use of critical materials.

As part of its underwriting procedure, the FHA analyzes proposed special methods of construction and investigates the acceptability of new materials or uses of materials, and unusual structural problems. Special technical studies made in 1952 included the continuation of a program begun in 1951 to determine the effect of airports on the value of adjacent residential properties. A survey and analysis of FHA field office recommendations with respect to minimum room-size requirements was undertaken to obtain uniformity in the application of these requirements under various sections of the Act.

Considerable progress was made during the year in making minimum property requirements in FHA field offices more nearly uniform. This program includes improvement in the requirements and reduction in the number of separate sets of requirements for the various insuring office jurisdictions.

### Organization and Personnel

There were 5,230 FHA employees at the beginning of 1952 and 5,443 at the end of the year. The number during the year averaged about 5,330, of whom 3,923, or about 74 percent, served in the field offices. The remaining 26 percent were divided among the insuring, realty, fiscal, and liquidation operations carried on centrally in Washington, and the administrative services and other management staff functions necessary in the Washington headquarters office to support, direct, and control the operating program.

In 1952, 943 per-annum employees were appointed and there were 730 separations. The annual turnover rate was approximately

## FEDERAL HOUSING ADMINISTRATION

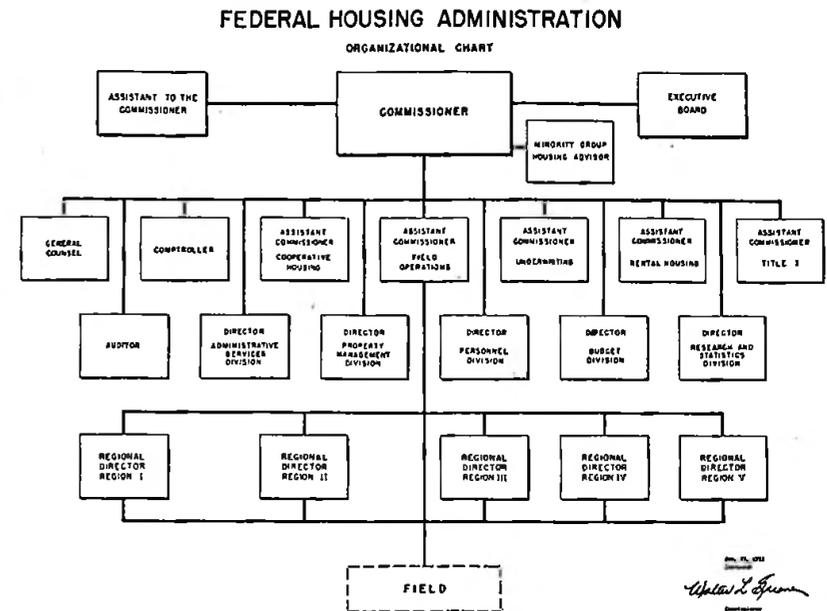


CHART 3.

## FEDERAL HOUSING ADMINISTRATION INSURING OFFICE BASIC ORGANIZATION CHART

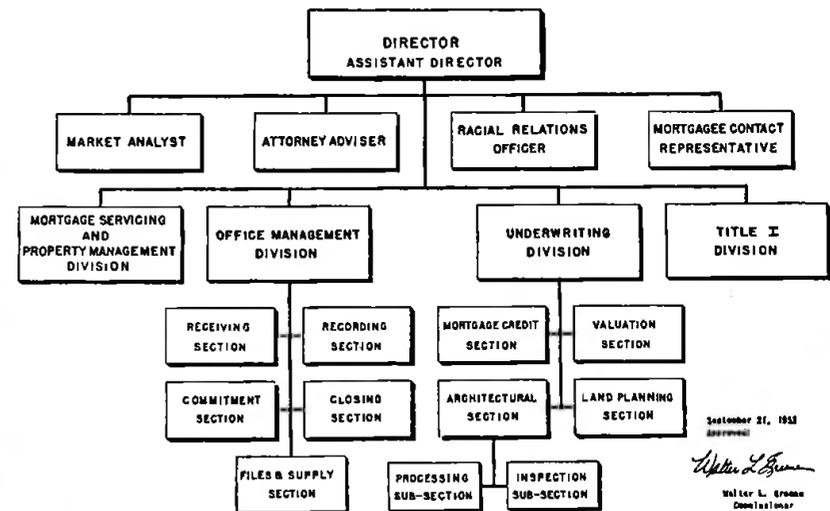


CHART 4.

FEDERAL HOUSING ADMINISTRATION  
PER ANNUM EMPLOYEES

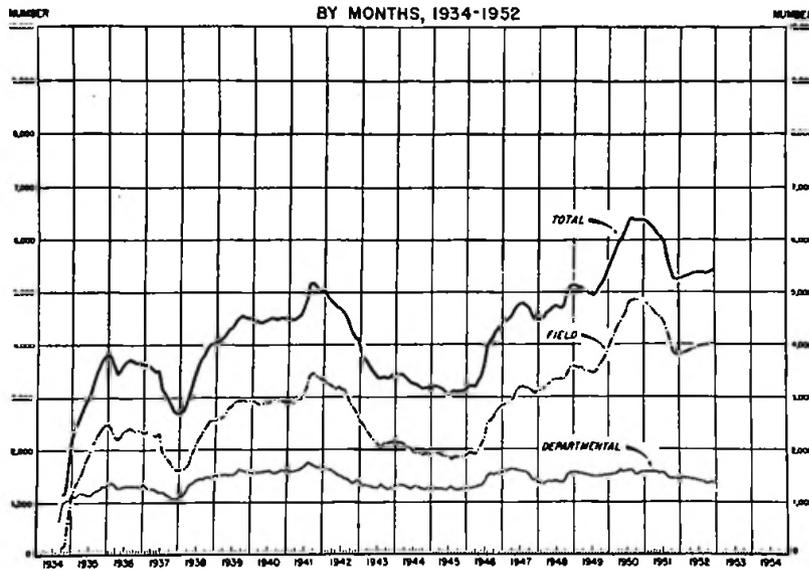


CHART 5

13.70 percent. During the year, 1,138 employees received promotions, 1,670 were reassigned, and 76 received demotions.

Charts 3 and 4 show the organization of the Washington headquarters and field offices, and Chart 5 reflects per-annum employment by months from the establishment of the agency in 1934 through December 1952.

On December 31, 1952, the field organization included 137 offices—73 insuring offices, which receive and completely process applications for mortgage insurance; 21 service offices, which receive applications for mortgage insurance and process them for submission to insuring offices for review, issuance of commitments, and endorsements for insurance; and 43 valuation stations, where technical personnel prepare architectural and valuation reports for the insuring offices in their respective areas. The total number of field offices was the same at the end of 1952 as at the end of 1951, the number of insuring offices having increased by one in 1952, and the number of valuation stations having decreased by one.

#### Management Improvement Program

The management improvement program of the Federal Housing Administration contemplates a continuing review of the objectives of the FHA program in relation to shifting budgetary, legislative,

#### FEDERAL HOUSING ADMINISTRATION

and economic conditions, in order to attain the most efficient use of manpower, equipment, and materials. Under this program many procedures and forms have been simplified, consolidated, or eliminated, and various organizational structures have been revised.

Examples of measurable monetary savings realized in the fiscal year 1952 through management improvement activities include the following:

Records management activities have produced savings in excess of \$80,000.

Annual recurring savings of over \$23,000 have resulted from a management improvement program covering all FHA communications facilities.

A space utilization program in the national headquarters office and the field offices has resulted in savings of more than \$65,000 per annum.

Every headquarters division and nearly all field offices have actively participated in the management improvement program and have achieved substantial improvements in increased production, improved quality of performance, or monetary savings. Evidence of the widespread interest in the program on the part of FHA employees is seen in the fact that during the fiscal year 20 cash awards totaling \$4,719.11 were made to individual employees, and 30 other employees were granted increases in salary for outstanding performance, superior accomplishment, or employee suggestions.

#### Publications

The following are the principal new or revised FHA publications issued in 1952. Unless otherwise indicated, they can be obtained, without charge, from the Federal Housing Administration, Washington 25, D. C.

*Administrative Rules and Regulations under Section 8 of the National Housing Act.*—FHA Form No. 2000, reprinted September 1952, to include all amendments through September 4, 1952.

*Administrative Rules and Regulations under Section 203 of the National Housing Act.*—FHA Form No. 2010, revised January 30, 1952.

*Administrative Rules and Regulations under Section 207 of the National Housing Act.*—FHA Form No. 2012, reprinted May 1, 1952, to include all amendments through May 1, 1952.

*Annual Report.*—Eighteenth annual report of the Federal Housing Administration; year ending December 31, 1951. Government Printing Office, Washington 25, D. C. 45 cents.

*Federal Housing Administration Digest of Insurable Loans.*—Revised October 1952.

*FHA Homes in Standard Metropolitan Areas, 1950.*—A series of six booklets each of which contains data for the Standard Metropolitan Areas in one or two of the nine Geographic Divisions defined by the Bureau of the Census in 1950. Issued in 1952.

*FHA Underwriting Manual.*—FHA Form No. 2049, revised January 1952. Government Printing Office, Washington 25, D. C. \$2.25.

*Insured Mortgage Portfolio* (issued quarterly).—Vol. 16, Nos. 3 and 4; Vol. 17, Nos. 1 and 2. Government Printing Office, Washington 25, D. C. Single copy 15 cents, annual subscription 50 cents.

*Minimum Requirements for Title I Insured Mortgages under Section 8 of the National Housing Act.*—FH Form No. 810, revised September 1952.

*Mortgagees' Handbook.*—FHA Form No. 2534, revised July 1952. Government Printing Office, Washington 25, D. C. \$1.50.

*Oklahoma Cooperative Housing Story, The.*—Issued January 1952.

*Planning Cooperative Housing Projects.*—Issued July 1952.

*Property Improvement Loans under Title I of the National Housing Act, Regulations Governing Class 1 and 2 Loans.*—FH-20, revised April 1, 1952, including all amendments to March 24, 1952.

*Settlement of Claims under Title I of the National Housing Act (Tables for Use in the Computation of Claims).*—FH-33, revised 1952.

## Section 2

## STATISTICS OF INSURING OPERATIONS

This section of the report is devoted to a more detailed analysis of FHA operations during 1952, dealing with such subjects as the geographical distribution of the year's activity, types of financial institutions participating in the various programs, termination and foreclosure experience, and selected characteristics of the insured mortgage and loan transactions.

FHA's 1952 operations under the several titles and sections of the National Housing Act fell into three principal groups:

- (1) Home mortgage insurance under Section 8 of Title I, Sections 203 and 213 of Title II, Sections 603, 603-610, and 611 of Title VI, and Section 903 of Title IX.
- (2) Project mortgage insurance under Sections 207 and 213 of Title II, Sections 608, 608-610, and 611<sup>1</sup> of Title VI, Section 803 of Title VIII, and Section 908 of Title IX.
- (3) Property improvement loan insurance under Section 2 of Title I.

In addition, a limited amount of activity was reported under the Section 609 program for the insurance of loans to finance the production and marketing of prefabricated housing. No insurance was reported during the year under the rental housing yield insurance provisions of Title VII, although insuring offices indicated some tentative planning in this type of venture on the part of prospective sponsors.

The relative importance of the three principal types of FHA programs is shown in the following table on the basis of the dollar volume of insurance written during 1952 and cumulatively from 1934 through 1952:

| Type of insurance               | Year 1952           |         | 1934-52             |         |
|---------------------------------|---------------------|---------|---------------------|---------|
|                                 | Billions of dollars | Percent | Billions of dollars | Percent |
| Home mortgages.....             | \$1.9               | 61      | \$18.6              | 64      |
| Project mortgages.....          | .3                  | 10      | 4.4                 | 15      |
| Property improvement loans..... | .9                  | 29      | 6.1                 | 21      |
| Total.....                      | 3.1                 | 100     | 29.1                | 100     |

As the table shows, FHA insured some \$3.1 billion of loans and mortgages in 1952. Of this amount, 61 percent was in home mortgages, 29

<sup>1</sup> Section 611 project mortgages were classified as home mortgages in prior annual reports.

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percent in property improvement loans, and 10 percent in project mortgages. On a cumulative basis the proportions are slightly different, primarily because of the very large volume of project mortgage insurance written during the period 1948-50.

Compared with 1951, the 1952 dollar volume of home mortgages insured remained virtually unchanged although the number of dwelling units involved declined by 6 percent, the aggregate amount of project mortgages insured declined by nearly one-half, and the amount of insured property improvement loans rose by one-fifth. As a result of these changes, the total for all programs combined decreased by about 3 percent—from \$3.2 billion in 1951 to \$3.1 billion in 1952.

FHA's operating workload in 1952, however, was significantly higher than in 1951. This is evident in the following table, which shows the number of dwelling units covered by applications received, commitments issued, and construction started in each of the last 2 years:

|                   | Thousands of units |      | Percent change |
|-------------------|--------------------|------|----------------|
|                   | 1952               | 1951 |                |
| Applications..... | 520                | 417  | +27            |
| Commitments.....  | 456                | 359  | +27            |
| Starts.....       | 280                | 264  | +6             |

The time interval between the processing operations and the date of insurance, especially for home mortgages, accounts for the delay in the rise of insurance volume. For this reason also, the volume of insurance written by FHA does not always measure the agency's current workload. In addition to this circumstance, several special factors influenced the 1952 workload. Among these were credit controls (partially relaxed in June and almost completely suspended in September), the controlled materials program, intense competition for mortgage money, the entry of a substantial number of rental units into the market, and the near exhaustion of the Title I authorization for property improvement loans. These will be discussed in more detail in subsequent portions of this analysis.

In the preceding section of this report, data on the annual and cumulative volumes of FHA insurance were summarized on a national basis. State distributions of the annual and cumulative volume of this insurance, based on the location of the properties involved, are presented in Tables 5 and 6.

FEDERAL HOUSING ADMINISTRATION

TABLE 5.—Volume of FHA-insured mortgages and loans, by State location of property, 1952

(Dollar amounts in thousands)

| State                     | Total       | Home mortgages |           | Project mortgages |         | Property improvement loans |              |
|---------------------------|-------------|----------------|-----------|-------------------|---------|----------------------------|--------------|
|                           | Amount      | Number         | Amount    | Units             | Amount  | Number                     | Net proceeds |
| Alabama.....              | \$35,819    | 2,441          | \$20,089  | 606               | \$4,353 | 23,290                     | \$11,377     |
| Arizona.....              | 53,854      | 5,614          | 41,208    | 680               | 5,135   | 12,382                     | 7,422        |
| Arkansas.....             | 27,942      | 2,552          | 19,215    | 341               | 2,094   | 9,405                      | 5,732        |
| California.....           | 457,508     | 34,118         | 299,295   | 6,820             | 58,024  | 206,260                    | 100,189      |
| Colorado.....             | 39,945      | 3,284          | 28,739    | 264               | 1,980   | 17,173                     | 9,226        |
| Connecticut.....          | 38,805      | 3,056          | 26,787    | 862               | 6,904   | 7,999                      | 5,024        |
| Delaware.....             | 2,894       | 328            | 2,058     | —                 | —       | 7,350                      | 236          |
| Delaware.....             | 2,894       | 328            | 2,058     | —                 | —       | 7,350                      | 236          |
| District of Columbia..... | 6,410       | 180            | 1,973     | —                 | —       | 8,143                      | 4,437        |
| Florida.....              | 77,210      | 6,602          | 50,976    | 664               | 5,306   | 33,316                     | 20,838       |
| Georgia.....              | 61,042      | 4,966          | 42,565    | 886               | 7,033   | 21,452                     | 11,444       |
| Idaho.....                | 19,606      | 1,725          | 13,931    | —                 | —       | 8,900                      | 5,075        |
| Illinois.....             | 135,056     | 7,241          | 64,059    | 1,760             | 14,330  | 88,990                     | 55,768       |
| Indiana.....              | 86,852      | 7,004          | 56,240    | 523               | 3,774   | 49,311                     | 26,830       |
| Iowa.....                 | 30,554      | 2,450          | 20,103    | 24                | 1,75    | 18,045                     | 10,276       |
| Iowa.....                 | 71,179      | 7,433          | 62,154    | 87                | 746     | 15,494                     | 8,279        |
| Kansas.....               | 35,382      | 2,020          | 23,244    | 476               | 3,780   | 15,431                     | 8,358        |
| Kentucky.....             | 42,281      | 3,806          | 31,788    | 148               | 1,333   | 15,579                     | 9,160        |
| Louisiana.....            | 8,586       | 837            | 5,782     | —                 | —       | 5,767                      | 2,803        |
| Maryland.....             | 44,705      | 2,608          | 21,579    | 718               | 5,909   | 37,407                     | 17,307       |
| Massachusetts.....        | 25,050      | 1,077          | 8,350     | 101               | 927     | 27,830                     | 15,773       |
| Michigan.....             | 193,622     | 15,224         | 126,291   | 208               | 2,425   | 124,010                    | 64,906       |
| Minnesota.....            | 36,712      | 1,920          | 17,400    | —                 | —       | 34,313                     | 19,223       |
| Mississippi.....          | 18,040      | 1,736          | 12,320    | 140               | 1,125   | 8,347                      | 4,594        |
| Missouri.....             | 76,707      | 0,708          | 57,695    | 170               | 1,099   | 35,032                     | 17,913       |
| Montana.....              | 13,992      | 1,037          | 8,594     | 400               | 3,177   | 3,418                      | 2,221        |
| Nebraska.....             | 28,682      | 3,031          | 24,113    | —                 | —       | 7,401                      | 4,469        |
| Nevada.....               | 8,541       | 840            | 7,021     | —                 | —       | 1,716                      | 1,520        |
| New Hampshire.....        | 3,457       | 271            | 1,879     | —                 | —       | 3,016                      | 1,578        |
| New Jersey.....           | 01,371      | 4,071          | 38,862    | 2,828             | 22,511  | 30,077                     | 20,998       |
| New Mexico.....           | 21,818      | 2,171          | 16,817    | 235               | 2,026   | 4,640                      | 2,076        |
| New York.....             | 224,832     | 6,942          | 67,466    | 7,117             | 64,264  | 148,486                    | 103,102      |
| North Carolina.....       | 38,865      | 2,076          | 20,789    | 1,688             | 11,492  | 11,700                     | 6,885        |
| North Dakota.....         | 5,253       | 420            | 3,730     | —                 | —       | 2,559                      | 1,514        |
| Ohio.....                 | 171,969     | 13,056         | 116,970   | 1,232             | 10,607  | 81,820                     | 44,393       |
| Oklahoma.....             | 49,412      | 4,182          | 33,696    | 407               | 3,727   | 21,594                     | 11,990       |
| Oregon.....               | 58,404      | 5,714          | 45,657    | 32                | 225     | 22,225                     | 12,522       |
| Pennsylvania.....         | 120,004     | 11,896         | 92,012    | 311               | 2,113   | 61,174                     | 34,880       |
| Rhode Island.....         | 6,865       | 438            | 3,709     | 52                | 421     | 3,013                      | 1,674        |
| South Carolina.....       | 36,540      | 3,887          | 30,841    | 135               | 997     | 7,846                      | 4,702        |
| South Dakota.....         | 11,440      | 1,121          | 9,417     | 12                | 63      | 3,051                      | 1,060        |
| Tennessee.....            | 46,359      | 3,698          | 29,072    | 379               | 2,310   | 30,507                     | 14,977       |
| Texas.....                | 199,644     | 17,073         | 130,844   | 965               | 6,514   | 114,360                    | 62,286       |
| Utah.....                 | 36,894      | 2,293          | 20,158    | 750               | 6,109   | 17,785                     | 10,537       |
| Vermont.....              | 1,757       | 163            | 1,252     | —                 | —       | 937                        | 505          |
| Virginia.....             | 86,792      | 5,795          | 47,039    | 4,265             | 26,305  | 23,116                     | 12,548       |
| Washington.....           | 120,469     | 10,514         | 86,742    | 1,700             | 13,505  | 34,601                     | 20,221       |
| West Virginia.....        | 15,474      | 1,285          | 10,513    | —                 | —       | 8,061                      | 4,962        |
| Wisconsin.....            | 25,256      | 1,672          | 15,475    | 46                | 271     | 14,357                     | 9,510        |
| Wyoming.....              | 8,069       | 851            | 7,226     | —                 | —       | 1,101                      | 843          |
| Alaska.....               | 8,600       | 164            | 2,595     | 386               | 5,729   | 330                        | 275          |
| Guam.....                 | 13          | 2              | 13        | —                 | —       | —                          | —            |
| Hawaii.....               | 26,026      | 1,730          | 17,935    | 962               | 7,706   | 372                        | 295          |
| Puerto Rico.....          | 15,284      | 883            | 7,985     | 575               | 4,725   | 2,472                      | 2,573        |
| Virgin Islands.....       | 14          | 2              | 14        | —                 | —       | —                          | —            |
| Total.....                | \$3,116,062 | 234,720        | 1,944,064 | 30,839            | 321,911 | 1,495,741                  | 848,327      |

<sup>1</sup> Based on cases tabulated in 1952, including adjustments not distributed by States.  
<sup>2</sup> Includes \$236,646 in loans insured under Sec. 609 not distributed by States.

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TABLE 6.—Volume of FHA-insured mortgages and loans by State location of property, 1954-52

[Dollar amounts in thousands]

| State                | Total      |           | Home mortgages |         | Project mortgages |            | Property improvement loans |  |
|----------------------|------------|-----------|----------------|---------|-------------------|------------|----------------------------|--|
|                      | Amount     | Number    | Amount         | Units   | Amount            | Number     | Net proceeds               |  |
| Alabama              | \$354,039  | 36,699    | \$207,729      | 11,814  | \$71,415          | 214,148    | \$74,895                   |  |
| Arizona              | 276,025    | 36,959    | 216,495        | 2,352   | 15,474            | 93,670     | 44,056                     |  |
| Arkansas             | 220,271    | 31,833    | 170,426        | 1,634   | 11,258            | 90,306     | 38,588                     |  |
| California           | 3,998,773  | 526,138   | 3,078,639      | 39,043  | 276,525           | 1,602,017  | 643,559                    |  |
| Colorado             | 284,494    | 36,425    | 218,343        | 2,995   | 21,438            | 112,886    | 44,713                     |  |
| Connecticut          | 312,146    | 32,559    | 212,000        | 4,203   | 30,083            | 159,279    | 70,063                     |  |
| Delaware             | 72,642     | 6,338     | 36,890         | 4,048   | 29,430            | 14,247     | 6,322                      |  |
| District of Columbia | 226,845    | 6,648     | 48,270         | 21,102  | 142,787           | 75,876     | 35,787                     |  |
| Florida              | 785,009    | 92,519    | 589,466        | 14,837  | 103,173           | 256,418    | 122,371                    |  |
| Georgia              | 517,234    | 51,350    | 292,409        | 22,307  | 153,199           | 185,288    | 71,625                     |  |
| Idaho                | 138,848    | 16,840    | 98,283         | 571     | 4,573             | 78,631     | 35,962                     |  |
| Illinois             | 1,472,375  | 143,378   | 900,501        | 7,341   | 64,129            | 496,470    | 185,190                    |  |
| Indiana              | 311,615    | 103,140   | 157,007        | 1,763   | 13,689            | 198,673    | 80,055                     |  |
| Iowa                 | 250,752    | 27,735    | 157,007        | 4,418   | 28,145            | 126,864    | 45,018                     |  |
| Kansas               | 408,102    | 56,175    | 334,938        | 5,569   | 40,032            | 151,535    | 57,179                     |  |
| Kentucky             | 279,765    | 30,535    | 182,554        | 8,651   | 64,021            | 59,459     | 24,781                     |  |
| Louisiana            | 451,749    | 52,041    | 338,537        | 6,688   | 2,913             | 20,459     | 24,781                     |  |
| Maine                | 73,423     | 9,300     | 45,730         | 41,633  | 282,251           | 276,828    | 110,923                    |  |
| Maryland             | 682,784    | 49,110    | 280,579        | 4,290   | 32,834            | 381,612    | 160,850                    |  |
| Massachusetts        | 298,962    | 18,053    | 105,278        | 9,406   | 67,098            | 1,195,327  | 475,209                    |  |
| Michigan             | 1,795,819  | 210,980   | 1,254,512      | 6,232   | 45,695            | 315,387    | 124,529                    |  |
| Minnesota            | 350,789    | 30,315    | 180,566        | 2,722   | 16,962            | 96,280     | 37,644                     |  |
| Mississippi          | 172,531    | 23,190    | 117,925        | 11,169  | 80,623            | 367,383    | 131,454                    |  |
| Missouri             | 696,066    | 79,985    | 483,989        | 7,267   | 5,216             | 36,492     | 17,627                     |  |
| Montana              | 79,388     | 10,262    | 56,645         | 2,468   | 18,368            | 82,095     | 33,622                     |  |
| Nebraska             | 217,841    | 29,103    | 165,851        | 641     | 4,966             | 18,433     | 9,071                      |  |
| Nevada               | 67,066     | 7,600     | 52,130         | 244     | 1,672             | 37,782     | 10,066                     |  |
| New Hampshire        | 39,282     | 4,313     | 21,544         | 56,026  | 407,285           | 531,687    | 278,669                    |  |
| New Jersey           | 1,410,465  | 125,007   | 724,511        | 2,072   | 17,730            | 27,000     | 14,191                     |  |
| New Mexico           | 145,456    | 17,942    | 113,535        | 111,476 | 900,590           | 1,569,767  | 880,380                    |  |
| New York             | 2,779,266  | 158,042   | 993,296        | 17,305  | 105,714           | 123,797    | 49,136                     |  |
| North Carolina       | 374,724    | 37,559    | 210,874        | 43      | 268               | 26,771     | 11,656                     |  |
| North Dakota         | 29,209     | 2,850     | 17,376         | 19,079  | 140,140           | 857,289    | 320,338                    |  |
| Ohio                 | 1,388,331  | 148,281   | 918,844        | 4,414   | 32,077            | 198,662    | 75,169                     |  |
| Oklahoma             | 553,631    | 77,650    | 446,435        | 5,321   | 38,860            | 188,323    | 78,586                     |  |
| Oregon               | 386,961    | 44,380    | 269,506        | 23,302  | 174,802           | 818,700    | 337,220                    |  |
| Pennsylvania         | 1,438,043  | 166,140   | 926,021        | 208     | 2,054             | 57,331     | 24,262                     |  |
| Rhode Island         | 62,022     | 6,373     | 35,706         | 7,204   | 44,813            | 67,730     | 26,246                     |  |
| South Carolina       | 226,088    | 29,663    | 155,029        | 7,220   | 5,573             | 23,980     | 11,083                     |  |
| South Dakota         | 69,995     | 9,793     | 53,339         | 0,356   | 54,766            | 277,725    | 98,388                     |  |
| Tennessee            | 486,129    | 59,044    | 332,975        | 27,870  | 189,656           | 714,302    | 286,522                    |  |
| Texas                | 1,387,419  | 199,705   | 1,111,341      | 1,499   | 11,765            | 131,776    | 53,912                     |  |
| Utah                 | 245,093    | 30,275    | 179,417        | 183     | 1,512             | 17,493     | 7,682                      |  |
| Vermont              | 27,433     | 3,866     | 18,238         | 41,582  | 260,881           | 181,597    | 80,120                     |  |
| Virginia             | 750,464    | 71,635    | 419,462        | 9,782   | 75,441            | 343,417    | 138,858                    |  |
| Washington           | 933,182    | 127,492   | 738,882        | 3,490   | 66,738            | 66,738     | 30,643                     |  |
| West Virginia        | 152,573    | 21,376    | 118,440        | 4,087   | 32,521            | 214,169    | 91,208                     |  |
| Wisconsin            | 205,874    | 27,489    | 172,055        | 671     | 4,451             | 14,070     | 7,756                      |  |
| Wyoming              | 65,437     | 10,458    | 52,230         | 3,583   | 41,553            | 755        | 634                        |  |
| Alaska               | 52,397     | 1,102     | 10,159         | 2,167   | 15,411            | 1,637      | 653                        |  |
| Guam                 | 13         | 2         | 13             | 5,522   | 33,000            | 26,104     | 20,155                     |  |
| Hawaii               | 85,901     | 8,314     | 69,540         |         |                   |            |                            |  |
| Puerto Rico          | 136,520    | 13,383    | 83,306         |         |                   |            |                            |  |
| Virgin Islands       | 77         | 9         | 77             |         |                   |            |                            |  |
| Total <sup>1</sup>   | 29,053,182 | 3,158,338 | 18,583,817     | 609,384 | 4,388,110         | 14,321,172 | 6,074,478                  |  |

<sup>1</sup> Based on cases tabulated through 1952, including adjustments not distributed by States.

<sup>2</sup> Includes \$4,703,399 in loans insured under Sec. 609 not distributed by States.

The participation of the major types of lending institutions in the financing of FHA-insured loans and mortgages in 1952 is shown in the following table.<sup>2</sup>

<sup>2</sup> Data based on reports tabulated in Washington. Totals may not agree with components due to rounding and, in the case of project mortgages, amendments of mortgages insured in previous years. "State banks" include savings banks and, in the case of property improvement loans, industrial banks.

## FEDERAL HOUSING ADMINISTRATION

| Type of institution          | Total     |         | Home mortgages | Project mortgages | Property improvement loans |
|------------------------------|-----------|---------|----------------|-------------------|----------------------------|
|                              | Amount    | Percent |                |                   |                            |
| Dollar amounts in thousands  |           |         |                |                   |                            |
| National bank                | \$917,784 | 29.8    | \$418,178      | \$57,472          | \$442,134                  |
| State bank                   | 806,306   | 26.1    | 374,675        | 172,869           | 258,862                    |
| Mortgage company             | 684,259   | 22.2    | 647,830        | 31,203            | 5,136                      |
| Insurance company            | 308,701   | 10.0    | 266,851        | 41,781            | 99                         |
| Savings and loan association | 224,903   | 7.3     | 169,842        | 978               | 54,083                     |
| Finance company              | 90,378    | 2.9     | 206            | 2,312             | 87,860                     |
| Other                        | 51,851    | 1.7     | 36,586         | 15,082            | 183                        |
| Total                        | 3,084,305 | 100.0   | 1,914,067      | 321,911           | 848,327                    |

As will be pointed out in more detail later, the participation of the different types of institutions varied markedly from program to program.

## Home Mortgage Insurance

In 1952, FHA insured home mortgages under seven sections of the National Housing Act: Section 8 of Title I, Sections 203 and 213 of Title II, Sections 603, 603-610, and 611 of Title VI, and Section 903 of Title IX. Properties securing mortgages insured under Section 8 or reinsured under the home mortgage provisions of Sections 213 or 611 after release from a blanket mortgage are limited to a single living unit; those securing mortgages insured under Section 903 may include not more than 2 units; while properties covered by mortgages insured under Section 203 or under the basic provisions of Section 603 may contain as many as 4 living units. In addition, home mortgages financing the sale of certain publicly owned housing involving 1- to 7-family dwellings may be insured under Section 603 pursuant to the provisions of Section 610.

## Volume of Business

Although the 1952 amount of FHA-insured home mortgages was slightly above the 1951 volume, the number of dwelling units involved declined by about 6 percent, reflecting an increase in the average mortgage amount per unit from \$7,400 to \$7,900.

The volume of new-home mortgages insured during the year declined—by one-fifth in aggregate amount and by one-fourth in the number of family units—to the lowest level since 1947, while insurance of existing-home mortgages reached the highest dollar volume in FHA history, 37 percent over 1951, with the number of units involved increasing by 24 percent. (Table 7 and Chart 6.) The average amount of mortgage per unit was about the same for both new and existing homes—nearly \$7,900. In comparison with the 1951 averages, this represented increases of \$400 and \$700 for new- and existing-home mortgages, respectively.

HOUSING AND HOME FINANCE AGENCY

TABLE 7.—Home mortgages insured by FHA, 1935-52  
[Dollar amounts in thousands]

| Year    | Grand total |             | Total new construction |             | Total existing construction |           | New construction |          |           |           |          |           |          |           |
|---------|-------------|-------------|------------------------|-------------|-----------------------------|-----------|------------------|----------|-----------|-----------|----------|-----------|----------|-----------|
|         | Units       | Amount      | Units                  | Amount      | Units                       | Amount    | Secs. 2 and 8    |          | Sec. 203  |           | Sec. 603 |           | Sec. 603 |           |
|         |             |             |                        |             |                             |           | Units            | Amount   | Units     | Amount    | Units    | Amount    | Units    | Amount    |
| 1935-39 | 513,615     | \$2,007,777 | 235,391                | \$1,012,590 | 278,224                     | \$995,187 | 16,628           | \$37,914 | 218,793   | \$974,676 |          |           |          |           |
| 1940-44 | 981,398     | 4,116,585   | 738,051                | 3,117,345   | 243,337                     | 909,240   | 22,373           | 61,888   | 599,467   | 1,792,224 |          |           |          |           |
| 1945-49 | 979,453     | 6,116,754   | 540,396                | 3,093,452   | 439,055                     | 2,413,302 | 5,501            | 20,432   | 187,002   | 1,324,183 |          |           |          |           |
| 1950    | 351,293     | 2,692,307   | 255,269                | 1,636,678   | 126,259                     | 855,690   | 1,759            | 7,428    | 227,391   | 1,153,725 |          |           |          |           |
| 1951    | 261,271     | 1,928,433   | 161,673                | 1,215,535   | 90,558                      | 712,808   | 6,106            | 28,514   | 155,416   | 1,157,402 |          |           |          |           |
| 1952    | 240,109     | 1,942,307   | 122,764                | 968,013     | 123,345                     | 973,694   | 5,615            | 20,112   | 102,695   | 881,748   |          |           |          |           |
| Total   | 3,333,322   | 18,604,222  | 2,023,544              | 11,554,212  | 1,309,778                   | 7,050,010 | 58,072           | 185,308  | 1,284,724 | 7,723,088 | 666,299  | 3,537,230 | 14,440   | \$107,716 |

| Year    | Sec. 8 |        | Sec. 203  |           | Sec. 213 |          | Sec. 603 |         | Sec. 603-610 |         | Sec. 611 |        | Sec. 903 |        |
|---------|--------|--------|-----------|-----------|----------|----------|----------|---------|--------------|---------|----------|--------|----------|--------|
|         | Units  | Amount | Units     | Amount    | Units    | Amount   | Units    | Amount  | Units        | Amount  | Units    | Amount | Units    | Amount |
|         |        |        |           |           |          |          |          |         |              |         |          |        |          |        |
| 1935-39 | 46     | \$215  | 278,224   | \$995,187 | 6,600    | \$25,930 | 16,874   | 81,155  | 2,987        | \$9,089 |          |        |          |        |
| 1940-44 | 200    | 996    | 236,737   | 973,301   | 136      | 481      | 16,874   | 81,155  | 2,987        | \$9,089 |          |        |          |        |
| 1945-49 | 46     | \$215  | 419,194   | 2,422,335 | 3,548    | 32,819   | 16,874   | 81,155  | 2,987        | \$9,089 |          |        |          |        |
| 1950    | 200    | 996    | 125,185   | 706,190   | 17       | 74       | 136      | 481     | 1,185        | 3,000   |          |        |          |        |
| 1951    | 200    | 996    | 97,901    | 706,190   | 3,235    | 30,355   | 16       | 100     | 1,185        | 3,000   |          |        |          |        |
| 1952    | 246    | 1,211  | 119,673   | 940,724   | 3,548    | 32,819   | 16       | 100     | 1,185        | 3,000   |          |        |          |        |
| Total   | 246    | 1,211  | 1,277,065 | 6,890,795 | 3,548    | 32,819   | 23,642   | 107,732 | 5,149        | 16,059  | 75       | 556    | 113      | 819    |

1 For total number and amount of mortgages insured under each section in 1951, 1952, and cumulatively through 1952, see Table 2.  
2 Sec. 2 activity, 1938-50; Sec. 8 activity, 1950-52.

FEDERAL HOUSING ADMINISTRATION

YEARLY VOLUME OF HOME MORTGAGES INSURED, 1935-1952  
NUMBER OF DWELLING UNITS UNDER ALL PROGRAMS

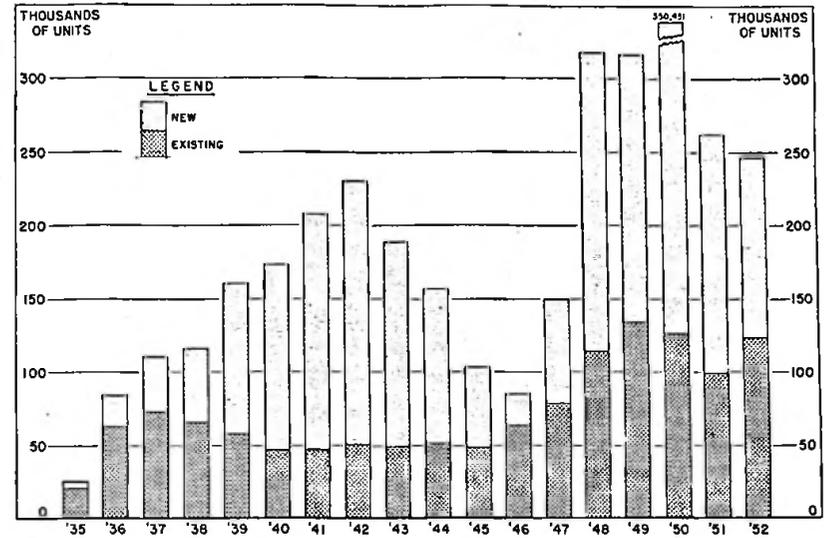


CHART 6.

These data are largely a reflection of insurance activity under Section 203. With the exception of the period from 1943 through 1948 (when the bulk of home mortgages were insured under the war and veterans' housing provisions of Section 603), operations under this section have accounted for the major part of FHA's home mortgage insurance operations since the establishment of the agency in 1934. The following data demonstrate the preponderant influence of Section 203 in FHA's 1952 home mortgage operations:

| Section     | Total                      |         | New     |         | Existing |         |
|-------------|----------------------------|---------|---------|---------|----------|---------|
|             | Percentage distribution of |         |         |         |          |         |
|             | Units                      | Amount  | Units   | Amount  | Units    | Amount  |
|             | Percent                    | Percent | Percent | Percent | Percent  | Percent |
| 203.....    | 90                         | 91      | 84      | 86      | 97       | 97      |
| 603.....    | 6                          | 6       | 12      | 11      | (1)      | (1)     |
| 8.....      | 2                          | 1       | 4       | 3       | (1)      | (1)     |
| 213.....    | 1                          | 2       |         |         | 3        | 3       |
| Others..... | 1                          | (1)     |         |         | (1)      | (1)     |
| Total.....  | 100                        | 100     | 100     | 100     | 100      | 100     |

1 Less than 0.05 percent.

It should be noted that FHA insurance for new-home mortgages in 1952 was available only under Sections 8, 203, and 903. As shown in Table 7, almost all the insurance written under Sections 8 and 903 covered new construction. Under Section 203, however, existing-construction insurance exceeded new-construction by more than \$100 million and nearly 17,000 units. A principal factor in this development, which last occurred for Section 203 during the period of high activity under Section 603, appears to have been the higher "mortality" or expiration rate for new-construction commitments. Although the number of Section 203 new-construction commitments closed through expiration or insurance in 1952 exceeded those for existing construction by 16 percent, expirations accounted for 45 percent of the new-construction commitments closed, as compared with only 25 percent for existing construction. A partial explanation of this situation may lie in the large proportion of new-construction commitments closed in 1952 which represented transactions initially approved in late 1951 or early 1952 that were subject to credit restrictions, under which FHA-insured new-construction mortgages offered little or no advantage over conventional financing with respect to downpayment requirements and term of mortgage.

Also contributing to the high expiration rate for FHA new-construction commitments was the 5 percent lower downpayment privilege extended under the credit curbs program to World War II veterans who bought homes with mortgages guaranteed by the Veterans' Administration. As a result of this, many houses built under FHA inspection were sold "GI" and never presented for FHA insurance endorsement. In the last part of the year, following the liberalization of credit restrictions in June and their almost complete relaxation in September, the proportion of closed new-construction commitments endorsed for insurance increased from the 50 percent rate recorded in the first half of the year to about 60 percent.

#### Status of Processing

Of the 441,000 home mortgage applications processed by FHA field offices in 1952, 91 percent were approved for FHA commitments to insure. During the year 298,000 home mortgage cases were closed through rejection of applications, expiration of commitments, or insurance of mortgages.

Table 8 shows the disposition of the 367,000 Section 203 cases closed during the year. Nearly 10 percent of these closed cases represented rejected applications, 33 percent were expired commitments, and 58 percent were insured mortgages. In comparison with 1951, the pro-

TABLE 8.—Disposition of home-mortgage applications, Sec. 203, selected years

| Year                  | Number of cases closed | Percent of cases closed by            |                                       |                       |
|-----------------------|------------------------|---------------------------------------|---------------------------------------|-----------------------|
|                       |                        | Rejection of application <sup>1</sup> | Expiration of commitment <sup>1</sup> | Insurance of mortgage |
| Total construction    |                        |                                       |                                       |                       |
| 1940.....             | 244,442                | 18.8                                  | 12.3                                  | 68.9                  |
| 1949.....             | 398,669                | 13.4                                  | 22.0                                  | 64.6                  |
| 1950.....             | 539,640                | 10.4                                  | 26.0                                  | 62.7                  |
| 1951.....             | 436,755                | 7.1                                   | 30.7                                  | 56.2                  |
| 1952.....             | 367,064                | 9.6                                   | 32.5                                  | 57.9                  |
| New construction      |                        |                                       |                                       |                       |
| 1940.....             | 176,394                | 15.3                                  | 13.4                                  | 71.3                  |
| 1949.....             | 204,547                | 12.5                                  | 23.1                                  | 64.4                  |
| 1950.....             | 345,478                | 9.6                                   | 27.2                                  | 63.3                  |
| 1951.....             | 297,204                | 5.5                                   | 43.3                                  | 51.2                  |
| 1952.....             | 194,029                | 8.1                                   | 41.6                                  | 50.4                  |
| Existing construction |                        |                                       |                                       |                       |
| 1940.....             | 68,048                 | 27.9                                  | 9.5                                   | 62.6                  |
| 1949.....             | 194,122                | 14.2                                  | 20.9                                  | 64.9                  |
| 1950.....             | 194,162                | 12.1                                  | 26.4                                  | 61.5                  |
| 1951.....             | 139,551                | 10.6                                  | 22.5                                  | 66.9                  |
| 1952.....             | 173,035                | 11.3                                  | 22.3                                  | 66.4                  |

<sup>1</sup> Excludes cases reopened after rejection or expiration.

portions of rejected and insured cases were up slightly, while expirations were relatively less numerous.<sup>3</sup>

As in previous years, the new-home cases closed during 1952 included larger proportions of expired cases and smaller proportions of rejections than were reported for existing-home transactions. In the last 2 years, however, the expiration of new-construction commitments rose to such proportions that the percentage of existing-home cases closed by insurance was for the first time substantially higher than the comparable new-home figures. This decidedly higher level of new-home expirations may be partially explained by two factors—a more stringent commitment cancellation policy adopted by FHA to conserve the insurance authorization, and the permanent financing of many homes built with FHA commitment assistance and under FHA inspection through conventional or VA-guaranteed mortgages.

<sup>3</sup> The following disposition was made of cases closed under the other two major FHA home mortgage programs during 1952: Of the 8,374 cases closed under Sec. 8, 2 percent were rejected, 29 percent expired, and 69 percent insured; of the 19,089 closed under Sec. 903, 27 percent were rejected, 7 percent expired, and 66 percent insured. Nearly half of the Sec. 903 rejects were attributable to oversubscription of the defense housing programs.

State Distribution

*Totals for the year.*—Home mortgages insured by FHA during 1952 covered properties in every State, the District of Columbia, Alaska, Hawaii, Puerto Rico, the Virgin Islands, and—for the first time—Guam. The State distributions of the number and amount of these mortgages, with the number of dwelling units involved, are shown in Table 9 for all home mortgage programs combined, while comparable distributions of the new and existing dwelling units securing the mortgage insured under each of the individual programs are presented in Table 10.

As depicted in Chart 7, there were only 8 States in which the number of home mortgages reported insured during 1952 was less than 1,000. Most States had 1,000 to 4,999 mortgages, while 5,000 or more were reported for each of 15 States. The largest volume was reported for California with a total of 34,100 mortgages, followed by Texas, Michigan, Ohio, Pennsylvania, and Washington. The combined volume of these 6 top-ranking States, each with over 10,000 insured mortgages, represented over two-fifths of the national total for the year.

NUMBER OF HOME MORTGAGES INSURED UNDER ALL SECTIONS  
1952

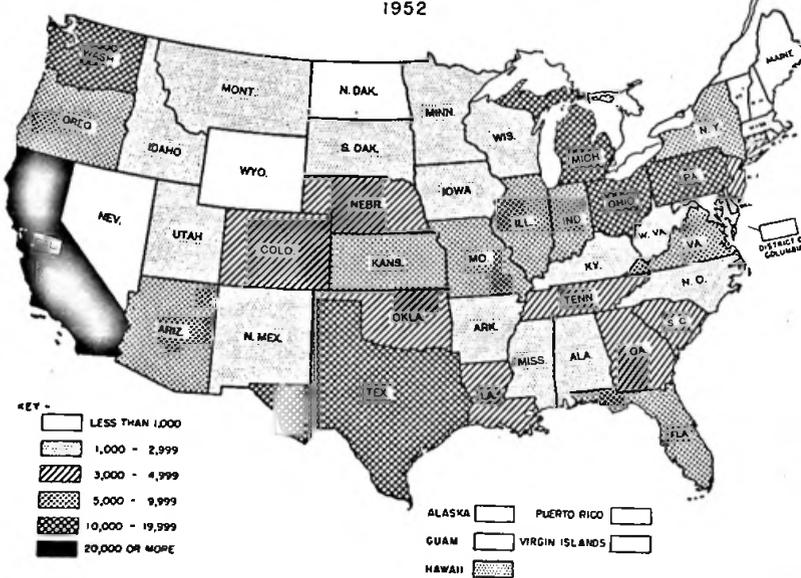


CHART 7.

FEDERAL HOUSING ADMINISTRATION

TABLE 9.—Volume of FHA-insured home mortgages, by State location, 1952  
(Dollar amounts in thousands)

| State                     | Total   |           |         | New construction |          |         | Existing construction |         |         |
|---------------------------|---------|-----------|---------|------------------|----------|---------|-----------------------|---------|---------|
|                           | Number  | Amount    | Units   | Number           | Amount   | Units   | Number                | Amount  | Units   |
| Alabama.....              | 2,441   | \$20,089  | 2,533   | 1,353            | \$11,336 | 1,423   | 1,088                 | \$8,753 | 1,110   |
| Arizona.....              | 5,614   | 41,290    | 6,030   | 4,440            | 33,047   | 4,758   | 1,174                 | 8,249   | 1,272   |
| Arkansas.....             | 2,552   | 19,215    | 2,666   | 1,189            | 9,330    | 1,261   | 1,363                 | 9,885   | 1,405   |
| California.....           | 34,118  | 209,295   | 36,630  | 14,764           | 132,128  | 16,344  | 19,354                | 167,167 | 20,280  |
| Colorado.....             | 3,284   | 28,739    | 3,472   | 2,573            | 22,658   | 2,748   | 711                   | 6,081   | 724     |
| Connecticut.....          | 3,056   | 26,787    | 3,318   | 879              | 7,512    | 880     | 2,177                 | 19,275  | 2,438   |
| Delaware.....             | 328     | 2,658     | 320     | 125              | 994      | 125     | 203                   | 1,664   | 204     |
| District of Columbia..... | 190     | 1,973     | 257     | 21               | 204      | 27      | 160                   | 1,760   | 230     |
| Florida.....              | 6,062   | 50,976    | 6,703   | 5,111            | 39,289   | 5,192   | 1,401                 | 11,688  | 1,511   |
| Georgia.....              | 4,966   | 42,565    | 5,239   | 3,027            | 26,336   | 3,239   | 1,939                 | 16,229  | 2,000   |
| Idaho.....                | 1,725   | 13,931    | 1,802   | 562              | 4,973    | 566     | 1,163                 | 8,958   | 1,236   |
| Illinois.....             | 7,241   | 64,959    | 7,431   | 2,687            | 23,874   | 2,698   | 4,554                 | 41,035  | 4,733   |
| Indiana.....              | 7,004   | 55,249    | 7,141   | 3,492            | 28,397   | 3,539   | 3,512                 | 27,852  | 3,602   |
| Iowa.....                 | 2,450   | 20,103    | 2,499   | 861              | 7,017    | 895     | 1,589                 | 13,087  | 1,604   |
| Kansas.....               | 7,433   | 62,154    | 8,001   | 5,585            | 47,480   | 6,128   | 1,848                 | 14,674  | 1,873   |
| Kentucky.....             | 2,029   | 23,244    | 2,967   | 1,292            | 9,719    | 1,320   | 1,628                 | 13,524  | 1,647   |
| Louisiana.....            | 3,806   | 31,788    | 4,011   | 2,053            | 17,250   | 2,189   | 1,753                 | 14,528  | 1,822   |
| Maine.....                | 837     | 5,782     | 926     | 203              | 1,520    | 204     | 634                   | 4,232   | 722     |
| Maryland.....             | 2,608   | 21,579    | 2,946   | 1,099            | 8,781    | 1,102   | 1,509                 | 12,798  | 1,544   |
| Massachusetts.....        | 1,077   | 8,350     | 1,338   | 142              | 963      | 145     | 935                   | 7,387   | 1,193   |
| Michigan.....             | 15,224  | 126,291   | 15,608  | 8,374            | 60,866   | 8,458   | 6,850                 | 56,425  | 7,150   |
| Minnesota.....            | 1,920   | 17,460    | 1,975   | 620              | 5,601    | 644     | 1,300                 | 11,889  | 1,331   |
| Mississippi.....          | 1,736   | 12,320    | 1,802   | 1,191            | 8,689    | 1,247   | 545                   | 3,631   | 555     |
| Missouri.....             | 6,798   | 57,605    | 6,993   | 2,471            | 21,623   | 2,497   | 4,327                 | 36,071  | 4,496   |
| Montana.....              | 1,037   | 8,594     | 1,108   | 206              | 1,806    | 205     | 837                   | 6,788   | 903     |
| Nebraska.....             | 3,031   | 24,113    | 3,123   | 1,383            | 11,309   | 1,447   | 1,638                 | 12,804  | 1,676   |
| Nevada.....               | 840     | 7,021     | 910     | 602              | 4,741    | 645     | 247                   | 2,280   | 265     |
| New Hampshire.....        | 271     | 1,870     | 287     | 112              | 730      | 112     | 150                   | 1,143   | 176     |
| New Jersey.....           | 4,071   | 38,862    | 5,151   | 1,800            | 13,950   | 1,802   | 3,171                 | 24,913  | 3,349   |
| New Mexico.....           | 2,171   | 16,817    | 2,229   | 1,808            | 14,701   | 1,947   | 273                   | 2,116   | 282     |
| New York.....             | 6,942   | 57,466    | 7,561   | 3,142            | 26,005   | 3,201   | 3,800                 | 31,461  | 4,360   |
| North Carolina.....       | 2,670   | 20,789    | 2,865   | 1,785            | 13,796   | 1,934   | 891                   | 6,993   | 931     |
| North Dakota.....         | 420     | 3,739     | 430     | 152              | 1,469    | 164     | 268                   | 2,270   | 275     |
| Ohio.....                 | 13,056  | 116,970   | 13,661  | 4,817            | 43,678   | 5,063   | 8,239                 | 73,292  | 8,598   |
| Oklahoma.....             | 4,182   | 33,696    | 4,450   | 1,890            | 16,697   | 2,115   | 2,292                 | 16,988  | 2,335   |
| Oregon.....               | 5,714   | 45,657    | 5,883   | 1,300            | 11,061   | 1,401   | 4,414                 | 34,596  | 4,482   |
| Pennsylvania.....         | 11,896  | 92,012    | 12,110  | 7,515            | 58,606   | 7,594   | 4,381                 | 33,406  | 4,326   |
| Rhode Island.....         | 438     | 3,760     | 449     | 150              | 1,285    | 151     | 288                   | 2,484   | 298     |
| South Carolina.....       | 3,887   | 30,841    | 4,393   | 2,576            | 21,746   | 3,050   | 1,311                 | 9,095   | 1,334   |
| South Dakota.....         | 1,121   | 9,417     | 1,307   | 522              | 5,180    | 664     | 509                   | 4,237   | 543     |
| Tennessee.....            | 3,698   | 20,072    | 3,944   | 2,360            | 18,717   | 2,641   | 1,332                 | 10,355  | 1,403   |
| Texas.....                | 17,073  | 130,844   | 18,371  | 10,517           | 82,194   | 11,682  | 6,556                 | 49,649  | 6,689   |
| Utah.....                 | 2,293   | 20,158    | 2,395   | 1,115            | 9,031    | 1,157   | 1,178                 | 10,227  | 1,238   |
| Vermont.....              | 163     | 1,252     | 180     | 39               | 310      | 41      | 124                   | 942     | 130     |
| Virginia.....             | 5,785   | 47,939    | 5,806   | 1,945            | 15,842   | 1,950   | 3,840                 | 32,097  | 3,856   |
| Washington.....           | 10,514  | 86,742    | 11,035  | 2,076            | 18,365   | 2,373   | 8,438                 | 65,378  | 8,662   |
| West Virginia.....        | 1,285   | 10,513    | 1,332   | 318              | 2,743    | 324     | 967                   | 7,770   | 1,008   |
| Wisconsin.....            | 1,672   | 15,475    | 1,751   | 587              | 5,386    | 626     | 1,085                 | 10,089  | 1,125   |
| Wyoming.....              | 851     | 7,226     | 894     | 361              | 3,282    | 375     | 400                   | 3,945   | 519     |
| Alaska.....               | 164     | 2,596     | 202     | 48               | 883      | 71      | 116                   | 1,713   | 131     |
| Guam.....                 | 2       | 13        | 3       |                  |          |         | 2                     | 13      | 3       |
| Hawaii.....               | 1,739   | 17,936    | 1,786   | 1,167            | 11,618   | 1,195   | 572                   | 6,317   | 591     |
| Puerto Rico.....          | 883     | 7,985     | 955     | 704              | 6,263    | 730     | 179                   | 1,723   | 225     |
| Virgin Islands.....       | 2       | 14        | 2       | 1                | 6        | 1       | 1                     | 8       | 1       |
| Total.....                | 234,729 | 1,944,964 | 246,903 | 115,212          | 960,031  | 122,189 | 119,517               | 984,033 | 124,714 |

1 Cases tabulated in 1952.

Mortgages insured on existing construction exceeded the number insured on new construction in 2 out of 3 States, the District of Columbia, and Alaska. Among the leading States, the excess of existing-construction cases was highest in Washington and California. As indicated in Table 10, Section 203 was the most popular insurance vehicle for existing-construction mortgages in all States and for new construction in all but 2 States—Georgia and South Carolina—in both of which Section 903 defense housing units were the most numerous. These

## HOUSING AND HOME FINANCE AGENCY

2 States, together with Texas, Kansas, and California, accounted for more than half the dwelling units covered by Section 903 mortgages insured in 1952. Under the low-cost program of Section 8, insurance was written during the year on mortgages involving properties in all but 7 States, but nearly half of these units were located in Kansas, Michigan, and Texas. Section 213 insurance under the individual home mortgage provisions was limited to properties in 3 States—California (accounting for over 95 percent), Oklahoma, and Tennessee.

TABLE 10.—Dwelling units securing FHA-insured home mortgages, by State location, 1952

| State                | New construction |          |         |        | Existing construction |          |       |     |     |       |
|----------------------|------------------|----------|---------|--------|-----------------------|----------|-------|-----|-----|-------|
|                      | Total units      | Sections |         |        | Total units           | Sections |       |     |     | Other |
|                      |                  | 8        | 203     | 903    |                       | 8        | 203   | 213 | 903 |       |
| Alabama              | 1,423            | 25       | 1,202   | 196    | 1,110                 | 1,087    |       | 1   | 22  |       |
| Arizona              | 4,758            | 476      | 4,050   | 232    | 1,272                 | 1,220    |       |     | 50  |       |
| Arkansas             | 1,261            | 15       | 1,018   | 228    | 1,405                 | 1,405    |       |     |     |       |
| California           | 16,344           | 96       | 15,064  | 1,164  | 20,286                | 17,151   | 3,101 | 3   | 24  |       |
| Colorado             | 2,748            | 72       | 2,661   | 15     | 724                   | 724      |       |     |     |       |
| Connecticut          | 880              | 66       | 809     | 5      | 2,438                 | 2,438    |       |     |     |       |
| Delaware             | 125              |          | 125     |        | 204                   | 204      |       |     |     |       |
| District of Columbia | 27               |          | 27      |        | 230                   | 230      |       |     |     |       |
| Florida              | 5,192            | 432      | 4,177   | 583    | 1,511                 | 1,429    |       | 5   |     |       |
| Georgia              | 3,230            | 15       | 1,609   | 1,615  | 2,000                 | 1,992    |       | 3   |     |       |
| Idaho                | 566              | 3        | 553     | 10     | 1,236                 | 1,236    |       |     |     |       |
| Illinois             | 2,695            | 21       | 2,455   | 222    | 4,733                 | 4,733    |       |     |     |       |
| Indiana              | 3,539            | 31       | 3,339   | 160    | 3,602                 | 3,601    |       |     |     |       |
| Iowa                 | 895              | 121      | 774     |        | 1,604                 | 1,603    |       |     |     |       |
| Kansas               | 6,128            | 1,223    | 3,615   | 1,290  | 1,873                 | 1,864    |       | 2   |     |       |
| Kentucky             | 1,320            | 3        | 1,142   | 175    | 1,647                 | 1,647    |       |     |     |       |
| Louisiana            | 2,189            | 65       | 1,349   | 775    | 1,822                 | 1,817    |       | 4   |     |       |
| Maine                | 204              |          | 187     | 17     | 722                   | 722      |       |     |     |       |
| Maryland             | 1,102            |          | 960     | 142    | 1,544                 | 1,544    |       |     |     |       |
| Massachusetts        | 145              | 52       | 93      |        | 1,193                 | 1,192    |       |     |     |       |
| Michigan             | 8,458            | 887      | 7,571   |        | 7,150                 | 7,144    |       |     |     |       |
| Minnesota            | 644              | 28       | 616     |        | 1,331                 | 1,330    |       |     |     |       |
| Mississippi          | 1,247            |          | 856     | 391    | 555                   | 554      |       | 1   |     |       |
| Missouri             | 2,497            | 53       | 2,416   | 28     | 4,496                 | 4,495    |       |     |     |       |
| Montana              | 205              | 6        | 199     |        | 903                   | 903      |       |     |     |       |
| Nebraska             | 1,447            | 168      | 1,279   |        | 1,676                 | 1,675    |       |     |     |       |
| Nevada               | 645              | 1        | 644     |        | 265                   | 265      |       |     |     |       |
| New Hampshire        | 112              | 30       | 82      |        | 175                   | 165      |       |     | 9   |       |
| New Jersey           | 1,802            | 105      | 1,637   |        | 3,349                 | 3,347    |       |     | 1   |       |
| New Mexico           | 1,947            |          | 1,616   | 331    | 282                   | 278      |       | 4   |     |       |
| New York             | 3,201            | 363      | 2,648   | 190    | 4,360                 | 4,339    |       |     | 19  |       |
| North Carolina       | 1,934            | 16       | 1,544   | 374    | 931                   | 931      |       |     |     |       |
| North Dakota         | 164              |          | 164     |        | 275                   | 275      |       |     |     |       |
| Ohio                 | 5,063            | 10       | 4,879   | 174    | 8,598                 | 8,594    |       | 2   |     |       |
| Oklahoma             | 2,115            | 109      | 1,487   | 510    | 2,335                 | 2,297    |       |     |     |       |
| Oregon               | 1,401            | 45       | 1,356   |        | 4,482                 | 4,479    |       |     |     |       |
| Pennsylvania         | 7,584            | 102      | 7,418   | 64     | 4,526                 | 4,526    |       |     |     |       |
| Rhode Island         | 151              | 3        | 148     |        | 298                   | 298      |       |     |     |       |
| South Carolina       | 3,050            | 6        | 1,114   | 1,930  | 1,334                 | 1,333    |       | 1   |     |       |
| South Dakota         | 664              | 37       | 341     | 286    | 643                   | 642      |       |     |     |       |
| Tennessee            | 2,541            | 257      | 1,875   | 409    | 1,403                 | 1,218    | 100   | 74  |     |       |
| Texas                | 11,682           | 927      | 8,997   | 2,058  | 6,680                 | 6,640    |       | 14  |     |       |
| Utah                 | 1,157            | 48       | 1,105   | 4      | 1,238                 | 1,238    |       |     |     |       |
| Vermont              | 41               | 9        | 39      |        | 139                   | 139      |       |     |     |       |
| Virginia             | 1,950            | 2        | 1,474   | 467    | 3,856                 | 3,852    |       | 2   |     |       |
| Washington           | 2,373            | 65       | 1,990   | 318    | 8,662                 | 8,661    |       |     |     |       |
| West Virginia        | 324              | 1        | 323     |        | 1,008                 | 1,008    |       |     |     |       |
| Wisconsin            | 926              |          | 503     | 63     | 1,125                 | 1,125    |       |     |     |       |
| Wyoming              | 375              | 2        | 373     |        | 519                   | 519      |       |     |     |       |
| Alaska               | 71               |          | 71      |        | 131                   | 131      |       |     |     |       |
| Guam                 |                  |          |         |        | 3                     | 3        |       |     |     |       |
| Hawaii               | 1,195            |          | 1,195   |        | 591                   | 591      |       |     |     |       |
| Puerto Rico          | 730              |          | 730     |        | 225                   | 225      |       |     |     |       |
| Virgin Islands       | 1                |          | 1       |        | 1                     | 1        |       |     |     |       |
| Total <sup>1</sup>   | 122,189          | 5,756    | 101,950 | 14,453 | 124,714               | 121,080  | 3,234 | 116 | 129 |       |

<sup>1</sup> Cases tabulated in 1952.

## FEDERAL HOUSING ADMINISTRATION

*Cumulative totals.*—The State distribution of the nearly 3.2 million 1- to 4-family home mortgages insured by FHA in its 18 years of operations through 1952 is shown in Table 11. California surpassed all other States, accounting for some 526,000 (or 1 of every 6) home mortgages insured by FHA. Other leading States were Michigan with nearly 211,000 mortgages, Texas with slightly under 200,000, Pennsylvania with 166,000, New York with 158,000, Ohio with 148,000, and Illinois with 143,000—these 7 States accounting for virtually one-half the total number of home mortgages insured by FHA through December 31, 1952.

 TABLE 11.—Volume of FHA-insured home mortgages by State location, 1935-52  
(Dollar amounts in thousands)

| State                | Total     |            | Sec. 203  |            | Sec. 603 |           | Other sections <sup>1</sup> |         |
|----------------------|-----------|------------|-----------|------------|----------|-----------|-----------------------------|---------|
|                      | Number    | Amount     | Number    | Amount     | Number   | Amount    | Number                      | Amount  |
| Alabama              | 36,699    | \$207,729  | 20,324    | \$153,585  | 9,644    | \$50,589  | 731                         | \$3,556 |
| Arizona              | 36,950    | 216,495    | 27,281    | 162,931    | 7,132    | 43,215    | 2,546                       | 10,349  |
| Arkansas             | 31,833    | 170,426    | 26,164    | 142,425    | 4,869    | 24,493    | 800                         | 3,508   |
| California           | 526,138   | 3,078,089  | 380,893   | 2,254,546  | 120,010  | 742,826   | 19,235                      | 81,317  |
| Colorado             | 36,425    | 218,343    | 39,470    | 186,372    | 5,069    | 29,429    | 886                         | 2,542   |
| Connecticut          | 32,550    | 212,000    | 24,800    | 174,193    | 7,485    | 37,211    | 185                         | 590     |
| Delaware             | 6,338     | 36,800     | 3,657     | 22,169     | 2,631    | 14,522    | 40                          | 100     |
| District of Columbia | 6,648     | 48,270     | 3,867     | 27,577     | 2,780    | 20,691    | 1                           | 3       |
| Florida              | 92,519    | 559,468    | 63,253    | 382,233    | 26,895   | 165,132   | 2,371                       | 11,411  |
| Georgia              | 51,350    | 292,409    | 36,170    | 207,839    | 13,507   | 70,525    | 1,873                       | 14,045  |
| Idaho                | 16,840    | 98,283     | 10,196    | 94,863     | 3,277    | 3,104     |                             | 317     |
| Illinois             | 143,378   | 900,501    | 119,554   | 765,035    | 21,970   | 128,658   | 1,854                       | 5,938   |
| Indiana              | 103,140   | 572,290    | 86,887    | 476,808    | 15,801   | 93,633    | 452                         | 1,855   |
| Iowa                 | 27,735    | 167,007    | 24,972    | 142,622    | 2,540    | 13,563    | 214                         | 822     |
| Kansas               | 50,175    | 334,938    | 45,499    | 253,231    | 4,737    | 27,874    | 299                         | 1,450   |
| Kentucky             | 30,535    | 182,554    | 25,409    | 155,786    | 12,381   | 75,633    | 1,256                       | 7,119   |
| Louisiana            | 52,941    | 338,537    | 39,304    | 255,786    | 13,240   | 64,700    | 83                          | 317     |
| Maine                | 9,309     | 45,730     | 7,086     | 38,943     | 1,240    | 6,470     |                             | 4,302   |
| Maryland             | 49,119    | 289,579    | 33,350    | 190,801    | 14,400   | 88,416    | 1,360                       | 4,302   |
| Massachusetts        | 18,053    | 105,278    | 14,500    | 86,963     | 3,076    | 17,275    | 387                         | 1,039   |
| Michigan             | 210,980   | 1,254,512  | 165,928   | 992,193    | 41,334   | 248,254   | 3,718                       | 14,065  |
| Minnesota            | 30,315    | 180,566    | 25,138    | 147,687    | 4,810    | 31,968    | 367                         | 910     |
| Mississippi          | 23,100    | 117,925    | 18,440    | 92,038     | 4,168    | 22,926    | 573                         | 2,961   |
| Missouri             | 79,985    | 483,909    | 72,562    | 444,210    | 7,080    | 38,418    | 343                         | 1,360   |
| Montana              | 10,262    | 56,619     | 9,894     | 53,092     | 334      | 2,849     | 34                          | 104     |
| Nebraska             | 29,103    | 165,851    | 23,040    | 133,413    | 5,868    | 31,520    | 195                         | 917     |
| Nevada               | 7,696     | 52,130     | 5,702     | 41,767     | 1,925    | 10,177    | 60                          | 186     |
| New Hampshire        | 4,313     | 21,544     | 3,897     | 19,071     | 337      | 2,172     | 79                          | 301     |
| New Jersey           | 125,997   | 724,611    | 105,731   | 600,267    | 16,615   | 106,257   | 2,751                       | 8,987   |
| New Mexico           | 17,942    | 113,635    | 14,040    | 94,422     | 2,624    | 16,587    | 369                         | 2,526   |
| New York             | 158,042   | 998,290    | 127,683   | 817,570    | 23,057   | 151,757   | 7,302                       | 28,960  |
| North Carolina       | 37,559    | 219,874    | 27,865    | 161,995    | 8,820    | 63,933    | 865                         | 3,946   |
| North Dakota         | 2,850     | 17,376     | 2,678     | 16,217     | 162      | 1,135     | 10                          | 23      |
| Ohio                 | 148,281   | 918,844    | 122,391   | 767,405    | 24,769   | 146,752   | 1,121                       | 4,657   |
| Oklahoma             | 77,659    | 486,435    | 58,070    | 337,080    | 17,706   | 101,697   | 983                         | 7,658   |
| Oregon               | 44,380    | 269,506    | 36,745    | 226,763    | 6,845    | 40,360    | 790                         | 2,374   |
| Pennsylvania         | 166,140   | 920,021    | 133,589   | 728,033    | 31,443   | 193,118   | 1,108                       | 3,920   |
| Rhode Island         | 6,373     | 35,706     | 5,077     | 28,000     | 1,264    | 6,735     | 32                          | 65      |
| South Carolina       | 29,663    | 155,020    | 20,989    | 104,560    | 6,378    | 34,137    | 2,296                       | 16,324  |
| South Dakota         | 9,793     | 53,330     | 9,049     | 47,389     | 520      | 3,439     | 224                         | 2,511   |
| Tennessee            | 59,044    | 332,975    | 41,537    | 228,010    | 15,977   | 96,140    | 1,530                       | 8,525   |
| Texas                | 190,705   | 1,111,341  | 139,165   | 791,985    | 52,028   | 281,987   | 8,512                       | 37,369  |
| Utah                 | 30,275    | 170,417    | 22,180    | 135,833    | 7,920    | 42,924    | 175                         | 598     |
| Vermont              | 3,866     | 18,238     | 3,570     | 18,842     | 283      | 1,372     | 13                          | 25      |
| Virginia             | 71,635    | 419,462    | 40,113    | 304,339    | 18,800   | 102,931   | 3,716                       | 12,192  |
| Washington           | 127,492   | 738,882    | 105,427   | 624,375    | 10,076   | 103,235   | 2,989                       | 11,272  |
| West Virginia        | 21,376    | 118,440    | 20,013    | 112,004    | 1,325    | 6,224     | 38                          | 121     |
| Wisconsin            | 27,489    | 172,055    | 22,733    | 115,223    | 4,425    | 25,510    | 331                         | 1,322   |
| Wyoming              | 10,458    | 53,230     | 9,232     | 46,389     | 1,125    | 6,582     | 99                          | 259     |
| Alaska               | 1,102     | 10,169     | 1,080     | 10,000     | 1        | 7         |                             | 63      |
| Guam                 |           | 2          |           | 2          |          |           |                             |         |
| Hawaii               | 8,314     | 69,540     | 7,769     | 65,850     | 544      | 3,677     | 1                           | 4       |
| Puerto Rico          | 13,383    | 83,360     | 9,221     | 64,219     | 4,102    | 19,140    |                             |         |
| Virgin Islands       | 9         | 77         | 7         | 65         | 2        | 13        |                             |         |
| Total <sup>2</sup>   | 3,158,338 | 18,583,817 | 2,456,004 | 14,594,731 | 624,587  | 3,644,082 | 77,747                      | 344,104 |

<sup>1</sup> Includes Secs. 2, 8, 213, 603-610, 611, and 903.

<sup>2</sup> Cases tabulated through Dec. 31, 1952.



HOUSING AND HOME FINANCE AGENCY

TABLE 13.—Terminations of FHA-insured home mortgages, 1935-52

| Year                  | Total terminations    |                                |                          |                       | Titles acquired by mortgagees <sup>1</sup> |                          |        | Foreclosures in process at year end   |  |
|-----------------------|-----------------------|--------------------------------|--------------------------|-----------------------|--|--------------------------|--------|---------------------------------------|--|
|                       | Number for the period | Cumulative through end of year |                          | Number for the period | Cumulative through end of year             |                          | Number | Percent of insured mortgages in force |  |
|                       |                       | Number                         | Percent of total insured |                       | Number                                     | Percent of total insured |        |                                       |  |
| Total                 |                       |                                |                          |                       |  |                          |        |                                       |  |
| 1935-39.....          | 28,258                | 28,258                         | 6.07                     | 2,095                 | 2,095                                      | 0.45                     | 808    | 0.18                                  |  |
| 1940-44.....          | 281,675               | 309,933                        | 22.66                    | 6,912                 | 9,007                                      | .66                      | 820    | .08                                   |  |
| 1945-49.....          | 675,029               | 984,962                        | 43.06                    | 4,684                 | 13,691                                     | .60                      | 1,281  | .10                                   |  |
| 1950.....             | 131,833               | 1,116,795                      | 42.49                    | 2,610                 | 16,301                                     | .62                      | 1,167  | .08                                   |  |
| 1951.....             | 109,795               | 1,226,590                      | 42.58                    | 1,523                 | 17,824                                     | .62                      | 899    | .05                                   |  |
| 1952.....             | 101,134               | 1,327,724                      | 42.62                    | 1,478                 | 19,302                                     | .62                      | 646    | .04                                   |  |
| Sec. 8                |                       |                                |                          |                       |  |                          |        |                                       |  |
| 1951.....             | 2                     | 2                              | .03                      |                       |  |                          | 1      | .02                                   |  |
| 1952.....             | 89                    | 91                             | .75                      | 5                     | 5  | .04                      | 5      | .04                                   |  |
| Sec. 203              |                       |                                |                          |                       |  |                          |        |                                       |  |
| 1935-39.....          | 28,258                | 28,258                         | 6.07                     | 2,095                 | 2,095                                      | .45                      | 808    | .18                                   |  |
| 1940-44.....          | 269,406               | 297,664                        | 27.52                    | 3,308                 | 5,403                                      | .50                      | 59     | .01                                   |  |
| 1945-49.....          | 486,037               | 783,701                        | 47.13                    | 244                   | 5,647                                      | .34                      | 302    | .03                                   |  |
| 1950.....             | 97,144                | 880,845                        | 44.02                    | 677                   | 6,324                                      | .32                      | 502    | .04                                   |  |
| 1951.....             | 85,506                | 966,351                        | 43.02                    | 760                   | 7,084                                      | .32                      | 515    | .04                                   |  |
| 1952.....             | 81,301                | 1,047,652                      | 42.60                    | 684                   | 7,768                                      | .32                      | 438    | .03                                   |  |
| Sec. 213              |                       |                                |                          |                       |  |                          |        |                                       |  |
| 1952.....             | 1                     | 1                              | .03                      |                       |  |                          |        |                                       |  |
| Sec. 603 <sup>2</sup> |                       |                                |                          |                       |  |                          |        |                                       |  |
| 1941-44.....          | 12,269                | 12,269                         | 4.28                     | 3,604                 | 3,604                                      | 1.26                     | 721    | .26                                   |  |
| 1945-49.....          | 188,992               | 201,261                        | 32.23                    | 1,064                 | 8,044                                      | 1.29                     | 970    | .23                                   |  |
| 1950.....             | 34,689                | 235,950                        | 37.52                    | 1,933                 | 9,977                                      | 1.59                     | 665    | .17                                   |  |
| 1951.....             | 24,287                | 260,237                        | 41.45                    | 703                   | 10,740                                     | 1.71                     | 383    | .10                                   |  |
| 1952.....             | 19,743                | 279,980                        | 44.59                    | 780                   | 11,529                                     | 1.84                     | 203    | .06                                   |  |

<sup>1</sup> Includes titles transferred to FHA, titles retained by mortgagees with termination of mortgage insurance, and titles to foreclosed properties subject to redemption or held by mortgagees pending final disposition—3 under Sec. 8, 176 under Sec. 203, and 334 under Secs. 603 and 603-610.

<sup>2</sup> Of the cumulative number of terminated mortgages, FHA reinsured 20 Sec. 8 cases, 148,546 Sec. 203 cases, and 58,883 Sec. 603 cases. A reinsured mortgage involves the same property as covered by the original FHA insurance contract.

<sup>3</sup> Includes Sec. 603-610 cases.

gages was down slightly—from 1,523 in 1951 to 1,478 in 1952. The number of Section 603 properties acquired during the year—over half of the total—rose slightly, while Section 203 title acquisitions were 10 percent lower than in 1951.

Foreclosures in process on December 31 declined by about 28 percent from 1951 to 1952. Although the number of these cases was lower in both of the major programs, the relative decrease in the volume of Section 603 pending foreclosures was substantially greater. In rela-

FEDERAL HOUSING ADMINISTRATION

TABLE 14.—Termination of FHA-insured home mortgages by State location, Secs. 203 and 603, 1935-52

| State                     | Sec. 203                |              |                              |  | Sec. 603                |              |                              |  |
|---------------------------|-------------------------|--------------|------------------------------|--|-------------------------|--------------|------------------------------|--|
|                           | Total mortgages insured | Terminations | Titles acquired <sup>1</sup> | Insured mortgages in force Dec. 31, 1952 | Total mortgages insured | Terminations | Titles acquired <sup>1</sup> | Insured mortgages in force Dec. 31, 1952 |
|                           |                         |              |                              |  |                         |              |                              |  |
| Alabama.....              | 26,324                  | 36.14        | 0.80                         | 10,811                                   | 9,644                   | 50.46        | 6.25                         | 4,778                                    |
| Arizona.....              | 27,281                  | 25.32        | .21                          | 20,374                                   | 7,132                   | 19.78        | 6.72                         | 5,721                                    |
| Arkansas.....             | 26,164                  | 29.97        | .97                          | 18,323                                   | 4,809                   | 45.98        | 1.01                         | 2,630                                    |
| California.....           | 380,893                 | 49.49        | .15                          | 102,407                                  | 126,010                 | 46.28        | .19                          | 67,630                                   |
| Colorado.....             | 30,470                  | 40.04        | .14                          | 18,269                                   | 5,069                   | 41.31        | .30                          | 2,985                                    |
| Connecticut.....          | 24,890                  | 36.52        | .17                          | 15,301                                   | 7,485                   | 67.59        | 21.30                        | 2,426                                    |
| Delaware.....             | 3,667                   | 41.10        | .95                          | 2,160                                    | 2,531                   | 74.00        | .11                          | 684                                      |
| District of Columbia..... | 3,867                   | 57.56        | .08                          | 1,641                                    | 2,780                   | 41.47        | .14                          | 1,627                                    |
| Florida.....              | 63,253                  | 32.08        | .38                          | 42,062                                   | 26,895                  | 21.75        | 1.10                         | 21,046                                   |
| Georgia.....              | 36,170                  | 38.57        | .46                          | 22,218                                   | 13,307                  | 46.37        | 4.83                         | 7,136                                    |
| Idaho.....                | 16,196                  | 37.19        | .19                          | 10,172                                   | 6,527                   | 45.54        | .38                          | 287                                      |
| Illinois.....             | 119,554                 | 56.53        | .19                          | 51,967                                   | 21,970                  | 60.20        | .06                          | 8,743                                    |
| Indiana.....              | 86,887                  | 43.24        | .20                          | 49,315                                   | 15,801                  | 44.21        | .44                          | 8,815                                    |
| Iowa.....                 | 24,972                  | 47.35        | .13                          | 13,148                                   | 2,549                   | 50.06        | 5.81                         | 1,120                                    |
| Kansas.....               | 43,312                  | 38.24        | .62                          | 26,751                                   | 10,329                  | 52.34        | 1.06                         | 4,923                                    |
| Kentucky.....             | 25,499                  | 38.00        | .37                          | 15,810                                   | 4,737                   | 43.49        | .04                          | 2,677                                    |
| Louisiana.....            | 39,304                  | 29.65        | .50                          | 27,652                                   | 12,381                  | 49.96        | 4.47                         | 6,196                                    |
| Maine.....                | 7,986                   | 43.49        | .96                          | 4,513                                    | 1,240                   | 63.71        | 3.06                         | 450                                      |
| Maryland.....             | 33,350                  | 48.39        | .34                          | 17,213                                   | 14,409                  | 55.19        | 6.70                         | 6,456                                    |
| Massachusetts.....        | 14,500                  | 50.90        | 1.56                         | 7,163                                    | 3,076                   | 50.30        | 1.63                         | 1,252                                    |
| Michigan.....             | 165,928                 | 43.91        | .41                          | 93,073                                   | 41,334                  | 43.83        | 2.17                         | 23,219                                   |
| Minnesota.....            | 25,138                  | 53.56        | .37                          | 11,674                                   | 4,810                   | 44.74        | .48                          | 2,658                                    |
| Mississippi.....          | 18,449                  | 35.25        | .40                          | 11,946                                   | 4,108                   | 25.17        | .26                          | 3,119                                    |
| Missouri.....             | 72,562                  | 42.10        | .30                          | 42,017                                   | 7,080                   | 55.41        | 2.68                         | 3,157                                    |
| Montana.....              | 9,894                   | 46.05        | .10                          | 5,338                                    | 334                     | 50.90        | .30                          | 164                                      |
| Nebraska.....             | 23,400                  | 42.05        | .21                          | 13,145                                   | 5,868                   | 61.50        | 2.25                         | 2,259                                    |
| Nevada.....               | 5,702                   | 30.18        | .02                          | 3,981                                    | 1,925                   | 51.90        | .05                          | 926                                      |
| New Hampshire.....        | 3,897                   | 57.30        | 3.10                         | 1,661                                    | 337                     | 42.43        | 8.90                         | 194                                      |
| New Jersey.....           | 105,731                 | 48.73        | .63                          | 54,213                                   | 16,615                  | 45.90        | 1.63                         | 8,989                                    |
| New Mexico.....           | 14,949                  | 22.72        | .04                          | 11,552                                   | 2,624                   | 28.24        |                              | 1,883                                    |
| New York.....             | 127,683                 | 35.58        | .65                          | 82,261                                   | 23,057                  | 28.45        | 2.07                         | 16,497                                   |
| North Carolina.....       | 27,805                  | 36.88        | .28                          | 17,587                                   | 8,820                   | 28.79        | 2.10                         | 6,287                                    |
| North Dakota.....         | 2,678                   | 45.18        | .30                          | 1,468                                    | 162                     | 39.51        |                              | 98                                       |
| Ohio.....                 | 122,391                 | 49.38        | .16                          | 61,956                                   | 24,769                  | 57.01        | .45                          | 10,647                                   |
| Oklahoma.....             | 68,070                  | 35.38        | .34                          | 38,108                                   | 17,706                  | 39.66        | 1.89                         | 10,684                                   |
| Oregon.....               | 36,746                  | 32.84        | .18                          | 24,077                                   | 6,845                   | 44.05        | .26                          | 3,830                                    |
| Pennsylvania.....         | 133,580                 | 47.63        | .20                          | 69,967                                   | 31,443                  | 48.91        | .17                          | 16,065                                   |
| Rhode Island.....         | 5,077                   | 55.25        | .53                          | 2,272                                    | 1,264                   | 56.25        | .08                          | 553                                      |
| South Carolina.....       | 20,989                  | 20.03        | .23                          | 14,895                                   | 6,378                   | 39.31        | 5.63                         | 3,871                                    |
| South Dakota.....         | 9,049                   | 44.06        | .23                          | 5,008                                    | 520                     | 43.08        |                              | 296                                      |
| Tennessee.....            | 41,537                  | 39.40        | .35                          | 25,173                                   | 15,977                  | 26.54        | 1.01                         | 11,737                                   |
| Texas.....                | 139,165                 | 32.42        | .16                          | 94,049                                   | 52,028                  | 37.36        | .92                          | 32,591                                   |
| Utah.....                 | 22,180                  | 42.20        | .18                          | 12,821                                   | 7,920                   | 58.04        | 5.03                         | 3,323                                    |
| Vermont.....              | 3,570                   | 59.61        | 1.15                         | 1,442                                    | 283                     | 67.14        | 4.95                         | 93                                       |
| Virginia.....             | 49,113                  | 34.70        | .24                          | 32,029                                   | 18,806                  | 47.89        | 5.50                         | 9,799                                    |
| Washington.....           | 105,427                 | 42.06        | .24                          | 61,087                                   | 19,076                  | 64.65        | .80                          | 6,744                                    |
| West Virginia.....        | 20,013                  | 44.46        | .14                          | 11,116                                   | 1,325                   | 58.34        | 21.21                        | 552                                      |
| Wisconsin.....            | 22,733                  | 52.46        | .25                          | 10,808                                   | 4,425                   | 57.04        | .18                          | 1,901                                    |
| Wyoming.....              | 9,232                   | 51.83        | .18                          | 4,447                                    | 1,125                   | 35.20        |                              | 729                                      |
| Alaska.....               | 1,080                   | 39.07        | .28                          | 658                                      | 1                       | 100.00       |                              |  |
| Guam.....                 | 2                       |              |                              | 2  |                         |              |                              |  |
| Hawaii.....               | 7,709                   | 30.08        | .03                          | 5,432                                    | 544                     | 37.32        |                              | 341                                      |
| Puerto Rico.....          | 9,221                   | 15.20        | .07                          | 7,819                                    | 4,162                   | 4.04         | .34                          | 3,904                                    |
| Virgin Islands.....       | 7                       |              |                              | 7  | 2                       | 50.00        |                              | 1  |
| Total.....                | 2,456,004               | 42.03        | .32                          | 1,408,352                                | 624,687                 | 44.79        | 1.84                         | 344,843                                  |

<sup>1</sup> Includes titles transferred to FHA, titles retained by the mortgagees with termination of mortgage insurance, and titles to 176 Sec. 203 and 334 Sec. 603 foreclosed mortgages which are subject to redemption or held by mortgagees pending final disposition.

<sup>2</sup> Cases tabulated through Dec. 31, 1952.

tion to total insured mortgages in force, the proportion of foreclosures in process at the year end declined from 0.05 percent in 1951 to 0.04 percent in 1952, with comparable decreases of 0.04 to 0.03 percent under Section 203, and 0.10 to 0.06 percent under Section 603. Contributing to the sharper decline for Section 603 was the fact that substantial new insurance activity under that program ended early in 1950.

*State distribution.*—Table 14 shows for each State and Territory the total number of home mortgages insured through December 31, 1952 under the 2 major FHA home mortgage programs—Sections 203 and 603—the percent of these mortgages terminated, the percent terminated because of foreclosures (titles acquired by mortgagees), and the number remaining in force at the year end.

The proportion of Section 203 contracts terminated ranged from none (in the Virgin Islands and Guam, where FHA insurance contracts are of recent origin) to 60 percent in Vermont, with a national average of about 43 percent. The termination ratios for the majority of the States were between 35 and 50 percent, only 10 having ratios below 35 percent and 9 having ratios in excess of 50 percent. Less than one-third of 1 percent of the Section 203 insured cases were terminated because of foreclosure. In only 12 States did the foreclosure ratio exceed one-half of 1 percent and in only 3 States was it more than 1 percent.

With virtually no insuring activity under Section 603 and nearly 20,000 Section 603 contracts reported terminated during the year, the cumulative termination rate under this section increased to nearly 45 percent. In 20 States the proportion of Section 603 cases now reported as terminated was 50 percent or higher, while only 7 States had ratios of less than 35 percent. Reflecting the emergency nature of the program, the Section 603 foreclosure rate was somewhat higher than for Section 203, averaging 1.8 percent of all mortgages insured. Terminations due to foreclosure exceeded 5 percent in 10 states, while in 19 States or Territories it was less than 1 percent.

### Termination Experience

The life expectancy of 1- to 4-family home mortgages insured under Section 203, i. e., that period of time for which mortgages can, on the average, be expected to remain in force, is estimated to be 7.70 years. This figure is based on the termination experience of these home mortgages observed over the 16-year period from the inauguration of the mutual mortgage insurance program to the end of 1950 and a projection of this experience through 4 additional years to reflect the life expectancy of mortgages with maturities of 20 years. The termination experience covers all home mortgage insurance contracts written

under Section 203 from 1935 through 1950 and exposed to their policy anniversaries in 1951 or prior termination dates.

On the basis of this 1935-51 termination experience, the life expectancy of Section 203 home mortgages represents an increase of 0.15 year over the figure of 7.55 years reported in the 1951 annual report. This increase in life expectancy reflects the decline from the previous year in total terminations of insurance contracts occurring in 1951. Future figures can be expected to show longer life expectancies for Section 203 mortgages as the effects of the record levels of terminations during the latter war and early postwar years are offset by relatively lower levels of terminations in the future. The record terminations in those war and postwar years were predominantly prepayments of mortgages—reflecting both unusually high personal savings and high turnover of residential properties accounted for by a combination of high employment and shortages of consumer goods and housing in those years.

The survivorship table based on the 1935-51 termination experience of Section 203 mortgages is presented in Actuarial Schedule 1. This table shows the numbers of mortgages surviving at the beginning of each policy year from an initial hypothetical group of 100,000 mortgages on 1- to 4-family homes. The numbers of mortgage survivors are determined from the total annual rates of termination by policy year, which are also shown in the survivorship table.

ACTUARIAL SCHEDULE 1.—Survivorship table of a group of 1- to 4-family home mortgages based on aggregate termination experience by policy year for Sec. 203 mortgages insured from 1935 through 1950 and exposed to policy anniversaries in 1951 or prior termination dates

| Policy year | Mortgage survivors at the beginning of policy year | Annual termination rates <sup>1</sup> | Mortgage terminations during the policy year | Policy year | Mortgage survivors at the beginning of policy year | Annual termination rates <sup>1</sup> | Mortgage terminations during the policy year |
|-------------|--|---------------------------------------|--|-------------|--|---------------------------------------|--|
| 1st.....    | 100,000  | 0.0207311                             | 2,673  | 9th.....    | 39,171   | 0.1657526                             | 6,101  |
| 2d.....     | 97,327   | .0531523                              | 5,173  | 10th.....   | 33,070   | .1578571                              | 5,220  |
| 3d.....     | 92,154   | .0797239                              | 7,347  | 11th.....   | 27,850   | .1512604                              | 4,213  |
| 4th.....    | 84,807   | .1066581                              | 9,045  | 12th.....   | 23,637   | .1536535                              | 3,632  |
| 5th.....    | 75,702   | .1333261                              | 10,101                                       | 13th.....   | 20,005   | .1573791                              | 3,148  |
| 6th.....    | 65,661   | .1516930                              | 9,960  | 14th.....   | 16,857   | .1623134                              | 2,736  |
| 7th.....    | 55,701   | .1608247                              | 8,958  | 15th.....   | 14,121   | .2720614                              | 3,842  |
| 8th.....    | 46,703   | .1619905                              | 7,572  | 16th.....   | 10,270   | .4440153                              | 4,573  |

<sup>1</sup> The method of determining these rates is identical with the standard method of computing probabilities.

A policy year covers the annual period beginning with the date on which a mortgage contract is endorsed for insurance. Thus a mortgage insurance contract which has not passed its first anniversary is in force or exposed to the risk of termination during its first policy year. If the contract is terminated before this anniversary, it is terminated

during its first policy year. The rate of termination for the first policy year is the number of mortgages which are terminated during this policy year divided by the number of mortgages in force or exposed to the risk of termination at the beginning of the first policy year.

The total annual rates of termination are based on the 1935-51 termination experience for Section 203 mortgages. By applying these rates to an initial hypothetical group of mortgages, the number of mortgages terminating during each policy year and the number surviving at the beginning of each policy year are derived. The figures in Actuarial Schedule 1 are interpreted in the following manner:

Starting with an initial hypothetical group of 100,000 mortgages, 2,673 mortgages terminate within the first policy year after the date of their insurance. These terminations represent the product of the annual rate of terminations in the first policy year of 0.0267311 and the initial number of mortgages. Subtracting these terminated mortgages from the initial number leaves 97,327 mortgages in force at the beginning of the second policy year. The annual termination rate in the second policy year of 0.0531523 applied against these 97,327 mortgage survivors results in a product of 5,173 mortgages for terminations during the second policy year. Subtracting this number of terminations during the second policy year from the number of mortgage survivors at the beginning of the second policy year leaves 92,154 mortgages in force at the beginning of the third policy year.

The component rates of the total annual termination rates by policy year presented in the survivorship table are shown in Actuarial Schedule 2 and include rates for the two types of prepayment—prepayments in full and prepayments by supersession; the two types of titles acquired—titles retained by mortgagees and titles transferred to FHA; and other types of termination, which are predominantly maturities.

The interpretation of the component rates for the different types of termination by policy year is the same as for total annual termination rates in the measurement of survivorship and terminations during a policy year. The component rates are additive. The rate for prepayments in full for a given policy year can be combined with the rate for prepayments by supersession for the same policy year to give the total rate of prepayment for a given policy year. Likewise the rates for titles acquired by mortgagees and retained by mortgagees can be combined with the rates for those transferred to FHA to give total foreclosure rates by policy year.

To illustrate the interpretation of these component rates by a hypothetical example, if 100,000 mortgages are in force at the beginning of the fifth policy year, according to Actuarial Schedule 2 a total of

13,332 mortgages can be expected to terminate during the fifth policy year. This total number of terminations can be expected to include 13,207 prepayments, of which 11,661 are prepayments in full and 1,546 are prepayments by supersession; 66 foreclosures, in which 19 of the properties are retained by the mortgagees and 47 are transferred to FHA; and 59 other terminations, which are principally maturities.

ACTUARIAL SCHEDULE 2.—Annual termination rates<sup>1</sup> for 1- to 4-family home mortgages by type of termination based on aggregate termination experience by policy year for Sec. 203 mortgages insured from 1935 through 1950 and exposed to policy anniversaries in 1951 or prior termination dates

| Policy year | Type of termination |                             |                               |                    |           | Total     |
|-------------|---------------------|-----------------------------|-------------------------------|--------------------|-----------|-----------|
|             | Prepayments in full | Prepayments by supersession | Titles acquired by mortgagees |                    | Others    |           |
|             |                     |                             | Retained by mortgagee         | Transferred to FHA |           |           |
| 1st.....    | 0.0195096           | 0.0070076                   | 0.0000810                     | 0.0000919          | 0.0000410 | 0.0267311 |
| 2d.....     | .0404029            | .0116553                    | .0003219                      | .0003338           | .0003384  | .0531523  |
| 3d.....     | .0229778            | .0151899                    | .0003321                      | .0010912           | .0003820  | .0797230  |
| 4th.....    | .0887840            | .0165364                    | .0003746                      | .0008171           | .0001460  | .1066581  |
| 5th.....    | .1166135            | .0154632                    | .0001908                      | .0004720           | .0005866  | .1333261  |
| 6th.....    | .1365756            | .0144535                    | .0001466                      | .0002533           | .0002640  | .1516930  |
| 7th.....    | .1468895            | .0135160                    | .0001007                      | .0000975           | .0002210  | .1608247  |
| 8th.....    | .1487181            | .0126645                    | .0000843                      | .0000251           | .0004975  | .1619005  |
| 9th.....    | .1421685            | .0127076                    | .0000724                      | .0000125           | .0004916  | .1557526  |
| 10th.....   | .1418628            | .0114862                    | .0000449                      | .0000035           | .0014597  | .1578571  |
| 11th.....   | .1338292            | .0097418                    | .0000438                      | .....              | .0076456  | .1512694  |
| 12th.....   | .1396817            | .0086418                    | .0000550                      | .....              | .0052759  | .1536535  |
| 13th.....   | .1410520            | .0064244                    | .....                         | .....              | .0099027  | .1573791  |
| 14th.....   | .1519683            | .0053544                    | .0000686                      | .....              | .0019221  | .1623134  |
| 15th.....   | .1891555            | .0031886                    | .....                         | .....              | .0697473  | .2720614  |
| 16th.....   | .2652542            | .0030848                    | .0008475                      | .....              | .1737288  | .4449153  |

<sup>1</sup> The method of determining these rates is identical with the standard method of computing probabilities.

These annual rates of termination are "crude" or actual rates, as distinguished from "graduated" or smoothed rates. They are based on numbers of mortgages only, and include mortgages with the various terms of financing eligible for insurance under the administrative rules and regulations for Title II, Section 203. Because this insurance program has not been in operation long enough for many of its longer-term mortgages to mature, the rates for the later policy years are based on a smaller aggregate amount of experience than those for earlier policy years. The rates of termination for the first policy year are based on the contracts endorsed for insurance in each calendar year from 1935 through 1950. For the second policy year, they are based on the endorsements in each calendar year from 1935 through 1949. Thus, for the sixteenth policy year, they are based on endorsements of calendar year 1935 only. With time, the accumulation of termination data will provide the merged experience of contracts through that policy year which will represent the longest maturity eligible for insurance under this program.

It should be noted that the rates of termination are influenced not only by the duration of the insurance contract, i. e., the number of policy years during which a contract is exposed to the risk of termination, but also by changes in economic conditions. Annual rates of prepayment in full, for example, can be expected to increase with duration: the smaller the outstanding balance of the loan, the greater the likelihood of prepayment. These rates of prepayment can also be expected to increase with high levels of incomes and savings. In the determination of the rates, the effects of such influences and others are merged.

### Home Mortgages in Default

As of the end of 1952, about 10,000 FHA-insured home mortgages were reported by mortgagees to be in default. This represented just over one-half of 1 percent of the insured mortgages in force—a decided improvement over the situation at the end of 1951, when defaulted mortgages numbered some 17,000 or slightly more than 1 percent of the number in force. As indicated earlier, only 1,478 home titles were acquired by mortgagees during 1952, so that more than three-fourths of the net reduction in defaults represented cured defaults with the mortgages returned to good standing or prepaid.

The more favorable picture at the close of 1952 is, of course, a reflection of the reduction in defaults under the two major programs. Section 203 defaults declined to 6,965 from 10,862 the year before, and the ratio of defaults to insurance in force declined from nearly eight-tenths of 1 percent to less than one-half of 1 percent; while Section 603 defaults were down from 6,531 at the end of 1951 to 2,983 and the default ratio fell from 1.8 percent to less than 0.9 percent.

### Financial Institution Activity

Origination and holding of FHA-insured mortgages is limited to FHA-approved financial institutions. This approval is automatically extended to certain Federal, State, and municipal government agencies. Members of the Federal Reserve System and institutions participating in the Federal Savings and Loan Insurance and Federal Deposit Insurance Systems are approved upon application. Other applicant institutions obtain approval if they meet certain prescribed qualifications and comply with regulations established for such approval.

*Originations and holdings.*—Chart 8 shows the distributions by type of institution of the mortgages originated, purchased, and sold in 1952, together with the face amount of mortgages held at the year end by each of the different types of institutions. More detailed information on originations during the year and on holdings at the year end is presented in Table 15.

### TYPE OF INSTITUTION ORIGINATING, TRANSFERRING OR HOLDING HOME MORTGAGES (BASED ON DOLLAR AMOUNT)

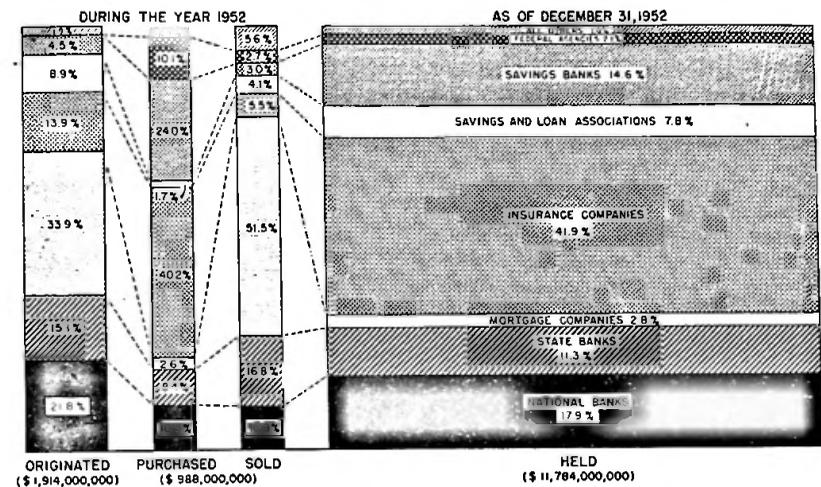


CHART 8.

Nearly 4,000 lending institutions participated in the origination of \$1.9 billion of FHA-insured home mortgages in 1952. The most active of these were mortgage companies, which financed about one-third of the total amount. Even higher proportions of the Section 8 (43 percent) and Section 903 (59 percent) mortgages were originated by this type of institution. Virtually all mortgages financed by mortgage companies are sold to banks or insurance companies or to the Federal National Mortgage Association, with the mortgage companies frequently retained as servicing agents.

National banks were the second largest originators of FHA-insured home mortgages in 1952, accounting for over one-fifth of the total dollar volume. State banks and insurance companies ranked next, each with about one-seventh of the total amount of mortgages originated.

Mortgage companies and national banks were the only two types of institutions that originated larger proportions of FHA home mortgages in 1952 than in 1951. Insurance company originations declined from 17 percent to 14 percent, and the State banks' share declined from 16 to 15 percent.

As of December 31, 1952, over 9,400 financial institutions were holding in their portfolios FHA-insured home mortgages totaling nearly \$11.8 billion in original face amount.\* As Table 15 shows, the

\* It should be noted that, due to the time required for auditing newly insured cases and effecting changes in records occasioned by transfers and terminations of mortgages, the data on mortgages held in portfolio may not reflect some of the actions occurring in the latter part of the year. For example, some \$37 million of Sec. 903 insured cases, in process of audit at the end of 1952, are not included in the "holdings" data shown in Table 15.

## HOUSING AND HOME FINANCE AGENCY

TABLE 15.—Originations and holdings of FHA-insured home mortgages by type of institution, 1952

[Dollar amounts in thousands]

| Type of institution <sup>1</sup> | Number of institutions |         | Mortgages originated 1952 |           |                   | Mortgages held <sup>2</sup> Dec. 31, 1952 |             |                   |
|----------------------------------|------------------------|---------|---------------------------|-----------|-------------------|---|-------------|-------------------|
|                                  | Originating            | Holding | Number                    | Amount    | Percent of amount | Number                                    | Amount      | Percent of amount |
| Total                            |                        |         |                           |           |                   |   |             |                   |
| National bank.....               |                        |         | 49,938                    | \$418,178 | 21.9              | 320,279                                   | \$2,108,695 | 17.9              |
| State bank.....                  |                        |         | 34,110                    | 289,258   | 15.1              | 205,575                                   | 1,337,378   | 11.3              |
| Mortgage company.....            |                        |         | 80,257                    | 647,830   | 33.8              | 43,845                                    | 334,316     | 2.8               |
| Insurance company.....           |                        |         | 31,114                    | 266,851   | 13.9              | 721,221                                   | 4,034,088   | 41.9              |
| Savings and loan assn.....       | Not available          |         | 21,148                    | 169,842   | 8.9               | 139,171                                   | 922,347     | 7.8               |
| Savings bank.....                |                        |         | 10,332                    | 85,317    | 4.5               | 242,864                                   | 1,716,115   | 14.6              |
| Federal agency.....              |                        |         | 1                         | 5         | (*)               | 37,720                                    | 246,074     | 2.1               |
| All other <sup>4</sup> .....     |                        |         | 4,522                     | 36,787    | 1.9               | 29,299                                    | 184,942     | 1.6               |
| Total.....                       |                        |         | 231,422                   | 1,914,067 | 100.0             | 1,740,980                                 | 11,783,955  | 100.0             |

## Sec. 8

|                              |     |     |       |         |       |        |         |       |
|------------------------------|-----|-----|-------|---------|-------|--------|---------|-------|
| National bank.....           | 40  | 63  | 687   | \$3,351 | 11.0  | 1,036  | \$4,920 | 8.9   |
| State bank.....              | 54  | 87  | 1,066 | 6,254   | 20.4  | 1,046  | 5,508   | 9.9   |
| Mortgage company.....        | 78  | 74  | 2,546 | 13,029  | 42.6  | 1,037  | 5,262   | 9.5   |
| Insurance company.....       | 21  | 51  | 138   | 650     | 2.1   | 1,366  | 6,439   | 11.6  |
| Savings and loan assn.....   | 65  | 82  | 880   | 4,457   | 14.6  | 1,377  | 6,614   | 11.9  |
| Savings bank.....            | 11  | 30  | 366   | 1,718   | 5.6   | 1,640  | 7,674   | 13.8  |
| Federal agency.....          |     | 1   |       |         |       | 3,593  | 17,797  | 32.1  |
| All other <sup>4</sup> ..... | 6   | 11  | 239   | 1,129   | 3.7   | 272    | 1,287   | 2.3   |
| Total.....                   | 275 | 399 | 5,922 | 30,587  | 100.0 | 11,367 | 55,501  | 100.0 |

## Sec. 203

|                              |       |       |         |           |       |           |             |       |
|------------------------------|-------|-------|---------|-----------|-------|-----------|-------------|-------|
| National bank.....           | 1,069 | 2,722 | 47,681  | \$401,550 | 22.6  | 268,281   | \$1,776,264 | 19.0  |
| State bank.....              | 1,161 | 3,432 | 30,763  | 201,846   | 14.8  | 172,187   | 1,124,277   | 12.0  |
| Mortgage company.....        | 536   | 612   | 70,185  | 570,528   | 32.2  | 33,635    | 260,102     | 2.8   |
| Insurance company.....       | 311   | 555   | 30,839  | 265,142   | 14.0  | 557,294   | 3,853,718   | 41.1  |
| Savings and loan assn.....   | 713   | 1,610 | 19,895  | 162,321   | 9.1   | 114,844   | 770,496     | 8.2   |
| Savings bank.....            | 166   | 327   | 9,902   | 83,094    | 4.7   | 188,234   | 1,331,437   | 14.2  |
| Federal agency.....          | 1     | 4     | 1       | 5         | (*)   | 15,857    | 104,511     | 1.1   |
| All other <sup>4</sup> ..... | 36    | 160   | 3,709   | 30,440    | 1.7   | 23,063    | 146,128     | 1.6   |
| Total.....                   | 3,993 | 9,422 | 212,975 | 1,774,925 | 100.0 | 1,373,395 | 9,366,933   | 100.0 |

## Sec. 603

|                              |   |       |    |      |       |         |           |       |
|------------------------------|---|-------|----|------|-------|---------|-----------|-------|
| National bank.....           | 1 | 887   | 5  | \$40 | 13.7  | 50,318  | \$321,062 | 14.0  |
| State bank.....              | 1 | 1,152 | 2  | 15   | 6.3   | 32,376  | 199,108   | 8.7   |
| Mortgage company.....        | 1 | 165   | 22 | 134  | 46.1  | 5,622   | 37,992    | 1.7   |
| Insurance company.....       |   | 257   |    |      |       | 162,542 | 1,073,758 | 40.9  |
| Savings and loan assn.....   |   | 652   |    |      |       | 22,775  | 143,923   | 6.3   |
| Savings bank.....            | 3 | 176   | 16 | 102  | 34.9  | 52,844  | 375,720   | 16.4  |
| Federal agency.....          |   | 2     |    |      |       | 16,836  | 103,269   | 4.6   |
| All other <sup>4</sup> ..... |   | 40    |    |      |       | 5,646   | 34,552    | 1.6   |
| Total.....                   | 6 | 3,337 | 45 | 291  | 100.0 | 347,959 | 2,290,294 | 100.0 |

## Sec. 903

|                              |     |     |        |          |       |       |         |       |
|------------------------------|-----|-----|--------|----------|-------|-------|---------|-------|
| National bank.....           | 18  | 14  | 1,665  | \$13,238 | 12.2  | 944   | \$5,540 | 7.8   |
| State bank.....              | 28  | 15  | 2,279  | 21,143   | 19.5  | 960   | 8,486   | 11.9  |
| Mortgage company.....        | 76  | 55  | 7,504  | 64,138   | 59.3  | 3,551 | 30,959  | 43.5  |
| Insurance company.....       | 6   | 6   | 137    | 1,059    | 1.0   | 19    | 172     | .2    |
| Savings and loan assn.....   | 11  | 6   | 373    | 3,003    | 2.8   | 176   | 1,314   | 1.8   |
| Savings bank.....            | 3   | 6   | 48     | 403      | .4    | 146   | 1,276   | 1.8   |
| Federal agency.....          |     | 1   |        |          |       | 2,440 | 20,407  | 28.8  |
| All other <sup>4</sup> ..... | 5   | 5   | 574    | 5,210    | 4.8   | 318   | 2,976   | 4.2   |
| Total.....                   | 147 | 108 | 12,480 | 108,204  | 100.0 | 8,259 | 71,228  | 100.0 |

<sup>1</sup> On this and following table, data include only cases tabulated through year end and exclude Sec. 213 and Sec. 611 cases.

<sup>2</sup> Differs from number and amount in force due to lag in tabulation.

<sup>3</sup> Less than 0.05 percent.

<sup>4</sup> On this and the following table, includes industrial banks, finance companies, endowed institutions, private and State benefit funds, etc.

## FEDERAL HOUSING ADMINISTRATION

TABLE 16.—Purchase and sale of FHA-insured home mortgages by type of institution, 1952

[Dollar amounts in thousands]

| Type of institution               | Number of institutions |         | Mortgages purchased |           |                   | Mortgages sold |           |                   |
|-----------------------------------|------------------------|---------|---------------------|-----------|-------------------|----------------|-----------|-------------------|
|                                   | Purchasing             | Selling | Number              | Amount    | Percent of amount | Number         | Amount    | Percent of amount |
| Total                             |                        |         |                     |           |                   |                |           |                   |
| National bank.....                |                        |         | 15,263              | \$107,381 | 10.9              | 14,617         | \$106,471 | 10.8              |
| State bank.....                   |                        |         | 11,682              | 83,115    | 8.4               | 21,846         | 165,951   | 16.8              |
| Mortgage company.....             |                        |         | 3,876               | 28,001    | 2.6               | 66,506         | 509,156   | 51.5              |
| Insurance company.....            |                        |         | 49,982              | 397,381   | 40.2              | 7,549          | 54,409    | 5.6               |
| Savings and loan association..... | Not available          |         | 2,465               | 16,940    | 1.7               | 6,332          | 40,290    | 4.1               |
| Savings bank.....                 |                        |         | 31,739              | 237,434   | 24.0              | 4,383          | 29,565    | 3.0               |
| Federal agency.....               |                        |         | 13,966              | 99,389    | 10.1              | 3,963          | 26,673    | 2.7               |
| All other.....                    |                        |         | 2,752               | 20,109    | 2.1               | 7,509          | 55,234    | 5.6               |
| Total.....                        |                        |         | 131,705             | 987,750   | 100.0             | 131,705        | 987,750   | 100.0             |

## Sec. 8

|                                   |    |     |       |        |       |       |         |       |
|-----------------------------------|----|-----|-------|--------|-------|-------|---------|-------|
| National bank.....                | 13 | 11  | 91    | \$424  | 1.7   | 642   | \$2,074 | 11.8  |
| State bank.....                   | 23 | 21  | 151   | 706    | 2.8   | 560   | 2,940   | 11.7  |
| Mortgage company.....             | 5  | 84  | 17    | 80     | .3    | 3,519 | 17,159  | 68.2  |
| Insurance company.....            | 23 | 9   | 686   | 3,248  | 12.9  | 47    | 223     | .9    |
| Savings and loan association..... | 4  | 10  | 145   | 684    | 2.7   | 76    | 423     | 1.7   |
| Savings bank.....                 | 17 |     | 693   | 3,248  | 12.9  |       |         |       |
| Federal agency.....               | 1  | 1   | 3,344 | 16,660 | 66.2  | 10    | 47      | .2    |
| All other.....                    | 6  | 4   | 23    | 109    | .5    | 298   | 1,395   | 5.5   |
| Total.....                        | 91 | 140 | 5,150 | 25,160 | 100.0 | 5,150 | 25,160  | 100.0 |

## Sec. 203

|                                   |       |       |         |           |       |         |          |       |
|-----------------------------------|-------|-------|---------|-----------|-------|---------|----------|-------|
| National bank.....                | 385   | 309   | 14,496  | \$102,984 | 11.2  | 13,218  | \$97,780 | 10.6  |
| State bank.....                   | 432   | 390   | 11,011  | 79,174    | 8.6   | 19,870  | 162,554  | 16.6  |
| Mortgage company.....             | 106   | 533   | 3,672   | 24,445    | 2.7   | 61,309  | 478,045  | 62.0  |
| Insurance company.....            | 223   | 211   | 48,364  | 388,603   | 42.3  | 6,747   | 50,170   | 5.4   |
| Savings and loan association..... | 112   | 140   | 2,108   | 15,117    | 1.6   | 5,078   | 38,339   | 4.2   |
| Savings bank.....                 | 158   | 39    | 30,411  | 230,162   | 25.0  | 3,956   | 27,356   | 3.0   |
| Federal agency.....               | 1     | 2     | 8,133   | 61,802    | 6.7   | 3,784   | 25,647   | 2.8   |
| All other.....                    | 38    | 27    | 2,319   | 17,101    | 1.9   | 6,612   | 49,497   | 5.4   |
| Total.....                        | 1,455 | 1,657 | 120,574 | 919,388   | 100.0 | 120,574 | 919,388  | 100.0 |

 Sec. 603<sup>1</sup>

|                                   |     |     |       |         |       |       |         |       |
|-----------------------------------|-----|-----|-------|---------|-------|-------|---------|-------|
| National bank.....                | 44  | 35  | 672   | \$3,939 | 19.6  | 363   | \$2,756 | 13.7  |
| State bank.....                   | 36  | 49  | 500   | 3,235   | 16.1  | 747   | 4,436   | 22.0  |
| Mortgage company.....             | 12  | 26  | 72    | 441     | 2.2   | 163   | 1,071   | 5.3   |
| Insurance company.....            | 39  | 21  | 923   | 5,458   | 27.1  | 750   | 3,959   | 19.7  |
| Savings and loan association..... | 13  | 14  | 152   | 1,139   | 5.6   | 89    | 768     | 3.8   |
| Savings bank.....                 | 30  | 8   | 505   | 2,880   | 14.3  | 427   | 2,209   | 11.0  |
| Federal agency.....               | 1   | 2   | 27    | 152     | .7    | 165   | 3,946   | 19.8  |
| All other.....                    | 7   | 6   | 410   | 2,898   | 14.4  | 657   | 3,997   | 19.8  |
| Total.....                        | 181 | 160 | 3,261 | 20,141  | 100.0 | 3,261 | 20,141  | 100.0 |

## Sec. 903

|                                   |   |    |       |        |       |       |         |       |
|-----------------------------------|---|----|-------|--------|-------|-------|---------|-------|
| National bank.....                | 1 | 7  | 4     | \$33   | 0.1   | 394   | \$2,961 | 12.9  |
| State bank.....                   |   | 6  |       |        |       | 669   | 6,021   | 26.1  |
| Mortgage company.....             | 1 | 32 | 116   | 1,035  | 4.5   | 1,515 | 12,882  | 55.9  |
| Insurance company.....            | 1 | 2  | 9     | 73     | .3    | 5     | 56      | .2    |
| Savings and loan association..... |   | 3  |       |        |       | 89    | 760     | 3.3   |
| Savings bank.....                 | 3 | 1  | 130   | 1,144  | 5.0   |       |         |       |
| Federal agency.....               | 2 | 1  | 2,462 | 20,775 | 90.1  | 4     | 33      | .1    |
| All other.....                    |   | 3  |       |        |       | 44    | 346     | 1.5   |
| Total.....                        | 8 | 64 | 2,720 | 23,060 | 100.0 | 2,720 | 23,060  | 100.0 |

<sup>1</sup> Includes 165 mortgages for \$959,000 insured under Sec. 603 pursuant to Sec. 610.

major portion of this amount—42 percent—was held by insurance companies. No other type of institution approached this volume of holdings. Next in rank, but with only 18 percent of the total, were national banks, followed by savings banks with 15 percent and State banks with 11 percent.

Although holding only 2 percent of total mortgages under all programs, Federal agencies—principally FNMA—had the largest portfolio of Section 8 mortgages (32 percent) and the second largest holding of Section 903 mortgages (29 percent) in force at the year end. For all home mortgage programs combined, the proportions held by the different types of institutions at the end of 1952 did not vary materially from the distribution at the previous year end.

*Transfers.*—Secondary market activity in FHA-insured home mortgages during 1952 is indicated in Table 16. A total of 132,000 mortgages with face amounts totaling nearly \$990 million were reported transferred among the different types of lending institutions during the year. This was 28 percent fewer than the number and 25 percent less than the amount of transfers reported in 1951. More than 90 percent of these mortgages were insured under Section 203, with Sections 8, 603, and 903 accounting for the remainder in almost equal proportions. The amount of Section 8 mortgage transfers was more than 6 times the 1951 volume, while the amount of Section 603 transfers was only one-fifth as large as in 1951.

Most active in the secondary market for FHA-insured mortgages were insurance companies, which accounted for 40 percent of the purchases, and mortgage companies, which made more than half of the sales. Second in volume of purchases were the savings banks with 24 percent of the total, followed by national banks with 11 percent and Federal agencies with 10 percent. Ranking next to mortgage companies in sales of FHA-insured mortgages during 1952, but at substantially lower rates, were State banks and national banks, which accounted for 17 percent and 11 percent, respectively, of total sales.

Among the more significant developments in the secondary market during 1952 was the marked increase in the proportion of total purchases made by the Federal agencies, from 3 percent in 1951 to 10 percent in 1952, and the decline in the buying activity of insurance companies from 51 percent to 40 percent.

### Home Mortgage Loan Characteristics

As indicated in Table 4, privately financed construction was started during 1952 in the Nation's nonfarm areas on nearly 1,069,000 new family units. Privately owned financial institutions advanced con-

struction loans and provided long-term financing for most of these units. Nearly 280,000, or 26 percent, of these privately financed units placed under construction during the year were started under the FHA's system of compliance inspections. Of the FHA-inspected units, 229,000 were approved under the home mortgage programs and the remainder under the project mortgage programs.

About 194,000 new dwelling units were reported completed (received third compliance inspections) under FHA home mortgage programs during 1952. Nearly 123,000 of these units, plus some 123,000 existing units, were covered by mortgages insured by FHA. A detailed analysis of the characteristics of these insured home mortgages, the properties securing them, and the mortgagors involved in the transactions appears on the following pages. A similar analysis of the various project programs, based on FHA commitments issued during the year, is presented later in this report, followed by an analysis of the characteristics of the property improvement loans insured under Title I, Section 2.

The bulk of the new-home mortgages (84 percent) and nearly all of the existing-home mortgages (97 percent) insured during the year came under the provisions of the long-term Section 203 program. Consequently, the analysis of the characteristics of home mortgage transactions is largely confined to cases insured under this section. In addition, however, brief statistical summaries are presented on the characteristics of the home mortgage transactions insured under Sections 8 and 903.<sup>5</sup>

About 96 percent of the new- and existing-home mortgages insured under Section 203 in 1952 were secured by single-family structures. For new homes, this reflects the highest proportion of 2- to 4-family structures reported in any year since 1937. The proportion of new 2-family properties increased to a high of 3 percent—2½ times the proportion reported for 1951 (Table 17). Part of this increase may be attributed to construction of 2-family rental properties under Section 203 in critical defense areas.

Owner-occupants were the mortgagors in 93 percent of the new single-family homes and in practically all the existing single-family homes securing mortgages insured under Section 203 in 1952.

<sup>5</sup> The data used in these analyses were based on the following samples:

1. Sec. 203—28,000 new-home and 33,000 existing-home cases selected from mortgages insured under Sec. 203 during the first 10 months of 1952.
2. Sec. 8—all new-home mortgages insured since the beginning of operations (April 20, 1950) through December 31, 1952.
3. Sec. 903—10,000 single-family and 2,000 two-family cases selected from mortgages insured in 1952.

## HOUSING AND HOME FINANCE AGENCY

TABLE 17.—Structures and dwelling units in 1- to 4-family homes, Sec. 203, selected years

| Units per structure                    | New homes |       |                  |       |       | Existing homes |       |       |       |       |
|--|-----------|-------|------------------|-------|-------|----------------|-------|-------|-------|-------|
|  | 1952      | 1951  | 1950             | 1946  | 1940  | 1952           | 1951  | 1950  | 1946  | 1940  |
| Structures—Percentage distribution     |           |       |                  |       |       |                |       |       |       |       |
| One.....                               | 96.1      | 98.5  | 99.0             | 98.7  | 99.0  | 96.3           | 95.6  | 95.5  | 93.6  | 92.7  |
| Two.....                               | 3.1       | 1.2   | .9               | 1.0   | .7    | 3.3            | 3.8   | 4.1   | 5.8   | 6.1   |
| Three.....                             | .2        | .1    | ( <sup>1</sup> ) | .1    | .1    | .2             | .3    | .2    | .3    | .7    |
| Four.....                              | .6        | .2    | .1               | .2    | .2    | .2             | .3    | .2    | .3    | .5    |
| Total.....                             | 100.0     | 100.0 | 100.0            | 100.0 | 100.0 | 100.0          | 100.0 | 100.0 | 100.0 | 100.0 |
| Dwelling units—Percentage distribution |           |       |                  |       |       |                |       |       |       |       |
| One.....                               | 91.3      | 96.5  | 97.7             | 96.9  | 97.7  | 92.3           | 90.8  | 90.1  | 87.4  | 85.0  |
| Two.....                               | 5.8       | 2.3   | 1.8              | 2.1   | 1.5   | 6.3            | 7.3   | 7.8   | 10.9  | 11.3  |
| Three.....                             | .5        | .3    | .1               | .2    | .2    | .6             | .8    | .7    | .7    | 1.8   |
| Four.....                              | 2.4       | .9    | .4               | .8    | .6    | .8             | 1.1   | 1.4   | 1.0   | 1.9   |
| Total.....                             | 100.0     | 100.0 | 100.0            | 100.0 | 100.0 | 100.0          | 100.0 | 100.0 | 100.0 | 100.0 |
| Average.....                           | 1.05      | 1.02  | 1.01             | 1.02  | 1.01  | 1.04           | 1.05  | 1.06  | 1.07  | 1.09  |

<sup>1</sup> Less than 0.05 percent.

In the case of new homes, this marks a decline from 96 percent for owner-occupant new-home mortgagors in 1951. In 1952, the remaining new single-family home mortgagors under Section 203 included 4 percent builder-mortgagors and 3 percent landlords.

Chart 9 shows that the mortgage amounts, property values, land prices, and mortgagors' incomes reported for Section 203 cases insured in 1952 attained the highest levels in the agency's history. These increases over 1951 levels were not unexpected, in view of the moderate increases reported during the year in construction costs, prices of developed sites and raw acreage, and personal incomes. Other factors contributing to the upward trends in FHA mortgage amounts, property values, and mortgagors' incomes during the year included:

1. The larger equities and higher mortgage payments resulting from the downpayment requirements and curtailed mortgage durations provided in the credit restrictions imposed by FHA consistent with Regulation X of the Federal Reserve Board. These restrictions tended to narrow the market to home buyers with assets and incomes somewhat higher than those of the FHA home buyers of previous years. Although the credit restrictions<sup>9</sup> were liberalized in June and almost completely relaxed in September 1952, they affected a substantial number of new-home transactions which, although insured in

<sup>9</sup> See footnote 9 in this section for outline of provisions of credit controls.

## FEDERAL HOUSING ADMINISTRATION

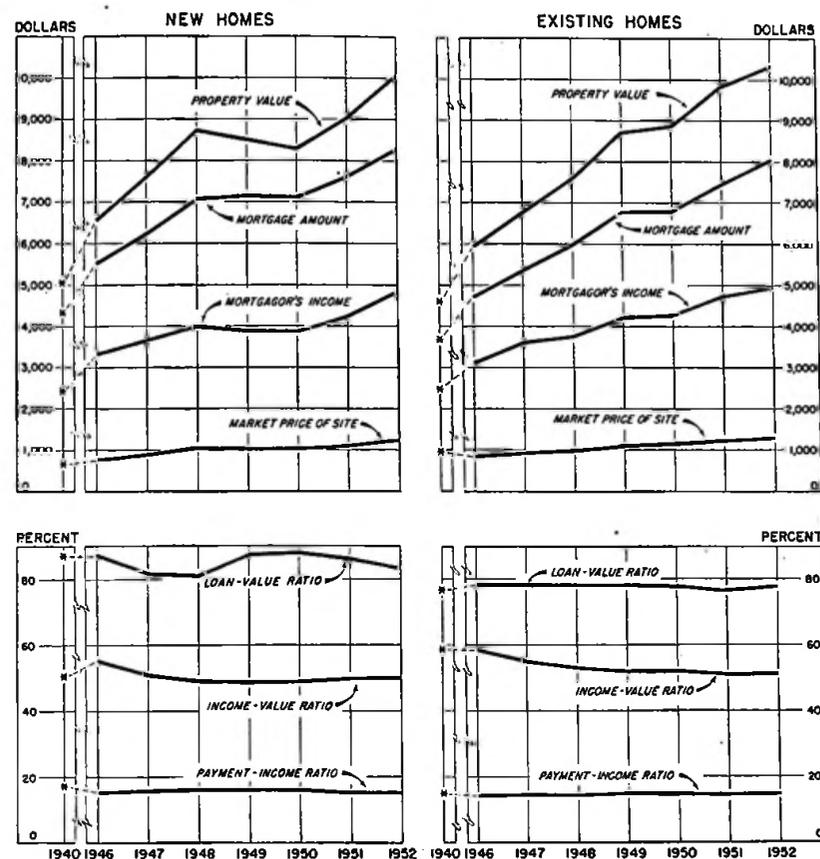
 CHARACTERISTICS OF FHA MORTGAGES, HOMES, AND MORTGAGORS  
 SINGLE-FAMILY HOME MORTGAGES INSURED UNDER SECTION 203  
 SELECTED YEARS 1940 - 1952


CHART 9.

1952, had been initially approved in the latter part of 1951 or the first part of 1952. All the existing-construction cases insured during the first 5 months of 1952 were of course also subject to these requirements.

2. The desires of home buyers for more spacious homes, with more bedrooms and more frequently with garage facilities. It is probable also that these larger homes provide improved heating and kitchen equipment and other improvements as well. The increased size of the typical family due to the high postwar birthrate was of course a major factor in the demand for larger houses.

3. The aggregate operations in the home mortgage market, which established new records in 1952 with more than \$18 billion of mortgage recordings, as reported by the Federal Home Loan Bank Board. The rising average size of mortgage recorded, which is presented below, suggests that the combination of credit controls, high levels of income, and stability in home prices induced an increase in home purchases by higher income families throughout the Nation's population, including families using FHA-insured mortgages.

| Period:          | Average mortgage recorded |
|------------------|---------------------------|
| 1951.....        | \$5,701                   |
| 1952             |                           |
| 1st quarter..... | 5,841                     |
| 2d quarter.....  | 5,912                     |
| 3d quarter.....  | 5,932                     |
| 4th quarter..... | 6,100                     |

The upper portion of Chart 9 shows the sustained upward trends that have occurred in FHA mortgage amount, property value, market price of site, and mortgagor's income during the postwar period. The significance of these increases, however, should be considered in the light of the ratios shown in the lower portion of the chart. Since 1946, the ratio of payment to income has remained almost constant, fluctuating in the narrow range from 15.1 to 16.0 percent in the case of new-home transactions, and from 14.3 to 14.8 percent for existing homes. On the average, the 1952 mortgagors were required to devote slightly smaller portions of their income to mortgage payments than did the 1940 mortgagors. The ratio of income to property value has also shown only minor variations in the years since 1947. The loan-to-value ratio curve for new homes reflects the changes in the maximum ratios resulting from amendments to the National Housing Act and from credit controls. The ratio for existing homes shows only slight variation since 1946, with a modest upturn in 1952 occasioned by the relaxation of credit controls.

A brief but comprehensive picture of the characteristics of Section 203 insured mortgage transactions in 1952 is provided by the following analysis of the typical new- and existing-home cases. Comparable data for selected earlier years are shown in Table 18.

*Typical new-home transaction.*<sup>7</sup>—The median mortgage insured under Section 203 in 1952 amounted to \$8,273—nearly \$700 above the amount reported for 1951. As a result of this increase and the shorter average term of 21.7 years (nearly 2 years less than in 1951), the typical monthly mortgage payment rose to \$64.16—about \$5 more than the 1951 figure.

Securing this typical mortgage was a property appraised under the FHA valuation procedure at \$10,022, including a new single-family house, all other physical improvements, and a lot with a market price of \$1,227. Compared with 1951, the median property value in 1952 was about \$1,000 higher and the average land price about 12 percent more.

Contributing to this rise in the estimated property value was an increase in the size of the typical new structure as indicated below:

| Median                             | 1952 | 1951 |
|------------------------------------|------|------|
| Number of rooms.....               | 5.3  | 5.2  |
| Number of bedrooms.....            | 3.1  | 2.9  |
| Calculated area (square feet)..... | 923  | 879  |

The changes in the median number of rooms and bedrooms become more significant in the light of the rise in the proportion of homes

<sup>7</sup> Throughout this report the use of technical terms is in keeping with the following definitions, which have been established by the FHA Underwriting Division in connection with their procedures for the appraisal of properties and the evaluation of mortgage risk.

*Estimate of property value* is the price that typical buyers would be warranted in paying for the property (including the house, all other physical improvements, and land) for long-term use or investment, if they were well informed and acted intelligently, voluntarily, and without necessity.

*Market price of site* is an estimate by FHA for an equivalent site, including any street improvements or utilities, rough grading, terracing, and retaining walls.

*Number of rooms* excludes bathrooms, toilet compartments, closets, halls, storage, and similar spaces.

*Mortgagor's effective income* is the estimated amount of the mortgagor's earning capacity that is likely to prevail during approximately the first third of the mortgage term.

*Total monthly mortgage payment* includes monthly payment for first year to principal, interest, FHA insurance premium, hazard insurance, taxes and special assessments, and any miscellaneous items including ground rent.

*Replacement cost* includes estimated cost of building and other physical improvements, land, and miscellaneous allowable costs for the typical owner.

*Total requirements* include the total amount, including mortgage funds, necessary to close the transaction, less any prepayable expenses such as unaccrued taxes, insurance premiums, and similar items.

*Sale price* is the price stated in the sale agreement.

*Taxes and assessments* include real estate taxes and any continuing non-prepayable special assessments.

*Prospective monthly housing expense* includes total monthly mortgage payment for first year, estimated monthly cost of maintenance, and regular operating expense items (water, gas, electricity, fuel).

*Rental value* is estimated on the basis of typical year-round tenant occupancy, excluding any premium obtainable because of local housing shortages or newness of the individual property.

*Calculated area* is the area of spaces in the main building above basement or foundations, measured at the outside surfaces of exterior walls. Garage space and finished spaces in attic are excluded.

with 5 or more rooms—from 56 percent in 1951 to 62 percent in 1952—and those with 3 or more bedrooms—from 46 percent to 59 percent. Also noteworthy is the 5 percent increase in the area of the structures. Thus, 1952 was the second consecutive year in the postwar period in which the typical new dwelling securing a Section 203 insured mortgage was larger than in the preceding year. The demand for larger houses is a reflection of such factors as the increase in both the size and the income of the typical family in recent years.

TABLE 18.—Characteristics of mortgages, homes, and mortgagors for single-family home transactions, Sec. 203, selected years

| Year | New homes  | Existing homes | New homes                          | Existing homes | New homes                                   | Existing homes   | New homes   | Existing homes |
|------|--|----------------|------------------------------------|----------------|---|------------------|---|----------------|
|      | Amount of mortgage <sup>1</sup>                  |                | Duration in years <sup>2</sup>     |                | Loan as a percent of FHA value <sup>1</sup> |                  | 1-family as a percent of 1- to 4-family               |                |
| 1952 | \$8,273  | \$8,047        | 21.7                               | 19.7           | 83.7  | 77.9             | 95.7  | 96.3           |
| 1951 | 7,586  | 7,448          | 23.4                               | 21.1           | 86.5  | 76.6             | 98.5  | 95.6           |
| 1950 | 7,101  | 6,801          | 24.1                               | 20.2           | 88.0  | 77.8             | 99.0  | 95.5           |
| 1949 | 7,143  | 6,778          | 22.8                               | 19.8           | 87.3  | 78.0             | 98.9  | 96.1           |
| 1946 | 5,504  | 4,697          | 21.0                               | 18.9           | 87.0  | 78.4             | 98.7  | 93.6           |
| 1943 | ( <sup>3</sup> )                                 | 4,312          | ( <sup>3</sup> )                   | 18.3           | ( <sup>3</sup> )                            | ( <sup>3</sup> ) | ( <sup>3</sup> )                                      | 94.6           |
| 1940 | * 4,358  | * 3,687        | * 23.0                             | * 17.5         | * 87.0                                      | * 76.8           | * 99.0  | * 92.7         |
| Year | Property value <sup>1</sup>                      |                | Market price of site <sup>1</sup>  |                | Number of rooms <sup>1</sup>                |                  | Percent with garages                                  |                |
|      |  |                |                                    |                |   |                  |   |                |
| 1952 | \$10,022   | \$10,289       | \$1,227                            | \$1,296        | 5.3   | 5.5              | 53.4  | 70.7           |
| 1951 | 9,007  | 9,843          | 1,092                              | 1,222          | 5.2   | 5.6              | 49.6  | 69.5           |
| 1950 | 8,286  | 8,865          | 1,035                              | 1,150          | 4.9   | 5.6              | 48.7  | 70.6           |
| 1949 | 8,502  | 8,700          | 1,018                              | 1,008          | 4.9   | 5.0              | 49.6  | 70.4           |
| 1946 | 6,558  | 5,934          | 761                                | 833            | 5.5   | 5.9              | 58.1  | 83.4           |
| 1943 | ( <sup>3</sup> )                                 | 5,635          | ( <sup>3</sup> )                   | 956            | ( <sup>3</sup> )                            | * 6.3            | ( <sup>3</sup> )                                      | 85.8           |
| 1940 | 5,028  | 4,600          | 662                                | 948            | 5.6   | 6.3              | 75.0  | 87.2           |
| Year | Mortgagor's effective annual income <sup>1</sup> |                | Total monthly payment <sup>1</sup> |                | Payment as a percent of income <sup>1</sup> |                  | Ratio of property value to annual income <sup>1</sup> |                |
|      |  |                |                                    |                |   |                  |   |                |
| 1952 | \$4,811  | \$4,938        | \$64.16                            | \$65.08        | 15.1  | 14.5             | 1.99  | 1.95           |
| 1951 | 4,225  | 4,726          | 58.84                              | 61.57          | 15.1  | 14.4             | 2.00  | 1.96           |
| 1950 | 3,861  | 4,274          | 54.31                              | 56.65          | 15.8  | 14.6             | 2.04  | 1.92           |
| 1949 | 3,850  | 4,219          | 55.59                              | 56.12          | 16.0  | 14.8             | 2.05  | 1.92           |
| 1946 | 3,313  | 3,101          | 46.18                              | 40.83          | 15.3  | 14.3             | 1.81  | 1.71           |
| 1943 | ( <sup>3</sup> )                                 | 3,062          | ( <sup>3</sup> )                   | * 30.80        | ( <sup>3</sup> )                            | 14.6             | ( <sup>3</sup> )                                      | 1.67           |
| 1940 | 2,416  | 2,490          | * 35.15                            | * 34.50        | 17.2  | 15.1             | 1.97  | 1.70           |

<sup>1</sup> Data shown are medians.

<sup>2</sup> Data shown are averages (arithmetic means).

<sup>3</sup> Data not available.

<sup>4</sup> Based on 1- to 4-family home mortgages.

<sup>5</sup> Estimated.

<sup>6</sup> Throughout this report medians are computed on the assumption that all characteristics distributions are represented by continuous data within groups.

<sup>7</sup> Throughout this report distributions of mortgage payment, housing expense, and mortgagor's income, as well as characteristics relating to income, are based on owner-occupant cases only.

<sup>8</sup> Based on arithmetic means.

The larger size of the house is not the only reason for the higher value of the typical new FHA property. Higher land costs occasioned by increases in the prices of raw acreage and development costs are reflected in the 12 percent rise in the average price of site.

The typical buyer of a new home insured by FHA under Section 203 in 1952 had an income of \$4,811, or nearly \$600 more than his 1951

counterpart. Consequently, despite the increase in mortgage payment, the portion of the buyer's income required for that purpose was the same as in the previous year—15.1 percent. Similarly, the relationship between the property value and the mortgagor's income showed little change from 1951, with property value continuing to average about twice as much as income.

The previously indicated reduction in the average term of new-home mortgages insured by FHA from 23.4 years in 1951 to 21.7 years in 1952 was in part due to the credit controls applied by FHA consistent with Regulation X issued by the Federal Reserve Board. Even more marked evidence of the effect of these controls on FHA's new-home transactions in 1952 is the decline in the median ratio of loan to value from 86.5 in 1951 to 83.7 in 1952. As shown in Table 18 and in the lower portion of Chart 9, this continues a trend begun after 1950, the year in which Regulation X went into effect.

*Typical existing-home transaction.*—The typical existing-home mortgage insured under Section 203 in 1952 was \$8,047, nearly \$600 more than the 1951 median. The mortgage term averaged 19.7 years, as against 21.1 years in the preceding year. This combination of mortgage amount and term resulted in a median monthly payment for existing-home transactions in 1952 of \$65.08, or \$3.50 more than in 1951.

The typical existing home securing a Section 203 mortgage insured in 1952 had an FHA value of \$10,289, only \$450 more than the comparable figure for 1951. The estimated market price of the site averaged \$1,296, compared with the \$1,222 average for the preceding year.

The increased value of the typical existing home in 1952 was not accompanied, as in the case of new homes, by an increase in the size of the structure. To the contrary, there was a slight decrease—the median number of rooms declining from 5.6 to 5.5 and the calculated area from 1,011 to 992 square feet. The number of bedrooms in the typical existing home in 1952—3.1—was unchanged, however, from 1951.

The smaller size of the typical existing home insured by FHA in 1952 may be partially attributed to the increased proportion of newly constructed properties included by FHA in the "existing-home" category. (Only properties involving proposed construction at the time of application for FHA insurance are classified as "new.") Recent analyses have indicated that the proportion of new properties submitted for mortgage insurance as existing structures has been steadily rising in the last 2 years, probably due to the fact that new properties did not receive special credit advantages under the terms of Regulation X. The size-of-structure data in Table 18 indicate that new homes constructed in the postwar period have tended to have a smaller room count than existing houses.

The typical mortgagor involved in existing-home cases insured under Section 203 in 1952 had an annual effective income of \$4,938, about \$200 higher than that of the typical 1951 mortgagor. There was, however, no significant change in the portion of income required for the monthly mortgage payment, which increased only slightly from 14.4 to 14.5 percent. The ratio of property value to income for 1952 existing-home cases averaged 1.95, practically unchanged from 1951.

*Typical Section 8 and Section 903 transactions.*—The typical Section 8 transaction covered by insurance written through the end of 1952 involved a mortgage of \$4,747, a single-family property valued by FHA at \$5,325, a lot with a market price of \$575, and a mortgagor with a monthly income of about \$300. The house had 4 rooms, including 2 bedrooms, and a calculated area of 685 square feet. The total monthly mortgage payment was nearly \$37 (including \$5.48 for real estate taxes), while the prospective monthly housing expense averaged about \$52.

In the typical Section 903 transaction, the mortgage amounted to \$7,916 and was secured by a single-family property valued at \$8,933, including land with an estimated market price of \$1,104. The house contained nearly 5 rooms (of which 3 were bedrooms) and had a calculated area of 843 square feet. It was estimated that the prospective monthly housing expense would be about \$63, of which \$51 covered the total monthly mortgage payments for interest, principal, hazard insurance premiums, FHA insurance premium, and real estate taxes (in the amount of \$6.29).

*Amount of mortgage.*—The majority of the Section 203 mortgages insured in 1952 involved mortgage amounts of from \$6,000 to \$9,999 (Table 19 and Chart 10). Only 4 percent of the new-home mortgages amounted to less than \$6,000, and only 11 percent involved \$10,000 or more. One-half of the total number of these mortgages were in the interval from \$7,000 to \$8,999, with the median mortgage amounting to \$8,273 or about 9 percent above the \$7,586 reported for 1951.

This increase is indicative of the marked upward shift in the mortgage amounts insured under Section 203 during 1952. The proportion of new-home mortgages of \$4,000 to \$5,999 declined from 8 percent in 1951 to 4 percent in 1952, while those in the \$6,000 to \$7,999 bracket dropped from 54 to 37 percent. On the other hand, 47 percent of the 1952 new-home mortgages involved \$8,000 to \$9,999, compared with 32 percent the year before, and the proportion in the \$10,000 to \$11,999 group increased to 10 percent.

Existing-home mortgages insured under Section 203 during 1952 also exhibited the same general upward trend. The typical existing-home mortgage increased by 8 percent from \$7,448 in 1951 to \$8,047

for 1952. Only 10 percent of the existing-home mortgages insured in 1952 were in the \$4,000 to \$5,999 range, compared with 18 percent in the previous year, while, as in the new-home transactions, the proportions of mortgages ranging upward from \$8,000 increased over 1951.

TABLE 19.—Amount of mortgage for single-family homes, Sec. 203, selected years

| Amount of mortgage        | New homes                |         |         |         |                   | Existing homes |         |         |         |                   |
|---------------------------|--------------------------|---------|---------|---------|-------------------|----------------|---------|---------|---------|-------------------|
|                           | 1952                     | 1951    | 1950    | 1940    | 1940 <sup>1</sup> | 1952           | 1951    | 1950    | 1940    | 1940 <sup>1</sup> |
|                           | Percentage distributions |         |         |         |                   |                |         |         |         |                   |
| Less than \$2,000.....    | 0.1                      | 0.1     | (?)     | 0.1     | 0.5               | (?)            | (?)     | 0.2     | 1.0     | 7.5               |
| \$2,000 to \$2,999.....   | 0.1                      | 0.1     | (?)     | 1.1     | 10.4              | 0.2            | 0.7     | 1.2     | 7.6     | 24.6              |
| \$3,000 to \$3,999.....   | .2                       | .3      | 0.4     | 7.1     | 28.6              | .8             | 1.8     | 3.0     | 19.2    | 26.1              |
| \$4,000 to \$4,999.....   | .8                       | 1.2     | 1.1     | 22.6    | 29.1              | 2.7            | 5.7     | 8.3     | 29.0    | 19.               |
| \$5,000 to \$5,999.....   | 3.3                      | 6.4     | 9.0     | 31.4    | 20.7              | 7.0            | 11.9    | 16.3    | 21.3    | 9.7               |
| \$6,000 to \$6,999.....   | 14.5                     | 23.6    | 33.0    | 25.0    | 6.1               | 15.6           | 19.7    | 22.0    | 11.0    | 5.6               |
| \$7,000 to \$7,999.....   | 22.5                     | 30.6    | 28.5    | 9.5     | 2.4               | 20.4           | 20.4    | 18.6    | 4.7     | 2.5               |
| \$8,000 to \$8,999.....   | 27.4                     | 21.0    | 16.0    | 2.4     | 1.1               | 21.7           | 17.5    | 13.0    | 2.7     | 1.8               |
| \$9,000 to \$9,999.....   | 20.0                     | 11.0    | 8.3     | .4      | .4                | 15.5           | 10.6    | 7.2     | 1.2     | .9                |
| \$10,000 to \$10,999..... | 7.6                      | 3.0     | 1.9     | .2      | .4                | 10.5           | 7.3     | 4.5     | 1.1     | 1.1               |
| \$11,000 to \$11,999..... | 2.5                      | 1.4     | .8      | .2      | .4                | 4.1            | 3.1     | 1.9     | .2      | .2                |
| \$12,000 to \$13,999..... | .7                       | .9      | .7      | (?)     | .7                | 1.1            | .8      | 2.4     | .6      | .9                |
| \$14,000 to \$16,000..... | .4                       | .5      | .3      | -----   | .3                | .4             | .5      | 1.4     | .5      | -----             |
| Total.....                | 100.0                    | 100.0   | 100.0   | 100.0   | 100.0             | 100.0          | 100.0   | 100.0   | 100.0   | 100.0             |
| Average.....              | \$8,238                  | \$7,675 | \$7,307 | \$5,548 | \$4,424           | \$8,044        | \$7,469 | \$7,102 | \$4,929 | \$3,977           |
| Median.....               | 8,273                    | 7,586   | 7,101   | 5,504   | 4,358             | 8,047          | 7,448   | 6,801   | 4,697   | 3,687             |

<sup>1</sup> 1- to 4 family distribution.  
<sup>2</sup> Less than 0.05 percent.

### AMOUNT OF MORTGAGE FHA-INSURED MORTGAGES ON SINGLE-FAMILY HOMES

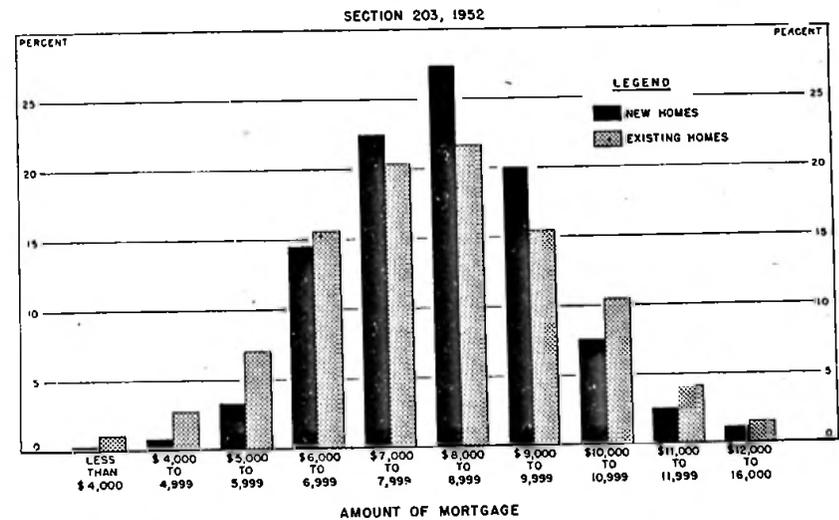


CHART 10.

*Mortgage amounts under Sections 8 and 903.*—The mortgage amounts insured on new single-family homes under the Section 8 low-cost housing program and the Section 903 defense housing program

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were at somewhat lower levels than the Section 203 loans. The following tables indicate the distributions of Section 8 and Section 903 mortgages by amount-of-mortgage classes:

| Sec. 8                  |                      | Sec. 903                |                      |
|-------------------------|----------------------|-------------------------|----------------------|
| Mortgage amount         | Percent distribution | Mortgage amount         | Percent distribution |
| Less than \$3,500.....  | 0.5                  | Less than \$6,000.....  | 2.8                  |
| \$3,500 to \$3,999..... | 1.3                  | \$6,000 to \$6,999..... | 15.8                 |
| \$4,000 to \$4,499..... | 5.1                  | \$7,000 to \$7,499..... | 16.6                 |
| \$4,500 to \$4,999..... | 83.0                 | \$7,500 to \$7,999..... | 16.8                 |
| \$5,000 to \$5,999..... | .0                   | \$8,000 to \$8,499..... | 25.2                 |
| \$6,000 to \$6,999..... | .3                   | \$8,500 to \$8,999..... | 10.4                 |
| \$7,000.....            | 9.8                  | \$9,000 or more.....    | 12.4                 |
| Total.....              | 100.0                | Total.....              | 100.0                |

Section 8 mortgages averaged about \$4,915, with the median loan amounting to \$4,747 and the great bulk of individual cases concentrated at the statutory limits of \$4,750 for regular mortgages and \$7,000 for mortgages financing new construction replacing disaster-destroyed homes.

Mortgages insured on new single-family properties under the Section 903 defense housing program during 1952 averaged \$7,750, while the typical loan had a somewhat higher amount of \$7,916. For new 2-family properties (outnumbered by single-family at the rate of 5 to 1) the average amount was \$13,288, the median amount \$13,060. The preceding table shows that nearly three-fifths of the Section 903 mortgages on single-family properties were for amounts of \$7,000 to \$8,499, with less than one-fourth amounting to \$8,500 or more and slightly less than a fifth having amounts of less than \$7,000.<sup>8</sup>

*Relationship of amount of mortgage to property value.*—Table 20 shows, by property value groups, the percentage distributions of the single-family home mortgages insured under Section 203 in 1952 by ratio of loan to value. These data clearly demonstrate the effects of the maximum loan limitations prescribed by FHA during the year in line with Regulation X of the Federal Reserve Board. Due to the time required for construction, most of the new-home cases covered by the sample selected for this analysis, which were reported insured in the period from January through October 1952, represent transactions approved for insurance either under the credit controls in

<sup>8</sup> The maximum mortgage amounts permitted under Section 903 during most of 1952 were:

|                         | 1-family homes | 2-family homes |
|-------------------------|----------------|----------------|
| 1 or 2 bedrooms.....    | \$8,100        | \$15,000       |
| 3 bedrooms.....         | 9,150          | 17,100         |
| 4 or more bedrooms..... | 10,200         | 19,300         |

On October 29, 1952, the FHA Commissioner announced that consideration would be given to increasing the maximum insurable mortgage amounts by as much as \$900 for 1-family properties and \$1,000 for 2-family properties located in those critical defense housing areas where high construction costs were found to be retarding the defense housing programs approved for such areas.

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effect from September 1, 1951 through June 10, 1952, or under the modified controls in effect from June 11 through September 15.<sup>9</sup> Because of the typically shorter term between application and insurance, comparatively more of the existing-home cases insured in 1952 came under the liberalized controls of June 11 and the relaxed regulations of September 16 than was the case for the new-home transactions. This is reflected by the rise in the average and median loan-to-value ratios for existing homes as contrasted with the declines in the comparable figures reported for new homes in 1952.

The distributions in Table 20 clearly show concentrations of insured cases at the maximum ratios permitted under the regulations as amended pursuant to Regulation X. In certain of the new-home value groups (\$7,000 to \$7,999, \$10,000 to \$10,999, and \$11,000 to \$11,999) the clustering of the cases in two adjacent ratio brackets reflects the increases in maximum ratios under the June 11, 1952 amendments. Those new homes in the \$8,000 to \$11,999 value range with ratios in excess of the maximum permitted under the regulations represent either programed defense housing (not subject to credit curbs) or cases insured after September 16, 1952, when the maximum statutory ratios were restored. The existing homes valued at \$11,000 or less and having loan-to-value ratios in excess of 80 percent represent properties previously approved for FHA insurance prior to start of construction and, therefore, eligible for the higher mortgage amounts.

<sup>9</sup> The maximum mortgage amount limitations in effect during 1952 with respect to owner-occupant transactions were as follows:

| Under regulation of Sept. 1, 1951 |   | Under regulation of June 11, 1952 |   |
|-----------------------------------|---|-----------------------------------|---|
| Acquisition cost per family unit  | Maximum loan per family unit                    | Acquisition cost per family unit  | Maximum loan per family unit                    |
| \$7,000 or less.....              | 90 percent of cost.                             | \$7,000 or less.....              | 95 percent of cost.                             |
| \$7,001 to \$10,000.....          | 85 percent of cost.                             | \$7,001 to \$10,000.....          | \$6,300 plus 75 percent of cost over \$7,000.   |
| \$10,001 to \$12,000.....         | 80 percent of cost.                             | \$10,001 to \$15,000.....         | \$8,550 plus 55 percent of cost over \$10,000.  |
| \$12,001 to \$15,000.....         | \$9,600 plus 40 percent of cost over \$12,000.  | \$15,001 to \$21,000.....         | \$11,300 plus 45 percent of cost over \$15,000. |
| \$15,001 to \$20,000.....         | \$10,800 plus 20 percent of cost over \$15,000. | \$21,000 to \$25,000.....         | \$14,000 plus 25 percent of cost over \$21,000. |
| \$20,001 to \$24,500.....         | \$11,800 plus 10 percent of cost over \$20,000. | Over \$25,000.....                | 60 percent of cost.                             |
| Over \$24,500.....                | 60 percent of cost.                             |                                   |   |

Effective September 16, 1952, FHIA relaxed and modified its credit control requirements by (1) restoring the statutory maximum loan-to-value ratios and (2) reimposing a \$14,000 limitation on mortgages covering single-family dwellings. The requirement that the mortgagor certify that the down payment was not borrowed (other than on a life insurance policy), and the maximum maturities of the mortgages (25 years for mortgages on homes costing \$12,000 or less; 20 years for others) remained unchanged. The regulations as restored under the September 16 amendments provided that those transactions involving owner-occupant mortgagors and mortgage amounts of \$9,450 or less might be insured on the basis of 95 percent of the first \$7,000 of value and 70 percent of additional value not exceeding \$11,000. To encourage the construction of larger low-cost homes, another section of the regulations provides a maximum 95 percent ratio of loan to value in owner-occupant transactions where the mortgage does not exceed \$6,650 on a 2-bedroom property, \$7,600 on a 3-bedroom property, and \$8,650 on a 4- or-more-bedroom property. These provisions apply only to those transactions where the property has been approved for FHIA insurance prior to the beginning of construction and constructed under the FHIA compliance inspection system. For all other types of single-family home transactions insured during 1952, the maximum loan-to-value ratio was 80 percent and the maximum mortgage amount was \$14,000, with the exception of the period from June 11 through September 15, when \$10,000 was the maximum.

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TABLE 20.—Ratio of loan to value by property value of single-family homes, Sec. 203, 1952

| FHA estimate of property value | Percentage distribution | Median loan-value ratio | Ratio of loan to value—Percentage distribution |                  |                  |                  |                  |                  |                  |                  | Total |
|--------------------------------|-------------------------|-------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------|
|                                |                         |                         | 50 percent or less                             | 51 to 60 percent | 61 to 70 percent | 71 to 75 percent | 76 to 80 percent | 81 to 85 percent | 86 to 90 percent | 91 to 95 percent |       |
| New homes                      |                         |                         |  |                  |                  |                  |                  |                  |                  |                  |       |
| Less than \$6,000.....         | 0.4                     | 89.5                    | 1.0  | 0.4              | 0.1              | 1.0              | 2.8              | 6.6              | 54.7             | 33.9             | 100.0 |
| \$6,000 to \$6,999.....        | 3.8                     | 92.2                    | .3   | 0.4              | 0.1              | .0               | 7.5              | 6.0              | 19.1             | 66.0             | 100.0 |
| \$7,000 to \$7,999.....        | 10.4                    | 89.7                    | .5   | .4               | 1.1              | 1.2              | 8.4              | 10.0             | 38.2             | 40.2             | 100.0 |
| \$8,000 to \$8,999.....        | 15.9                    | 88.1                    | .8   | 1.2              | 1.9              | 3.7              | 7.9              | 14.3             | 49.0             | 21.2             | 100.0 |
| \$9,000 to \$9,999.....        | 18.8                    | 86.9                    | .0   | 1.2              | 2.4              | 5.6              | 7.8              | 21.8             | 60.6             | .1               | 100.0 |
| \$10,000 to \$10,999.....      | 16.9                    | 84.2                    | .7   | 1.8              | 4.0              | 7.9              | 14.5             | 32.8             | 38.3             | —                | 100.0 |
| \$11,000 to \$11,999.....      | 12.8                    | 80.9                    | 1.5  | 2.5              | 8.0              | 9.0              | 29.4             | 49.6             | —                | —                | 100.0 |
| \$12,000 to \$12,999.....      | 9.0                     | 77.5                    | 2.4  | 3.0              | 10.6             | 12.2             | 71.8             | —                | —                | —                | 100.0 |
| \$13,000 to \$13,999.....      | 5.4                     | 76.7                    | 2.6  | 5.0              | 14.5             | 19.6             | 58.3             | —                | —                | —                | 100.0 |
| \$14,000 to \$15,999.....      | 4.4                     | 73.1                    | 3.6  | 6.2              | 25.2             | 36.1             | 28.9             | —                | —                | —                | 100.0 |
| \$16,000 to \$19,999.....      | 1.8                     | 69.1                    | 6.2  | 9.7              | 44.7             | 16.6             | 22.8             | —                | —                | —                | 100.0 |
| \$20,000 or more.....          | .4                      | 63.5                    | 12.0   | 32.0             | 30.0             | 10.0             | 16.0             | —                | —                | —                | 100.0 |
| Total.....                     | 100.0                   | 83.7                    | 1.3  | 2.2              | 6.3              | 8.4              | 21.5             | 18.9             | 31.2             | 10.2             | 100.0 |
| Existing homes                 |                         |                         |  |                  |                  |                  |                  |                  |                  |                  |       |
| Less than \$6,000.....         | 1.4                     | 78.1                    | 2.4  | 2.9              | 10.1             | 7.2              | 65.9             | 2.2              | 2.9              | 6.4              | 100.0 |
| \$6,000 to \$6,999.....        | 3.8                     | 79.1                    | 1.1  | 1.0              | 10.4             | 7.0              | 49.0             | 2.3              | 8.4              | 20.2             | 100.0 |
| \$7,000 to \$7,999.....        | 8.4                     | 79.0                    | 1.4  | 2.1              | 7.8              | 5.5              | 54.9             | 4.3              | 9.3              | 14.7             | 100.0 |
| \$8,000 to \$8,999.....        | 13.6                    | 79.0                    | 1.1  | 2.3              | 8.3              | 7.2              | 52.3             | 6.8              | 15.2             | 6.8              | 100.0 |
| \$9,000 to \$9,999.....        | 15.3                    | 78.7                    | .8   | 1.9              | 8.8              | 7.4              | 56.9             | 7.3              | 16.9             | (1)              | 100.0 |
| \$10,000 to \$10,999.....      | 15.6                    | 78.3                    | 1.4  | 2.7              | 9.4              | 8.0              | 62.1             | 7.8              | 8.6              | —                | 100.0 |
| \$11,000 to \$11,999.....      | 13.3                    | 77.8                    | 1.4  | 2.9              | 11.5             | 12.0             | 62.7             | 0.5              | —                | —                | 100.0 |
| \$12,000 to \$12,999.....      | 11.1                    | 77.3                    | 2.1  | 3.6              | 13.0             | 14.0             | 67.3             | —                | —                | —                | 100.0 |
| \$13,000 to \$13,999.....      | 7.2                     | 76.7                    | 2.0  | 4.2              | 16.6             | 18.8             | 58.4             | —                | —                | —                | 100.0 |
| \$14,000 to \$15,999.....      | 6.9                     | 73.4                    | 4.2  | 6.0              | 23.9             | 33.2             | 32.7             | —                | —                | —                | 100.0 |
| \$16,000 to \$19,999.....      | 2.8                     | 67.9                    | 5.8  | 13.1             | 51.0             | 17.5             | 12.6             | —                | —                | —                | 100.0 |
| \$20,000 or more.....          | .6                      | 60.3                    | 19.4   | 34.4             | 29.7             | 5.1              | 11.4             | —                | —                | —                | 100.0 |
| Total.....                     | 100.0                   | 77.9                    | 1.8  | 3.3              | 12.6             | 11.5             | 55.6             | 4.8              | 7.4              | 3.0              | 100.0 |

1 Less than 0.05 percent.

Table 21 shows the distributions of the loan-value ratios for the new- and existing-home mortgages insured under Section 203 during 1952, together with comparable data for selected years since 1940. The most significant development in 1952 revealed by these data is the effectiveness of the credit curbs in reducing the proportion of new-home loans in the highest loan-value ratio brackets (86 to 95 percent) from 54 percent to 41 percent. On the other hand, the higher proportion of existing-home loans insured under the more liberal credit regulations is manifested by the increases registered by the ratios in the 76 to 80 percent and 86 to 90 percent brackets. The median new-home loan-value ratios shown for the various years indicate that, except under the full impact of credit regulations in 1952, the portion of the property value covered by the mortgages insured in the postwar period has not varied significantly—the considerably higher construction costs being offset by liberalization of Section 203 maximum mortgage terms. The typical existing-home transaction has also been marked by a fairly constant loan-value relationship—the ratio varying but little from 77 percent.

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*Relationship of amount of mortgage to total requirements.*—A more complete picture of Section 203 insured mortgage financing is provided by the relationship of mortgage amounts to mortgagor's total requirements—in other words, by a determination of what portion of the buyer's total cost (sale price plus costs incidental to making the purchase) was covered by the mortgage amount.

TABLE 21.—Ratio of loan to value of single-family homes, Sec. 203, selected years

| Ratio of loan to value (percent) | New homes |       |       |       |       | Existing homes |       |       |       |       |
|----------------------------------|-----------|-------|-------|-------|-------|----------------|-------|-------|-------|-------|
|                                  | 1952      | 1951  | 1950  | 1940  | 1940  | 1952           | 1951  | 1950  | 1946  | 1940  |
| Percentage distributions         |           |       |       |       |       |                |       |       |       |       |
| 50 or less.....                  | 1.3       | 1.1   | 0.6   | 0.6   | 0.4   | 1.8            | 2.9   | 2.1   | 1.3   | 2.3   |
| 51 to 55.....                    | .9        | .6    | .4    | .8    | .2    | 1.2            | 1.9   | 1.4   | .9    | 1.7   |
| 56 to 60.....                    | 1.3       | 1.0   | .5    | .8    | .5    | 2.1            | 3.0   | 2.2   | 1.2   | 3.2   |
| 61 to 65.....                    | 2.0       | 1.7   | .9    | 1.3   | .8    | 3.6            | 5.3   | 3.7   | 2.8   | 4.7   |
| 66 to 70.....                    | 4.3       | 3.0   | 1.6   | 3.3   | 2.7   | 9.0            | 12.1  | 8.8   | 5.8   | 8.6   |
| 71 to 75.....                    | 5.4       | 6.7   | 3.2   | 4.8   | 3.6   | 11.5           | 19.6  | 13.6  | 8.8   | 16.2  |
| 76 to 80.....                    | 21.5      | 15.0  | 8.8   | 11.8  | 11.8  | 55.6           | 45.6  | 51.5  | 60.7  | 63.3  |
| 81 to 85.....                    | 18.9      | 17.1  | 10.9  | 14.1  | 13.2  | 4.8            | 4.1   | 4.4   | 3.6   | —     |
| 86 to 90.....                    | 31.2      | 35.6  | 57.1  | 62.5  | 66.8  | 7.4            | 4.0   | 9.8   | 14.9  | —     |
| 91 to 95.....                    | 10.2      | 18.2  | 16.0  | —     | —     | 3.0            | 1.5   | 2.6   | —     | —     |
| Total.....                       | 100.0     | 100.0 | 100.0 | 100.0 | 100.0 | 100.0          | 100.0 | 100.0 | 100.0 | 100.0 |
| Average.....                     | 80.4      | 82.5  | 85.0  | 84.1  | 84.8  | 70.1           | 73.6  | 76.4  | 78.6  | 75.3  |
| Median.....                      | 83.7      | 80.5  | 88.0  | 87.0  | 87.0  | 77.0           | 78.6  | 77.8  | 78.4  | 76.8  |

Table 22 shows distributions of mortgage amounts by total requirements for Section 203 transactions insured in 1952 which involved owner-occupant mortgagors purchasing or building homes. Generally, the mortgage amounts corresponding to each total requirements group are concentrated around the maximum amounts which were permitted, on the basis of property value, under the regulations in effect when the transaction was approved. The spread in the individual distributions tends to increase as total requirements increase.

Median mortgage amounts for new homes ranged from \$4,942 for transactions requiring less than \$6,000, to \$11,948 for transactions involving \$20,000 or more—a spread of only about \$7,000 in mortgage amount compared with nearly twice that variation in the amount of total requirements. In existing-home transactions, the median mortgage amount ranged from \$4,200 for the lowest total requirements bracket to \$12,056 for the highest—a range of nearly \$8,000 in mortgage amounts, contrasted with the \$14,000 spread in total requirements.

In Table 23, averages of selected characteristics of the Section 203 transactions insured in 1952 are delineated for the various total requirements groups. Property values, as estimated by FHA, varied with total requirements and sale price, but represented only 78 percent of the average amount required for transactions involving \$18,000 or more as compared with 99 percent for transactions requiring less than \$7,000.

TABLE 22.—Amount of mortgage by total requirements for single-family home transactions, Sec. 203, 1952

| Total requirements   | Percentage distribution | Median amount of mortgage | Amount of mortgage—Percentage distribution |                    |                    |                    |                    |                    |                     |                      |                      |                      |                      |                      | Total |
|----------------------|-------------------------|---------------------------|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------|
|                      |                         |                           | Less than \$4,000                          | \$4,000 to \$5,000 | \$5,000 to \$6,000 | \$6,000 to \$7,000 | \$7,000 to \$8,000 | \$8,000 to \$9,000 | \$9,000 to \$10,000 | \$10,000 to \$11,000 | \$11,000 to \$12,000 | \$12,000 to \$13,000 | \$13,000 to \$14,000 | \$14,000 to \$15,000 |       |
| New homes            |                         |                           |  |                    |                    |                    |                    |                    |                     |                      |                      |                      |                      |                      |       |
| Less than \$6,000    | 0.4                     | \$4,942                   | 66.3                                       | 43.7               | 47.8               |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$6,000 to \$7,000   | 1.0                     | 5,985                     | 1.4  | 50.5               | 94.5               |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$7,000 to \$8,000   | 7.3                     | 6,333                     | 2.2  | 23.5               | 94.0               |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$8,000 to \$9,000   | 10.2                    | 7,031                     | 8.4  | 22.2               | 44.0               |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$9,000 to \$10,000  | 15.3                    | 7,782                     | 8.4  | 1.3                | 2.2                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$10,000 to \$11,000 | 16.2                    | 8,203                     | 4.4  | 2.4                | 2.4                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$11,000 to \$12,000 | 14.1                    | 8,790                     | 6.4  | 1.1                | 2.6                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$12,000 to \$13,000 | 11.6                    | 9,167                     | 1.1  | 1.0                | 2.4                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$13,000 to \$14,000 | 7.9                     | 9,386                     | 1.1  | 1.0                | 2.5                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$14,000 to \$15,000 | 5.3                     | 9,942                     | 0.6  | 1.1                | 2.5                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$15,000 to \$16,000 | 3.7                     | 10,354                    | 0.5  | 1.6                | 2.5                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$16,000 to \$17,000 | 3.7                     | 10,767                    | 0.5  | 1.7                | 2.0                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$17,000 to \$18,000 | 1.2                     | 11,222                    | 0.3  | 1.0                | 1.4                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$18,000 to \$19,000 | 1.2                     | 11,948                    | 0.3  | 1.0                | 1.4                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$19,000 to \$20,000 | 1.2                     | 11,948                    | 0.3  | 1.0                | 1.4                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| Total                | 100.0                   | 8,324                     | 7.7  | 2.0                | 14.7               | 21.7               | 27.8               | 20.8               | 7.8                 | 2.7                  | 0.6                  | 0.3                  | 0.3                  | 23.0                 | 100.0 |
| Existing homes       |                         |                           |  |                    |                    |                    |                    |                    |                     |                      |                      |                      |                      |                      |       |
| Less than \$6,000    | 1.3                     | \$1,200                   | 55.8                                       | 8.7                | 21.2               |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$6,000 to \$7,000   | 2.8                     | 5,376                     | 22.5                                       | 54.8               | 50.6               |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$7,000 to \$8,000   | 5.5                     | 6,030                     | 3.3  | 5.4                | 61.2               |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$8,000 to \$9,000   | 9.9                     | 6,631                     | 1.4  | 11.0               | 25.2               |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$9,000 to \$10,000  | 12.6                    | 7,309                     | 1.1  | 3.3                | 61.8               |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$10,000 to \$11,000 | 13.9                    | 7,925                     | 1.5  | 1.5                | 10.1               |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$11,000 to \$12,000 | 12.0                    | 8,436                     | 1.1  | 4.8                | 58.5               |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$12,000 to \$13,000 | 11.6                    | 9,009                     | (1)  | 3.7                | 19.2               |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$13,000 to \$14,000 | 8.8                     | 9,440                     | 2.2  | 7.7                | 2.8                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$14,000 to \$15,000 | 6.6                     | 9,949                     | 1.1  | 3.3                | 4.7                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$15,000 to \$16,000 | 4.9                     | 10,352                    | 1.1  | 2.2                | 3.3                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$16,000 to \$17,000 | 3.3                     | 10,856                    | 0.2  | 1.0                | 2.9                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$17,000 to \$18,000 | 2.2                     | 11,269                    | 0.2  | 0.5                | 2.4                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$18,000 to \$19,000 | 2.2                     | 11,269                    | 0.2  | 0.5                | 2.4                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$19,000 to \$20,000 | 1.7                     | 12,056                    | 0.2  | 0.2                | 1.6                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| \$20,000 or more     | 1.7                     | 12,056                    | 0.2  | 0.2                | 1.6                |                    |                    |                    |                     |                      |                      |                      |                      |                      | 100.0 |
| Total                | 100.0                   | 8,210                     | 0.6  | 2.0                | 5.9                | 15.1               | 20.6               | 22.6               | 16.4                | 10.0                 | 4.4                  | 1.1                  | 0.4                  | 20.2                 | 100.0 |

<sup>1</sup> Less than 0.05 percent.

TABLE 23.—Transaction characteristics by total requirements for single-family homes, Sec. 203, 1952

| Total requirements   | Percentage distribution | Average            |            |                 |                |                           |                           | Current investment as a percent of |                    |               |
|----------------------|-------------------------|--------------------|------------|-----------------|----------------|---------------------------|---------------------------|------------------------------------|--------------------|---------------|
|                      |                         | Total requirements | Sale price | Mortgage amount | Property value | Calculated area (sq. ft.) | Mortgagor's annual income | Current investment <sup>1</sup>    | Total requirements | Annual income |
| New homes            |                         |                    |            |                 |                |                           |                           |                                    |                    |               |
| Less than \$7,000    | 2.3                     | \$6,225            | \$6,445    | \$5,782         | \$6,481        | 774                       | \$4,050                   | \$743                              | 11.4               | 18.2          |
| \$7,000 to \$8,000   | 7.3                     | 7,285              | 7,169      | 6,351           | 7,155          | 798                       | 4,200                     | 634                                | 12.8               | 21.7          |
| \$8,000 to \$9,000   | 10.2                    | 8,534              | 8,369      | 6,980           | 8,051          | 841                       | 4,531                     | 1,548                              | 18.1               | 33.4          |
| \$9,000 to \$10,000  | 15.3                    | 9,559              | 9,357      | 7,630           | 8,898          | 900                       | 4,620                     | 1,900                              | 20.0               | 41.3          |
| \$10,000 to \$11,000 | 16.2                    | 10,403             | 10,203     | 7,988           | 9,580          | 947                       | 4,821                     | 2,445                              | 23.5               | 50.7          |
| \$11,000 to \$12,000 | 14.1                    | 11,514             | 11,314     | 8,575           | 10,515         | 969                       | 5,110                     | 2,629                              | 25.5               | 57.5          |
| \$12,000 to \$13,000 | 11.6                    | 12,397             | 12,168     | 8,868           | 11,145         | 1,013                     | 5,498                     | 3,039                              | 28.5               | 64.2          |
| \$13,000 to \$14,000 | 7.9                     | 13,441             | 13,200     | 8,906           | 11,683         | 1,038                     | 5,801                     | 4,445                              | 33.1               | 74.2          |
| \$14,000 to \$15,000 | 5.3                     | 14,450             | 14,186     | 9,469           | 12,653         | 1,130                     | 6,156                     | 4,951                              | 34.5               | 80.6          |
| \$15,000 to \$16,000 | 3.7                     | 15,425             | 15,111     | 9,833           | 13,284         | 1,151                     | 6,438                     | 5,293                              | 36.3               | 87.9          |
| \$16,000 to \$17,000 | 3.7                     | 16,704             | 16,441     | 10,051          | 13,958         | 1,221                     | 6,850                     | 5,713                              | 36.3               | 87.9          |
| \$17,000 to \$18,000 | 2.4                     | 17,280             | 17,015     | 11,344          | 15,586         | 1,436                     | 7,380                     | 6,156                              | 46.7               | 115.8         |
| Total                | 100.0                   | 11,294             | 11,077     | 8,227           | 10,184         | 971                       | 5,231                     | 3,067                              | 27.2               | 58.6          |
| Existing homes       |                         |                    |            |                 |                |                           |                           |                                    |                    |               |
| Less than \$7,000    | 4.0                     | \$6,120            | \$6,097    | \$4,957         | \$6,275        | 870                       | \$4,114                   | 1,163                              | 19.0               | 28.3          |
| \$7,000 to \$8,000   | 5.5                     | 7,492              | 7,330      | 6,500           | 7,255          | 800                       | 4,527                     | 1,997                              | 21.7               | 37.8          |
| \$8,000 to \$9,000   | 9.0                     | 8,496              | 8,280      | 7,120           | 8,860          | 954                       | 4,715                     | 2,359                              | 23.9               | 44.1          |
| \$9,000 to \$10,000  | 12.0                    | 9,479              | 9,283      | 7,025           | 9,640          | 1,017                     | 4,988                     | 2,819                              | 27.2               | 50.0          |
| \$10,000 to \$11,000 | 12.9                    | 10,470             | 10,274     | 7,203           | 10,441         | 1,064                     | 5,220                     | 3,267                              | 28.5               | 62.6          |
| \$11,000 to \$12,000 | 11.9                    | 11,470             | 11,274     | 8,637           | 10,441         | 1,110                     | 5,910                     | 3,522                              | 30.7               | 68.9          |
| \$12,000 to \$13,000 | 8.6                     | 12,456             | 12,250     | 9,443           | 11,852         | 1,160                     | 6,202                     | 5,001                              | 34.6               | 74.4          |
| \$13,000 to \$14,000 | 6.0                     | 13,444             | 13,248     | 9,443           | 12,430         | 1,182                     | 6,202                     | 5,001                              | 34.6               | 74.4          |
| \$14,000 to \$15,000 | 4.9                     | 15,410             | 15,186     | 9,832           | 13,137         | 1,253                     | 6,202                     | 5,001                              | 34.6               | 74.4          |
| \$15,000 to \$16,000 | 5.3                     | 16,410             | 16,186     | 10,188          | 13,862         | 1,292                     | 7,254                     | 6,000                              | 39.2               | 91.9          |
| \$16,000 to \$17,000 | 3.9                     | 20,856             | 20,554     | 11,057          | 15,768         | 1,503                     | 8,329                     | 6,599                              | 47.2               | 112.1         |
| Total                | 100.0                   | 11,680             | 11,484     | 8,062           | 10,424         | 1,082                     | 5,430                     | 3,627                              | 31.0               | 68.7          |

<sup>1</sup> Total requirements less mortgage amount.

## Property Characteristics

The valuation of the property—including house, land, and other physical improvements—is a basic procedure in the FHA underwriting system. It involves consideration of such items as estimated replacement cost of the property, rental value, type and location of neighborhood, market price of an equivalent site, materials and quality of construction, size of house, and garage facilities. The property characteristics of the Section 203 transactions insured in 1952 are discussed in the following paragraphs of this report.

**Property value distributions.**—Property values of \$7,000 to \$15,999 were reported for about 9 of every 10 of the 1-family homes covered by mortgages insured under Section 203 in 1952. More than half the new homes were concentrated in \$8,000 to \$10,999 values, while the bulk of existing homes were in a somewhat higher and broader range of \$8,000 to \$12,999 (Chart 11 and Table 24). Only 4 percent of the new homes and 5 percent of the existing homes had values of less than \$7,000. Properties valued at \$14,000 or more were involved in about 7 percent of the new-home and 10 percent of the existing-home transactions.

New-home values in 1952 averaged 10 percent higher than in the preceding year, compared with only a 4 percent increase reported for existing homes. The smaller rise in existing-home values may be partially indicative of a leveling of existing-property prices that de-

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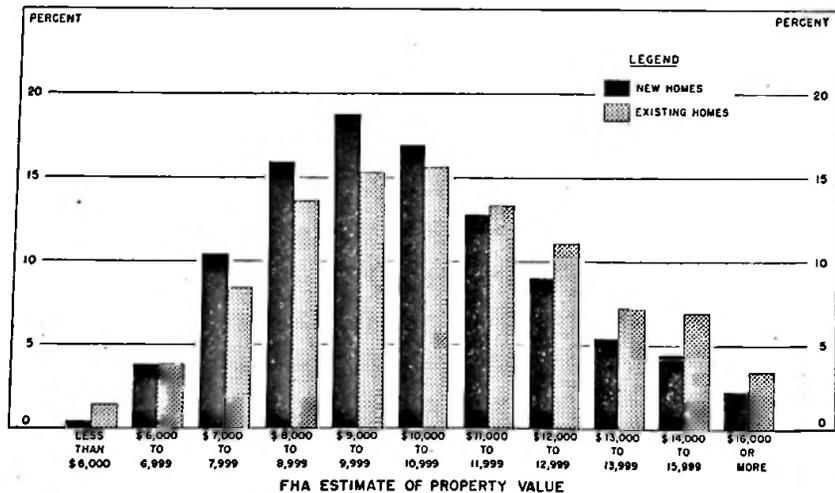


CHART 11.

veloped during the year. The marked upward trend of new-home values is evidenced by the smaller proportion in the \$6,000 to \$8,999 group (down to 30 percent in 1952 from 49 percent the year before) contrasted with the increase in the proportion of \$10,000 to \$13,999 properties from 27 percent to 44 percent of total. For existing homes, the shifts were on a smaller scale—with a drop of 6 percentage points in the \$6,000 to \$8,999 interval offset by a 7-point rise in the groups valued from \$10,000 to \$13,999.

TABLE 24.—Property value of single-family homes, Sec. 203, selected years

| FHA estimate of property value | New homes |         |         |         |         | Existing homes |          |         |         |         |
|--------------------------------|-----------|---------|---------|---------|---------|----------------|----------|---------|---------|---------|
|                                | 1952      | 1951    | 1950    | 1946    | 1940    | 1952           | 1951     | 1950    | 1946    | 1940    |
| Percentage distributions       |           |         |         |         |         |                |          |         |         |         |
| Less than \$3,000              | (1)       | (1)     | (1)     | 2.3     | 3.2     | (1)            | 0.4      | 1.7     | 10.9    | 10.9    |
| \$3,000 to \$3,999             | (1)       | 0.2     | 0.4     | 10.0    | 18.6    | 0.1            | 0.8      | 7.3     | 21.8    | 21.8    |
| \$4,000 to \$4,999             | 0.4       | 0.8     | 1.6     | 20.2    | 23.6    | 0.3            | 1.4      | 16.8    | 22.5    | 22.5    |
| \$5,000 to \$5,999             | 3.8       | 8.7     | 18.3    | 27.9    | 10.5    | 3.8            | 5.8      | 10.7    | 20.3    | 17.3    |
| \$6,000 to \$6,999             | 10.4      | 18.2    | 20.8    | 22.4    | 5.7     | 8.4            | 11.0     | 15.8    | 12.1    | 6.1     |
| \$7,000 to \$7,999             | 15.9      | 21.9    | 22.5    | 11.1    | 2.6     | 13.6           | 15.3     | 17.1    | 7.0     | 3.6     |
| \$8,000 to \$8,999             | 18.8      | 18.8    | 15.9    | 3.4     | 1.2     | 15.3           | 15.2     | 14.5    | 3.4     | 1.9     |
| \$9,000 to \$9,999             | 16.9      | 12.5    | 10.0    | 1.5     | 0.7     | 15.6           | 14.4     | 11.4    | 2.5     | 1.5     |
| \$10,000 to \$10,999           | 12.8      | 8.0     | 4.7     | 0.5     | 0.3     | 13.3           | 10.9     | 7.6     | 1.1     | 0.9     |
| \$11,000 to \$11,999           | 9.0       | 4.4     | 2.3     | 0.3     | 0.3     | 11.1           | 8.9      | 5.7     | 1.2     | 0.8     |
| \$12,000 to \$12,999           | 5.4       | 2.5     | 1.5     | 0.2     | 0.1     | 7.2            | 5.9      | 3.3     | 0.5     | 0.4     |
| \$13,000 to \$13,999           | 4.4       | 2.6     | 1.2     | 0.2     | 0.2     | 6.9            | 6.0      | 3.7     | 0.7     | 0.7     |
| \$14,000 to \$14,999           | 1.8       | 1.1     | 0.6     | (1)     | 0.1     | 2.8            | 2.8      | 2.7     | 0.5     | 0.6     |
| \$15,000 to \$15,999           | 0.4       | 0.4     | 0.2     | 0.1     | 0.1     | 0.6            | 0.7      | 0.3     | 0.3     | 0.2     |
| \$20,000 or more               | 0.4       | 0.4     | 0.2     | 0.1     | 0.1     | 0.6            | 0.7      | 0.3     | 0.3     | 0.2     |
| Total                          | 100.0     | 100.0   | 100.0   | 100.0   | 100.0   | 100.0          | 100.0    | 100.0   | 100.0   | 100.0   |
| Average valuation              | \$10,245  | \$9,307 | \$8,594 | \$6,507 | \$5,199 | \$10,567       | \$10,147 | \$9,298 | \$6,269 | \$5,179 |
| Median valuation               | 10,022    | 9,007   | 8,286   | 6,558   | 5,028   | 10,289         | 9,843    | 8,865   | 5,934   | 4,600   |

<sup>1</sup> Less than 0.05 percent.

**Property values under Sections 8 and 903.**—Property values for single-family homes securing mortgages insured under Sections 8 and 903 during 1952 were limited to much narrower ranges than those previously described in connection with Section 203-insured cases. This primarily reflects the lower maximum mortgage amounts specified by the provisions of Section 8 and the limited sale price or rental stipulated for properties authorized under the defense housing programs and insured under Section 903. More than 9 of every 10 Section 8 properties had FHA estimated values of \$4,000 to \$6,999, while nearly 95 percent of the Section 903 properties were valued from \$7,000 to \$10,999. As indicated in the tables below, Section 8 property values exhibited a marked concentration in the \$5,000 to \$5,999 class, as contrasted with the relatively broader value distribution of Section 903 properties.

The typical property value for all Section 8 homes insured through 1952 was \$5,325, while for Section 903 the corresponding median was \$8,933.

HOUSING AND HOME FINANCE AGENCY

| Sec. 8                  |                      | Sec. 903                  |                      |
|-------------------------|----------------------|---------------------------|----------------------|
| Property value          | Percent distribution | Property value            | Percent distribution |
| Less than \$1,000.....  | 0.1                  | Less than \$7,000.....    | 3.6                  |
| \$1,000 to \$1,999..... | 6.8                  | \$7,000 to \$7,999.....   | 12.0                 |
| \$5,000 to \$5,999..... | 59.3                 | \$8,000 to \$8,999.....   | 38.7                 |
| \$5,500 to \$5,999..... | 18.7                 | \$9,000 to \$9,999.....   | 30.8                 |
| \$6,000 to \$6,999..... | 7.6                  | \$10,000 to \$10,999..... | 12.6                 |
| \$7,000 or more.....    | 7.5                  | \$11,000 to \$12,999..... | 1.4                  |
| Total.....              | 100.0                | Total.....                | 100.0                |

*Averages by property value groups.*—Characteristics of the Section 203 cases insured in 1952 are summarized by property value groups in Table 25 (transaction characteristics), Table 26 (property characteristics), and Table 27 (financial characteristics). Table 25 shows, for example, that for new homes in the \$9,000 to \$9,999 value group the

TABLE 25.—Transaction characteristics by property value of single-family homes, Sec. 203, 1952

| FHA estimate of property value | Percentage distribution | Average        |                                 |                    | Mortgagor's annual income | Ratio of            |   |                          |
|--------------------------------|-------------------------|----------------|---------------------------------|--------------------|---------------------------|---------------------|---|--------------------------|
|                                |                         | Property value | Total requirements <sup>1</sup> | Amount of mortgage |                           | Loan to total value | Loan to total requirements <sup>1</sup> | Property value to income |
| New homes                      |                         |                |                                 |                    |                           |                     |   |                          |
| Less than \$6,000.....         | 0.4                     | \$5,357        | \$5,820                         | \$4,870            | \$4,141                   | Percent 91.0        | Percent 83.7                            | 1.20                     |
| \$6,000 to \$6,999.....        | 3.8                     | 6,616          | 7,038                           | 6,017              | 4,133                     | 90.9                | 85.5                                    | 1.60                     |
| \$7,000 to \$7,999.....        | 10.4                    | 7,368          | 7,955                           | 6,529              | 4,740                     | 88.6                | 82.1                                    | 1.55                     |
| \$8,000 to \$8,999.....        | 15.9                    | 8,431          | 9,334                           | 7,274              | 4,874                     | 86.2                | 77.0                                    | 1.73                     |
| \$9,000 to \$9,999.....        | 18.8                    | 9,428          | 10,318                          | 7,941              | 5,116                     | 84.2                | 77.0                                    | 1.84                     |
| \$10,000 to \$10,999.....      | 16.9                    | 10,399         | 11,434                          | 8,493              | 5,474                     | 81.7                | 74.3                                    | 1.90                     |
| \$11,000 to \$11,999.....      | 12.8                    | 11,359         | 12,461                          | 8,894              | 5,565                     | 78.3                | 71.4                                    | 2.04                     |
| \$12,000 to \$12,999.....      | 9.0                     | 12,339         | 13,578                          | 9,309              | 5,914                     | 75.4                | 68.6                                    | 2.09                     |
| \$13,000 to \$13,999.....      | 5.4                     | 13,330         | 14,667                          | 9,865              | 6,268                     | 74.0                | 65.9                                    | 2.13                     |
| \$14,000 to \$15,999.....      | 4.4                     | 14,728         | 16,401                          | 10,443             | 6,907                     | 70.9                | 63.7                                    | 2.13                     |
| \$16,000 to \$19,999.....      | 1.8                     | 17,244         | 18,805                          | 11,173             | 7,778                     | 64.8                | 59.4                                    | 2.22                     |
| \$20,000 or more.....          | .4                      | 21,684         | 23,413                          | 13,288             | 9,940                     | 61.3                | 56.8                                    | 2.18                     |
| Total.....                     | 100.0                   | 10,245         | 11,274                          | 8,237              | 5,307                     | 80.4                | 73.1                                    | 1.90                     |
| Existing homes                 |                         |                |                                 |                    |                           |                     |   |                          |
| Less than \$6,000.....         | 1.4                     | \$5,036        | \$5,477                         | \$3,011            | \$3,974                   | Percent 77.7        | Percent 72.6                            | 1.27                     |
| \$6,000 to \$6,999.....        | 3.8                     | 6,458          | 6,989                           | 5,233              | 4,300                     | 81.0                | 76.6                                    | 1.50                     |
| \$7,000 to \$7,999.....        | 8.4                     | 7,396          | 8,084                           | 5,945              | 4,426                     | 80.4                | 74.9                                    | 1.67                     |
| \$8,000 to \$8,999.....        | 13.6                    | 8,387          | 9,164                           | 6,690              | 4,680                     | 79.8                | 74.3                                    | 1.79                     |
| \$9,000 to \$9,999.....        | 15.3                    | 9,360          | 10,260                          | 7,980              | 4,968                     | 78.9                | 72.9                                    | 1.88                     |
| \$10,000 to \$10,999.....      | 15.6                    | 10,321         | 11,353                          | 8,011              | 5,223                     | 77.0                | 71.5                                    | 1.98                     |
| \$11,000 to \$11,999.....      | 13.3                    | 11,338         | 12,457                          | 8,647              | 5,589                     | 76.3                | 70.3                                    | 2.03                     |
| \$12,000 to \$12,999.....      | 11.1                    | 12,325         | 13,693                          | 9,270              | 6,056                     | 75.2                | 68.6                                    | 2.04                     |
| \$13,000 to \$13,999.....      | 7.2                     | 13,306         | 14,859                          | 9,864              | 6,609                     | 74.1                | 67.2                                    | 2.01                     |
| \$14,000 to \$15,999.....      | 6.9                     | 14,625         | 16,612                          | 10,397             | 7,114                     | 71.1                | 63.6                                    | 2.06                     |
| \$16,000 to \$19,999.....      | 2.8                     | 17,011         | 19,504                          | 11,230             | 8,445                     | 66.1                | 58.4                                    | 2.01                     |
| \$20,000 or more.....          | .6                      | 22,367         | 25,816                          | 13,031             | 10,963                    | 58.3                | 51.9                                    | 2.04                     |
| Total.....                     | 100.0                   | 10,567         | 11,677                          | 8,039              | 5,470                     | 70.1                | 69.8                                    | 1.93                     |

<sup>1</sup> Data for existing homes reflect purchase transactions only, and are not comparable with data for all existing-home mortgages, which include refinancing transactions on existing construction and on property improvements.

FEDERAL HOUSING ADMINISTRATION

average mortgage of \$7,941 represented 84.2 percent of the average property value of \$9,428 but covered only 77.0 percent of the average total requirements of \$10,318. The annual effective income of the mortgagor purchasing a home in this value group was \$5,116, with property value averaging about 1.8 times the mortgagor's income.

As shown in Table 26, new-home properties valued at \$9,000 to \$9,999 had an average total replacement cost of \$9,743. These dwellings had an average calculated area of 903 square feet and contained an average of about 5 rooms, of which 3 were bedrooms. The market price of the land averaged \$1,088, or 11.5 percent of the average property value.

Table 27 indicates that the average total monthly mortgage payment for mortgagors in this group was \$60.81 (including \$9.20 in real estate taxes), while the prospective monthly housing expense (operating costs, and maintenance and repair expense, in addition to mortgage payment) averaged \$79.66, or about \$19 more than the total payment. The average monthly rental value of \$76.66 estimated for these properties represented 1¼ times the average mortgage payment. Comparable analyses may be made of new- and existing-home transactions in the other value groups by reference to these three tables.

TABLE 26.—Property characteristics by property value of single-family homes, Sec. 203, 1952

| FHA estimate of property value | Percentage distribution | Average        |                           |                      | Price of site as percent of value | Median                    |                 |                    | Percentage of structures with garage |
|--------------------------------|-------------------------|----------------|---------------------------|----------------------|-----------------------------------|---------------------------|-----------------|--------------------|--------------------------------------|
|                                |                         | Property value | Property replacement cost | Market price of site |                                   | Calculated area (sq. ft.) | Number of rooms | Number of bedrooms |                                      |
| New homes                      |                         |                |                           |                      |                                   |                           |                 |                    |                                      |
| Less than \$6,000.....         | 0.4                     | \$5,357        | \$5,826                   | \$705                | 13.2                              | 730                       | 4.5             | 2.5                | 4.9                                  |
| \$6,000 to \$6,999.....        | 3.8                     | 6,616          | 6,868                     | 708                  | 10.7                              | 740                       | 4.5             | 2.5                | 27.3                                 |
| \$7,000 to \$7,999.....        | 10.4                    | 7,368          | 7,691                     | 816                  | 11.1                              | 798                       | 4.7             | 2.6                | 39.3                                 |
| \$8,000 to \$8,999.....        | 15.9                    | 8,434          | 8,762                     | 929                  | 11.0                              | 866                       | 5.1             | 3.0                | 51.8                                 |
| \$9,000 to \$9,999.....        | 18.8                    | 9,428          | 9,743                     | 1,088                | 11.5                              | 903                       | 5.2             | 3.2                | 52.0                                 |
| \$10,000 to \$10,999.....      | 16.9                    | 10,399         | 10,726                    | 1,225                | 11.8                              | 971                       | 5.4             | 3.2                | 57.0                                 |
| \$11,000 to \$11,999.....      | 12.8                    | 11,359         | 11,742                    | 1,384                | 12.2                              | 979                       | 5.4             | 3.3                | 56.6                                 |
| \$12,000 to \$12,999.....      | 9.0                     | 12,339         | 12,774                    | 1,468                | 11.9                              | 1,040                     | 5.6             | 3.3                | 55.2                                 |
| \$13,000 to \$13,999.....      | 5.4                     | 13,330         | 13,721                    | 1,652                | 12.4                              | 1,112                     | 5.7             | 3.4                | 61.2                                 |
| \$14,000 to \$15,999.....      | 4.4                     | 14,728         | 15,189                    | 1,896                | 12.0                              | 1,195                     | 5.9             | 3.4                | 72.9                                 |
| \$16,000 to \$19,999.....      | 1.8                     | 17,244         | 18,110                    | 3,060                | 17.7                              | 1,330                     | 6.1             | 3.4                | 85.0                                 |
| \$20,000 or more.....          | .4                      | 21,684         | 22,950                    | 3,046                | 18.2                              | 1,550                     | 6.3             | 3.5                | 90.6                                 |
| Total.....                     | 100.0                   | 10,245         | 10,607                    | 1,227                | 12.0                              | 926                       | 5.3             | 3.1                | 53.4                                 |
| Existing homes                 |                         |                |                           |                      |                                   |                           |                 |                    |                                      |
| Less than \$6,000.....         | 1.4                     | \$5,036        | \$8,252                   | \$658                | 13.1                              | 831                       | 4.9             | 2.7                | 44.7                                 |
| \$6,000 to \$6,999.....        | 3.8                     | 6,458          | 8,566                     | 784                  | 12.1                              | 801                       | 4.9             | 2.7                | 53.5                                 |
| \$7,000 to \$7,999.....        | 8.4                     | 7,396          | 9,272                     | 882                  | 11.9                              | 843                       | 5.1             | 2.7                | 62.8                                 |
| \$8,000 to \$8,999.....        | 13.6                    | 8,387          | 10,067                    | 901                  | 11.8                              | 894                       | 5.3             | 2.8                | 68.4                                 |
| \$9,000 to \$9,999.....        | 15.3                    | 9,360          | 10,877                    | 1,118                | 11.9                              | 933                       | 5.4             | 2.9                | 69.1                                 |
| \$10,000 to \$10,999.....      | 15.6                    | 10,321         | 11,859                    | 1,236                | 12.0                              | 995                       | 5.5             | 3.1                | 71.6                                 |
| \$11,000 to \$11,999.....      | 13.3                    | 11,338         | 12,721                    | 1,353                | 11.0                              | 1,023                     | 5.6             | 3.1                | 71.6                                 |
| \$12,000 to \$12,999.....      | 11.1                    | 12,325         | 13,878                    | 1,493                | 12.1                              | 1,101                     | 5.8             | 3.2                | 74.0                                 |
| \$13,000 to \$13,999.....      | 7.2                     | 13,306         | 14,818                    | 1,640                | 12.3                              | 1,161                     | 5.9             | 3.3                | 76.7                                 |
| \$14,000 to \$15,999.....      | 6.9                     | 14,625         | 16,365                    | 1,915                | 13.1                              | 1,246                     | 6.2             | 3.4                | 81.0                                 |
| \$16,000 to \$19,999.....      | 2.8                     | 17,011         | 18,996                    | 2,424                | 14.2                              | 1,405                     | 6.4             | 3.5                | 84.2                                 |
| \$20,000 or more.....          | .6                      | 22,367         | 25,452                    | 3,581                | 16.0                              | 1,711                     | 6.7             | 3.6                | 96.5                                 |
| Total.....                     | 100.0                   | 10,567         | 12,209                    | 1,206                | 12.3                              | 993                       | 5.5             | 3.1                | 70.7                                 |

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TABLE 27.—Financial characteristics by property value of single-family homes, Sec. 203, 1952

| FHA estimate of property value | Percentage distribution | Average property value | Monthly average |                 |                             |                        |                    | Ratio of                   |                           |                                  |
|--------------------------------|-------------------------|------------------------|-----------------|-----------------|-----------------------------|------------------------|--------------------|----------------------------|---------------------------|----------------------------------|
|                                |                         |                        | Total payment   | Estimated taxes | Prospective housing expense | Estimated rental value | Mortgagor's income | Mortgage payment to income | Housing expense to income | Mortgage payment to rental value |
| Now homes                      |                         |                        |                 |                 |                             |                        |                    |                            |                           |                                  |
| Less than \$6,000.....         | 0.4                     | \$5,357                | \$37.42         | \$6.79          | \$52.17                     | \$47.90                | \$345.08           | Percent                    | Percent                   | Percent                          |
| \$6,000 to \$6,999.....        | 3.8                     | 6,616                  | 46.16           | 6.41            | 61.03                       | 55.90                  | 314.43             | 10.8                       | 15.1                      | 78.1                             |
| \$7,000 to \$7,999.....        | 10.4                    | 7,368                  | 50.17           | 7.10            | 66.02                       | 61.82                  | 395.78             | 13.4                       | 18.0                      | 82.6                             |
| \$8,000 to \$8,999.....        | 15.9                    | 8,434                  | 55.62           | 8.43            | 73.55                       | 69.29                  | 406.13             | 12.7                       | 16.9                      | 81.2                             |
| \$9,000 to \$9,999.....        | 18.8                    | 9,428                  | 60.81           | 9.20            | 79.66                       | 76.66                  | 426.37             | 13.7                       | 18.1                      | 80.3                             |
| \$10,000 to \$10,999.....      | 16.9                    | 10,399                 | 65.82           | 10.16           | 85.47                       | 83.98                  | 456.17             | 14.3                       | 18.7                      | 79.3                             |
| \$11,000 to \$11,999.....      | 12.8                    | 11,359                 | 70.86           | 11.49           | 91.24                       | 91.61                  | 463.71             | 14.4                       | 18.7                      | 78.4                             |
| \$12,000 to \$12,999.....      | 9.0                     | 12,339                 | 75.62           | 12.35           | 96.97                       | 97.46                  | 492.84             | 15.3                       | 19.7                      | 77.6                             |
| \$13,000 to \$13,999.....      | 5.4                     | 13,339                 | 80.47           | 13.00           | 102.54                      | 104.01                 | 522.33             | 15.4                       | 19.6                      | 77.4                             |
| \$14,000 to \$14,999.....      | 4.4                     | 14,728                 | 85.48           | 13.48           | 109.18                      | 114.67                 | 575.62             | 14.9                       | 19.0                      | 74.5                             |
| \$16,000 to \$19,999.....      | 1.8                     | 17,244                 | 92.25           | 15.61           | 116.67                      | 130.13                 | 648.19             | 14.2                       | 18.0                      | 70.9                             |
| \$20,000 or more.....          | .4                      | 21,684                 | 109.89          | 18.28           | 135.25                      | 160.74                 | 828.32             | 13.3                       | 16.3                      | 68.4                             |
| Total.....                     | 100.0                   | 10,245                 | 64.63           | 10.04           | 84.13                       | 82.55                  | 449.78             | 14.4                       | 18.7                      | 78.3                             |
| Existing homes                 |                         |                        |                 |                 |                             |                        |                    |                            |                           |                                  |
| Less than \$6,000.....         | 1.4                     | \$5,036                | \$35.59         | \$4.86          | \$54.47                     | \$45.08                | \$331.17           | Percent                    | Percent                   | Percent                          |
| \$6,000 to \$6,999.....        | 3.8                     | 6,458                  | 43.83           | 6.17            | 62.11                       | 55.64                  | 358.33             | 10.7                       | 16.4                      | 78.9                             |
| \$7,000 to \$7,999.....        | 8.4                     | 7,396                  | 48.70           | 6.66            | 67.48                       | 62.63                  | 368.85             | 12.2                       | 17.3                      | 78.8                             |
| \$8,000 to \$8,999.....        | 13.6                    | 8,387                  | 54.51           | 7.86            | 74.14                       | 69.06                  | 389.98             | 13.2                       | 18.3                      | 77.8                             |
| \$9,000 to \$9,999.....        | 15.3                    | 9,360                  | 59.78           | 8.74            | 80.66                       | 77.19                  | 413.97             | 14.0                       | 19.0                      | 77.9                             |
| \$10,000 to \$10,999.....      | 15.6                    | 10,321                 | 65.06           | 9.57            | 86.54                       | 84.17                  | 435.24             | 14.9                       | 19.5                      | 77.4                             |
| \$11,000 to \$11,999.....      | 13.3                    | 11,338                 | 70.31           | 10.65           | 92.92                       | 91.26                  | 465.74             | 15.1                       | 20.0                      | 77.3                             |
| \$12,000 to \$12,999.....      | 11.1                    | 12,325                 | 75.57           | 11.49           | 99.32                       | 98.11                  | 504.69             | 15.0                       | 19.7                      | 77.0                             |
| \$13,000 to \$13,999.....      | 7.2                     | 13,306                 | 80.38           | 12.45           | 105.02                      | 105.33                 | 550.78             | 14.6                       | 19.1                      | 76.3                             |
| \$14,000 to \$14,999.....      | 6.9                     | 14,625                 | 85.32           | 13.56           | 111.11                      | 114.61                 | 592.86             | 14.4                       | 18.7                      | 74.4                             |
| \$16,000 to \$19,999.....      | 2.8                     | 17,011                 | 93.70           | 16.11           | 121.64                      | 131.44                 | 703.71             | 13.3                       | 17.3                      | 71.3                             |
| \$20,000 or more.....          | .6                      | 22,367                 | 112.27          | 20.52           | 144.00                      | 167.34                 | 913.57             | 12.3                       | 15.9                      | 67.1                             |
| Total.....                     | 100.0                   | 10,567                 | 65.65           | 9.86            | 87.58                       | 86.62                  | 456.35             | 14.4                       | 19.2                      | 76.7                             |

An analysis of the data presented in Tables 25, 26, and 27 reveals the following significant developments in Section 203 transactions insured in 1952:

(1) Buyers of new-home properties valued below \$12,000 generally received more mortgage financing assistance than buyers of existing homes in the same ranges, as indicated by the higher ratios of loan to total requirements. This arises from the fact that larger mortgage loans are permissible in these value ranges when the homes are constructed under the FHA inspection system.

(2) Substantial amounts of savings were required by buyers of FHA homes in 1952 to make up the difference between the amount of the FHA-insured mortgage and total transaction requirements. On the average these necessary savings represented nearly 27 percent of total requirements in new-home transactions and 31 percent in existing-home transactions. Only buyers of new homes valued at less than \$8,000 were required to provide less than 20 percent.

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(3) Land prices for new homes in many value ranges averaged somewhat less than for existing homes of the same value, presumably due largely to the location of the existing homes nearer the center of cities.

(4) As expected, mortgagors' annual incomes tended to increase as property values increased. Incomes reported by purchasers of new homes valued at less than \$11,000 were generally higher than for purchasers of existing homes in the same value classes, while existing-home mortgagors in the \$11,000-or-more value groups had higher incomes than their new-home counterparts.

(5) Although in the value groups below \$10,000 and above \$16,000 the monthly mortgage payments for new homes averaged somewhat higher than those for existing properties, there was no evidence of appreciable difference between payments on new and on existing homes in the \$10,000 to \$15,999 bracket. This situation parallels the relationships between average mortgage amounts on new and on existing homes in the several property value groups.

(6) Real estate taxes and special assessments estimated for new properties were slightly higher than for existing homes in the same value groups. The data available do not reveal the explanation of this differential.

(7) Housing expense for new homes was less in all value groups due to lower operating costs (principally heat) and less maintenance and repair expense.

(8) Rental values of new homes were slightly (4 percent) less than for existing homes. Although within most individual value ranges rental value averages for existing homes exceeded the averages for new homes, the differences were generally minor. This circumstance may be further evidence of the large number of recently built homes included in the "existing-home" mortgage transactions insured under Section 203 in 1952. The somewhat higher rental values of existing properties are usually attributable to their being located in neighborhoods nearer the center of the city.

*Average characteristics of Section 8 and Section 903 cases by property values.*—Table 28 presents, by property value groups, selected average characteristics of the properties and mortgages involved in Section 8 low-cost single-family home transactions insured by FHA through 1952. Comparable data on the single-family cases insured under the Section 903 defense housing program last year are shown in Table 29. In general, land prices, real estate taxes, and house sizes of these properties moved upward with rises in property value, but within a much narrower band than was observed for Section 203 properties, due to the restraining influences of the lower maximum mortgage amounts prescribed under Sections 8 and 903, and the maximum sale

prices and rentals specified for the Section 903 properties in the defense housing programs.

TABLE 28.—Transaction characteristics by property value of single-family homes, Sec. 8, 1952

| FHA estimate of property value | Percentage distribution | Average        |                 |                      | Ratio of average |                        |
|--------------------------------|-------------------------|----------------|-----------------|----------------------|------------------|------------------------|
|                                |                         | Property value | Mortgage amount | Market price of site | Loan to value    | Price of site to value |
| New homes                      |                         |                |                 |                      |                  |                        |
| Less than \$4,500.....         | 1.1                     | \$4,214        | \$3,841         | \$459                | 91.1             | 10.9                   |
| \$4,500 to \$4,999.....        | 5.8                     | 4,749          | 4,341           | 508                  | 91.4             | 10.7                   |
| \$5,000 to \$5,499.....        | 59.3                    | 5,186          | 4,705           | 540                  | 90.7             | 10.4                   |
| \$5,500 to \$5,999.....        | 18.7                    | 5,597          | 4,724           | 543                  | 84.4             | 9.7                    |
| \$6,000 to \$6,999.....        | 7.6                     | 6,371          | 4,776           | 646                  | 75.0             | 10.1                   |
| \$7,000 or more.....           | 7.5                     | 7,107          | 6,731           | 930                  | 94.7             | 13.1                   |
| Average.....                   |                         | 5,461          | 4,834           | 575                  | 88.5             | 10.5                   |

| FHA estimate of property value | Average                   |                 | Monthly average |                  |                             |
|--------------------------------|---------------------------|-----------------|-----------------|------------------|-----------------------------|
|                                | Calculated area (sq. ft.) | Number of rooms | Estimated taxes | Mortgage payment | Prospective housing expense |
| New homes                      |                           |                 |                 |                  |                             |
| Less than \$4,500.....         | 590                       | 3.7             | \$4.40          | \$30.40          | \$45.00                     |
| \$4,500 to \$4,999.....        | 614                       | 3.6             | 5.59            | 33.86            | 48.09                       |
| \$5,000 to \$5,499.....        | 676                       | 4.0             | 5.23            | 36.30            | 51.48                       |
| \$5,500 to \$5,999.....        | 696                       | 4.0             | 5.33            | 36.34            | 51.52                       |
| \$6,000 to \$6,999.....        | 721                       | 4.1             | 6.27            | 37.40            | 53.53                       |
| \$7,000 or more.....           | 723                       | 4.0             | 7.02            | 45.62            | 60.12                       |
| Average.....                   | 682                       | 4.0             | 5.48            | 36.80            | 52.05                       |

As indicated in Table 28, property values for Section 8 transactions insured in 1952 ranged from below \$4,500 for 1.1 percent of the cases to more than \$7,000 for the 7.5 percent with highest values, with an over-all average of \$5,461; land market prices averaged \$575 for all groups; estimated monthly real estate taxes, \$5.48; average calculated area, 682 square feet; and room count averaged 4.0 rooms for all Section 8 houses. In each characteristic, variations by value were within narrow limits. Land prices averaged from 10 to 11 percent of property values for all groups except those valued at \$7,000 or more; in these, land represented 13 percent of property value.

Average mortgage amounts and monthly mortgage payments were generally larger in the higher value groups, although the \$4,750 maximum mortgage amount for regular Section 8 loans minimized the rate of increase in the higher value groups. Further evidence of the effect of this maximum loan amount is apparent in the relatively lower

average ratio of loan to value in the \$5,500 to \$5,999 group (84 percent) and the \$6,000 to \$6,999 group (75 percent). The higher limits permitted under the disaster-loan provisions of Section 8—maximum mortgage of \$7,000 and up to 100 percent of property value—are reflected by the high average mortgage amount (\$6,731) and ratio of loan to value (95 percent) shown for properties valued at \$7,000 or more.

Buyers of Section 8 homes securing mortgages insured through 1952 contemplated monthly housing expenses—mortgage payment plus operating, maintenance, and repair costs—averaging \$52.05 for all properties, and varying from \$45.00 for properties with values of less than \$4,500 to \$60.12 for those valued at \$7,000 or more.

As has been observed in previous discussion in this report, Section 903 defense housing operations are not confined to as narrow a segment of the housing market as are those under Section 8. Table 29 shows that the average property values of Section 903 cases insured in 1952 ranged from less than \$7,000 for 3.6 percent of the cases to \$10,000 or more for 14 percent of the total; the average mortgage amounts were close to 90 percent for all value groups, averaging \$7,827 for all properties; and the sizes of the houses ranged from 3.9 rooms and 649 square feet to 5.5 rooms and 1,008 square feet.

Although market prices of land tended to rise in line with the values of Section 903 properties, the influence of location on price of site is evident in the declines shown by average land prices reported for properties valued at \$8,000 to \$8,499 and at \$10,000 or more. The properties in these value groups were probably located in areas where lower land costs were prevalent. Average land prices reported for Section 903 transactions ranged from \$637 for properties valued at less than \$7,000 to \$1,209 for those with values of \$9,500 to \$9,999, the average for all groups being \$1,104.

Monthly real estate taxes reported for Section 903 defense housing properties averaged \$6.29, and for corresponding value groups were significantly lower than for new Section 203 properties. This situation may be due to the fact that many of the Section 903 properties were located in outlying areas where the number and cost of services provided by public authorities were not as great as in the case of the Section 203 properties.

Monthly mortgage payments prescribed in the Section 903 single-family home mortgages insured in 1952 ranged from an average of \$36.38 for properties valued at less than \$7,000 to \$57.30 for those in the highest value class, the average for all Section 903 transactions being \$51.41. Estimated monthly housing expenses averaged \$63.23.

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TABLE 29.—Transaction characteristics by property value of single-family homes, Sec. 903, 1952

| FHA estimate of property value | Percentage distribution   | Average         |                 |                      | Ratio of average            |                        |
|--------------------------------|---------------------------|-----------------|-----------------|----------------------|-----------------------------|------------------------|
|                                |                           | Property value  | Mortgage amount | Market price of site | Loan to value               | Price of site to value |
| New homes                      |                           |                 |                 |                      |                             |                        |
| Less than \$7,000.....         | 3.6                       | \$5,978         | \$5,401         | \$637                | 90.3                        | 10.7                   |
| \$7,000 to \$7,999.....        | 12.9                      | 7,564           | 6,789           | 1,037                | 89.8                        | 13.7                   |
| \$8,000 to \$8,999.....        | 18.0                      | 8,206           | 7,303           | 931                  | 89.0                        | 11.3                   |
| \$9,000 to \$9,999.....        | 20.7                      | 8,769           | 7,830           | 1,101                | 89.3                        | 13.6                   |
| \$10,000 to \$10,999.....      | 16.6                      | 9,176           | 8,160           | 1,200                | 88.9                        | 13.1                   |
| \$11,000 to \$11,999.....      | 14.2                      | 9,665           | 8,519           | 1,209                | 88.1                        | 12.5                   |
| \$12,000 or more.....          | 14.0                      | 10,353          | 9,000           | 1,160                | 86.9                        | 11.2                   |
| Total.....                     | 100.0                     | 8,825           | 7,827           | 1,104                | 88.7                        | 12.5                   |
| FHA estimate of property value | Average                   |                 | Monthly average |                      |                             |                        |
|                                | Calculated area (sq. ft.) | Number of rooms | Estimated taxes | Mortgage payment     | Prospective housing expense |                        |
| New homes                      |                           |                 |                 |                      |                             |                        |
| Less than \$7,000.....         | 649                       | 3.9             | \$5.35          | \$36.38              | \$14.64                     |                        |
| \$7,000 to \$7,999.....        | 748                       | 4.1             | 5.33            | 43.72                | 53.12                       |                        |
| \$8,000 to \$8,999.....        | 809                       | 4.3             | 6.18            | 48.99                | 60.80                       |                        |
| \$9,000 to \$9,999.....        | 853                       | 4.4             | 6.43            | 50.96                | 62.48                       |                        |
| \$10,000 to \$10,999.....      | 848                       | 4.5             | 7.53            | 54.38                | 65.61                       |                        |
| \$11,000 to \$11,999.....      | 916                       | 5.0             | 7.07            | 56.70                | 67.59                       |                        |
| \$12,000 or more.....          | 1,008                     | 5.5             | 5.06            | 57.30                | 71.09                       |                        |
| Total.....                     | 855                       | 4.6             | 6.20            | 51.41                | 63.28                       |                        |

*Size of house.*—As shown in Table 30, the typical new home securing a Section 203 mortgage insured in 1952 had a calculated area of 923 square feet—the largest area reported in the 5-year period during which this information has been available for tabulation. Although the median new house was 70 square feet smaller than the typical existing house, the area differential between new and existing properties in 1952 was the smallest on record. This fact, coupled with the slight decline in the area of the typical existing house from 1951 to 1952, is probably further evidence of the significant number of newly-built houses reported as “existing” homes under Section 203 in 1952.

The bulk of the new and existing houses in 1952 ranged between 700 and 1,199 square feet. Structures with calculated areas of 900 or more square feet were reported for 55 percent of the new-home cases (up from 46 percent in 1951) and 64 percent of the existing homes (down from 67 percent in 1951). About 38 percent of the new and 49 percent of the existing structures had areas of 1,000 or more square feet. Relatively few houses measured less than 700 square feet—3 percent of the new and 4 percent of the existing.

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TABLE 30.—Calculated area of single-family homes, Sec. 203, selected years

| Calculated area (square feet) | New homes |       |       |       |       | Existing homes |       |       |       |       |
|-------------------------------|-----------|-------|-------|-------|-------|----------------|-------|-------|-------|-------|
|                               | 1952      | 1951  | 1950  | 1949  | 1948  | 1952           | 1951  | 1950  | 1949  | 1948  |
| Percentage distributions      |           |       |       |       |       |                |       |       |       |       |
| Less than 600.....            | 0.1       | 0.2   | 0.5   | 1.8   | 0.9   | 0.3            | 0.4   | 0.5   | 0.7   | 0.9   |
| 600 to 699.....               | 2.9       | 4.3   | 7.6   | 7.0   | 4.6   | 3.3            | 3.1   | 3.3   | 3.5   | 4.7   |
| 700 to 799.....               | 18.7      | 23.7  | 30.6  | 28.8  | 20.6  | 14.6           | 13.1  | 14.4  | 14.2  | 16.3  |
| 800 to 899.....               | 23.7      | 25.8  | 25.4  | 24.2  | 22.0  | 18.0           | 16.8  | 16.5  | 17.5  | 18.5  |
| 900 to 999.....               | 16.4      | 13.6  | 13.0  | 12.5  | 10.2  | 14.8           | 14.3  | 14.1  | 13.9  | 13.3  |
| 1,000 to 1,099.....           | 15.5      | 13.4  | 9.9   | 9.5   | 11.2  | 13.2           | 12.9  | 11.7  | 12.1  | 10.9  |
| 1,100 to 1,199.....           | 10.8      | 8.5   | 5.3   | 6.1   | 8.7   | 10.3           | 9.9   | 9.3   | 9.3   | 8.0   |
| 1,200 to 1,299.....           | 4.9       | 4.1   | 3.2   | 4.2   | 6.4   | 7.7            | 8.1   | 7.6   | 7.3   | 6.1   |
| 1,300 to 1,399.....           | 3.5       | 2.8   | 2.0   | 2.1   | 3.4   | 5.6            | 5.9   | 6.3   | 6.5   | 5.1   |
| 1,400 to 1,499.....           | 1.7       | 1.3   | .9    | 1.3   | 2.2   | 3.6            | 4.4   | 4.3   | 4.2   | 3.7   |
| 1,500 to 1,599.....           | .9        | .9    | .6    | .8    | 1.5   | 2.5            | 3.1   | 3.2   | 3.2   | 2.9   |
| 1,600 to 1,799.....           | .6        | .8    | .0    | .9    | 1.4   | 3.1            | 3.8   | 4.2   | 4.0   | 3.7   |
| 1,800 to 1,999.....           | .2        | .3    | .2    | .4    | .4    | 1.5            | 1.9   | 2.2   | 2.0   | 2.2   |
| 2,000 or more.....            | .1        | .3    | .2    | .4    | .5    | 1.5            | 2.3   | 2.9   | 2.7   | 3.0   |
| Total.....                    | 100.0     | 100.0 | 100.0 | 100.0 | 100.0 | 100.0          | 100.0 | 100.0 | 100.0 | 100.0 |
| Average.....                  | 968       | 942   | 894   | 909   | 972   | 1,050          | 1,093 | 1,100 | 1,091 | 1,075 |
| Median.....                   | 923       | 879   | 838   | 841   | 912   | 992            | 1,011 | 1,006 | 1,001 | 972   |

The common assumption that room counts rise with increases in calculated areas is supported by the data in Table 31, which show the distribution by number of rooms for new and existing homes of varying square-foot areas. Generally, the augmented room count was an indication of more bedrooms.

TABLE 31.—Number of rooms by calculated area of single-family homes, Sec. 203, 1952

| Calculated area (square feet) | Percentage distribution | Average number of rooms | Median number of rooms | Number of rooms—Percentage distribution |       |      |      |       |       |
|-------------------------------|-------------------------|-------------------------|------------------------|---|-------|------|------|-------|-------|
|                               |                         |                         |                        | 3                                       | 4     | 5    | 6    | 7-9   | Total |
| New homes                     |                         |                         |                        |   |       |      |      |       |       |
| Less than 700.....            | 3.0                     | 4.0                     | 4.5                    | 2.0                                     | 92.3  | 5.0  | 0.7  | ..... | 100.0 |
| 700 to 799.....               | 18.7                    | 4.1                     | 4.6                    | .2                                      | 90.4  | 7.9  | 1.5  | (1)   | 100.0 |
| 800 to 899.....               | 23.7                    | 4.5                     | 5.0                    | .1                                      | 52.0  | 45.9 | 1.8  | 0.2   | 100.0 |
| 900 to 999.....               | 16.5                    | 4.9                     | 5.1                    | .5                                      | 22.5  | 67.2 | 9.6  | .2    | 100.0 |
| 1,000 to 1,099.....           | 15.5                    | 5.2                     | 5.6                    | (1)                                     | 7.7   | 67.4 | 24.8 | .1    | 100.0 |
| 1,100 to 1,199.....           | 10.8                    | 5.5                     | 6.0                    | .1                                      | 3.8   | 44.3 | 51.1 | .7    | 100.0 |
| 1,200 to 1,299.....           | 8.3                     | 5.5                     | 6.1                    | .....                                   | 2.0   | 44.0 | 51.9 | 1.2   | 100.0 |
| 1,300 to 1,399.....           | 2.6                     | 5.8                     | 6.3                    | .....                                   | 3.9   | 28.4 | 53.7 | 14.0  | 100.0 |
| 1,400 to 1,499.....           | .8                      | 6.0                     | 6.5                    | .....                                   | 3.7   | 14.7 | 61.3 | 20.3  | 100.0 |
| 1,500 to 1,599.....           | .1                      | 6.8                     | 7.4                    | .....                                   | ..... | 5.3  | 31.6 | 63.1  | 100.0 |
| Total.....                    | 100.0                   | 4.8                     | 5.3                    | .2                                      | 37.7  | 43.3 | 17.9 | .9    | 100.0 |
| Existing homes                |                         |                         |                        |   |       |      |      |       |       |
| Less than 700.....            | 3.6                     | 4.1                     | 4.6                    | 7.9                                     | 75.7  | 13.2 | 3.1  | 0.1   | 100.0 |
| 700 to 799.....               | 14.9                    | 4.3                     | 4.7                    | .5                                      | 73.8  | 20.8 | 4.5  | .4    | 100.0 |
| 800 to 899.....               | 18.0                    | 4.6                     | 5.0                    | .3                                      | 48.5  | 44.6 | 5.0  | 1.0   | 100.0 |
| 900 to 999.....               | 14.6                    | 4.9                     | 5.4                    | .1                                      | 26.0  | 59.6 | 12.1 | 1.6   | 100.0 |
| 1,000 to 1,099.....           | 13.2                    | 5.2                     | 5.0                    | .2                                      | 12.7  | 50.3 | 25.1 | 2.7   | 100.0 |
| 1,100 to 1,199.....           | 10.3                    | 5.5                     | 6.0                    | .2                                      | 6.5   | 44.9 | 43.8 | 4.6   | 100.0 |
| 1,200 to 1,299.....           | 13.3                    | 5.8                     | 6.3                    | .2                                      | 2.3   | 29.5 | 58.1 | 9.9   | 100.0 |
| 1,300 to 1,399.....           | 6.0                     | 6.1                     | 6.5                    | .2                                      | 1.0   | 13.7 | 59.0 | 20.1  | 100.0 |
| 1,400 to 1,499.....           | 4.6                     | 6.7                     | 7.2                    | .1                                      | .6    | 6.1  | 37.8 | 55.5  | 100.0 |
| 1,500 to 1,599.....           | 1.5                     | 7.5                     | 7.8                    | .8                                      | ..... | 1.5  | 11.4 | 86.3  | 100.0 |
| Total.....                    | 100.0                   | 5.1                     | 5.5                    | .5                                      | 28.9  | 37.9 | 24.6 | 8.1   | 100.0 |

(1) Less than 0.05 percent.

More than four-fifths of the new and two-thirds of the existing properties involved in Section 203 cases insured in 1952 had 4 or 5 rooms. Six rooms or more were provided in nearly a third of the existing properties but in less than a fifth of the new. The typical new house had 5.3 rooms, compared with a median of 5.5 rooms for existing structures.

Over 58 percent of the new houses had 3 or more bedrooms, significantly more than the 53 percent reported for existing properties. The proportions of new and existing homes with 2 bedrooms were 41 and 46 percent respectively.

Compared with 1951, the room-count distribution of the new properties shifted upward, with rises in the proportion of 5- and 6-room houses. Existing properties, on the other hand, registered a small decrease in the relative number of properties with 6 or more rooms, and slight increases in the proportions of 4- and 5-room dwellings. The change in room-size distribution is indicated by the following data:

| Rooms       | New homes |       | Existing homes |       |
|-------------|-----------|-------|----------------|-------|
|             | 1952      | 1951  | 1952           | 1951  |
| 3.....      | 0.2       | 0.4   | 0.5            | 0.7   |
| 4.....      | 37.7      | 43.4  | 28.0           | 26.9  |
| 5.....      | 43.3      | 39.3  | 37.9           | 36.1  |
| 6.....      | 17.0      | 16.0  | 24.6           | 26.2  |
| 7 to 9..... | 0         | 0     | 8.1            | 10.1  |
| Total.....  | 100.0     | 100.0 | 100.0          | 100.0 |

More bedrooms were provided in the new houses securing Section 203 mortgages insured in 1952 than were reported for 1951, while the bedroom-count distribution for existing homes was virtually the same as in 1951. The following data reveal the pronounced increase in the proportion of new homes with 3 bedrooms and the decline in 2-bedroom dwellings, as well as the close similarity of the existing-home distributions for both years:

| Bedrooms    | New homes |       | Existing homes |       |
|-------------|-----------|-------|----------------|-------|
|             | 1952      | 1951  | 1952           | 1951  |
| 1.....      | 0.3       | 0.6   | 1.1            | 1.6   |
| 2.....      | 41.2      | 53.6  | 46.1           | 44.8  |
| 3.....      | 57.5      | 44.7  | 45.2           | 44.6  |
| 4 to 6..... | 1.0       | 1.1   | 7.6            | 0.0   |
| Total.....  | 100.0     | 100.0 | 100.0          | 100.0 |

*Size of Section 8 and Section 903 houses.*—The new homes securing mortgages insured under Sections 8 and 903 were smaller than those

constructed under the Section 203 program, as may readily be seen from the following data:

| Average             | Section |     |     |
|---------------------|---------|-----|-----|
|                     | 203     | 8   | 903 |
| Area in sq. ft..... | 968     | 682 | 855 |
| Room count.....     | 4.3     | 4.0 | 4.6 |
| Bedroom count.....  | 2.6     | 1.9 | 2.5 |

The considerably smaller size of the Section 8 homes and the somewhat smaller size of the Section 903 houses are largely a reflection of the lower amounts expended for construction, which, in turn, stem from the lower permissible mortgage amounts and, in the case of Section 903, the limits set on sale prices and monthly rentals in the defense housing programs.

As indicated below, 4 of every 5 Section 8 homes securing mortgages insured through 1952 had calculated areas within the relatively narrow range of 600 to 799 square feet; only one-eighth had less than 600 square feet; and less than 7 percent had areas of 800 or more square feet.

| Sec. 8                     |                      | Sec. 903                   |                      |
|----------------------------|----------------------|----------------------------|----------------------|
| Calculated area in sq. ft. | Percent distribution | Calculated area in sq. ft. | Percent distribution |
| Less than 600.....         | 1.6                  | Less than 700.....         | 4.0                  |
| 600 to 699.....            | 10.9                 | 700 to 799.....            | 26.9                 |
| 700 to 799.....            | 49.4                 | 800 to 899.....            | 35.8                 |
| 800 to 899.....            | 31.6                 | 900 to 999.....            | 20.0                 |
| 900 or more.....           | 5.0                  | 1,000 to 1,099.....        | 12.3                 |
|                            | 1.5                  | 1,100 or more.....         | 1.0                  |
| Total.....                 | 100.0                | Total.....                 | 100.0                |

The areas of Section 903 houses were more evenly distributed in a somewhat higher range than that of the Section 8 homes. Calculated areas of 800 to 999 square feet were provided in more than half of the Section 903 properties, 700 to 799 square feet in more than one-fourth, and 1,000 to 1,099 square feet in nearly one-eighth.

*Relationship of size of house and property valuation.* As would be expected, there was a fairly close correlation between size of house and property valuation in the Section 203 transactions insured in 1952. Generally speaking, the larger the house the higher the FHA estimate of property value.

Tables 32 and 33 show that, as property values increased, the median areas and room counts were larger. These medians also indicate that within corresponding value groups the existing structures were somewhat larger than the new.

TABLE 32.—Calculated area by property value of single-family homes, Sec. 203, 1952

| FHA estimate of property value | Percent-<br>age dis-<br>tribution | Median<br>calcu-<br>lated area<br>(sq. ft.) | Calculated area (sq. ft.)—Percentage distribution |                  |                  |                  |                      |                      |                      |                      |                      |                      | Total |                     |       |       |       |
|--------------------------------|-----------------------------------|---|---|------------------|------------------|------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------|---------------------|-------|-------|-------|
|                                |                                   |   | Less<br>than<br>700                               | 700<br>to<br>799 | 800<br>to<br>899 | 900<br>to<br>999 | 1,000<br>to<br>1,099 | 1,100<br>to<br>1,199 | 1,200<br>to<br>1,299 | 1,300<br>to<br>1,399 | 1,400<br>to<br>1,499 | 1,500<br>to<br>1,999 |       | 2,000<br>or<br>more |       |       |       |
| Less than \$6,000.....         | 0.4                               | 730   | 25.5  | 48.1             | 20.4             | 2.6              | 0.7                  | 0.1                  | 0.1                  | 0.1                  | 0.1                  | 0.1                  | 0.1   | 0.1                 | 0.1   | 0.1   | 100.0 |
| \$6,000 to \$6,999.....        | 3.8                               | 740   | 15.1  | 65.2             | 10.4             | 13.0             | 3.8                  | 10.0                 | 12.6                 | 3.0                  | 0.1                  | 0.1                  | 0.1   | 0.1                 | 0.1   | 0.1   | 100.0 |
| \$7,000 to \$7,999.....        | 10.4                              | 798   | 12.4  | 38.6             | 27.6             | 15.3             | 10.0                 | 17.0                 | 17.0                 | 8.5                  | 3.0                  | 0.1                  | 0.1   | 0.1                 | 0.1   | 0.1   | 100.0 |
| \$8,000 to \$8,999.....        | 15.9                              | 866   | 3.6   | 23.3             | 33.6             | 21.8             | 15.3                 | 17.0                 | 17.0                 | 11.4                 | 3.0                  | 0.1                  | 0.1   | 0.1                 | 0.1   | 0.1   | 100.0 |
| \$9,000 to \$9,999.....        | 18.8                              | 903   | 1.7   | 19.4             | 28.4             | 24.0             | 15.6                 | 20.2                 | 11.4                 | 11.4                 | 6.4                  | 1.2                  | 0.1   | 0.1                 | 0.1   | 0.1   | 100.0 |
| \$10,000 to \$10,999.....      | 10.9                              | 971   | 1.7   | 14.4             | 24.0             | 19.5             | 15.6                 | 17.0                 | 14.1                 | 14.5                 | 13.1                 | 1.7                  | 0.1   | 0.1                 | 0.1   | 0.1   | 100.0 |
| \$11,000 to \$11,999.....      | 12.8                              | 979   | .4  | 11.4             | 22.2             | 19.5             | 10.2                 | 16.7                 | 14.1                 | 14.1                 | 18.8                 | 5.4                  | 0.1   | 0.1                 | 0.1   | 0.1   | 100.0 |
| \$12,000 to \$12,999.....      | 9.0                               | 1,040                                       | .1  | 5.8              | 17.1             | 13.0             | 16.5                 | 14.5                 | 14.3                 | 15.3                 | 20.3                 | 8.3                  | 0.1   | 0.1                 | 0.1   | 0.1   | 100.0 |
| \$13,000 to \$13,999.....      | 5.4                               | 1,112                                       | .....   | 3.8              | 13.0             | 5.0              | 10.3                 | 19.2                 | 14.3                 | 14.3                 | 20.4                 | 15.6                 | 4.1   | 0.1                 | 0.1   | 0.1   | 100.0 |
| \$14,000 to \$14,999.....      | 4.4                               | 1,195                                       | .....   | 1.3              | 5.0              | 3.3              | 10.4                 | 9.4                  | 12.4                 | 12.4                 | 23.3                 | 21.6                 | 10.7  | 2.3                 | 0.1   | 0.1   | 100.0 |
| \$15,000 to \$15,999.....      | 1.8                               | 1,330                                       | .....   | .4               | 3.3              | 2.9              | 2.9                  | 2.9                  | 5.0                  | 5.0                  | 21.6                 | 21.6                 | 24.5  | 20.0                | 0.1   | 0.1   | 100.0 |
| \$16,000 to \$16,999.....      | 1.8                               | 1,550                                       | .....   | .....            | .....            | .....            | .....                | .....                | .....                | .....                | .....                | .....                | ..... | .....               | ..... | ..... | 100.0 |
| \$20,000 or more.....          | .4                                | .....                                       | .....   | .....            | .....            | .....            | .....                | .....                | .....                | .....                | .....                | .....                | ..... | .....               | ..... | ..... | 100.0 |
| Average.....                   | .....                             | 926   | 3.0   | 18.7             | 23.7             | 16.5             | 15.5                 | 10.8                 | 8.3                  | 2.6                  | 0.8                  | 0.1                  | 0.1   | 0.1                 | 0.1   | 0.1   | 100.0 |
| Less than \$6,000.....         | 1.4                               | 831   | 24.2  | 19.9             | 10.8             | 13.7             | 6.8                  | 6.8                  | 5.2                  | 6.8                  | 6.8                  | 6.8                  | 3.5   | 2.0                 | 1.1   | 1.1   | 100.0 |
| \$6,000 to \$6,999.....        | 3.8                               | 804   | 16.9  | 20.9             | 20.6             | 8.6              | 6.8                  | 6.8                  | 6.8                  | 6.8                  | 6.8                  | 6.8                  | 3.5   | 2.0                 | 1.1   | 1.1   | 100.0 |
| \$7,000 to \$7,999.....        | 8.4                               | 843   | 6.9   | 20.9             | 20.6             | 13.1             | 7.9                  | 7.9                  | 5.2                  | 5.2                  | 5.2                  | 5.2                  | 3.5   | 2.0                 | 1.1   | 1.1   | 100.0 |
| \$8,000 to \$8,999.....        | 13.0                              | 804   | 5.6   | 18.3             | 17.3             | 16.0             | 13.1                 | 13.1                 | 7.2                  | 7.2                  | 7.2                  | 7.2                  | 3.5   | 2.0                 | 1.1   | 1.1   | 100.0 |
| \$9,000 to \$9,999.....        | 15.3                              | 933   | 3.8   | 18.3             | 17.3             | 16.0             | 13.1                 | 13.1                 | 7.2                  | 7.2                  | 7.2                  | 7.2                  | 3.5   | 2.0                 | 1.1   | 1.1   | 100.0 |
| \$10,000 to \$10,999.....      | 15.6                              | 995   | 1.8   | 16.3             | 16.3             | 13.6             | 11.4                 | 11.4                 | 11.4                 | 11.4                 | 11.4                 | 11.4                 | 3.5   | 2.0                 | 1.1   | 1.1   | 100.0 |
| \$11,000 to \$11,999.....      | 13.3                              | 923   | 1.0   | 10.6             | 14.6             | 13.0             | 13.2                 | 13.2                 | 11.5                 | 11.5                 | 11.5                 | 11.5                 | 3.5   | 2.0                 | 1.1   | 1.1   | 100.0 |
| \$12,000 to \$12,999.....      | 11.1                              | 1,101                                       | 1.2   | 6.3              | 14.6             | 13.0             | 13.2                 | 13.2                 | 11.5                 | 11.5                 | 11.5                 | 11.5                 | 3.5   | 2.0                 | 1.1   | 1.1   | 100.0 |
| \$13,000 to \$13,999.....      | 7.2                               | 1,161                                       | .....   | 4.5              | 10.7             | 13.1             | 13.8                 | 13.8                 | 14.4                 | 14.4                 | 14.4                 | 14.4                 | 3.5   | 2.0                 | 1.1   | 1.1   | 100.0 |
| \$14,000 to \$14,999.....      | 6.0                               | 1,246                                       | .....   | 1.7              | 5.3              | 11.0             | 12.0                 | 12.0                 | 12.1                 | 12.1                 | 12.1                 | 12.1                 | 3.5   | 2.0                 | 1.1   | 1.1   | 100.0 |
| \$15,000 to \$15,999.....      | 2.8                               | 1,405                                       | .....   | .....            | .....            | 4.7              | 3.0                  | 3.0                  | 10.0                 | 10.0                 | 10.0                 | 10.0                 | 3.5   | 2.0                 | 1.1   | 1.1   | 100.0 |
| \$16,000 to \$16,999.....      | 2.8                               | 1,711                                       | .....   | .....            | .....            | .....            | .....                | .....                | .....                | .....                | .....                | .....                | 3.5   | 2.0                 | 1.1   | 1.1   | 100.0 |
| Average.....                   | .....                             | 993   | 3.6   | 14.6             | 18.0             | 14.9             | 13.2                 | 10.3                 | 6.0                  | 4.6                  | 1.5                  | 1.5                  | 0.1   | 0.1                 | 0.1   | 0.1   | 100.0 |

1 Less than 0.05 percent.

Reflecting variations in construction costs and home prices due to such factors as geographical location, types and materials of construction, neighborhood characteristics, number of bedrooms, quantity of installed kitchen equipment, and (for existing properties) age of structure, home sizes within single property value groups were subject to considerable variation. This variation is more extensive when measured in terms of calculated area than when indicated by room count.

The range of calculated areas in the different value groups for homes securing Section 203 mortgages insured during 1952 is illustrated in Chart 12. For example, the bar for new homes valued at \$10,000 to \$10,999 indicates that the areas of the bulk (90 percent) of these houses had between 750 to 1,250 square feet, with:

- 20 percent having between 750 and 850 square feet
- 25 percent having between 850 and 970 square feet
- 25 percent having between 970 and 1,080 square feet
- 20 percent having between 1,080 and 1,250 square feet

It is apparent from the chart that the range of the area expanded as property value increased, and that the ranges for existing homes are broader than for new homes in corresponding value groups.

Table 33, showing the range of room counts at the various property value levels for homes securing Section 203 mortgages insured in 1952, indicates that significant numbers of 4-, 5-, and 6-room houses were reported in practically all property value groups of both new and existing homes. Structures with 7 or more rooms occurred in all value ranges of existing properties but were significant for new homes only when valued at \$12,000 or more. New homes in the different value intervals exhibited a tendency to centralize in certain room-count groups (e. g. 4-room houses in the less-than-\$8,000 groups and 5-room structures in the \$9,000-to-\$13,999 bracket), while existing homes at the various value levels tended to be more evenly distributed with respect to room count of the dwellings.

The relationship between size of house and property value is also influenced by the number of bedrooms provided in the structure. Table 34 shows that, in the new-home transactions insured under Section 203 in 1952, 2-bedroom houses were preponderant in the value classes under \$8,000 and 3-bedroom structures in the higher value groups. In existing-home transactions, 2-bedroom houses predominated in properties valued at less than \$10,000, those with 2 and 3 bedrooms jointly dominated the \$10,000 to \$11,999 range, while 3-bedroom structures accounted for the bulk of properties valued at \$12,000 or more.

RANGE OF CALCULATED AREAS BY PROPERTY VALUES  
FHA-INSURED MORTGAGES ON SINGLE-FAMILY HOMES, SECTION 203, 1952

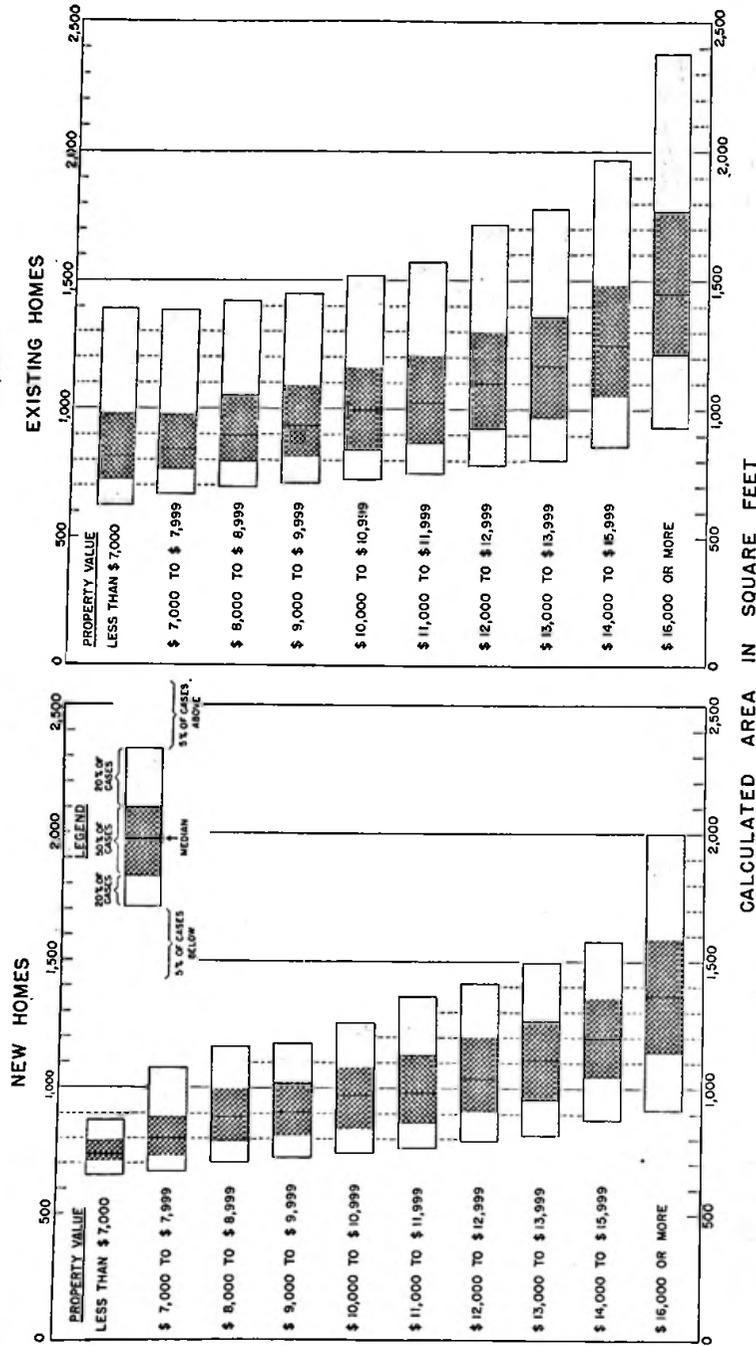


CHART 12.

TABLE 33.—Number of rooms by property value of single-family homes, Sec. 203, 1952

| FHA estimate of property value | Percent-age distribution | Average number of rooms | Median number of rooms | Number of rooms—Percentage distribution |      |      |      |     |       |       |
|--------------------------------|--------------------------|-------------------------|------------------------|---|------|------|------|-----|-------|-------|
|                                |                          |                         |                        | 3                                       | 4    | 5    | 6    | 7-9 | Total |       |
| New homes                      |                          |                         |                        |   |      |      |      |     |       |       |
| Less than \$6,000              | 0.4                      | 4.0                     | 4.5                    | 1.9                                     | 93.4 | 4.7  |      |     |       | 100.0 |
| \$6,000 to \$6,999             | 3.8                      | 4.1                     | 4.5                    | .9                                      | 89.7 | 8.7  | 0.6  |     | 0.1   | 100.0 |
| \$7,000 to \$7,999             | 10.4                     | 4.3                     | 4.7                    | 1.0                                     | 70.7 | 24.5 | 3.8  |     |       | 100.0 |
| \$8,000 to \$8,999             | 15.0                     | 4.7                     | 5.1                    | .1                                      | 46.6 | 37.5 | 15.8 |     | (1)   | 100.0 |
| \$9,000 to \$9,999             | 18.8                     | 4.0                     | 5.2                    | .1                                      | 38.1 | 48.3 | 13.4 |     | .1    | 100.0 |
| \$10,000 to \$10,999           | 16.9                     | 4.7                     | 5.4                    | .2                                      | 30.5 | 60.2 | 18.8 |     | .3    | 100.0 |
| \$11,000 to \$11,999           | 12.8                     | 4.9                     | 5.4                    |   | 27.9 | 52.7 | 19.0 |     | .4    | 100.0 |
| \$12,000 to \$12,999           | 9.0                      | 5.1                     | 5.6                    |   | 19.9 | 52.7 | 26.2 |     | 1.2   | 100.0 |
| \$13,000 to \$13,999           | 5.4                      | 5.2                     | 5.7                    |   | 14.7 | 50.4 | 31.1 |     | 3.8   | 100.0 |
| \$14,000 to \$15,999           | 4.4                      | 5.4                     | 5.9                    | .1                                      | 10.4 | 43.6 | 42.4 |     | 3.5   | 100.0 |
| \$16,000 to \$19,999           | 1.8                      | 5.6                     | 6.1                    |   | 9.0  | 36.0 | 44.2 |     | 10.8  | 100.0 |
| \$20,000 or more               | .4                       | 5.9                     | 6.3                    |   | 11.0 | 30.0 | 33.0 |     | 26.0  | 100.0 |
| Total                          | 100.0                    | 4.8                     | 5.3                    | .3                                      | 37.6 | 43.3 | 17.9 |     | .9    | 100.0 |
| Existing homes                 |                          |                         |                        |   |      |      |      |     |       |       |
| Less than \$6,000              | 1.4                      | 4.7                     | 4.9                    | 6.2                                     | 49.4 | 20.4 | 19.6 |     | 4.4   | 100.0 |
| \$6,000 to \$6,999             | 3.8                      | 4.6                     | 4.9                    | 2.5                                     | 54.0 | 25.7 | 14.0 |     | 3.8   | 100.0 |
| \$7,000 to \$7,999             | 8.4                      | 4.7                     | 5.1                    | 1.2                                     | 46.8 | 33.7 | 13.8 |     | 4.5   | 100.0 |
| \$8,000 to \$8,999             | 13.6                     | 4.9                     | 5.3                    | .6                                      | 39.3 | 36.4 | 18.7 |     | 5.0   | 100.0 |
| \$9,000 to \$9,999             | 15.3                     | 4.9                     | 5.4                    | .2                                      | 35.9 | 39.5 | 19.2 |     | 5.2   | 100.0 |
| \$10,000 to \$10,999           | 15.6                     | 5.1                     | 5.5                    | .4                                      | 28.7 | 41.2 | 23.3 |     | 6.4   | 100.0 |
| \$11,000 to \$11,999           | 13.3                     | 5.2                     | 5.6                    | .2                                      | 24.8 | 42.7 | 25.5 |     | 6.8   | 100.0 |
| \$12,000 to \$12,999           | 11.1                     | 5.4                     | 5.8                    | .2                                      | 17.3 | 41.4 | 30.8 |     | 10.3  | 100.0 |
| \$13,000 to \$13,999           | 7.2                      | 5.5                     | 5.9                    | .2                                      | 13.8 | 39.0 | 35.0 |     | 12.0  | 100.0 |
| \$14,000 to \$15,999           | 6.9                      | 5.7                     | 6.2                    | .4                                      | 7.6  | 35.2 | 40.3 |     | 16.5  | 100.0 |
| \$16,000 to \$19,999           | 2.8                      | 6.0                     | 6.4                    | .1                                      | 5.6  | 26.1 | 41.5 |     | 26.7  | 100.0 |
| \$20,000 or more               | .6                       | 6.3                     | 6.7                    | 1.2                                     | 3.4  | 19.3 | 36.9 |     | 39.2  | 100.0 |
| Total                          | 100.0                    | 5.1                     | 5.5                    | .5                                      | 28.9 | 37.9 | 24.6 |     | 8.1   | 100.0 |

<sup>1</sup> Less than 0.05 percent.

Other qualitative aspects of Section 203 single-family home transactions insured in 1952 are shown in Table 35, which presents averages of selected characteristics by calculated area groups. For both new and existing homes, increases in calculated areas were marked by increases in average property values, total requirements, housing expense, rental value, number of rooms and bedrooms, and proportion with garages.

For houses with areas of less than 900 square feet, the new-home averages of property value and total requirements were lower than for existing homes; for houses with areas of 900 to 1,099 square feet the new- and existing-home averages were virtually the same; and for houses of 1,200 or more square feet the new-home averages were somewhat higher. Estimated housing expense for existing homes exceeded that reported for new homes in the area groups of less than 1,200 square feet, but in the houses with larger areas the new-home expenses were expected to be higher. As indicated previously, housing expense for existing properties is generally higher because of the larger mort-

## HOUSING AND HOME FINANCE AGENCY

TABLE 34.—Number of bedrooms by property value of single-family homes, Sec. 203, 1952

| FHA estimate of property value | Percentage distribution | Average number of bedrooms | Median number of bedrooms | Number of bedrooms—Percentage distribution |             |             |            |              |
|--------------------------------|-------------------------|----------------------------|---------------------------|--|-------------|-------------|------------|--------------|
|                                |                         |                            |                           | 1  | 2           | 3           | 4-6        | Total        |
| New homes                      |                         |                            |                           |  |             |             |            |              |
| Less than \$6,000.....         | 0.4                     | 2.0                        | 2.5                       | 1.3  | 98.7        |             |            | 100.0        |
| \$6,000 to \$6,999.....        | 3.8                     | 2.0                        | 2.5                       | .3   | 97.1        | 2.0         |            | 100.0        |
| \$7,000 to \$7,999.....        | 10.4                    | 2.2                        | 2.6                       | .5   | 77.2        | 22.2        | 0.1        | 100.0        |
| \$8,000 to \$8,999.....        | 15.9                    | 2.5                        | 3.0                       | .2   | 48.2        | 51.5        | .1         | 100.0        |
| \$9,000 to \$9,999.....        | 18.8                    | 2.6                        | 3.2                       | .2   | 38.2        | 61.5        | .1         | 100.0        |
| \$10,000 to \$10,999.....      | 16.9                    | 2.6                        | 3.2                       | .3   | 35.9        | 63.4        | .4         | 100.0        |
| \$11,000 to \$11,999.....      | 12.8                    | 2.7                        | 3.3                       | .3   | 30.5        | 68.3        | .9         | 100.0        |
| \$12,000 to \$12,999.....      | 9.0                     | 2.7                        | 3.3                       | .3   | 27.4        | 70.6        | 1.7        | 100.0        |
| \$13,000 to \$13,999.....      | 5.4                     | 2.8                        | 3.4                       | .4   | 24.1        | 71.0        | 4.5        | 100.0        |
| \$14,000 to \$15,999.....      | 4.4                     | 2.8                        | 3.4                       | .2   | 21.6        | 75.1        | 3.2        | 100.0        |
| \$16,000 to \$19,999.....      | 1.8                     | 2.8                        | 3.4                       | .7   | 19.5        | 74.7        | 5.1        | 100.0        |
| \$20,000 or more.....          | .4                      | 3.0                        | 3.5                       | 1.2  | 19.8        | 63.9        | 15.1       | 100.0        |
| <b>Total.....</b>              | <b>100.0</b>            | <b>2.6</b>                 | <b>3.1</b>                | <b>.3</b>                                  | <b>41.2</b> | <b>57.5</b> | <b>1.0</b> | <b>100.0</b> |
| Existing homes                 |                         |                            |                           |  |             |             |            |              |
| Less than \$6,000.....         | 1.4                     | 2.3                        | 2.7                       | 10.3                                       | 55.6        | 27.0        | 7.1        | 100.0        |
| \$6,000 to \$6,999.....        | 3.8                     | 2.3                        | 2.7                       | 4.2  | 69.3        | 22.2        | 4.3        | 100.0        |
| \$7,000 to \$7,999.....        | 8.4                     | 2.3                        | 2.7                       | 2.6  | 67.9        | 24.7        | 4.8        | 100.0        |
| \$8,000 to \$8,999.....        | 13.6                    | 2.5                        | 2.8                       | 1.0  | 59.0        | 34.0        | 5.4        | 100.0        |
| \$9,000 to \$9,999.....        | 15.3                    | 2.5                        | 2.9                       | 1.1  | 54.5        | 39.4        | 5.3        | 100.0        |
| \$10,000 to \$10,999.....      | 15.6                    | 2.6                        | 3.1                       | .7   | 45.5        | 47.4        | 6.4        | 100.0        |
| \$11,000 to \$11,999.....      | 13.3                    | 2.6                        | 3.1                       | .6   | 43.1        | 49.3        | 7.0        | 100.0        |
| \$12,000 to \$12,999.....      | 11.1                    | 2.8                        | 3.2                       | .3   | 38.4        | 53.7        | 9.6        | 100.0        |
| \$13,000 to \$13,999.....      | 7.2                     | 2.8                        | 3.3                       | .2   | 31.6        | 57.5        | 10.7       | 100.0        |
| \$14,000 to \$15,999.....      | 6.9                     | 2.9                        | 3.4                       | .4   | 23.7        | 63.6        | 12.3       | 100.0        |
| \$16,000 to \$19,999.....      | 2.8                     | 3.0                        | 3.5                       | .6   | 20.5        | 61.3        | 17.6       | 100.0        |
| \$20,000 or more.....          | .6                      | 3.3                        | 3.6                       | 1.2  | 16.6        | 58.3        | 23.9       | 100.0        |
| <b>Total.....</b>              | <b>100.0</b>            | <b>2.6</b>                 | <b>3.1</b>                | <b>1.1</b>                                 | <b>46.1</b> | <b>45.2</b> | <b>7.6</b> | <b>100.0</b> |

gage payment and costs of operation and maintenance. The higher monthly housing expense shown in Table 35 for the larger new homes probably stems from higher monthly payments on mortgages which average more than the mortgages on existing houses of comparable calculated areas.

For homes of less than 1,200 square feet, rental values for new dwellings were generally lower than for existing homes, but were significantly higher in the area groups of 1,200 or more square feet. The higher rentals are generally assigned to existing homes because of their common location nearer the centers of the cities and towns; but the age of most of the larger existing structures probably more than offset any rental advantage accruing from a more favorable location.

Room-count averages were lower for new homes than for existing homes in most corresponding area groups, but the average number of bedrooms was usually larger for new than for existing houses when the areas were below 1,200 square feet. In nearly all area groups, the proportion of existing homes with garages exceeded the new-home proportion.

## FEDERAL HOUSING ADMINISTRATION

TABLE 35.—Property characteristics by calculated area of single-family homes, Sec. 203, 1952

| Calculated area (sq. ft.) | Percentage distribution | Average                   |               |                    |                 |              |                 |                    |                                      |
|---------------------------|-------------------------|---------------------------|---------------|--------------------|-----------------|--------------|-----------------|--------------------|--------------------------------------|
|                           |                         | Calculated area (sq. ft.) | FHA value     | Total requirements | Housing expense | Rental value | Number of rooms | Number of bedrooms | Percentage of structures with garage |
| New homes                 |                         |                           |               |                    |                 |              |                 |                    |                                      |
| Less than 700.....        | 3.0                     | 671                       | \$7,722       | \$8,282            | \$67.33         | \$62.71      | 4.0             | 2.0                | 16.1                                 |
| 700 to 799.....           | 18.7                    | 762                       | 8,781         | 9,429              | 74.31           | 70.73        | 4.1             | 2.0                | 28.7                                 |
| 800 to 899.....           | 23.7                    | 849                       | 9,037         | 10,475             | 80.64           | 77.28        | 4.5             | 2.4                | 42.5                                 |
| 900 to 999.....           | 16.5                    | 945                       | 10,303        | 11,225             | 84.48           | 83.08        | 4.9             | 2.6                | 53.4                                 |
| 1,000 to 1,099.....       | 15.5                    | 1,048                     | 10,721        | 11,728             | 86.99           | 87.75        | 5.2             | 2.8                | 69.9                                 |
| 1,100 to 1,199.....       | 10.8                    | 1,146                     | 10,810        | 12,181             | 88.38           | 86.82        | 5.5             | 2.9                | 78.1                                 |
| 1,200 to 1,399.....       | 8.3                     | 1,288                     | 12,573        | 14,029             | 98.74           | 101.50       | 5.5             | 2.9                | 81.4                                 |
| 1,400 to 1,599.....       | 2.6                     | 1,476                     | 13,923        | 16,209             | 106.17          | 108.31       | 5.8             | 3.0                | 74.4                                 |
| 1,600 to 1,999.....       | 8                       | 1,744                     | 16,106        | 19,323             | 115.69          | 124.43       | 6.0             | 3.0                | 85.6                                 |
| 2,000 or more.....        | .1                      | 2,228                     | 19,200        | 24,777             | 130.76          | 146.47       | 6.8             | 3.3                | 83.8                                 |
| <b>Total.....</b>         | <b>100.0</b>            | <b>966</b>                | <b>10,245</b> | <b>11,272</b>      | <b>84.12</b>    | <b>82.53</b> | <b>4.8</b>      | <b>2.6</b>         | <b>53.4</b>                          |
| Existing homes            |                         |                           |               |                    |                 |              |                 |                    |                                      |
| Less than 700.....        | 3.6                     | 655                       | \$8,013       | \$8,825            | \$70.82         | \$66.14      | 4.1             | 2.0                | 50.0                                 |
| 700 to 799.....           | 14.6                    | 753                       | 9,208         | 9,974              | 78.06           | 74.60        | 4.3             | 2.2                | 51.3                                 |
| 800 to 899.....           | 18.0                    | 847                       | 9,742         | 10,610             | 81.49           | 78.97        | 4.6             | 2.2                | 61.9                                 |
| 900 to 999.....           | 14.9                    | 946                       | 10,279        | 11,292             | 85.08           | 83.71        | 4.9             | 2.4                | 69.7                                 |
| 1,000 to 1,099.....       | 13.2                    | 1,046                     | 10,641        | 11,770             | 87.64           | 86.32        | 5.2             | 2.6                | 78.0                                 |
| 1,100 to 1,199.....       | 10.3                    | 1,145                     | 11,136        | 12,418             | 91.25           | 90.18        | 5.5             | 2.8                | 80.2                                 |
| 1,200 to 1,399.....       | 13.3                    | 1,287                     | 11,710        | 13,161             | 95.28           | 94.31        | 5.8             | 2.9                | 83.5                                 |
| 1,400 to 1,599.....       | 6.0                     | 1,485                     | 12,201        | 13,857             | 99.05           | 97.96        | 6.1             | 3.1                | 85.5                                 |
| 1,600 to 1,999.....       | 4.6                     | 1,749                     | 12,939        | 14,996             | 106.45          | 104.94       | 6.7             | 3.4                | 84.5                                 |
| 2,000 or more.....        | 1.5                     | 2,367                     | 14,362        | 16,692             | 119.19          | 115.85       | 7.5             | 4.2                | 83.4                                 |
| <b>Total.....</b>         | <b>100.0</b>            | <b>1,000</b>              | <b>10,570</b> | <b>11,630</b>      | <b>87.60</b>    | <b>85.64</b> | <b>5.1</b>      | <b>2.6</b>         | <b>70.7</b>                          |

## Mortgagors' Incomes and Housing Expense

Basic in the FHA underwriting procedure is an analysis of the mortgage credit risk elements involved in each transaction. This analysis involves consideration of such factors as the mortgagor's income, the relationship of that income to prospective housing expense and other fixed obligations, and the mortgagor's reasons for entering into the transaction.

An estimate is made of the mortgagor's effective income—that is, his probable earning capacity for a period approximating the first third of the mortgage term, which is likely to be the most crucial time in the life of a mortgage. Under certain conditions, part or all of the incomes of co-makers or endorsers may be included. Other items considered are the mortgagor's credit record and reputation, his financial ability to close the loan transaction, and the stability and adequacy of his income in relation to his various living expenses and other obligations, including the estimated prospective monthly housing expense.

Owner-occupant mortgagors were reported in 93 percent of the new and 99 percent of the existing single-family home transactions insured under Section 203 in 1952. The following data and discussion of mortgagors' incomes and expenses are based upon those cases in the sample which involved owner-occupant mortgagors.

*Annual income distribution.*—Chart 13 shows the distributions of the annual effective incomes of owner-occupant mortgagors involved in Section 203 transactions insured during 1952. More than half of the FHA new-home buyers had incomes of \$3,000 to \$4,999. Nearly three-tenths earned from \$5,000 to \$6,999, and one-ninth, \$7,000 to \$9,999. Only 3 percent of the new-home mortgagors had incomes of less than \$3,000, and 2 percent had incomes of \$10,000 or more.

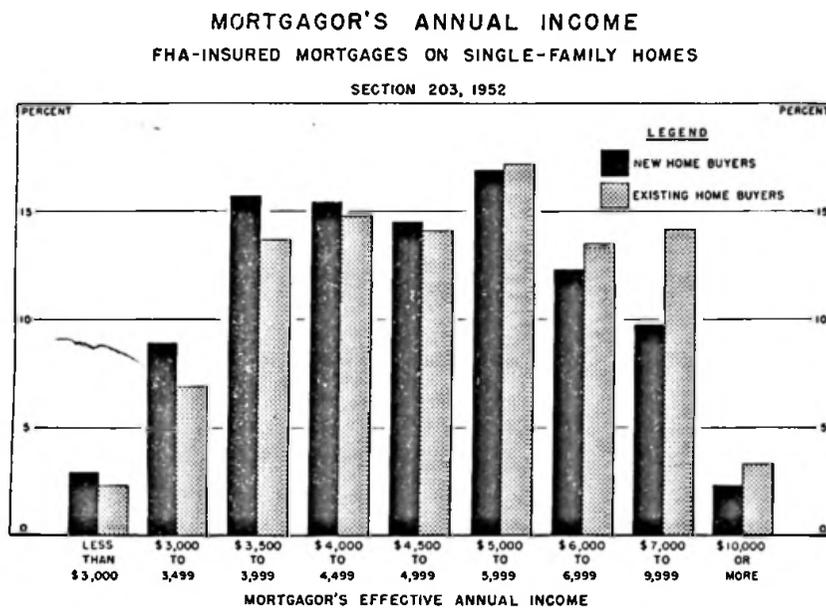


CHART 13.

The largest group (almost half) of existing-home mortgagors were also in the \$3,000 to \$4,999 income bracket, and 30 percent (about the same as in new-home transactions) had incomes of \$5,000 to \$6,999. The proportion of existing-home mortgagors in the higher income levels was somewhat larger than for the new-home buyers—14 percent reported incomes of \$7,000 to \$9,999, and 3 percent reported incomes of \$10,000 or more.

The pronounced upward shift from 1951 to 1952 in the income levels of new-home buyers is evident by examination of the distribu-

tions shown for those two years in Table 36. The proportion of new-home buyers with incomes of less than \$4,000 declined from 43 to 28 percent, while the \$4,000 to \$6,999 income group increased from 48 to 59 percent and the \$7,000 to \$9,999 group from 7 to 11 percent. The \$4,811 annual income of the typical new-home buyer in 1952 was nearly \$600, or 14 percent, higher than the 1951 median—the largest relative yearly increase in FHA history.

The income distributions of the existing-home mortgagors in 1952 were at a higher level than in 1951, but the changes were not as marked as those for new-home buyers. The median income of existing-home mortgagors—\$4,938—was only 4 percent above the comparable 1951 figure.

The change in the income distribution of FHA home buyers in 1952 may be partially attributable to an estimated over-all average increase of about 7 percent per family in total nonfarm income. This was identical with the percentage increase registered in the incomes reported for FHA existing-home mortgagors. On the other hand, the typical rise in income of new-home mortgagors (14 percent) was substantially greater, probably reflecting the increased influence of credit controls on new-home financing during 1952.

TABLE 36.—Income of single-family home mortgagors, Sec. 203, selected years

| Mortgagor's effective annual income | New homes                |         |         |         |         | Existing homes |         |         |         |         |
|-------------------------------------|--------------------------|---------|---------|---------|---------|----------------|---------|---------|---------|---------|
|                                     | 1952                     | 1951    | 1950    | 1946    | 1940    | 1952           | 1951    | 1950    | 1946    | 1940    |
|                                     | Percentage distributions |         |         |         |         |                |         |         |         |         |
| Less than \$1,500.....              | (1)                      | (1)     | (1)     | 0.2     | 5.1     | (1)            | (1)     | 0.1     | 0.3     | 5.2     |
| \$1,500 to \$1,999.....             | 0.1                      | 0.2     | 0.2     | 2.7     | 23.4    | (1)            | 0.2     | .3      | 4.2     | 20.5    |
| \$2,000 to \$2,499.....             | .5                       | 1.6     | 2.6     | 16.0    | 28.3    | 0.5            | 1.1     | 2.4     | 10.4    | 25.0    |
| \$2,500 to \$2,999.....             | 2.3                      | 6.1     | 9.4     | 15.8    | 15.4    | 1.8            | 3.5     | 6.5     | 14.8    | 13.9    |
| \$3,000 to \$3,499.....             | 8.9                      | 15.7    | 21.5    | 19.7    | 11.0    | 6.9            | 10.2    | 15.3    | 19.3    | 11.6    |
| \$3,500 to \$3,999.....             | 15.7                     | 19.8    | 21.9    | 17.6    | 6.2     | 13.7           | 16.4    | 18.2    | 14.5    | 6.9     |
| \$4,000 to \$4,499.....             | 15.4                     | 14.7    | 13.8    | 8.8     | 3.2     | 14.8           | 14.1    | 12.6    | 7.1     | 4.0     |
| \$4,500 to \$4,999.....             | 14.5                     | 11.8    | 10.3    | 7.5     | 2.0     | 14.1           | 13.0    | 11.5    | 6.7     | 3.1     |
| \$5,000 to \$5,999.....             | 10.9                     | 12.5    | 9.7     | 4.1     | 1.9     | 17.2           | 15.2    | 11.9    | 4.3     | 3.3     |
| \$6,000 to \$6,999.....             | 12.3                     | 9.0     | 5.8     | 4.3     | 1.2     | 13.5           | 12.0    | 9.4     | 4.4     | 2.5     |
| \$7,000 to \$9,999.....             | 11.1                     | 6.9     | 4.0     | 2.4     | .9      | 14.2           | 11.1    | 8.7     | 3.5     | 2.5     |
| \$10,000 or more.....               | 2.3                      | 1.7     | .8      | .9      | .5      | 3.3            | 3.2     | 3.1     | 1.5     | 1.5     |
| Total.....                          | 100.0                    | 100.0   | 100.0   | 100.0   | 100.0   | 100.0          | 100.0   | 100.0   | 100.0   | 100.0   |
| Average.....                        | \$5,160                  | \$4,662 | \$4,213 | \$3,619 | \$2,665 | \$5,425        | \$5,176 | \$4,837 | \$3,640 | \$3,012 |
| Median.....                         | 4,811                    | 4,225   | 3,861   | 3,313   | 2,416   | 4,038          | 4,726   | 4,274   | 3,101   | 2,490   |

<sup>1</sup>Less than 0.05 percent.

*Monthly income of Section 8 mortgagors.*—The typical owner-occupant mortgagor involved in Section 8 transactions insured through 1952 had a monthly income of \$303, or nearly \$100 less than that of the typical buyer of a new Section 203-insured home. The overwhelming

majority of the Section 8 mortgagors earned between \$200 and \$400 monthly, as is shown in the following table:

| Monthly effective income | Percent distribution | Monthly effective income | Percent distribution |
|--------------------------|----------------------|--------------------------|----------------------|
| Less than \$200.....     | 4.3                  | \$400 to \$499.....      | 11.0                 |
| \$200 to \$249.....      | 15.1                 | \$500 or more.....       | 6.7                  |
| \$250 to \$299.....      | 27.5                 |                          |                      |
| \$300 to \$349.....      | 24.9                 | Total.....               | 100.0                |
| \$350 to \$399.....      | 10.6                 |                          |                      |

Comparable data on the incomes of Section 903 mortgagors are not available, due to the relatively small number of these cases which involved owner-occupant mortgagors.

*Averages of selected characteristics by income groups.*—Table 37 presents averages of selected transaction characteristics by monthly income levels in Section 203 cases insured in 1952. For example, new-home mortgagors with monthly incomes of \$300 to \$349 purchased or built properties with an average value estimated by FHA at \$9,442, or nearly 2½ times the mortgagor's average annual income. The \$7,772 average mortgage amount represented 82 percent of property value, but only 76 percent of the \$10,271 average total requirements. The houses averaged 902 square feet in calculated area and 4.7 in room count. The average estimated monthly rental value for these new homes was \$76.36, or about \$16 more than the average monthly mortgage payment of \$59.77. The prospective monthly housing expense for this group of mortgagors averaged \$78.41, or about one-fourth of their average monthly income.

As would be expected, increases in mortgagors' incomes, for both new- and existing-home transactions, were accompanied by increases in property values, total requirements, mortgage amounts, and the related monthly items of mortgage payment, housing expense, and rental value.

Although the average monthly income for all new-home buyers was about 5 percent less than that of existing-home buyers, there was close similarity between the income averages of new- and existing-home buyers for most corresponding income groups. Due to the more favorable terms for new construction, the average mortgage amounts and ratios of loan to value for new-home income groups were higher than for comparable existing-home groups. For buyers with monthly incomes below \$350, total requirements and property values averaged higher in new-home transactions than in those involving existing homes. The reverse was true, however, for buyers in the higher income brackets. Average housing expenses and monthly rental values were, almost without exception, lower in the case of new-home buyers, but monthly mortgage payments averaged almost the same for

TABLE 37.—Transaction characteristics by income of single-family home mortgagors, Sec. 203, 1952

| Mortgagor's effective monthly income | Percent-<br>age dis-<br>tribu-<br>tion | Average                    |               |                        |                        |        | Mort-<br>gage<br>amount | Calcu-<br>lated<br>area<br>(sq. ft.) | Number<br>of rooms | Mort-<br>gage<br>as a per-<br>cent of<br>FHA<br>value | Ratio of<br>FHA<br>value to<br>annual<br>income | Monthly average    |                 |                     |
|--------------------------------------|--|----------------------------|---------------|------------------------|------------------------|--------|-------------------------|--------------------------------------|--------------------|---|---|--------------------|-----------------|---------------------|
|                                      |  | Total<br>require-<br>ments | Sale<br>price | Prop-<br>erty<br>value | Prop-<br>erty<br>value | Income |                         |                                      |                    |   |   | Housing<br>expense | Rental<br>value | Mortgage<br>payment |
| New homes                            |  |                            |               |                        |                        |        |                         |                                      |                    |   |   |                    |                 |                     |
| Less than \$200.....                 | 0.3                                    | \$7,950                    | \$7,707       | \$7,256                | \$5,357                | 811    | 4.5                     | 74.2                                 | 3.6                | \$171.58  | \$56.62   | \$38.86            | \$42.00         |                     |
| \$200 to \$249.99.....               | 2.8                                    | 8,751                      | 8,511         | 8,120                  | 6,712                  | 848    | 4.5                     | 82.7                                 | 3.0                | 228.87  | 68.90   | 69.33              | 50.65           |                     |
| \$250 to \$299.99.....               | 10.3                                   | 9,397                      | 9,128         | 8,688                  | 7,210                  | 870    | 4.6                     | 83.0                                 | 2.6                | 273.95  | 72.84   | 69.95              | 54.85           |                     |
| \$300 to \$349.99.....               | 19.3                                   | 10,271                     | 10,067        | 9,442                  | 7,772                  | 902    | 4.7                     | 82.3                                 | 2.4                | 321.35  | 78.41   | 76.36              | 59.77           |                     |
| \$350 to \$399.99.....               | 16.5                                   | 10,630                     | 10,567        | 10,022                 | 8,179                  | 940    | 4.8                     | 81.6                                 | 2.3                | 369.37  | 82.65   | 81.05              | 63.64           |                     |
| \$400 to \$449.99.....               | 16.0                                   | 11,445                     | 11,053        | 10,413                 | 8,422                  | 945    | 4.9                     | 80.9                                 | 2.1                | 417.59  | 85.88   | 83.73              | 66.36           |                     |
| \$450 to \$499.99.....               | 8.9                                    | 11,845                     | 11,364        | 10,783                 | 8,658                  | 1,006  | 4.9                     | 80.3                                 | 1.9                | 468.78  | 88.20   | 86.70              | 68.44           |                     |
| \$500 to \$549.99.....               | 8.7                                    | 12,264                     | 11,763        | 11,086                 | 8,851                  | 1,039  | 5.0                     | 79.8                                 | 1.8                | 515.69  | 90.52   | 85.90              | 70.60           |                     |
| \$550 to \$599.99.....               | 4.9                                    | 12,525                     | 11,925        | 11,302                 | 8,939                  | 1,043  | 5.0                     | 79.1                                 | 1.7                | 569.61  | 92.10   | 90.64              | 72.00           |                     |
| \$600 to \$699.99.....               | 6.3                                    | 13,129                     | 12,411        | 11,741                 | 9,246                  | 1,076  | 5.1                     | 78.7                                 | 1.5                | 633.58  | 93.45   | 91.94              | 77.00           |                     |
| \$700 to \$799.99.....               | 2.7                                    | 13,807                     | 12,904        | 12,251                 | 9,550                  | 1,144  | 5.2                     | 78.0                                 | 1.4                | 732.15  | 95.90   | 94.71              | 77.00           |                     |
| \$800 or more.....                   | 3.0                                    | 15,150                     | 13,943        | 12,976                 | 9,833                  | 1,182  | 5.3                     | 76.2                                 | 1.1                | 999.07  | 103.65  | 103.75             | 81.00           |                     |
| Total.....                           | 100.0                                  | 11,273                     | 10,827        | 10,251                 | 8,281                  | 972    | 4.8                     | 80.8                                 | 2.0                | 429.98  | 84.35   | 82.50              | 65.00           |                     |
| Existing homes                       |  |                            |               |                        |                        |        |                         |                                      |                    |   |   |                    |                 |                     |
| Less than \$200.....                 | 0.3                                    | \$7,315                    | \$7,131       | \$6,853                | \$5,034                | 902    | 4.6                     | 73.5                                 | 3.2                | \$180.83  | \$58.84   | \$57.09            | \$41.88         |                     |
| \$200 to \$249.99.....               | 2.4                                    | 8,421                      | 8,124         | 7,781                  | 6,381                  | 908    | 4.8                     | 75.5                                 | 2.8                | 228.02  | 66.27   | 64.09              | 47.74           |                     |
| \$250 to \$299.99.....               | 17.4                                   | 9,190                      | 8,947         | 8,442                  | 6,604                  | 938    | 4.8                     | 76.4                                 | 2.6                | 273.98  | 73.36   | 70.77              | 53.81           |                     |
| \$300 to \$349.99.....               | 13.2                                   | 10,058                     | 9,765         | 9,372                  | 7,294                  | 971    | 4.9                     | 76.8                                 | 2.4                | 321.42  | 80.13   | 76.47              | 58.31           |                     |
| \$350 to \$399.99.....               | 13.5                                   | 10,606                     | 10,443        | 10,004                 | 7,709                  | 1,000  | 5.0                     | 76.8                                 | 2.3                | 369.10  | 84.10   | 81.92              | 62.61           |                     |
| \$400 to \$449.99.....               | 6.6                                    | 12,218                     | 11,434        | 10,691                 | 8,096                  | 1,045  | 5.1                     | 76.4                                 | 2.1                | 417.10  | 87.80   | 85.63              | 65.71           |                     |
| \$450 to \$499.99.....               | 6.6                                    | 12,564                     | 12,306        | 11,030                 | 8,430                  | 1,077  | 5.2                     | 76.0                                 | 2.0                | 468.55  | 91.12   | 89.54              | 70.35           |                     |
| \$500 to \$549.99.....               | 5.4                                    | 13,010                     | 12,731        | 11,063                 | 8,662                  | 1,118  | 5.3                     | 76.0                                 | 1.8                | 514.28  | 93.09   | 91.68              | 74.08           |                     |
| \$550 to \$599.99.....               | 8.1                                    | 13,552                     | 12,932        | 12,015                 | 9,135                  | 1,140  | 5.3                     | 76.0                                 | 1.7                | 570.24  | 95.61   | 93.66              | 76.08           |                     |
| \$600 to \$699.99.....               | 3.6                                    | 14,414                     | 14,010        | 12,693                 | 9,504                  | 1,173  | 5.4                     | 76.0                                 | 1.6                | 634.87  | 98.61   | 96.49              | 78.44           |                     |
| \$700 to \$799.99.....               | 4.2                                    | 15,063                     | 14,426        | 13,863                 | 10,070                 | 1,230  | 5.5                     | 74.9                                 | 1.4                | 731.06  | 102.40  | 102.21             | 84.52           |                     |
| \$800 or more.....                   | 4.2                                    | 15,063                     | 14,426        | 13,863                 | 10,070                 | 1,230  | 5.5                     | 74.9                                 | 1.2                | 992.11  | 110.59  | 110.21             | 84.52           |                     |
| Total.....                           | 100.0                                  | 11,040                     | 11,394        | 10,560                 | 8,040                  | 1,061  | 5.1                     | 76.1                                 | 1.9                | 452.09  | 87.56   | 85.56              | 65.63           |                     |

Based on proposed construction and purchases only.

new and existing homes purchased by buyers in comparable income ranges. Monthly rental values tended to parallel property values, while monthly mortgage payments reflected the larger amounts of the new-home mortgages and the shorter duration of the existing-home mortgages. The higher operating, maintenance, and repair expenses for existing construction account for the higher levels of housing expense shown for these transactions.

As discussed previously, one of the most important items in determination of mortgage risk in the FHA underwriting procedure is the relationship between prospective housing expense and mortgagor's income. Table 38 shows distributions of monthly housing expense by monthly income groups for owner-occupant mortgagors involved in the new- and existing-construction Section 203 transactions insured during 1952. Housing expense rose with increases in mortgagors' incomes, but at a slower rate in the higher income levels, ranging from \$55.18 for new-home mortgagors with monthly incomes under \$200, to \$102.50 for those earning \$800 or more monthly. For existing-home mortgagors, the corresponding low and high housing expense medians are \$58.98 and \$108.24, with the medians for the intervening income groups almost always higher than those characterizing new-home mortgagors with similar incomes.

RANGE OF HOUSING EXPENSE BY MORTGAGOR'S INCOME - NEW HOMES  
FHA-INSURED MORTGAGES ON SINGLE-FAMILY HOMES

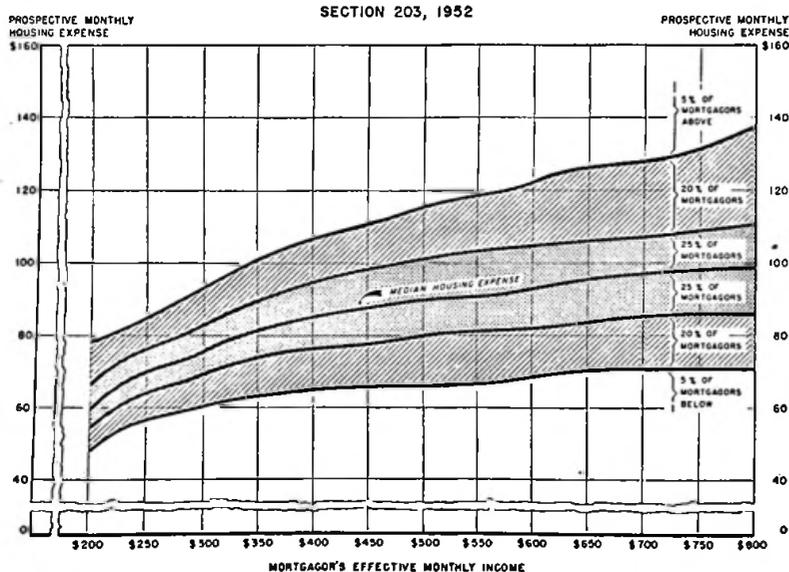


CHART 14.

As Table 38 indicates, there is a fairly broad distribution of housing expenses at all income levels. This situation is depicted more clearly by Chart 14, which shows the ranges of housing expense by monthly effective income for buyers of new homes securing mortgages insured in 1952 under Section 203. This chart shows that as mortgagors' incomes rose the range of housing expense expanded, and that housing expense, for the bulk of the mortgagors in the higher income brackets, rose at a slower rate than income.

The monthly mortgage payment constitutes the major element in housing expense. As depicted in Chart 15, its proportionate share of housing expense tended to increase as the income of the mortgagors increased, reflecting the larger amounts and shorter durations of mortgages assumed by buyers in the higher income groups. Monthly payments consistently represented smaller proportions of total housing expense for existing-home buyers than for new-home mortgagors in the same income groups, due to the higher operating maintenance, and repair expenses of existing properties.

MORTGAGE PAYMENT AND HOUSING EXPENSE BY MORTGAGOR'S INCOME  
FHA - INSURED MORTGAGES ON SINGLE-FAMILY HOMES, SECTION 203, 1952

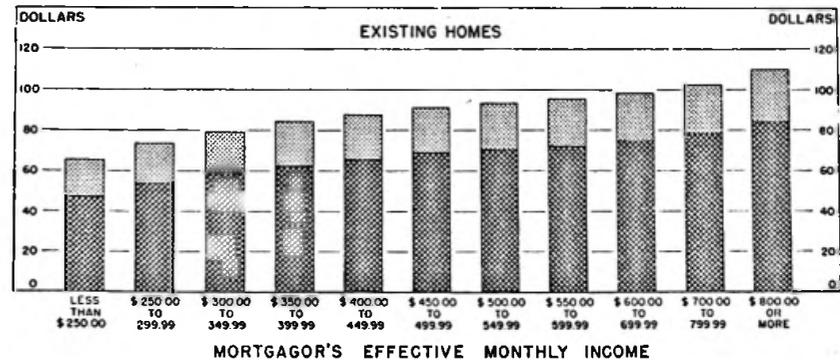
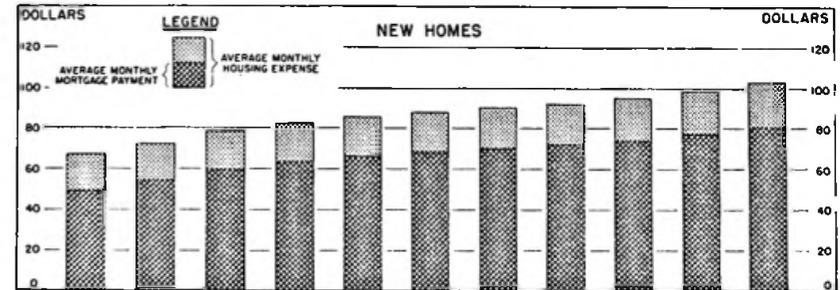


CHART 15.

TABLE 38.—Housing expense by income of single-family home mortgagees, Sec. 203, 1952

| Mortgagee's effective monthly income | Per-centage distri-bution | Median monthly housing expense | Monthly housing expense—Percentage distribution |                    |                    |                    |                    |                    |                      |                      |                      |                  | Total |       |
|--------------------------------------|---------------------------|--------------------------------|---|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|----------------------|----------------------|------------------|-------|-------|
|                                      |                           |                                | Less than \$50.00                               | \$50.00 to \$59.99 | \$60.00 to \$69.99 | \$70.00 to \$79.99 | \$80.00 to \$89.99 | \$90.00 to \$99.99 | \$100.00 to \$109.99 | \$110.00 to \$119.99 | \$120.00 to \$139.99 | \$140.00 or more |       |       |
| Less than \$200.....                 | 0.3                       | \$65.18                        | 24.1  | 43.0               | 22.8               | 5.0                | 5.1                | 0.0                | 0.2                  | 0.7                  | 0.1                  | 0.0              | 0.0   | 100.0 |
| \$200 to \$249.99.....               | 2.6                       | 68.13                          | 2.3   | 14.4               | 42.8               | 34.6               | 5.1                | 1.0                | 0.2                  | 0.7                  | 0.1                  | 0.0              | 100.0 |       |
| \$250 to \$299.99.....               | 10.8                      | 73.47                          | 1.1   | 6.3                | 20.1               | 41.7               | 21.1               | 11.7               | 1.6                  | 0.1                  | 0.1                  | 0.0              | 100.0 |       |
| \$300 to \$349.99.....               | 19.3                      | 78.88                          | 0.1   | 2.7                | 16.8               | 34.7               | 32.0               | 22.3               | 4.6                  | 0.1                  | 0.1                  | 0.0              | 100.0 |       |
| \$350 to \$399.99.....               | 16.5                      | 83.28                          | 1.1   | 1.8                | 11.5               | 26.6               | 30.3               | 23.7               | 6.6                  | 0.1                  | 0.1                  | 0.0              | 100.0 |       |
| \$400 to \$449.99.....               | 16.0                      | 86.45                          | 1.1   | 1.7                | 10.2               | 20.0               | 28.0               | 23.0               | 13.8                 | 0.2                  | 0.1                  | 0.0              | 100.0 |       |
| \$450 to \$499.99.....               | 8.9                       | 88.58                          | 1.1   | 1.1                | 9.3                | 19.1               | 23.7               | 23.0               | 17.3                 | 0.2                  | 0.1                  | 0.0              | 100.0 |       |
| \$500 to \$549.99.....               | 8.7                       | 90.84                          | 1.0   | 1.0                | 7.6                | 14.7               | 24.6               | 23.3               | 17.7                 | 2.8                  | 0.2                  | 0.0              | 100.0 |       |
| \$550 to \$599.99.....               | 4.9                       | 91.37                          | 0.6   | 0.6                | 7.3                | 15.7               | 23.3               | 21.9               | 19.3                 | 4.2                  | 0.4                  | 0.0              | 100.0 |       |
| \$600 to \$699.99.....               | 6.3                       | 94.59                          | 0.3   | 0.3                | 4.3                | 13.9               | 21.1               | 21.9               | 20.3                 | 6.5                  | 1.3                  | 0.0              | 100.0 |       |
| \$700 to \$799.99.....               | 2.7                       | 97.77                          | 0.2   | 0.3                | 3.4                | 10.0               | 18.6               | 22.6               | 23.8                 | 7.7                  | 1.7                  | 0.0              | 100.0 |       |
| \$800 or more.....                   | 3.0                       | 102.50                         | 0.3   | 0.3                | 2.8                | 8.3                | 17.7               | 24.9               | 20.3                 | 11.0                 | 7.0                  | 0.0              | 100.0 |       |
| Total.....                           | 100.0                     | 83.16                          | 3.3   | 2.5                | 13.3               | 24.9               | 23.8               | 17.5               | 10.2                 | 3.5                  | 1.6                  | 0.4              | 100.0 |       |
| Less than \$200.....                 | 0.3                       | 58.98                          | 17.2  | 39.4               | 33.3               | 9.1                | 1.0                | 0.0                | 0.5                  | 0.1                  | 0.1                  | 0.0              | 100.0 |       |
| \$200 to \$249.99.....               | 2.1                       | 66.43                          | 5.8   | 18.8               | 40.0               | 26.9               | 7.0                | 4.7                | 0.6                  | 0.3                  | 0.1                  | 0.0              | 100.0 |       |
| \$250 to \$299.99.....               | 8.4                       | 74.05                          | 1.8   | 7.8                | 26.0               | 35.0               | 24.0               | 15.8               | 2.9                  | 1.3                  | 0.1                  | 0.0              | 100.0 |       |
| \$300 to \$349.99.....               | 17.4                      | 79.93                          | 0.4   | 4.3                | 16.3               | 29.2               | 27.7               | 23.5               | 9.9                  | 1.4                  | 0.2                  | 0.0              | 100.0 |       |
| \$350 to \$399.99.....               | 15.6                      | 84.59                          | 0.3   | 3.2                | 10.8               | 22.9               | 24.0               | 20.0               | 16.5                 | 5.5                  | 1.0                  | 0.0              | 100.0 |       |
| \$400 to \$449.99.....               | 15.6                      | 88.50                          | 0.3   | 2.4                | 9.0                | 18.0               | 24.0               | 23.3               | 19.4                 | 9.5                  | 2.4                  | 0.1              | 100.0 |       |
| \$450 to \$499.99.....               | 9.6                       | 92.04                          | 0.2   | 1.1                | 7.3                | 15.1               | 21.5               | 24.1               | 19.1                 | 11.2                 | 5.0                  | 0.3              | 100.0 |       |
| \$500 to \$549.99.....               | 9.6                       | 93.95                          | 0.2   | 1.7                | 5.7                | 13.5               | 19.2               | 24.1               | 21.2                 | 11.5                 | 7.2                  | 0.8              | 100.0 |       |
| \$550 to \$599.99.....               | 3.4                       | 95.87                          | 0.1   | 1.0                | 5.3                | 11.4               | 18.9               | 22.5               | 20.8                 | 13.5                 | 9.9                  | 1.9              | 100.0 |       |
| \$600 to \$699.99.....               | 3.1                       | 99.00                          | 0.1   | 0.6                | 4.0                | 11.2               | 15.9               | 20.1               | 20.7                 | 17.9                 | 14.0                 | 3.7              | 100.0 |       |
| \$700 to \$799.99.....               | 2.6                       | 103.04                         | 0.1   | 0.8                | 2.9                | 9.1                | 11.4               | 18.5               | 18.0                 | 18.9                 | 11.3                 | 1.9              | 100.0 |       |
| \$800 or more.....                   | 4.2                       | 108.24                         | 0.0   | 0.0                | 1.8                | 6.0                | 10.1               | 16.7               | 18.0                 | 16.6                 | 11.3                 | 1.3              | 100.0 |       |
| Total.....                           | 100.0                     | 86.63                          | 5.5   | 3.2                | 11.1               | 19.8               | 22.7               | 19.3               | 12.7                 | 6.3                  | 3.5                  | 0.9              | 100.0 |       |

HOUSING AND HOME FINANCE AGENCY

FEDERAL HOUSING ADMINISTRATION

Chart 16 pictorializes the percentage distributions of monthly mortgage payments reported for new and existing single-family homes securing mortgages insured under Section 203 during 1952. Comparison of these distributions with those of selected previous years is made in Table 39.

TOTAL MONTHLY MORTGAGE PAYMENT  
FHA-INSURED MORTGAGES ON SINGLE-FAMILY HOMES

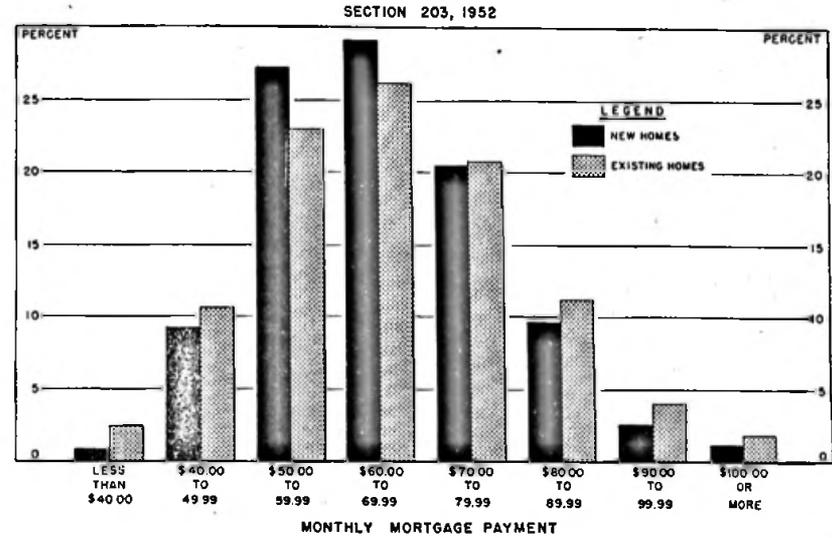


CHART 16.

TABLE 39.—Monthly mortgage payment for single-family homes, Sec. 203, selected years

| Total monthly mortgage payment | New homes |         |         |         |         | Existing homes |         |         |         |         |
|--------------------------------|-----------|---------|---------|---------|---------|----------------|---------|---------|---------|---------|
|                                | 1952      | 1961    | 1950    | 1946    | 1941    | 1952           | 1951    | 1950    | 1946    | 1941    |
| Percentage distribution        |           |         |         |         |         |                |         |         |         |         |
| Less than \$25.....            | (1)       | (1)     | 0.1     | 1.3     | 11.0    | 0.1            | 0.4     | 1.2     | 5.5     | 15.8    |
| \$25 to \$29.99.....           | (1)       | 0.1     | 0.1     | 4.1     | 17.1    | 0.1            | 0.6     | 1.1     | 9.0     | 15.2    |
| \$30 to \$34.99.....           | 0.2       | 0.6     | 0.6     | 11.3    | 21.1    | 0.6            | 1.4     | 2.3     | 16.0    | 16.3    |
| \$35 to \$39.99.....           | 0.6       | 1.6     | 3.4     | 13.7    | 18.8    | 1.6            | 3.5     | 5.4     | 18.3    | 14.4    |
| \$40 to \$44.99.....           | 2.7       | 7.0     | 12.9    | 16.6    | 13.0    | 3.8            | 6.2     | 9.2     | 15.3    | 11.0    |
| \$45 to \$49.99.....           | 6.5       | 13.8    | 18.9    | 14.5    | 6.7     | 6.8            | 9.3     | 12.6    | 11.6    | 7.8     |
| \$50 to \$54.99.....           | 11.7      | 18.5    | 18.6    | 17.1    | 4.1     | 10.0           | 12.3    | 13.9    | 7.8     | 5.1     |
| \$55 to \$59.99.....           | 15.5      | 17.5    | 16.6    | 10.0    | 2.0     | 13.0           | 13.5    | 13.3    | 5.0     | 3.6     |
| \$60 to \$64.99.....           | 15.4      | 14.3    | 12.2    | 5.8     | 1.0     | 13.7           | 12.9    | 10.8    | 3.5     | 2.6     |
| \$65 to \$69.99.....           | 13.7      | 10.9    | 8.2     | 3.2     | 1.2     | 12.5           | 11.3    | 8.5     | 2.2     | 1.8     |
| \$70 to \$74.99.....           | 10.7      | 6.3     | 4.8     | 1.4     | 0.8     | 11.3           | 8.6     | 5.9     | 1.6     | 1.4     |
| \$75 to \$79.99.....           | 9.8       | 3.9     | 2.4     | 0.4     | 0.4     | 9.5            | 6.8     | 4.3     | 1.2     | 1.0     |
| \$80 to \$89.99.....           | 9.6       | 3.3     | 1.7     | 0.3     | 0.4     | 11.2           | 8.1     | 5.3     | 1.2     | 1.4     |
| \$90 to \$99.99.....           | 2.6       | 1.3     | 0.7     | 0.2     | 0.2     | 4.0            | 3.1     | 2.6     | 0.6     | 0.9     |
| \$100 or more.....             | 1.1       | 1.0     | 0.8     | 0.1     | 0.4     | 1.8            | 2.0     | 3.6     | 1.2     | 1.7     |
| Total.....                     | 100.0     | 100.0   | 100.0   | 100.0   | 100.0   | 100.0          | 100.0   | 100.0   | 100.0   | 100.0   |
| Average.....                   | \$84.63   | \$58.63 | \$55.28 | \$46.06 | \$36.88 | \$65.65        | \$61.08 | \$43.25 | \$39.50 | \$39.50 |
| Median.....                    | 64.16     | 58.84   | 64.31   | 46.18   | 35.21   | 65.08          | 61.57   | 56.65   | 40.83   | 35.91   |

1 Less than 0.05 percent.

Monthly payments of \$50 to \$79 predominated in Section 203 transactions insured in 1952, accounting for over 75 percent of the new-home and 70 percent of the existing-home mortgages. Reflecting the larger proportions of existing-home mortgages in the lower and higher amount ranges, monthly payments in the lower and higher ranges were relatively more numerous for existing-home mortgages than for new. Monthly payments of less than \$50 were reported for 13 percent of the existing- and 10 percent of the new-home mortgages, while payments of \$80 or more were required for 17 percent of the existing-home cases and 13 percent of the new.

Mortgage payments were at a generally higher level in 1952 than in previous years. The typical new-home mortgage payment of \$64.16 was 9 percent more than the comparable 1951 figure, while the existing-home median of \$65.08 was 6 percent higher than in the previous year. The proportion of new-home payments in the \$40-\$59 range declined sharply from 57 percent of the total in 1951 to 36 percent in 1952, contrasted with a rise in the \$60-\$79 payment range from 35 to 50 percent and in the \$80-\$99 group from 5 to 12 percent. Changes in the distribution of existing-home mortgage payments were in the same direction, but less pronounced than for new homes—the relative number of payments of \$30-\$59 decreasing from 46 to 36 percent, while the \$60-\$99 group registered an increase from 51 to 69 percent. In the aggregate, monthly payments reported for Section 203 mortgages insured in 1952 averaged 10 percent higher for new homes and 6 percent more for existing homes than in 1951.

#### Project Mortgage Insurance

The activities of the Federal Housing Administration encompass several mortgage insurance programs designed to assist private industry in financing the construction or purchase of large-scale rental or cooperative housing projects. In 1952, there were seven such programs in operation, including:

##### Title II:

- Section 207—Rental housing
- Section 213—Cooperative housing

##### Title VI:

- Section 608—Veterans' emergency housing
- Section 608-610—Sale of certain public housing
- Section 611—Site-fabricated housing

##### Title VIII:

- Section 803—Military housing

##### Title IX:

- Section 908—Defense housing

FHA is also authorized (under Title VII of the National Housing Act) to insure a minimum annual amortization of 2 percent of the established investment together with an annual return of 2¾ percent on outstanding investments in debt-free rental housing projects for families of moderate income. This program has been inactive since its inception in 1948. No insurance was written in 1952 on mortgages made to finance the sale of public housing under Section 608-610, due to restrictions placed on the disposition of this type of housing following the invasion of South Korea. A statement of the purposes of these various programs appears at the beginning of this report.

#### Volume of Business

In 1952, for the second consecutive year, the annual dollar volume of project mortgages insured by FHA declined by almost 50 percent (Table 40 and Chart 17). The \$322 million insured in 1952 represented only 10 percent of the total amount of the loans and mortgages insured under all FHA programs—a substantial reduction from the 27 percent reported for 1949 and 1950.

The 2-year decline in project mortgage insurance activity primarily reflects the legislative limitation on the FHA authority to issue commitments for the insurance of new-construction mortgages under the high-volume Section 608 Veterans' Emergency Housing Program. Such commitments may be issued only with respect to applications received on or before March 1, 1950. The last outstanding new-construction commitment expired in October 1952. This terminated a program under which over 465,000 new dwelling units for defense workers and veterans of World War II were placed under construction in the period from 1942 through 1952. The new-construction mortgages insured under Section 608 during this period aggregated \$3.4 billion on projects located in every State, the District of Columbia, and 3 Territories.

Project operations were further restricted during 1951 and 1952 by credit control regulations, the controlled materials program, the scarcity of mortgage money, and the apparent desire of potential project developers to defer the construction of additional new units pending the completion and absorption of projects started in recent high-volume years.

The largest volume of project mortgage insurance reported in 1952 was under the Section 803 military housing program, which, although one-third below 1951, accounted for almost one-half of the dollar volume of all project mortgages insured. The 58 Section 803 mortgages aggregated \$135.8 million, secured by 17,200 dwelling units—primarily in single-family structures—located at or near Army, Navy, Air Force, or Atomic Energy Commission establishments.

TABLE 40.—Project mortgages insured by F.H.A., 1935-52  
[Dollar amounts in thousands]

| Year              | Grand total <sup>1</sup> |                  | Total new construction |                  | Total existing or refinanced construction |               | New construction—Continued |                  |              |               | Existing or refinanced construction |               |                |                  |              |               |              |               |              |              |
|-------------------|--------------------------|------------------|------------------------|------------------|---|---------------|----------------------------|------------------|--------------|---------------|-------------------------------------|---------------|----------------|------------------|--------------|---------------|--------------|---------------|--------------|--------------|
|                   | New construction         |                  | Sales type             |                  | Management type                           |               | Sec. 207 <sup>2</sup>      |                  | Sec. 608     |               | Sec. 608-610                        |               | Sec. 207       |                  | Sec. 608     |               | Sec. 608-610 |               |              |              |
|                   | Units                    | Amount           | Units                  | Amount           | Units                                     | Amount        | Units                      | Amount           | Units        | Amount        | Units                               | Amount        | Units          | Amount           | Units        | Amount        | Units        | Amount        |              |              |
| 1935-39.....      | 29,777                   | \$114,429        | 20,777                 | \$114,429        | 3,861                                     | \$14,259      | 29,777                     | \$114,429        | 3,267        | \$11,444      | 594                                 | \$2,815       | 29,777         | \$114,429        | 3,267        | \$11,444      | 594          | \$2,815       |              |              |
| 1940-44.....      | 45,751                   | 188,446          | 41,800                 | 174,187          | 4,021                                     | 14,429        | 41,800                     | 174,187          | 1,944        | 5,142         | 476                                 | 2,828         | 41,800         | 174,187          | 1,944        | 5,142         | 476          | 2,828         |              |              |
| 1945-49.....      | 265,213                  | 2,022,878        | 260,892                | 2,008,452        | 4,021                                     | 14,429        | 260,892                    | 2,008,452        | 15,129       | 123,052       | 10                                  | 133           | 260,892        | 2,008,452        | 15,129       | 123,052       | 10           | 133           |              |              |
| 1950.....         | 154,597                  | 1,156,681        | 153,477                | 1,154,680        | 1,120                                     | 2,002         | 153,477                    | 1,154,680        | 25,683       | 205,652       | 864                                 | 6,194         | 153,477        | 1,154,680        | 25,683       | 205,652       | 864          | 6,194         |              |              |
| 1951.....         | 74,207                   | 583,774          | 73,333                 | 577,545          | 874                                       | 6,229         | 73,333                     | 577,545          | 17,233       | 135,842       | 3,207                               | \$22,186      | 73,333         | 577,545          | 17,233       | 135,842       | 3,207        | \$22,186      |              |              |
| 1952.....         | 39,839                   | 321,911          | 39,839                 | 321,911          | .....                                     | .....         | 39,839                     | 321,911          | .....        | .....         | .....                               | .....         | 39,839         | 321,911          | .....        | .....         | .....        | .....         |              |              |
| <b>Total.....</b> | <b>609,384</b>           | <b>4,358,119</b> | <b>598,908</b>         | <b>4,351,203</b> | <b>10,476</b>                             | <b>36,916</b> | <b>598,908</b>             | <b>4,351,203</b> | <b>4,011</b> | <b>16,586</b> | <b>1,980</b>                        | <b>11,971</b> | <b>598,908</b> | <b>4,351,203</b> | <b>4,011</b> | <b>16,586</b> | <b>1,980</b> | <b>11,971</b> | <b>3,915</b> | <b>8,360</b> |

<sup>1</sup> For total number and amount of mortgages insured under each section in 1951, 1952, and cumulatively through 1952, see Table 3.  
<sup>2</sup> Including rehabilitation projects.

YEARLY VOLUME OF PROJECT MORTGAGES INSURED, 1935 - 1952  
NUMBER OF DWELLING UNITS UNDER ALL PROGRAMS

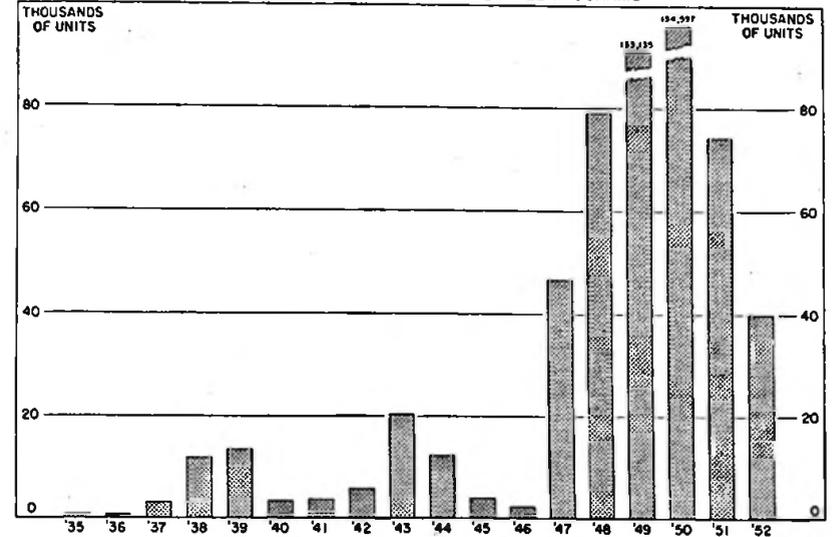


CHART 17.

The 59 project mortgages insured under the cooperative housing provisions of Section 213 totaled \$91.7 million and covered 9,800 dwelling units—about two-thirds in management-type projects. Sales-type Section 213 project mortgages contain release-clause provisions under which cooperative members may purchase the individual homes built by the cooperative association. Such purchases may involve the insurance of the single-family home mortgages under Section 213 or other sections of the National Housing Act. These individual home mortgages are included in the discussion of home mortgage insurance operations presented earlier in this report.

Section 207 was the third most active program in 1952, with 67 mortgages covering 6,000 dwelling units and aggregating \$41.8 million. Section 608 insurance accounted for only \$29.6 million of the year's total, while the first-year operations of Section 908 made up 7 percent (\$22.2 million) of the aggregate project insurance. Only 1 mortgage (125 units) was insured under the Section 611 site-fabricated housing program in 1952. All project mortgages insured during the year financed the construction of new dwelling units, no activity being reported under the Section 608-610 existing construction program or under the refinancing provisions of the other project sections.

The volume of projects in the earlier stages of processing also declined in 1952 under most of these programs. Applications received during the year involved 55,000 dwelling units (compared with 75,000 in 1951), while commitments issued covered 42,000 units (down from

56,000). Almost 51,000 project units were started and 89,000 reported completed under FHA inspection. Dwelling units under construction during the year totaled 134,000.

### State Distribution

Properties in 3 States accounted for 46 percent of the 39,800 dwelling units securing project mortgages insured in 1952—New York leading with 7,100 units, followed by California with 6,800 and Virginia with 4,300 (Table 41 and Chart 18). These States and 5 others—New Jersey, Illinois, Washington, North Carolina, and Ohio—each reported over 1,000 units insured, and together accounted

TABLE 41.—Volume of FHA-insured project mortgages by State, location, 1952  
(Dollar amounts in thousands)

| State                | All sections |         |        | Sec. 207<br>Units | Sec. 213<br>Units | Sec. 608<br>Units | Sec. 611<br>Units | Sec. 803<br>Units | Sec. 908<br>Units |
|----------------------|--------------|---------|--------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                      | Number       | Amount  | Units  |                   |                   |                   |                   |                   |                   |
| Alabama              | 12           | \$4,353 | 606    | 128               |                   |                   |                   | 440               | 38                |
| Arizona              | 3            | 5,135   | 680    | 130               |                   |                   |                   | 550               |                   |
| Arkansas             | 2            | 2,991   | 341    |                   | 341               |                   |                   |                   |                   |
| California           | 26           | 58,024  | 6,820  | 49                | 3,072             |                   |                   | 7,609             |                   |
| Colorado             | 2            | 1,980   | 261    |                   |                   |                   |                   | 96                | 168               |
| Connecticut          | 7            | 6,994   | 862    |                   | 60                |                   |                   |                   | 802               |
| Delaware             |              |         |        |                   |                   |                   |                   |                   |                   |
| District of Columbia |              |         |        |                   |                   |                   |                   |                   |                   |
| Florida              | 4            | 5,396   | 604    |                   | 68                |                   |                   | 596               |                   |
| Georgia              | 5            | 7,033   | 886    | 32                |                   | 20                | 125               | 700               |                   |
| Idaho                |              |         |        |                   |                   |                   |                   |                   |                   |
| Illinois             | 10           | 14,330  | 1,760  | 512               | 35                | 973               |                   | 240               |                   |
| Indiana              | 8            | 3,774   | 523    |                   |                   |                   |                   | 10                | 517               |
| Iowa                 | 1            | 175     | 21     | 24                |                   |                   |                   |                   |                   |
| Kansas               | 2            | 746     | 87     |                   |                   |                   |                   | 75                | 12                |
| Kentucky             | 2            | 3,780   | 476    |                   |                   |                   |                   | 400               | 77                |
| Louisiana            | 1            | 1,333   | 148    |                   |                   |                   |                   | 148               |                   |
| Maine                |              |         |        |                   |                   |                   |                   |                   |                   |
| Maryland             | 5            | 5,909   | 718    |                   | 70                | 340               |                   | 268               | 40                |
| Massachusetts        | 1            | 927     | 101    |                   |                   |                   |                   | 100               |                   |
| Michigan             | 3            | 2,425   | 266    | 86                | 180               |                   |                   |                   |                   |
| Minnesota            |              |         |        |                   |                   |                   |                   |                   |                   |
| Mississippi          | 1            | 1,125   | 140    |                   |                   |                   |                   | 140               |                   |
| Missouri             | 8            | 1,099   | 170    | 154               |                   | 10                |                   |                   |                   |
| Montana              | 1            | 3,177   | 400    |                   |                   |                   |                   | 400               |                   |
| Nebraska             |              |         |        |                   |                   |                   |                   |                   |                   |
| Nevada               |              |         |        |                   |                   |                   |                   |                   |                   |
| New Hampshire        |              |         |        |                   |                   |                   |                   |                   |                   |
| New Jersey           | 18           | 22,511  | 2,828  | 312               | 12                | 1,644             |                   | 815               | 45                |
| New Mexico           | 1            | 2,026   | 235    |                   |                   |                   |                   | 235               |                   |
| New York             | 33           | 64,261  | 7,117  | 463               | 5,024             | 524               |                   | 506               |                   |
| North Carolina       | 6            | 11,492  | 1,588  | 316               |                   |                   |                   | 1,096             | 176               |
| North Dakota         |              |         |        |                   |                   |                   |                   |                   |                   |
| Ohio                 | 6            | 10,607  | 1,232  | 160               | 48                |                   |                   | 1,000             | 24                |
| Oklahoma             | 12           | 3,727   | 497    |                   | 112               |                   |                   |                   | 389               |
| Oregon               | 1            | 225     | 32     |                   |                   |                   |                   |                   | 32                |
| Pennsylvania         | 7            | 2,113   | 311    | 21                | 52                | 46                |                   | 100               | 92                |
| Rhode Island         | 1            | 421     | 52     |                   |                   |                   |                   | 52                |                   |
| South Carolina       | 2            | 587     | 135    |                   |                   | 50                |                   | 85                |                   |
| South Dakota         | 1            | 63      | 12     |                   | 12                |                   |                   |                   |                   |
| Tennessee            | 7            | 2,310   | 370    |                   | 100               |                   |                   | 100               |                   |
| Texas                | 5            | 6,514   | 965    |                   | 435               |                   |                   | 530               |                   |
| Utah                 | 2            | 6,100   | 750    |                   |                   |                   |                   | 750               |                   |
| Vermont              |              |         |        |                   |                   |                   |                   |                   |                   |
| Virginia             | 16           | 26,305  | 4,265  | 2,500             |                   |                   |                   | 1,265             | 500               |
| Washington           | 7            | 13,505  | 1,700  | 98                |                   |                   |                   | 1,300             | 300               |
| West Virginia        |              |         |        |                   |                   |                   |                   |                   |                   |
| Wisconsin            | 3            | 271     | 46     | 46                |                   |                   |                   |                   |                   |
| Wyoming              |              |         |        |                   |                   |                   |                   |                   |                   |
| Alaska               | 6            | 5,729   | 386    | 386               |                   |                   |                   |                   |                   |
| Hawaii               | 2            | 7,796   | 962    |                   |                   |                   |                   | 962               |                   |
| Puerto Rico          | 1            | 4,725   | 575    |                   |                   |                   |                   | 575               |                   |
| Total                | 240          | 321,911 | 39,839 | 6,043             | 9,774             | 3,457             | 125               | 17,233            | 3,207             |

for 69 percent of the total units insured during the year. The 1952 insurance was written on properties located in 37 States and three Territories.

In 1952, military establishments located in 28 States, Hawaii, and Puerto Rico benefited by mortgages insured under FHA's Section 803 program, with 5 States reporting over 1,000 units each. The cooperative housing program, on the other hand, was largely concentrated in New York (primarily with management-type cooperatives) and in California (primarily with sales-type projects). Section 207 mortgages were insured on properties located in 19 States and Territories, with Virginia accounting for 41 percent of the total insured units. The Section 908 defense housing program resulted in the insurance of mortgages on projects in 15 States, with Connecticut reporting the highest volume (800 units).

VOLUME OF PROJECT MORTGAGES INSURED IN 1952  
(NUMBER OF DWELLING UNITS)

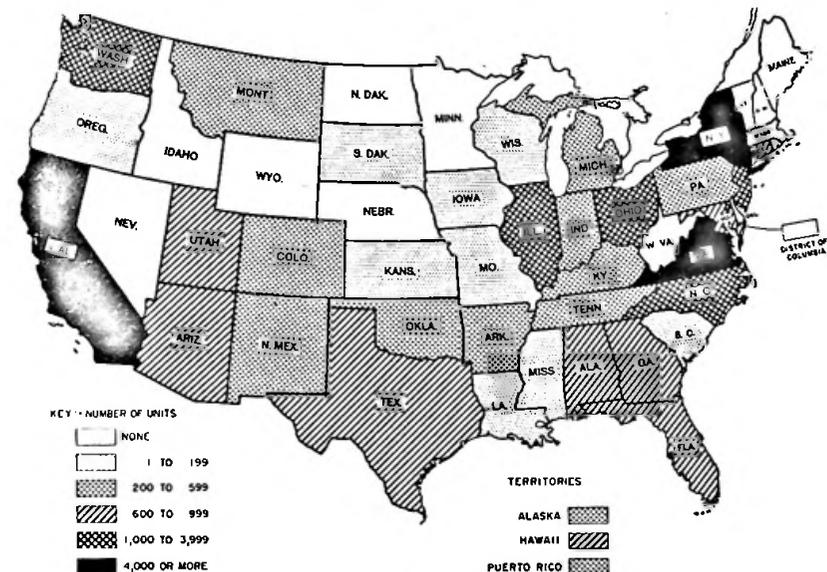


CHART 18.

During the first 18 years of FHA operations under the project programs, 111,500 dwelling units in New York were financed through FHA-insured project mortgages (Table 42). In addition to this very large volume in New York, mortgages were insured on 56,000 units in New Jersey, 41,600 in Maryland, 41,400 in Virginia, and 39,000 in California. These five States led all others by substantial margins. In addition, Texas, Pennsylvania, Illinois, Georgia, and the District

HOUSING AND HOME FINANCE AGENCY

TABLE 42.—Volume of FHA-insured project mortgages by State location, 1935-52

[Dollar amounts in thousands]

| State                | All sections |           |         | Sec. 207 | Sec. 213 | Sec. 608 | Sec. 608-610 | Sec. 611 | Sec. 803 | Sec. 908 |
|----------------------|--------------|-----------|---------|----------|----------|----------|--------------|----------|----------|----------|
|                      | Number       | Amount    | Units   | Units    | Units    | Units    | Units        | Units    | Units    | Units    |
| Alabama              | 230          | \$71,415  | 11,814  | 642      |          | 10,269   |              |          | 865      | 38       |
| Arizona              | 53           | 15,474    | 2,352   | 105      |          | 947      |              | 160      | 1,050    |          |
| Arkansas             | 33           | 11,253    | 1,634   | 211      | 491      | 932      |              |          |          |          |
| California           | 984          | 276,525   | 39,043  | 3,482    | 4,513    | 21,575   | 58           | 973      | 8,412    |          |
| Colorado             | 69           | 21,438    | 2,995   | 251      |          | 1,806    |              |          | 680      | 168      |
| Connecticut          | 57           | 30,083    | 4,203   | 328      | 60       | 3,013    |              |          |          | 802      |
| Delaware             | 19           | 29,430    | 4,048   | 257      |          | 3,771    | 20           |          |          |          |
| District of Columbia | 160          | 142,787   | 21,102  | 2,065    |          | 19,037   |              |          |          |          |
| Florida              | 336          | 103,173   | 14,837  | 324      | 68       | 10,669   |              |          | 3,776    |          |
| Georgia              | 175          | 153,199   | 22,307  | 1,100    |          | 18,882   | 150          | 125      | 2,050    |          |
| Idaho                | 8            | 4,573     | 571     |          |          | 571      |              |          |          |          |
| Illinois             | 294          | 175,849   | 22,394  | 2,105    | 35       | 17,202   |              |          | 3,052    |          |
| Indiana              | 128          | 54,129    | 7,341   | 753      |          | 6,065    |              |          | 10       | 513      |
| Iowa                 | 30           | 13,689    | 1,763   | 172      |          | 1,591    |              |          |          |          |
| Kansas               | 54           | 28,145    | 4,418   | 186      |          | 3,243    | 350          |          | 627      | 12       |
| Kentucky             | 90           | 40,032    | 5,569   | 546      |          | 2,247    |              |          | 2,700    | 76       |
| Louisiana            | 93           | 64,021    | 8,051   | 713      |          | 7,071    | 150          | 25       | 692      |          |
| Maine                | 14           | 2,913     | 688     |          |          | 688      |              |          |          |          |
| Maryland             | 318          | 282,281   | 41,633  | 3,579    | 70       | 34,221   | 486          |          | 3,237    | 40       |
| Massachusetts        | 44           | 32,834    | 4,290   | 254      |          | 3,166    |              |          | 850      |          |
| Michigan             | 249          | 67,098    | 9,464   | 913      | 324      | 7,211    | 500          |          | 511      |          |
| Minnesota            | 155          | 45,695    | 6,232   | 1,195    |          | 5,037    |              |          |          |          |
| Mississippi          | 44           | 16,062    | 2,722   | 12       |          | 1,352    |              |          | 858      |          |
| Missouri             | 169          | 80,623    | 11,169  | 1,574    |          | 9,475    |              |          | 120      |          |
| Montana              | 5            | 5,216     | 727     |          |          | 136      |              |          | 592      |          |
| Nebraska             | 53           | 18,368    | 2,468   |          | 71       | 1,786    |              |          | 611      |          |
| Nevada               | 14           | 4,966     | 641     |          |          | 240      |              |          | 401      |          |
| New Hampshire        | 7            | 1,672     | 244     |          |          | 244      |              |          |          |          |
| New Jersey           | 555          | 407,285   | 56,026  | 3,354    | 12       | 51,500   |              |          | 1,115    | 45       |
| New Mexico           | 16           | 17,730    | 2,072   |          |          | 277      |              |          | 1,795    |          |
| New York             | 855          | 900,590   | 111,476 | 11,568   | 11,620   | 85,807   | 566          | 556      | 1,359    |          |
| North Carolina       | 124          | 105,714   | 17,305  | 2,366    |          | 9,107    | 85           |          | 5,571    | 176      |
| North Dakota         | 3            | 268       | 43      |          |          | 43       |              |          |          |          |
| Ohio                 | 290          | 140,149   | 19,079  | 700      | 48       | 16,207   | 10           |          | 2,000    | 24       |
| Oklahoma             | 141          | 32,077    | 4,414   | 132      | 419      | 2,974    |              |          | 500      | 389      |
| Oregon               | 141          | 38,869    | 5,321   | 134      |          | 5,155    |              |          |          | 32       |
| Pennsylvania         | 391          | 174,802   | 23,302  | 3,032    | 52       | 19,474   | 450          |          | 152      | 62       |
| Rhode Island         | 8            | 2,054     | 298     | 36       |          | 210      |              |          | 52       |          |
| South Carolina       | 91           | 44,813    | 7,204   | 290      |          | 6,329    |              |          | 535      |          |
| South Dakota         | 12           | 5,573     | 729     | 70       |          | 258      |              |          | 401      |          |
| Tennessee            | 136          | 54,766    | 9,356   | 761      | 200      | 6,015    | 250          |          | 1,240    |          |
| Texas                | 427          | 189,556   | 27,870  | 2,924    |          | 19,432   |              |          | 5,514    |          |
| Utah                 | 21           | 11,765    | 1,409   | 12       |          | 737      |              |          | 750      |          |
| Vermont              | 7            | 1,512     | 193     | 56       |          | 137      |              |          |          |          |
| Virginia             | 364          | 260,831   | 41,382  | 8,377    |          | 29,700   | 440          |          | 2,365    | 500      |
| Washington           | 124          | 75,441    | 9,782   | 413      |          | 6,369    |              |          | 2,700    | 300      |
| West Virginia        | 14           | 3,490     | 783     | 174      |          | 209      | 400          |          |          |          |
| Wisconsin            | 165          | 32,521    | 4,087   | 218      | 41       | 3,828    |              |          |          |          |
| Wyoming              | 6            | 4,451     | 571     |          |          | 71       |              |          | 500      |          |
| Alaska               | 30           | 41,553    | 3,583   | 1,226    |          | 2,357    |              |          |          |          |
| Hawaii               | 54           | 15,411    | 2,167   |          |          | 850      |              |          | 1,317    |          |
| Puerto Rico          | 26           | 33,000    | 5,622   |          |          | 4,947    |              |          | 576      |          |
| Total                | 7,952        | 4,388,119 | 609,384 | 56,835   | 18,054   | 465,940  | 3,015        | 1,830    | 59,585   | 3,207    |

of Columbia have each reported the insurance of over 20,000 units under these programs. The table shows the previously mentioned wide geographical distribution of the dwelling units covered by mortgages insured under Section 608. The distributions for Sections 207 and 803 indicate the completion of projects located in about three-fourths of the States and Territories. On the other hand, operations under the other project mortgage insurance programs—all designed to assist in financing the development of specialized types of large-scale housing projects—have been concentrated in relatively few States.

FEDERAL HOUSING ADMINISTRATION

Terminations

Of the \$4.4 billion in project mortgages insured by FHA, about 8 percent had been terminated through the end of 1952 (Table 43). Approximately two-thirds of the dollar volume of terminations resulted from prepayments in full prior to maturity, with an additional 5 percent through prepayments with a superseding or refinancing FHA-insured mortgage. About 233 cases for \$100 million had been terminated through default on the part of the mortgagors. This represented about 30 percent of the total amount of all terminations, but only 2.3 percent of the amount insured. When a termination occurs through default, the mortgagee may (1) in exchange for FHA debentures, assign the mortgage to FHA without foreclosure proceedings or foreclose and transfer title of the property to FHA; or (2) foreclose, "withdraw" from the mortgage insurance contract, and retain title to the property. As Table 43 shows,

TABLE 43.—Disposition of FHA-insured project mortgages, 1935-52

[Dollar amounts in thousands]

| Disposition                       | Total  |             | Sec. 207 |           | Sec. 213 |           | Sec. 608 |             |
|-----------------------------------|--------|-------------|----------|-----------|----------|-----------|----------|-------------|
|                                   | Number | Amount      | Number   | Amount    | Number   | Amount    | Number   | Amount      |
| Mortgages insured                 | 7,952  | \$4,388,119 | 536      | \$261,394 | 100      | \$167,312 | 7,049    | \$3,441,186 |
| Mortgages terminated:             |        |             |          |           |          |           |          |             |
| Prepayments in full               | 520    | 216,068     | 206      | 120,103   | 18       | 17,339    | 193      | 69,456      |
| Prepayments by supersession       | 29     | 15,816      | 13       | 8,032     |          |           | 16       | 7,784       |
| Matured loans                     |        |             |          |           |          |           |          |             |
| Mortgages assigned to FHA         | 79     | 34,061      | 2        | 3,144     | 1        | 1,607     | 76       | 29,411      |
| Titles acquired by mortgagors:    |        |             |          |           |          |           |          |             |
| Projects transferred to FHA       | 145    | 64,324      | 17       | 12,752    |          |           | 128      | 51,571      |
| Projects retained by mortgagors   | 9      | 1,039       | 7        | 1,407     |          |           | 2        | 232         |
| Other terminations                | 12     | 1,033       | 8        | 578       |          |           | 4        | 455         |
| Total terminations                | 803    | 332,041     | 343      | 146,016   | 19       | 18,846    | 419      | 153,910     |
| Mortgages in force, Dec. 31, 1952 | 7,149  | 4,055,178   | 193      | 115,378   | 81       | 148,466   | 6,630    | 3,282,276   |

| Disposition                       | Sec. 608-610 |         | Sec. 611 |          | Sec. 803 |           | Sec. 908 |          |
|-----------------------------------|--------------|---------|----------|----------|----------|-----------|----------|----------|
|                                   | Number       | Amount  | Number   | Amount   | Number   | Amount    | Number   | Amount   |
| Mortgages insured                 | 23           | \$8,360 | 22       | \$11,065 | 186      | \$476,617 | 36       | \$22,186 |
| Mortgages terminated:             |              |         |          |          |          |           |          |          |
| Prepayments in full               | 5            | 1,743   | 17       | 7,426    |          |           |          |          |
| Prepayments by supersession       |              |         |          |          |          |           |          |          |
| Matured loans                     |              |         |          |          |          |           |          |          |
| Mortgages assigned to FHA         |              |         |          |          |          |           |          |          |
| Titles acquired by mortgagors:    |              |         |          |          |          |           |          |          |
| Projects transferred to FHA       |              |         |          |          |          |           |          |          |
| Projects retained by mortgagors   |              |         |          |          |          |           |          |          |
| Other terminations                |              |         |          |          |          |           |          |          |
| Total terminations                | 5            | 1,743   | 17       | 7,426    |          |           |          |          |
| Mortgages in force, Dec. 31, 1952 | 18           | 6,617   | 5        | 3,639    | 186      | 476,617   | 36       | 22,186   |

145 projects with original face amounts aggregating \$64 million had been foreclosed and transferred to FHA through December 31, 1952, while mortgages on 79 properties with mortgage amounts totaling \$34 million had been assigned to FHA without foreclosure proceedings. Only 9 mortgages (\$1.6 million) were retained by mortgagees, and no mortgages had matured under the project programs.

Under Section 207, a total of 343 mortgages involving 56 percent of the original amount of mortgages insured during 18 years of operations have been terminated—about four-fifths of the terminations occurring through prepayments in full, and one-eighth resulting from defaults. Only 5 percent of the amount of mortgages insured under the newer Section 608 program have been terminated—about one-half through prepayments in full and the remainder through default, the latter category including 206 mortgages originally totaling about \$81.2 million. Although this volume of default terminations was much higher than that reported under Section 207, it amounted to only 2 percent of the amount of the Section 608 mortgages insured. Except for one mortgage assigned to FHA under Section 213, the small volume of terminations under the other project programs has been through prepayment of the mortgages prior to maturity. It may be noted that all the Section 213 prepayments involved sales-type projects in which the properties had been transferred to individual owners.

Table 44 shows the disposition of the 145 projects and 79 mortgage notes acquired by or assigned to FHA. As of December 31, 1952, 117 projects and 77 mortgage notes were being held by the agency, compared with 91 projects and 66 notes on hand at the end of the preceding year. This increase in inventory was almost entirely under Section 608. An analysis of some of the financial aspects of the Section 608 cases is presented in Section III of this report (Statement 19).

TABLE 44.—Disposition of FHA-acquired projects and project mortgages, Dec. 31, 1952

| Disposition                                 | All sections combined |                 | Sec. 207 |                 | Sec. 608 |                 |
|---|-----------------------|-----------------|----------|-----------------|----------|-----------------|
|   | Number                | Number of units | Number   | Number of units | Number   | Number of units |
| Projects acquired by FHA <sup>1</sup> ..... | 145                   | 10,846          | 17       | 3,033           | 128      | 7,813           |
| On hand.....                                | 117                   | 6,774           |          |                 | 117      | 6,774           |
| Sold with reinsurance.....                  | 8                     | 2,085           | 7        | 1,491           | 1        | 594             |
| Sold without reinsurance.....               | 6                     | 728             | 4        | 704             | 2        | 24              |
| Sold with mortgage held by FHA.....         | 14                    | 1,250           | 6        | 838             | 8        | 421             |
| Mortgage notes assigned to FHA.....         | 79                    | 5,243           | 2        | 1,122           | 76       | 3,977           |
| On hand <sup>2</sup> .....                  | 77                    | 4,090           | 1        | 20              | 75       | 3,935           |
| Sold with reinsurance.....                  | 1                     | 1,102           | 1        | 1,102           |          |                 |
| Sold or settled without reinsurance.....    | 1                     | 42              |          |                 | 1        | 42              |

<sup>1</sup> Includes projects acquired by FHA after assignment of mortgage notes to FHA.  
<sup>2</sup> Total includes 1 Sec. 213 note assigned to FHA involving 144 units.

## Defaults of Project Mortgages

Seventy project mortgages secured by 5,585 dwelling units were reported in default under the various project programs as of December 31, 1952 (Table 45). This compares to 76 projects with 6,471 units in default at the end of 1951, and to 113 projects with 6,495 units at the end of 1950. The ratio of mortgages in default to insured mortgages in force has also declined. In terms of dwelling units, mortgages in default amounted to only slightly more than 1.0 percent of the mortgages in force at the year end, compared with 1.3 percent in 1951 and almost 1.5 percent in 1950.

Most of the defaults were in the Section 608 program—Section 207 showing only 2 defaults (42 units) and Section 611 only 1 default (19 units). With respect to the Section 608 program, units covered by mortgages in default combined with cumulative acquisitions by FHA amounted to 3.7 percent of the volume of insurance written—somewhat higher than the 3.3 percent reported at the end of 1951. For all project programs combined, this same ratio in 1952 was 3.6 percent. Included in the 70 cases in default December 31, 1952 were 17 projects with 526 units in process of foreclosure and acquisition by mortgagees, and 2 mortgage notes with 208 units being assigned to FHA—all under Section 608.

TABLE 45.—Status of FHA-insured project mortgages in force, Dec. 31, 1952

| Status  | All sections |                 | Sec. 608 |                 |
|---|--------------|-----------------|----------|-----------------|
|   | Number       | Number of units | Number   | Number of units |
| Insured mortgages in force.....                 | 7,149        | 538,395         | 6,630    | 437,749         |
| Insured mortgages in good standing.....         | 7,079        | 532,910         | 6,563    | 432,225         |
| Insured mortgages in default, total.....        | 70           | 5,585           | 67       | 5,524           |
| In default less than 90 days <sup>1</sup> ..... | 19           | 1,969           | 17       | 1,927           |
| In default 90 days or more <sup>2</sup> .....   | 32           | 2,852           | 31       | 2,863           |
| Projects being acquired by mortgagee.....       | 17           | 526             | 17       | 526             |
| Mortgage notes being assigned to FHA.....       | 2            | 208             | 2        | 208             |
| Insured mortgages in default at:                |              |                 |          |                 |
| Dec. 31, 1951.....                              | 76           | 6,471           | 76       | 6,471           |
| Dec. 31, 1950.....                              | 113          | 6,495           | 112      | 5,695           |

<sup>1</sup> Total includes 2 mortgages under Sec. 207 with 42 units.

<sup>2</sup> Total includes 1 mortgage under Sec. 611 with 65 units (19 units subject to lien).

## Financial Institution Activity

*Mortgages financed and held.*—In 1952, as in other postwar years, State banks led all other types of institutions in the volume of project mortgages originated, accounting for about \$125 million, or 39 percent of the total (Table 46). With national banks ranking second, the two

HOUSING AND HOME FINANCE AGENCY

TABLE 40.—Originations and holdings of FHA-insured project mortgages by type of institution, 1952

FEDERAL HOUSING ADMINISTRATION

types of commercial banks together accounted for almost 57 percent of all project mortgages financed. Savings banks originated about 15 percent, and insurance companies ranked a close fourth with 13 percent. Although the participation of State banks in 1952 was about the same as in 1951, the relative shares of other types of institutions showed substantial changes. National banks originated only 18 percent of the total in 1952, compared with 30 percent the previous year; conversely, the relative shares of savings banks and insurance companies about doubled.

The participation of the institutions varied somewhat among the various programs. Commercial banks accounted for about two-thirds of the total dollar volume of originations under Sections 207, 608, and 908 and almost three-fourths under Section 803. About one-third of the Section 213 mortgages were originated by savings banks and about one-fifth by insurance companies. Mortgage companies were heavy originators both under Section 908 (30 percent) and under Section 207 (22 percent).

Of the nearly \$4.1 billion of FHA-insured project mortgages held in the portfolios of investment institutions at the end of 1952, insurance companies and savings banks each held about one-third. Both types of institutions increased their relative shares during 1952, with savings banks showing a much greater gain than was reported for insurance companies. State banks held about one-eighth of the total—a somewhat smaller proportion than in 1951—while the holdings of the Federal National Mortgage Association—the only Federal agency owning FHA-insured project mortgages—represented less than 1 percent of the total.

Since over four-fifths of all FHA project mortgages in force as of December 31, 1952 were insured under Section 608, the ranking of the various types of institutions under this program approximated the ranking under all programs combined. Under the Section 803 military housing program—the second in volume of project mortgages in force—insurance companies held 32 percent of the total, State banks 24 percent, national banks 18 percent; and savings banks, with relatively heavy holdings under all programs combined, ranked fourth with 16 percent. Under the Section 213 cooperative housing program, 45 percent of the dollar volume of mortgages was held by savings banks, 31 percent by State banks, and 11 percent by insurance companies. Savings banks also held the largest share of the Section 207 mortgages, with national banks in second place and State banks in third.

*Transfers.*—Over \$660 million in FHA-insured project mortgages was transferred in the secondary market in 1952—more than double the amount of mortgages initially insured, although about one-fifth

| Type of institution               | Number of institutions |          | Mortgages originated |          |                   | Mortgages held Dec. 31, 1952 |           |                   |       |
|-----------------------------------|------------------------|----------|----------------------|----------|-------------------|------------------------------|-----------|-------------------|-------|
|                                   | Originating            | Hold-ing | Number               | Amount   | Percent of amount | Number                       | Amount    | Percent of amount |       |
| All sections                      |                        |          |                      |          |                   |                              |           |                   |       |
| National bank.....                | Not available          |          | 45                   | \$57,472 | 17.9              | 393                          | \$201,446 | 5.0               |       |
| State bank.....                   |                        | 71       | 125,406              | 39.0     | 551               | 492,716                      | 12.2      |                   |       |
| Mortgage company.....             |                        | 61       | 31,293               | 9.7      | 372               | 271,570                      | 6.7       |                   |       |
| Insurance company.....            |                        | 22       | 41,781               | 13.0     | 3,514             | 1,465,982                    | 36.1      |                   |       |
| Savings bank.....                 |                        | 28       | 47,463               | 14.7     | 1,890             | 1,318,931                    | 32.5      |                   |       |
| Savings and loan association..... |                        | 2        | 978                  | .3       | 87                | 20,191                       | .5        |                   |       |
| Federal agency.....               |                        |          |                      |          | 52                | 31,178                       | .8        |                   |       |
| All other.....                    |                        |          |                      |          | 11                | 17,394                       | 5.4       |                   |       |
| Total.....                        |                        |          |                      | 240      | 321,911           | 100.0                        | 7,149     | 4,054,430         | 100.0 |
| Sec. 207                          |                        |          |                      |          |                   |                              |           |                   |       |
| National bank.....                | 9                      | 12       | 17                   | \$12,740 | 30.6              | 25                           | \$24,440  | 21.2              |       |
| State bank.....                   | 6                      | 13       | 13                   | 13,700   | 32.8              | 27                           | 20,189    | 17.5              |       |
| Mortgage company.....             | 16                     | 10       | 27                   | 9,265    | 22.2              | 14                           | 4,970     | 4.3               |       |
| Insurance company.....            | 2                      | 21       | 5                    | 1,086    | 2.6               | 46                           | 15,488    | 13.4              |       |
| Savings bank.....                 | 4                      | 21       | 5                    | 4,937    | 11.8              | 60                           | 41,376    | 35.9              |       |
| Savings and loan association..... |                        | 5        |                      |          |                   | 5                            | 984       | .8                |       |
| Federal agency.....               |                        | 7        |                      |          |                   | 3                            | 1,276     | 1.1               |       |
| All other.....                    |                        | 1        |                      |          |                   | 13                           | 6,655     | 5.8               |       |
| Total.....                        | 37                     | 90       | 67                   | 41,843   | 100.0             | 193                          | 115,378   | 100.0             |       |
| Sec. 213                          |                        |          |                      |          |                   |                              |           |                   |       |
| National bank.....                | 3                      | 2        | 3                    | \$1,123  | 1.2               | 2                            | \$683     | 0.5               |       |
| State bank.....                   | 5                      | 6        | 12                   | 24,031   | 26.2              | 22                           | 44,671    | 30.7              |       |
| Mortgage company.....             | 8                      | 6        | 11                   | 6,228    | 6.8               | 9                            | 5,512     | 3.7               |       |
| Insurance company.....            | 1                      | 1        | 8                    | 18,127   | 19.8              | 8                            | 18,127    | 11.4              |       |
| Savings bank.....                 | 5                      | 10       | 17                   | 29,936   | 32.6              | 30                           | 66,448    | 45.2              |       |
| Federal agency.....               |                        | 1        |                      |          |                   | 3                            | 1,938     | 1.5               |       |
| All other.....                    | 2                      | 1        | 8                    | 12,256   | 13.4              | 7                            | 11,188    | 7.0               |       |
| Total.....                        | 24                     | 27       | 59                   | 91,701   | 100.0             | 81                           | 148,466   | 100.0             |       |
| Sec. 608                          |                        |          |                      |          |                   |                              |           |                   |       |
| National bank.....                | 4                      | 63       | 6                    | \$2,207  | 7.5               | 332                          | \$84,104  | 2.6               |       |
| State bank.....                   | 4                      | 62       | 7                    | 15,979   | 54.1              | 436                          | 301,652   | 9.2               |       |
| Mortgage company.....             | 3                      | 40       | 2                    | 2,841    | 9.6               | 338                          | 250,907   | 7.6               |       |
| Insurance company.....            | 1                      | 114      | 2                    | 6,210    | 21.1              | 3,391                        | 1,275,310 | 38.0              |       |
| Savings bank.....                 | 1                      | 80       | 1                    | 1,850    | 6.3               | 1,756                        | 1,134,414 | 34.6              |       |
| Savings and loan association..... |                        | 34       |                      |          |                   | 80                           | 18,232    | .5                |       |
| Federal agency.....               |                        | 1        |                      |          |                   | 40                           | 26,071    | .8                |       |
| All other.....                    | 1                      | 19       | 1                    | 424      | 1.4               | 257                          | 190,838   | 5.8               |       |
| Total.....                        | 14                     | 413      | 19                   | 29,634   | 100.0             | 6,630                        | 3,281,528 | 100.0             |       |
| Sec. 803                          |                        |          |                      |          |                   |                              |           |                   |       |
| National bank.....                | 11                     | 16       | 16                   | \$37,557 | 27.6              | 29                           | \$87,866  | 18.3              |       |
| State bank.....                   | 13                     | 13       | 23                   | 60,962   | 44.9              | 41                           | 109,583   | 23.5              |       |
| Mortgage company.....             | 6                      | 5        | 7                    | 6,379    | 4.7               | 6                            | 7,983     | 1.7               |       |
| Insurance company.....            | 2                      | 6        | 5                    | 15,888   | 11.7              | 57                           | 153,994   | 32.2              |       |
| Savings bank.....                 | 3                      | 13       | 5                    | 10,740   | 7.9               | 40                           | 73,388    | 15.6              |       |
| Savings and loan association..... | 1                      | 1        | 1                    | 421      | .3                | 1                            | 421       | .1                |       |
| All other.....                    | 1                      | 4        | 1                    | 3,895    | 2.9               | 12                           | 43,383    | 8.7               |       |
| Total.....                        | 37                     | 58       | 58                   | 135,842  | 100.0             | 186                          | 476,617   | 100.0             |       |
| Sec. 908                          |                        |          |                      |          |                   |                              |           |                   |       |
| National bank.....                | 3                      | 4        | 3                    | \$3,845  | 17.3              | 5                            | \$4,354   | 19.6              |       |
| State bank.....                   | 6                      | 7        | 16                   | 10,735   | 48.4              | 17                           | 11,795    | 53.2              |       |
| Mortgage company.....             | 9                      | 5        | 14                   | 6,580    | 20.7              | 5                            | 2,199     | 9.9               |       |
| Insurance company.....            | 1                      | 1        | 2                    | 469      | 2.1               | 2                            | 469       | 2.1               |       |
| Savings bank.....                 |                        | 1        |                      |          |                   | 1                            | 1,181     | 5.3               |       |
| Savings and loan association..... | 1                      | 1        | 1                    | 557      | 2.5               | 1                            | 557       | 2.5               |       |
| Federal agency.....               |                        | 1        |                      |          |                   | 5                            | 1,632     | 7.4               |       |
| Total.....                        | 20                     | 20       | 36                   | 22,186   | 100.0             | 36                           | 22,186    | 100.0             |       |

<sup>1</sup> Totals include 1 Sec. 611 mortgage (\$706,085) originated, and 5 Sec. 611 mortgages (\$3,638,000) and 18 Sec. 608-610 mortgages (\$6,616,800) held.

<sup>2</sup> Less than face amount in force due to lag in tabulation of amendments.

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TABLE 47.—Purchase and sale of FHA-insured project mortgages by type of institution, 1952

| Type of institution               | Number of institutions |               | Mortgages purchased |          |                   | Mortgages sold |           |                   |
|-----------------------------------|------------------------|---------------|---------------------|----------|-------------------|----------------|-----------|-------------------|
|                                   | Purchasing             | Selling       | Number              | Amount   | Percent of amount | Number         | Amount    | Percent of amount |
| All sections                      |                        |               |                     |          |                   |                |           |                   |
| National bank.....                |                        |               | 21                  | \$18,617 | 2.8               | 195            | \$233,283 | 35.3              |
| State bank.....                   |                        |               | 40                  | 16,783   | 2.5               | 260            | 294,142   | 44.6              |
| Mortgage company.....             |                        |               | 39                  | 36,517   | 5.5               | 137            | 72,114    | 10.9              |
| Not available.....                |                        |               | 150                 | 108,307  | 30.0              | 14             | 12,320    | 1.9               |
| Savings bank.....                 |                        | Not available | 346                 | 309,300  | 46.9              | 31             | 26,380    | 4.0               |
| Savings and loan association..... |                        |               | 1                   | 313      | 1.0               | 9              | 5,387     | .8                |
| Federal agency.....               |                        |               | 13                  | 11,126   | 1.7               | 18             | 5,904     | .9                |
| All other.....                    |                        |               | 61                  | 69,109   | 10.5              | 16             | 10,544    | 1.6               |
| Total.....                        |                        |               | 690                 | 660,073  | 100.0             | 680            | 660,073   | 100.0             |
| Sec. 207                          |                        |               |                     |          |                   |                |           |                   |
| National bank.....                | 3                      | 12            | 3                   | \$2,701  | 10.8              | 17             | \$11,102  | 44.5              |
| State bank.....                   | 1                      | 8             | 2                   | 741      | 3.0               | 10             | 6,826     | 27.4              |
| Mortgage company.....             |                        | 11            |                     |          |                   | 20             | 0,650     | 26.7              |
| Insurance company.....            | 5                      | 1             | 8                   | 3,374    | 13.6              | 1              | 206       | .8                |
| Savings bank.....                 | 10                     |               | 36                  | 14,901   | 59.8              |                |           |                   |
| Savings and loan association..... | 1                      | 1             | 1                   | 313      | 1.2               | 1              | 51        | .2                |
| Federal agency.....               | 1                      | 1             | 2                   | 734      | 2.9               | 1              | 91        | .4                |
| All other.....                    | 3                      |               | 4                   | 2,161    | 8.7               |                |           |                   |
| Total.....                        | 24                     | 34            | 56                  | 24,926   | 100.0             | 56             | 24,926    | 100.0             |
| Sec. 213                          |                        |               |                     |          |                   |                |           |                   |
| National bank.....                |                        | 2             |                     |          |                   | 4              | \$10,875  | 33.8              |
| State bank.....                   | 1                      | 2             | 1                   | \$547    | 1.7               | 7              | 18,791    | 58.5              |
| Mortgage company.....             | 1                      | 3             | 1                   | 440      | 1.4               | 3              | 1,418     | 4.4               |
| Savings bank.....                 | 6                      |               | 10                  | 29,225   | 90.9              |                |           |                   |
| Federal agency.....               | 1                      |               | 3                   | 1,938    | 6.0               |                |           |                   |
| All other.....                    |                        | 1             |                     |          |                   | 1              | 1,067     | 3.3               |
| Total.....                        | 9                      | 8             | 15                  | 32,150   | 100.0             | 15             | 32,150    | 100.0             |
| Sec. 608                          |                        |               |                     |          |                   |                |           |                   |
| National bank.....                | 7                      | 43            | 15                  | \$11,279 | 2.5               | 140            | \$110,832 | 24.3              |
| State bank.....                   | 10                     | 35            | 32                  | 13,021   | 2.0               | 225            | 236,856   | 51.8              |
| Mortgage company.....             | 5                      | 28            | 35                  | 36,077   | 7.9               | 103            | 58,131    | 12.7              |
| Insurance company.....            | 26                     | 10            | 127                 | 125,322  | 27.4              | 12             | 8,460     | 1.8               |
| Savings bank.....                 | 38                     | 9             | 288                 | 234,450  | 51.3              | 31             | 26,380    | 5.8               |
| Savings and loan association..... |                        | 6             |                     |          |                   | 8              | 5,336     | 1.2               |
| Federal agency.....               | 2                      | 2             | 2                   | 4,958    | 1.1               | 10             | 3,948     | .9                |
| All other.....                    | 10                     | 3             | 46                  | 31,635   | 6.9               | 13             | 6,791     | 1.5               |
| Total.....                        | 98                     | 136           | 548                 | 456,742  | 100.0             | 548            | 456,742   | 100.0             |
| Sec. 803                          |                        |               |                     |          |                   |                |           |                   |
| National bank.....                | 1                      | 13            | 1                   | \$4,120  | 3.0               | 34             | \$100,475 | 71.5              |
| State bank.....                   | 1                      | 5             | 1                   | 85       | .1                | 10             | 31,161    | 22.2              |
| Mortgage company.....             |                        | 2             |                     |          |                   | 2              | 1,535     | 1.1               |
| Insurance company.....            | 5                      | 1             | 24                  | 69,611   | 49.5              | 1              | 3,645     | 2.6               |
| Savings bank.....                 | 0                      |               | 11                  | 20,543   | 21.0              |                |           |                   |
| Federal agency.....               | 1                      | 1             | 1                   | 1,865    | 1.3               | 1              | 1,865     | 1.3               |
| All other.....                    | 2                      | 1             | 11                  | 35,313   | 25.1              | 1              | 1,865     | 1.3               |
| Total.....                        | 19                     | 23            | 49                  | 140,546  | 100.0             | 49             | 140,546   | 100.0             |
| Sec. 908                          |                        |               |                     |          |                   |                |           |                   |
| National bank.....                | 1                      |               | 2                   | \$508    | 10.4              |                |           |                   |
| State bank.....                   | 1                      | 1             | 3                   | 1,560    | 32.1              | 2              | \$508     | 10.4              |
| Mortgage company.....             |                        | 5             |                     |          |                   | 0              | 4,381     | 89.6              |
| Savings bank.....                 | 1                      |               | 1                   | 1,181    | 24.1              |                |           |                   |
| Federal agency.....               | 1                      |               | 5                   | 1,632    | 33.4              |                |           |                   |
| Total.....                        | 4                      | 6             | 11                  | 4,880    | 100.0             | 11             | 4,880     | 100.0             |

<sup>1</sup> Total includes Sec. 611 mortgage for \$820,200 purchased by a State bank from a title company.

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less than in 1951. Approximately 69 percent of the dollar volume transferred was in Section 608 mortgages and about 21 percent under Section 803. The remaining transfers were about evenly divided between Sections 207 and 213.

Savings banks were the largest buyers of project mortgages during the year, accounting for 47 percent of the dollar volume transferred, followed by insurance companies with 30 percent of the total (Table 47). The relative purchases of both these types of institutions increased over the 42 percent for savings banks and 24 percent for insurance companies reported in 1951. Almost one-eighth of the dollar volume of project mortgages transferred in 1952 was purchased by miscellaneous types of institutions such as the Comptroller of the State of New York and various retirement and pension fund systems.

State and national banks together purchased only about 5 percent of the dollar volume of all project mortgages transferred. These institutions, which were large originators, were the largest sellers of project mortgages in 1952 (Table 47). State banks sold 45 percent of the total amount of mortgages transferred, national banks sold 35 percent, and mortgage companies, third in rank, sold 11 percent of the total. These 3 types of institutions combined accounted for more than 90 percent of all project-mortgage sales in both 1951 and 1952. Compared with 1951, however, State banks sold a smaller relative share (54 percent in 1951), while national banks sold a larger share (only 26 percent the previous year).

With respect to purchases and sales of mortgages insured under the different programs, savings banks were the largest purchasers of mortgages insured under Sections 207, 213, and 608; but under Section 803, insurance companies led all other types of institutions by a substantial margin. The Federal National Mortgage Association was the leading purchaser of Section 908 defense housing mortgages. Although the one-third participation of the FNMA under this section involved the actual purchase through the year end of only 5 mortgages with original face amounts aggregating \$1.6 million, support of the Section 908 program by FNMA has been noteworthy. About \$3 out of every \$4 of Section 908 FHA commitments issued were covered, as of December 31, 1952, either by FNMA purchases or by FNMA contracts to purchase.

The leading sellers of project mortgages under Sections 207 and 803 were national banks; under Sections 213 and 608, State banks; and under Section 908, mortgage companies.

Characteristics of Projects

The following pages are devoted to an analysis of characteristics of the projects and project mortgages covered by FHA commitments

## HOUSING AND HOME FINANCE AGENCY

TABLE 48.—Characteristics of mortgages and projects in project transactions, 1952

| Program                           | Predominant type of structure—percent distribution of units |          |                       |       | Size of project (units) |         | Median                             |                                      |                                |                                       |
|-----------------------------------|---|----------|-----------------------|-------|-------------------------|---------|------------------------------------|--------------------------------------|--------------------------------|---------------------------------------|
|                                   | Walk-up   | Elevator | 1-family <sup>1</sup> | Total | Median                  | Average | Size of units (rooms) <sup>2</sup> | Monthly rental per unit <sup>3</sup> | Mortgage per unit <sup>4</sup> | Ratio of mortgage to replacement cost |
|                                   |   |          |                       |       |                         |         |                                    |                                      |                                |                                       |
| Rental housing.....               | 39.4  | 4.4      | 56.2                  | 100.0 | 87.5                    | 154.8   | 4.8                                | \$76.38                              | \$7,346                        | 88.0                                  |
| Sec. 207.....                     | 59.2  | 24.0     | 16.8                  | 100.0 | 34.5                    | 68.2    | 4.3                                | 81.16                                | 6,554                          | 79.6                                  |
| Sec. 803.....                     | 26.4  | -----    | 73.6                  | 100.0 | 340.0                   | 313.4   | 5.1                                | 72.50                                | 7,768                          | 88.5                                  |
| Sec. 908.....                     | 66.7  | -----    | 33.3                  | 100.0 | 76.0                    | 100.4   | 4.4                                | 82.13                                | 6,718                          | 87.9                                  |
| Cooperative housing—Sec. 213..... | 14.0  | 45.8     | 40.2                  | 100.0 | 160.0                   | 155.4   | 5.6                                | \$ 77.73                             | 8,550                          | 85.8                                  |
| Management-type.....              | 22.0  | 72.0     | 6.0                   | 100.0 | 124.0                   | 140.8   | 4.7                                | \$ 86.93                             | 8,547                          | 84.3                                  |
| Sales-type.....                   | -----   | -----    | 100.0                 | 100.0 | 189.5                   | 189.8   | 6.0                                | \$ 68.82                             | 9,492                          | 80.7                                  |
| All new project housing.....      | 34.5  | 12.3     | 53.2                  | 100.0 | 100.0                   | 154.9   | 4.8                                | 76.07                                | 7,729                          | 87.2                                  |

The following footnotes apply to this and to all subsequent tables in this section of the report.

<sup>1</sup> One-family structures include row, semidetached, and detached structures.

<sup>2</sup> Tables covering size of units, monthly rental, and amount of mortgage do not include data for projects in Alaska covered by commitments issued under the Alaska Housing Act.

<sup>3</sup> Amount of mortgage allocable to dwelling use.

<sup>4</sup> In determining the number of rooms per unit, baths, closets, halls, and similar spaces were excluded.

<sup>5</sup> Data on monthly rental for units in cooperative projects refer to monthly charges. Monthly charges include, in management-type projects, member's pro rata share of estimated monthly debt service and project operating and maintenance costs; and, in sales-type projects, estimated total monthly mortgage payment (including real estate taxes, FHA mortgage premiums, and hazard insurance premiums) of purchaser-member.

issued in 1952. Data pertaining to rental housing are based on new-construction commitments issued under Sections 207, 803, and 908; and data pertaining to cooperative housing are based on new-construction commitments issued under the Section 213 management-type and sales-type programs. Since the number of commitments issued under other project programs was negligible, they were omitted from all tables on project characteristics. Because special provisions are available for Alaska housing projects, these projects also are excluded from tabulations of mortgage and rentals.

In 1952, for the second consecutive year, 53 percent of the dwelling units covered by commitments issued under the project mortgage provisions of the National Housing Act were in single-family structures. This percentage—the highest in FHA history—reflects the predominance during the year of Section 803 military housing commitments, about three-fourths of which involved single-family homes. Table 48 shows that the typical project in 1952 contained 100 dwelling units. The typical unit had 4.8 rooms, rented for \$76.07, and secured \$7,729 of mortgage amount. The median ratio of mortgage to replacement cost was 87.2 percent.

*Yearly trend.*—Table 49 and Chart 19 show the trend of selected rental housing characteristics from 1935 through 1952. Section 213 cooperative projects are excluded from this summary.

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The proportion of the projects classified as elevator structures decreased in 1952 for the second consecutive year, while the percentage classified as single-family and walk-up projects increased—single-family projects for the fourth consecutive year and walk-up structures for the first time since 1947. (Classification was based on the predominant type of structure.) The same general changes occurred in the distribution of units by type of structure (lower part of Table 49 and two lower graphs in Chart 19).

TABLE 49.—Characteristics of mortgages and projects in rental project transactions, 1935-52

| Year <sup>1</sup> | Number of units per project |         | Number of rooms per dwelling unit |         | Monthly rental        |                       | Mortgage allocable to dwelling use <sup>2</sup> |          |
|-------------------|-----------------------------|---------|-----------------------------------|---------|-----------------------|-----------------------|---|----------|
|                   | Median                      | Average | Median                            | Average | Per unit <sup>3</sup> | Per room <sup>3</sup> | Per unit  | Per room |
|                   |                             |         |                                   |         |                       |                       |   |          |
| 1952.....         | 87.5                        | 154.8   | 4.8                               | 4.5     | \$75.38               | \$16.77               | \$7,179   | \$1,579  |
| 1951.....         | 112.5                       | 182.4   | 4.6                               | 4.4     | 71.10                 | 16.01                 | 7,133   | 1,619    |
| 1950.....         | 48.6                        | 97.0    | 4.2                               | 3.0     | 78.87                 | 20.06                 | 7,140   | 1,835    |
| 1949.....         | 41.6                        | 78.4    | 4.0                               | 3.7     | 82.49                 | 22.22                 | 7,100   | 1,940    |
| 1948.....         | 22.5                        | 51.1    | 4.7                               | 4.3     | 87.56                 | 20.13                 | 7,645   | 1,769    |
| 1947.....         | 20.3                        | 39.8    | 4.7                               | 4.4     | 84.13                 | 19.00                 | 7,805   | 1,724    |
| 1942-46.....      | 41.0                        | 75.9    | 4.0                               | 3.7     | 56.45                 | 15.10                 | 4,427   | 1,187    |
| 1935-41.....      | 72.2                        | 121.1   | 3.9                               | 3.7     | 53.09                 | 14.54                 | 3,725   | 1,009    |

| Year <sup>1</sup> | Percent of projects with |                     |                     | Percent of dwelling units in |                     |                     |
|-------------------|--------------------------|---------------------|---------------------|------------------------------|---------------------|---------------------|
|                   | Walk-up structures       | Elevator structures | 1-family structures | Walk-up structures           | Elevator structures | 1-family structures |
|                   |                          |                     |                     |                              |                     |                     |
| 1952.....         | 53.5                     | 5.6                 | 40.9                | 39.4                         | 4.4                 | 56.2                |
| 1951.....         | 49.4                     | 10.1                | 40.5                | 35.0                         | 12.8                | 52.2                |
| 1950.....         | 59.0                     | 18.0                | 23.0                | 40.0                         | 30.8                | 29.2                |
| 1949.....         | 68.8                     | 14.0                | 17.2                | 58.2                         | 26.7                | 15.1                |
| 1948.....         | 84.4                     | 3.1                 | 12.5                | 76.7                         | 13.1                | 10.2                |
| 1947.....         | 85.9                     | 1.1                 | 13.0                | 83.0                         | 2.7                 | 13.7                |
| 1942-46.....      | 81.0                     | -----               | 18.4                | 79.4                         | -----               | 20.6                |
| 1935-41.....      | 82.6                     | 0.9                 | 7.5                 | 79.0                         | 14.0                | 7.0                 |

<sup>1</sup> Based on insurance written in 1935-41 under Sec. 207, in 1942-46 under Sec. 608, and on commitments issued in 1947-49 under Sec. 608, in 1950-51 under Secs. 207, 608, 803, and in 1952 under Secs. 207, 608, 908.

<sup>2</sup> Data shown are arithmetic means.

<sup>3</sup> Data shown are medians.

<sup>4</sup> Estimated.

The typical rental project covered by commitments issued in 1952 contained 88 dwelling units—substantially less than the peak of 113 units established in the previous year, but well above all other postwar years. The size of the typical dwelling unit increased for the third consecutive year to a new all-time high of 4.8 rooms.

The median monthly rental per unit increased for the first time since 1948. With the increase in the number of rooms per unit, however, the average monthly rental per room continued to decline from the 1949 peak, reaching a postwar low of \$16.77.

The average mortgage allocable to dwelling use increased from \$7,133 per unit in 1951 to \$7,179 per unit in 1952, while the average mortgage amount per room declined from \$1,619 to \$1,579.

TREND OF CHARACTERISTICS OF NEW RENTAL PROJECTS, 1935-1952

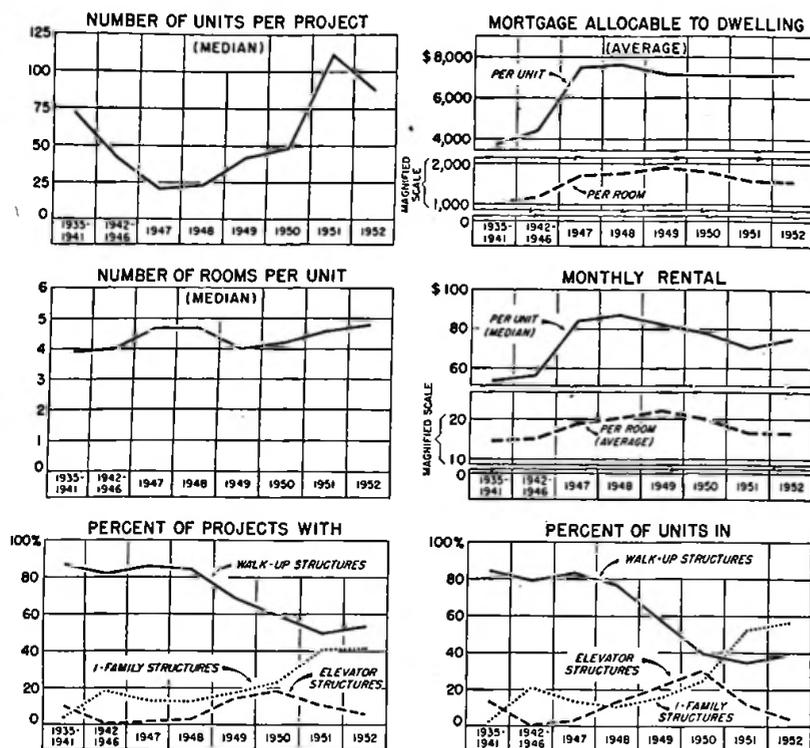


CHART 19.

*Type of project.*—Under all of FHA's project programs combined, the walk-up project was the most popular in 1952—almost 47 percent of the projects being of this type. As Table 50 shows, the proportion was substantially higher under the rental housing program than under the cooperative program where "walk-ups" were the least common. The second most popular type of structure—accounting for about two-fifths of both the rental and the cooperative projects—was the single-family type (either row, semidetached, or detached houses). Elevator-type projects, which represented about one-eighth of the total, made up 40 percent of the cooperative housing cases (all management-type), but only 6 percent of the rental housing cases (all under Sec. 207).

Chart 20 and the lower part of Table 50 show the distribution of dwelling units by type of structure. Although in terms of number of projects the leading type of structure in 1952 was the "walk-up," about 53 percent of all units were in 1-family structures. About 35 percent of the units were in walk-up structures and one-eighth in ele-

TABLE 50.—Type of project by type of structure for rental and cooperative housing, 1952

| Type of project                        | Total rental and cooperative housing | Rental housing |          |          | Cooperative housing, Sec. 213 |       |                 |
|--|--------------------------------------|----------------|----------|----------|-------------------------------|-------|-----------------|
|  |                                      | Total          | Sec. 207 | Sec. 803 | Sec. 908                      | Total | Management type |
| Projects—Percentage distribution       |                                      |                |          |          |                               |       |                 |
| Walk-up structures, total.....         | 46.9                                 | 53.5           | 58.5     | 27.0     | 77.4                          | 19.2  | 27.3            |
| 1- and 2-story combined.....           | 0.5                                  | 4.5            | 2.4      | 9.5      | 1.0                           | 15.0  | 21.3            |
| 2-story.....                           | 38.0                                 | 47.0           | 53.7     | 15.9     | 73.6                          |       |                 |
| 2- and 3-story combined.....           | 1.2                                  | 1.0            | 2.4      |          | 2.1                           | 3.0   |                 |
| 3-story.....                           | 1.2                                  | 1.0            |          | 1.6      | 1.0                           | 2.1   | 3.0             |
| Elevator structures.....               | 12.3                                 | 5.6            | 13.4     |          |                               | 40.4  | 57.6            |
| One-family structures, total.....      | 40.8                                 | 40.0           | 28.1     | 73.0     | 22.6                          | 40.4  | 15.1            |
| Row house.....                         | 22.0                                 | 26.8           | 28.1     | 33.3     | 17.0                          | 6.4   | 9.1             |
| Semidetached.....                      | 7.3                                  | 8.6            |          | 22.2     | 5.6                           | 2.1   | 3.0             |
| Detached.....                          | 10.6                                 | 5.5            |          | 17.5     |                               | 31.9  | 3.0             |
| All types.....                         | 100.0                                | 100.0          | 100.0    | 100.0    | 100.0                         | 100.0 | 100.0           |
| Dwelling units—Percentage distribution |                                      |                |          |          |                               |       |                 |
| Walk-up structures, total.....         | 34.5                                 | 39.4           | 50.2     | 26.4     | 66.7                          | 14.0  | 22.0            |
| 1- and 2-story combined.....           | 10.2                                 | 0.5            | 7.2      | 12.7     | .2                            | 13.0  | 20.4            |
| 2-story.....                           | 23.4                                 | 20.0           | 51.0     | 12.0     | 65.2                          |       |                 |
| 2- and 3-story combined.....           | .2                                   | .2             | 1.0      |          | .8                            | .3    | .5              |
| 3-story.....                           | .7                                   | .7             |          | .8       | 1.3                           | .7    | 1.1             |
| Elevator structures.....               | 12.3                                 | 4.4            | 24.0     |          |                               | 45.8  | 72.0            |
| One-family structures, total.....      | 53.2                                 | 56.2           | 10.8     | 73.6     | 33.3                          | 40.2  | 6.0             |
| Row house.....                         | 20.3                                 | 32.3           | 16.8     | 37.1     | 30.8                          | 1.1   | 1.8             |
| Semidetached.....                      | 12.5                                 | 15.2           |          | 22.9     | 2.5                           | 1.0   | 1.5             |
| Detached.....                          | 14.4                                 | 8.7            |          | 13.6     |                               | 38.1  | 2.7             |
| All types.....                         | 100.0                                | 100.0          | 100.0    | 100.0    | 100.0                         | 100.0 | 100.0           |

vator buildings. The concentration of units in single-family homes was particularly pronounced in the rental housing programs, where 56 percent were in this type as compared with 39 percent in "walk-ups" and less than 5 percent in elevator buildings. In the cooperative housing programs, the largest proportion—some 46 percent—were in elevator structures (all management-type projects) and 40 percent were in 1-family structures (primarily sales-type).

Walk-up structures provided the majority of units in Section 207 and Section 908 projects, while single-family units were most common in Section 803 and Section 213 sales-type projects. Units in elevator projects predominated in management-type cooperative projects under Section 213.

*Size of project.*—About one-half of the projects approved by FHA in 1952 contained more than 100 dwelling units each, and over one-quarter of them contained more than 200 units (Table 51 and Chart 21).

PROJECTS AND DWELLING UNITS BY TYPE OF PROJECT  
COMMITMENTS ISSUED IN 1952 TO INSURE NEW PROJECT MORTGAGES

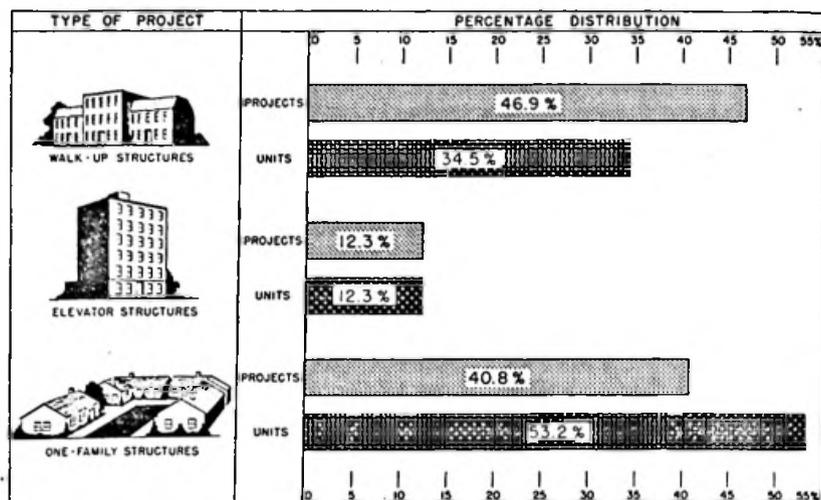


CHART 20.

The typical housing project approved for insurance in 1952 contained 100 dwelling units, the smallest project having 10 units and the largest, 644 units—both under the Section 803 military housing program. For all programs combined, rental projects were typically smaller than the cooperative projects, despite the relatively high volume of large Section 803 projects committed during the year. The median size of rental projects was 88 units, compared with 160 units for cooperative housing projects. The median size of Section 803 projects was 340 units, while Section 207 and Section 908 projects typically contained only 35 and 76 units, respectively. Among the cooperative projects, the typical sales-type project was substantially larger than the typical management-type project.

Projects of more than 100 units each contained a heavy majority of the total units, with more than half in projects of 200 units or more. As Chart 21 shows, only in the case of elevator projects were more than half the units contained in projects of less than 200 units.

*Mortgage allocable to dwellings.*—The typical mortgage allocable to dwellings in 1952 was \$7,729 per unit—\$7,346 for rental projects and \$8,550 for cooperative projects (Table 52). The average mortgage per unit allocable to dwellings excludes that portion of the mortgage chargeable to garages, stores, and other non-dwelling income-producing parts of the project.

DWELLING UNITS BY SIZE OF PROJECT  
COMMITMENTS ISSUED IN 1952 TO INSURE NEW PROJECT MORTGAGES

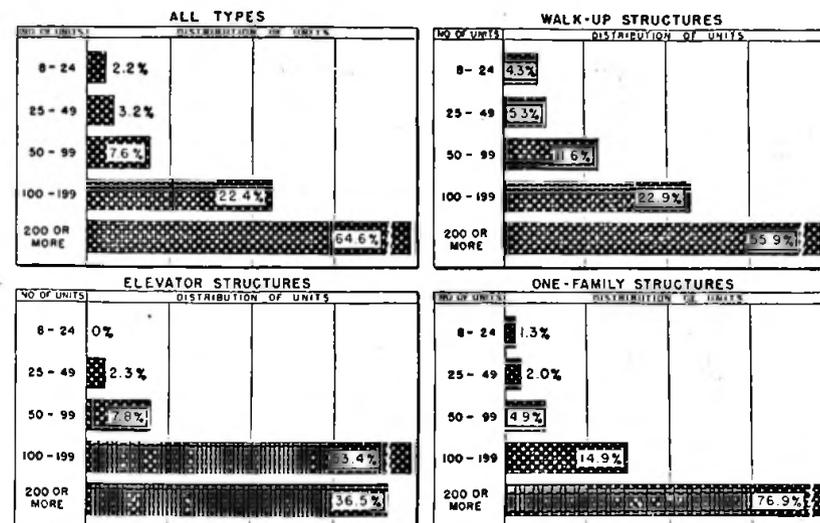


CHART 21.

TABLE 51.—Size of project for rental and cooperative housing, 1952

| Number of dwelling units per project   | Total rental and cooperative housing | Rental housing |          |          | Cooperative housing, Sec. 213 |       |                 |            |
|--|--------------------------------------|----------------|----------|----------|-------------------------------|-------|-----------------|------------|
|  |                                      | Total          | Sec. 207 | Sec. 803 | Sec. 908                      | Total | Management type | Sales type |
| Projects—Percentage distribution       |                                      |                |          |          |                               |       |                 |            |
| 8 to 24.....                           | 19.2                                 | 21.7           | 37.8     | 1.6      | 20.8                          | 8.5   | 12.1            | 7.1        |
| 25 to 49.....                          | 13.5                                 | 14.1           | 20.7     | 1.6      | 18.9                          | 10.6  | 12.1            | 14.3       |
| 50 to 99.....                          | 16.3                                 | 16.1           | 17.1     | 0.5      | 22.6                          | 17.0  | 18.2            | 7.1        |
| 100 to 149.....                        | 13.5                                 | 14.1           | 12.2     | 17.5     | 13.2                          | 10.6  | 12.1            | 35.8       |
| 150 to 199.....                        | 10.6                                 | 6.6            | 3.7      | 6.4      | 11.3                          | 27.7  | 24.3            | 28.6       |
| 200 to 299.....                        | 8.2                                  | 6.6            | 6.1      | 0.5      | 3.8                           | 14.0  | 9.1             | 7.1        |
| 300 to 399.....                        | 6.5                                  | 6.1            | 2.4      | 7.9      | 0.4                           | 8.5   | 12.1            | 7.1        |
| 400 to 499.....                        | 5.3                                  | 6.1            | .....    | 19.0     | .....                         | 2.2   | .....           | .....      |
| 500 or more.....                       | 6.0                                  | 8.6            | .....    | 27.0     | .....                         | ..... | .....           | .....      |
| Total.....                             | 100.0                                | 100.0          | 100.0    | 100.0    | 100.0                         | 100.0 | 100.0           | 100.0      |
| Median.....                            | 100.0                                | 87.5           | 34.5     | 340.0    | 76.0                          | 160.0 | 124.0           | 189.5      |
| Dwelling units—Percentage distribution |                                      |                |          |          |                               |       |                 |            |
| 8 to 24.....                           | 2.2                                  | 2.4            | 9.6      | 0.1      | 3.8                           | 1.0   | 1.5             | 1.1        |
| 25 to 49.....                          | 3.2                                  | 3.3            | 10.5     | .2       | 7.4                           | 2.5   | 3.3             | 3.8        |
| 50 to 99.....                          | 7.6                                  | 7.3            | 17.0     | 2.0      | 16.7                          | 8.6   | 9.6             | 6.9        |
| 100 to 149.....                        | 10.6                                 | 11.3           | 22.0     | 6.7      | 10.2                          | 7.0   | 10.2            | 31.8       |
| 150 to 199.....                        | 11.8                                 | 7.0            | 9.2      | 3.4      | 18.0                          | 32.1  | 30.6            | 37.9       |
| 200 to 299.....                        | 12.5                                 | 9.5            | 20.0     | 6.9      | 8.1                           | 25.2  | 17.9            | 28.9       |
| 300 to 399.....                        | 13.7                                 | 12.9           | 11.1     | 8.8      | 29.8                          | 17.1  | 26.9            | 15.5       |
| 400 to 499.....                        | 14.8                                 | 17.0           | .....    | 26.4     | .....                         | 5.6   | .....           | .....      |
| 500 or more.....                       | 23.6                                 | 29.3           | .....    | 45.5     | .....                         | ..... | .....           | .....      |
| Total.....                             | 100.0                                | 100.0          | 100.0    | 100.0    | 100.0                         | 100.0 | 100.0           | 100.0      |
| Average.....                           | 154.9                                | 154.8          | 68.2     | 313.4    | 100.4                         | 155.4 | 140.8           | 189.8      |

In 1952, the amount of mortgage allocable to dwellings and the size of the ratio of loan to value or to replacement cost were both affected by credit curbs. Regulation X of the Board of Governors of the Federal Reserve System and the related FHA regulations did not, however, apply to Section 803 military housing or to Section 908 defense housing.

Projects under both Section 213 and Section 207 (except for one project with 86 units programed for construction in a critical housing defense area) were subject to these regulations. The controls were in effect during only the earlier part of the year—they were eased on June 6, 1952 and removed on September 16. Almost one-third of the Section 207 projects committed during the year were approved by FHA prior to June 6, and another one-third were approved between June 6 and September 16. About two-fifths of the Section 213 units were committed prior to the June action, and one-fifth between that time and mid-September.

TABLE 52.—Amount of mortgage allocable to dwellings for rental and cooperative housing, 1952

| Average amount of mortgage per dwelling unit <sup>1</sup> | Total rental and cooperative housing | Rental housing |          |          | Cooperative housing, Section 213 |         |                 |            |
|---|--------------------------------------|----------------|----------|----------|----------------------------------|---------|-----------------|------------|
|   |                                      | Total          | Sec. 207 | Sec. 803 | Sec. 908                         | Total   | Management type | Sales type |
| Dwelling units—Percentage distribution                    |                                      |                |          |          |                                  |         |                 |            |
| Less than \$5,000.....                                    | 3.3                                  | 4.1            | 13.5     | 10.1     |                                  |         |                 |            |
| \$5,000 to \$5,999.....                                   | 3.1                                  | 3.8            | 17.0     | 4.9      |                                  |         |                 |            |
| \$6,000 to \$6,999.....                                   | 11.2                                 | 13.9           | 14.1     | 12.4     | 19.1                             |         |                 |            |
| \$6,500 to \$6,999.....                                   | 13.6                                 | 16.7           | 16.5     | 15.8     | 20.0                             | 1.0     | 1.6             |            |
| \$7,000 to \$7,499.....                                   | 14.6                                 | 18.2           | 24.2     | 16.0     | 20.2                             |         |                 |            |
| \$7,500 to \$7,999.....                                   | 14.8                                 | 17.3           | 6.5      | 22.3     | 9.9                              | 4.4     | 12.2            |            |
| \$8,000 to \$8,499.....                                   | 24.6                                 | 25.7           | 8.2      | 33.0     | 15.8                             | 20.2    | 23.5            | 14.6       |
| \$8,500 to \$8,999.....                                   | 8.8                                  |                |          |          | 45.2                             | 45.2    | 66.8            | 7.3        |
| \$9,000 to \$9,999.....                                   | 3.7                                  | .3             |          | .5       | 17.6                             | 3.2     | 42.6            |            |
| \$10,000 or more.....                                     | 2.3                                  |                |          |          | 11.6                             | 4.9     | 23.3            |            |
| Total.....  | 100.0                                | 100.0          | 100.0    | 100.0    | 100.0                            | 100.0   | 100.0           | 100.0      |
| Median.....   | \$7,729                              | \$7,346        | \$6,554  | \$7,708  | \$6,718                          | \$8,550 | \$8,547         | \$9,492    |

<sup>1</sup> Data based on the average unit-amount per project for all projects except Sec. 213 sales-type, the data for which are based on the estimated mortgage amounts for the individual homes.

In 1951, in addition to the credit restrictions which were in force during most of the year, there was also a legislative limitation in effect until September which restricted Section 207 mortgages to \$7,200 per unit for projects in which the average unit contained less than 4½ rooms. This limitation was eased in September 1951 to \$7,200 for projects containing an average of less than 4 rooms per unit. As a result of the lowered downpayment requirements, the higher maximum mortgage amounts for 4-room units, and the fact that the typical unit size remained the same (4.3 rooms), the typical unit mortgage under

Section 207 in 1952 was somewhat higher than in the previous year—\$6,554 compared with \$6,043. The 1952 Section 803 median was \$1,200 more than the corresponding figure under Section 207.

The relaxation of credit controls had no apparent effect on the average mortgage under the Section 213 management-type program, the median in 1952 of \$8,547 being approximately the same as in 1951. However, with a liberalization of controls effective September 1, 1951 for single-family houses, and with further modifications in 1952, the 14 sales-type cooperatives (2,657 units) committed in 1952 had a median unit mortgage of \$9,492, or \$565 more than in 1951.

Chart 22 shows the distribution of average mortgage by type of structure. The high concentration of elevator units in the \$8,000 to \$8,999 group reflects the fact that almost 3 out of every 4 units in elevator projects committed in 1952 were under the Section 213 management-type program where more liberal mortgage terms were in effect.

The 5 projects (about 300 units) committed in Alaska during 1952—all under Section 207—were excluded from the data in Table 52 and Chart 22. These cases were committed under the provisions of the Alaska Housing Act, which, as previously mentioned, authorized substantially larger average mortgage amounts than would otherwise be permitted. The median mortgage amount per unit for the Alaska projects in 1952 was \$12,082.

AVERAGE MORTGAGE PER UNIT BY TYPE OF PROJECT  
COMMITMENTS ISSUED IN 1952 TO INSURE NEW PROJECT MORTGAGES

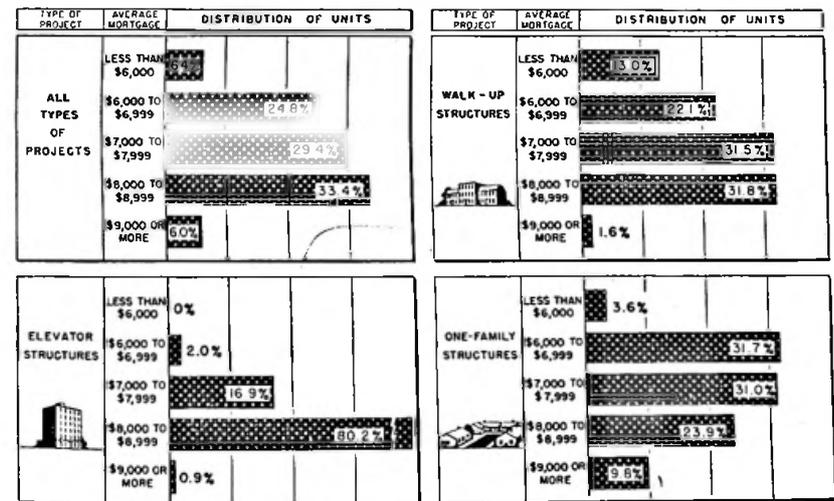


CHART 22.

TABLE 53.—Ratio of amount of mortgage to replacement cost for rental and cooperative housing, 1952

| Mortgage as a percent of replacement cost | Total rental and cooperative housing | Rental housing |              |              |              | Cooperative housing, Sec. 213 |                 |              |
|---|--------------------------------------|----------------|--------------|--------------|--------------|-------------------------------|-----------------|--------------|
|   |                                      | Total          | Sec. 207     | Sec. 803     | Sec. 908     | Total                         | Management type | Sales type   |
| Dwellings units—Percentage distribution   |                                      |                |              |              |              |                               |                 |              |
| Less than 70.....                         | 2.2                                  | 2.5            | 13.7         |              | 0.4          | 0.7                           | 1.1             |              |
| 70 to 74.9.....                           | 2.7                                  | 3.3            | 17.9         |              |              |                               |                 |              |
| 75 to 79.9.....                           | 5.8                                  | 4.9            | 19.3         | 1.7          | 2.0          | 9.4                           | 14.0            |              |
| 80 to 82.4.....                           | 7.2                                  | 7.4            | 8.6          | 6.4          | 0.8          | 6.5                           | 10.2            |              |
| 82.5 to 84.9.....                         | 14.5                                 | 12.5           | 8.6          | 11.7         | 19.4         | 23.1                          | 36.3            |              |
| 85.0 to 87.4.....                         | 20.3                                 | 17.7           | 16.4         | 18.3         | 16.6         | 31.2                          | 0.3             | 69.4         |
| 87.5 to 89.9.....                         | 30.2                                 | 33.2           | 10.5         | 38.6         | 37.0         | 18.0                          | 28.2            |              |
| 90.0 <sup>1</sup> .....                   | 17.1                                 | 18.5           | 5.0          | 23.3         | 14.8         | 11.1                          |                 | 30.6         |
| <b>Total</b> .....                        | <b>100.0</b>                         | <b>100.0</b>   | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b>                  | <b>100.0</b>    | <b>100.0</b> |
| <b>Median</b> .....                       | <b>87.2</b>                          | <b>88.0</b>    | <b>79.6</b>  | <b>88.5</b>  | <b>87.9</b>  | <b>85.8</b>                   | <b>84.3</b>     | <b>88.7</b>  |

<sup>1</sup> Includes any veterans' cooperative projects under Sec. 213 with ratios from 90.0 to 95.0 percent.

*Ratio of mortgage amount to replacement cost.*—As Table 53 shows, the typical housing project committed for insurance in 1952 involved mortgage funds amounting to 87.2 percent of the estimated replacement cost of the property. For rental projects the ratio was 88.0 percent, and for cooperative projects 85.8 percent. Among the rental projects, the typical Section 207 project had the lowest loan-to-cost ratio—only 79.6 percent—followed by Section 908 with 87.9 and Section 803 with 88.5. The median loan-to-cost ratio for management-type cooperative projects was 84.3 percent, compared with 86.7 percent for sales-type projects.

The ratio of 87.2 percent for all programs combined in 1952 was somewhat higher than the 85.4 percent reported for the previous year. This increase was due primarily to the relative growth in 1952 of the programs under Sections 803 and 908, which were exempt from credit controls. The typical Section 207 loan-to-cost ratio fell from 81.1 to 79.6 percent.

The relatively low ratio of loan to replacement cost under Section 207 results from two influences: (1) the maximum mortgage amount under this section is limited by statute to a proportion of the FHA-estimated value of the project rather than replacement cost (which invariably averages higher than value); (2) maximum permitted ratios decrease as the average value per unit exceeds \$7,000. In a substantial number of Section 207 projects approved in 1952, the average value was considerably higher than \$7,000 per unit. This tended to offset the increases in loan-to-cost (or value) ratios expected as a result of the easing or lifting of credit controls. A distribution of mortgage

amounts as a percent of value for those Section 207 projects committed in 1952 is shown below:

| Mortgage as percent of value | Percent distribution |
|------------------------------|----------------------|
| Less than 70.0.....          | 3.9                  |
| 70.0 to 79.9.....            | 27.3                 |
| 80.0 to 84.9.....            | 24.4                 |
| 85.0 to 89.9.....            | 28.0                 |
| 90.0.....                    | 16.4                 |
| <b>Total</b> .....           | <b>100.0</b>         |

The median loan-to-value ratio was 83.0 percent, or 3.4 percentage points above the typical loan-to-cost ratio. The maximum loan-to-value ratio under credit controls prior to June 6, 1952 was 83 percent of the first \$7,000 per unit attributable to dwellings, plus 53 percent of the value over that amount. In June, these maximum ratios were increased to 90 percent on the first \$7,000, plus 55 percent on the remainder. Effective September 16, the limits were raised to 90 percent and 60 percent, respectively.

Under Section 213—the other major project housing program subject to credit controls—the loan-to-cost ratio until September for management-type projects could not exceed 83 to 88 percent (the exact maximum depending on the proportion of veteran membership). With suspension of Regulation X in September the maximum limit was raised to 90–95 percent. For sales-type projects, the limit was also raised in June and September, in accordance with regulations applying under the home mortgage programs.

*Size of dwelling unit.*<sup>10</sup>—The typical dwelling unit covered by project mortgages committed for insurance in 1952 contained 4.8 rooms—the largest median unit in projects ever recorded for any one year in FHA history. This size of dwelling units primarily reflects the relative influence of the Section 803 military housing program and of cooperative housing under Section 213. Almost 3 of every 4 units committed under Section 803 in 1952 were single-family structures. As Table 54 shows, the median of 5.1 rooms for cooperative projects exceeded the 4.8 room median for rental projects.

<sup>10</sup> Typical unit compositions are as follows:

- Less than 3 rooms—Combination living and sleeping room with dining alcove and kitchen or kitchenette.
- 3 rooms—Living room, 1 bedroom, and kitchen, with dining space in either living room or kitchen.
- 3½ rooms—Living room, 1 bedroom, dining alcove, and kitchen.
- 4 rooms—Living room, 2 bedrooms, with dining space either in living room or in kitchen; or (less frequently) living room, 1 bedroom, dining room, and kitchen.
- 4½ rooms—Living room, 2 bedrooms, dining alcove, and kitchen.
- 5 rooms—Living room, 2 bedrooms, dining room, and kitchen; or (less frequently) living room, 3 bedrooms, and kitchen, with dining space in either living room or kitchen.
- 5½ rooms—Living room, 3 bedrooms, dining alcove, and kitchen.
- 6 rooms—Living room, 3 bedrooms, dining room, and kitchen.

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TABLE 54.—Size of dwelling units for rental and cooperative housing, 1952

| Rooms per unit                         | Total rental and cooperative housing | Rental housing |          |          | Cooperative housing, Sec. 213 |       |                 |            |
|--|--------------------------------------|----------------|----------|----------|-------------------------------|-------|-----------------|------------|
|  |                                      | Total          | Sec. 207 | Sec. 803 | Sec. 908                      | Total | Management type | Sales type |
| Dwelling units—Percentage distribution |                                      |                |          |          |                               |       |                 |            |
| Less than 3.....                       | 0.9                                  | 1.0            | 5.8      | (1)      | (1)                           | (1)   | (1)             | -----      |
| 3.....                                 | 3.7                                  | 4.4            | 11.5     | 3.1      | 1.9                           | 1.0   | 1.6             | -----      |
| 3½.....                                | 8.7                                  | 6.6            | 11.3     | 3.7      | 12.3                          | 17.4  | 27.6            | -----      |
| 4.....                                 | 22.3                                 | 27.5           | 42.6     | 18.7     | 43.3                          | 1.1   | 1.8             | -----      |
| 4½.....                                | 21.8                                 | 20.1           | 17.3     | 16.6     | 35.3                          | 28.5  | 45.2            | -----      |
| 5.....                                 | 23.3                                 | 24.7           | 10.5     | 34.6     | 3.5                           | 17.8  | 8.3             | 34.1       |
| 5½.....                                | 5.2                                  | 4.9            | .5       | 7.1      | 2.0                           | 6.6   | 10.4            | -----      |
| 6 or more.....                         | 14.1                                 | 10.8           | .5       | 10.2     | 1.7                           | 27.6  | 5.1             | 65.9       |
| Total.....                             | 100.0                                | 100.0          | 100.0    | 100.0    | 100.0                         | 100.0 | 100.0           | 100.0      |
| Median.....                            | 4.8                                  | 4.8            | 4.3      | 5.1      | 4.4                           | 5.1   | 4.7             | 6.0        |

(1) Less than 0.05 percent.

The program under which the smallest dwelling units were reported was Section 207, with a median of only 4.3 rooms. About one-fourth of the units approved under this section were in elevator structures, which characteristically contain smaller units. The 4.4 room median for units in Section 908 defense projects reflected a concentration of about 79 percent of the units in the 4 and 4½ room categories. Under Section 803, with a 5.1 median, only one-third of the units were in this group, while 58 percent were distributed in the higher intervals—16

SIZE OF DWELLING UNIT BY TYPE OF PROJECT  
COMMITMENTS ISSUED IN 1952 TO INSURE NEW PROJECT MORTGAGES

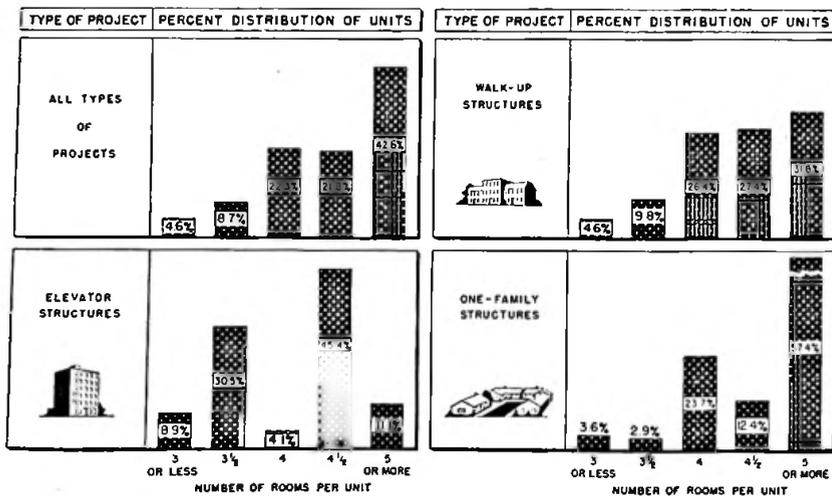


CHART 23.

FEDERAL HOUSING ADMINISTRATION

percent having 6 or more rooms. The medians for the 2 types of cooperative housing programs were the same as in 1951—4.7 rooms for the management-type, where three-fourths of the dwelling units were in elevator structures, and 6.0 rooms for the sales-type, where all the units were single-family homes.

Chart 23 presents a graphic picture of size of dwelling units by type of structure. Among other things, it shows (1) that over half the units in 1-family structures contained 5 or more rooms, (2) even distribution of units in walk-up structures, and (3) the heavy concentration of units with 3½ and 4½ rooms in elevator structures.

*Monthly rental or charges.*—The monthly rentals or charges shown in Table 55 and Chart 24 are based on estimates made at time of commitment in connection with FHA's underwriting analysis. Generally they reflect rentals which will actually prevail when the projects are completed and occupied, although adjustments may be made as a result of changes in construction or operating costs.

With respect to cooperative projects, the data refer to the monthly charges paid by the members. In the case of management-type cooperatives, the monthly charge is each member's pro rata share of the estimated monthly amount of debt service (payment of mortgage principal, interest, and FHA insurance premium), project operating and maintenance costs (including reserves for replacements), and a general operating reserve to cover delinquent payments and vacancies. For sales-type cooperatives, the monthly charge represents the estimated total monthly mortgage payment for the houses being purchased (principal, interest, FHA insurance premium, real estate taxes, and hazard insurance).

TABLE 55.—Monthly rental or charges for rental and cooperative housing, 1952

| Monthly rental or charges per dwelling unit | Total rental and cooperative housing | Rental housing |          |          | Cooperative housing, Sec. 213 |         |                 |            |
|---|--------------------------------------|----------------|----------|----------|-------------------------------|---------|-----------------|------------|
|   |                                      | Total          | Sec. 207 | Sec. 803 | Sec. 908                      | Total   | Management type | Sales type |
| Dwelling units—Percentage distribution      |                                      |                |          |          |                               |         |                 |            |
| Less than \$50.....                         | 2.9                                  | 3.6            | 4.2      | 2.5      | 6.5                           | 0.5     | 0.6             | 0.3        |
| \$50 to \$59.99.....                        | 8.5                                  | 10.2           | 4.0      | 13.5     | 4.0                           | 1.5     | 2.0             | .8         |
| \$60 to \$69.99.....                        | 28.3                                 | 25.1           | 30.2     | 28.4     | 8.3                           | 31.4    | 10.7            | 66.6       |
| \$70 to \$79.99.....                        | 20.6                                 | 19.8           | 9.5      | 21.6     | 23.9                          | 23.9    | 19.0            | 32.3       |
| \$80 to \$89.99.....                        | 22.0                                 | 22.3           | 12.5     | 22.0     | 33.2                          | 20.3    | 32.1            | -----      |
| \$90 to \$99.99.....                        | 12.4                                 | 11.6           | 14.0     | 8.3      | 20.9                          | 15.7    | 24.9            | -----      |
| \$100 to \$109.99.....                      | 3.9                                  | 3.6            | 0.2      | 2.2      | 3.2                           | 4.9     | 7.8             | -----      |
| \$110 to \$121.99.....                      | 2.3                                  | 2.4            | 7.0      | 1.5      | -----                         | 1.8     | 2.9             | -----      |
| \$125 or more.....                          | 1.1                                  | 1.4            | 7.9      | (1)      | -----                         | (1)     | (1)             | -----      |
| Total.....                                  | 100.0                                | 100.0          | 100.0    | 100.0    | 100.0                         | 100.0   | 100.0           | 100.0      |
| Median.....                                 | \$76.07                              | \$75.38        | \$81.15  | \$72.50  | \$82.13                       | \$77.73 | \$86.03         | \$68.82    |

(1) Less than 0.05 percent.

Except for 1951, the median monthly rental of \$75.38 in 1952 was the lowest charge for a typical unit in newly committed FHA rental projects recorded since the war. Monthly charges for the typical unit in the 3-year-old cooperative housing program increased for the second consecutive year to a high of \$77.73. For both types of project programs combined, the median in 1952 was \$76.07. Some 38 percent of all units covered by the 1952 project commitments had rents or charges of less than \$70 a month—the greatest concentrations in this category being under the Section 803 program, which had a median of \$72.50, and under the sales-type cooperative program, which had a median of \$68.82. Although most programs included a very small proportion of the units requiring \$100 or more, one-fourth of the Section 207 projects and one-tenth of the management-type Section 213 projects were in this range. One-third of all units in 1952 were in the \$80 to 99.99 interval.

As Chart 24 shows, dwelling units in elevator structures usually had higher estimated charges than units in other types of structure—77 percent being over \$80 and 29 percent, \$100 or more. The higher charges in elevator projects were due to higher construction costs and to the generally greater number of services, utilities, and items of equipment provided in this type of structure. In 1952, as in 1951, rents or monthly charges in all dwelling units in elevator structures included the provision of laundry facilities, heat, hot and cold water, janitor services, grounds maintenance, ranges, and refrigerators (the last

two items being furnished in many Section 213 projects only upon initial occupancy, with replacements at member's expense). Gas and electricity were included in the charges in all units in elevator structures under the cooperative housing program, which accounted for almost three-fourths of all units in this type of structure.

The type of project with the next highest rentals or monthly charges were the "walk-ups," which generally provided fewer services and utilities than the elevator structures (for instance, only one-fourth of the units in walk-up projects in 1952 provided gas and electricity). Almost one-half of the units in walk-up structures had estimated rentals of \$80 or more per month in 1952, while only 5 percent were in the lowest range of less than \$60.

One-family structures had the lowest monthly charges per unit, with about one-fifth estimated to rent for less than \$60. One factor resulting in lower rentals, of course, was the smaller number of services, items of equipment, and utilities provided (for example, only about one-fifth of the units provided cooking and lighting utilities). Another factor was the relatively high proportion of total projects of this type—almost 45 percent in terms of units—which were approved in the South and Southwest where construction costs were lower.

Excluded from Tables 54 and 55 and from Charts 23 and 24 were data pertaining to projects approved in Alaska. The number and size of units and the amount of monthly rental of the 5 projects (all under Section 207) approved in 1952 in Alaska are shown in the following table:

| Size of unit  | Number of units | Average monthly rental |
|---------------|-----------------|------------------------|
| 2 rooms.....  | 5               | \$135.00               |
| 3 rooms.....  | 33              | 123.84                 |
| 3½ rooms..... | 13              | 125.00                 |
| 4 rooms.....  | 157             | 150.89                 |
| 4½ rooms..... | 88              | 150.00                 |
| 5 rooms.....  | 1               | 100.00                 |

## MONTHLY RENTAL BY TYPE OF PROJECT

## COMMITMENTS ISSUED IN 1952 TO INSURE NEW PROJECT MORTGAGES

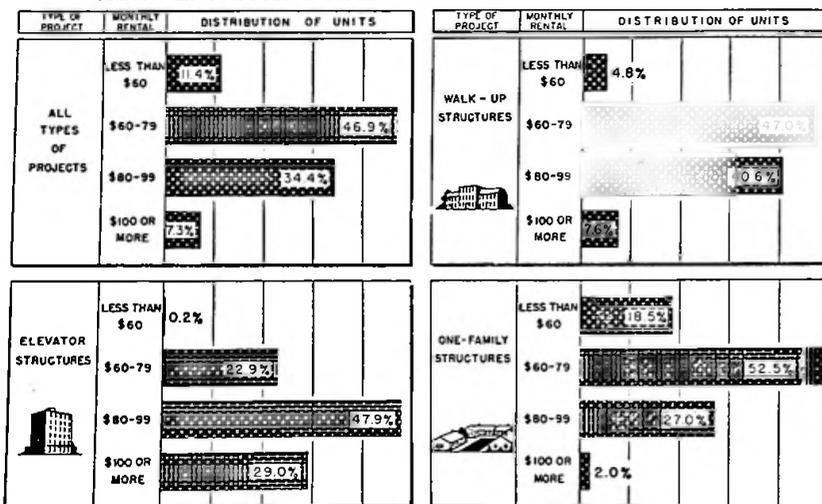


CHART 24.

In comparison with the other tables and charts on size of unit and monthly rental, these data reflect the fact that construction and operating costs are generally higher in Alaska than in the United States. Four of the projects, containing 173 dwelling units, were 2-story walk-up structures, and the other project with 124 units was an elevator structure. The rentals of all 297 of the units approved in Alaska in 1952 covered most of the utilities, services, and items of equipment, but cooking and lighting utilities were excluded.

*Characteristics by incomes of cooperative project members.*—Tables 56, 57, and 58 are devoted to an analysis of selected transaction

characteristics by incomes of individual members of cooperative projects approved under Section 213 during 1952.

As Table 56 shows, two-thirds of the members of management-type projects had effective monthly incomes ranging from \$300 to \$500.

TABLE 56.—Transaction characteristics by income of management-type cooperative project members, 1952

| Member's effective monthly income <sup>1</sup> | Percentage distribution | Average                 |                 |                               |                 |                     | Monthly charges      | Monthly housing expense |
|--|-------------------------|-------------------------|-----------------|-------------------------------|-----------------|---------------------|----------------------|-------------------------|
|  |                         | Member's monthly income | Monthly charges | Total monthly housing expense | Number of rooms | Number of bed-rooms |                      |                         |
|  |                         |                         |                 |                               |                 |                     | Less than \$300..... | 4.8                     |
| \$300 to \$399.99.....                         | 23.0                    | 318.57                  | 78.85           | 85.78                         | 4.2             | 1.6                 | 24.8                 | 26.0                    |
| \$400 to \$499.99.....                         | 30.9                    | 388.28                  | 85.98           | 92.10                         | 4.4             | 1.8                 | 22.1                 | 23.7                    |
| \$500 to \$599.99.....                         | 21.2                    | 469.50                  | 89.09           | 95.35                         | 4.5             | 1.9                 | 19.0                 | 20.3                    |
| \$600 to \$799.99.....                         | 15.3                    | 587.54                  | 92.54           | 98.49                         | 4.6             | 2.1                 | 15.8                 | 16.8                    |
| \$800 or more.....                             | 4.8                     | \$86.63                 | 98.70           | 105.02                        | 4.9             | 2.3                 | 11.1                 | 11.8                    |
| Total.....                                     | 100.0                   | 436.48                  | 85.70           | 92.10                         | 4.4             | 1.9                 | 19.6                 | 21.1                    |

<sup>1</sup> In this and subsequent tables, member's effective monthly income refers to estimated amount of member's earning capacity that is likely to prevail during approximately the first third of the mortgage term.

The average income for all members was \$436 a month. Members had an estimated total monthly housing expense of \$92, of which \$86 represented the pro rata share of the estimated amount of monthly debt service and project operating and maintenance costs, and the remaining \$6 was the estimated amount of personal benefit expenses (the cost of utilities, minor repairs, and maintenance of the member's own apartment). On the average, monthly housing expense amounted to 21 percent of member's income, ranging from about one-third in the lower income groups to less than one-eighth for members in the upper income ranges. The ratio of monthly charges to incomes similarly varied, amounting to 20 percent for all members combined. (The averages shown in Tables 56 and 57 are arithmetic means and therefore differ from medians based on the same cases mentioned in other parts of the report.)

TABLE 57.—Transaction characteristics by income of sales-type cooperative project members, 1952

| Member's effective monthly income <sup>1</sup> | Percentage distribution | Average                 |            |                 |                               |                 |                     | Monthly charges      | Monthly housing expense | Ratio of sale price to annual income |
|--|-------------------------|-------------------------|------------|-----------------|-------------------------------|-----------------|---------------------|----------------------|-------------------------|--------------------------------------|
|  |                         | Member's monthly income | Sale price | Monthly charges | Total monthly housing expense | Number of rooms | Number of bed-rooms |                      |                         |                                      |
|  |                         |                         |            |                 |                               |                 |                     | Less than \$300..... | 0.1                     |                                      |
| \$300 to \$399.99.....                         | 52.0                    | 312.84                  | 11,142     | 68.60           | 85.13                         | 5.7             | 2.7                 | 21.0                 | 27.2                    | 3.0                                  |
| \$400 to \$499.99.....                         | 22.8                    | 380.41                  | 11,435     | 70.56           | 87.84                         | 5.8             | 2.8                 | 18.1                 | 22.6                    | 2.4                                  |
| \$500 to \$599.99.....                         | 10.8                    | 464.06                  | 11,436     | 70.61           | 87.03                         | 5.8             | 2.8                 | 15.2                 | 18.9                    | 2.1                                  |
| \$600 to \$799.99.....                         | 3.2                     | 573.07                  | 11,509     | 71.60           | 88.87                         | 5.8             | 2.8                 | 12.5                 | 15.5                    | 1.7                                  |
| \$800 or more.....                             | 1.2                     | 902.24                  | 11,503     | 71.44           | 89.03                         | 5.0             | 2.0                 | 7.9                  | 9.9                     | 1.1                                  |
| Total.....                                     | 100.0                   | 356.57                  | 11,165     | 68.92           | 85.42                         | 5.7             | 2.7                 | 19.3                 | 24.0                    | 2.6                                  |

<sup>1</sup> In this and the following table, sale price refers to price specified in sales agreement.

With respect to sales-type projects, incomes and expenses were lower than in management-type projects, and dwelling units were larger (Table 57). While only 27 percent of the members of management-type projects had effective monthly incomes of less than \$400, about 62 percent of the members of sales-type projects were in this range. Some 85 percent of the members of sales-type projects had incomes of less than \$500. The average sale price of the dwelling units purchased by them was \$11,200—about 2.6 times their annual income. They undertook average monthly charges of \$69 (19 percent of income) and average monthly housing expenses of \$85 (24 percent of income). The spread of \$16.50 between the monthly charge and monthly housing expense under the sales-type program was somewhat larger than the \$6.40 reported for the management-type program, since in sales-type projects the monthly payment excludes operating expense items, reserve for replacement, and general operating reserve, which are usually included in the monthly charges of management-type projects. The dwelling units which members of sales-type projects purchased—all single-family structures—contained an average of 5.7 rooms, including 2.7 bedrooms.

*Sale price by monthly income groups.*—A distribution of sale price per home by member's effective monthly income for sales-type Section 213 cooperative projects is shown in Table 58.

TABLE 58.—Sale price by income of sales-type cooperative project members, 1952

| Member's effective monthly income | Percentage distribution | Median sale price | Sale price per home—Percentage distribution |                    |                      |                      |                      | Total |
|-----------------------------------|-------------------------|-------------------|---|--------------------|----------------------|----------------------|----------------------|-------|
|                                   |                         |                   | \$8,000 to \$8,999                          | \$9,000 to \$9,999 | \$10,000 to \$10,999 | \$11,000 to \$11,999 | \$12,000 to \$12,500 |       |
| Less than \$300.....              | 0.1                     | \$10,034          | 2.5   | 39.0               | 49.0                 | 6.0                  | 2.0                  | 100.0 |
| \$300 to \$399.99.....            | 52.0                    | 11,511            | .3  | 12.0               | 23.1                 | 38.4                 | 26.2                 | 100.0 |
| \$400 to \$499.99.....            | 22.8                    | 11,777            | -----                                       | 8.1                | 12.7                 | 41.0                 | 38.2                 | 100.0 |
| \$500 to \$599.99.....            | 10.8                    | 11,781            | -----                                       | 8.7                | 12.6                 | 39.7                 | 39.0                 | 100.0 |
| \$600 to \$799.99.....            | 3.2                     | 11,840            | -----                                       | 4.8                | 13.1                 | 35.7                 | 46.4                 | 100.0 |
| \$800 or more.....                | 1.2                     | 11,863            | -----                                       | -----              | 15.1                 | 39.4                 | 45.5                 | 100.0 |
| Total.....                        | 100.0                   | 11,612            | 0.4   | 12.8               | 21.5                 | 36.2                 | 29.1                 | 100.0 |

In 1952, over 99 percent of the homes under this program had sale prices ranging from \$9,000 to \$12,500, with a typical sale price of \$11,612. The 1952 distribution shows that the sale prices of almost two-thirds of the homes were \$11,000 or more while the remaining one-third were almost entirely between \$9,000 to \$10,999.

### Property Improvement Loan Insurance

Title I of the National Housing Act authorizes the FHA to insure qualified lending institutions against loss under two programs: Section 2, one of FHA's original and major programs, provides for the insur-

ance of property improvement loans, while Section 8, enacted in 1950, provides for the insurance of mortgages on new single-family homes for families of low or moderate income. This part of the report is devoted to an analysis of the property improvement loan program. (An analysis of Section 8 operations was presented earlier in this report in the discussion of home mortgage insurance operations.)

Under Section 2, FHA is authorized to insure approved lending institutions against losses up to 10 percent of the aggregate amount of net proceeds advanced by each institution. Primarily small, short-term, and unsecured, these loans finance the alteration, repair, and improvement of existing properties and the construction of new structures for other than residential purposes. The general scope of operations under this program, including information on the terms, financing charges, and eligible types of improvement, was discussed in Section I of this report.

#### Volume of Business

Property improvement loans accounted for 27 percent of the total amount of insurance written in 1952 under all programs. This continued a steady rise from the 1949 postwar low of 15 percent in the share of FHA business attributable to this program. The 1952 insurance covered almost 1.5 million loans with net proceeds amounting to over \$848 million (Table 59).<sup>11</sup> This is the third consecutive year in

TABLE 59.—Property improvement loans insured and claims paid by FHA, 1934-52

| Year         | Loans insured |                    |         | Claims paid |              |         | Percent of claims paid to loans insured (cumulative) |
|--------------|---------------|--------------------|---------|-------------|--------------|---------|--|
|              | Number        | Net proceeds (000) | Average | Number      | Amount (000) | Average |  |
| 1934-39..... | 2,329,648     | \$821,332          | \$353   | 103,390     | \$23,888     | \$231   | 2.91   |
| 1940-44..... | 2,458,920     | 770,782            | 313     | 85,705      | 25,442       | 297     | 3.10   |
| 1945-49..... | 5,151,998     | 2,233,205          | 433     | 122,062     | 41,027       | 339     | 2.38   |
| 1950.....    | 1,447,101     | 693,761            | 479     | 50,446      | 18,148       | 322     | 2.41   |
| 1951.....    | 1,437,764     | 707,070            | 492     | 35,579      | 12,086       | 340     | 2.32   |
| 1952.....    | 1,495,741     | 848,327            | 567     | 33,265      | 11,524       | 346     | 2.18   |
| Total.....   | 14,321,172    | 6,074,478          | 424     | 437,437     | 132,716      | 303     |  |

which a new high has been reached, with the 1952 volume exceeding the 1951 amount by \$141 million. These figures are based on annual tabulations of the loans insured and do not reflect in 1952 the con-

<sup>11</sup> The information on property improvement loans presented in this discussion and in the accompanying tables and charts relates only to Class 1 and 2 loans as they are defined in Section I of this report. Class 3 loans (to finance the construction or purchase of small new homes) were insured under Section 2 from 1938 through 1950 and the volume of these operations was included in the statistical analyses of Title I operations contained in the annual reports for each year from 1938 through 1951. In the current report the Class 3 data have been incorporated into the analysis of home-mortgage insuring operations.

#### FEDERAL HOUSING ADMINISTRATION

siderably larger volume of loans which approved lending institutions submitted. Early in the year it became apparent that both the volume and the average amount of these loans were larger than ever before. As a result, the amount of outstanding insurance rapidly approached the \$1¼ billion limitation provided in the National Housing Act for operations under this program. By early September it became necessary to limit the insurance written under Section 2 to the amount of the amortization of outstanding loans occurring each month. At the year end the agency had a backlog of about 260,000 property improvement loans involving an estimated \$175 million awaiting insurance and tabulation as authorization became available.

Chart 25 shows graphically the annual volume of loans insured and claims paid since 1934, indicating the steady increase in the volume of insurance written and the very noticeable decline in the amount of claim payments made in the years since 1950. The amount of insurance written in 1952 exceeded the 1951 figure by 20 percent and the 1950 volume by 22 percent. During the same period, claims fell 37 percent from a high of \$18 million in 1950 to \$11.5 million in 1952.

FHA PROPERTY IMPROVEMENT LOANS INSURED AND CLAIMS PAID  
WITH RATIO OF CLAIMS PAID TO LOANS INSURED  
1934-1952

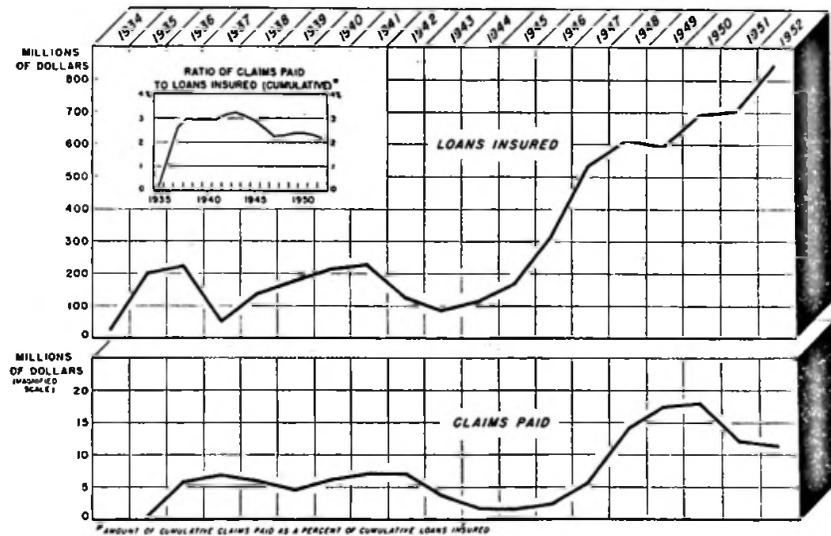


CHART 25.

Since the program was initiated in 1934, over 14 million borrowers have utilized loans with net proceeds totaling nearly \$6.1 billion in modernizing their homes or other property and in building nonresi-

dential structures. This volume represents over one-fifth of the total amount of loans and mortgages insured under all programs during the 18½ years of FHA operations. Some 437,000 of these loans (3.1 percent) have gone into default, resulting in claim payments to insured institutions of \$133 million—only 2.18 percent of the total amount insured. When allowance is made for actual recoveries by FHA on these claim payments, the net claim ratio is reduced to slightly over 1.3 percent.

From a level of \$2,346,000 recovered in 1947, FHA's intensified collection efforts resulted in recoveries in 1952 amounting to \$7,460,000. Cash recoveries and proceeds from the disposal of real properties received by FHA in payments on defaulted loans amounted to approximately \$52 million through the end of 1952—representing nearly 40 percent of the claims paid since the beginning of operations.

Defaulted loans in process of collection are expected to yield another \$14 million, bringing total recoveries to over \$66 million. When this amount is deducted from the claims paid through December 31, 1952, the net loss on total insurance written is only 1.1 percent. It does not represent a net cost to the Government, however, since the figure is more than offset by premiums and fees paid to FHA by insured institutions. Through these fees and premiums the Title I program has become self-supporting and has built up a cash reserve against future contingencies.

Also of interest is the relationship between the average amount of property improvement loans outstanding and the annual amount of claims paid, which is shown in Table 60. The 1952 ratio of claims paid to loans outstanding—1.0 percent—is the lowest reported for any year since 1946, reflecting the increasing consumer incomes and generally good economic conditions prevalent during the year.

TABLE 60.—Property improvement loans outstanding and claims paid by FHA, 1934-52

[Dollar amounts in thousands]

| Year | Average amount of loans outstanding | Annual amount of claims paid | Claims paid as percent of loans outstanding | Year | Average amount of loans outstanding | Annual amount of claims paid | Claims paid as percent of loans outstanding |
|------|-------------------------------------|------------------------------|---|------|-------------------------------------|------------------------------|---|
| 1934 | \$12,851                            |                              |   | 1944 | \$115,123                           | \$1,670                      | 1.5   |
| 1935 | 99,875                              | \$447                        | 0.4   | 1945 | 130,168                             | 1,524                        | 1.1   |
| 1936 | 268,081                             | 6,585                        | 2.2   | 1946 | 246,304                             | 2,434                        | 1.0   |
| 1937 | 233,773                             | 6,891                        | 2.9   | 1947 | 511,404                             | 5,830                        | 1.1   |
| 1938 | 152,351                             | 6,016                        | 3.9   | 1948 | 761,151                             | 14,346                       | 1.9   |
| 1939 | 218,000                             | 4,649                        | 2.1   | 1949 | 863,653                             | 17,494                       | 2.0   |
| 1940 | 270,445                             | 6,115                        | 2.2   | 1950 | 941,556                             | 18,148                       | 1.9   |
| 1941 | 330,560                             | 7,071                        | 2.1   | 1951 | 1,013,257                           | 12,086                       | 1.2   |
| 1942 | 282,300                             | 6,998                        | 2.5   | 1952 | 1,150,073                           | 11,524                       | 1.0   |
| 1943 | 159,363                             | 3,588                        | 2.3   |      |                                     |                              |   |

State Distribution

During 1952, properties in every State and three Territories were improved through Title I loans (Table 61 and Chart 26). The geographical distribution of these loans followed very closely the cumulative pattern established in earlier years. Two States account for almost one-quarter of the national total and seven States for slightly over half.

TABLE 61.—Volume of FHA-insured property improvement loans by State location of property, 1952

| State                | Loans insured |                    |         | State          | Loans insured |                    |         |
|----------------------|---------------|--------------------|---------|----------------|---------------|--------------------|---------|
|                      | Number        | Net proceeds (000) | Average |                | Number        | Net proceeds (000) | Average |
| Alabama              | 23,200        | \$11,377           | \$488   | New Hampshire  | 3,016         | \$1,578            | \$523   |
| Arizona              | 12,382        | 7,423              | 500     | New Jersey     | 39,077        | 20,998             | 768     |
| Arkansas             | 9,485         | 5,732              | 604     | New Mexico     | 4,840         | 2,976              | 641     |
| California           | 206,260       | 100,189            | 486     | New York       | 148,486       | 103,102            | 694     |
| Colorado             | 17,173        | 9,226              | 537     | North Carolina | 11,700        | 6,585              | 563     |
| Connecticut          | 7,999         | 5,024              | 628     | North Dakota   | 2,659         | 1,514              | 592     |
| Delaware             | 350           | 236                | 674     | Ohio           | 81,820        | 44,393             | 543     |
| District of Columbia | 8,143         | 4,437              | 545     | Oklahoma       | 21,694        | 11,990             | 555     |
| Florida              | 33,316        | 20,838             | 625     | Oregon         | 22,226        | 12,522             | 503     |
| Georgia              | 21,452        | 11,444             | 533     | Pennsylvania   | 61,174        | 34,880             | 570     |
| Idaho                | 8,900         | 5,675              | 638     | Rhode Island   | 3,013         | 1,674              | 556     |
| Illinois             | 88,969        | 55,768             | 627     | South Carolina | 7,846         | 4,702              | 545     |
| Indiana              | 49,311        | 26,830             | 544     | South Dakota   | 3,051         | 1,869              | 599     |
| Iowa                 | 18,045        | 10,276             | 569     | Tennessee      | 30,597        | 14,977             | 645     |
| Kansas               | 15,494        | 8,279              | 534     | Texas          | 114,360       | 62,286             | 545     |
| Kentucky             | 15,431        | 8,358              | 542     | Utah           | 17,785        | 10,537             | 502     |
| Louisiana            | 15,579        | 9,160              | 588     | Vermont        | 937           | 505                | 539     |
| Maine                | 5,767         | 2,803              | 486     | Virginia       | 23,116        | 12,548             | 543     |
| Maryland             | 37,480        | 17,307             | 462     | Washington     | 34,601        | 20,221             | 584     |
| Massachusetts        | 27,839        | 15,773             | 567     | West Virginia  | 8,061         | 4,962              | 616     |
| Michigan             | 124,010       | 64,906             | 523     | Wisconsin      | 14,357        | 9,510              | 662     |
| Minnesota            | 34,313        | 19,223             | 560     | Wyoming        | 1,101         | 843                | 765     |
| Mississippi          | 8,347         | 4,594              | 550     | Alaska         | 330           | 275                | 834     |
| Missouri             | 35,932        | 17,913             | 499     | Hawaii         | 372           | 295                | 792     |
| Montana              | 3,418         | 2,221              | 650     | Puerto Rico    | 2,472         | 2,573              | 1,041   |
| Nebraska             | 7,401         | 4,469              | 597     |                |               |                    |         |
| Nevada               | 1,716         | 1,520              | 886     | U. S. total    | 1,495,741     | 848,327            | 567     |

NUMBER OF PROPERTY IMPROVEMENT LOANS INSURED BY FHA UNDER TITLE I, SECTION 2 DURING 1952

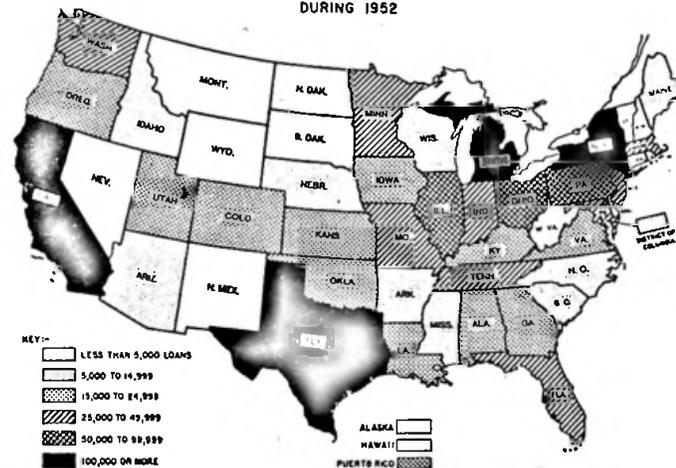


CHART 26.

HOUSING AND HOME FINANCE AGENCY

Specifically, properties located in the States of New York (\$103 million) and California (\$100 million) account for 24 percent of the \$848 million insured during 1952. When the next 5 ranking States—Michigan, Texas, Illinois, Ohio, and Pennsylvania are included, the total for the 7 States is over \$465 million, or about 55 percent of the year's volume. (It should be noted that these figures pertain to the State location of property and not necessarily to the location of the financing institution.) For the 18½ year period, these same 7 States, with loans aggregating over \$3.3 billion, account for 55 percent of the \$6.1 billion total reported for this program. Table 62 shows that the 3 leading States (New York, California, and

TABLE 62.—Volume of FHA-insured property improvement loans and claims paid, by State location, 1934-52

| State                     | Loans insured |                    |         | Claims paid |              |         | Percent of claims paid to loans insured |
|---------------------------|---------------|--------------------|---------|-------------|--------------|---------|---|
|                           | Number        | Net proceeds (000) | Average | Number      | Amount (000) | Average |   |
| Alabama.....              | 214, 148      | \$74, 805          | \$350   | 7, 418      | \$1, 600     | \$220   | 2. 27                                   |
| Arizona.....              | 93, 670       | 44, 056            | 470     | 2, 382      | 937          | 393     | 2. 13                                   |
| Arkansas.....             | 99, 306       | 38, 588            | 389     | 4, 981      | 1, 270       | 257     | 3. 31                                   |
| California.....           | 1, 602, 017   | 643, 550           | 380     | 47, 073     | 15, 324      | 326     | 2. 38                                   |
| Colorado.....             | 112, 886      | 44, 713            | 396     | 2, 338      | 740          | 317     | 1. 66                                   |
| Connecticut.....          | 150, 279      | 70, 063            | 440     | 5, 322      | 1, 858       | 340     | 2. 65                                   |
| Delaware.....             | 14, 247       | 6, 322             | 444     | 566         | 200          | 353     | 3. 16                                   |
| District of Columbia..... | 75, 876       | 35, 787            | 472     | 2, 802      | 855          | 306     | 2. 47                                   |
| Florida.....              | 256, 418      | 122, 371           | 477     | 10, 544     | 3, 583       | 340     | 2. 03                                   |
| Georgia.....              | 185, 288      | 71, 625            | 387     | 6, 788      | 1, 703       | 251     | 2. 38                                   |
| Idaho.....                | 78, 631       | 35, 992            | 458     | 2, 501      | 689          | 355     | 2. 47                                   |
| Illinois.....             | 888, 682      | 396, 024           | 446     | 20, 380     | 6, 147       | 302     | 1. 55                                   |
| Indiana.....              | 496, 470      | 185, 190           | 373     | 16, 877     | 4, 343       | 257     | 2. 35                                   |
| Iowa.....                 | 188, 673      | 80, 055            | 403     | 5, 592      | 1, 733       | 310     | 2. 16                                   |
| Kansas.....               | 126, 864      | 45, 018            | 355     | 3, 822      | 928          | 243     | 2. 00                                   |
| Kentucky.....             | 151, 535      | 57, 178            | 377     | 4, 585      | 1, 291       | 282     | 2. 26                                   |
| Louisiana.....            | 128, 181      | 49, 191            | 384     | 4, 730      | 1, 023       | 216     | 2. 08                                   |
| Maine.....                | 59, 459       | 24, 731            | 417     | 2, 028      | 856          | 326     | 3. 46                                   |
| Maryland.....             | 259, 828      | 110, 923           | 401     | 7, 714      | 2, 161       | 280     | 1. 98                                   |
| Massachusetts.....        | 381, 012      | 160, 850           | 422     | 13, 157     | 4, 210       | 321     | 2. 62                                   |
| Michigan.....             | 1, 195, 327   | 475, 200           | 398     | 36, 172     | 10, 330      | 280     | 2. 18                                   |
| Minnesota.....            | 315, 357      | 124, 529           | 395     | 6, 829      | 2, 116       | 310     | 1. 70                                   |
| Mississippi.....          | 96, 280       | 37, 614            | 391     | 5, 875      | 1, 498       | 255     | 3. 08                                   |
| Missouri.....             | 367, 383      | 131, 454           | 358     | 11, 171     | 2, 878       | 258     | 2. 19                                   |
| Montana.....              | 36, 492       | 17, 527            | 480     | 1, 108      | 425          | 383     | 2. 42                                   |
| Nebraska.....             | 82, 095       | 33, 622            | 410     | 2, 288      | 701          | 306     | 2. 09                                   |
| Nevada.....               | 18, 433       | 9, 971             | 541     | 419         | 188          | 448     | 1. 88                                   |
| New Hampshire.....        | 37, 782       | 16, 066            | 425     | 1, 900      | 621          | 317     | 3. 87                                   |
| New Jersey.....           | 531, 687      | 278, 669           | 524     | 21, 801     | 6, 736       | 309     | 2. 42                                   |
| New Mexico.....           | 27, 000       | 14, 191            | 526     | 1, 097      | 397          | 362     | 2. 80                                   |
| New York.....             | 1, 569, 767   | 880, 380           | 561     | 48, 854     | 19, 425      | 398     | 2. 21                                   |
| North Carolina.....       | 123, 797      | 49, 136            | 397     | 4, 873      | 1, 271       | 261     | 2. 59                                   |
| North Dakota.....         | 20, 771       | 11, 656            | 435     | 1, 041      | 352          | 338     | 3. 02                                   |
| Ohio.....                 | 857, 299      | 329, 338           | 384     | 22, 180     | 6, 000       | 298     | 2. 01                                   |
| Oklahoma.....             | 198, 662      | 75, 169            | 378     | 5, 861      | 1, 420       | 244     | 1. 90                                   |
| Oregon.....               | 188, 323      | 78, 586            | 417     | 5, 128      | 1, 572       | 306     | 2. 00                                   |
| Pennsylvania.....         | 818, 700      | 337, 220           | 412     | 26, 420     | 7, 430       | 281     | 2. 20                                   |
| Rhode Island.....         | 57, 331       | 24, 262            | 423     | 1, 504      | 480          | 305     | 2. 00                                   |
| South Carolina.....       | 67, 730       | 20, 240            | 388     | 3, 093      | 718          | 232     | 2. 74                                   |
| South Dakota.....         | 23, 080       | 11, 083            | 462     | 705         | 278          | 303     | 2. 51                                   |
| Tennessee.....            | 277, 725      | 98, 388            | 354     | 7, 880      | 2, 201       | 279     | 2. 24                                   |
| Texas.....                | 714, 302      | 280, 522           | 401     | 20, 904     | 4, 608       | 220     | 1. 61                                   |
| Utah.....                 | 131, 776      | 63, 912            | 400     | 2, 977      | 935          | 314     | 1. 73                                   |
| Vermont.....              | 17, 493       | 7, 682             | 430     | 1, 392      | 513          | 308     | 6. 07                                   |
| Virginia.....             | 181, 587      | 80, 120            | 411     | 1, 505      | 307          | 281     | 1. 95                                   |
| Washington.....           | 343, 417      | 138, 858           | 404     | 9, 283      | 2, 008       | 281     | 1. 88                                   |
| West Virginia.....        | 66, 738       | 30, 043            | 459     | 2, 318      | 840          | 362     | 2. 74                                   |
| Wisconsin.....            | 214, 169      | 91, 298            | 426     | 5, 605      | 1, 875       | 335     | 2. 05                                   |
| Wyoming.....              | 14, 070       | 7, 756             | 551     | 389         | 183          | 472     | 2. 37                                   |
| Alaska.....               | 75, 055       | 684                | 906     | 23          | 8            | 335     | 1. 13                                   |
| Hawaii.....               | 1, 037        | 950                | 580     | 6           | 3            | 479     | . 30                                    |
| Puerto Rico.....          | 26, 194       | 20, 155            | 769     | 350         | 146          | 410     | . 72                                    |
| Total.....                | 14, 321, 172  | 6, 074, 478        | 424     | 437, 437    | 132, 716     | 303     | 2. 18                                   |

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Michigan with respective totals of \$880 million, \$644 million, and \$475 million) have reported over 1 million loans each. The cumulative number of loans reported on California properties is somewhat larger than that for New York, reflecting the marked difference in average size of loan in the 2 States.

Since 1935, FHA has made payments to lending institutions on over 437,000 claims totaling nearly \$133 million. Of these, \$19.5 million in payments were on properties in New York State, over \$15 million on California properties, and approximately \$10 million on Michigan properties—these 3 States accounting for roughly 40 percent of the total amount of the claim payments. The next 3 States (Pennsylvania, New Jersey, and Ohio) have accounted for a combined total of nearly \$21 million. Claim payments on loans involving properties in these 6 States represent about half of the \$133 million cumulative total.

The ratio of claims paid to loans insured in all States averages 2.18 percent. The 6 States identified above ranged from 2.42 percent for New Jersey to 2.01 percent for Ohio, with only 2, Ohio and Michigan, having a ratio as low as the national average.

Financial Institution Activity

National banks, State chartered banks, and finance companies have financed nearly 97 percent of the dollar volume of property improvement loans insured since 1934 (Table 63). National banks have

TABLE 63.—Origination of FHA-insured property improvement loans by type of institution, 1952 and 1934-52

| Type of institution               | Loans insured |                    |                         |                      |
|-----------------------------------|---------------|--------------------|-------------------------|----------------------|
|                                   | Number        | Net proceeds (000) | Percent of net proceeds | Average net proceeds |
| 1952                              |               |                    |                         |                      |
| National bank.....                | 807, 669      | \$442, 134         | 52. 1                   | \$547                |
| State chartered bank.....         | 458, 214      | 258, 862           | 30. 5                   | 565                  |
| Finance company.....              | 130, 700      | 87, 860            | 10. 4                   | 672                  |
| Savings and loan association..... | 92, 505       | 54, 083            | 6. 4                    | 685                  |
| Other.....                        | 6, 653        | 6, 388             | . 6                     | 810                  |
| Total.....                        | 1, 406, 741   | 848, 327           | 100. 0                  | 567                  |
| 1934-52                           |               |                    |                         |                      |
| National bank.....                | 6, 439, 542   | \$2, 770, 615      | 45. 6                   | \$430                |
| State chartered bank.....         | 4, 010, 459   | 1, 774, 186        | 20. 2                   | 442                  |
| Finance company.....              | 3, 481, 540   | 1, 332, 579        | 21. 9                   | 383                  |
| Savings and loan association..... | 361, 641      | 161, 739           | 3. 0                    | 503                  |
| Other.....                        | 27, 981       | 15, 359            | . 3                     | 549                  |
| Total.....                        | 14, 321, 172  | 6, 074, 478        | 100. 0                  | 424                  |

<sup>1</sup> Includes State banks, industrial banks, and savings banks.

HOUSING AND HOME FINANCE AGENCY

accounted for nearly one-half of the \$6.1 billion total, while State chartered banks have reported almost one-third and finance companies slightly over one-fifth. The proportion of claims paid since 1935 to the various types of institutions, shown in Table 64, varies considerably from the distribution of loans insured. Although national banks have received the greatest amount of these claim payments, the 3.6 percent claim ratio reported for finance companies (which

TABLE 64.—Claims paid on FHA-insured property improvement loans by type of institution, 1952 and 1935-52

| Type of institution                     | Claims paid |              |                   |               |
|---|-------------|--------------|-------------------|---------------|
|   | Number      | Amount (000) | Percent of amount | Average claim |
| 1952                                    |             |              |                   |               |
| National bank.....                      | 17,272      | \$5,886      | 51.1              | \$341         |
| State chartered bank <sup>1</sup> ..... | 9,534       | 3,324        | 28.8              | 340           |
| Finance company.....                    | 5,109       | 1,738        | 15.1              | 340           |
| Savings and loan association.....       | 1,199       | 495          | 4.3               | 412           |
| Other.....                              | 151         | 82           | .7                | 540           |
| Total.....                              | 33,265      | 11,624       | 100.0             | 346           |
| 1935-52                                 |             |              |                   |               |
| National bank.....                      | 161,700     | \$50,193     | 37.8              | \$310         |
| State chartered bank <sup>1</sup> ..... | 108,262     | 32,521       | 24.5              | 300           |
| Finance company.....                    | 161,970     | 47,744       | 36.0              | 295           |
| Savings and loan association.....       | 4,435       | 1,723        | 1.3               | 389           |
| Other.....                              | 1,055       | 535          | .4                | 507           |
| Total.....                              | 437,437     | 132,716      | 100.0             | 303           |

<sup>1</sup> Includes State banks, industrial banks, and savings banks.

have received almost as much in payments) is twice as high as the 1.8 percent shown in Chart 27 for national banks. State chartered institutions have received one-quarter of the total claims, with the residual share going to other types of institutions.

During 1952 over \$4 out of every \$5 of property improvement lending was done by national or State chartered banks. Finance companies ranked third, originating slightly more than 10 percent of the total. The remaining 7 percent was done by other types of institutions, particularly savings and loan associations.

Of the claims paid in 1952, more than one-half of the total amount was paid to national banks and about one-fourth to State chartered institutions. Finance companies received only 15 percent of the total, as compared with 36 percent of the cumulative amount of claims paid through the year end. It should be noted that claims paid in 1952 do

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not relate to loans insured during the year, but rather to the total volume of insured loans outstanding, which includes loans insured over the past several years.

TYPES OF INSTITUTIONS ORIGINATING PROPERTY IMPROVEMENT LOANS AND RECEIVING CLAIM PAYMENTS

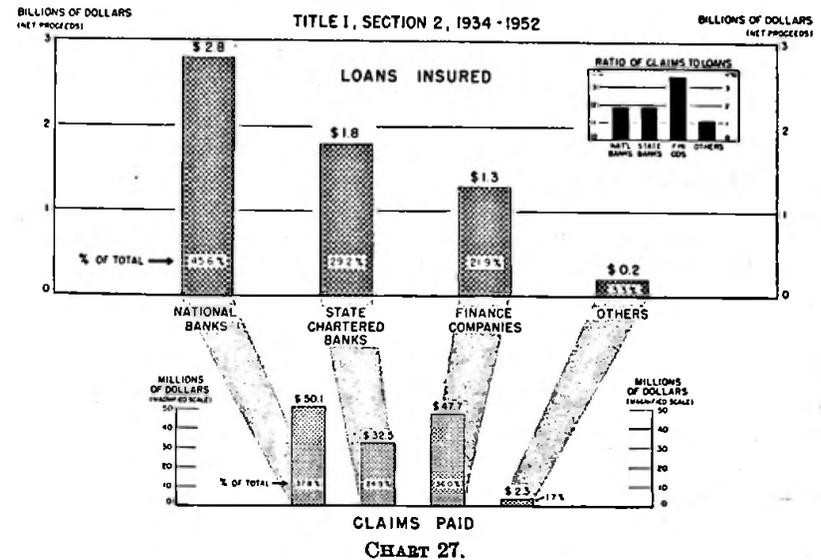


CHART 27.

At the end of 1952, 4,382 institutions were active under this program, representing an increase of almost 10 percent over December 31, 1951. In the last several years there have been indications of increased branch office activity, enabling more borrowers to be easily accommodated. At the end of 1952 there were 2,484 branch offices of active financial institutions—continuing the annual 4 percent increase which has marked each of the last few years.

The distributions by type of institution of the net proceeds of property improvement loans insured in selected years since 1940 are shown in Table 65. National and State chartered banks combined increased

TABLE 65.—Origination of FHA-insured property improvement loans by type of institution, selected years

| Type of institution                  | 1952  | 1951  | 1950  | 1946  | 1940  |
|--------------------------------------|-------|-------|-------|-------|-------|
| Net proceeds—Percentage distribution |       |       |       |       |       |
| National bank.....                   | 52.1  | 52.7  | 52.7  | 41.3  | 25.3  |
| State chartered bank.....            | 30.5  | 31.8  | 32.1  | 24.9  | 31.6  |
| Finance company.....                 | 10.4  | 9.6   | 10.2  | 33.1  | 40.5  |
| Savings and loan association.....    | 6.4   | 5.5   | 4.7   | .7    | 1.4   |
| Other.....                           | .6    | .4    | .3    | ..... | 1.2   |
| Total.....                           | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

their share from 57 percent of the total amount insured in 1940 to a peak of 85 percent in 1950, declining moderately to 83 percent in 1952. During the same period savings and loan associations have increased their relative share of the total almost five times. These marked increases reflect not only an increased volume of insured lending by banks and savings and loan associations, but also an apparent withdrawal of finance companies from the FHA-insured plan. Their share declined from 40 percent of the total in 1940 to about 10 percent in 1952.

### Loan Characteristics

In 1952, the typical FHA-insured property improvement loan involved net proceeds to the borrower of \$400. This loan was amortized over 36 months, with monthly payments to principal and interest amounting to \$12.78. The net proceeds were most frequently used to finance the modernization or repair of single-family homes, the most common types of improvements being insulation, interior and exterior finish, and additions and alterations.

*Size of loan.*—As mentioned in the preceding paragraph, the median property improvement loan insured by FHA in 1952 amounted to \$400—an increase of \$67, or 20 percent, over the \$333 reported in 1951. There was a corresponding rise in the average loan—from \$492 in 1951 to \$567 in 1952 (Table 66). The median size of loan has increased

TABLE 66.—Amount of property improvement loans, selected years

| Net proceeds of individual loan | Number of loans         |       |       |       |       | Net proceeds <sup>1</sup> |       |       |       |       |
|---------------------------------|-------------------------|-------|-------|-------|-------|---------------------------|-------|-------|-------|-------|
|                                 | 1952                    | 1951  | 1950  | 1946  | 1940  | 1952                      | 1951  | 1950  | 1946  | 1940  |
|                                 | Percentage distribution |       |       |       |       |                           |       |       |       |       |
| Less than \$100.....            | 2.1                     | 2.9   | 2.5   | 3.6   | 5.4   | 0.3                       | 0.5   | 0.4   | 0.6   | 1.0   |
| \$100 to \$199.....             | 14.4                    | 21.2  | 18.7  | 19.1  | 24.7  | 3.9                       | 8.9   | 6.4   | 6.3   | 8.7   |
| \$200 to \$299.....             | 18.0                    | 20.4  | 20.5  | 22.9  | 23.0  | 7.8                       | 10.1  | 11.3  | 12.5  | 13.4  |
| \$300 to \$399.....             | 15.5                    | 16.8  | 15.4  | 15.9  | 14.2  | 9.4                       | 11.5  | 10.9  | 12.1  | 11.6  |
| \$400 to \$499.....             | 10.0                    | 7.6   | 9.6   | 11.3  | 9.8   | 7.8                       | 6.7   | 8.8   | 11.1  | 10.4  |
| \$500 to \$599.....             | 8.4                     | 5.9   | 8.0   | 7.8   | 7.5   | 7.9                       | 6.3   | 8.8   | 9.6   | 9.9   |
| \$600 to \$799.....             | 10.5                    | 9.1   | 9.1   | 7.2   | 6.8   | 12.7                      | 12.6  | 13.0  | 11.0  | 0.4   |
| \$800 to \$999.....             | 6.5                     | 6.5   | 5.0   | 4.2   | 3.1   | 10.1                      | 9.8   | 9.2   | 8.2   | 6.4   |
| \$1,000 to \$1,499.....         | 8.1                     | 6.1   | 7.1   | 4.8   | 3.1   | 16.5                      | 14.4  | 13.3  | 12.5  | 8.8   |
| \$1,500 to \$1,999.....         | 3.1                     | 2.2   | 2.0   | 1.4   | .9    | 9.0                       | 7.3   | 6.8   | 5.3   | 3.9   |
| \$2,000 to \$2,499.....         | 1.5                     | 1.1   | 1.0   | .7    | .0    | 7.2                       | 4.7   | 4.2   | 3.5   | 3.0   |
| \$2,500 to \$2,999.....         | 1.6                     | 1.1   | 1.0   | 1.0   | 1.2   | 5.7                       | 5.8   | 5.2   | 0.5   | 7.7   |
| \$3,000 to \$3,999.....         | .2                      | .1    | .1    | .1    | .7    | .9                        | .7    | .9    | .5    | 5.8   |
| \$4,000 to \$4,999.....         | .1                      | (?)   | (?)   | (?)   | ----- | .4                        | .3    | .4    | .1    | ----- |
| \$5,000 or more.....            | (?)                     | (?)   | (?)   | (?)   | ----- | .4                        | .4    | .4    | .2    | ----- |
| Total.....                      | 100.0                   | 100.0 | 100.0 | 100.0 | 100.0 | 100.0                     | 100.0 | 100.0 | 100.0 | 100.0 |
| Median.....                     | \$400                   | \$333 | \$351 | \$328 | \$287 | -----                     | ----- | ----- | ----- | ----- |
| Average.....                    | 507                     | 492   | 478   | 454   | 417   | -----                     | ----- | ----- | ----- | ----- |

<sup>1</sup> Data for 1950-1952 are based on net proceeds; data for earlier years are based on face amount.  
<sup>2</sup> Less than 0.05 percent.

each year during the postwar period, with the exception of 1951 when credit restrictions requiring 10 percent down payments and terms of 30 months or less were in effect.

The great majority of the loans insured in 1952 financed the modernization or repair of single-family homes—loans for this purpose accounting for over 88 percent of the number and for about 81 percent of the aggregate net proceeds. The typical loan for work on this type of structure was \$381, slightly lower than the over-all median which reflects the much larger loans required to finance work on other types of property (Table 70). As would be expected, the largest loans were used for such improvements as the construction of new nonresidential buildings, and additions and alterations. Table 71 shows that insulation, the most frequently reported type of improvement, involved the smallest loans—typically about \$289.

*Duration of loan.*—The median term of the loans insured in 1952 was 36 months—the same as throughout the postwar period, except for 1951 when Regulation W of the Federal Reserve Board limited the duration of most modernization loans to 30 months (Table 67). In 1952, 2 out of every 3 loans had a maturity of 36 months. These 3-year notes accounted for four-fifths of the total net proceeds insured during the year. Less than 1 percent of the loans involved maturities in excess of 36 months.

TABLE 67.—Term of property improvement loans, selected years

| Terms in months |               | Number of loans         |       |       |       |       | Net proceeds <sup>1</sup> |       |       |       |       |
|-----------------|---------------|-------------------------|-------|-------|-------|-------|---------------------------|-------|-------|-------|-------|
| Modal term      | Interval      | 1952                    | 1951  | 1950  | 1946  | 1940  | 1952                      | 1951  | 1950  | 1946  | 1940  |
|                 |               | Percentage distribution |       |       |       |       |                           |       |       |       |       |
| 6.....          | 6 to 8.....   | 0.9                     | 1.0   | 0.8   | 1.3   | 0.5   | 0.4                       | 0.5   | 0.5   | 0.7   | 0.3   |
| 12.....         | 9 to 14.....  | 9.6                     | 10.7  | 10.1  | 16.9  | 12.4  | 4.3                       | 5.0   | 4.9   | 8.7   | 5.1   |
| 18.....         | 15 to 20..... | 6.9                     | 6.9   | 6.0   | 8.4   | 8.8   | 3.7                       | 3.8   | 3.4   | 5.3   | 4.3   |
| 24.....         | 21 to 26..... | 9.1                     | 9.5   | 10.2  | 12.3  | 13.3  | 6.1                       | 6.8   | 7.1   | 9.5   | 8.6   |
| 30.....         | 27 to 32..... | 5.3                     | 43.4  | 9.8   | 2.3   | 4.1   | 4.0                       | 46.3  | 9.8   | 1.6   | 2.6   |
| 36.....         | 33 to 41..... | 67.9                    | 28.2  | 62.5  | 58.6  | 59.8  | 79.8                      | 35.7  | 71.1  | 73.0  | 71.6  |
| 48.....         | 42 to 53..... | (?)                     | (?)   | (?)   | (?)   | (?)   | (?)                       | .1    | .1    | (?)   | (?)   |
| 60.....         | 54 to 63..... | .2                      | .2    | .4    | (?)   | (?)   | 1.0                       | 1.1   | 1.7   | (?)   | (?)   |
|                 | Over 63.....  | .1                      | .2    | .2    | 1.1   | .7    | .7                        | 1.4   | 1.2   | .7    | 7.5   |
| Total.....      |               | 100.0                   | 100.0 | 100.0 | 100.0 | 100.0 | 100.0                     | 100.0 | 100.0 | 100.0 | 100.0 |
| Median.....     |               | 36.3                    | 30.6  | 35.4  | 36.0  | 35.4  | -----                     | ----- | ----- | ----- | ----- |
| Average.....    |               | 30.9                    | 28.3  | 30.7  | 28.8  | 31.8  | -----                     | ----- | ----- | ----- | ----- |

<sup>1</sup> Data for 1950-52 are based on net proceeds; data for earlier years are based on face amount.  
<sup>2</sup> Less than 0.05 percent.  
 Included in "over 63 months."

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*Type of property and improvement.*—Table 68 shows the distributions of the number and net proceeds of loans insured during 1952 by type of property and (also shown graphically in Chart 28) by the major types of improvements financed. Loans to repair single-

TABLE 68.—*Type of improvement by type of property for property improvement loans, 1952*

| Major type of improvement               | Type of property improved |                         |                        |                           |                          |                   |
|---|---------------------------|-------------------------|------------------------|---------------------------|--------------------------|-------------------|
|   | Total                     | Single-family dwellings | Multi-family dwellings | Commercial and industrial | Farm homes and buildings | Garages and other |
| Number of loans—Percentage distribution |                           |                         |                        |                           |                          |                   |
| Additions and alterations.....          | 12.8                      | 12.7                    | 12.1                   | 20.0                      | 11.3                     | 15.6              |
| Exterior finish.....                    | 14.5                      | 14.8                    | 16.9                   | 5.9                       | 14.0                     | 2.0               |
| Interior finish.....                    | 7.3                       | 7.1                     | 11.1                   | 13.6                      | 3.3                      | 1.5               |
| Roofing.....                            | 6.6                       | 6.4                     | 9.4                    | 6.0                       | 10.7                     | 1.6               |
| Plumbing.....                           | 10.3                      | 10.5                    | 6.3                    | 6.7                       | 14.2                     | 1.2               |
| Heating.....                            | 13.7                      | 13.3                    | 22.1                   | 19.6                      | 9.7                      | 3.1               |
| Insulation.....                         | 18.5                      | 19.8                    | 11.9                   | 4.4                       | 11.1                     | 1.5               |
| New nonresidential construction.....    | 1.0                       | —                       | —                      | 8.1                       | 18.0                     | 70.8              |
| Miscellaneous.....                      | 14.4                      | 15.4                    | 7.2                    | 15.7                      | 7.7                      | 2.7               |
| <b>Total.....</b>                       | <b>100.0</b>              | <b>100.0</b>            | <b>100.0</b>           | <b>100.0</b>              | <b>100.0</b>             | <b>100.0</b>      |
| Percent of total.....                   | 100.0                     | 88.1                    | 6.6                    | 1.3                       | 2.0                      | 2.0               |
| Net proceeds—Percentage distribution    |                           |                         |                        |                           |                          |                   |
| Additions and alterations.....          | 20.3                      | 16.5                    | 2.1                    | .8                        | .5                       | .4                |
| Exterior finish.....                    | 18.4                      | 15.6                    | 2.1                    | .2                        | .4                       | .1                |
| Interior finish.....                    | 8.5                       | 6.6                     | 1.2                    | .5                        | .1                       | .1                |
| Roofing.....                            | 5.2                       | 4.3                     | .6                     | .1                        | .2                       | (1)               |
| Plumbing.....                           | 8.5                       | 7.1                     | .9                     | .2                        | .3                       | (1)               |
| Heating.....                            | 14.0                      | 10.8                    | 2.4                    | .5                        | .2                       | .1                |
| Insulation.....                         | 11.0                      | 10.1                    | .7                     | .1                        | .1                       | (1)               |
| New nonresidential construction.....    | 3.1                       | —                       | —                      | .3                        | .0                       | 1.9               |
| Miscellaneous.....                      | 11.0                      | 9.0                     | .7                     | .4                        | .2                       | .1                |
| <b>Total.....</b>                       | <b>100.0</b>              | <b>80.6</b>             | <b>10.7</b>            | <b>3.1</b>                | <b>2.9</b>               | <b>2.7</b>        |
| Net proceeds—Average                    |                           |                         |                        |                           |                          |                   |
| Additions and alterations.....          | \$392                     | \$828                   | \$1,502                | \$1,663                   | \$1,166                  | \$751             |
| Exterior finish.....                    | 713                       | 678                     | 1,034                  | 1,161                     | 865                      | 1,106             |
| Interior finish.....                    | 657                       | 506                     | 939                    | 1,525                     | 787                      | 1,059             |
| Roofing.....                            | 438                       | 417                     | 534                    | 849                       | 548                      | 601               |
| Plumbing.....                           | 467                       | 433                     | 786                    | 1,093                     | 638                      | 1,195             |
| Heating.....                            | 576                       | 520                     | 907                    | 1,123                     | 578                      | 1,072             |
| Insulation.....                         | 333                       | 325                     | 492                    | 627                       | 334                      | 472               |
| New nonresidential construction.....    | 940                       | —                       | —                      | 1,840                     | 1,342                    | 768               |
| Miscellaneous.....                      | 430                       | 398                     | 897                    | 1,107                     | 620                      | 827               |
| <b>Total.....</b>                       | <b>567</b>                | <b>515</b>              | <b>908</b>             | <b>1,317</b>              | <b>811</b>               | <b>784</b>        |

<sup>1</sup> Less than 0.05 percent.

family homes were by far the most prevalent, accounting for over four-fifths of both the number of loans and the amount of net proceeds. Improvements to multifamily properties accounted for the bulk of the remaining loans, being reported for almost 7 percent of the number and about 11 percent of the aggregate amount.

FEDERAL HOUSING ADMINISTRATION

TYPE OF IMPROVEMENT FINANCED  
BY FHA-INSURED PROPERTY IMPROVEMENT LOANS  
TITLE I, SECTION 2, 1952

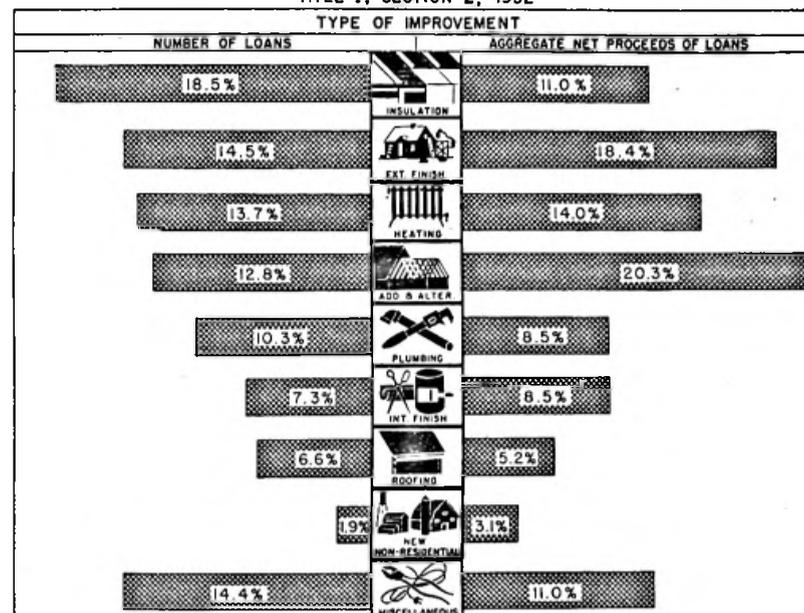


CHART 28.

With respect to type of improvement, insulation was the most popular, comprising 18.5 percent of the total number, but—due to the relatively small size of these loans—only 11 percent of net proceeds. Exterior finish, and additions and alterations, two of the more expensive types of improvements, jointly accounted for almost 40 percent of the dollar volume, while making up only about 27 percent of the number of loans. It should be noted that these distributions are based on information concerning only the major type of improvement. For example, a loan reported as financing additions and alterations might also include minor expenses involving heating, plumbing, or insulation. Similar distributions are shown in Table 69 for claims paid during 1952. A comparison of the two tables indicates only a slight variance between the distributions for loans and those for claims. While insulation is the most frequently reported type of improvement, loans for financing exterior finish (siding, painting etc.) are most frequently reported in default and account for the largest proportion of the total amount of claims paid. As was previously noted, the majority of claims paid in any year involve defaulted notes which were insured in prior years.

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TABLE 69.—Type of improvement by type of property for claims paid on property improvement loans, 1952

| Major type of improvement                     | Type of property improved |                         |                        |                           |                          |                   |
|---|---------------------------|-------------------------|------------------------|---------------------------|--------------------------|-------------------|
|   | Total                     | Single-family dwellings | Multi-family dwellings | Commercial and industrial | Farm homes and buildings | Garages and other |
| Number of claims paid—Percentage distribution |                           |                         |                        |                           |                          |                   |
| Additions and alterations.....                | 9.8                       | 9.5                     | 12.1                   | 16.4                      | 7.6                      | 12.0              |
| Exterior finish.....                          | 18.8                      | 19.4                    | 18.1                   | 4.7                       | 18.9                     | 4.3               |
| Interior finish.....                          | 0.6                       | 6.3                     | 8.9                    | 16.2                      | 3.1                      | 2.3               |
| Roofing.....                                  | 8.2                       | 8.1                     | 9.4                    | 5.6                       | 13.3                     | 4.0               |
| Plumbing.....                                 | 10.8                      | 10.9                    | 9.9                    | 9.5                       | 14.5                     | 4.0               |
| Heating.....                                  | 15.8                      | 15.2                    | 24.2                   | 23.5                      | 11.3                     | 5.0               |
| Insulation.....                               | 17.4                      | 18.6                    | 10.3                   | 3.3                       | 13.8                     | 2.0               |
| New nonresidential construction.....          | 1.1                       | -----                   | -----                  | 7.0                       | 11.8                     | 60.2              |
| Miscellaneous.....                            | 11.5                      | 12.0                    | 7.1                    | 13.8                      | 6.7                      | 5.0               |
| Total.....                                    | 100.0                     | 100.0                   | 100.0                  | 100.0                     | 100.0                    | 100.0             |
| Percent of total.....                         | 100.0                     | 87.3                    | 0.4                    | 2.4                       | 3.0                      | .9                |
| Amount of claims paid—Percentage distribution |                           |                         |                        |                           |                          |                   |
| Additions and alterations.....                | 16.5                      | 13.3                    | 1.6                    | .9                        | .5                       | .2                |
| Exterior finish.....                          | 23.6                      | 20.3                    | 2.2                    | .2                        | .8                       | .1                |
| Interior finish.....                          | 7.5                       | 5.6                     | .8                     | .9                        | .1                       | .1                |
| Roofing.....                                  | 6.5                       | 5.4                     | .5                     | .2                        | .4                       | (1)               |
| Plumbing.....                                 | 9.6                       | 7.8                     | .7                     | .5                        | .6                       | (1)               |
| Heating.....                                  | 14.3                      | 10.6                    | 2.2                    | 1.1                       | .3                       | .1                |
| Insulation.....                               | 10.1                      | 9.2                     | .5                     | .1                        | .3                       | (1)               |
| New nonresidential construction.....          | 2.2                       | -----                   | -----                  | .5                        | 1.0                      | .7                |
| Miscellaneous.....                            | 9.7                       | 8.1                     | .7                     | .7                        | .2                       | (1)               |
| Total.....                                    | 100.0                     | 80.3                    | 9.2                    | 5.1                       | 4.2                      | 1.2               |
| Claim paid—Average                            |                           |                         |                        |                           |                          |                   |
| Additions and alterations.....                | \$584                     | \$560                   | \$712                  | \$814                     | \$662                    | \$540             |
| Exterior finish.....                          | 434                       | 415                     | 665                    | 513                       | 509                      | 387               |
| Interior finish.....                          | 304                       | 350                     | 505                    | 806                       | 450                      | 386               |
| Roofing.....                                  | 273                       | 283                     | 295                    | 471                       | 339                      | 300               |
| Plumbing.....                                 | 308                       | 285                     | 387                    | 712                       | 471                      | 447               |
| Heating.....                                  | 315                       | 278                     | 492                    | 656                       | 300                      | 643               |
| Insulation.....                               | 200                       | 195                     | 270                    | 555                       | 211                      | 438               |
| New nonresidential construction.....          | 730                       | -----                   | -----                  | 1,110                     | 1,015                    | 424               |
| Miscellaneous.....                            | 292                       | 266                     | 502                    | 715                       | 447                      | 484               |
| Total.....                                    | 346                       | 319                     | 500                    | 732                       | 483                      | 404               |

1 Less than 0.05 percent.

Table 70 presents distributions of amount of loan by type of property. The largest insured loans—typically over \$1,200—were made to finance repairs and modernization of commercial and industrial properties. More than one-fifth of these loans were for \$2,500 or more. The loans to finance improvements to single-family homes were much smaller, with about half amounting to less than \$400.

Similar distributions of the amount of loan by type of improvement are included in Table 71, which shows that the frequently reported loans to finance insulation work tend to be concentrated in the lower part of the amount scale. Roughly three-quarters of the notes made for this purpose involved less than \$400.

## FEDERAL HOUSING ADMINISTRATION

TABLE 70.—Amount of property improvement loans by type of property, 1952

| Net proceeds of individual loan         | Type of property improved |                         |                        |                           |                          |                   |
|---|---------------------------|-------------------------|------------------------|---------------------------|--------------------------|-------------------|
|   | Total                     | Single-family dwellings | Multi-family dwellings | Commercial and industrial | Farm homes and buildings | Garages and other |
| Number of loans—Percentage distribution |                           |                         |                        |                           |                          |                   |
| Less than \$100.....                    | 2.1                       | 2.2                     | 0.9                    | 0.3                       | 0.9                      | 0.8               |
| \$100 to \$199.....                     | 14.4                      | 15.4                    | 7.6                    | 4.9                       | 8.1                      | 3.5               |
| \$200 to \$299.....                     | 18.0                      | 19.2                    | 10.7                   | 6.4                       | 12.1                     | 5.5               |
| \$300 to \$399.....                     | 15.5                      | 16.3                    | 11.0                   | 6.6                       | 12.4                     | 8.5               |
| \$400 to \$499.....                     | 10.0                      | 10.2                    | 7.9                    | 5.7                       | 9.5                      | 10.7              |
| \$500 to \$599.....                     | 8.4                       | 8.4                     | 8.5                    | 5.6                       | 8.0                      | 12.4              |
| \$600 to \$799.....                     | 10.5                      | 10.2                    | 11.7                   | 7.2                       | 10.6                     | 20.7              |
| \$800 to \$999.....                     | 6.5                       | 6.1                     | 8.8                    | 6.9                       | 8.5                      | 13.9              |
| \$1,000 to \$1,499.....                 | 8.1                       | 7.2                     | 14.7                   | 14.7                      | 14.1                     | 14.8              |
| \$1,500 to \$1,999.....                 | 3.1                       | 2.6                     | 6.0                    | 10.0                      | 6.7                      | 4.1               |
| \$2,000 to \$2,499.....                 | 1.5                       | 1.2                     | 3.5                    | 9.4                       | 4.2                      | 2.4               |
| \$2,500 to \$2,999.....                 | 1.6                       | 1.0                     | 5.1                    | 20.6                      | 4.2                      | 2.6               |
| \$3,000 to \$3,999.....                 | .2                        | -----                   | 1.5                    | 1.7                       | 0.7                      | 0.1               |
| \$4,000 to \$4,999.....                 | .1                        | -----                   | .7                     | -----                     | -----                    | -----             |
| \$5,000 or more.....                    | (1)                       | -----                   | .5                     | -----                     | -----                    | -----             |
| Total.....                              | 100.0                     | 100.0                   | 100.0                  | 100.0                     | 100.0                    | 100.0             |
| Median.....                             | \$400                     | \$381                   | \$659                  | \$1,219                   | \$589                    | \$683             |
| Average.....                            | \$567                     | \$616                   | \$908                  | \$1,317                   | \$811                    | \$784             |

1 Less than 0.05 percent.

Information on the duration of property improvement loans by type of property is presented in Table 72. It was mentioned earlier in this report that the typical loan insured in 1952 had a term of 36 months. Loans with that maturity accounted for two-thirds or more of all loans insured during 1952, regardless of the type of property to be improved. Similar distributions (Table 73) of duration by type of improvement also indicate that 36-month notes were by far the most common type in 1952, irrespective of the type of improvement being financed. The distributions by type of improvement for all loans insured under the 1947 Reserve (from July 1, 1947, through March 1, 1950) and of all claims paid on these loans through the end of 1952 are shown in Table 74 and Chart 29. These tables constitute a summary of the insurance and claim experience by type of property and type of improvement under this reserve. The number and amount of claims paid on loans financing the various types of improvement are generally in close agreement with the corresponding volume of loans insured. It is notable, however, that the 12 percent of the loans made to finance exterior finish jobs have accounted for 18 percent of the total claims paid under this reserve. Likewise it may be pointed out that loans made to finance the installation of heating equipment or insulation have resulted in less than their proportionate share of claims. A comparison of Tables 69 and 74 indicates that the claims reported for the year 1952 by type of improvement are generally in line with the pattern established over the longer period from 1947 to 1952.

## HOUSING AND HOME FINANCE AGENCY

TABLE 71.—Amount of property improvement loans by type of improvement, 1952

| Net proceeds of individual loan         | Total            | Major type of improvement |                  |                 |                  |
|---|------------------|---------------------------|------------------|-----------------|------------------|
|   |                  | Additions and alterations | Exterior finish  | Interior finish | Roofing          |
| Number of loans—Percentage distribution |                  |                           |                  |                 |                  |
| Less than \$100.....                    | 2.1              | 0.7                       | 0.7              | 2.3             | 1.7              |
| \$100 to \$199.....                     | 14.4             | 5.4                       | 4.1              | 12.6            | 17.2             |
| \$200 to \$299.....                     | 18.0             | 8.1                       | 8.0              | 13.9            | 24.8             |
| \$300 to \$399.....                     | 15.5             | 9.9                       | 11.4             | 13.4            | 19.4             |
| \$400 to \$499.....                     | 10.0             | 8.3                       | 11.4             | 8.9             | 10.9             |
| \$500 to \$599.....                     | 8.4              | 10.5                      | 12.2             | 9.7             | 6.9              |
| \$600 to \$799.....                     | 10.5             | 13.3                      | 19.3             | 11.0            | 7.3              |
| \$800 to \$999.....                     | 6.5              | 0.4                       | 12.9             | 6.6             | 3.8              |
| \$1,000 to \$1,499.....                 | 8.1              | 15.8                      | 13.4             | 11.0            | 5.1              |
| \$1,500 to \$1,999.....                 | 3.1              | 8.3                       | 4.1              | 4.9             | 1.7              |
| \$2,000 to \$2,499.....                 | 1.5              | 4.6                       | 1.4              | 2.3             | .7               |
| \$2,500 to \$2,999.....                 | 1.6              | 5.0                       | 1.0              | 3.1             | .5               |
| \$3,000 to \$3,999.....                 | .2               | .4                        | .1               | .1              | ( <sup>1</sup> ) |
| \$4,000 to \$4,999.....                 | .1               | .2                        | ( <sup>1</sup> ) | .1              | ( <sup>1</sup> ) |
| \$5,000 or more.....                    | ( <sup>1</sup> ) | .1                        | ( <sup>1</sup> ) | .1              | ( <sup>1</sup> ) |
| <b>Total.....</b>                       | <b>100.0</b>     | <b>100.0</b>              | <b>100.0</b>     | <b>100.0</b>    | <b>100.0</b>     |
| Median.....                             | \$400            | \$708                     | \$623            | \$487           | \$333            |
| Average.....                            | \$567            | \$892                     | \$713            | \$657           | \$438            |

| Net proceeds of individual loan         | Major type of improvement (continued) |              |                  |                                  |                  |
|---|---------------------------------------|--------------|------------------|----------------------------------|------------------|
|   | Plumbing                              | Heating      | Insulation       | New non-residential construction | Miscellaneous    |
| Number of loans—Percentage distribution |                                       |              |                  |                                  |                  |
| Less than \$100.....                    | 2.7                                   | 1.0          | 3.6              | 0.1                              | 3.5              |
| \$100 to \$199.....                     | 19.0                                  | 12.2         | 22.6             | 2.3                              | 22.2             |
| \$200 to \$299.....                     | 23.0                                  | 16.0         | 26.6             | 3.8                              | 25.1             |
| \$300 to \$399.....                     | 17.7                                  | 14.5         | 21.1             | 7.3                              | 17.4             |
| \$400 to \$499.....                     | 7.7                                   | 10.3         | 12.3             | 9.3                              | 8.8              |
| \$500 to \$599.....                     | 7.0                                   | 9.7          | 5.7              | 10.5                             | 5.7              |
| \$600 to \$799.....                     | 8.2                                   | 14.1         | 4.4              | 19.7                             | 5.4              |
| \$800 to \$999.....                     | 4.7                                   | 8.9          | 1.6              | 13.8                             | 3.1              |
| \$1,000 to \$1,499.....                 | 5.5                                   | 8.6          | 1.4              | 16.9                             | 4.4              |
| \$1,500 to \$1,999.....                 | 2.2                                   | 2.4          | .4               | 0.4                              | 1.7              |
| \$2,000 to \$2,499.....                 | 1.1                                   | 1.0          | .2               | 3.9                              | 1.1              |
| \$2,500 to \$2,999.....                 | 1.2                                   | .9           | .1               | 4.0                              | 1.5              |
| \$3,000 to \$3,999.....                 | ( <sup>1</sup> )                      | .2           | ( <sup>1</sup> ) | 2.0                              | .1               |
| \$4,000 to \$4,999.....                 | ( <sup>1</sup> )                      | .1           | ( <sup>1</sup> ) | ( <sup>1</sup> )                 | ( <sup>1</sup> ) |
| \$5,000 or more.....                    | ( <sup>1</sup> )                      | .1           | ( <sup>1</sup> ) | ( <sup>1</sup> )                 | ( <sup>1</sup> ) |
| <b>Total.....</b>                       | <b>100.0</b>                          | <b>100.0</b> | <b>100.0</b>     | <b>100.0</b>                     | <b>100.0</b>     |
| Median.....                             | \$330                                 | \$461        | \$280            | \$770                            | \$297            |
| Average.....                            | \$467                                 | \$576        | \$333            | \$940                            | \$430            |

<sup>1</sup> Less than 0.05 percent.

## FEDERAL HOUSING ADMINISTRATION

TABLE 72.—Term of property improvement loans by type of property, 1952

| Term in months                          |               | Total            | Type of property improved |                        |                           |                          |                   |
|---|---------------|------------------|---------------------------|------------------------|---------------------------|--------------------------|-------------------|
| Modal term                              | Interval      |                  | Single-family dwellings   | Multi-family dwellings | Commercial and industrial | Farm homes and buildings | Garages and other |
| Number of loans—Percentage distribution |               |                  |                           |                        |                           |                          |                   |
| 6.....                                  | 6 to 8.....   | 0.9              | 0.9                       | 1.4                    | 0.8                       | 1.3                      | 0.9               |
| 12.....                                 | 9 to 14.....  | 9.6              | 9.8                       | 9.0                    | 10.8                      | 8.8                      | 5.4               |
| 18.....                                 | 15 to 20..... | 6.9              | 7.0                       | 6.4                    | 7.6                       | 5.3                      | 4.4               |
| 24.....                                 | 21 to 26..... | 9.1              | 9.1                       | 9.2                    | 10.7                      | 8.5                      | 6.4               |
| 30.....                                 | 27 to 32..... | 5.3              | 5.4                       | 4.2                    | 4.7                       | 8.0                      | 2.9               |
| 36.....                                 | 33 to 41..... | 67.9             | 67.8                      | 65.2                   | 65.4                      | 67.2                     | 80.0              |
| 48.....                                 | 42 to 53..... | ( <sup>1</sup> ) | .1                        | .1                     | .2                        | .6                       | .2                |
| 60.....                                 | 54 to 63..... | .2               | .1                        | .1                     | .1                        | .1                       | .1                |
|   | Over 63.....  | .1               | .1                        | 1.6                    | .1                        | .1                       | .1                |
| <b>Total.....</b>                       |               | <b>100.0</b>     | <b>100.0</b>              | <b>100.0</b>           | <b>100.0</b>              | <b>100.0</b>             | <b>100.0</b>      |
| Median.....                             |               | 36.3             | 36.3                      | 36.3                   | 36.2                      | 36.3                     | 36.5              |
| Average.....                            |               | 30.9             | 30.8                      | 32.4                   | 30.3                      | 31.3                     | 32.9              |

<sup>1</sup> Less than 0.05 percent.

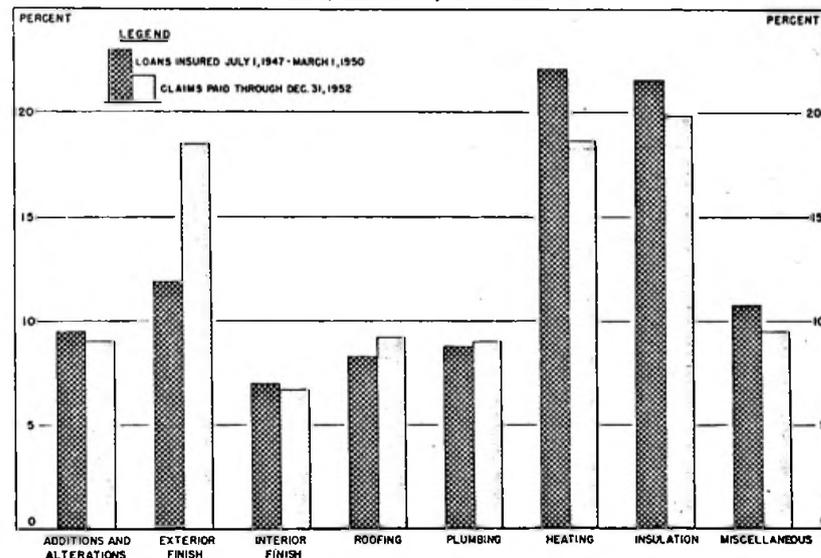
 DISTRIBUTION OF NUMBER OF LOANS INSURED AND CLAIMS PAID BY TYPE OF IMPROVEMENT  
 TITLE I, SECTION 2, 1947 RESERVE


CHART 29.

## HOUSING AND HOME FINANCE AGENCY

TABLE 73.—Term of property improvement loans by type of improvement, insured by FHA during 1952

| Term in months    |               | Total                                   | Major type of improvement |                  |                  |                  |
|-------------------|---------------|---|---------------------------|------------------|------------------|------------------|
| Modal term        | Interval      |   | Additions and alterations | Exterior finish  | Interior finish  | Roofing          |
|                   |               | Number of loans—Percentage distribution |                           |                  |                  |                  |
| 6.....            | 6 to 8.....   | 0.9                                     | 0.4                       | 0.3              | 0.7              | 1.3              |
| 12.....           | 9 to 14.....  | 0.6                                     | 0.7                       | 5.7              | 13.4             | 11.5             |
| 18.....           | 15 to 20..... | 6.9                                     | 5.9                       | 3.8              | 9.8              | 8.5              |
| 24.....           | 21 to 26..... | 9.1                                     | 8.3                       | 6.0              | 11.4             | 11.5             |
| 30.....           | 27 to 32..... | 5.3                                     | 4.3                       | 2.8              | 5.1              | 5.3              |
| 36.....           | 33 to 41..... | 67.9                                    | 73.4                      | 80.8             | 59.2             | 61.8             |
| 48.....           | 42 to 53..... | ( <sup>1</sup> )                        | ( <sup>1</sup> )          | ( <sup>1</sup> ) | ( <sup>1</sup> ) | ( <sup>1</sup> ) |
| 60.....           | 54 to 63..... | .2                                      | .6                        | .4               | .3               | ( <sup>1</sup> ) |
|                   | Over 63.....  | .1                                      | .4                        | .2               | .1               | .1               |
| <b>Total.....</b> |               | <b>100.0</b>                            | <b>100.0</b>              | <b>100.0</b>     | <b>100.0</b>     | <b>100.0</b>     |
| Median.....       |               | 36.3                                    | 36.3                      | 36.4             | 36.2             | 36.2             |
| Average.....      |               | 30.9                                    | 32.3                      | 33.2             | 29.3             | 29.7             |

| Term in months    |               | Major type of improvement (continued)   |                  |                  |                                  |                  |
|-------------------|---------------|---|------------------|------------------|----------------------------------|------------------|
| Modal term        | Interval      | Plumbing                                | Heating          | Insulation       | New non-residential construction | Miscellaneous    |
|                   |               | Number of loans—Percentage distribution |                  |                  |                                  |                  |
| 6.....            | 6 to 8.....   | 0.8                                     | 0.6              | 2.1              | 0.8                              | 0.9              |
| 12.....           | 9 to 14.....  | 10.9                                    | 8.7              | 10.6             | 4.8                              | 12.6             |
| 18.....           | 15 to 20..... | 8.7                                     | 6.4              | 6.5              | 3.1                              | 8.7              |
| 24.....           | 21 to 26..... | 9.8                                     | 10.3             | 8.3              | 5.5                              | 10.5             |
| 30.....           | 27 to 32..... | 5.4                                     | 6.4              | 6.8              | 3.7                              | 6.0              |
| 36.....           | 33 to 41..... | 64.3                                    | 67.2             | 65.7             | 81.3                             | 61.2             |
| 48.....           | 42 to 53..... | ( <sup>1</sup> )                        | ( <sup>1</sup> ) | ( <sup>1</sup> ) | .2                               | ( <sup>1</sup> ) |
| 60.....           | 54 to 63..... | .1                                      | .3               | ( <sup>1</sup> ) | .5                               | ( <sup>1</sup> ) |
|                   | Over 63.....  | ( <sup>1</sup> )                        | .1               | ( <sup>1</sup> ) | .1                               | ( <sup>1</sup> ) |
| <b>Total.....</b> |               | <b>100.0</b>                            | <b>100.0</b>     | <b>100.0</b>     | <b>100.0</b>                     | <b>100.0</b>     |
| Median.....       |               | 36.2                                    | 36.3             | 36.3             | 36.5                             | 36.2             |
| Average.....      |               | 30.1                                    | 31.1             | 30.3             | 33.6                             | 29.6             |

<sup>1</sup> Less than 0.05 percent.

## FEDERAL HOUSING ADMINISTRATION

 TABLE 74.—Type of improvement for loans insured and claims paid, 1947 Reserve<sup>1</sup>

| Major type of improvement            | Percentage distribution of number |                  | Percentage distribution of amount |              | Average amount |             |
|--------------------------------------|-----------------------------------|------------------|-----------------------------------|--------------|----------------|-------------|
|                                      | Loans insured                     | Claims paid      | Loans insured                     | Claims paid  | Loans insured  | Claims paid |
| Additions and alterations.....       | 9.5                               | 9.0              | 16.6                              | 14.7         | \$763          | \$587       |
| Exterior finish.....                 | 11.9                              | 18.4             | 14.7                              | 21.9         | 579            | 428         |
| Interior finish.....                 | 7.0                               | 6.5              | 7.8                               | 7.4          | 522            | 404         |
| Roofing.....                         | 8.3                               | 9.2              | 6.4                               | 7.1          | 361            | 280         |
| Plumbing.....                        | 8.8                               | 8.9              | 8.4                               | 9.1          | 444            | 363         |
| Heating.....                         | 22.1                              | 18.6             | 22.7                              | 18.3         | 479            | 354         |
| Insulation.....                      | 21.0                              | 19.9             | 13.2                              | 11.9         | 285            | 216         |
| New residential construction.....    | .2                                | ( <sup>2</sup> ) | 1.6                               | .1           | 3,640          | 2,618       |
| New nonresidential construction..... | 1.5                               | 1.4              | 2.4                               | 3.0          | 766            | 783         |
| Miscellaneous.....                   | 9.1                               | 8.0              | 7.2                               | 6.5          | 368            | 292         |
| <b>Total.....</b>                    | <b>100.0</b>                      | <b>100.0</b>     | <b>100.0</b>                      | <b>100.0</b> | <b>467</b>     | <b>360</b>  |

<sup>1</sup> Data reflect loans insured July 1, 1947 through Mar. 1, 1950, and claims paid on these loans through Dec. 31, 1952.

<sup>2</sup> Less than 0.05 percent.

*Payments received prior to default.*—Table 75 shows a distribution of the number of payments made by borrowers prior to default on loans involving claim payments in 1952, while Chart 30 shows graphically the distributions of the total number and amount of claim payments involved. One-quarter of the total claims paid in 1952, accounting for \$4 out of every \$10, involved notes defaulted prior to the sixth payment. Another fifth (20.6 percent) were defaulted after 6 to 11 payments, accounting for almost one-fourth of the total claims. About 60 percent of all defaulted notes resulting in claim payments

TABLE 75.—Number of payments received prior to default by term of property improvement loans, 1952

| Number of payments received prior to default | Percentage distribution |                 |                 |              |                   | Total number | Total amount | Average claim paid |
|--|-------------------------|-----------------|-----------------|--------------|-------------------|--------------|--------------|--------------------|
|  | Term of defaulted loan  |                 |                 |              |                   |              |              |                    |
|  | 0 to 11 months          | 12 to 23 months | 24 to 35 months | 36 months    | 37 or more months |              |              |                    |
| 0.....                                       | 39.3                    | 14.3            | 6.6             | 5.0          | 3.9               | 6.3          | 11.5         | \$632              |
| 1.....                                       | 10.6                    | 8.9             | 4.9             | 3.0          | 1.9               | 4.0          | 6.8          | 586                |
| 2.....                                       | 12.8                    | 9.4             | 5.3             | 2.9          | 1.5               | 4.2          | 6.3          | 525                |
| 3.....                                       | 9.6                     | 6.3             | 5.8             | 2.0          | 3.4               | 3.9          | 5.8          | 517                |
| 4.....                                       | 13.3                    | 6.2             | 6.5             | 2.2          | 1.5               | 4.0          | 6.5          | 485                |
| 5.....                                       | 9.6                     | 6.4             | 6.1             | 2.3          | 1.6               | 3.8          | 6.3          | 481                |
| 6 to 11.....                                 | 4.8                     | 33.4            | 35.1            | 11.6         | 15.0              | 20.6         | 24.0         | 402                |
| 12 to 17.....                                |                         | 15.6            | 18.9            | 17.2         | 15.6              | 17.6         | 16.1         | 318                |
| 18 to 23.....                                |                         | .5              | 8.7             | 20.8         | 22.3              | 15.4         | 11.2         | 251                |
| 24 to 29.....                                |                         |                 | 1.8             | 18.1         | 6.3               | 11.4         | 5.5          | 166                |
| 30 to 35.....                                |                         |                 | .3              | 14.4         | 7.8               | 8.7          | 1.8          | 71                 |
| 36 or more.....                              |                         |                 |                 |              | 19.4              | .1           | .2           | 602                |
| <b>Total.....</b>                            | <b>100.0</b>            | <b>100.0</b>    | <b>100.0</b>    | <b>100.0</b> | <b>100.0</b>      | <b>100.0</b> | <b>100.0</b> | <b>346</b>         |
| Percent of total.....                        | .6                      | 6.5             | 32.8            | 59.5         | .6                | 100.0        |              |                    |
| Median.....                                  | 2.0                     | 5.9             | 8.5             | 19.0         | 19.6              | 13.1         |              |                    |

had maturities of 36 months. Of these 36-month notes, more than half the required payments had been made before default on a majority of the cases resulting in claims, almost 21 percent defaulting after 18 to 23 payments and about 32 percent defaulting after the twenty-fourth payment.

PAYMENTS MADE PRIOR TO DEFAULT  
CLAIMS PAID ON PROPERTY IMPROVEMENT LOANS  
TITLE I, SECTION 2, 1952

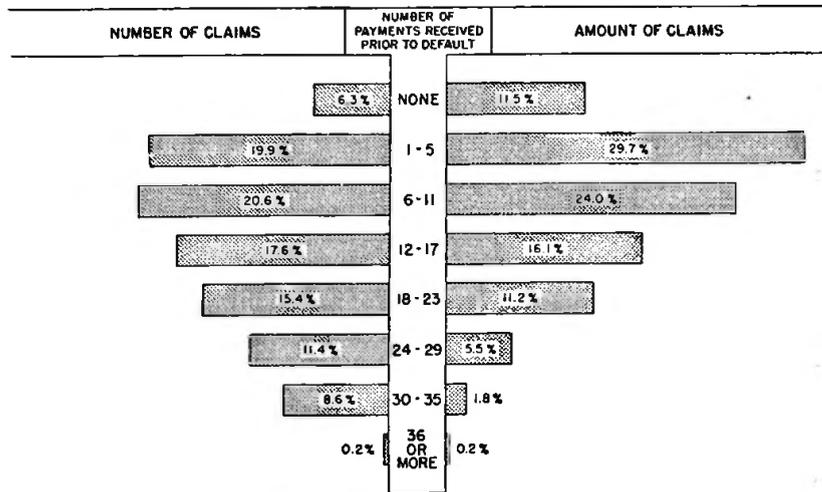


CHART 30.

## Section 3

## ACCOUNTS AND FINANCE

The figures for 1951 and 1952 in the financial statements of this report are on the accrual basis and are shown for the fiscal year rather than the calendar year. Section II of the report, Statistics of Insuring Operations, is on a calendar year basis to coincide with the housing year. In order to provide comparable figures, those statements in the Accounts and Finance section which are coordinated with the statistical tables shown in Section 2 have been prepared on a calendar year basis.

Prior to July 1, 1939, there was no provision in the National Housing Act for collecting premiums on insurance granted under Title I; therefore, moneys for salaries and expenses and for the payment of insurance claims were advanced by the Federal Government, and recoveries of claims paid were required to be deposited to the general fund of the Treasury.

An amendment of June 3, 1939 to the National Housing Act authorized the collection of premiums, and an amendment of June 28, 1941 authorized the retention of recoveries on insurance granted on and after July 1, 1939. Therefore, only the results of operations with respect to insurance granted on and after July 1, 1939 are included in the June 30, 1952 combined statement of financial condition (Statement 1) and the combined statement of income and expenses (Statement 2). Transactions on insurance granted before July 1, 1939 have been shown separately in a statement of accountability for funds advanced (Statement 6).

## Combined Funds

## Gross Income and Operating Expenses, Fiscal Year 1952

Gross income of combined FHA funds for fiscal year 1952 under all insurance operations totaled \$103,021,039 and was derived from fees, insurance premiums, and income on investments. Operating expenses of the Administration during the fiscal year 1952 totaled \$30,485,827. This left \$72,535,212, which was added to the various insurance funds.

## Cumulative Gross Income and Operating Expenses, by Fiscal Years

From the establishment of FHA in 1934 through June 30, 1952, gross income totaled \$642,259,053, while operating expenses totaled \$283,252,643. Gross income and operating expenses for each fiscal year are detailed below:

HOUSING AND HOME FINANCE AGENCY

Income and operating expenses through June 30, 1952

| Fiscal year | Income from fees, premiums, and investments | Operating expenses | Fiscal year | Income from fees, premiums, and investments | Operating expenses |
|-------------|---|--------------------|-------------|---|--------------------|
| 1935        | \$539,609                                   | \$6,330,905        | 1945        | \$20,824,744                                | \$10,218,095       |
| 1936        | 2,503,248                                   | 12,160,487         | 1946        | 30,729,072                                  | 11,191,502         |
| 1937        | 5,690,268                                   | 10,318,119         | 1947        | 26,700,341                                  | 16,063,870         |
| 1938        | 7,874,377                                   | 9,297,884          | 1948        | 51,164,456                                  | 20,070,710         |
| 1939        | 11,954,056                                  | 12,609,887         | 1949        | 63,083,053                                  | 23,378,498         |
| 1940        | 17,860,296                                  | 13,206,525         | 1950        | 85,705,342                                  | 27,457,679         |
| 1941        | 24,126,366                                  | 13,359,588         | 1951        | 98,004,922                                  | 31,315,858         |
| 1942        | 28,316,764                                  | 13,471,496         | 1952        | 103,021,030                                 | 30,485,827         |
| 1943        | 25,847,785                                  | 11,160,452         |             |   |                    |
| 1944        | 28,322,415                                  | 11,148,361         | Total       | 642,250,053                                 | 233,252,643        |

NOTE.—Operating expenses include profit or loss on sale and charges for depreciation of furniture and equipment.

The above income was derived from the following insurance operations: Title I Insurance Fund (property improvement loans), \$80,099,573; Title I Housing Insurance Fund (home mortgages), \$752,821; Title II Mutual Mortgage Insurance Fund (home mortgages), \$357,440,301; Title II Housing Insurance Fund (rental housing projects), \$10,220,378; Title VI War Housing Insurance Fund (war and veterans' emergency housing), \$186,594,148; Title VII Housing Investment Insurance Fund (yield insurance), \$28,330; Title VIII Military Housing Insurance Fund (rental housing projects), \$6,561,078; and Title IX National Defense Housing Insurance Fund (home mortgages and rental housing projects), \$562,424.

Salaries and Expenses

The current fiscal year is the thirteenth in which the Federal Housing Administration has met all expenditures for salaries and expenses by allocation from its insurance funds.

The amount that may be expended for salaries and expenses during a fiscal year is fixed by Congress. Under the terms of the National Housing Act, expenditures for the operations of each title and section are charged against the corresponding insurance fund.

The amounts charged against the various titles and sections of the Act during the fiscal year 1952 to cover operating costs and the purchase of furniture and equipment are as follows:

Salaries and expenses, fiscal year 1952 (July 1, 1951, to June 30, 1952)

| Title and section | Amount      | Percent | Title and section    | Amount     | Percent |
|-------------------|-------------|---------|----------------------|------------|---------|
| Title I:          |             |         | Title VI—Continued   |            |         |
| Sec. 2            | \$2,620,824 | 8.62    | Sec. 609             | \$4,545    | .01     |
| Sec. 8            | 479,742     | 1.58    | Sec. 611             | 50,078     | .16     |
| Title II:         |             |         | Title VII            | 1,874      | .01     |
| Sec. 203          | 20,097,721  | 66.09   | Title VIII: Sec. 803 | 1,137,891  | 3.74    |
| Sec. 207-210      | 772,719     | 2.54    | Title IX:            |            |         |
| Sec. 213          | 776,276     | 2.55    | Sec. 903             | 570,054    | 1.90    |
| Title VI:         |             |         | Sec. 908             | 199,525    | .66     |
| Sec. 603          | 828,833     | 2.73    | Total                | 30,410,092 | 100.00  |
| Sec. 608          | 2,861,010   | 9.41    |                      |            |         |

FEDERAL HOUSING ADMINISTRATION

Capital and Statutory Reserves of Combined FHA Funds

The combined capital and statutory reserves of all FHA funds on June 30, 1952 amounted to \$327,093,164, and consisted of \$204,879,894 capital (\$68,497,433 investment of the United States Government and \$136,382,461 earned surplus) and \$122,213,270 statutory reserves, as shown in Statement 1.

STATEMENT 1.—Comparative statement of financial condition, all FHA funds combined, as of June 30, 1951, and June 30, 1952

|  | June 30, 1951 | June 30, 1952 | Increase or decrease (—) |
|--|---------------|---------------|--------------------------|
| <b>ASSETS</b>  |               |               |                          |
| Cash with U. S. Treasury   | \$10,959,571  | \$65,230,556  | \$24,270,985             |
| Investments:   |               |               |                          |
| U. S. Government securities (amortized)  | 266,105,915   | 285,880,036   | 19,774,121               |
| Other securities (stock in rental housing corporations)                          | 412,680       | 438,760       | 26,080                   |
| Total investments  | 266,518,595   | 286,318,796   | 19,800,201               |
| Loans receivable:  |               |               |                          |
| Mortgage notes and contracts for deed  | 23,178,333    | 32,524,001    | 9,345,668                |
| Less reserve for losses  | 393,147       | 551,301       | 158,154                  |
| Net loans receivable   | 22,785,186    | 31,972,700    | 9,187,514                |
| Accounts and notes receivable:   |               |               |                          |
| Accounts receivable—Insurance premiums   | 3,846,907     | 5,523,228     | 1,676,321                |
| Accounts receivable—Other  | 160,645       | 125,248       | —35,397                  |
| Total accounts and notes receivable  | 4,007,642     | 5,648,476     | 1,640,834                |
| Accrued assets:  |               |               |                          |
| Interest on U. S. Government securities  | 480,493       | 542,296       | 52,803                   |
| Interest on mortgage notes and contracts for deed                                | 471,253       | —             | —471,253                 |
| Total accrued assets   | 960,746       | 542,296       | —418,450                 |
| Land, structures, and equipment:   |               |               |                          |
| Furniture and equipment  | 2,080,441     | 2,104,160     | 23,719                   |
| Less reserve for depreciation  | 969,367       | 1,060,328     | 90,961                   |
| Net furniture and equipment  | 1,111,074     | 1,043,832     | —67,242                  |
| Acquired security or collateral:   |               |               |                          |
| Real estate (at cost plus expenses to date)                                      | 38,030,402    | 51,502,344    | 13,471,942               |
| Less reserve for losses  | 6,379,598     | 8,503,683     | 2,124,085                |
| Net real estate  | 31,650,804    | 42,998,661    | 11,347,757               |
| Mortgage notes acquired under terms of insurance (at cost plus expenses to date) | 13,837,638    | 29,861,282    | 16,023,644               |
| Less reserve for losses  | 2,969,163     | 5,531,487     | 2,562,324                |
| Net mortgage notes acquired under terms of insurance                             | 10,868,475    | 24,329,795    | 13,461,320               |
| Defaulted Title I notes  | 47,427,113    | 48,855,633    | 1,428,520                |
| Less reserve for losses  | 27,365,632    | 33,010,184    | 5,644,552                |
| Net defaulted Title I notes  | 20,061,481    | 15,845,449    | —4,216,032               |
| Net acquired security or collateral  | 62,580,820    | 83,083,905    | 20,503,085               |
| Total assets   | 398,923,634   | 473,840,561   | 74,916,927               |
| <b>LIABILITIES</b>   |               |               |                          |
| Accounts payable:  |               |               |                          |
| BBIs payable to vendors and Government agencies                                  | 6,545,465     | 12,959,802    | —3,585,603               |
| Group account participations payable   | 1,904,822     | 1,770,132     | —134,690                 |
| Total accounts payable   | 8,450,287     | 4,729,934     | —3,720,353               |
| Accrued liabilities: Interest on debentures                                      | 1,189,821     | 1,521,012     | 331,191                  |

<sup>1</sup> Excludes unfilled orders in the amount of \$17,569.  
<sup>2</sup> Excludes unfilled orders in the amount of \$193,770.

HOUSING AND HOME FINANCING AGENCY

STATEMENT 1.—Comparative statement of financial condition, all FHA funds combined, as of June 30, 1952—Continued

|   | June 30, 1951      | June 30, 1952      | Increase or—<br>decrease (—) |
|---|--------------------|--------------------|------------------------------|
| <b>Trust and deposit liabilities:</b>   |                    |                    |                              |
| Fee deposits held for future disposition.....   | \$5,257,696        | \$4,740,441        | —\$517,255                   |
| Excess proceeds of sale.....  | 757,360            | 1,024,611          | 267,251                      |
| Deposits held for mortgagors, lessees, and purchasers.....  | 519,593            | 1,171,547          | 651,954                      |
| Due general fund of the U. S. Treasury.....   | 5,185              | 21,588             | 16,403                       |
| Employees' pay roll deductions for taxes, etc.....  | 1,175,027          | 917,260            | —257,767                     |
| <b>Total trust and deposit liabilities.....</b>   | <b>7,714,861</b>   | <b>7,875,447</b>   | <b>160,586</b>               |
| <b>Deferred and undistributed credits:</b>  |                    |                    |                              |
| Unearned insurance premiums.....  | 52,120,514         | 57,744,810         | 5,624,296                    |
| Unearned insurance fees.....  | 816,801            | 438,619            | —378,182                     |
| Other.....  | 74,635             | .....              | —74,635                      |
| <b>Total deferred and undistributed credits.....</b>  | <b>53,011,950</b>  | <b>58,183,429</b>  | <b>5,171,479</b>             |
| <b>Bonds, debentures and notes payable: Debentures payable.....</b>   | <b>53,155,986</b>  | <b>74,145,336</b>  | <b>20,989,350</b>            |
| <b>Other liabilities: Reserve for foreclosure costs—Mortgage notes.....</b>   | <b>132,886</b>     | <b>292,239</b>     | <b>159,353</b>               |
| <b>Statutory reserves:</b>  |                    |                    |                              |
| For transfer to general reinsurance account.....  | 22,625,580         | 26,346,363         | 3,720,783                    |
| Net balances of group accounts available for contingent losses, expenses, other charges, and participations.....          | 75,250,504         | 95,866,907         | 20,616,403                   |
| <b>Total statutory reserves.....</b>  | <b>97,876,084</b>  | <b>122,213,270</b> | <b>24,337,186</b>            |
| <b>Total liabilities.....</b>   | <b>221,531,875</b> | <b>268,960,667</b> | <b>47,428,792</b>            |
| <b>CAPITAL</b>  |                    |                    |                              |
| <b>Investment of the U. S. Government:</b>  |                    |                    |                              |
| Allocations from the U. S. Treasury.....  | 21,000,000         | 21,000,000         | .....                        |
| Appropriations for salaries and expenses.....   | 36,164,119         | 36,164,119         | .....                        |
| Appropriations for payment of insurance claims.....   | 8,333,314          | 8,333,314          | .....                        |
| Allocation to Housing Insurance Fund from general reinsurance reserve fund of the Mutual Mortgage Insurance Fund.....     | 1,000,000          | 1,000,000          | .....                        |
| Allocation to Title I Housing Insurance Fund from insurance reserve fund of the Title I Insurance Fund.....               | 1,000,000          | 1,000,000          | .....                        |
| Allocation to National Defense Housing Insurance Fund from insurance reserve fund of the War Housing Insurance Fund.....  | .....              | 1,000,000          | 1,000,000                    |
| <b>Total investment of the U. S. Government.....</b>  | <b>67,497,433</b>  | <b>68,497,433</b>  | <b>1,000,000</b>             |
| <b>Earned surplus (deficit —):</b>  |                    |                    |                              |
| Insurance reserve fund (cumulative earnings) available for future losses and related expenses.....                        | 98,008,878         | 123,753,410        | 25,744,532                   |
| General reinsurance reserve fund (cumulative earnings or deficit —) available for future losses and related expenses..... | 11,887,448         | 12,029,051         | 741,603                      |
| <b>Total earned surplus.....</b>  | <b>109,894,326</b> | <b>136,382,461</b> | <b>26,488,135</b>            |
| <b>Total capital.....</b>   | <b>177,391,759</b> | <b>204,879,894</b> | <b>27,488,135</b>            |
| <b>Total liabilities and capital.....</b>   | <b>398,923,634</b> | <b>473,840,561</b> | <b>74,916,927</b>            |
| <b>Contingent liability for certificates of claim on properties on hand.....</b>  | <b>1,146,625</b>   | <b>1,786,895</b>   | <b>640,270</b>               |

The paid-in capital of \$68,497,433 and the earned surplus of \$136,382,461 are available for future contingent losses and related expenses. The statutory reserves of \$122,213,270 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 provisions of Title II of the National Housing Act after providing for contingent insurance losses, expenses, and related charges.

FEDERAL HOUSING ADMINISTRATION

The capital and statutory reserves of each fund are given below:

| Fund   | Capital and statutory reserves |
|--|--------------------------------|
| Title I Insurance Fund.....                  | \$22,528,274                   |
| Title I Housing Insurance Fund.....          | 872,018                        |
| Mutual Mortgage Insurance Fund.....          | 176,836,416                    |
| Housing Insurance Fund.....                  | 5,407,496                      |
| War Housing Insurance Fund.....              | 109,853,179                    |
| Housing Investment Insurance Fund.....       | 988,344                        |
| Military Housing Insurance Fund.....         | 9,515,770                      |
| National Defense Housing Insurance Fund..... | 1,001,067                      |
| <b>Total.....</b>                            | <b>327,093,164</b>             |

In addition, the various insurance funds had collected or accrued \$438,619 unearned insurance fees and \$57,744,810 unearned insurance premiums, as shown below. Since the accounts are on an accrual basis, these fees and premiums have been deferred and will be allocated to income each month as they are earned.

| Fund   | Deferred fee income | Deferred premium income | Total deferred fee and premium income |
|--|---------------------|-------------------------|---------------------------------------|
| Title I Insurance Fund.....                  | .....               | \$21,976,282            | \$21,976,282                          |
| Title I Housing Insurance Fund.....          | .....               | 113,465                 | 113,465                               |
| Mutual Mortgage Insurance Fund.....          | .....               | 20,812,519              | 20,812,519                            |
| Housing Insurance Fund.....                  | \$317,785           | 701,859                 | 1,019,644                             |
| War Housing Insurance Fund.....              | 925                 | 12,924,650              | 12,925,575                            |
| Military Housing Insurance Fund.....         | 62,940              | 1,127,528               | 1,190,468                             |
| National Defense Housing Insurance Fund..... | 56,969              | 88,507                  | 145,476                               |
| <b>Total.....</b>                            | <b>438,619</b>      | <b>57,744,810</b>       | <b>58,183,429</b>                     |

Combined Income, Expenses, and Losses, All FHA Funds

Total income from all sources during the fiscal year 1952 amounted to \$104,770,956, while total expenses and insurance losses amounted to \$34,320,261, leaving net income, before adjustment of valuation and statutory reserves, of \$70,450,695. Increases in valuation reserves for the year amounted to \$10,579,115, leaving \$59,871,580 net income for the period. Cumulative income from June 30, 1934 through June 30, 1952 was \$650,499,893, and cumulative expenses were \$301,998,412, leaving net income of \$348,501,481 before adjustment of valuation reserves.

## HOUSING AND HOME FINANCE AGENCY

 STATEMENT 2.—Combined statement of income and expenses for all FHA funds,  
through June 30, 1951, and June 30, 1952

|  | June 30, 1934<br>to<br>June 30, 1951 | July 1, 1951<br>to<br>June 30, 1952 | June 30, 1934<br>to<br>June 30, 1952 |
|--|--------------------------------------|-------------------------------------|--------------------------------------|
| <b>Income:</b>   |                                      |                                     |                                      |
| Interest and dividends:  |                                      |                                     |                                      |
| Interest on U. S. Government securities.....   | \$32,680,400                         | \$6,003,763                         | \$39,684,172                         |
| Interest on mortgage notes and contracts for<br>deed.....                                | 52,833                               | 8,814                               | 61,697                               |
| Interest and other income on defaulted Title I<br>notes.....                             | 1,854,606                            | 476,817                             | 2,331,423                            |
| Interest—Other.....  | 4,566,989                            | 1,265,630                           | 5,832,619                            |
| Dividends on rental housing stock.....   | 4,885                                | 2,246                               | 7,131                                |
|  | 39,159,772                           | 8,657,270                           | 47,817,042                           |
| Insurance premiums and fees:   |                                      |                                     |                                      |
| Premiums.....  | 301,022,346                          | 31,646,658                          | 472,669,004                          |
| Fees.....  | 113,709,621                          | 14,461,560                          | 128,171,181                          |
|  | 504,731,967                          | 96,108,218                          | 600,840,185                          |
| Other income:  |                                      |                                     |                                      |
| Profit on sale of investments.....   | 1,820,753                            | 6,812                               | 1,827,565                            |
| Miscellaneous income.....  | 16,445                               | -1,344                              | 15,101                               |
|  | 1,837,198                            | 5,468                               | 1,842,666                            |
| <b>Total income.....</b>   | <b>545,728,937</b>                   | <b>104,770,956</b>                  | <b>650,499,893</b>                   |
| <b>Expenses:</b>   |                                      |                                     |                                      |
| Interest expenses: Interest on debentures.....   | 3,602,448                            | 501,517                             | 4,103,965                            |
| Administrative expenses: Operating costs (Including<br>adjustments for prior years)..... | 244,686,270                          | 30,434,511                          | 275,120,781                          |
| Other expenses:  |                                      |                                     |                                      |
| Depreciation on furniture and equipment.....   | 1,404,198                            | 164,736                             | 1,568,934                            |
| Miscellaneous expenses.....  | 241,470                              | 18,907                              | 260,377                              |
|  | 1,645,668                            | 183,643                             | 1,829,311                            |
| Losses and charge-offs:  |                                      |                                     |                                      |
| Loss on sale of acquired properties.....   | 4,390,519                            | 782,041                             | 5,172,560                            |
| Loss (or profit -) on equipment.....   | -2,708                               | -2,084                              | -4,832                               |
| Loss on defaulted Title I notes.....   | 13,356,044                           | 2,420,633                           | 15,776,677                           |
|  | 17,743,765                           | 3,200,590                           | 20,944,355                           |
| <b>Total expenses.....</b>   | <b>267,678,151</b>                   | <b>34,320,261</b>                   | <b>301,998,412</b>                   |
| <b>Net income before adjustment of valuation reserves.....</b>                           | <b>278,050,786</b>                   | <b>70,450,695</b>                   | <b>348,501,481</b>                   |
| <b>Increase (-) or decrease (+) in valuation reserves:</b>                               |                                      |                                     |                                      |
| Reserve for loss on loans receivable.....  | -393,147                             | -158,154                            | -551,301                             |
| Reserve for loss on real estate.....   | -6,379,598                           | -2,214,085                          | -8,593,683                           |
| Reserve for loss on mortgage notes acquired under<br>terms of insurance.....             | -2,069,163                           | -2,562,324                          | -5,531,487                           |
| Reserve for loss on defaulted Title I notes.....   | -27,365,632                          | -5,644,552                          | -33,010,184                          |
| <b>Net adjustment of valuation reserves.....</b>   | <b>-37,107,540</b>                   | <b>-10,579,115</b>                  | <b>-47,686,655</b>                   |
| <b>Net income.....</b>   | <b>240,943,246</b>                   | <b>59,871,580</b>                   | <b>300,814,826</b>                   |

## ANALYSIS OF EARNED SURPLUS

|  |                   |                    |                    |
|--|-------------------|--------------------|--------------------|
| <b>Distribution of net income:</b>                 |                   |                    |                    |
| Statutory reserves:                                |                   |                    |                    |
| Balance at beginning of period.....                |                   | \$97,876,084       |                    |
| Net income for the period.....                     | \$129,048,920     | 32,383,445         | \$161,432,365      |
|  | 129,048,920       | 130,259,529        | 161,432,365        |
| Participations in mutual earnings distributed..... | -31,172,836       | -8,046,259         | -39,219,095        |
| <b>Balance at end of period.....</b>               | <b>97,876,084</b> | <b>122,213,270</b> | <b>122,213,270</b> |

1 Excludes unfilled orders in the amount of \$176,201.

## FEDERAL HOUSING ADMINISTRATION

 STATEMENT 2.—Combined statement of income and expenses for all FHA funds,  
through June 30, 1951, and June 30, 1952—Continued

|  | June 30, 1934<br>to<br>June 30, 1951 | July 1, 1951<br>to<br>June 30, 1952 | June 30, 1934<br>to<br>June 30, 1952 |
|--|--------------------------------------|-------------------------------------|--------------------------------------|
| <b>Earned surplus:</b>   |                                      |                                     |                                      |
| Balance at beginning of period.....  |                                      | \$109,894,326                       |                                      |
| Net income for the period.....   | \$111,894,326                        | 27,488,135                          | \$139,382,461                        |
|  | 111,894,326                          | 137,382,461                         | 139,382,461                          |
| Allocation to Housing Insurance Fund from<br>general reinsurance reserve fund of the Mu-<br>tual Mortgage Insurance Fund.....        | -1,000,000                           |                                     | -1,000,000                           |
| Allocation to Title I Housing Insurance Fund<br>from the insurance reserve fund of the Title I<br>Insurance Fund.....                | -1,000,000                           |                                     | -1,000,000                           |
| Allocation to National Defense Housing Insur-<br>ance Fund from the insurance reserve fund<br>of the War Housing Insurance Fund..... |                                      | -1,000,000                          | -1,000,000                           |
| <b>Balance at end of period.....</b>   | <b>109,894,326</b>                   | <b>136,382,461</b>                  | <b>136,382,461</b>                   |

## Title I: Property Improvement Loans

## Loans Insured and Claims Paid

Operations under Section 2 of Title I cover the insurance of qualified institutions against loss on loans made to finance the alteration, repair, and improvement of existing structures, and loans not exceeding \$3,000 for the construction of new nonresidential structures.

Loans aggregating 14,367,287 in number and \$6,201,088,863 in amount (net proceeds) had been reported for insurance under this section through December 31, 1952. Through that date, 438,247 claims had been paid for \$134,117,916 and there were 7 claims payable on real properties acquired in the amount of \$35,379. The total claims paid and payable, numbering 438,254 in the amount of \$134,153,295, represent approximately 2.16 percent of the total net proceeds of loans insured, as shown in Statement 3.

In the calendar year 1952, 1,495,741 loans were insured for an aggregate of \$848,327,393, and 33,265 claims were paid for \$11,524,344.

HOUSING AND HOME FINANCE AGENCY

STATEMENT 3.—Summary of Title I notes insured, claims for insurance paid, and recoveries on defaulted notes purchased, by calendar years, 1934-52

| Year  | Notes insured (net proceeds) | Claims for insurance paid | Recoveries on defaulted notes purchased |               |                                   |                 |
|-------|------------------------------|---------------------------|---|---------------|-----------------------------------|-----------------|
|       |                              |                           | Total recoveries                        | Cash receipts |                                   | Real properties |
|       |                              |                           |   | 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                                 | 272,604       | \$20,513                          |                 |
| 1937  | 54,344,338                   | 0,890,897                 | 042,295                                 | 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                               | 1,910,524     | 22,420                            |                 |
| 1940  | 241,734,821                  | 6,543,568                 | 1,902,540                               | 1,858,681     | 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                               | 2,795,655     | -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  | 170,823,785                  | 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     | 230                               | 847             |
| 1948  | 621,612,484                  | 14,345,659                | 2,503,044                               | 2,499,536     | 752                               | 2,756           |
| 1949  | 607,023,920                  | 17,493,909                | 3,414,216                               | 3,413,258     | 657                               | 301             |
| 1950  | 700,224,528                  | 18,168,052                | 5,208,863                               | 5,187,283     |                                   | 21,580          |
| 1951  | 706,962,734                  | 12,164,740                | 6,711,469                               | 6,510,589     | -60                               | 200,930         |
| 1952  | 848,327,393                  | 11,559,723                | 7,495,108                               | 7,202,020     | 902                               | 292,186         |
| Total | 6,201,088,863                | 134,153,295               | 53,368,967                              | 51,912,938    | 170,461                           | 1,285,568       |

Notes.—In addition to the above recoveries, \$4,862,678 interest and other income on outstanding balances of Title I notes, and \$111,358 interest on mortgage notes had been collected through December 31, 1952. Equipment in the total amount of \$4,475,792 (claim amount) had been repossessed by FHA. However, only the cash recovery of \$170,461 from sales is shown as a recovery, the balance of \$4,305,331 having been treated as a loss. Of this amount, \$3,979,705 represents equipment transferred to other Government agencies without exchange of funds; \$322,833 loss on sale of equipment; and \$2,703 equipment destroyed as worthless.

<sup>1</sup> Includes 7 claims payable on real properties acquired in the amount of \$35,379.

Recoveries

Upon payment of insurance claims, the notes and other claims against the borrowers become the property of the Federal Housing Administration and are turned over to the Liquidation Section of the Title I Division for collection or other disposition. If it becomes necessary to repossess equipment under a security instrument held in connection with a defaulted note, the General Services Administration is authorized to pick up such equipment and dispose of it for the account of the Federal Housing Administration.

Real properties acquired are managed and sold by the Property Management Division of the Federal Housing Administration, which also handles the acquisition, management, and disposition of real properties acquired under the various other FHA insurance programs.

Through December 31, 1952, there had been acquired under the terms of insurance a total of 529 real properties with a claim balance of \$1,356,488. All but 17 of these, with a claim balance of \$72,105, had been sold at a net loss of \$52,287, including all expenses (such as taxes, repairs, and sales commissions) incurred by FHA in acquiring, managing, and disposing of the properties.

Insurance losses through December 31, 1952 amounted to \$66,185,217. These losses represent 1.07 percent of the total amount of

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loans insured (\$6,201,088,863). A summary of transactions through December 31, 1952 follows:

Summary of Title I transactions for the period June 30, 1934, to December 31, 1952

|   | Insurance fund           | Claims account | Total Title I transactions to Dec. 31, 1952 | Percent to notes insured |
|---|--------------------------|----------------|---|--------------------------|
| Total notes insured   | \$5,422,228,242          | \$778,860,621  | \$6,201,088,863                             | 100.000                  |
| Total claims paid   | <sup>1</sup> 102,664,581 | 31,488,714     | <sup>1</sup> 134,153,295                    | 1.893                    |
| Recoveries:   |                          |                |   | Percent to claims paid   |
| Cash collections:   |                          |                |   |                          |
| On notes  | 35,750,680               | 16,102,258     | 51,912,938                                  | 38.697                   |
| On sale of repossessed equipment  | 5,668                    | 164,703        | 170,461                                     | .127                     |
| Total cash  | 35,756,348               | 16,327,051     | 52,083,399                                  | 38.824                   |
| Real properties (after deducting losses and reserve for losses on real properties and mortgage notes) | <sup>1</sup> 982,862     | 302,706        | <sup>1</sup> 1,285,568                      | .958                     |
| Total recoveries  | 36,739,210               | 16,629,757     | 53,368,967                                  | 39.782                   |
| Net notes in process of collection  | 14,507,773               | 31,338         | 14,599,111                                  | 10.882                   |
| Losses:   |                          |                |   |                          |
| Loss on sale of real properties   | 24,400                   | 27,797         | 52,287                                      | .039                     |
| Loss on repossessed equipment   | 46,601                   | 4,259,330      | 4,305,931                                   | 3.209                    |
| Loss on defaulted Title I notes   | 17,541,277               | 9,655,355      | 27,196,632                                  | 20.273                   |
| Reserve for loss on real properties and mortgage notes  | 18,507                   | 126            | 18,633                                      | .014                     |
| Reserve for loss on defaulted Title I notes   | 33,727,323               | 855,011        | 34,612,334                                  | 25.801                   |
| Total losses  | 51,357,598               | 14,827,619     | 66,185,217                                  | 49.336                   |

NOTE.—Included in the loss on repossessed equipment is \$3,079,705 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.

<sup>1</sup> Includes 7 claims payable on real properties acquired in the amount of \$35,379.

In addition to the above recoveries, \$4,862,678 interest and other income on outstanding defaulted note balances, and \$111,358 interest on mortgage notes had been collected through December 31, 1952.

Title I Insurance Fund

The Title I Insurance Fund was established by amendment of June 3, 1939 to the National Housing Act for the purpose of carrying out the provisions of Title I (Section 2) on insurance granted on and after July 1, 1939.

Section 2 (f) of the Act provides that moneys in the Title I Insurance Fund shall be available for defraying the operating expenses of the Federal Housing Administration under this title, and any amounts which are not needed for such purpose may be used for the payment of claims in connection with the insurance granted under this title.

Since the establishment of the Title I Insurance Fund, all operating expenses have been paid out of earnings of the fund, and since July

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1, 1944, all insurance claims relating to this fund have been paid out of accumulated earnings and recoveries in the fund. Prior to July 1, 1944, a portion of the insurance claims was met from income and recoveries while the remainder was paid from funds advanced by the Federal Government.

The total capital of the Title I Insurance Fund as of June 30, 1952, as shown in Statement 4, was \$22,528,274, of which \$8,333,314 represented investment of the United States Government and \$14,194,960 was earned surplus.

STATEMENT 4.—Comparative statement of financial condition, Title I Insurance Fund, as of June 30, 1951, and June 30, 1952

|  | June 30, 1951 | June 30, 1952 | Increase or decrease (-) |
|--|---------------|---------------|--------------------------|
| <b>ASSETS</b>  |               |               |                          |
| Cash with U. S. Treasury.....  | \$15,565,087  | \$24,606,518  | \$9,131,431              |
| Loans receivable:  |               |               |                          |
| Mortgage notes and contracts for deed.....   | 132,429       | 390,440       | 264,011                  |
| Less reserve for losses.....   | 1,986         | 5,947         | 3,961                    |
| Net loans receivable.....  | 130,443       | 390,493       | 260,050                  |
| Accounts and notes receivable:   |               |               |                          |
| Accounts receivable—Insurance premiums.....  | 2,205,251     | 3,884,038     | 1,678,787                |
| Accounts receivable—Other.....   | 14,946        | 18,395        | 3,449                    |
| Accounts receivable—Inter-fund.....  | 141,342       | 133,033       | -8,309                   |
| Total accounts and notes receivable.....   | 2,361,539     | 4,035,466     | 1,673,927                |
| Accrued assets: Interest on mortgage notes and contracts for deed.....                             | 519           |               | -519                     |
| Acquired security or collateral:   |               |               |                          |
| Real estate (at cost plus expenses to date).....   | 95,326        | 137,345       | 42,019                   |
| Less reserve for losses.....   | 14,261        | 20,299        | 6,038                    |
| Net real estate.....   | 81,065        | 117,046       | 35,981                   |
| Defaulted Title I notes.....   | 47,427,113    | 48,855,633    | 1,428,520                |
| Less reserve for losses.....   | 27,365,632    | 33,010,184    | 5,644,552                |
| Net defaulted Title I notes.....   | 20,061,481    | 15,845,449    | -4,216,032               |
| Net acquired security or collateral.....   | 20,142,546    | 15,962,495    | -4,180,051               |
| Total assets.....  | 38,200,134    | 45,084,972    | 6,884,838                |
| <b>LIABILITIES</b>   |               |               |                          |
| Accounts payable: Bills payable to vendors and Government agencies.....                            | 1,147,755     | 571,430       | -576,325                 |
| Trust and deposit liabilities: Deposits held for mortgagors, lessees and purchasers.....           | 3,969         | 8,985         | 5,017                    |
| Deferred and undistributed credits: Unearned insurance premiums.....                               | 18,923,494    | 21,976,282    | 3,052,788                |
| Total liabilities.....   | 20,075,218    | 22,556,698    | 2,481,480                |
| <b>CAPITAL</b>   |               |               |                          |
| Investment of the U. S. Government: Appropriations for payment of insurance claims.....            | 8,333,314     | 8,333,314     |                          |
| Earned surplus:  |               |               |                          |
| Insurance reserve fund (cumulative earnings) available for future losses and related expenses..... | 9,791,602     | 14,194,960    | 4,403,358                |
| Total capital.....   | 18,124,916    | 22,528,274    | 4,403,358                |
| Total liabilities and capital.....   | 38,200,134    | 45,084,972    | 6,884,838                |

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For the fiscal year 1952, Title I Insurance Fund income totaled \$15,127,112, while expenses and losses amounted to \$5,012,821, leaving \$10,114,291 net income before adjustment of valuation reserves. After the valuation reserves were increased by \$5,654,551, there remained \$4,459,740 net income for the year.

STATEMENT 5.—Income and expenses, Title I Insurance Fund, through June 30, 1951 and June 30, 1952

|  | June 3, 1939 to June 30, 1951 | July 1, 1951 to June 30, 1952 | June 3, 1939 to June 30, 1952 |
|--|-------------------------------|-------------------------------|-------------------------------|
| <b>Income:</b>   |                               |                               |                               |
| Interest and dividends:                                    |                               |                               |                               |
| Interest on mortgage notes and contracts for deed.....     | \$52,883                      | \$8,814                       | \$61,697                      |
| Interest and other income on defaulted Title I notes.....  | 1,854,606                     | 476,817                       | 2,331,423                     |
| Total.....   | 1,907,489                     | 485,631                       | 2,393,120                     |
| Insurance premiums and fees:                               |                               |                               |                               |
| Premiums.....  | 65,085,770                    | 14,044,499                    | 79,730,269                    |
| Fees.....  | 369,304                       |                               | 369,304                       |
| Total.....   | 65,455,074                    | 14,044,499                    | 80,099,573                    |
| Other income: Miscellaneous income.....                    | 7,320                         | -3,018                        | 4,302                         |
| Total income.....  | 67,369,883                    | 15,127,112                    | 82,496,995                    |
| <b>Expenses:</b>   |                               |                               |                               |
| Administrative expenses: Operating costs.....              | 15,417,913                    | 2,560,123                     | 18,040,418                    |
| Other expenses:  |                               |                               |                               |
| Depreciation on furniture and equipment.....               | 125,805                       | 13,887                        | 139,693                       |
| Miscellaneous expenses.....                                | 223,645                       | 18,873                        | 242,518                       |
| Total.....   | 349,451                       | 32,760                        | 382,211                       |
| Losses and charge-offs:                                    |                               |                               |                               |
| Loss on sale of acquired properties.....                   | 30,783                        | -6,510                        | 24,267                        |
| Loss (or profit-) on equipment.....                        | 42,211                        | -179                          | 42,032                        |
| Loss on defaulted Title I notes.....                       | 13,356,044                    | 2,420,633                     | 15,776,677                    |
| Total.....   | 13,429,038                    | 2,413,938                     | 15,842,976                    |
| Total expenses.....  | 29,196,402                    | 5,012,821                     | 34,205,605                    |
| Net income before adjustment of valuation reserves.....    | 38,173,481                    | 10,114,291                    | 48,231,390                    |
| <b>Increase (-) or decrease (+) in valuation reserves:</b> |                               |                               |                               |
| Reserve for loss on loans receivable.....                  | -1,086                        | -3,961                        | -5,947                        |
| Reserve for loss on real estate.....                       | -14,261                       | -6,038                        | -20,299                       |
| Reserve for loss on defaulted Title I notes.....           | -27,365,632                   | -5,644,552                    | -33,010,184                   |
| Net adjustment of valuation reserves.....                  | -27,381,879                   | -5,654,551                    | -33,036,430                   |
| Net income.....  | 10,791,602                    | 4,459,740                     | 15,194,960                    |

ANALYSIS OF EARNED SURPLUS

|   |              |             |              |
|---|--------------|-------------|--------------|
| <b>Distribution of net income:</b>  |              |             |              |
| <b>Earned surplus:</b>  |              |             |              |
| Balance at beginning of period.....   |              | \$9,791,602 |              |
| Adjustments during the period.....  |              | -50,382     |              |
| Net income for the period.....  | \$10,791,602 | 4,459,740   | \$15,194,960 |
| Allocation to Title I Housing Insurance Fund from the insurance reserve fund of the Title I Insurance Fund..... | 10,791,602   | 14,194,960  | 15,194,960   |
| Balance at end of period.....   | -1,000,000   |             | -1,000,000   |
| Total.....  | 9,791,602    | 14,194,960  | 14,194,960   |

## Title I Insurance Authority

An amendment to Section 2 (a) of the National Housing Act approved April 20, 1950 provides for a revolving type of insurance authorization. This amendment provides that the aggregate amount of obligations that may be outstanding at any one time shall not exceed \$1,250,000,000. The status of the Title I Section 2 insurance authority as of December 31, 1952, is given below:

## Status of Title I insurance authority as of Dec. 31, 1952

|   |                    |
|---|--------------------|
| Insurance authority.....  | \$1, 250, 000, 000 |
| Charges against insurance authority:  |                    |
| Estimated outstanding balance of insurance in force:                              |                    |
| Amendment of June 3, 1939.....  | \$3, 659, 329      |
| Reserve of July 1, 1944.....  | 193, 903           |
| Reserve of July 1, 1947.....  | 20, 690, 871       |
| Reserve of Mar. 1, 1950 (including 235,926 notes on loan reports in process)..... | 1, 223, 925, 351   |
| Total charges against authority.....  | 1, 248, 469, 454   |
| Unused insurance authority.....   | 1, 530, 546        |

## Title I Insurance Liability

The maximum amount of claims that a qualified institution may present for payment is limited to 10 percent of the eligible loans reported by that institution for insurance. As of December 31, 1952, the maximum possible liability of the Title I Insurance Fund for claims was \$233,252,136.

## Insurance reserves under Title I, established, released, and outstanding at Dec. 31, 1952, as provided under Secs. 2 and 6, National Housing Act

| Item                                     | Gross reserves established | Reserves released    | Claims paid          | Outstanding contingent liability |
|--|----------------------------|----------------------|----------------------|----------------------------------|
| <b>Insurance reserves:</b>               |                            |                      |                      |                                  |
| <b>Sec. 2:</b>                           |                            |                      |                      |                                  |
| 20 percent, original Act.....            | \$66, 331, 509             | \$50, 760, 720       | \$15, 561, 780       |                                  |
| 10 percent, amendment Apr. 3, 1930.....  | 17, 257, 563               | 10, 647, 672         | 6, 609, 891          |                                  |
| 10 percent, amendment Feb. 3, 1938.....  | 27, 302, 148               | 18, 041, 547         | 9, 260, 001          |                                  |
| 10 percent, amendment June 3, 1939.....  | 86, 008, 362               | 61, 990, 710         | 20, 418, 323         | \$3, 659, 329                    |
| 10 percent, reserve of July 1, 1944..... | 85, 460, 450               | 60, 076, 924         | 24, 289, 623         | 193, 903                         |
| 10 percent, reserve of July 1, 1947..... | 163, 085, 005              | 97, 435, 042         | 44, 959, 092         | 20, 690, 871                     |
| 10 percent, reserve of Mar. 1, 1950..... | 207, 609, 007              |                      | 12, 062, 164         | 194, 646, 843                    |
| Estimated loan reports in process.....   | 14, 061, 100               |                      |                      | 14, 061, 100                     |
| <b>Sec. 6<sup>1</sup>:</b>               |                            |                      |                      |                                  |
| 20 percent, amendment Apr. 22, 1937..... | 297, 366                   | 246, 498             | 50, 868              |                                  |
| 10 percent, amendment Apr. 17, 1936..... | 11, 913                    | 6, 339               | 5, 574               |                                  |
| <b>Total.....</b>                        | <b>667, 484, 613</b>       | <b>300, 114, 401</b> | <b>134, 117, 916</b> | <b>233, 252, 136</b>             |

<sup>1</sup> In effect from Apr. 17, 1936 to June 3, 1939, for disaster loans.<sup>2</sup> Excludes 7 claims payable on real properties acquired in the amount of \$35,379.

## Title I Claims Account

Through June 30, 1952, the Federal Government had advanced a total of \$38,243,526 to cover operations under Title I (Sec. 2) on in-

insurance granted prior to July 1, 1939. Of this amount, \$6,613,811 had been advanced for salaries and expenses and the remaining \$31,629,715 had been used for the payment of insurance claims and loans to insured institutions. In addition, \$2,236,443 had been collected as interest and other income, making a total of \$40,479,969 accountable funds.

Funds accounted for at June 30, 1952, amounted to \$40,380,229; \$18,907,243 representing recoveries and interest on claims deposited in the general fund of the Treasury, and \$21,472,986 representing expenses and losses, leaving a balance to be accounted for of \$99,740. This balance is accounted for by the net assets on hand at June 30, 1952, which consisted of \$40,784 cash, \$59,834 accounts and notes receivable, and \$878 trust liabilities.

## STATEMENT 6.—Title I Claims Account: Statement of accountability for funds advanced as of June 30, 1952

|   |                |                |
|---|----------------|----------------|
| Advances from RFC for:  |                |                |
| Payment of claims.....  | \$31, 488, 715 |                |
| Loans to insured institutions.....  | 141, 000       |                |
| Payment of salaries and expenses.....   | 6, 613, 811    |                |
|   |                | \$38, 243, 526 |
| Income from operations:   |                |                |
| Interest and other income on defaulted notes.....   | 2, 195, 595    |                |
| Miscellaneous income.....   | 40, 848        |                |
|   |                | 2, 236, 443    |
| Total funds available.....  |                | \$40, 479, 969 |
| Recoveries on claims and loans to insured institutions deposited in the general fund of the Treasury..... | 18, 907, 243   |                |
| Salaries and expenses.....  | 6, 613, 811    |                |
| Losses, including estimated future losses:  |                |                |
| Sale of real property.....  | 27, 991        |                |
| Repossessed equipment.....  | 4, 259, 330    |                |
| Defaulted notes.....  | 10, 571, 854   |                |
|   |                | 14, 859, 175   |
| Total funds used.....   |                | 40, 380, 229   |
| Balance of funds to be accounted for.....   |                | 99, 740        |
| Accountability represented by:  |                |                |
| Assets on hand:   |                |                |
| Cash.....   | 40, 784        |                |
| Accounts receivable and accrued assets.....   | 1, 869         |                |
| Mortgage notes.....   | 10, 291        |                |
| Less estimated future losses.....   | 154            |                |
|   | 10, 137        |                |
| Defaulted notes.....  | 973, 560       |                |
| Less estimated future losses.....   | 925, 732       |                |
|   | 47, 828        |                |
| Total assets on hand.....   |                | 100, 618       |
| Liabilities:  |                |                |
| Deposits held for account of mortgagors and lessees.....  |                | 878            |
| Net assets on hand.....   |                | 99, 740        |

## Title I Housing Insurance Fund

An amendment of April 20, 1950, to the National Housing Act (Public Law 475, 81st Cong.) created the Title I Housing Insurance Fund to be used by the FHA Commissioner as a revolving fund for carrying out the provisions of Section 8 of Title I of the Act. This section provides for the insurance of mortgages to assist families of low and moderate income, particularly in suburban and outlying areas. For the purposes of this fund, the Act authorized the Commissioner to transfer the sum of \$1,000,000 from the Title I Insurance Fund.

## Title I, Section 8 Insurance Authority

Section 8 (a) of the National Housing Act provides that the aggregate amount of principal obligations of all mortgages insured and outstanding at any one time shall not exceed \$100,000,000, except that with the approval of the President such amount may be increased by \$150,000,000.

The status of the Title I, Section 8 insurance authority at December 31, 1952 was calculated as follows:

*Status of Title I, Sec. 8 insurance authority as of Dec. 31, 1952*

|  |                   |
|--|-------------------|
| Insurance authority.....                                 | \$100,000,000     |
| Charges against insurance authority:                     |                   |
| Estimated outstanding balance of insurance in force..... | \$57,902,368      |
| Outstanding commitments.....                             | 14,702,333        |
| <b>Total charges against authority.....</b>              | <b>72,604,701</b> |
| Unused insurance authority.....                          | 27,395,299        |

## Title I Housing Insurance Fund Capital and Net Income

Assets of the Title I Housing Insurance Fund at June 30, 1952 totaled \$1,130,824, against which there were outstanding liabilities of \$258,206, leaving \$872,618 capital. The amount of capital includes \$1,000,000 which was transferred from the Title I Insurance Fund in accordance with Section 8 (h) of the Act, and an operating deficit of \$127,382.

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STATEMENT 7.—Comparative statement of financial condition, Title I Housing Insurance Fund, as of June 30, 1951, and June 30, 1952

|  | June 30, 1951    | June 30, 1952    | Increase or decrease (—) |
|--|------------------|------------------|--------------------------|
| <b>ASSETS</b>  |                  |                  |                          |
| Cash with U. S. Treasury.....  | \$318,874        | \$163,891        | —\$154,983               |
| Investments: U. S. Government securities (amortized).....  | 958,022          | 957,621          | —401                     |
| Accounts and notes receivable: Accounts receivable—Insurance premiums.....                                     |                  | 4,163            | 4,163                    |
| Accrued assets: Interest on U. S. Government securities.....   | 900              | 990              |                          |
| Acquired security or collateral:   |                  |                  |                          |
| Real estate (at cost plus expenses to date).....   |                  | 4,877,718        | 4,877,718                |
| Less reserve for losses.....   |                  |                  |                          |
| Net acquired security or collateral.....   |                  | 4,150            | 4,150                    |
| <b>Total assets.....</b>   | <b>1,277,886</b> | <b>1,130,824</b> | <b>—147,062</b>          |
| <b>LIABILITIES</b>   |                  |                  |                          |
| Accounts payable:  |                  |                  |                          |
| Bills payable to vendors and Government agencies.....  |                  | 35               | 35                       |
| Inter-fund.....  | 37,713           | 3,140            | —34,573                  |
| Total accounts payable.....  | 37,713           | 3,175            | —34,538                  |
| Accrued liabilities: Interest on debentures.....   |                  | 92               | 92                       |
| Trust and deposit liabilities: Fee deposits held for future disposition.....                                   | 235,887          | 136,724          | —99,163                  |
| Deferred and undistributed credits: Unearned insurance premiums.....   | 35,197           | 113,465          | 78,268                   |
| Bonds, debentures, and notes payable: Debentures payable.....  |                  | 4,750            | 4,750                    |
| <b>Total liabilities.....</b>  | <b>308,797</b>   | <b>258,206</b>   | <b>—50,591</b>           |
| <b>CAPITAL</b>   |                  |                  |                          |
| Investment of the U. S. Government:  |                  |                  |                          |
| Allocation to Title I Housing Insurance Fund from insurance reserve fund of the Title I Insurance Fund.....    | 1,000,000        | 1,000,000        |                          |
| Earned surplus:  |                  |                  |                          |
| Insurance reserve fund (cumulative earnings or deficit—) available for future losses and related expenses..... | —30,911          | —127,382         | —96,471                  |
| <b>Total capital.....</b>  | <b>969,089</b>   | <b>872,618</b>   | <b>—96,471</b>           |
| <b>Total liabilities and capital.....</b>  | <b>1,277,886</b> | <b>1,130,824</b> | <b>—147,062</b>          |
| Contingent liabilities for certificates of claim on properties on hand.....                                    |                  | 718              | 718                      |

The total income of the Title I Housing Insurance Fund for fiscal year 1952 amounted to \$457,741, while expenses and losses totaled \$507,677, leaving a net deficit of \$49,936 before adjustment of the valuation reserve. The valuation reserve was increased \$718, resulting in a net deficit of \$50,654 for the year.

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STATEMENT 8.—Income and expenses, Title I Housing Insurance Fund, through June 30, 1951 and June 30, 1952

|   | April 20, 1950<br>to<br>June 30, 1951 | July 1, 1951<br>to<br>June 30, 1952 | April 20, 1950<br>to<br>June 30, 1952 |
|---|---------------------------------------|-------------------------------------|---------------------------------------|
| <b>Income:</b>  |                                       |                                     |                                       |
| Interest and dividends:   |                                       |                                     |                                       |
| Interest on U. S. Government securities.....                        | \$17,030                              | \$23,348                            | \$40,387                              |
| Insurance premiums and fees:  |                                       |                                     |                                       |
| Premiums.....   | 17,386                                | 151,000                             | 160,085                               |
| Fees.....   | 260,655                               | 282,604                             | 543,349                               |
|   | 278,041                               | 434,393                             | 712,434                               |
| Total income.....   | 295,080                               | 457,741                             | 752,821                               |
| <b>Expenses:</b>  |                                       |                                     |                                       |
| Administrative expenses: Operating costs.....                       | 324,635                               | 504,981                             | 875,433                               |
| Other expenses: Depreciation on furniture and equipment.....        | 1,540                                 | 2,735                               | 4,275                                 |
| Losses and charge-offs: Loss (or profit -) on equipment.....        | -184                                  | -30                                 | -223                                  |
| Total expenses.....   | 325,991                               | 507,677                             | 879,485                               |
| Net income (or loss -) before adjustment of valuation reserves..... | -30,911                               | -49,936                             | -126,664                              |
| Increase (-) or decrease (+) in valuation reserves:                 |                                       |                                     |                                       |
| Reserve for loss on real estate.....                                |                                       | -718                                | -718                                  |
| Net income or loss (-).....   | -30,911                               | -50,654                             | -127,382                              |
| <b>ANALYSIS OF EARNED SURPLUS (OR DEFICIT -)</b>                    |                                       |                                     |                                       |
| <b>Distribution of net income:</b>                                  |                                       |                                     |                                       |
| Earned surplus (or deficit -):                                      |                                       |                                     |                                       |
| Balance at beginning of period.....                                 |                                       | -30,911                             |                                       |
| Adjustments during the period.....                                  |                                       | -45,817                             |                                       |
| Net income (or loss -) for the period.....                          | -30,911                               | -50,654                             | -127,382                              |
| Balance at end of period.....                                       | -30,911                               | -127,382                            | -127,382                              |

Investments

Section 8 (i) of the Act provides that moneys in the Title I Housing Insurance Fund not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by the United States; or the Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under the fund, provided that such purchases are made at a price that will produce an investment yield of not less than the yield obtainable from other authorized investments. During the fiscal year 1952, no additional investments were made for the account of this fund, and at June 30, 1952 the fund held bonds in the principal amount of \$950,000 as follows:

FEDERAL HOUSING ADMINISTRATION

Investments of the Title I Housing Insurance Fund, June 30, 1952

| Series                                 | Interest rate (percent) | Purchase price | Par value | Book value (amortized) |
|--|-------------------------|----------------|-----------|------------------------|
| 1907-72.....                           | 2½                      | \$958,367      | \$950,000 | \$957,621              |
| Average annual yield 2.44 percent..... |                         |                |           |                        |

Properties Acquired under the Terms of Insurance

During the calendar year 1952 two properties insured under Title I Section 8 were acquired by the Commissioner under the terms of insurance. These were the first properties acquired under Section 8 of the Act, and at December 31, 1952 both properties were still held by FHA. The cost of these properties was:

Title I Housing Insurance Fund, statement of properties on hand at Dec. 31, 1952 (2 properties)

|                                     | Title I Section 8 (2 properties) |
|-------------------------------------|----------------------------------|
| <b>Expenses:</b>                    |                                  |
| Acquisition costs.....              | \$8,805                          |
| Interest on debentures.....         | 215                              |
| Taxes and insurance.....            | 102                              |
| Net cost of properties on hand..... | 9,122                            |

Title II: Mutual Mortgage Insurance Fund

The Mutual Mortgage Insurance Fund was established by Section 202 of the National Housing Act of June 27, 1934 as a revolving fund for carrying out the provisions of Title II with respect to insurance under Section 203 (mortgage on 1- to 4-family homes) and Section 207 (rental housing projects). An amendment to the Act approved February 3, 1938 established the Housing Insurance Fund to carry the insurance on rental housing projects insured under Section 207 after that date.

In accordance with Section 202 of the Act, the Mutual Mortgage Insurance Fund was originally allocated the sum of \$10,000,000 by the Federal Government. It has been credited with all income received in connection with insurance granted under Section 203 and that received with respect to insurance granted prior to February 3, 1938 under Section 207.

Section 205 of the Act provides that mortgages insured under Section 203 shall be classified into groups in accordance with sound actuarial practice and risk characteristics. Each group account is credited with the income and charged with the expenses and losses of the mortgages in the group. If such income exceeds the expenses and

losses, the resultant credit balance is distributed in the form of participation payments to mortgagors of the group upon payment in full of their mortgages, or upon termination of the group account. A group account is terminated when the amounts to be distributed are sufficient to pay off the unpaid principal of the mortgages remaining in the group, or when all outstanding mortgages in the group have been paid.

If the expenses and losses of a group account exceed the income, no participation payments can be made and the deficit balance is absorbed by the general reinsurance account.

The general reinsurance account was established by Section 205 (b) of the Act and, in accordance with this section, was credited with the original allocation of \$10,000,000 provided by Section 202 of the Act. In addition, Section 205 (c) of the Act provides for the transfer to this account, upon the termination of each group account, of an amount equal to 10 percent of the total insurance premiums theretofore credited to the group. The general reinsurance account was provided as a secondary reserve to absorb the ultimate deficits of any group accounts which lack sufficient funds to meet all expenses and losses relating to the mortgages in the group; and to cover general expenses of mutual mortgage insurance not charged against the group accounts.

## Title II Insurance Authority

Under the authority contained in Section 217 of the Act as amended July 14, 1952, the aggregate amount of principal obligations of all mortgages insured under Title II outstanding at any one time was raised by the President during 1952 from \$9,400,000,000 to \$11,500,000,000. This authorization applies to the insurance granted on home mortgages under Section 203, rental project mortgages under Sections 207 and 210, and mortgages on cooperative projects under Section 213. The Title II insurance authority at December 31, 1952 was calculated as follows:

### Status of Title II insurance authority as of Dec. 31, 1952

|   |                 |                  |
|---|-----------------|------------------|
| Insurance authority.....  |                 | \$11,500,000,000 |
| Charges against insurance authority:                              |                 |                  |
| Sec. 203 estimated outstanding balance of insurance in force..... | \$8,594,903,763 |                  |
| Sec. 203 outstanding commitments.....                             | 1,085,211,397   | \$10,280,115,160 |
| Sec. 207 estimated outstanding balance of insurance in force..... | 109,178,291     |                  |
| Sec. 207 outstanding commitments.....                             | 28,477,301      | 137,655,592      |
| Sec. 213 estimated outstanding balance of insurance in force..... | 180,821,084     |                  |
| Sec. 213 outstanding commitments <sup>1</sup> .....               | 64,343,087      | 245,164,171      |
| Total charges against authority.....                              |                 | 10,602,934,923   |
| Unused insurance authority.....                                   |                 | 837,065,077      |

<sup>1</sup> Commitments include statements of eligibility.

## Mutual Mortgage Insurance Fund Capital

As of June 30, 1952, the assets of the Mutual Mortgage Insurance Fund totaled \$213,945,535, against which there were outstanding liabilities of \$159,322,389, leaving \$54,623,146 capital. Included in the liabilities are the statutory reserves of \$122,213,270. This figure includes \$26,346,363 for transfer to the general reinsurance account and \$95,866,907 available for contingent losses, expenses, other charges, and participation payments to mortgagors under the mutual provision of the Act.

STATEMENT 9.—Comparative statement of financial condition, Mutual Mortgage Insurance Fund, as of June 30, 1951, and June 30, 1952

|  | June 30, 1951 | June 30, 1952 | Increase or decrease (—) |
|--|---------------|---------------|--------------------------|
| <b>ASSETS</b>  |               |               |                          |
| Cash with U. S. Treasury.....                              | \$11,151,092  | \$11,867,259  | \$716,167                |
| Investments: U. S. Government securities (amortized).....  | 172,583,386   | 104,236,253   | 21,652,867               |
| Loans receivable:  |               |               |                          |
| Mortgage notes and contracts for deed.....                 | 2,037,327     | 4,051,143     | 2,013,816                |
| Less reserve for losses.....                               | 30,555        | 60,763        | 30,208                   |
| Net loans receivable.....                                  | 2,006,772     | 3,990,380     | 1,983,608                |
| Accounts and notes receivable:                             |               |               |                          |
| Accounts receivable—Insurance premiums.....                | 900,356       | 1,054,107     | 153,751                  |
| Accounts receivable—Other.....                             |               | 83            | 83                       |
| Accounts receivable—Inter-fund.....                        | 1,732,706     | 715,422       | —1,017,284               |
| Total accounts and notes receivable.....                   | 2,633,062     | 1,769,612     | —863,450                 |
| Accrued assets:  |               |               |                          |
| Interest on U. S. Government securities.....               | 359,028       | 421,007       | 61,979                   |
| Interest on mortgage notes and contracts for deed.....     | 8,747         |               | —8,747                   |
| Total accrued assets.....                                  | 367,775       | 421,007       | 53,232                   |
| Acquired security or collateral:                           |               |               |                          |
| Real estate (at cost plus expenses to date).....           | 1,822,008     | 1,918,948     | 96,939                   |
| Less reserve for losses.....                               | 255,190       | 257,924       | 2,734                    |
| Net acquired security or collateral.....                   | 1,566,818     | 1,661,024     | 94,205                   |
| Total assets.....  | 100,308,005   | 213,045,535   | 23,636,629               |
| <b>LIABILITIES</b>   |               |               |                          |
| Accounts payable:  |               |               |                          |
| Bills payable to vendors and Government agencies.....      | 3,118,873     | 3,092         | —3,115,781               |
| Group account participations payable.....                  | 1,904,822     | 1,770,132     | —134,690                 |
| Total accounts payable.....                                | 5,023,695     | 1,773,224     | —3,250,471               |
| Accrued liabilities: Interest on debentures.....           | 100,467       | 160,545       | —8,922                   |
| Trust and deposit liabilities:                             |               |               |                          |
| Fee deposits held for future disposition.....              | 5,021,809     | 4,047,315     | —974,494                 |
| Excess proceeds of sale.....                               | 80,185        | 165,785       | 85,600                   |
| Deposits held for mortgagors, lessees, and purchasers..... | 65,949        | 89,445        | 23,496                   |
| Total trust and deposit liabilities.....                   | 5,167,943     | 4,302,545     | —865,398                 |
| Deferred and undistributed credits:                        |               |               |                          |
| Unearned insurance premiums.....                           | 18,280,991    | 20,812,519    | 2,522,528                |
| Other.....   | 8,747         |               | —8,747                   |
| Total deferred and undistributed credits.....              | 18,298,738    | 20,812,519    | 2,513,781                |

## HOUSING AND HOME FINANCE AGENCY

## STATEMENT 9.—Comparative statement of financial condition, Mutual Mortgage Insurance Fund, as of June 30, 1951, and June 30, 1952—Continued

|   | June 30, 1951      | June 30, 1952      | Increase or decrease (—) |
|---|--------------------|--------------------|--------------------------|
| <b>Bonds, debentures, and notes payable:</b>  |                    |                    |                          |
| Debentures payable.....   | \$9,891,436        | \$10,060,286       | \$168,850                |
| <b>Statutory reserves:</b>  |                    |                    |                          |
| For transfer to general reinsurance reserve.....  | 22,625,580         | 26,346,363         | 3,720,783                |
| Net balances of group accounts available for contingent losses, expenses, other charges, and participations.....          | 75,250,504         | 95,868,907         | 20,618,403               |
| <b>Total statutory reserves.....</b>  | <b>97,876,084</b>  | <b>122,213,270</b> | <b>24,337,186</b>        |
| <b>Total liabilities.....</b>   | <b>136,427,363</b> | <b>159,322,389</b> | <b>22,895,026</b>        |
| <b>CAPITAL</b>  |                    |                    |                          |
| <b>Investment of the U. S. Government:</b>  |                    |                    |                          |
| Allocations from the U. S. Treasury.....  | 10,000,000         | 10,000,000         |                          |
| Appropriations for salaries and expenses.....   | 31,994,095         | 31,994,095         |                          |
| <b>Total investment of the U. S. Government.....</b>  | <b>41,994,095</b>  | <b>41,994,095</b>  |                          |
| <b>Earned surplus (deficit —):</b>  |                    |                    |                          |
| General reinsurance reserve fund (cumulative earnings or deficit —) available for future losses and related expenses..... | 11,887,448         | 12,629,051         | 741,603                  |
| <b>Total capital.....</b>   | <b>53,881,543</b>  | <b>54,623,146</b>  | <b>741,603</b>           |
| <b>Total liabilities and capital.....</b>   | <b>190,308,906</b> | <b>213,945,535</b> | <b>23,636,629</b>        |
| <b>Contingent liability for certificates of claim on properties on hand.....</b>  | <b>62,009</b>      | <b>83,461</b>      | <b>20,552</b>            |

## Income and Expenses

During fiscal year 1952 the income to the fund amounted to \$53,873,550, while expenses and losses amounted to \$20,909,958, leaving \$32,963,592 net income before adjustment of valuation reserves. After the valuation reserves had been increased \$32,942, the net income for the year was \$32,930,650.

The cumulative income of the Mutual Mortgage Insurance Fund from June 30, 1934 to June 30, 1952 amounted to \$360,975,590, while cumulative expenses amounted to \$185,595,487, leaving \$175,380,103 net income before adjustment of valuation reserves. After \$318,687 had been allocated to valuation reserves, the cumulative net income amounted to \$175,061,416.

## FEDERAL HOUSING ADMINISTRATION

## STATEMENT 10.—Income and expenses, Mutual Mortgage Insurance Fund, through June 30, 1951, and June 30, 1952

|  | June 30, 1934 to June 30, 1951 | July 1, 1951 to June 30, 1952 | June 30, 1934 to June 30, 1952 |
|--|--------------------------------|-------------------------------|--------------------------------|
| <b>Income:</b>   |                                |                               |                                |
| <b>Interest and dividends:</b>                                 |                                |                               |                                |
| Interest on U. S. Government securities.....                   | \$27,215,700                   | \$4,531,331                   | \$31,747,031                   |
| Interest—Other.....  | 3,157,005                      | 360,965                       | 3,524,870                      |
| Dividends on rental housing stock.....                         | 280                            |                               | 280                            |
| <b>Total interest and dividends.....</b>                       | <b>30,373,891</b>              | <b>4,898,296</b>              | <b>35,272,187</b>              |
| <b>Insurance premiums and fees:</b>                            |                                |                               |                                |
| Premiums.....  | 210,528,043                    | 38,513,131                    | 249,041,174                    |
| Fees.....  | 64,012,129                     | 10,454,387                    | 75,066,516                     |
| <b>Total insurance premiums and fees.....</b>                  | <b>275,140,172</b>             | <b>48,067,518</b>             | <b>324,107,690</b>             |
| <b>Other income:</b>   |                                |                               |                                |
| Profit on sale of investments.....                             | 1,570,232                      | 6,062                         | 1,585,294                      |
| Miscellaneous income.....                                      | 8,745                          | 1,674                         | 10,419                         |
| <b>Total other income.....</b>                                 | <b>1,587,977</b>               | <b>7,736</b>                  | <b>1,595,713</b>               |
| <b>Total income.....</b>                                       | <b>307,102,040</b>             | <b>53,873,550</b>             | <b>360,975,590</b>             |
| <b>Expenses:</b>   |                                |                               |                                |
| <b>Interest expense: Interest on debentures.....</b>           | <b>3,602,448</b>               | <b>501,517</b>                | <b>4,103,965</b>               |
| <b>Administrative expenses: Operating costs.....</b>           | <b>157,913,097</b>             | <b>20,160,250</b>             | <b>177,878,949</b>             |
| <b>Other expenses:</b>   |                                |                               |                                |
| Depreciation on furniture and equipment.....                   | 890,460                        | 109,023                       | 999,483                        |
| Miscellaneous expenses.....                                    | 17,725                         | 34                            | 17,759                         |
| <b>Total other expenses.....</b>                               | <b>908,185</b>                 | <b>109,057</b>                | <b>1,017,242</b>               |
| <b>Losses and charge-offs:</b>                                 |                                |                               |                                |
| Loss on sale of acquired properties.....                       | 2,480,472                      | 140,506                       | 2,620,978                      |
| Loss (or profit —) on equipment.....                           | —24,275                        | —1,372                        | —25,647                        |
| <b>Total losses and charge-offs.....</b>                       | <b>2,456,197</b>               | <b>139,134</b>                | <b>2,595,331</b>               |
| <b>Total expenses.....</b>                                     | <b>164,870,927</b>             | <b>20,909,958</b>             | <b>185,595,487</b>             |
| <b>Net income before adjustment of valuation reserves.....</b> | <b>142,222,113</b>             | <b>32,963,592</b>             | <b>175,380,103</b>             |
| <b>Increase (—) or decrease (+) in valuation reserves:</b>     |                                |                               |                                |
| Reserve for loss on loans receivable.....                      | —30,555                        | —30,208                       | —60,763                        |
| Reserve for loss on real estate.....                           | —255,190                       | —2,734                        | —257,924                       |
| <b>Total adjustment of valuation reserves.....</b>             | <b>—285,745</b>                | <b>—32,942</b>                | <b>—318,687</b>                |
| <b>Net income.....</b>   | <b>141,936,368</b>             | <b>32,930,650</b>             | <b>175,061,416</b>             |

## ANALYSIS OF EARNED SURPLUS

|  |                    |                    |                    |
|--|--------------------|--------------------|--------------------|
| <b>Distribution of net income:</b>   |                    |                    |                    |
| <b>Statutory reserves:</b>   |                    |                    |                    |
| Balance at beginning of period.....  |                    | \$97,876,084       |                    |
| Net income for the period.....   | \$129,048,920      | 32,383,445         | \$161,432,365      |
| <b>Total statutory reserves.....</b>   | <b>129,048,920</b> | <b>130,259,529</b> | <b>161,432,365</b> |
| <b>Participations in mutual earnings distributed:</b>  |                    |                    |                    |
| Balance at end of period.....  | —31,172,836        | —8,040,259         | —39,213,095        |
| <b>Total participations.....</b>   | <b>97,876,084</b>  | <b>122,213,270</b> | <b>122,213,270</b> |
| <b>Earned surplus:</b>   |                    |                    |                    |
| Balance at beginning of period.....  |                    | 11,887,448         |                    |
| Adjustments during the period.....   |                    | 194,398            |                    |
| Net income for the period.....   | 12,887,448         | 547,205            | 13,629,051         |
| <b>Total earned surplus.....</b>   | <b>12,887,448</b>  | <b>12,629,051</b>  | <b>13,629,051</b>  |
| <b>Allocation to Housing Insurance Fund from general reinsurance reserve fund of the Mutual Mortgage Insurance Fund.....</b> | <b>—1,000,000</b>  |                    | <b>—1,000,000</b>  |
| <b>Balance at end of period.....</b>   | <b>11,887,448</b>  | <b>12,629,051</b>  | <b>12,629,051</b>  |

**Investments**

Section 206 of the Act provides that excess moneys in the Mutual Mortgage Insurance Fund not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by the United States; or the Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market 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 1952, \$27,750 of Series A 3 percent Mutual Mortgage Insurance Fund debentures matured and were paid, \$329,650 of Series E 2¾ percent were purchased from the Reconstruction Finance Corporation, \$154,900 were redeemed in payment of mortgage insurance premiums, and \$1,659,800 were called for redemption.

Net purchases of United States Government securities made during the year increased the holdings of the fund by \$22,300,000 (principal amount). These transactions resulted in an increase in the average annual yield from 2.47 percent to 2.49 percent. On June 30, 1952, the fund held United States Government securities in the amount of \$194,167,000, principal amount, as follows:

*Investments of the Mutual Mortgage Insurance Fund, June 30, 1952*

| Series                            | Interest rate (percent) | Purchase price | Par value   | Book value (amortized) |
|-----------------------------------|-------------------------|----------------|-------------|------------------------|
| 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                      | 31,531,391     | 32,000,000  | 31,544,756             |
| 1965-70                           | 2½                      | 19,391,711     | 19,550,000  | 19,396,928             |
| 1966-71                           | 2½                      | 15,324,140     | 15,450,000  | 15,326,822             |
| 1967-72                           | 2½                      | 118,585,259    | 117,007,000 | 118,407,747            |
| Average annual yield 2.49 percent |                         | 194,332,501    | 194,167,000 | 194,236,253            |

**Properties Acquired under the Terms of Insurance**

Two hundred and eighty-two homes insured under Section 203 were acquired by the Commissioner during the calendar year 1952 under the terms of insurance. During 1951, 407 foreclosed properties had been transferred to the Commissioner, and in 1950 there had been 225 such transfers. Through 1952, a total of 5,022 homes had been acquired under the Mutual Mortgage Insurance Fund, for which debentures and cash adjustments had been issued in the amount of \$24,742,060. Statement 11 shows the turnover of Section 203 acquired properties since the acquisition of the first such property in 1936.

FEDERAL HOUSING ADMINISTRATION

**STATEMENT 11.—Turnover of properties acquired under Section 203 of Title II contracts of insurance by years, and cumulative through Dec. 31, 1952**

| Year  | Number | Properties sold by calendar years |      |      |      |       |      |      |      |      |      |      |      |      | Properties on hand Dec. 31, 1952 |      |      |      |     |
|-------|--------|-----------------------------------|------|------|------|-------|------|------|------|------|------|------|------|------|----------------------------------|------|------|------|-----|
|       |        | 1936-37                           | 1938 | 1939 | 1940 | 1941  | 1942 | 1943 | 1944 | 1945 | 1946 | 1947 | 1948 | 1949 |                                  | 1950 | 1951 | 1952 |     |
| 1936  | 13     | 11                                | 2    |      |      |       |      |      |      |      |      |      |      |      |                                  |      |      |      |     |
| 1937  | 98     | 13                                | 67   | 7    | 5    | 6     |      |      |      |      |      |      |      |      |                                  |      |      |      |     |
| 1938  | 324    |                                   | 139  | 99   | 50   | 28    | 6    | 2    | 1    |      |      |      |      |      |                                  |      |      |      |     |
| 1939  | 753    |                                   | 278  | 351  | 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    | 1    |      |      |      |      |      |                                  |      |      |      |     |
| 1943  | 168    |                                   |      |      |      |       | 140  | 27   | 1    |      |      |      |      |      |                                  |      |      |      |     |
| 1944  | 33     |                                   |      |      |      |       |      | 26   | 7    |      |      |      |      |      |                                  |      |      |      |     |
| 1945  | 8      |                                   |      |      |      |       |      |      | 7    |      |      |      |      |      |                                  |      |      |      |     |
| 1946  | 1      |                                   |      |      |      |       |      |      |      | 1    |      |      |      |      |                                  |      |      |      |     |
| 1947  |        |                                   |      |      |      |       |      |      |      |      |      |      |      |      |                                  |      |      |      |     |
| 1948  | 4      |                                   |      |      |      |       |      |      |      |      |      |      |      |      |                                  |      |      |      |     |
| 1949  | 37     |                                   |      |      |      |       |      |      |      |      |      |      |      | 17   | 19                               | 1    |      |      |     |
| 1950  | 225    |                                   |      |      |      |       |      |      |      |      |      |      |      | 65   | 102                              | 25   |      | 33   |     |
| 1951  | 407    |                                   |      |      |      |       |      |      |      |      |      |      |      |      | 188                              | 173  |      | 46   |     |
| 1952  | 282    |                                   |      |      |      |       |      |      |      |      |      |      |      |      |                                  | 142  |      | 140  |     |
| Total | 5,022  | 24                                | 208  | 384  | 997  | 1,346 | 692  | 327  | 67   | 20   | 2    |      |      | 2    | 19                               | 84   | 291  | 340  | 210 |

NOTES.—On the 4,803 properties sold, the average time between acquisition and sale by the Federal Housing Administration was 6.16 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, 1952.

Through December 31, 1952, 4,803 acquired properties insured under Section 203 had been sold at prices which left a net charge against the fund of \$2,716,079, or an average of approximately \$565 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, 1952**

| Item                                       | Sec. 203 (4,803 properties) | Sec. 207 (1 property) | Total Title II (4,804 properties) |
|--|-----------------------------|-----------------------|-----------------------------------|
| Proceeds of sales:                         |                             |                       |                                   |
| Sales price                                | \$23,988,115                | \$1,000,000           | \$24,988,115                      |
| Less commission and other selling expenses | 1,127,056                   |                       | 1,127,056                         |
| Not proceeds of sales                      | 22,861,059                  | 1,000,000             | 23,861,059                        |
| Income:                                    |                             |                       |                                   |
| Rental and other income (net)              | 421,022                     |                       | 421,022                           |
| Mortgage note income                       | 2,747,315                   |                       | 2,747,315                         |
| Total income                               | 3,169,237                   |                       | 3,169,237                         |
| Total proceeds of sold properties          | 20,030,296                  | 1,000,000             | 21,030,296                        |
| Expenses:                                  |                             |                       |                                   |
| Debentures and cash adjustments            | 23,326,536                  | 942,145               | 24,268,681                        |
| Interest on debentures                     | 3,185,999                   | 18,387                | 3,204,386                         |
| Taxes and insurance                        | 458,393                     | 5,012                 | 463,405                           |
| Repairs and improvements                   | 892,625                     |                       | 892,625                           |
| Maintenance and operating expense          | 121,585                     |                       | 121,585                           |
| Miscellaneous expense                      | 5,021                       | 1,660                 | 6,681                             |
| Total expenses                             | 27,990,159                  | 967,213               | 28,957,372                        |

See footnote at end of table.

HOUSING AND HOME FINANCE AGENCY

STATEMENT 12.—Statement of profit and loss on sale of acquired properties, Mutual Mortgage Insurance Fund, through Dec. 31, 1952—Continued

| Item   | Sec. 203<br>(4,803<br>properties) | Sec. 207<br>(1<br>property) | Total Title II<br>(4,804<br>properties) |
|--|-----------------------------------|-----------------------------|---|
| Net profit (or loss —) before distribution of liquidation profits..... | -\$1,959,863                      | \$32,787                    | -\$1,927,076                            |
| Less distribution of liquidation profits:                              |                                   |                             |   |
| Certificates of claim.....   | 511,551                           | 31,532                      | 543,083                                 |
| Increment on certificates of claim.....                                | 32,768                            | 1,255                       | 34,023                                  |
| Refunds to mortgagors.....   | 211,807                           |                             | 211,807                                 |
| Loss to Mutual Mortgage Insurance Fund.....                            | 2,716,079                         |                             | 2,716,079                               |
| Average loss to Mutual Mortgage Insurance Fund.....                    | 565                               |                             |   |

<sup>1</sup> Analysis of terms of sales:

| Terms of sales   | Number of<br>properties | Number<br>of notes | Cash        | Mortgage<br>notes | Sales price |
|--|-------------------------|--------------------|-------------|-------------------|-------------|
| Properties sold for all cash.....                                  | 782                     |                    | \$4,872,285 |                   | \$4,872,285 |
| Properties sold for cash and notes (or<br>contracts for deed)..... | 4,005                   | 3,905              | 2,297,622   | \$17,757,231      | 20,054,853  |
| Properties sold for notes only.....                                | 17                      | 17                 |             | 60,977            | 60,977      |
| Total.....   | 4,804                   | 4,012              | 7,169,907   | 17,818,208        | 24,988,115  |

On December 31, 1952, the FHA held 219 properties insured under the Mutual Mortgage Insurance Fund. The cost of these properties was:

Mutual Mortgage Insurance Fund, statement of properties on hand at Dec. 31, 1952 (219 properties)

|  | Sec. 203 (210<br>properties) |
|--|------------------------------|
| Expenses:                                  |                              |
| Acquisition costs.....                     | \$1,415,524                  |
| Interest on debentures.....                | 63,441                       |
| Taxes and insurance.....                   | 38,906                       |
| Repairs and improvements.....              | 46,752                       |
| Maintenance and operating expenses.....    | 38,054                       |
| Miscellaneous expenses.....                | 7                            |
| Total expenses.....                        | 1,602,684                    |
| Income: Rental and other income (net)..... | 7,874                        |
| Net cost of properties on hand.....        | 1,594,810                    |

Certificates of Claim and Refunds to Mortgagors

Section 204 (f) of the Act provides that if the net amount realized from any property acquired by the FHA under the terms of insurance with respect to which Section 204 (f) is applicable, after deducting all expenses incurred in handling, dealing with, and disposing of such property, exceeds the face value of debentures issued and cash paid in exchange for such property plus all interest paid on such debentures, such excess shall be applied to the certificate of claim issued to the mortgagee, and that any excess remaining after paying the certificate of claim and increment thereon shall be refunded to the mortgagor.

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Certificates of claim issued in connection with the 4,803 Section 203 properties which had been acquired and sold through 1952 totaled \$1,991,489. The amount paid or to be paid on these certificates of claim totaled \$511,552 (approximately 26 percent), while certificates of claim totaling \$1,479,937 (approximately 74 percent) had been or will be canceled.

In addition, there were excess proceeds on approximately 15 percent (or 730) of the 4,803 sold properties, amounting to \$211,897, for refund to mortgagors. The refund to mortgagors on these 730 cases averaged \$290.

Mutual Mortgage Participation Payments

In carrying out the mutual provisions of Title II the FHA had established through June 30, 1952 a total of 304 group accounts, of which 169 had credit balances for distribution and 135 had deficit balances. The 169 group accounts that had credit balances included 29 from which participation payments had been made at the time of termination, 15 from which payments will be made, and 125 from which participation shares are being currently disbursed to mortgagors who pay their mortgages in full prior to maturity.

Of the 135 deficit-balance groups at June 30, 1952, 71 had been terminated with deficits totaling \$151,456, and these deficits had been charged against the general reinsurance account. The income of the remaining 64 groups had not yet been sufficient to offset the expenses and reserves for losses.

The credit balances of the 29 group accounts which had matured and from which participation payments had been made amounted to \$839,235, and these balances were shared by 7,807 mortgagors. Payments to mortgagors ranged from \$1.89 to \$75.00 per \$1,000 of original face amount of mortgage. The credit balances of the 15 groups from which participation payments will be made amounted to \$1,083,469 on June 30, 1952, and will be shared by approximately 6,095 mortgagors.

The first participation payments in connection with insured loans prepaid in full were made as of January 1, 1944, and during the 8½ years following that date total payments of \$39,219,095 were made or accrued on 333,890 insured loans.

The credit balances of the 125 groups, from which participation payments are being made as insured loans are paid in full, amounted to \$60,743,891 on June 30, 1952. On that date there were still in force in these group accounts approximately 308,285 insured mortgages on which the original face amount had been \$1,444,499,659.

## Title II: Housing Insurance Fund

The insurance risks on rental and group housing insured under Sections 207 and 210 after February 3, 1938, and on cooperative housing insured under Section 213 are liabilities of the Housing Insurance Fund, which was established by an amendment to the National Housing Act approved February 3, 1938.

Section 213, which was added to the Act by an amendment approved April 20, 1950, authorizes the insurance of mortgages on cooperative housing projects. To be eligible for insurance under Section 213, the mortgagor must be a nonprofit cooperative ownership housing corporation, the permanent occupancy of the dwellings being restricted to members, or a nonprofit corporation organized for the purpose of building homes for members. In the latter instance provision is made for the release from the blanket mortgage of individual properties for sale to members and for the insurance of individual mortgages under Section 213 on such released properties.

Appraisal fees, insurance premiums, interest on investments, and income from projects acquired under the terms of insurance are deposited with the Treasurer of the United States to the credit of the Housing Insurance Fund. Foreclosure losses and general operating expenses of the Federal Housing Administration under Sections 207 and 210 since February 3, 1938, and under Section 213 are charged against the fund.

This is not a mutual insurance fund in the sense that any portion of the net income from operations will be shared by mortgagors in the form of participation payments. Any increase in the fund resulting from operations is retained as a general reserve to meet possible insurance losses and future expenses in connection with Sections 207, 210, and 213 insurance. In accordance with Section 207 (h) of the Act, the excess proceeds, if any, from the sale of an acquired project, after deduction of all costs incident to the acquisition, handling, and final disposition of such project, are applied to the mortgagee's certificate of claim and increment thereon, and any balance is credited to the Housing Insurance Fund, except that with respect to individual mortgages insured under the provisions of Section 213 (d) any excess remaining after payment of the certificate of claim and increment thereon is for refund to the mortgagor. Prior to enactment of the amendments of August 10, 1948, to the National Housing Act, any excess remaining after payment of the certificate of claim and increment thereon was refunded to the mortgagor.

## Housing Insurance Fund Capital and Net Income

Assets of the Housing Insurance Fund as of June 30, 1952 totaled \$8,203,304, against which there were outstanding liabilities of \$2,705,808. The capital of the fund amounted to \$5,497,496, represented by \$5,170,024 investment of the United States Government and earned surplus of \$327,472. 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, 1951, and June 30, 1952

|   | June 30, 1951 | June 30, 1952 | Increase or decrease (-) |
|---|---------------|---------------|--------------------------|
| <b>ASSETS</b>   |               |               |                          |
| Cash with U. S. Treasury.....   | \$1,998,943   | \$713,282     | -\$1,285,661             |
| Investments:  |               |               |                          |
| U. S. Government securities (amortized).....  | 2,909,614     | 3,501,067     | 591,453                  |
| Other securities (stock in rental housing corporations).....                          | 7,700         | 17,500        | 9,800                    |
| Total investments.....  | 2,917,314     | 3,518,567     | 601,253                  |
| Loans receivable:   |               |               |                          |
| Mortgage notes and contracts for deed.....  | 2,817,290     | 2,698,513     | -118,776                 |
| Less reserve for losses.....  | 42,259        | 40,478        | -1,781                   |
| Net loans receivable.....   | 2,775,040     | 2,658,035     | -117,005                 |
| Accounts and notes receivable: Accounts receivable—                                   |               |               |                          |
| Insurance premiums.....   | 38,643        | 7,480         | -31,164                  |
| Accrued assets:   |               |               |                          |
| Interest on U. S. Government securities.....  | 3,020         | 3,560         | 560                      |
| Interest on mortgage notes and contracts for deed.....                                | 5,146         |               | -5,146                   |
| Total accrued assets.....   | 8,166         | 3,680         | -4,586                   |
| Acquired security or collateral:  |               |               |                          |
| Mortgage notes acquired under terms of insurance (at cost plus expenses to date)..... |               | 1,528,326     | 1,528,326                |
| Less reserve for losses.....  |               | 225,975       | -225,975                 |
| Not acquired security or collateral.....  |               | 1,302,351     | 1,302,351                |
| Total assets.....   | 7,738,106     | 8,203,304     | 465,198                  |
| <b>LIABILITIES</b>  |               |               |                          |
| Accounts payable:   |               |               |                          |
| Bills payable to vendors and Government agencies.....                                 |               | 41            | 41                       |
| Inter-fund.....   | 112,576       | -4,744        | -117,320                 |
| Total accounts payable.....   | 112,576       | -4,703        | -117,279                 |
| Accrued liabilities: Interest on debentures.....                                      | 19,112        | 21,826        | 2,714                    |
| Trust and deposit liabilities:  |               |               |                          |
| Excess proceeds of sale.....  | 39,903        | 20,522        | -10,381                  |
| Deposits held for mortgagors, lessees and purchasers.....                             | 34,541        | 133,060       | 98,519                   |
| Total trust and deposit liabilities.....  | 74,444        | 162,582       | 88,138                   |
| Deferred and undistributed credits:   |               |               |                          |
| Unearned insurance premiums.....  | 297,655       | 701,859       | 404,204                  |
| Unearned insurance fees.....  | 646,909       | 317,785       | -329,124                 |
| Total deferred and undistributed credits.....   | 944,564       | 1,019,644     | 75,080                   |
| Bonds, debentures, and notes payable: Debentures payable.....                         | 1,390,000     | 1,492,350     | 102,350                  |

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STATEMENT 13.—Comparative statement of financial condition, Housing Insurance Fund, as of June 30, 1951, and June 30, 1952—Continued

|   | June 30, 1951      | June 30, 1952    | Increase or decrease (—) |
|---|--------------------|------------------|--------------------------|
| <b>LIABILITIES</b>  |                    |                  |                          |
| Other liabilities: Reserve for foreclosure costs—Mortgage notes.....  |                    | \$14,100         | \$14,100                 |
| <b>Total liabilities.....</b>   | <b>\$2,539,786</b> | <b>2,705,805</b> | <b>166,022</b>           |
| <b>CAPITAL</b>  |                    |                  |                          |
| Investment of the U. S. Government:   |                    |                  |                          |
| Appropriations for salaries and expenses.....   | 4,170,024          | 4,170,024        |                          |
| Allocation to Housing Insurance Fund from general insurance reserve fund of the Mutual Mortgage Insurance Fund..... | 1,000,000          | 1,000,000        |                          |
| <b>Total investment of the U. S. Government.....</b>  | <b>5,170,024</b>   | <b>5,170,024</b> |                          |
| Earned surplus (deficit —):   |                    |                  |                          |
| Insurance reserve fund (cumulative earnings or deficit —) available for future losses and related expenses.....     | 28,296             | 327,472          | 299,176                  |
| <b>Total capital.....</b>   | <b>5,198,320</b>   | <b>5,497,496</b> | <b>299,176</b>           |
| <b>Total liabilities and capital.....</b>   | <b>7,738,106</b>   | <b>8,203,301</b> | <b>465,195</b>           |
| Contingent liability for certificates of claim on properties on hand.....   |                    | 23,603           | 23,603                   |

During the fiscal year 1952 the income of the fund amounted to \$2,206,528, while expenses and losses amounted to \$1,550,232, leaving \$656,296 net income before adjustment of valuation reserves. After the valuation reserves had been increased by \$224,194, there remained \$432,102 as net income for the year.

STATEMENT 14.—Income and expenses, Housing Insurance Fund, through June 30, 1951, and June 30, 1952

|  | Feb. 3, 1938 to June 30, 1951 | July 1, 1951 to June 30, 1952 | Feb. 3, 1938 to June 30, 1952 |
|--|-------------------------------|-------------------------------|-------------------------------|
| <b>Income:</b>                                   |                               |                               |                               |
| Interest and dividends:                          |                               |                               |                               |
| Interest on U. S. Government securities.....     | \$744,143                     | \$81,253                      | \$825,396                     |
| Interest—Other.....                              | 122,535                       | 94,105                        | 216,640                       |
| Dividends on rental housing stock.....           | 1,201                         | 127                           | 1,418                         |
|  | 867,879                       | 175,485                       | 1,043,454                     |
| Insurance premiums and fees:                     |                               |                               |                               |
| Premiums.....                                    | 5,771,861                     | 812,804                       | 6,584,665                     |
| Fees.....  | 1,502,092                     | 1,218,239                     | 2,720,331                     |
|  | 7,273,953                     | 2,031,043                     | 9,304,996                     |
| Other income: Profit on sale of investments..... | 88,568                        |                               | 88,568                        |
| <b>Total income.....</b>                         | <b>8,230,490</b>              | <b>2,206,528</b>              | <b>10,437,018</b>             |
| <b>Expenses:</b>                                 |                               |                               |                               |
| Administrative expenses: Operating costs.....    | 8,068,105                     | 1,533,841                     | 9,734,872                     |
| Other expenses:                                  |                               |                               |                               |
| Depreciation on furniture and equipment.....     | 53,663                        | 8,302                         | 61,965                        |
| Miscellaneous expenses.....                      | 100                           |                               | 100                           |
|  | 53,763                        | 8,302                         | 62,065                        |

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STATEMENT 14.—Income and expenses, Housing Insurance Fund, through June 30, 1951, and June 30, 1952—Continued

|  | Feb. 3, 1938 to June 30, 1951 | July 1, 1951 to June 30, 1952 | Feb. 3, 1938 to June 30, 1952 |
|--|-------------------------------|-------------------------------|-------------------------------|
| <b>Losses and charge-offs:</b>   |                               |                               |                               |
| Loss on sale of acquired properties.....                                   | \$38,009                      | \$8,204                       | \$47,113                      |
| Loss (or profit—) on equipment.....  | —842                          | —115                          | —957                          |
|  | 38,067                        | 8,089                         | 46,156                        |
| <b>Total expenses.....</b>   | <b>8,159,935</b>              | <b>1,550,232</b>              | <b>9,843,093</b>              |
| <b>Net income (or loss —) before adjustment of valuation reserves.....</b> | <b>70,555</b>                 | <b>656,296</b>                | <b>593,925</b>                |
| <b>Increase (—) or decrease (+) in valuation reserves:</b>                 |                               |                               |                               |
| Reserve for loss on loans receivable.....                                  | —42,259                       | +1,781                        | —40,478                       |
| Reserve for loss on mortgage notes acquired under terms of insurance.....  |                               | —225,975                      | —225,975                      |
| <b>Net adjustment of valuation reserves.....</b>                           | <b>—42,259</b>                | <b>—224,194</b>               | <b>—266,453</b>               |
| <b>Net income.....</b>   | <b>28,296</b>                 | <b>432,102</b>                | <b>327,472</b>                |
| <b>ANALYSIS OF EARNED SURPLUS</b>  |                               |                               |                               |
| <b>Distribution of net income:</b>   |                               |                               |                               |
| Earned surplus (or deficit —):   |                               |                               |                               |
| Balance at beginning of period.....  |                               | \$28,296                      |                               |
| Adjustments during the period.....   |                               | —132,926                      |                               |
| Net income for the period.....   | \$28,296                      | 432,102                       | \$327,472                     |
| <b>Balance at end of period.....</b>                                       | <b>28,296</b>                 | <b>327,472</b>                | <b>327,472</b>                |

## 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 in the open market of debentures issued under Section 207 and Section 204. During the fiscal year 1952, \$1,390,000 of Series D 2¾ percent Housing Insurance Fund debentures were called for redemption. Purchases of United States Government securities during the year increased the holdings of the fund \$600,000 (principal amount). These transactions resulted in a decrease in the average annual yield from 2.48 percent to 2.47 percent. On June 30, 1952, the fund held United States Government securities in the principal amount of \$3,500,000, as follows:

Investments of the Housing Insurance Fund, June 30, 1952

| Series  | Interest rate (percent) | Purchase price   | Par value        | Book value (amortized) |
|---|-------------------------|------------------|------------------|------------------------|
| 1956.....                                     | 2                       | \$200,000        | \$200,000        | \$200,000              |
| 1962-67.....                                  | 2½                      | 1,500,000        | 1,500,000        | 1,500,000              |
| 1967-72.....                                  | 2½                      | 1,801,438        | 1,800,000        | 1,801,067              |
| <b>Average annual yield 2.47 percent.....</b> |                         | <b>3,501,438</b> | <b>3,500,000</b> | <b>3,501,067</b>       |

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Property Acquired under the Terms of Insurance

During 1952, 1 mortgage note (20 units) insured under Section 207 and 1 mortgage note (144 units) insured under Section 213 were assigned to the FHA Commissioner under the terms of insurance. Through December 31, 1952, a cumulative total of 16 rental housing projects and 2 mortgage notes insured under Sections 207-210 of the Housing Insurance Fund and 1 mortgage note insured under Section 213 had been acquired under the terms of insurance. All 16 projects and 1 of the mortgage notes insured under Sections 207-210 had been sold at no loss to the Housing Insurance Fund. At December 31, 1952, there remained on hand 1 mortgage note insured under Section 207 and 1 mortgage note insured under Section 213 as follows:

*Housing Insurance Fund, statement of properties on hand as of Dec. 31, 1952*

|                                     | Sec. 207<br>1 mortgage note <sup>1</sup><br>(20 units) | Sec. 213<br>1 mortgage note <sup>1</sup><br>(144 units) | Total<br>2 mortgage notes<br>(164 units) |
|-------------------------------------|--|---|--|
| <b>Expenses:</b>                    |  |   |  |
| Acquisition cost.....               | \$141,000  | \$1,506,500   | \$1,647,500                              |
| Interest on debentures.....         | 2,032  | 37,302  | 39,334                                   |
| Net cost of properties on hand..... | 143,032  | 1,543,802   | 1,686,834                                |

<sup>1</sup> Acquired in exchange for debentures.

In addition to the rental housing projects acquired under the Housing Insurance Fund, 1 Section 207 project insured under the Mutual Mortgage Insurance Fund had been acquired and sold at no loss to that fund.

STATEMENT 15.—Statement of profit and loss on sale of acquired projects, Housing Insurance Fund, through Dec. 31, 1952

|   | Sec. 207-210         |                   | Total HI Fund<br>16 projects and<br>(1 mortgage<br>note) |
|---|----------------------|-------------------|--|
|   | (1 mortgage<br>note) | (16 projects)     |  |
| <b>Proceeds of sales:</b> <sup>1</sup>          |                      |                   |  |
| Sales price (or proceeds of mortgage note)..... | \$2,989,981          | \$12,109,004      | \$15,099,885   |
| Less commissions.....                           |                      | 4,538             | 4,538  |
| Net proceeds of sales.....                      | 2,989,981            | 12,105,366        | 15,095,347   |
| <b>Income:</b>                                  |                      |                   |  |
| Rental and other income (net).....              |                      | 1,607,737         | 1,667,737  |
| Mortgage note income.....                       | 428,893              | 2,143,744         | 2,572,637  |
| Total income.....                               | 428,893              | 3,811,481         | 4,240,374  |
| <b>Total proceeds of sold properties.....</b>   | <b>3,418,874</b>     | <b>15,916,847</b> | <b>19,335,721</b>  |
| <b>Expenses:</b>                                |                      |                   |  |
| Debentures and cash adjustments.....            | 2,930,182            | 11,731,713        | 14,661,895   |
| Interest on debentures.....                     | 300,201              | 2,458,829         | 2,759,030  |
| Taxes and insurance.....                        |                      | 499,505           | 499,505  |
| Repairs and improvements.....                   |                      | 214,466           | 214,466  |
| Maintenance and operating expense.....          |                      | 751,104           | 751,104  |
| Miscellaneous expense.....                      | 2,601                | 29,752            | 32,253   |
| Total expenses.....                             | 3,232,884            | 15,655,459        | 18,888,343   |

See footnote at end of table.

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STATEMENT 15.—Statement of profit and loss on sale of acquired projects, Housing Insurance Fund, through Dec. 31, 1952—Continued

|  | Sec. 207-210         |               | Total HI Fund<br>(16 projects and<br>1 mortgage<br>note) |
|--|----------------------|---------------|--|
|  | (1 mortgage<br>note) | (16 projects) |  |
| Net profit before distribution of liquidation profits..... | \$185,990            | \$261,388     | \$447,378  |
| Less distribution of liquidation profits:                  |                      |               |  |
| Certificates of claim.....                                 | 15,728               | 190,207       | 205,935  |
| Increment on certificates of claim.....                    | 1,789                | 28,400        | 30,189   |
| Refunds to mortgagors.....                                 | 168,473              | 3,816         | 172,289  |
| Excess credited to fund.....                               |                      | 38,965        | 38,965   |

<sup>1</sup> Analysis of terms of sales:

| Terms of sales   | Number | Cash        | Mortgage<br>notes | Sales price |
|--|--------|-------------|-------------------|-------------|
| Projects sold for cash.....  | 2      | \$3,062,401 | -----             | \$3,062,401 |
| Projects sold for cash and mortgage notes (or contracts for deed)..... | 13     | 228,789     | \$10,149,283      | 10,378,072  |
| Projects sold for mortgage notes or contracts for deed only.....       | 2      | -----       | 1,659,412         | 1,659,412   |
| Total.....   | 17     | 3,291,190   | 11,808,695        | 15,099,885  |

Certificates of Claim and Refunds to Mortgagors

Certificates of claim issued in connection with the 16 projects and 1 mortgage note which had been sold under the Housing Insurance Fund through December 31, 1952 totaled \$290,400. The amount paid or to be paid on these certificates totaled \$205,935, and the amount canceled totaled \$84,465. In addition, excess proceeds on 3 projects had been refunded to mortgagors in the amount of \$172,289, in accordance with provisions of the Act prior to the amendment of August 10, 1948.

The certificate of claim issued in connection with the only rental housing project acquired under the Mutual Mortgage Insurance Fund amounted to \$31,532. This certificate of claim had been paid in full, with increment thereon in the amount of \$1,255.

Title VI: War Housing Insurance Fund

The insurance risks on privately financed emergency housing loans insured under Title VI are liabilities of the War Housing Insurance Fund established by an amendment of March 28, 1941 to the National Housing Act. Section 603 of Title VI authorizes the insurance of home mortgages (1- to 4-family); Section 608, the insurance of mortgages on rental and group housing; Section 609, the insurance of loans to finance the manufacture of housing; Section 610, the insurance under Sections 603 and 608 of any mortgage executed in connection with sales by the Government of specified types of permanent housing; and Section 611, the insurance of mortgages, including con-

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struction advances, on projects of 25 or more single-family dwellings.

The War Housing Insurance Fund was originally allocated the sum of \$5,000,000 by the Federal Government. It has been credited with all income received in connection with insurance granted under Title VI, and has been charged with all expenses and losses relating to such insurance.

This is not a mutual fund, and any balance remaining in the fund after all Title VI expenses and insurance claims have been met will revert to the general fund of the Treasury.

**Title VI Insurance Authority**

As of December 31, 1952, Section 603 (a) of the National Housing Act provided that the aggregate amount of principal obligations of mortgages insured under Title VI should not exceed \$7,150,000,000. This limitation applied to insurance granted on home mortgages insured under Section 603 and rental housing project mortgages insured under Section 608.

In addition to the above authorization, the Act provided that the aggregate amount of principal obligations of all mortgages insured pursuant to Sections 609, 610, and 611 should not exceed \$150,000,000. The insurance authorization with respect to these sections was reduced from \$750,000,000 to \$150,000,000 during 1952 in accordance with Section 217 of the Act as amended July 14, 1952.

The status of the Title VI insurance authority at December 31, 1952 was calculated as follows:

*Status of Title VI insurance authority as of Dec. 31, 1952*

|  | Secs. 603 and 608 | Secs. 609, 610, and 611 |
|--|-------------------|-------------------------|
| Insurance authority.....                     | \$7,150,000,000   | \$150,000,000           |
| Charges against insurance authority:         |                   |                         |
| Mortgages insured.....                       | 7,080,167,780     | 40,742,779              |
| Less: Mortgages reinsured.....               | 107,187,271       | 73,950                  |
| Net mortgages insured.....                   | 6,978,980,509     | 40,668,829              |
| Commitments for insurance <sup>1</sup> ..... |                   | 3,248,680               |
| Total charges against authority.....         | 6,978,980,509     | 43,917,509              |
| Unused insurance authority.....              | 171,019,491       | 106,082,491             |

<sup>1</sup> Commitments include statements of eligibility.

**War Housing Insurance Fund Capital**

Assets of the War Housing Insurance Fund as of June 30, 1952, totaled \$188,760,250, against which there were outstanding liabilities of \$78,907,071. The fund had capital of \$109,853,179, consisting of \$5,000,000 invested by the United States Government and \$104,853,179 earned surplus.

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STATEMENT 16.—Comparative statement of financial condition, War Housing Insurance Fund, as of June 30, 1951, and June 30, 1952

|   | June 30, 1951 | June 30, 1952 | Increase or decrease (-) |
|---|---------------|---------------|--------------------------|
| <b>ASSETS</b>   |               |               |                          |
| Cash with U. S. Treasury.....   | \$0,777,644   | \$21,745,507  | \$14,967,863             |
| Investments:  |               |               |                          |
| U. S. Government securities (amortized).....  | 81,043,072    | 70,890,500    | -4,752,572               |
| Other securities (stock in rental housing corporations).....                          | 398,180       | 407,460       | 9,280                    |
| Total investments.....  | 82,041,252    | 77,297,060    | -4,743,202               |
| Loans receivable:   |               |               |                          |
| Mortgage notes and contracts for deed.....  | 18,191,278    | 25,377,905    | 7,186,627                |
| Less reserve for losses.....  | 318,347       | 444,113       | 125,766                  |
| Net loans receivable.....   | 17,872,931    | 24,933,792    | 7,060,861                |
| Accounts and notes receivable:  |               |               |                          |
| Accounts receivable—Insurance premiums.....   | 659,679       | 564,595       | -95,084                  |
| Accounts receivable—Other.....  | 26            | 1,032         | 1,666                    |
| Accounts receivable—Inter-fund.....   | 234,478       | -38,830       | -273,317                 |
| Total accounts and notes receivable.....  | 894,183       | 527,448       | -366,735                 |
| Accrued assets:   |               |               |                          |
| Interest on U. S. Government securities.....  | 116,351       | 101,667       | -14,684                  |
| Interest on mortgage notes and contracts for deed.....                                | 456,841       |               | -456,841                 |
| Total accrued assets.....   | 573,192       | 101,667       | -471,525                 |
| Acquired security or collateral:  |               |               |                          |
| Real estate (at cost plus expenses to date).....                                      | 36,113,127    | 49,441,174    | 13,328,047               |
| Less reserve for losses.....  | 6,110,147     | 8,314,742     | 2,204,595                |
| Net real estate.....  | 30,002,980    | 41,126,432    | 11,123,452               |
| Mortgage notes acquired under terms of insurance (at cost plus expenses to date)..... | 13,837,638    | 28,332,956    | 14,495,318               |
| Less reserve for losses.....  | 2,969,163     | 5,305,512     | 2,336,349                |
| Net mortgage notes acquired under terms of insurance.....                             | 10,868,475    | 23,027,444    | 12,158,969               |
| Net acquired security or collateral.....  | 40,871,455    | 64,163,876    | 23,282,421               |
| Total assets.....   | 140,030,657   | 188,760,250   | 39,729,593               |
| <b>LIABILITIES</b>  |               |               |                          |
| Accounts payable: Bills payable to vendors and Government agencies.....               | 19,923        | 7,507         | -12,416                  |
| Accrued liabilities: Interest on debentures.....                                      | 1,001,242     | 1,338,548     | 337,307                  |
| Trust and deposit liabilities:  |               |               |                          |
| Excess proceeds of sale.....  | 637,272       | 829,304       | 192,032                  |
| Deposits held for mortgagors, lessees, and purchasers.....                            | 415,134       | 940,056       | 524,922                  |
| Total trust and deposit liabilities.....  | 1,052,406     | 1,769,360     | 716,954                  |
| Deferred and undistributed credits:   |               |               |                          |
| Unearned insurance premiums.....  | 13,893,814    | 12,924,650    | -969,164                 |
| Unearned insurance fees.....  | 142,710       | 925           | -141,785                 |
| Other.....  | 65,888        |               | -65,888                  |
| Total deferred and undistributed credits.....   | 14,102,412    | 12,925,575    | -1,176,837               |
| Bonds, debentures, and notes payable: Debentures payable.....                         | 41,874,550    | 62,687,050    | 20,712,400               |
| Other liabilities: Reserve for foreclosure costs—Mortgage notes.....                  | 132,886       | 278,130       | 145,244                  |
| Total liabilities.....  | 58,183,419    | 78,907,071    | 20,723,652               |

## HOUSING AND HOME FINANCE AGENCY

STATEMENT 16.—Comparative statement of financial condition, War Housing Insurance Fund, as of June 30, 1951, and June 30, 1952—Continued

|  | June 30, 1951 | June 30, 1952 | Increase or decrease (—) |
|--|---------------|---------------|--------------------------|
| <b>CAPITAL</b>   |               |               |                          |
| Investment of the U. S. Government: Allocations from the U. S. Treasury.....                                       | \$5,000,000   | \$5,000,000   | -----                    |
| Earned surplus: Insurance reserve fund (cumulative earnings) available for future losses and related expenses..... | 85,847,238    | 104,853,179   | \$19,005,941             |
| Total capital.....   | 90,847,238    | 109,853,179   | 19,005,941               |
| Total liabilities and capital.....   | 149,030,657   | 188,760,250   | 39,729,593               |
| Contingent liability for certificates of claim on properties on hand.....  | 1,083,716     | 1,679,477     | 595,761                  |

## Income and Expenses

During the fiscal year 1952 the fund earned \$29,202,008 and had expenses of \$4,649,823, leaving \$24,552,185 net income before adjustment of valuation reserves. After the valuation reserves had been increased by \$4,666,710, the net income for the year amounted to \$19,885,475, 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, 1952 amounted to \$188,685,637, while cumulative expenses were \$68,768,091, leaving \$119,917,546 net income before adjustment of reserves. Valuation reserves of \$14,064,367 were established, leaving cumulative net income of \$105,853,179.

STATEMENT 17.—Income and expenses, War Housing Insurance Fund, through June 30, 1951 and June 30, 1952

|  | Mar. 28, 1941 to June 30, 1951 | July 1, 1951 to June 30, 1952 | Mar. 28, 1941 to June 30, 1952 |
|--|--------------------------------|-------------------------------|--------------------------------|
| <b>Income:</b>                               |                                |                               |                                |
| <b>Interest and dividends:</b>               |                                |                               |                                |
| Interest on U. S. Government securities..... | \$4,525,614                    | \$2,038,247                   | \$6,563,861                    |
| Interest—Other.....                          | 1,286,549                      | 804,500                       | 2,091,109                      |
| Dividends on rental housing stock.....       | 3,308                          | 2,074                         | 5,382                          |
|  | 5,815,471                      | 2,844,821                     | 8,660,352                      |
| <b>Insurance premiums and fees:</b>          |                                |                               |                                |
| Premiums.....                                | 108,800,381                    | 25,828,667                    | 134,629,048                    |
| Fees.....                                    | 44,714,444                     | 527,710                       | 45,242,154                     |
|  | 153,514,825                    | 26,356,377                    | 179,871,202                    |
| <b>Other income:</b>                         |                                |                               |                                |
| Profit on sale of investments.....           | 152,953                        | 750                           | 153,703                        |
| Miscellaneous income.....                    | 380                            | -----                         | 380                            |
|  | 153,333                        | 750                           | 154,083                        |
| Total income.....                            | 159,483,620                    | 29,202,008                    | 188,685,637                    |

## FEDERAL HOUSING ADMINISTRATION

STATEMENT 17.—Income and expenses, War Housing Insurance Fund, through June 30, 1951, and June 30, 1952—Continued

|   | Mar. 28, 1941 to June 30, 1951 | July 1, 1951 to June 30, 1952 | Mar. 28, 1941 to June 30, 1952 |
|---|--------------------------------|-------------------------------|--------------------------------|
| <b>Expenses:</b>  |                                |                               |                                |
| Administrative expenses: Operating costs.....                             | \$32,089,041                   | \$3,968,549                   | \$65,957,124                   |
| Other expenses: Depreciation on furniture and equipment.....              | 328,050                        | 21,670                        | 350,320                        |
| Losses and charge-offs:   |                                |                               |                                |
| Loss on sale of acquired properties.....                                  | 1,840,355                      | 639,847                       | 2,480,202                      |
| Loss (or profit —) on equipment.....                                      | —10,312                        | —252                          | —19,564                        |
|   | 1,821,043                      | 639,595                       | 2,460,638                      |
| Total expenses.....   | 64,238,734                     | 4,049,823                     | 68,768,091                     |
| Net income before adjustment of valuation reserves.....                   | 95,244,895                     | 24,552,185                    | 119,917,546                    |
| <b>Increase (—) or decrease (+) in valuation reserves:</b>                |                                |                               |                                |
| Reserve for loss on loans receivable.....                                 | —318,347                       | —125,766                      | —444,113                       |
| Reserve for loss on real estate.....                                      | —6,110,147                     | —2,204,595                    | —8,314,742                     |
| Reserve for loss on mortgage notes acquired under terms of insurance..... | —2,969,163                     | —2,336,340                    | —5,305,512                     |
| Net adjustment of valuation reserves.....                                 | —9,397,657                     | —4,666,710                    | —14,064,367                    |
| Net income.....   | 85,847,238                     | 19,885,475                    | 105,853,179                    |

## ANALYSIS OF EARNED SURPLUS

| <b>Distribution of net income:</b>  |              |              |               |
|---|--------------|--------------|---------------|
| <b>Earned surplus:</b>  |              |              |               |
| Balance at beginning of period.....   |              | \$85,847,238 | -----         |
| Adjustments during the period.....  |              | 120,466      | -----         |
| Net income for the period.....  | \$85,847,238 | 19,885,475   | \$105,853,179 |
|   | 85,847,238   | 105,853,179  | 105,853,179   |
| <b>Allocation to National Defense Housing Insurance Fund from the insurance reserve fund of the War Housing Insurance Fund.....</b> |              |              |               |
|   |              | —1,000,000   | —1,000,000    |
| Balance at end of period.....   | 85,847,238   | 104,853,179  | 104,853,179   |

## Investments

Section 605 (a) of Title VI contains a provision similar to that under Title II with respect to investment of moneys not needed for current operations by the purchase of United States Government securities or the retirement of debentures.

During the fiscal year 1952, excess funds not needed for current operations were used to retire \$14,945,150 Series H 2½ percent War Housing Insurance Fund debentures, of which \$10,856,950 were called for redemption, \$2,613,550 were purchased from RFC, and \$1,474,650 were redeemed in payment of mortgage insurance premiums.

During the fiscal year 1952, net redemptions of \$4,700,000, principal amount, of United States Government securities decreased the investment in United States Government securities held by the fund as of June 30, 1952 to \$75,900,000, principal amount. These transactions resulted in an increase in the average annual yield from 2.36 percent to 2.38 percent.

HOUSING AND HOME FINANCE AGENCY

Investments of the War Housing Insurance Fund, June 30, 1952

| Series                                 | Interest rate (percent) | Purchase price | Par value  | Book value (amortized) |
|--|-------------------------|----------------|------------|------------------------|
| 1955.....                              | 2                       | \$600,000      | \$600,000  | \$600,000              |
| 1956.....                              | 2                       | 1,700,000      | 1,700,000  | 1,700,000              |
| 1960-71.....                           | 2½                      | 4,000,000      | 4,000,000  | 4,000,000              |
| 1967-72.....                           | 2½                      | 70,723,047     | 69,600,000 | 70,590,500             |
| Average annual yield 2.38 percent..... |                         | 77,023,047     | 75,900,000 | 76,890,500             |

Properties Acquired under the Terms of Insurance

The Federal Housing Administration acquired title in 1952, under the terms of insurance, to 609 properties (836 units) insured under Section 603, and sold 691 properties (793 units). Through December 31, 1952, a total of 9,718 Section 603 properties (12,716 units) had been acquired at a cost of \$54,821,345 (debentures and cash adjustments), and 8,609 properties (11,326 units) had been sold at prices which left a net charge against the fund of \$2,770,468, or an average of \$264 per case. There remained on hand for future disposition 1,109 properties having 1,390 living units.

During 1952, 28 rental housing projects (1,723 units) and 9 mortgage notes (1,282 units) insured under Section 608 were assigned to the FHA Commissioner under the terms of insurance, and 2 projects (28 units) were sold by the Commissioner. Through December 31, 1952, a total of 128 projects (7,814 units) and 76 mortgage notes (3,984 units) had been assigned to the Commissioner. Eleven projects (1,040 units) and 1 mortgage note (42 units) had been settled with no loss to the War Housing Insurance Fund, leaving 117 projects (6,774 units) and 75 mortgage notes (3,942 units) still held by the FHA.

No additional manufacturers' or purchasers' notes insured under Section 609 were assigned to the FHA Commissioner during the calendar year 1952. Through December 31, 1952, two manufacturers' notes and 64 discounted purchasers' notes had been assigned. All 64 discounted purchasers' notes and 1 manufacturer's note had been settled with a resultant loss to the fund of \$413,761, leaving 1 manufacturer's note on hand at December 31, 1952.

FEDERAL HOUSING ADMINISTRATION

STATEMENT 18.—Statement of profit and loss on sale of acquired properties, War Housing Insurance Fund, through Dec. 31, 1952

|   | Sec. 603 (8,609 properties) | Sec. 608 (11 projects and 1 mortgage note) | Sec. 609 <sup>1</sup> (65 notes) | Total Title VI (8,686 properties) |
|---|-----------------------------|--|----------------------------------|-----------------------------------|
| Proceeds of sales: <sup>1</sup>                                       |                             |  |                                  |                                   |
| Sales price (or proceeds of mortgage notes).....                      | \$50,817,046                | \$4,188,696                                | \$212,300                        | \$55,218,042                      |
| Less commissions and other selling expenses.....                      | 1,902,448                   | 508  |                                  | 1,902,956                         |
| Net proceeds of sales.....  | 48,914,598                  | 4,188,188                                  | 212,300                          | 53,315,086                        |
| Income:   |                             |  |                                  |                                   |
| Rental and other income (net).....                                    | 4,321,641                   | 403,445                                    |                                  | 4,725,086                         |
| Mortgage note income.....   | 4,347,640                   | 151,033                                    | 28,260                           | 4,526,933                         |
| Total income.....   | 8,669,281                   | 554,478                                    | 28,260                           | 9,252,019                         |
| Total proceeds of sold properties.....                                | 57,583,879                  | 4,742,666                                  | 240,560                          | 62,567,105                        |
| Expenses:   |                             |  |                                  |                                   |
| Debentures and cash adjustments.....                                  | 47,650,548                  | 4,258,353                                  | 641,907                          | 52,550,808                        |
| Purchase of land held under lease.....                                | 17,304                      |  |                                  | 17,304                            |
| Interest on debentures.....   | 5,368,168                   | 217,613                                    | 12,414                           | 5,618,195                         |
| Taxes and insurance.....  | 1,345,120                   | 49,642                                     |                                  | 1,394,762                         |
| Repairs and improvements.....   | 1,620,242                   | 16,509                                     |                                  | 1,636,751                         |
| Maintenance and operating expense.....                                | 2,037,002                   | 25,660                                     |                                  | 2,062,752                         |
| Miscellaneous expense.....  | 2,031                       | 8,412                                      |                                  | 11,343                            |
| Total expenses.....   | 58,061,405                  | 4,576,189                                  | 654,321                          | 63,291,915                        |
| Net profit (or loss—) before distribution of liquidation profits..... | -477,526                    | 166,477                                    | -413,761                         | -724,810                          |
| Less distribution of liquidation profits:                             |                             |  |                                  |                                   |
| Certificates of claim.....  | 693,882                     | 82,531                                     |                                  | 776,413                           |
| Increment on certificates of claim.....                               | 75,073                      | 3,960                                      |                                  | 79,042                            |
| Refunds to mortgagors.....  | 1,023,987                   |  |                                  | 1,023,987                         |
| Loss to War Housing Insurance Fund.....                               | 2,270,468                   | <sup>2</sup> -79,977                       | 413,761                          | 2,604,252                         |
| Average loss to War Housing Insurance Fund.....                       | 264                         |  |                                  |                                   |

<sup>1</sup> Analysis of terms of sales:

| Terms of sales  | Number of properties | Number of notes | Cash         | Mortgage notes | Sales price  |
|---|----------------------|-----------------|--------------|----------------|--------------|
| Properties sold for all cash.....                               | 2,122                |                 | \$11,554,433 |                | \$11,554,433 |
| Properties sold for cash and notes (or contracts for deed)..... | 6,430                | 4,998           | 3,049,580    | \$39,144,225   | 42,193,814   |
| Properties sold for notes only.....                             | 134                  | 9               |              | 1,469,795      | 1,469,795    |
| Total.....  | 8,686                | 5,007           | 14,604,022   | 40,614,020     | 55,218,042   |

<sup>1</sup> Represents sixty-four (64) discounted purchasers' notes and one (1) manufacturer's note settled in full.

<sup>2</sup> Excess remaining to credit of War Housing Insurance Fund in accordance with the Act.

HOUSING AND HOME FINANCE AGENCY

STATEMENT 19.—Statement of properties on hand, War Housing Insurance Fund, as of Dec. 31, 1952

|  | Sec. 603<br>1,109<br>properties<br>(1,390<br>units) | Sec. 608                              |   | Sec. 609 <sup>1</sup><br>1 note<br>(100<br>units) | Total<br>1,226<br>properties<br>76 notes<br>(12,206<br>units) |
|--|---|---------------------------------------|---|---|---|
|  |   | 117<br>properties<br>(6,774<br>units) | 75 mort-<br>gage notes <sup>2</sup><br>(3,942<br>units) |   |   |
| <b>Expenses:</b>                           |   |                                       |   |   |   |
| Acquisition costs.....                     | \$7,182,733   | \$40,183,878                          | \$28,775,206  | \$473,000   | \$82,615,717  |
| Interest on debentures.....                | 381,801   | 2,788,889                             | 1,202,991   | 9,851   | 4,383,535   |
| Taxes and insurance.....                   | 249,964   | 1,610,815                             |   |   | 1,860,779   |
| Repairs and improvements.....              | 195,574   | 764,191                               |   |   | 959,765   |
| Maintenance and operating.....             | 251,037   | 2,260,537                             |   |   | 2,520,574   |
| Miscellaneous.....                         | 565   | 63,960                                | 4,716   |   | 69,241  |
| <b>Total expenses.....</b>                 | <b>8,261,674</b>                                    | <b>53,690,270</b>                     | <b>29,982,916</b>                                       | <b>483,751</b>                                    | <b>92,418,611</b>   |
| <b>Income and recoveries:</b>              |   |                                       |   |   |   |
| Rental and other income (net).....         | 611,001   | 6,014,947                             | 1,426,095   |   | 8,052,043   |
| Collections on mortgage notes.....         |   |                                       | 307,857   | 58,500  | 366,357   |
| <b>Total income and recoveries.....</b>    | <b>611,001</b>                                      | <b>6,014,947</b>                      | <b>1,733,952</b>  | <b>58,500</b>                                     | <b>8,419,300</b>  |
| <b>Net cost of properties on hand.....</b> | <b>7,649,773</b>                                    | <b>47,675,323</b>                     | <b>28,248,964</b>                                       | <b>425,251</b>                                    | <b>83,999,311</b>   |

<sup>1</sup> Acquired in exchange for debentures.  
<sup>2</sup> Manufacturer's note acquired in exchange for debentures.

The turnover of Section 603 and 608 properties acquired and sold, by calendar year, is given below:

STATEMENT 20.—Turnover of properties acquired and mortgage notes assigned under Section 603 of Title VI, through Dec. 31, 1952

| Properties acquired |              | Properties sold, by calendar years |            |            |              |              |            |            |            |            |            | Prop-<br>er-<br>ties<br>on<br>hand<br>Dec. 31,<br>1952 |
|---------------------|--------------|------------------------------------|------------|------------|--------------|--------------|------------|------------|------------|------------|------------|--|
| Year                | Number       | 1943                               | 1944       | 1945       | 1946         | 1947         | 1948       | 1949       | 1950       | 1951       | 1952       |  |
| 1943.....           | 498          | 29                                 | 220        | 110        | 130          |              |            |            |            |            |            |  |
| 1944.....           | 2,542        |                                    | 36         | 685        | 1,178        | 386          | 140        | 87         | 17         | 7          | 6          |  |
| 1945.....           | 2,062        |                                    |            | 187        | 1,050        | 317          | 350        | 139        | 6          | 8          | 5          |  |
| 1946.....           | 998          |                                    |            |            | 431          | 302          | 210        | 43         | 11         | 1          |            |  |
| 1947.....           | 16           |                                    |            |            |              | 5            | 9          |            |            | 1          |            |  |
| 1948.....           | 116          |                                    |            |            |              |              | 23         | 21         | 65         | 1          | 4          | 2  |
| 1949.....           | 507          |                                    |            |            |              |              |            | 93         | 243        | 74         | 28         | 60   |
| 1950.....           | 1,635        |                                    |            |            |              |              |            |            | 421        | 431        | 246        | 537  |
| 1951.....           | 735          |                                    |            |            |              |              |            |            |            | 441        | 193        | 101  |
| 1952.....           | 609          |                                    |            |            |              |              |            |            |            |            | 209        | 400  |
| <b>Total.....</b>   | <b>9,718</b> | <b>29</b>                          | <b>256</b> | <b>982</b> | <b>2,798</b> | <b>1,010</b> | <b>732</b> | <b>384</b> | <b>763</b> | <b>904</b> | <b>601</b> | <b>1,100</b>   |

NOTES.—On the 8,600 properties sold, the average time between acquisition and sale by the Federal Housing Administration was 16 months.  
The number of properties sold has been reduced by 7 properties repossessed because of default on mortgage notes of which 5 had been resold at Dec. 31, 1952.

FEDERAL HOUSING ADMINISTRATION

STATEMENT 21.—Turnover of properties acquired and mortgage notes assigned under Section 608 of Title VI, through Dec. 31, 1952

| Properties and notes<br>acquired | Year      | Number     | Properties and notes sold, by calendar years |          |          |      |      |      |      |      |      |      | Prop-<br>er-<br>ties<br>and<br>notes<br>on<br>hand<br>Dec. 31,<br>1952 |          |            |
|----------------------------------|-----------|------------|--|----------|----------|------|------|------|------|------|------|------|--|----------|------------|
|                                  |           |            | 1943   | 1944     | 1945     | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 |  |          |            |
|                                  | 1943..... | 1          |  |          |          |      |      |      |      |      |      |      |  |          |            |
|                                  | 1944..... | 1          |  | 1        | 1        |      |      |      |      |      |      |      |  |          |            |
|                                  | 1945..... |            |  |          |          |      |      |      |      |      |      |      |  |          |            |
|                                  | 1946..... | 1          |  |          |          |      |      |      |      |      |      |      |  |          | 1          |
|                                  | 1947..... |            |  |          |          |      |      |      |      |      |      |      |  |          |            |
|                                  | 1948..... |            |  |          |          |      |      |      |      |      |      |      |  |          |            |
|                                  | 1949..... | 16         |  |          |          |      |      |      |      |      |      |      |  |          | 16         |
|                                  | 1950..... | 60         |  |          |          |      |      |      |      |      |      |      | 7  | 2        | 57         |
|                                  | 1951..... | 82         |  |          |          |      |      |      |      |      |      |      | 1  |          | 81         |
|                                  | 1952..... | 37         |  |          |          |      |      |      |      |      |      |      |  |          | 37         |
| <b>Total.....</b>                |           | <b>204</b> |  | <b>1</b> | <b>1</b> |      |      |      |      |      |      |      | <b>8</b>   | <b>2</b> | <b>192</b> |

Certificates of Claim and Refunds to Mortgagors

Section 604 (f) of the Act provides that if the net amount realized from any property conveyed to the Commissioner under Section 603, after deducting all expenses incurred in handling, dealing with, and disposing of such property, exceeds the face value of the debentures issued and the cash paid in exchange for such property plus all interest paid on such debentures, such excess shall be applied to the certificate of claim issued to the mortgagee and any excess remaining after paying the certificate of claim and increment thereon shall be refunded to the mortgagor.

Certificates of claim in the total amount of \$1,571,526 had been issued through 1952 in connection with the 8,609 properties which had been acquired and subsequently sold. The proceeds of sale were sufficient to provide for payment in full or in part on these certificates in the amount of \$693,882, or approximately 44 percent. Certificates of claim canceled or to be canceled amounted to \$877,644, or approximately 56 percent. In addition, the proceeds of sale were sufficient to pay refunds of \$1,023,988 to 3,346 mortgagors, or an average of \$306 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 \$83,456 had been issued in connection with the 12 Section 608 acquisitions which had been disposed of by December 31, 1952. The proceeds of sale were sufficient to provide \$82,531 for payment in full or in part on these certificates. Certificates of claim canceled or to be canceled amounted to \$925. Excess proceeds of \$79,977 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 FHA Commissioner as a revolving fund for carrying out the rental housing yield insurance program authorized by Title VII and for administrative expenses in connection therewith.

Section 710 further provides that the Secretary of the Treasury shall make available to the Commissioner such funds as the Commissioner may deem necessary, but not to exceed \$10,000,000, which amount is authorized to be appropriated out of any money in the Treasury not otherwise appropriated.

One million dollars has been allocated to the fund by the Secretary of the Treasury pursuant to the request of the Federal Housing Commissioner, and the remaining \$9,000,000 is being retained in the United States Treasury. Up to December 31, 1952, no applications for insurance under Title VII had been submitted.

The Act provides that the aggregate amount of contingent liabilities outstanding at any one time under insurance contracts and commitments to insure made pursuant to Title VII shall not exceed \$100,000,000. The insurance authorization was reduced from \$1,000,000,000 to \$100,000,000 during 1952 in accordance with Section 217 of the Act as amended July 14, 1952.

## Status of Title VII insurance authority as of Dec. 31, 1952

|                                      |               |
|--------------------------------------|---------------|
| Insurance authority.....             | \$100,000,000 |
| Charges against insurance authority: |               |
| Mortgages insured.....               |               |
| Commitments for insurance.....       |               |
| Total charges against authority..... |               |
| Unused insurance authority.....      | 100,000,000   |

## Housing Investment Insurance Fund Capital and Net Income

Assets of the Housing Investment Insurance Fund at June 30, 1952 totaled \$988,344, and since there were no outstanding liabilities the capital also amounted to \$988,344. The capital includes \$1,000,000 transferred from the United States Treasury in accordance with Section 710 of the Act and an operating deficit of \$11,656.

## FEDERAL HOUSING ADMINISTRATION

## STATEMENT 22.—Comparative statement of financial condition, Housing Investment Insurance Fund, as of June 30, 1951 and June 30, 1952

|   | June 30, 1951 | June 30, 1952 | Increase or decrease (—) |
|---|---------------|---------------|--------------------------|
| <b>ASSETS</b>   |               |               |                          |
| Cash with U. S. Treasury.....   | \$200,905     | \$184,845     | —\$76,160                |
| Investments: U. S. Government securities (amortized).....   | 704,807       | 802,043       | 97,236                   |
| Accounts and notes receivable: Accounts receivable—<br>Inter-fund.....  | 3,061         | —2            | —3,663                   |
| Accrued assets: Interest on U. S. Government securities.....  | 720           | 1,458         | 729                      |
| Total assets.....   | 970,192       | 988,344       | 18,152                   |
| <b>CAPITAL</b>  |               |               |                          |
| Investment of the U. S. Government: Allocations from<br>the U. S. Treasury.....   | 1,000,000     | 1,000,000     |                          |
| Earned surplus (deficit —): Insurance reserve fund<br>(cumulative earnings or deficit —) available for future<br>losses and related expenses..... | —29,808       | —11,656       | 18,152                   |
| Total capital.....  | 970,192       | 988,344       | 18,152                   |

The total income for fiscal year 1952 was \$19,639, consisting entirely of interest on United States Government securities, while expenses amounted to \$3,090, resulting in a net income for the year of \$16,549. The cumulative income of the Housing Investment Insurance Fund from August 10, 1948 to June 30, 1952 amounted to \$28,330, while cumulative expenses amounted to \$39,986, resulting in a net deficit to the fund of \$11,656.

## STATEMENT 23.—Income and expenses, Housing Investment Insurance Fund, through June 30, 1951, and June 30, 1952

|  | Aug. 10, 1948,<br>to<br>June 30, 1951 | July 1, 1951,<br>to<br>June 30, 1952 | Aug. 10, 1948,<br>to<br>June 30, 1952 |
|--|---------------------------------------|--------------------------------------|---------------------------------------|
| <b>Income:</b>   |                                       |                                      |                                       |
| Interest and dividends: Interest on U. S. Government securities..... | \$3,691                               | \$19,639                             | \$28,330                              |
| Total income.....  | 8,691                                 | 19,639                               | 28,330                                |
| <b>Expenses:</b>   |                                       |                                      |                                       |
| Administrative expenses: Operating costs.....                        | 38,334                                | 3,074                                | 39,805                                |
| Other expenses: Depreciation on furniture and equipment.....         | 171                                   | 16                                   | 187                                   |
| Losses and charge-offs: Less (or profit —) on equipment.....         | —6                                    |                                      | —6                                    |
| Total expenses.....  | 38,499                                | 3,090                                | 39,986                                |
| Net income (or loss —).....  | —29,808                               | 16,549                               | —11,656                               |

## ANALYSIS OF EARNED SURPLUS (OR DEFICIT —)

|  |         |         |         |
|--|---------|---------|---------|
| <b>Distribution of net income:</b>         |         |         |         |
| Earned surplus (or deficit —):             |         |         |         |
| Balance at beginning of period.....        |         | —29,808 |         |
| Adjustments during the period.....         |         | 1,603   |         |
| Net income (or loss —) for the period..... | —29,808 | 16,549  | —11,656 |
| Balance at end of period.....              | —29,808 | —11,656 | —11,656 |

**Investments**

Section 710 of the Act provides that moneys in the Housing Investment Insurance Fund not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed by the United States; or the Commissioner may, with the approval of the Secretary of the Treasury, purchase debentures issued under this fund, provided that such purchases are made at a price which will produce an investment yield of not less than the yield obtainable from other authorized investments. During the fiscal year 1952, \$100,000 (principal amount) of United States Treasury bonds, Series 1965-70, were purchased for the account of this fund. At June 30, 1952, the fund held \$800,000, principal amount of United States Government securities, as follows:

*Investments of the Housing Investment Insurance Fund, June 30, 1952*

| Series                                 | Interest rate (percent) | Purchase price | Par value | Book value (amortized) |
|--|-------------------------|----------------|-----------|------------------------|
| 1965-70.....                           | 2½                      | \$97,375       | \$100,000 | \$97,477               |
| 1967-72.....                           | 2½                      | 704,022        | 700,000   | 704,566                |
| Average annual yield 2.46 percent..... |                         | 802,297        | 800,000   | 802,043                |

**Title VIII: Military Housing Insurance Fund**

An amendment to the National Housing Act approved August 8, 1949 (Public Law 211, 81st Cong.), created the Military Housing Insurance Fund to be used by the FHA Commissioner as a revolving fund for carrying out the provisions of Title VIII of the Act, which provides for the insurance of military housing mortgages. For the purposes of this fund, the Act authorized to be appropriated the sum of \$10,000,000, of which \$5,000,000 was made available by the Supplemental Appropriation Act, 1950 (Public Law 358, 81st Cong.).

This is not a mutual fund, and any balance remaining in the fund after all Title VIII expenses and insurance claims have been met will revert to the general fund of the Treasury.

**Title VIII Insurance Authority**

Section 803 (a) of the National Housing Act provided that the aggregate amount of principal obligations of all mortgages insured under Title VIII should not exceed \$500,000,000, except that with the approval of the President such amount could be increased to \$1,000,000,000. The President increased the authorization from \$500,000,000 to \$700,000,000 on October 16, 1951.

The status of the Title VIII insurance authority at December 31, 1952, was calculated as follows:

*Status of Title VIII insurance authority as of Dec. 31, 1952*

|  |               |
|--|---------------|
| Insurance authority.....                     | \$700,000,000 |
| Charges against insurance authority:         |               |
| Mortgages insured.....                       | \$476,617,096 |
| Commitments for insurance <sup>1</sup> ..... | 97,882,248    |
| Total charges against authority.....         | 574,499,344   |
| Unused insurance authority.....              | 125,500,656   |

<sup>1</sup> Commitments include statements of eligibility.

**Investments**

Section 804 (a) of the Act provides that moneys not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by the United States, or, with the approval of the Secretary of the Treasury, used to purchase debentures issued under this title. During the fiscal year 1952, \$2,250,000 (principal amount) of United States Government securities were purchased for the account of this fund. These transactions resulted in an increase in the average annual yield from 2.39 percent to 2.46 percent. On June 30, 1952, the fund held United States Government securities in the principal amount of \$9,450,000, as follows:

*Investments of the Military Housing Insurance Fund, June 30, 1952*

| Series                                 | Interest rate (percent) | Purchase price | Par value   | Book value (amortized) |
|--|-------------------------|----------------|-------------|------------------------|
| 1964-69.....                           | 2½                      | \$1,511,820    | \$1,550,000 | \$1,513,177            |
| 1965-70.....                           | 2½                      | 96,891         | 100,000     | 96,970                 |
| 1966-71.....                           | 2½                      | 484,453        | 500,000     | 484,977                |
| 1967-72.....                           | 2½                      | 7,411,828      | 7,300,000   | 7,397,428              |
| Average annual yield 2.46 percent..... |                         | 9,504,992      | 9,450,000   | 9,492,552              |

**Military Housing Insurance Fund Capital and Net Income**

As of June 30, 1952, the assets of the Military Housing Insurance Fund totaled \$10,712,529, against which there were outstanding liabilities of \$1,196,759, leaving \$9,515,770 capital. Included in capital is \$5,000,000 allocated from the United States Treasury and \$4,515,770 earned surplus.

## HOUSING AND HOME FINANCE AGENCY

## STATEMENT 24.—Comparative statement of financial condition, Military Housing Insurance Fund, as of June 30, 1951, and June 30, 1952

|  | June 30, 1951    | June 30, 1952     | Increase or decrease (-) |
|--|------------------|-------------------|--------------------------|
| <b>ASSETS</b>  |                  |                   |                          |
| Cash with U. S. Treasury.....  | \$1,126,847      | \$1,184,647       | \$57,800                 |
| Investments:   |                  |                   |                          |
| U. S. Government securities (amortized).....   | 7,307,014        | 9,402,552         | 2,185,538                |
| Other securities (stock in rental housing corporations).....   | 0,800            | 12,900            | 6,100                    |
| <b>Total investments.....</b>  | <b>7,313,814</b> | <b>9,505,452</b>  | <b>2,191,638</b>         |
| Accounts and notes receivable: Accounts receivable—Insurance premiums.....   | 43,068           | 8,836             | -34,232                  |
| Accrued assets: Interest on U. S. Government securities.....   | 9,375            | 13,594            | 4,219                    |
| <b>Total assets.....</b>   | <b>8,493,104</b> | <b>10,712,529</b> | <b>2,219,425</b>         |
| <b>LIABILITIES</b>   |                  |                   |                          |
| Accounts payable:  |                  |                   |                          |
| Bills payable to vendors and Government agencies.....  | 292,856          |                   | -292,856                 |
| Inter-fund.....  | 91,332           | 6,291             | -85,041                  |
| <b>Total accounts payable.....</b>   | <b>384,188</b>   | <b>6,291</b>      | <b>-377,897</b>          |
| Deferred and undistributed credits:  |                  |                   |                          |
| Unearned insurance premiums.....   | 680,363          | 1,127,528         | 447,165                  |
| Unearned insurance fees.....   | 28,092           | 62,040            | 34,848                   |
| <b>Total deferred and undistributed credits.....</b>   | <b>708,455</b>   | <b>1,190,468</b>  | <b>482,013</b>           |
| <b>Total liabilities.....</b>  | <b>1,092,643</b> | <b>1,196,759</b>  | <b>104,116</b>           |
| <b>CAPITAL</b>   |                  |                   |                          |
| Investment of the U. S. Government: Allocations from the U. S. Treasury.....                                       | 5,000,000        | 5,000,000         |                          |
| Earned surplus: Insurance reserve fund (cumulative earnings) available for future losses and related expenses..... | 2,400,461        | 4,515,770         | 2,115,309                |
| <b>Total capital.....</b>  | <b>7,400,461</b> | <b>9,515,770</b>  | <b>2,115,309</b>         |
| <b>Total liabilities and capital.....</b>  | <b>8,493,104</b> | <b>10,712,529</b> | <b>2,219,425</b>         |

Total income of the Military Housing Insurance Fund during the fiscal year 1952 amounted to \$3,321,954, while expenses and losses amounted to \$1,125,303, leaving a net income of \$2,196,651. The cumulative income of the fund from August 8, 1949 to June 30, 1952, amounted to \$6,561,078, while cumulative expenses totaled \$2,045,308, resulting in a cumulative net income of \$4,515,770.

## FEDERAL HOUSING ADMINISTRATION

## STATEMENT 25.—Income and expenses, Military Housing Insurance Fund, through June 30, 1951, and June 30, 1952

|  | Aug. 8, 1949 to June 30, 1951 | July 1, 1951 to June 30, 1952 | Aug. 8, 1949 to June 30, 1952 |
|--|-------------------------------|-------------------------------|-------------------------------|
| <b>Income:</b>   |                               |                               |                               |
| Interest and dividends:                                      |                               |                               |                               |
| Interest on U. S. Government securities.....                 | \$169,222                     | \$200,945                     | \$370,167                     |
| Dividends on rental housing stock.....                       |                               | 45                            | 45                            |
|  | 169,222                       | 200,990                       | 379,212                       |
| Insurance premiums and fees:                                 |                               |                               |                               |
| Premiums.....  | 818,905                       | 1,677,689                     | 2,496,594                     |
| Fees.....  | 2,250,997                     | 1,434,275                     | 3,685,272                     |
|  | 3,069,902                     | 3,111,964                     | 6,181,866                     |
| <b>Total income.....</b>                                     | <b>3,239,124</b>              | <b>3,321,954</b>              | <b>6,561,078</b>              |
| <b>Expenses:</b>   |                               |                               |                               |
| Administrative expenses: Operating costs.....                | \$35,145                      | 1,119,324                     | 2,035,811                     |
| Other expenses: Depreciation on furniture and equipment..... | 3,908                         | 6,063                         | 9,971                         |
| Losses and charge-offs: Loss (or profit -) on equipment..... | -300                          | -84                           | -474                          |
| <b>Total expenses.....</b>                                   | <b>838,663</b>                | <b>1,125,303</b>              | <b>2,045,308</b>              |
| <b>Net income.....</b>                                       | <b>2,400,461</b>              | <b>2,196,651</b>              | <b>4,515,770</b>              |

## ANALYSIS OF EARNED SURPLUS

|                                      |                  |                  |                  |
|--------------------------------------|------------------|------------------|------------------|
| <b>Distribution of net income:</b>   |                  |                  |                  |
| Earned surplus:                      |                  |                  |                  |
| Balance at beginning of period.....  |                  | \$2,400,461      |                  |
| Adjustments during the period.....   |                  | -81,342          |                  |
| Net income for the period.....       | \$2,400,461      | 2,196,651        | \$4,515,770      |
| <b>Balance at end of period.....</b> | <b>2,400,461</b> | <b>4,515,770</b> | <b>4,515,770</b> |

## Title IX: National Defense Housing Insurance Fund

The National Defense Housing Insurance Fund was created by Section 902 of the National Housing Act as amended September 1, 1951 (Defense Housing and Community Facilities and Services Act of 1951, Public Law 139, 82d Cong.), which provides that this fund shall be used by the Commissioner as a revolving fund for carrying out the provisions of Title IX of the Act. This title provides for the insurance of mortgages in areas which the President shall have determined to be critical defense housing areas. To accomplish this purpose, the Act authorized the Commissioner to transfer from the War Housing Insurance Fund the sum of \$10,000,000 and at December 31, 1952, \$1,000,000 of this amount had been transferred.

## Title IX Insurance Authority

Section 217 of the National Housing Act, which was added by Public Law 139, 82d Congress, approved September 1, 1951, and which was

## HOUSING AND HOME FINANCE AGENCY

amended July 14, 1952, provides that the aggregate dollar amount of mortgages insured under Title IX shall be prescribed by the President. Section 217 further provides that the President may increase the aggregate insurance authorization of any other title of the National Housing Act (except Title I, Sec. 2), with the limitation that the dollar amount of the insurance authorization prescribed by the President at any time with respect to any provisions of Title VI shall not be greater than authorized by provisions of that title; and that the aggregate dollar amount of the mortgage insurance authorization prescribed by the President with respect to Title IX, plus the aggregate dollar amount of all increases in insurance authorizations under other titles of the Act, less the aggregate dollar amount of all decreases in insurance authorizations prescribed by the President pursuant to authority contained in Section 217, shall not exceed \$1,900,000,000. The insurance authorization under Title IX was increased from \$500,000,000 to \$900,000,000 during 1952.

The status of the Title IX insurance authority at December 31, 1952, was calculated as follows:

*Status of Title IX insurance authority as of Dec. 31, 1952*

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Insurance authority.....             |               | \$900,000,000 |
| Charges against insurance authority: |               |               |
| Mortgages insured.....               | \$130,720,800 |               |
| Commitments for insurance.....       | 202,440,568   |               |
| Total charges against authority..... |               | 333,161,368   |
| Unused insurance authority.....      |               | 566,838,632   |

**National Defense Housing Insurance Fund Capital and Net Income**

As of June 30, 1952, the assets of the National Defense Housing Insurance Fund totaled \$1,709,302, against which there were outstanding liabilities of \$708,235, leaving \$1,001,067 capital. Included in the capital is \$1,000,000 transferred from the War Housing Insurance Fund in accordance with Section 902 of the Act, and earned surplus of \$1,067.

## FEDERAL HOUSING ADMINISTRATION

**STATEMENT 26.—Comparative statement of financial condition, National Defense Housing Insurance Fund, as of June 30, 1951, and June 30, 1952**

|  | June 30, 1951 | June 30, 1952 | Increase or decrease (-) |
|--|---------------|---------------|--------------------------|
| <b>ASSETS</b>  |               |               |                          |
| Cash with U. S. Treasury.....  |               | \$1,708,402   | \$1,708,402              |
| Investments:   |               |               |                          |
| Other securities (stock in rental housing corporations).....   |               | 900           | 900                      |
| Total assets.....  |               | 1,709,302     | 1,709,302                |
| <b>LIABILITIES</b>   |               |               |                          |
| Accounts payable: Inter-fund.....  |               | 6,357         | 6,357                    |
| Trust and deposit liabilities: Fee deposits held for future disposition.....   |               | 556,402       | 556,402                  |
| Deferred and undistributed credits:  |               |               |                          |
| Unearned insurance premiums.....   |               | 88,507        | 88,507                   |
| Unearned insurance fees.....   |               | 56,969        | 56,969                   |
| Total deferred and undistributed credits.....  |               | 145,476       | 145,476                  |
| Total liabilities.....   |               | 708,235       | 708,235                  |
| <b>CAPITAL</b>   |               |               |                          |
| Investment of the U. S. Government:  |               |               |                          |
| Allocation to National Defense Housing Insurance Fund from insurance reserve fund of the War Housing Insurance Fund..... |               | 1,000,000     | 1,000,000                |
| Earned surplus:  |               |               |                          |
| Insurance reserve fund (cumulative earnings) available for future losses and related expenses.....                       |               | 1,067         | 1,067                    |
| Total capital.....   |               | 1,001,067     | 1,001,067                |
| Total liabilities and capital.....   |               | 1,709,302     | 1,709,302                |

From the establishment of the fund September 1, 1951, to June 30, 1952, the income amounted to \$562,424, while expenses and losses were \$561,357, leaving net income to the fund of \$1,067.

**STATEMENT 27.—Income and expenses, National Defense Housing Insurance Fund, from inception, Sept. 1, 1951, through June 30, 1952**

|  | Sept. 1, 1951<br>to<br>June 30, 1952 |
|--|--------------------------------------|
| <b>Income:</b>   |                                      |
| Insurance premiums and fees:                                 |                                      |
| Premiums.....  | \$18,169                             |
| Fees.....  | 544,255                              |
| Total income.....  | 562,424                              |
| <b>Expenses:</b>   |                                      |
| Administrative expenses: Operating costs.....                | 558,369                              |
| Other expenses: Depreciation on furniture and equipment..... | 3,031                                |
| Losses and charge-offs: Loss (or profit —) on equipment..... | —43                                  |
| Total expenses.....  | 561,357                              |
| Net income.....  | 1,067                                |
| <b>ANALYSIS OF EARNED SURPLUS</b>                            |                                      |
| <b>Distribution of net income:</b>                           |                                      |
| <b>Earned surplus:</b>                                       |                                      |
| Balance at beginning of period.....                          |                                      |
| Adjustments during the period.....                           |                                      |
| Net income for the period.....                               | 1,067                                |
| Balance at end of period.....                                | 1,067                                |

HOUSING AND HOME FINANCE AGENCY

Administrative Expense Account

A separate account, entitled Salaries and Expenses, Federal Housing Administration, is maintained for the purpose of handling all transactions with respect to the payment of salaries and other expenses involved in operating the FHA. Moneys for such expenses and for the purchase of furniture and equipment required in the operations of the FHA are allocated to this fund and all disbursements for these purposes are made from it. Until the income of the insurance funds was sufficient to cover salaries and expenses, allocations were made to this account from the United States Treasury through the RFC in accordance with provisions contained in the National Housing Act and subsequent appropriation acts. Since July 1, 1937, a portion of the allocations, and since July 1, 1940, all allocations to salaries and expenses have been made from the various FHA insurance funds.

STATEMENT 28.—Comparative statement of financial condition, Administrative Expense Account (salaries and expenses), as of June 30, 1951 and June 30, 1952

|  | June 30, 1951          | June 30, 1952          | Increase or decrease (—) |
|--|------------------------|------------------------|--------------------------|
| <b>ASSETS</b>  |                        |                        |                          |
| Cash with U. S. Treasury.....  | \$3,760,089            | \$2,066,205            | -\$703,884               |
| Accounts and notes receivable: Accounts receivable—<br>Other.....  | 145,673                | 105,078                | -40,595                  |
| Land, structures, and equipment:<br>Furniture and equipment.....<br>Less reserve for depreciation.....                             | 2,080,441<br>960,367   | 2,104,160<br>1,060,328 | 23,719<br>90,961         |
| Net furniture and equipment.....   | 1,111,074              | 1,043,832              | -67,242                  |
| Total assets.....  | 5,016,836              | 4,115,115              | -901,721                 |
| <b>LIABILITIES</b>   |                        |                        |                          |
| Accounts payable:<br>Bills payable to vendors and Government agencies...<br>Inter-fund.....  | 1,966,058<br>1,870,566 | 2,377,697<br>798,570   | 411,639<br>-1,071,996    |
| Total accounts payable.....  | 3,836,624              | 3,176,267              | -660,357                 |
| Trust and deposit liabilities:<br>Due general fund of the U. S. Treasury.....<br>Employees' payroll deductions for taxes, etc..... | 5,185<br>1,175,027     | 21,588<br>917,260      | 16,403<br>-257,767       |
| Total trust and deposit liabilities.....   | 1,180,212              | 938,848                | -241,364                 |
| Total liabilities.....   | 5,016,836              | 4,115,115              | -901,721                 |

<sup>1</sup> Excludes unfilled orders in the amount of \$17,569.  
<sup>2</sup> Excludes unfilled orders in the amount of \$103,770.

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