9th ANNUAL REPORT

HOUSING and HOME FINANCE AGENCY 1955

Office of the Administrator

Federal Housing Administration

Public Housing Administration

Federal National Mortgage Association

Community Facilities Administration

Urban Renewal Administration

HOUSING AND HOME FINANCE AGENCY

Office of the Administrator

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ANNUAL REPORT

HOUSING AND HOME FINANCE AGENCY

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LETTER OF TRANSMITTAL

MY DEAR MR. PRESIDENT: I have the honor to transmit herewith for submission to the Congress the Ninth Annual Report of the Housing and Home Finance Agency covering information on housing activities for the calendar year 1955.

In this Ninth Annual Report, the Housing and Home Finance Agency records the activities and accomplishments of the Office of the Administrator; the three constituent agencies—the Federal Housing Administration, the Public Housing Administration, and the Federal National Mortgage Association; and the two constituent units—the Community Facilities Administration and the Urban Renewal Administration.

Respectfully yours,

Albert M. Cole

ALBERT M. COLE,
Administrator.

THE PRESIDENT,
The White House,
Washington 25, D. C.

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CHRONOLOGY OF SIGNIFICANT EVENTS IN HOUSING—1955

1–10 Industry advisory committee on real estate management appointed by FHA Commissioner Norman P. Mason.

1–11 FNMA offered a $500 million issue of ML (Management and Liquidating) 2½ percent, 3-year notes, dated January 20, 1955, and maturing January 20, 1958, for sale to private investors. Offering was over-subscribed almost 7 to 1 and $570 million in notes was issued to subscribers.

1–18 Administrator Cole advised the Senate and House Banking and Currency Committees of a number of amendments to the Housing Act of 1954 that will be recommended later for their consideration.

1–29 Special industry advisory committee of appraisers appointed by FHA Commissioner to review FHA methods of evaluating co-operative housing projects.

2–4 The first of the FNMA common stock for which subscription was made under the Secondary Market Operations was delivered to subscriber.

2–16 United States District Court in Newark, N. J., established right of FHA as a preferred stockholder to conduct windfall litigation in Federal rather than State courts.

2–20 FHA established a new procedure for immediate rejection of applications of persons and firms having an unsatisfactory record of past participation in FHA programs, including applications of recipients of illegal windfall profits.

3–7 The first Negro family to obtain a mortgage through the new Voluntary Home mortgage Credit Program moved into a home of its own.

3–24 Under the Demonstration Grant Program, St. Louis, Mo., was the first city in the Nation to be awarded Federal aid for an urban renewal demonstration project.

3–30 FHA directors instructed on specific steps to take to help members of minority groups to benefit through FHA programs.

4–28 FHA and VA put into effect a requirement that cash investment of buyers financing homes with FHA-insured and VA-guaranteed mortgages must include closing charges.

6–20 Administrator Cole acted as principal housing and urban development adviser of the United States Government at a 10-day (June 20 to 30) conference in Italy, related to the development of basic planning and programing for housing and community improvement in that country.

7–30 FHA and VA reduced maximum maturity of home mortgages insured or guaranteed to 25 years and increased minimum downpayments by 2 percent of appraised value or selling price.

7–30 FNMA announced a change in the prices at which it offers to sell mortgages on 1- to 4-family housing from its Management and Liquidating portfolio from a range of 98–100 to a range of 96–100. Mortgages on multifamily housing continued to be sold on a negotiated basis.

7–31 Expiration of authority under Defense Housing and Community Facilities and Services Act of 1951 for defense community facilities program administered by the Community Facilities Administration.

8–11 The Housing Amendments of 1955, Public Law 345, became law. As directed in the Housing Amendments of 1955, the Home Loan Bank Board (including the Federal Savings and Loan Insurance Corporation) ceased to be a constituent agency of HHFA and became an independent agency in the Executive Branch. The name of HLBB was changed to the Federal Home Loan Bank Board.

The Public Housing Administration was authorized to enter into annual contributions contracts for an additional 45,000 low-rent housing units by July 31, 1956.

8–25 The Housing and Home Finance Agency and its constituents opened up all of their housing credit and community aid facilities to give maximum help to citizens and localities in the flood-stricken areas of the East and New England.

9–8 Administrator Cole held a meeting of representatives of the insurance industry to discuss the feasibility of flood insurance for homeowners and others. The industry representatives present were members of a newly appointed HHFA Flood Disaster Advisory Committee, with the Housing Administrator as Committee Chairman.

9–16 The first urban renewal planning advances specifically to aid flood-stricken areas were announced for two projects in Scranton, Pa.

9–21 With mounting losses from recurring hurricanes and floods confronting the Nation, HHFA held a meeting of representatives of mortgage lending, building, lumber, and life insurance industries to further explore the feasibility of flood insurance for homeowners and others. The conference was a followup of a discussion held September 8 by Administrator Cole with representatives of the casualty insurance industry.

9–22 Community Facilities Commissioner announced relaxation of restrictions on planning advances to allow advances for the preparation of complete plans and specifications.

9–24 HHFA announced that it had contracted with Philip W. Kniskern of Philadelphia for a comprehensive review and evaluation of land disposition procedures and policies in connection with Urban Renewal Administration's slum clearance and urban renewal program.

9–30 First urban renewal housing commitments under Section 220 issued by FHA.

10–25 FNMA suspended for the time being sale of mortgages from its Management and Liquidating portfolio.

ORGANIZATION AND FUNCTIONS OF THE HOUSING AND HOME FINANCE AGENCY

ORGANIZATION AND STRUCTURE

The Housing and Home Finance Agency is the permanent Federal agency established to carry out the principal housing and home financing functions of the Federal Government. It was created under Reorganization Plan No. 3, on July 27, 1947, succeeding the National Housing Agency, in which housing and related operations had been consolidated on a temporary basis during World War II.

At the end of 1955, the Housing and Home Finance Agency consisted of the Office of the Administrator and five constituents—the Federal Housing Administration, the Public Housing Administration, the Federal National Mortgage Association, the Community Facilities Administration, and the Urban Renewal Administration. The Agency also supplies staff services and facilities to the Voluntary Home Mortgage Credit Program. The Federal Home Loan Bank Board, formerly a constituent of HHFA, became an independent agency on August 11, 1955, under the terms of the Housing Amendments of 1955.

An Advisory Board, composed of the HHFA Administrator and the heads of the constituent agencies and units, advises the Administrator on major policies. In addition, the National Housing Council, of which the HHFA Administrator is chairman, performs similar functions on a Government-wide basis and includes the heads, or their designees, of the Veterans' Administration and the Departments of Agriculture, Commerce, Labor, Defense, and Health, Education, and Welfare, along with key HHFA officials.

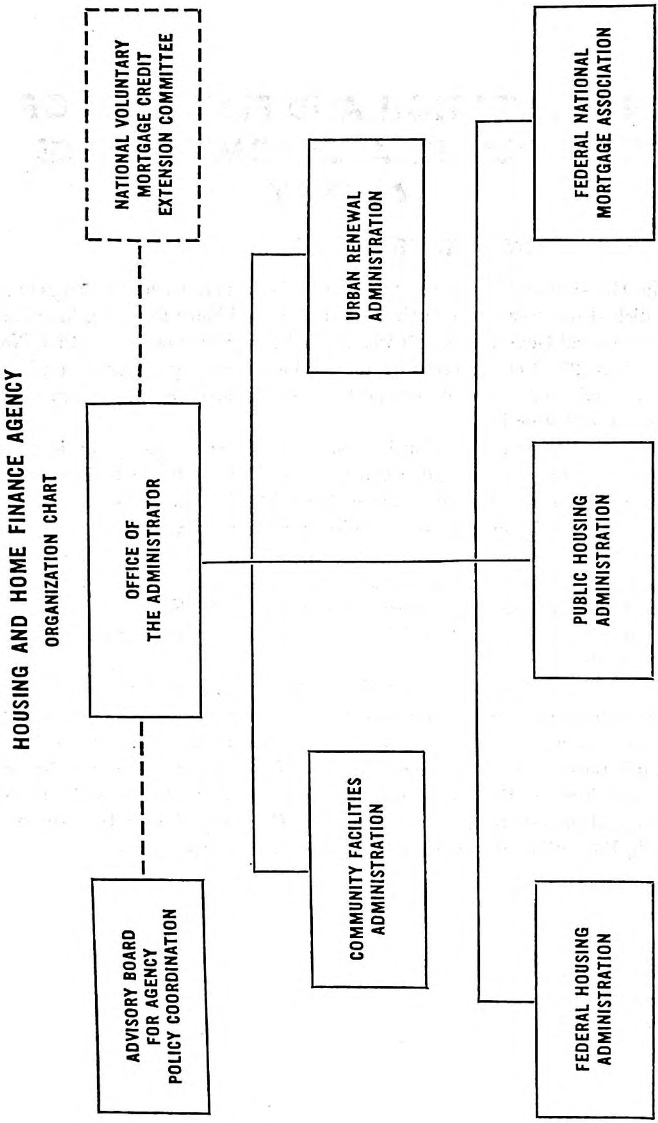

HOUSING AND HOME FINANCE AGENCY
ORGANIZATION CHART
NATIONAL VOLUNTARY MORTGAGE CREDIT EXTENSION COMMITTEE
OFFICE OF THE ADMINISTRATOR
ADVISORY BOARD FOR AGENCY POLICY COORDINATION
URBAN RENEWAL ADMINISTRATION
COMMUNITY FACILITIES ADMINISTRATION
FEDERAL NATIONAL MORTGAGE ASSOCIATION
PUBLIC HOUSING ADMINISTRATION
FEDERAL HOUSING ADMINISTRATION

CHART I-1

FUNCTIONS AND PROGRAMS

Office of the Administrator

AGENCY SUPERVISION AND COORDINATION.—Reorganization Plan No. 3 of 1947, which established the HHFA, had as its aim the administration of the Federal Government's housing programs "with consistency of purpose and a minimum of friction, duplication, and overlapping . . . [and] . . . greater efficiency and economy." Between 1947 and 1954, responsibility for the administration of various operating programs was vested in the Administrator by statute or Presidential order, and a substantial part of the work of the Office of the Administrator was concerned with the direct operation of these programs. In December 1954, the Office of the Administrator was reorganized and constituent units were established to carry out the major portion of the operating functions of the Office of the Administrator, thereby strengthening it as an instrument for Agencywide supervision and coordination. The reorganization followed closely the recommendations made by the President's Advisory Committee on Government Housing Policies and Programs in its report of December 1953.

FORMULATION OF NATIONAL HOUSING POLICY.—The Administrator is the official to whom the Congress and the President look for information and expert opinion with respect to housing matters. He advises and reports to the Congress and the President on housing needs and problems and on the impact of present or proposed policies on the existing housing program, the national economy, and the Government's general fiscal and economic policies. He formulates and presents to the President recommendations for basic policies in the field of housing and community development for such purposes as the President's Budget Message, the Economic Report, and for the legislative program.

The Office of the Administrator is a primary source of housing data on a national, programwide scale. It gathers, analyzes, and reconciles data on the economic, financial, technical, and social aspects of housing and community development and prepares and publishes reports for use by the Congress, the President, other Federal and local agencies, industry groups, and the public. Such data are invaluable in providing a common factual base for the development of housing policies and objectives and the measurement of progress made in meeting those objectives.

The Administrator's principal advisors on housing policy are the heads of the operating constituents of the Housing and Home Finance Agency who, with the Administrator as Chairman, comprise the Advisory Board for Agency Policy Coordination which was established by the Administrator in December 1954.

THE AGENCY BUDGET.—The Office of the Administrator is the central point at which the basic housing and community development program expressed in the President's annual budget is developed, as well as the central point at which the annual budget estimates of the constituents of the HHFA are reviewed and coordinated within the basic housing program. The basic housing program for each fiscal year is developed in consultation with the constituents, the Bureau of the Budget, the Veterans' Administration, and other agencies concerned with housing.

Budget estimates are prepared by the constituents and submitted for review and adjustment by the Administrator in the light of the basic housing plan. The agency budget is thereby coordinated and presented by the Administrator, with the assistance of the constituent heads, within a common frame of reference—the basic housing and community development program—and is considered in that light at each stage in the budget process, first by the Bureau of the Budget and later by the Congress. This accomplishes one of the prime administrative objectives for which the HHFA was established, enabling the President and the Congress to consider in full perspective the direct and indirect effects of appropriation action on various parts of the Government's housing and community development program, and to relate both program and administrative funds to a common set of basic assumptions.

THE LEGISLATIVE PROGRAM.—As principal spokesman for housing matters on behalf of the Executive Branch, the Administrator develops, presents and explains to the Congress the legislative program of the administration in the field of housing and community development. He is also required to analyze other legislative proposals introduced in or pending before the Congress, and to advise the members and legislative committees as to the probable effects of such legislation in relationship to existing activities and to the program of the President. This assures the Congress of consistent expression of the administration's policy on legislative proposals in the housing field.

COORDINATION OF INTERAGENCY RELATIONSHIPS.—As Agency head, the Administrator maintains working relation with other executive departments and agencies, such as: the Executive Office of the President, with respect to overall matters of administrative policy, defense mobilization and economic stability; the Civil Service Commission, with respect to the adequacy of personnel standards and operations throughout the Agency; the General Accounting Office, with respect to the adequacy of financial and accounting practices and reporting and of internal audit and controls throughout the Agency; the General Services Administration, with respect to standards and practices in connection with space, procurement, property management, records management, and other general services functions; the Department of State, with respect to international housing matters and international cooperation and technical assistance programs; and the Federal Civil Defense Administration, with respect to disaster relief activities and civil defense planning.

The foregoing is but a partial list of the agencies for which the Office of the Administrator, as the Administrator's staff arm, serves as the central point of contact for consultation, inquiries, referrals, and Agency representation.

PUBLIC INFORMATION ACTIVITIES.—The Office of the Administrator prepares informational releases on the Agency programs and provides a central clearing point for requests from Members of Congress, persons, groups, and organizations with an active interest in national housing policies and programs. Frequent requests for data, information, and interpretation are received from trade associations, publishers of periodicals, the press wire services and daily newspapers, private companies in the real estate, financing, and construction fields, public interest groups and planning councils, local public agencies, business and market analysts, research students, and others.

In addition, the Office of the Administrator regularly schedules a series of conferences a year with representatives of numerous public interest organizations and with the home building and home financing industry, to discuss proposals and problems in housing; and it sees to the appropriate disposition of inquiries made by the public through their representatives in Congress with respect to the administration of Government housing programs.

COORDINATION OF AGENCY PROGRAMS AND GENERAL ADMINISTRATION.—The Administrator is responsible for the coordination of program policies and the general supervision of program operations in such a way as to secure maximum results promptly, efficiently, and economically within the framework of the national housing policy and program established by the Congress and the President.

In carrying out this responsibility, the Administrator has established the Advisory Board for Agency Policy Coordination, to advise him with respect to major policy matters under his jurisdiction and to assure uniform understanding among the top operating officials as to the overall Agency program and objectives. The Advisory Board is also responsible for coordination of the Agency management improvement program.

Other Agencywide committees have also been established during the past year in special administrative areas, such as personnel, information, racial relations, and defense. The Personnel Advisory Committee develops personnel recommendations to top Agency management, and formulates the HHFA position on proposed personnel legislation and regulations. It serves as a medium for the exchange of personnel operation information and is bringing about a better utilization of some of the short-supply occupational skills needed throughout the HHFA. During its first year of operation, the Personnel Advisory Committee has worked out a number of important personnel policy questions, including an Agencywide policy for incentive awards and another on employee financial responsibility.

The Racial Relations Coordination Committee advises the Administrator and the heads of the constituents on the minority group aspects of the

Agency's programs and policies, and it provides a means for interchanging information and ideas with respect to minority group considerations as they relate to the administration of the Agency and its programs.

The HHFA Defense Council is responsible for developing and coordinating Agency plans for defense mobilization and the continuance of essential operations in the event of enemy attack.

Federal Housing Administration

Under authority of the National Housing Act of June 27, 1934, as amended, the Federal Housing Administration operates housing loan insurance programs designed to encourage improvement in housing standards and conditions, to facilitate sound home financing on reasonable terms, and to exert a stabilizing influence in the mortgage market. The FHA makes no loans and does not plan or build housing.

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

The various types of FHA insurance in effect in 1955 are summarized below.

TITLE I

Section 2 of Title I of the National Housing Act authorizes the FHA to insure qualified lending institutions against 90 percent of losses on loans made to finance the alteration, repair, improvement, or conversion of existing structures and the building of small new nonresidential structures.

Section 8 of Title I, added to the Act in 1950, authorized the insurance of mortgages on new single-family dwellings for families of low and moderate income, particularly in suburban and outlying areas. This authority was terminated by the Housing Act of 1954 (Public Law 560, 83d Cong., approved August 2, 1954), and similar authority was provided under Section 203(i) of the Title II, which also authorizes FHA insurance of mortgages in amounts up to $6,650 on farm properties.

TITLE II

Section 203 authorizes the insurance of mortgages on new and existing 1- to 4-family dwellings. This section accounts for nearly two-thirds of all mortgage insurance written by the FHA.

Section 207 authorizes the insurance of mortgages, including construction advances, on rental housing projects of eight or more family units, and the insurance of mortgages on trailer courts and parks.

Section 213, added to Title II in 1950, authorizes the insurance of mortgages on cooperative housing projects of eight or more family units. 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 mortgages on the individual 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.

Section 220, added in 1954, provides FHA mortgage insurance on liberal terms to assist in financing the rehabilitation of existing salable housing and the replacement of slums with new housing, in areas which have been certified to FHA by the Housing and Home Finance Administrator as eligible for Section 220 mortgage insurance.

Section 221, also added in 1954, authorizes mortgage insurance on low-cost housing for families from urban renewal areas and families displaced by Government action. Mortgage insurance is available under Section 221 for purchase of existing housing, rehabilitated housing, and new construction. It is also available for rental housing if the mortgagor is a private nonprofit organization regulated under Federal or State law.

Section 222, added in 1954, authorizes the insurance of mortgages on dwellings owned and occupied by persons on active duty with the Armed Forces or the Coast Guard, on certification by the Department of Defense (or the Treasury Department, for Coast Guard personnel).

Section 223, added in 1954, authorizes the insurance under Sections 203, 207, and 213 of mortgages on specified types of permanent housing sold by the Federal or State government. This authority is similar to that formerly provided under Section 610 of Title VI.

TITLE VI

Sections 603 and 608 were enacted in 1941 and 1942, respectively, to aid the production of war housing through mortgage insurance provisions more liberal than those under Sections 203 and 207. 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, added in 1947, authorized the insurance of short-term loans to finance the manufacture of housing, and the insurance of lending institutions against loss on notes given in part payment by purchasers of manufactured housing financed with insured loans.

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

Section 611, added in 1948, authorized the insurance of mortgages on projects of 25 or more new single-family dwellings in order to encourage the application of site fabrication and other cost reduction techniques to large-scale home building operations.

The Housing Act of 1954 provided that no new insurance commitments should be issued under Title VI after August 2, 1954.

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 housing projects.

TITLE VIII

Title VIII, added in 1949 and rewritten in 1955, authorizes the insurance of mortgages on rental housing built on or near military reservations for the use of military or civilian personnel of the Armed Forces, on certification by the Secretary of Defense, and rental housing for employees of Atomic Energy installations on certification by the Atomic Energy Commission.

TITLE IX

This title, added to the Act in 1951 and now inactive, authorized FHA insurance of mortgages on housing programed by the Housing and Home Finance Administrator for critical defense areas.

Public Housing Administration

The Public Housing Administration is a constituent of the Housing and Home Finance Agency. Historically, PHA is the successor to the United States Housing Authority, which was created by the United States Housing Act of 1937 to administer the low-rent public housing program established by that Act.

In 1942 the responsibilities of USHA were assumed by the Federal Public Housing Authority which was established as a constituent unit of the National Housing Agency. On July 27, 1947, the President's Reorganization Plan No. 3 went into effect, creating the Public Housing Administration as a constituent of HHFA and transferring to it all of the powers and functions of the FPHA.

The Public Housing Administration has two major responsibilities. The first is to administer the federally aided low-rent public housing program by providing development and management services to local housing authorities participating in that program and providing the Federal financial assistance authorized for such housing. The second responsibility of PHA is to furnish disposition and management services required to operate and liquidate housing projects in the liquidating emergency housing program. This consists principally of permanent and temporary housing built under the Lanham Act for war workers and military personnel during World War II, and temporary and mobile housing provided under the Defense Housing and Community Facilities Act of 1951.

Federal National Mortgage Association

ORIGIN AND PURPOSE.—The Federal National Mortgage Association (FNMA) administers the Government's secondary market facility for home mortgages through the purchase and sale of FHA-insured and VA-guaranteed mortgages covering residential housing. The Association was established on February 10, 1938, under a charter issued by the Federal Housing Administration. Original capital stock and paid-in surplus were subscribed and paid for by the Reconstruction Finance Corporation (RFC). FNMA was transferred to the Housing and Home Finance Agency (HHFA) on September 7, 1950, pursuant to Reorganization Plan No. 22 of 1950, for the purpose of coordinating the functions performed by FNMA with other Federal housing programs. FNMA was rechartered under the provisions of the Federal National Mortgage Association Charter Act (Title III of the National Housing Act, as amended by Public Law 560, 83d Cong., approved August 2, 1954) and was designated a constituent agency of HHFA.

GENERAL OBJECTIVES OF OPERATIONS.—The Association's operations were initially directed toward providing a nationwide general secondary market for FHA-insured mortgages and toward assisting in establishing the acceptability to investors of certain new types of FHA-insured mortgages. These activities were expanded in July 1948 to include certain types of VA-guaranteed mortgages. Beginning in July 1951 and continuing throughout 1955 FNMA utilized a substantial portion of its purchasing authority toward providing the financing required for the production of defense, military, and disaster housing.

A substantial change in the character of FNMA's operations occurred in 1954 as the result of the enactment of the FNMA Charter Act. This legislation grew out of various plans or proposals that were made by segments of the housing industry to provide for the establishment of a secondary market facility for residential mortgages to be initially financed by the Federal Government, but to be transformed gradually into an organization that would be privately financed and operated.

FNMA is specifically authorized by the Charter Act to conduct:

SECONDARY MARKET OPERATIONS.—These operations provide supplementary assistance to the secondary market for FHA-insured and VA-guaranteed home mortgages by providing a degree of liquidity for mortagage investments, thereby improving the distribution of investment capital for home mortgage financing. This objective is accomplished through the purchase of acceptable mortgages in areas where investment funds are in short supply and by the subsequent resale of the mortgages so acquired in areas where investment capital is available.

SPECIAL ASSISTANCE FUNCTIONS.—Upon specific authorization by the President of the United States, or by the Congress, FNMA provides special assistance by purchasing and making commitments to purchase selected types of home mortgages, including participations therein, that are originated under special housing programs, designated as eligible for this special assistance. Provision is also made for special assistance, when authorized by the President, through the purchase of home mortgages generally as a means of retarding or stopping a decline in mortgage lending and home building activities which threatens the stability of a high-level national economy.

MANAGEMENT AND LIQUIDATING FUNCTIONS.—These functions require FNMA to manage and liquidate its portfolio of mortgages acquired prior to its new 1954 charter, including those that are subsequently acquired pursuant to commitment contracts entered into prior to November 1, 1954, in an orderly manner, with a minimum of adverse effect upon the home mortgage market and minimum loss to the Federal Government.

The Association began its activities under the three operations or functions authorized by the new FNMA Charter Act on November 1, 1954.

Community Facilities Administration

The Community Facilities Administration was established as a constituent unit of the Housing and Home Finance Agency on December 23, 1954, by Reorganization Order No. 1, issued by the HHFA Administrator pursuant to the authority contained in Title I of the Independent Offices Appropriation Act, 1955. This Order transferred to the Community Facilities Administration the programs and staff of the Division of Community Facilities and Special Operations, Office of the Administrator.

The Community Facilities Administration is responsible for the administration of the following programs:

1. Program of Advances for Public Works Planning for interest-free advances to municipalities and other public agencies for the planning of needed public works as authorized by the Housing Act of 1954 and revised and expanded by the Housing Admendments of 1955.
2. Program of College Housing Loans to finance the construction of student and faculty housing and related facilities as authorized by the Housing Act of 1950 and expanded and liberalized by the Housing Amendments of 1955.
3. Public Facility Loans Program to provide loans to State and local governments to finance the construction of specific public projects under State or municipal law as authorized by the Housing Amendments of 1955.
4. Management and liquidation of the following programs for which legislative authority has terminated: Alaska housing, loans for prefabricated housing, war public works, defense community facilities,[1] and two previous advance planning programs.

[1] Although this program was incorporated into the Revolving Fund (Liquidating Programs) on June 30, 1954, for liquidation, the program remained active through July 31, 1955, by Congressional action.

5. Certain phases of the program of Federal financial assistance for school construction—authorized by Public Law 815 (81st Cong.) and several extending and amending statutes—under the terms of a working agreement with the Office of Education.
6. Supervision and disposition of securities held by HHFA in connection with the foregoing programs.

Urban Renewal Administration

Passage of the Housing Act of 1954 brought about broad expansion of Title I of the Housing Act of 1949, which had authorized a limited slum clearance and urban redevelopment program. This expansion, basically, permits communities to employ Federal aid not only to eliminate slums but also to *prevent* them. The 1954 Act gave new powers to the Urban Renewal Administration, which was established as a constituent of the Housing and Home Finance Agency on December 23, 1954, by Reorganization Order No. 1. This Order was issued by HHFA Administrator pursuant to the authority contained in Title I of the Independent Offices Appropriation Act of 1955. It transferred to the Urban Renewal Administration the functions and staff of the Division of Slum Clearance and Urban Redevelopment.

The Urban Renewal Administration administers not only the planning advances, loans, and capital grants which had been made available by the Housing Act of 1949 but also various types of technical assistance authorized by the 1954 Act. These latter are designed to contribute to the expanded approach to urban renewal.

A summary of urban renewal aids administered by the URA follows:

PLANNING ADVANCES.—These are intended to finance all necessary surveys and plans in preparation of an urban renewal project prior to the execution of a loan and/or grant contract. They are repaid from any funds made available for the undertaking of the project to the local public agency carrying out the project.

LOANS.—Expenditures involved in the undertaking of projects are financed by repayable loans, which bear the going Federal rate of interest. They are divided into two categories—temporary and definitive, or long-term. A contract for a temporary loan generally will be made for such period of time as may reasonably be required by the local public agency to complete the project. A definitive loan will be made available only to finance that portion of a project area which is leased for redevelopment, rather than sold. The time may not exceed 40 years from the date of the bonds evidencing the loan.

CAPITAL GRANTS.—These may be used to defray up to two-thirds of the net cost (i. e., deficit) of projects. The locality must supply the remaining one-third of the deficit.

URBAN RENEWAL SERVICE.—In accordance with the intent of the 1954 Act, communities may obtain through this service technical and other professional aid for the preparation of local urban renewal programs. The service includes the publication and dissemination of technical bulletins and materials.

SPECIAL DEMONSTRATION GRANTS.—The 1954 Act authorizes a special fund of $5,000,000 for the developing, testing, and reporting of slum-prevention and slum-elimination techniques. Local public bodies may obtain grants, up to two-thirds of cost, where the studies they undertake will be of value to other communities in solving urban renewal problems. The law envisions studies of varying scope and covering a wide range of subject matter pertinent to the program.

SPECIAL GRANTS FOR URBAN PLANNING ASSISTANCE.—State planning agencies may obtain cash grants for the provision of planning assistance to localities with populations less than 25,000, which frequently lack funds to carry out effective urban planning. A grant of this kind may amount to half the estimated cost of the work for which it is made. Grants under this authorization are also available, for planning work covering metropolitan and regional areas, to official State, metropolitan, or regional planning agencies. The 1954 Act authorized a $5,000,000 appropriation for these grants.

Federal aid for urban renewal projects may be given only to local public agencies duly authorized by State and local law to carry out the various activities involved. Generally, a local public agency may be—according to individual local circumstances—a specially created redevelopment agency, a local housing authority, or a city or county itself. In some localities, two local agencies, such as the city and the redevelopment agency, may have to participate jointly in certain types of projects until such time as total authority is vested by State enabling acts and city ordinances in one local agency.

An urban renewal project, according to the law, may embrace diversified local efforts directed at the elimination or prevention of slums and blight. These efforts may be directed toward complete clearance of a slum or blighted area—whether residential or nonresidential—and its subsequent rebuilding, or toward rehabilitation of residential structures by the property owners accompanied by improvement of community facilities by the local government, or any combination of these complementary approaches.

HHFA PERSONNEL

During the calendar year 1955, the Housing and Home Finance Agency operated with an average staff of 10,638 employees, as compared with 10,666 in the preceding year. The following figures show employment within HHFA at the end of 1954 and 1955:

	Dec. 31, 1954	Dec. 31, 1955
Office of the Administrator [1]	717	1,009
Federal Housing Administration	5,282	6,309
Public Housing Administration	3,320	2,422
Federal National Mortgage Association	581	560
Total	10,427	10,300

[1] Includes employees of the 2 constituent units, Community Facilities Administration and Urban Renewal Administration.

During the year, the following major appointments were made:

Oakley Hunter, General Counsel, Housing and Home Finance Agency, on January 4, 1955.

Charles E. Sigety, Deputy Commissioner, Federal Housing Administration, on February 2, 1955.

Dan R. Hamady, Assistant to the Administrator (International Housing Activities) Housing and Home Finance Agency, on April 5, 1955.

Frank J. Meistrell, Deputy Administrator, Housing and Home Finance Agency, on September 7, 1955.

Miss Annabelle Heath, Assistant Administrator (Administrator's Office), Housing and Home Finance Agency, on December 15, 1955.

Part I

OFFICE OF THE ADMINISTRATOR

SECTION 1

DEVELOPMENTS IN HHFA

By all odds, the outstanding development of 1955 was the widespread acceptance by communities throughout the country of the broadened urban renewal program provided by the Housing Act of 1954. Moreover, as new records in construction activity were capturing the headlines, vital though less noticed progress was being made in minority housing. The year was also one of basic planning in such fields as flood insurance, where the need was dramatically made evident by a series of disasters, and in meeting the special housing problems facing our steadily growing number of older persons. Further improvements also were made in the existing tools available to meet the Government's responsibilities in the housing field.

URBAN RENEWAL

In a determined drive to eliminate slums and blight, many communities have adopted the comprehensive approach embodied in the "workable program" concept. This plan had its genesis in the intensive study undertaken during 1953 by the Housing Administrator through a series of "shirt-sleeve" conferences and by the President's Advisory Committee on Government Housing Policies and Programs. The basic thesis of this approach is that only by an organized attack on all aspects of the problem can real progress be made toward improving our cities. In this way, by avoiding piecemeal attacks on blight, which merely push the slums to other parts of the community, and by placing emphasis on the prevention of slums, more effective work can be accomplished in the communities.

From this clear and simple reasoning came the recommendation by the Committee that as a prerequisite to Federal assistance in combating slums, a community must undertake a long-range program to prevent urban decay as well as to eliminate existing slums and blight. Such a program must be designed to prevent the spread of blight into good areas of the community through strict enforcement of housing and neighborhood standards and strict occupancy controls; rehabilitation of salvageable areas, turning them into sound, healthy neighborhoods by replanning, removing congestion, providing parks and playgrounds, reorganizing streets and traffic, by facilitating physical rehabilitation of deteriorated structures; and by clearance and redevelopment of nonsalvageable slums.

The Committee's findings were the basis for President Eisenhower's recommendations to Congress and were originally embodied in the Housing

Act of 1954, and subsequently perfected by the Housing Amendments of 1955. This Act, as amended, requires that henceforth in order for a community to obtain Federal contracts for loans or capital grants under the slum clearance and urban renewal program, and the newly provided mortgage insurance under Sections 220 and 221 of the National Housing Act, the Housing Administrator must determine that the community has a workable program for urban renewal. The Act did provide, however that in those instances when there was a slum clearance and urban redevelopment project covered by a Federal contract executed or approved prior to August 2, 1954, mortgage insurance under Sections 220 and 221 could be made available without the community having first developed a workable program.

In order to meet the requirements for approval of its workable program, a locality must commit itself to the attainment of essential objectives with respect to these seven fundamentals: adequate codes and ordinances, a comprehensive community plan, neighborhood analyses, proper administrative organization, provision for financing, housing for displaced persons, and communitywide citizen participation. It is not expected, of course, that the planning and forecasting on such complex subjects must be excessively detailed, nor is there any straitjacket implied in the workable program requirements. Close track is kept of a community's progress under its workable program, however, and the approval given by the Housing Administrator must be renewed annually.

Much of the closing months of 1954, after passage of the Housing Act of 1954, was spent in preparing procedures and information to enable communities to draw up their workable programs. Moreover, because of its comprehensive, long-range nature, some time is needed by the locality to prepare its submission. Hence, only two communities had obtained approval by the end of 1954, though many other communities had workable programs in process. During 1955, this broadened approach to urban renewal caught on firmly with communities across the length and breadth of the land. Through it, localities of every size and type are coming to understand themselves better and to see and accept the measures needed to eradicate the hopelessly blighted areas born of past neglect, and to assure sound and healthy community growth in the future. By the end of 1955, the Administrator had certified his approval of a total of 80 cities, and about 70 other cities were reported to be actively preparing programs.

It must be remembered that some of the most important benefits of this comprehensive approach to urban renewal may not be immediately apparent. The effect of soundly conceived and properly enforced codes and ordinances permeates the community, and primary importance is attached to this aspect of the workable program. In future years, this force may be found to have saved billions of dollars worth of property from waste and neglect, and more importantly, it should have made it possible for many families to live in decent surroundings who might otherwise have lived in slums.

Also, while the value of a community plan may not always be immediately apparent, such a plan will often avoid costly mistakes and provide better neighborhoods for future families. In fact, the need for planning on the broadest basis is steadily growing. Just as the inadequacies of spot planning within a community have become self-evident, as the citizenry has seen its adverse effects upon neighborhood stability and property values, people are now coming to realize that to have its fullest value, planning must encompass the entire metropolitan area, regardless of political boundaries, and in many fields the proper scope must be broadened even further to a regional basis. Another key element of the workable program which will have far-reaching effects is the requirement of citizen participation. It is only by fully informing and enlisting the support of the entire communty, that a thoroughgoing effort can be made. This carries with it an assurance that a locality's urban renewal effort will be carried through in coming years and not allowed to wither away through disinterest.

Another important result of the work done in 1955, under this new approach, is the added knowledge which comes from practical experience. In a field of such vast complexity, we must be constantly reexamining and refining our methods and techniques. Such experience is not only valuable to communities actually operating under or preparing workable programs for Federal aid, but to every community in the land, since no place can long ignore the forces of urban blight. Thus, as the benefits of these urban renewal efforts are demonstrated, not only in terms of human values, but also in terms of their effects of municipal solvency, more communities can be expected to take the necessary actions to prevent and eliminate slums. To further this work of increasing our knowledge, special provision was made by the Housing Act of 1954, for a program of grants to communities which would undertake demonstration projects aimed at improving methods and techniques of urban renewal operations. Six such projects were approved during 1955, on such problems as setting standards by which to determine obsolescence in commercial and industrial structures, methods of measuring the effectiveness of housing code enforcement, and analyses of the problems of enlisting community cooperation.

MINORITY HOUSING

While statistical measures are generally lacking, it is evident that the housing opportunities of minority groups continued to improve during 1955, as increasing numbers of builders entered this market. In the vital field of financing, important progress was also made, as the Voluntary Home Mortgage Credit Program caught on. This program assisted members of minority groups to obtain loans in some areas where mortgage loans had heretofore been impossible to obtain. The VHMCP also has helped overcome the disparities which exist in many areas between the terms on which mortgage money was being made generally available, and the terms on which it could be obtained by minority group borrowers. The successful growth of VHMCP, despite the progressively tightening money market conditions of 1955, was particularly heartening because the importance of this program to minority groups goes far beyond the number of loans which it places with private lenders. Its broader significance is in proving to lenders generally the soundness of these loans and inducing more lenders to make such loans in the normal course of their operations. Despite such progress, the housing problems of minority groups remains serious and we must continue to bend every effort toward their solution.

HOME FINANCING DEVELOPMENTS

The extremely high levels of residential construction activity during 1955 caused some concern, in some quarters, over the ability of the market to absorb all of the homes being produced. Moreover, as the expansion throughout the nonfarm economy gained momentum during the year, spurred on by a rapid growth in all forms of credit, an increasing pressure was put on available resources which threatened to result in serious inflation. These conditions posed important and delicate problems in carrying out the Government's far-reaching responsibilities in the housing field. In general, moderate restraints were placed on home building under the FHA and VA programs through limitations, where necessary, on FHA and VA commitments for speculatively built housing and through increases in downpayment requirements and shortening of terms under those programs. Throughout the year, a progressive tightening in the mortgage market was noted, and action was taken through the Federal National Mortgage Association to help alleviate this. Meanwhile, every effort was made in the Office of the Administrator to broaden and perfect the sources of information on housing market conditions, and its regular analyses were intensified.

LEGISLATIVE DEVELOPMENTS

The principal recommendations to the Congress by the Administration were concerned with extensions of existing programs and measures designed to increase the effectiveness of those programs. These recommendations were largely embodied in the Housing Amendments of 1955, which became law on August 11, 1955. Among other things, steps were taken to facilitate the financing of cooperative and urban renewal housing under FHA mortgage insurance by administrative changes in the law which had the effect of increasing the dollar amounts of mortgages on which FHA mortgage insurance could be written. Also, provision was made for special FHA mortgage insurance to encourage the building of housing for the Armed Forces. The Act, in addition, authorized $100,000,000 for loans for public facilities where such credit is not otherwise available. In low-rent public housing, the Act authorized an additional 45,000 units, making no provision for integration of this program with other slum clearance and urban renewal activities although such a provision had been requested by the Administration. Also, the Home Loan Bank Board was made independent of the Housing and Home Finance Agency.

FLOOD INSURANCE

During 1955, the Eastern seaboard was struck by a series of hurricanes. Following in the wake of "Connie" and "Diane," heavy rains unleashed devastating floods, bringing heavy destruction in many areas, particularly the Naugatuck River Valley in Connecticut. Floods also struck in New Mexico and later in California. All told, many thousands of homes in some States were destroyed or severely damaged. To meet the acute shelter crisis, brought about by these floods, all of the housing resources at the command of the Government were made available without delay. This prompt action on the part of the Government went a long way in helping to meet the emergency shelter needs of the unhoused flood refugees. It also facilitated the financing of essential repairs to flood-damaged homes and replacement of storm-destroyed dwellings, and some measure of longer range planning, particularly in the fields of community facilities and urban renewal. However, it was apparent that something more was required that would provide financial protection to those who live in the flood plains. Since private insurance companies have found it impossible to provide such protection, some form of Government-aided insurance was needed. The Housing and Home Finance Agency promptly undertook a study of the subject with the full cooperation of private insurance officials, bankers and others. At the end of the year, a plan for such insurance, largely experimental in nature, was being made ready for consideration by the Congress in its next session.

HOUSING THE AGING

A problem of major importance in the housing field is the provision of adequate housing for the many older persons who lack it. With a growing proportion of our population in the upper age groups—a trend which population experts tell us will continue—this problem has steadily increased in magnitude. In fact, several years ago, the Housing and Home Finance Agency arranged with the Bureau of the Census to have special tabulations made of the housing conditions of elderly persons. As expected, this showed that these people were generally less well housed than younger groups. This was further confirmed by a survey made in 1955, by the FHA field offices at the request of the Housing Administrator, which showed that there were definite unmet housing needs among older families and individuals in a vast majority of the FHA areas.

These conditions arise from the special problems confronting older persons in obtaining housing to meet their needs. While the questions of design, size, and location are of great concern, the economic considerations are, without a doubt, the most pervading. Incomes of the elderly, as a class, run well below those of younger years. As a result, they find it difficult to find housing suited to their requirements within their economic reach. In addition, a reluctance of lenders to make loans to elderly home purchasers makes the acquisition of housing, by those seeking to buy rather than rent, even more difficult in many cases. While it is true that not all older persons have a housing problem, still it is clear that there are many who do. Some assistance is provided under existing Government programs, but the findings of the FHA survey made it evident that these are not enough to do the job. Hence, the Housing and Home Finance Agency intensified its consultations, during the year, with both Government and private groups concerned with the problems of the aging.

In this connection the Housing and Home Finance Agency sponsored a workshop on the design and financing of housing for older people at the Eighth Annual Conference on Aging at the University of Michigan in June. This workshop afforded an opportunity for bringing together, for an exchange of views and ideas, a group of home builders, mortgage lenders, community leaders, representatives of church, labor, and fraternal organizations, nursing home and hospital operators, and old people themselves.

Out of HHFA's consultations, discussions, and staff study, came legislative recommendations to be presented to the Congress early in 1956.

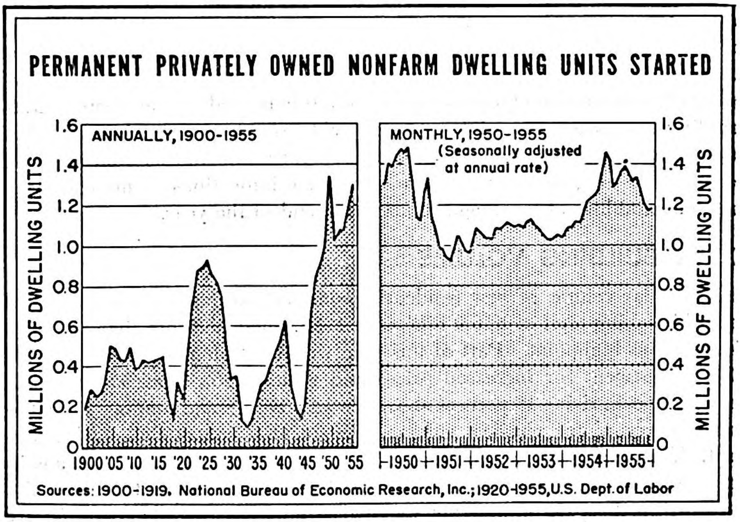
SECTION 2

HOUSING IN THE ECONOMY—1955

SUMMARY

In 1955, for the seventh year in a row, American home builders put more than one million new nonfarm dwelling units under construction. The total for the year—over 1.3 million—was the second highest in our history, exceeded only in 1950, while a substantial upgrading in the types of homes produced has occurred in recent years. In fact, construction expenditures for new housing hit a new all-time high of nearly $17 billion in 1955. In addition, more billions of dollars were spent on the maintenance, repair and improvement of our existing stock of housing. Thus, it is apparent that 1955 activity made an important contribution to the improvement of our housing supply.

This volume of production was not achieved without some signs of strain. However, new home building activity eased off gradually and at the end of the year, housing starts were running at a seasonally adjusted annual rate of 1.2 million. As would be expected, conditions varied in different local



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housing markets, as some experienced increases in rental vacancies, longer selling times for new homes and softness in existing home prices, while other markets still felt strong demand pressures. On balance, however, the housing market was still on a firm basis, with incomes and employment high, population growth and movement continuing to generate substantial demand, and a widespread desire on the part of the American people to improve their housing conditions.

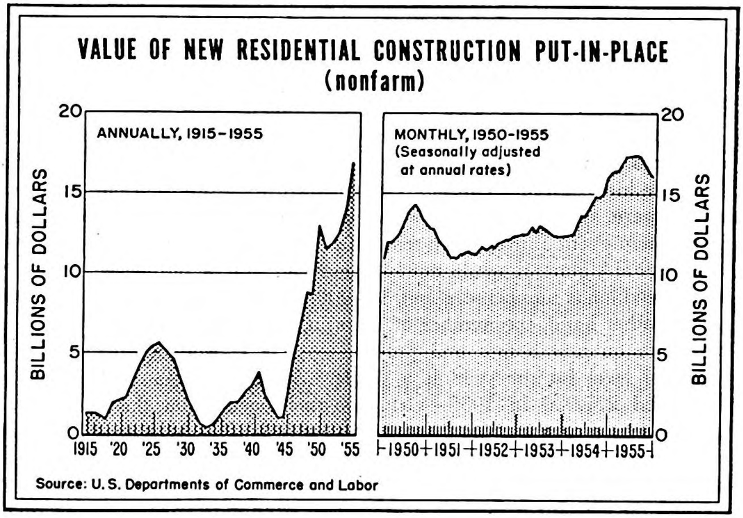
Because of the increasing pressure on costs created by the high level of construction volume and the growing activity in other parts of the nonfarm economy, it became necessary for the Government to take action. In late April, FHA and VA instituted the requirement that closing costs be paid in cash by the home buyer rather than met out of the mortgage proceeds as had been done in some cases. At the end of July, regulations were announced which raised downpayments of FHA-insured and VA-guaranteed loans by 2 percent of the value or selling price, and limited the maximum maturity of these loans to 25 years instead of the 30 years previously allowed. Shortly after, the Federal Home Loan Banks imposed limitations on their advances to members. These actions were in line with the restrictive monetary policy followed by the Federal Reserve Board. Nevertheless, construction costs did show some increase during the year, though serious shortages of materials or labor were few.

As the year progressed, builders were concerned with a growing tightness in the money market. Lenders generally had built up unusually large backlogs of mortgage commitments, but as the credit demands from other parts of the economy grew, it became increasingly difficult for builders to obtain new financing commitments. In most parts of the country, the discounts on FHA-insured and VA-guaranteed loans became larger and lenders tightened up on their standards and discouraged smaller loans. Outstanding nonfarm residential mortgage debt grew by a record $14 billion during the year to a total of $101 billion. Despite the continuing high demands for long-term credit, there were some indications of improvement in the availability of mortgage funds at the end of the year.

HOME BUILDING VOLUME

The dollar volume of new residential construction put-in-place reached a record-breaking total of $16.9 billion in 1955, one-fifth more than in 1954, the previous highpoint. Part of this gain was due to higher costs, but even after adjustment for increased prices and wages, 1955 home construction set a new peak, rising 19 percent above the year before and topping 1950, the previous record for physical volume of residential contruction, by 14 percent. The number of dwelling units started in 1955 totaled 1,328,900, a gain of 9 percent over the year before and only 5 percent fewer than in 1950. Included in the 1955 production was a record-high 1,194,400 single family homes. In the decade since the end of World War II, a total of nearly 11 million new nonfarm homes have been built, or almost one out of every four units in our nonfarm supply at the end of 1955.

All regions of the country shared in the overall 9 percent rise in starts between 1954 and 1955, varying from a 7 percent gain in the west to a 12 percent gain in the northeast. As would be expected, though, there were much greater differences between individual markets. For example, gains of over one-fifth were shown in the metropolitan areas of Chicago and Buffalo, while on the other hand, declines of one-tenth occurred in Milwaukee and the Norfolk-Portsmouth area. Changes in other selected markets include a 13 percent rise in San Francisco, a gain of 2 percent in the New York area, and little or no change in Los Angeles, Detroit and Baltimore.



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While 1955 totaled up as the biggest year on record in terms of dollars expended, and the second largest year in terms of new units started, the trend of home building during the year was actually generally downward. The seasonally adjusted annual rate of private starts declined from a little over 1.4 million in January to 1.2 million in December, while the value put-in-place rose to a peak yearly rate of $17.5 billion in July, then slipped to $16.2 billion in December. This year-end level of construction value, however, was still higher than in any previous full year.

In the nonresidential category, commercial building jumped 37 percent over 1954, while private industrial building was up 18 percent. In the vital community facilities field, public and private school construction of $2.9

billion, sewer and water facilities at $1.1 billion, and new highways at $4.1 billion, each showed a gain of one-tenth over the year before and each set a new peak in 1955. In the aggregate, nonresidential construction was still rising at the end of the year.

THE GOVERNMENT ROLE IN THE HOUSING MARKET

The 1955 gain in home building was almost entirely in the private market. Publicly owned starts numbered only 19,400 which was a 4 percent gain over the preceding year. Except for 1954, however, it was the lowest volume of publicly owned housing since 1948, and constituted only 1.5 percent of total starts. Of these public units, about 8,500 were started under the federally aided low-rent housing program. An additional 5,900 units were built by state and local governments apart from the federally aided program, with about two-thirds of these in New York City. Most of the balance of 5,000 units were built for families of service personnel at Army, Navy and Air Force bases.

In the private market, veteran buyers played a highly important part. VA offices received appraisal requests for 621,000 proposed homes during 1955, the highest number in any year on record. More than half a million homes were started under the VA program (including those with both FHA commitment and VA certificate of reasonable value which are reported only as FHA starts), while newly completed homes purchased with VA-guaranteed loans numbered about 388,000, a gain of three-fifths over 1954. On the other hand, the number of units in applications for FHA mortgage insurance on new homes and projects—315,000—were 18 percent below the 1954 level for the year as a whole. Starts under the FHA program numbered 277,000 in 1955—virtually unchanged from the year before as a moderate gain in 1- to 4-family homes was offset by a drop in project mortgage units. Together, starts under the FHA and VA programs totaled 670,000 in 1955. This was a gain of 86,000 units from the previous year, accounting for four-fifths of the overall rise in total private housing starts. In 1955, starts under the FHA and VA programs made up 51 percent of all private starts as compared to 48 percent the year before and 38 percent in 1953.

NEW HOME CHARACTERISTICS

Reflecting the widespread desire of American families to own the homes in which they live, output of single family homes reached a new peak in 1955, both in number (1,194,400) and in the proportion of all housing starts (90 percent). On the other hand, units in 2-or-more family structures, which are generally offered for rent rather than sale, declined for the fifth successive year. At 134,500, rental-type units started were down two-fifths from 1950 and were three-fifths below 1925, the peak year for these starts.

In sales-type housing, it is evident that there has been a substantial upgrading in recent years. An upward shift in new home prices was shown by surveys of the U. S. Department of Labor covering single family homes started during the first quarters of 1955 and 1954. The median price in the first quarter of 1955 was found to be $13,700, an increase of $1,400 over 1954. This increase reflected a greater concentration in the $12,000-to-$20,000 price range which accounted for 52 percent of the 1955 units against 40 percent a year earlier, while homes priced at less than $12,000 shrank to 34 percent from 46 percent in 1954. At the other extreme, units priced at $20,000 or more made up 10 percent of the total in both periods. (Prices of the remaining 4 percent were unreported each time.) Regionally, the increases in selling prices varied from 4 percent in the northeast to 12 percent in the north central and west, while the south showed a 9 percent gain.

Although only a few of the characteristics of the new houses were reported, they clearly indicate that much of the gain in selling prices in recent years has resulted from an upgrading of the units rather than from higher costs alone. Thus, the average floor area of the 1955 homes was 1,170 square feet as compared to 1,140 in 1954, while the HHFA Materials Use Survey in 1950 found the average in the first half of that year to be only 983 square feet. In all there has been a gain of one-fifth in average floor area since 1950. Similarly, 74 percent of the 1955 homes had 3 or more bedrooms as compared to 63 percent in 1954, and only 34 percent in 1950. While statistics are lacking, it is apparent that other improvements in design and equipment of new homes had occurred.

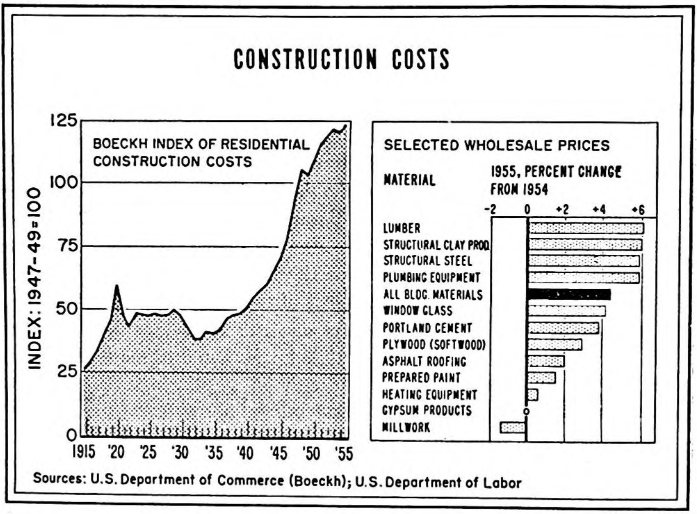
Under the favorable market conditions of 1955, the prefabricated home industry continued to increase its output. For the year as a whole, shipments of these homes numbered 93,000, according to the Prefabricated Home Manufacturers' Institute, a gain of 21 percent over the previous year. Thus, they accounted for about one out of every fourteen new homes built in 1955, whereas in 1950, the 55,000 prefab homes equalled only about one out of every twenty-five new homes.

HOUSING VACANCIES

Some light was thrown on this key measure of the health of the housing market by the inauguration in 1955 of a series of quarterly surveys by the Bureau of the Census. These surveys showed the overall level of vacancies to be well below the danger point. In the second and third quarters of the year, vacant year-round dwellings available for rent or sale amounted to 2.3 percent of our total housing inventory, as compared with 1.6 percent at the time of the Census of Housing in 1950, when the housing supply was still extremely tight. All of this increase had occurred in units available for rent, which equalled 1.8 percent of the total in 1955 against 1.1 percent in 1950, while units available for sale amounted to 0.5 percent at both times. In the fourth quarter, a significant rise in rental vacancies occurred, bringing them to 2.2 percent of the total supply, whereas vacant sales units remained at 0.5 percent. However, the overall level in the fourth quarter, 2.7 percent, still appeared to be relatively low.

MATERIALS, LABOR AND COSTS

Production of many major building materials set new records in 1955. This was true of lumber and wood products, millwork, clay construction



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products, gypsum products, iron and steel products, Portland cement, and other materials. In general, materials supplies were adequate, although serious spot shortages were reported for cement, gypsum products and structural steel, despite new peaks in output. Window glass was also in tight supply. At the end of the year, however, inventories of most items for which data are available were larger than at the end of 1954.

Despite the generally adequate level of supplies during the year, wholesale prices of most materials increased, producing a rise of 4 percent in the Department of Labor index of building materials prices. In spite of reported tightness, gypsum products showed no price change during the year, while quotations on millwork and insulation materials declined slightly. More than offsetting these, though, were gains of approximately 6 percent in lumber, structural steel, plumbing equipment and structural clay products and lesser gains for most other materials.

The labor requirements of the 1955 volume of new construction reached a record-high monthly average of nearly 3.5 million full-time workers, with home building accounting for about 1.2 million on-site workers. In the case of housing, the labor requirements were approximately the same as in 1950, despite the gain in real construction value, reflecting some increase in productivity and the increasing proportion of prefabricated homes.

Average hourly earnings in building construction continued to rise during 1955, reaching a new high of $2.67 for the year, a gain of 3 percent over 1954. While average weekly hours were fractionally below the year before, and in fact the lowest since 1941, average weekly earnings rose to a peak of $96.39. Also the recent gradual uptrend in fringe benefits continued.

Reflecting the gains of 4 percent in materials prices and 3 percent in wage rates, overall residential construction costs, as measured by the Boeckh index, averaged 3 percent higher in 1955 than in 1954. This brought the index to the highest level ever reached. To some extent, it appears that increasing materials prices and wages have been offset by greater productivity. Thus, between 1950 and 1955, materials prices rose 15 percent and wage rates 32 percent, while the Boeckh index which includes both increased 15 percent. While this may be in part due to differences in the sources of basic data, it also reflects the adjustments made in the Boeckh index for builders' efficiency. An important item of cost not included in the index, however, is land, and it is probable that the cost of this has risen more than either materials or labor in recent years. As our urban population has spilled over into the suburbs, there has been a growing shortage of desirable, well situated land with adequate community facilities. The resultant premium prices for land have had the effect of encouraging builders to shift to more expensive homes in an effort to maintain the historical relationship between land cost and total selling price of the home.

MORTGAGE MARKET SITUATION

Mortgage market conditions ran the gamut from a condition of moderately good supply to tightness and back to some minor relaxation again during 1955. The year started with a relatively favorable general money market situation under which commitments for mortgage financing at liberal terms were available to builders in most areas. As the year progressed, however, the economy attained new production peaks which induced a high rate of capital expansion. These developments increased the competition for loanable funds, and made it difficult to arrange mortgage financing for proposed home construction in the latter half of the year.

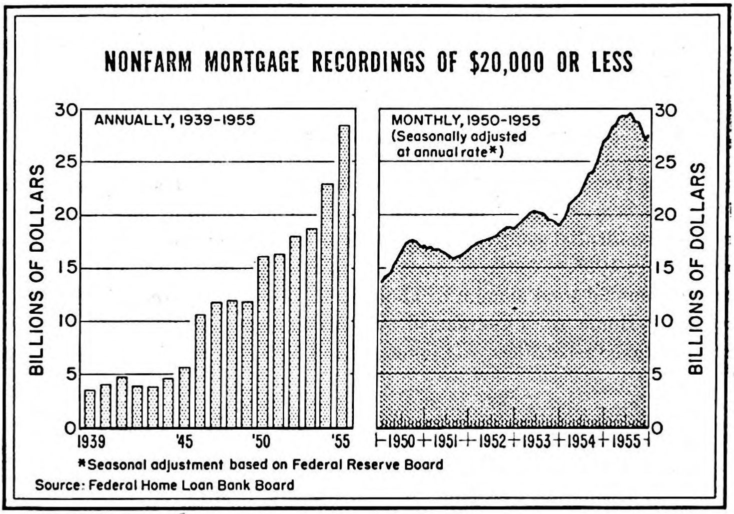
Mortgage credit provided the chief demand for long-term funds. There was an expansion during 1955 of about $16.5 billion in outstanding mortgage debt, including a record increase of $13.6 billion in the residential mortgage debt. The expansion of total real estate debt was about $4.0 billion more than in 1954. An absorption of long-term funds from the market which had not occurred the year before was represented by the Treasury issues of $2.7 billion in new long-term bonds. Corporate security long-term issues (exclusive of refunding and investment company issues), and State and local Government net borrowing, together totaled $9.0 billion, which was less than the previous year's total by $1.2 billion.

In addition to the demands for long-term funds, there were increases of $5.4 billion in consumer installment credit and $5.7 billion in commercial bank loans other than mortgages, consumer credit or sales finance company loans, to finance the increasing tempo of production and sales of numerous commodities. The expansion of short-term credit made for a tighter general money supply which, in turn, tended to put pressure on the supply of mortgage funds.

A high annual volume of mortgage lending was facilitated by a larger annual net inflow of savings funds to mortgage lending institutions than in the previous year. In addition, life insurance companies, mutual savings banks and commercial banks sold U. S. Treasury securities to enable them to make a large volume of mortgage and other investments. The supply of mortgage credit was also supplemented by short-term credit from commercial banks and by bank advances from the Federal Home Loan Banks. The amount of mortgages held in "warehouse" by commercial banks increased by $1,012 million from August 11, 1954 to November 16, 1955 and outstanding Federal Home Loan Bank advances to savings and loan associations increased by $550 million during 1955.

The heavy need for mortgage funds during the first half of 1955, as a result of the high levels of new home building, when added to the strong demands for loanable funds from other sources, led to a growing tightness in the money market. The situation was agravated as the rate of net increase of time deposits in commercial and mutual savings banks fell below the comparable date of a year ago in the second quarter. The exceptionally high rate of homebuilding in the early months of 1955 was believed to be contributing to rising prices of certain building materials as well as of land sites. In addition, construction wages continued their long-term uptrend. Other segments of the economy were facing similar problems. As a result, a restrictive general monetary policy was implemented by three increases in the Federal Reserve Banks' rediscount rate during the year. In line with the latter general monetary policies, mortgage credit restrictions were adopted in the home financing field.

Beginning on April 28, 1955, the FHA and VA required that closing costs for any home purchase financed with an insured or guaranteed loan to be paid in cash. Thus, VA-guaranteed loans exceeding the purchase price of the property, which enabled a veteran to purchase a home with no cash outlay, were prohibited. On July 30, 1955, the FHA and VA issued regulations requiring an additional 2 percent downpayment and limiting maturities to 25 years instead of the statutory 30-year maximum. Two other actions taken during the third quarter contributed to a tighter morgage credit situation. The Federal Reserve Bank of New York cautioned its member banks against excessive "warehousing" of mortgage loans and for several months the Federal Home Loan Bank Board would not permit Federal Home Loan Banks to issue advances to savings and loan associations for the purpose of making new mortgage commitments.



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All of these actions plus the overall monetary policies which were being pursued had the effects of making mortgage funds more difficult to obtain. This, in turn, had a dampening effect upon the rate of new residential construction. In fact, there were increasing reports of difficulties being experienced by builders in obtaining future financing commitments. Discounts on insured and guaranteed loans sold in the secondary market increased in magnitude and prevalence. As a result, steps were taken late in the year to help loosen up the mortgage market again. The Federal National Mortgage Association suspended sales from its Management and Liquidation portfolio in order not to absorb from the market funds which would be available for new mortgage loans. The Federal Home Loan Bank Board relaxed its restriction upon Federal Home Loan Bank advances to savings and loan associations.

The market was also helped by two new programs authorized by the Housing Act of 1954 which gained momentum in 1955. The secondary market operation of the Federal National Mortgage Association began to buy mortgages at an increasing rate and toward the end of the year was buying at an annual rate of about $350 million.

The Voluntary Home Mortgage Credit Program placed with private lenders about 1,600 insured or guaranteed loans per month in remote areas and for minority groups, segments of the market which ordinarily would be hardest hit during a period of mortgage stringency.

As the year closed there were some signs of a slight easing in the mortgage market when a slight increase in secondary market prices and some improvement in the availability of mortgage funds took place.

VOLUME OF MORTGAGE LENDING

Despite the development of an increasingly restricted supply of funds during the year, a volume of mortgage credit sufficient to finance the highest level of residential construction outlays in the history of the counry was provided in 1955. Nonfarm mortgages of $20,000 or less were recorded in a record annual total amount of about $28.5 billion, 24 percent higher than in 1954. Home loans guaranteed by VA equalled about 25 percent of the total mortgage recordings, and loans insured by FHA equalled an additional 11 percent.

The leading source of home mortgage financing again was the savings and loan associations which accounted for 37 percent of the total amount of mortgages recorded in 1955. Commercial banks were second as a source of financing, accounting for about 20 percent of the recordings. The distribution of nonfarm recordings by each type of lender is as follows:

Nonfarm Mortgage Recordings of $20,000 or Less by Type of Lender

Type of lender	Millions of dollars		Percent increase 1955 over 1954	Percentage distribution	
	1955	1954		1955	1954
Total	*28, 484	22, 974	24. 0	100. 0	100. 0
Savings and loan associations	*10, 452	8, 312	25. 7	*36. 7	36. 2
Insurance companies	*1, 932	1, 768	9. 3	6. 8	7. 7
Commercial banks	*5, 617	4, 239	32. 5	19. 7	18. 5
Mutual savings banks	*1, 857	1, 501	23. 7	6. 5	6. 5
Individuals	*3, 361	2, 882	16. 7	11. 8	12. 5
Miscellaneous	*5, 265	4, 272	23. 2	18. 5	18. 6

*All-time high.

Source: Federal Home Loan Bank Board.

NET INCREASES IN OUTSTANDING MORTGAGE DEBT

The total increase in outstanding residential mortgage debt—net of repayments—was also in a record amount, $13.6 billion, including a $12.7 billion expansion of the mortgage debt on 1- to 4-family homes. At the end of 1955, the total outstanding nonfarm residential mortgage debt was estimated at $101 billion, of which $88.4 billion was on 1- to 4-family houses. Outstanding FHA-insured mortgage loans accounted for about 18 percent of the total debt and outstanding VA-guaranteed loans for about 24 percent, with the balance of 58 percent represented by conventional loans.

The savings and loan associations showed the largest aggregate net

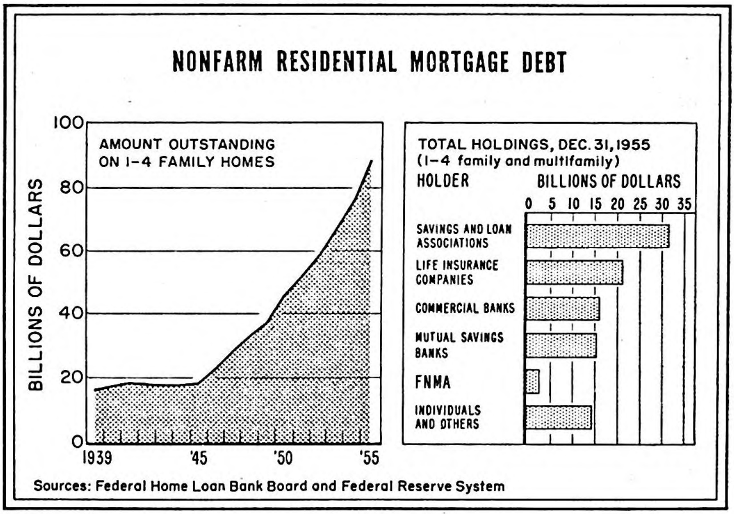

CHART I–6

increase in mortgage holdings, namely $5.5 billion, which was more than $0.5 billion in excess of their net inflow of savings. The difference was obtained from funds borrowed from the Federal Home Loan Banks. Life insurance companies showed the second largest expansion of residential mortgage portfolios, $2.6 billion. Mutual savings banks and commercial banks showed increases of $2.4 billion and $1.8 billion, respectively, in mortgage loans held and decreases in U. S. Government securities held of $0.3 billion and $7.2 billion, respectively, during 1955. The holdings of individuals and others are estimated to have increased by about $1.1 billion, compared with $0.6 billion in the previous year.

The Federal National Mortgage Association showed a total net increase of about $0.3 billion in mortgages held under all of its functions. Roughly one-third of the increase was a result of purchases in the first full year of the FNMA secondary market operation. The balance of the FNMA net increase of mortgage holdings was in its management and liquidation portfolio wherein mortgages acquired under prior commitments exceeded sales and repayments by roughly $0.2 billion.

FORECLOSURES

There were an estimated 28,529 nonfarm real estate foreclosures in 1955, about 9 percent more than in 1954. It is significant, however, that while the number of foreclosures in the first half of 1955 was 14 percent above the first half of 1954, the number in the second half of 1955 was only 4 percent above the second half of 1954. Although the estimate of 28,529 foreclosures for 1955 was the highest in any post-world War II year, it was substantially below the level of 250,000 of the mid-thirties.

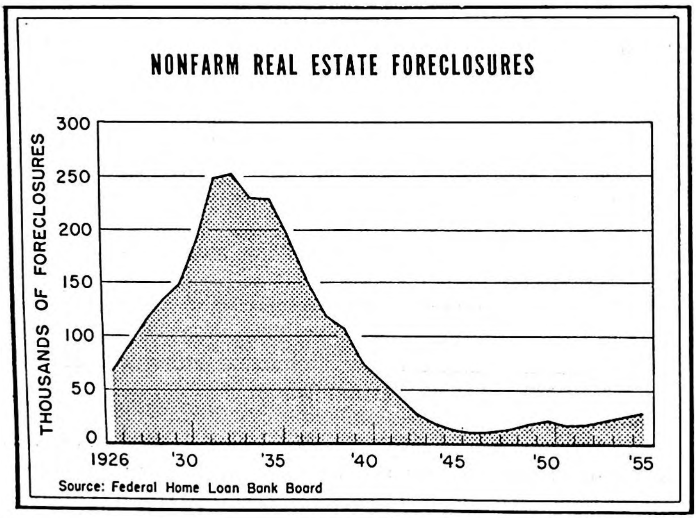

CHART I–7

SECTION 3

HOUSING SUPPLY AND NEEDS

Section 301(b) of the Housing Act of 1948, as amended, requires that the Housing Administrator "prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs."

In undertaking such an assessment of the housing situation, the most striking thing about it has been the ability of the market in the past year to absorb a production of housing well in excess of net new family formation without creating visible signs of deterioration. In the calendar year 1955, when net nonfarm household formation appears to have been in the neighborhood of 900,000, construction was started on some 1,329,000 new dwellings and an even larger number were completed.

Fully to explain how the home-building industry could have disposed of about one-half million more houses than there were new families created would require far more statistical information than is currently available. Working with the fragmentary data which are at hand, however, it is possible to hypothesize as to what may have happened during 1955. To get definitive answers, however, would require more factual data about interactions in the housing market than are currently available.

On the basis of such figures as we have, the situation, with respect to household formation, is clear. After having reached an all-time peak of around 1,600,000 in the year ending March 1950, the volume of family formation dropped rather sharply for 2 years before the rate of decline began to moderate. Since 1950 the rate at which nonfarm households have been forming has shown a declining trend which had dropped to slightly less than 850,000 in the year ending April 1955, as the following table indicates:

Estimated nonfarm households

[000 omitted]

Date	Number	Net change from year before [1]	Date	Number	Net change from year before [1]
April 1947	32,673		April 1953	40,503	949
April 1948	34,116	1,443	April 1954	41,399	896
April 1949	35,687	1,571	April 1955	42,243	844
March 1950	37,279	1,592	April 1960:		
April 1951	38,587	1,308	Median estimate [2]	46,083	[3] 768
April 1952	39,554	967	High estimate [2]	46,963	[3] 944

[1] Since these estimates are based on sample data, the net change figures may contain significant errors.
[2] Assumes a continuation of the downtrend of farm households at the 1950–55 rate (144,000 a year).
[3] Annual averages.

Source: U. S. Bureau of the Census.

It now appears as though the low point in the present cycle may well have been reached during the year ended April 1955. Thus, as has been previously mentioned, it is believed that, during calendar year 1955, household formation may have been as much at 900,000.

For a number of years after the close of World War II one of the big elements of strength in the housing picture was the tremendous pent-up demand among families who were forced to share quarters with others because of the shortage of housing. By 1955, however, the situation had changed. Between 1947 and 1952, the number of doubled families dropped from 3,123,000 to just over 2,000,000. In every year since then, the doubling figure has hovered close to the 2,000,000 mark, suggesting that we are probably down to the hard core of families who will continue to double under even the most prosperous conditions. There was, therefore, little or no net market demand during 1955, as a result of undoubling.

MIGRATION AND MOBILITY

The market for new homes, of course, is only part of the overall housing demand generated by the migration and mobility of our population. In addition to the demand of newly formed families, the quest for new and more promising employment, a comfortable climate, or a home better suited to their needs acts as a powerful magnet to draw people from the farms to the cities, from one city to another, or from one part of town to another. Important forces at work in this latter connection are natural disasters and the condemnation or demolition of substandard houses.

During each of the past 7 years, the proportion of families shifting their residence during the year has run in the neighborhood of 20 percent of the total, or roughly 8 million. A major share of them, some 5½ million, it is true, merely move from one address to another in the same county, presumably many within the same city or town. Included in this 5½ million are the families who move from one section of town to another to take advantage of a more attractive housing situation or to escape undesirable changes in the neighborhood in which they live. Still others are those who move from apartments into single homes in nearby suburbs. Also reflected in this type of move are those who have been obliged to obtain new quarters as a result of fire, flood, or windstorm damage to their previous quarters. Finally, among those who shift residence within the same county will be some portion of the roughly 6,900,000 families living in substandard quarters who either are able as a result of improved economic conditions to better their living quarters or are forced to move because of condemnation, demolition, or deterioration of the previous quarters to a point where they were no longer habitable.

In addition to those moving from one residence to another within the same county, there have been in each of the last 3 years some 2½ million households which have crossed county lines, with half or more of them going from one State to another. Past experience has indicated that quite commonly these movements tend to be into areas of rapidly expanding population where workers are attracted by the prospect of more favorable job opportunities than in the communities which they have left.

So long as the economic situation is good, families can reasonably be expected to seek to better their employment opportunities and their living conditions. Whether the millions of families living in substandard and borderline houses or in dwellings otherwise inadequate for their needs continue to live in such housing or move to more adequate quarters depends upon whether better housing is available at prices or rents these people can afford. If builders could find a way to build new housing for families in the lower income levels, it would encourage mobility of the population and thus assure a strong housing demand for years to come. On the other hand, a continuation of the rapid upgrading of housing production, with its attendant increases in prices and rents, means that we may be building to a growing extent for the higher income brackets which is a limited market volume-wise.

Important as the movement of the population is in generating potential demand for new housing, it cannot long continue as an effective source of demand unless surplus dwellings left vacant in the mobility process are in some way withdrawn from the supply. Otherwise, mounting vacancies would put an effective brake on new construction. In much of the period between the end of World War II and the past two years, the elimination of vacancies posed little problem. It appears that in each of the past several years approximately 300,000 units have been withdrawn from the supply. This would include the temporary and makeshift units created in great quantities at the close of World War II as families and friends opened their homes to returning veterans and their wives. There were in large measure the so-called nonstructural conversions which were dwelling units only as long as the veterans and their families occupied them. When they moved on, the space automatically reverted to being part of the quarters of the primary families.

During the entire period from 1947 until recently, therefore, migration and mobility occurred without creating any net new vacancies. The situation has now changed. By and large, the makeshift accommodations created after World War II have been eliminated. In fewer and fewer instances does the former dwelling of a moving family automatically disappear in the course of the move. As a result, temporarily at least, vacancies are beginning to rise in consequence of the movement of families out of existing dwellings into newly completed homes. In 1955, there was an increase of roughly 400,000 in our supply of vacant units, although less than half of these were year-round rental or sales units actually being offered on the market. Significantly, the largest part of the increase occurred in rental units, reflecting the movement of established families out of apartments into homes of their own. While the immediate effects of a rise in rental vacancies is less direct upon the new home market than would be a comparable rise in sales vacancies, it introduces a note of caution into the picture. Withdrawals from the supply must keep pace with migration and mobility if the rise in vacancies is to be held within bounds and a stable market maintained.

In addition to the general housing market, there are special areas of potential demand which deserve more attention. One is the market for housing for nonwhite population. Despite the progress that has been made in this area, an analysis of the current housing situation of nonwhites leads to the conclusion that there still remains not only a vast unmet need for better housing among nonwhites but that there is also a considerable unmet market demand. Gains in employment opportunities in better paying jobs with greater employment security have resulted in an appreciable increase in purchasing power of a large segment of the nonwhite population and a desire for better housing. Considerable opportunity exists, therefore, for those builders who undertake to tap this large potential market.

Another big growing market is to be found among our older families. With them the problem is not so much that they are in substandard housing—although many of them are—as it is that they are unsuitably housed. Better than two-thirds of them own their own homes, but unfortunately these are frequently large units, often 2- and 3-story structures with basements, acquired when they were younger. While such units were well suited to meet the needs of expanding families, they are not the best suited for people in their latter years. Still they cling to these large, outgrown structures, partly for sentimental reasons, but more out of economic necessity. Small, suitably designed units, both for rent and for sale, are not being made available in adequate numbers to make it possible for older people to shift into quarters better fitted to their declining years.

Despite the fact that 1955 was the seventh consecutive year in which home building exceeded 1,000,000 units put under construction, there remains a big job for the home-building industry to do. Much of it can be done by private initiative on its own as it has in the past—by promoting the types of units in expanding markets that have a ready demand. For many facets of the market, however, such as housing for nonwhites, for the aging, for larger families, and for low-income groups, for example, it will be necessary for the industry to study thoroughly the characteristics of each of these segments of the market and then mobilize its resources so as best to meet them.

SECTION 4

STAFF FUNCTIONS AND ACTIVITIES OF THE OFFICE OF THE ADMINISTRATOR

ORGANIZATIONAL CHANGES

The urban renewal provisions of the Housing Act of 1954 increased the need for strong and positive coordination of the activities and programs of the Housing and Home Finance Agency. Accordingly, when in 1954 the Administrator undertook a reappraisal of central and field office functions and relationships, to strengthen the coordination function in the Office of the Administrator, careful attention was given to the field services of the OA and the constituents and particularly to the role of the Administrator's representatives in the field.

To assure that the related programs of the Agency would be coordinated and carried out with unity of purpose at the basic operating level, a uniform pattern was established for all regional operations of the Agency, and the authority of the Regional Administrators for centralized field coordination of Agency activities was broadened and strengthened. To give substance to this strengthened coordination authority at the local level, the slum clearance and urban renewal program was decentralized to the HHFA Regional Offices.

Decentralization of the urban renewal program permits it to be administered in concert with the other programs of the Agency at the field level where the Regional Administrators can bring together all of the facilities of the Agency to assist cities in working out their total urban renewal problems. Thus, the Regional Administrator now serves as the principal Agency representative within each region, to whom local officials can turn for guidance on all of their urban renewal activities, and for authoritative interpretation of broad housing and community development policies.

As part of the new administrative reorganization, the Administrator appointed Miss Annabelle Heath to a newly established position as Assistant Administrator in the Administrator's Office in order to strengthen coordination among the various constituent agencies, and the Office of Field Coordination was abolished.

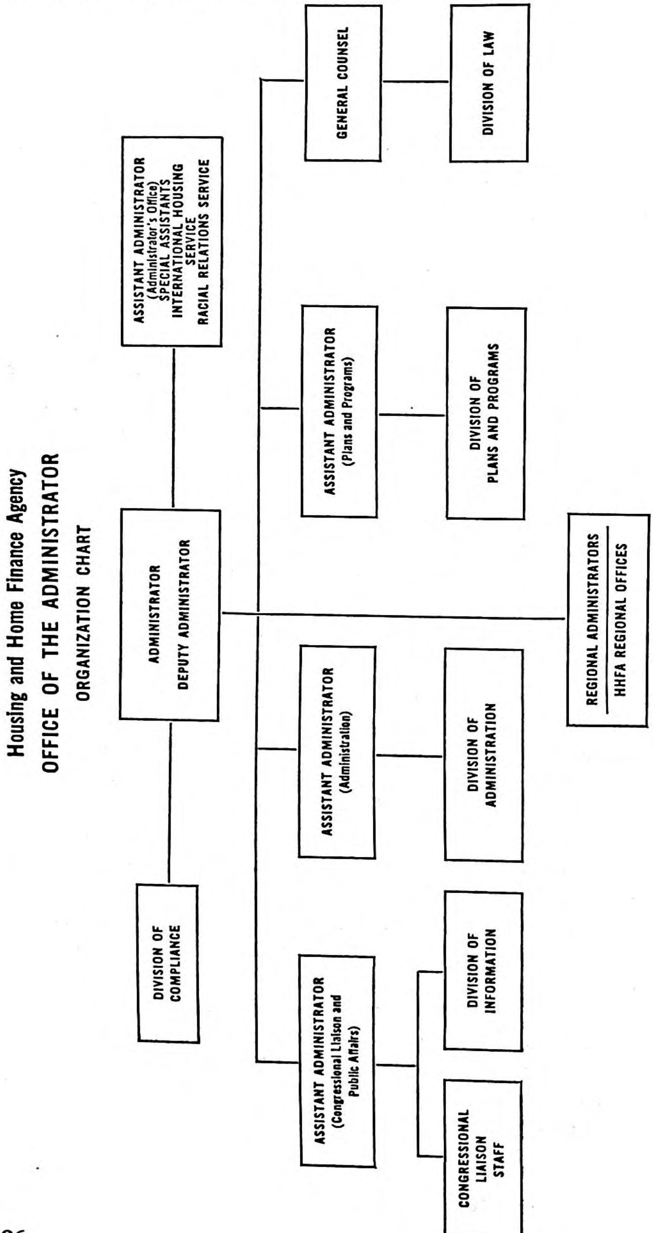
Housing and Home Finance Agency
OFFICE OF THE ADMINISTRATOR
ORGANIZATION CHART
ASSISTANT ADMINISTRATOR (Administrator's Office) SPECIAL ASSISTANTS INTERNATIONAL HOUSING SERVICE RACIAL RELATIONS SERVICE
ADMINISTRATOR
DEPUTY ADMINISTRATOR
DIVISION OF COMPLIANCE
GENERAL COUNSEL
DIVISION OF LAW
ASSISTANT ADMINISTRATOR (Plans and Programs)
DIVISION OF PLANS AND PROGRAMS
REGIONAL ADMINISTRATORS
HHFA REGIONAL OFFICES
ASSISTANT ADMINISTRATOR (Administration)
DIVISION OF ADMINISTRATION
ASSISTANT ADMINISTRATOR (Congressional Liaison and Public Affairs)
DIVISION OF INFORMATION
CONGRESSIONAL LIAISON STAFF

CHART I-8

HHFA REGIONAL MAP

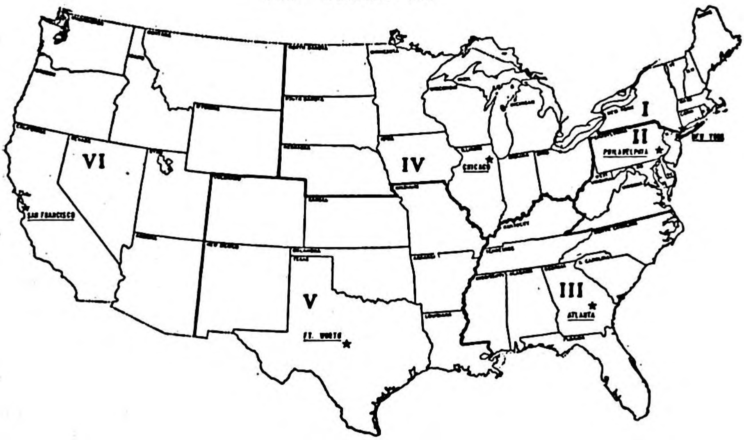

CHART I–9.

STAFF ACTIVITIES

Urban Renewal Coordination

In addition to his general responsibilities for coordination and supervision of Agency functions, the Administrator is charged by the Congress with specific functions connected with the Urban Renewal program which by law cannot be delegated to others. The Administrator has also retained to himself certain other functions closely related to those which cannot be delegated in order to round out his direct coordination responsibilities.

Under the Housing Act of 1954, a community desiring to use the Urban Renewal aids under the new Act must present to the Administrator a workable program for utilizing appropriate private and public resources to eliminate and prevent the development and spread of urban blight. If the Administrator finds that the program meets this requirement, he certifies to the Federal Housing Administration and Urban Renewal Administration that the Federal aids may be made available. The Administrator may not delegate his authority to make this finding and certification. He also may not delegate the authority to determine the number of dwelling units needed for the relocation of families who would be eligible to rent or purchase dwelling accommodations insured under Section 221 of the National Housing Act nor may he delegate authority to determine that the relocation requirements of the law have been met. The Housing Amendments of 1955 removed the requirements that the workable program certification also be a prerequisite to the provision of low-rent public housing as it had been under the Housing Act of 1954.

A small Area Review and Certifications Staff in the Division of Plans and Programs of the Office of the Administrator provides assistance to the Administrator in carrying out his nondelegable and undelegated functions. This staff also assists him in providing coordination with the constituent units and agencies in Washington and in the field.

During 1955, the Administrator certified his approval of workable programs for 78 cities bringing total approvals to 80. Some 70 other cities were reported to be actively preparing programs at the end of the year. As a means of measuring progress toward workable program objectives, the programs are subject to renewal each year. The first renewal requests were being reviewed at the end of the year.

International Housing Activities

Housing problems continued to require urgent attention in almost all countries of the world during 1955. As a result of this activity the demands for the services of the International Housing Activities Staff of HHFA increased markedly during the year.

Increases were noticeable in the number of inquiries received from individuals, organizations, and governments all over the world requesting information relating to United States housing legislation, programing practices, financing and construction methods, building materials, and city planning. Also, on the increase was the number of visitors from other countries who came to the United States for the opportunity of studying or observing housing in this country. One hundred seventy-five visitors from 37 countries were given service by the International Housing Staff of HHFA during 1955.

HHFA, through its international staff, assisted the Department of State in connection with the preparation of the United States position for a number of international conferences, including the United Nations Economic and Social Council, the United Nations General Assembly, the United Nations Economic Commission for Europe, and the United Nations Economic Commission for Asia and the Far East.

The HHFA Administrator attended the International Real Estate Congress in Geneva and also participated in a Seminar on Housing and Planning at Ischia, Italy. The Assistant to the Administrator for International Housing Activities attended the sessions of the Housing Committee of the Economic Commission for Europe in Geneva in October as the United States housing representative at these sessions. Also, he consulted in Paris with officials of the International Council for Building Documentation. Another member of the international staff visited the research center at Bogota, Colombia, and worked with officials there in relation to an evaluation and expansion of the housing research program for the Latin American countries. This was at the invitation of the Organization of American States which sponsors this research center.

During the year, the staff devoted considerable attention to the problems of coordinating the work of the United States in the international housing field with the housing activities of the United Nations and the Organization of American States. Important progress was made in the development of better working relationships leading to the elimination of duplication of effort and increasing the effectiveness of all programs.

The International Housing Staff continued its work in technical support of the bilateral housing program of the Foreign Operations Administration, the name of which was changed to the International Cooperation Administration during the year. These services consist chiefly of nominating and training United States housing technicians for overseas assignments, providing technical support and advice to housing technicians working with ICA in other countries, consulting with ICA officials concerning the planning and operation of housing programs in foreign countries and the evaluation of the results of those programs, and supervising the training of foreign nationals who are brought to this country for instruction in housing and town planning. In addition, HHFA agreed to provide, on a reimbursable basis, project escort services for ICA-sponsored housing teams.

Forty United States housing technicians were serving abroad with ICA missions at the end of the year. During the year new housing programs were started in Guatemala, Cambodia, Korea, Costa Rica, and Italy. United States programs were arranged for 24 training participants from 12 countries.

A technician from the international staff spent 2 months advising the new housing research center which has been established in Egypt with the assistance of ICA. Another staff technician visited Japan, Vietnam, Thailand, Cambodia, India, Iran, Iraq, and Greece to consult with and advise ICA officials and local country government officials on solutions to their housing problems.

There was considerable increase in the number of requests for technical information which the HHFA International Staff was called upon to answer in giving technical support to the United States foreign aid program operated by ICA.

Countries in which United States housing and planning advisors and technicians were serving with the International Cooperation Administration as of December 1955 were: Italy, Cambodia, Formosa, Indonesia, Korea, Egypt, Iran, Israel, Liberia, Turkey, Pakistan, Brazil, British Guiana, Trinidad, Surinam, Barbados, Chile, Colombia, Costa Rica, Guatemala, El Salvador, and Nicaragua.

Activities in the Housing of Minorities

The need for meeting the special problems involved in improving the housing and home financing available to minority families has long been recognized by the Housing and Home Finance Agency as a major area of housing stress. The Racial Relations Service in the Office of the Administrator had as its prime objective in 1955 to devise methods for equalizing housing opportunities for all groups in keeping with the broad concepts and liberal policies of the Agency; the availability of better tools, plans and programs; and an enlightened and favorable attitude of public and private groups.

The OA Racial Relations Service interprets the Government housing programs, as conceived by the Agency and its constituents, to industry and consumer groups and encourages them in the use of such Federal aids in meeting the housing needs of minorities. Such activity aids in the cultivation and stimulation of an enlightened and favorable public attitude towards the various housing programs. In furthering this cause, much time was spent during 1955 in an attempt more fully to coordinate racial relation policies.

Defense Planning Staff

The Defense Planning Staff was established to plan and coordinate HHFA's civil defense and mobilization responsibilities which were delegated by the Federal Civil Defense Administration and the Office of Defense Mobilization. The FCDA Delegation provided that the Administrator shall conduct research and furnish technical guidance to the States concerning a variety of mobilization housing problems such as protective standards for new housing, temporary shelter in existing housing, emergency housing in target areas, and provision for the restoration of housing and community facilities after enemy attack. The ODM Delegation provided that the Administrator shall develop plans and requirements for housing and community facilities in the event of an attack, and develop regulations and programs relating to financing of housing, rent control, and the allocation of materials. In addition, the delegation provided for the development and maintenance of plans to insure the continuity of the essential functions of the HHFA in event of attack on the United States.

The Defense Planning Staff served as the coordinating mechanism for all civil defense and mobilization planning under the ODM–FCDA Delegations within HHFA. The Director served as the Chairman of the HHFA Defense Council upon which each of the fiive constituents were represented.

Due to the relative newness of the function to HHFA, most of 1955 was devoted to planning and organization for defense mobilization responsibilities. Operation Alert 1955 which was held in June at the HHFA's Relocation Center in coordination with government-wide tests was the major activity in this area. It provided for a practical test of the HHFA's readiness to cope with an emergency situation. Lessons learned were incorporated in planning for similar tests scheduled for 1956.

The Director of the Defense Planning Staff served on various ODM Committees and participated in the development of ODM plans relating to housing and community facilities and generally kept informed of government-wide defense mobilization activities.

Activities under the FCDA Delegation have been generally confined to the development of programs and presentation of budgets for the next year, and representing HHFA at Regional and National FCDA Conferences. In addition, two engineers were assigned to FCDA on an informal basis to conduct research relating to the effect of blast and radiation effects upon housing materials and types of construction.

The HHFA was represented on the Civil Defense Coordinating Board which is responsible for advising FCDA on government-wide civil defense activities.

Disaster Relief Operations

The Fall hurricanes of 1955 and the resulting floods in the Northeast States did a considerable amount of damage to housing and resulted in the displacement of a large number of families. All of the resources of the Agency were placed at the disposition of individuals and communities at the direction of the President and the Federal Civil Defense Administrator.

Following the initial floods in August the Housing Administrator surveyed the damage with the heads of several of the constituent agencies and met with the President in Hartford, Conn., for the purpose of reviewing the findings and gearing the Agency's resources into the relief effort. The Public Housing Administration was able to make available some 2,500 units of housing for the temporary use of displaced families. The Federal Housing Administration assisted in on-the-scene surveys of housing damage and by making available its special mortgage insurance facilities for disaster purposes. The Federal National Mortgage Association instructed its offices to make advance commitments to purchase FHA-insured or VA-guaranteed mortgages made to replace destroyed homes. The Community Facilities Administration offered its facilities for making planning advances and loans to public agencies for public works. The Urban Renewal Administration made available staff assistance to communities interested in applying for planning advances and grants to replan areas damaged by the storms.

In addition to providing temporary shelter in existing public housing, the PHA transported 141 surplus family trailers for relocation in communities designated by FCDA with costs subject to reimbursement by FCDA. Three hundred units of temporary portable defense housing located at Groton, Conn., were transferred to the State of Connecticut for relocation in various communities as needed.

The pattern of Agency assistance established during the flood disasters in the Northeast States was being followed after the floods in California in late December. Agency representatives were alerted to the possible damage and assisted FCDA in assessing it. Agency programs were being made available to assist individuals and communities as the year 1955 ended.

The floods in these two widely separated areas of the country brought to the front the lack of insurance coverage at reasonable costs against this hazard. The Agency took note of this and began a study of the problem calling upon private insurance officials for advice and assistance. It was readily apparent that private companies could not assume the risks of flood insurance because of its catastrophic nature. The Agency study was directed toward finding some basis for Federal participation with private companies so that recommendations could be submitted to the Congress for legislation early in 1956.

Compliance Division Activities

The Compliance Division of the Office of the Administrator, the permanent and continuing inspection and investigative arm of the Housing and Home Finance Agency, made outstanding progress, during its first full year of operation, in carrying out its responsibility for the formulation and execution of overall compliance policies for enforcement of all housing regulations and the Federal statutes relating to the housing program.

In the discharge of this responsibility, the Division supervises and directs the compliance program to assure integrity and effectiveness of operations, and investigates possible violations and irregularities in the programs and activities of the Housing and Home Finance Agency including its constituents; namely, Federal Housing Administration, Public Housing Administration, Community Facilities Administration, Urban Renewal Administration, and Federal National Mortgage Association.

The approximate annual dollar volume of the activities of the constituents is $5,000,000,000. The outstanding guaranties, loans, and potential liabilities of HHFA constituents amount to approximately $28,000,000,000.

The Compliance Division, through its staff in the Central Office in Washington, D. C., and field offices located in Atlanta, Chicago, Fort Worth, Los Angeles, and New York City, protects the interest of the United States Government and its citizenry, as well as that of the HHFA, its constituents, and the participants in their programs.

Investigations.—On January 1, 1955, the Compliance Division had on hand 2,043 investigative cases, many of which resulted from the special investigation of FHA. During the year, a total of 2,435 additional investigative matters, relating to all constituents, were received. Of this 4,478 total, 3,299 were investigated or processed and referred to the appropriate constituent agency, and/or to the Department of Justice. Appropriate criminal, civil, or administrative action resulted in the final closing of 2,198 cases.

While the value of a compliance or investigative operation is not measured by dollar-and-cent recoveries or criminal convictions obtained, absolute and potential recoveries during 1955 amounted to $364,690.79.

A substantial number of convictions for fraud have been obtained by the Department of Justice from cases referred to it by the Compliance Division, involving the Davis-Bacon Act, the National Housing Act, as well as the Public Housing, Urban Renewal, and Community Facilities programs. Of the cases referred to the Department of Justice, many required the presence of investigators to assist the various United States Attorneys in their preparation and presentation of civil and criminal matters before the Federal courts. These involved approximately 188 man-days during 1955.

Investigative reports have been utilized also as the basis for the issuance of cease-and-desist orders and other administrative actions against firms and individuals which resulted in denying or restricting their participation in Agency programs. Other investigative reports assisted the constituent agencies in reaching considered determinations in regard to personnel actions.

The Compliance Division actively cooperated with other Government agencies and organizations in matters of mutual interest and served as liaison between HHFA and all Federal, State, and municipal enforcement agencies.

Construction deficiencies remedied on the basis of Compliance Division investigative reports have resulted in substantial savings and recoveries to the Government and individual home buyers. This and other types of investigative activity has had a salutary effect on all housing programs administered under HHFA by preventing exploitation of the programs through dishonest and unethical practices.

At the end of 1955, there were under investigation a number of cases which undoubtedly will result in recoveries or savings to HHFA including its constituents, and other cases which clearly indicate that they will result in criminal action.

INSPECTIONS.—During 1955 the Compliance Division inaugurated a planned inspection program for maintaining surveillance over the constituent agencies' internal and external inspection and audit systems. This embraced the conduct of periodic surveys of the inspection facilities and programs of the several constituents to determine their adequacy and effectiveness in assuring the integrity of operations and compliance with Agency policies and procedures. It is anticipated that by mid-1956 the initial survey of each of the HHFA constituents will have been completed.

Inspections of a special nature included a survey to determine compliance with established policies and procedures in connection with dispositions of Lanham Act housing and public facilities; cooperation with FHA in a survey leading to improvement in the handling and referral by FHA of

Title I investigative cases; and a survey and analysis of the actions of the several constituent agencies in disqualifying participants who have engaged in violations or other irregularities inimical to the public interest and the integrity of the Agency's programs. Recommendations resulting from the latter led to the establishment by the Administrator of a program of systematic HHFA interagency exchange of information with respect to each constituent's disqualifying actions.

A concomitant of the foregoing achievements by the Compliance Division was its constant altertness to effect administrative changes within its own organization in the interest of efficiency and economy of operation. This resulted in the establishment and activation of five Regional Compliance Offices; the adoption of a formal records control and statistical reporting system; the establishment and clarification of policy procedures for the compliance program as they relate to the constituent agencies, and to the Department of Justice, the Department of Labor, the Civil Service Commission, and the Internal Revenue Service.

Defense Housing

During 1955, legislative authority expired for further new activity in the program developed under the Defense Housing and Community Facilities Act of 1951. This program had been undertaken to meet the critical needs in areas which had experienced sudden increases in population because of expanded military or industrial activities connected with our defense efforts following the invasion of South Korea. On September 30, 1955, when the last overall statistics were gathered on the program, a total of 91,434 units in 205 areas were programed for private construction. Of these units, 91,095 had been started and 89,022 had been completed. The bulk of these units had been started under FHA Title IX, and through the end of 1955, mortgage insurance under this Title had been written on 73,245 dwelling units, or four-fifths of all those completed. Also, FNMA had issued net commitment or purchase authorizations for 82,675 units in 198 areas.

In addition to the private units, 11,908 units were assigned to PHA for public construction at the end of 1955. All of these units had been provided by PHA through trailers, relocatable housing, and temporary new and reuse housing, and no permanent housing had been built under this program.

SECTION 5

THE NATIONAL VOLUNTARY HOME MORTGAGE CREDIT EXTENSION COMMITTEE

The year 1955 saw the Voluntary Home Mortgage Credit Program develop into a new and successful adjunct to the national market for federally insured and guaranteed home mortgages. Through this program, thousands of persons all over the country who had been unable to avail themselves of FHA and VA home mortgage credit aids have obtained loans which enabled them to purchase homes of their own. The VHMCP is a joint industry-Government program, undertaken as part of a broad effort to extend to all qualified home seekers the benefits of Government insured and guaranteed loans. For a very small investment of public funds, the Government has made possible the investment of many millions of dollars of private funds in areas where these are needed, and made unnecessary, the investment of substantial amounts of public funds. The Federal Government, through the Housing and Home Finance Agency, provides only the staff and machinery by which the lending activities of the private institutions participating in the program are made possible.

The activities of the program are carried on under the direction of the National Committee. This committee consists of the HHFA Administrator as chairman and representatives of the different industry groups involved in housing and mortgage finance, with advisory members from the Government agencies in the field. Regional committees made up of representatives of the same industry groups supervise activities in their respective regions, of which there are 15. Each committee has a small staff, and committee members serve 2-year terms of office on a voluntary basis.

FUNCTION OF THE PROGRAM

The VHMCP's National Committee has set certain standards of eligibility for assistance under the program. Under the Housing Act of 1954, all applicants must certify that they have made at least two unsuccessful attempts to obtain FHA-insured and VA-guaranteed loans. The program operates primarily to assist both white and nonwhite borrowers in the remote areas and small communities of the continental United States, Alaska, Hawaii, Guam, Puerto Rico, and the Virgin Islands, and minority group borrowers, even in larger places. Except for members of minority groups, assistance is available only in prescribed areas. Thus, all VA direct loan areas are eligible for assistance, as are other communities of less than 25,000 population (1950 Census) where financing facilities are deemed inadequate by the regional and national committees. Flexibility in these requirements is maintained to prevent arbitrary exclusion of needy areas. Temporary changes in the mortgage market are not, however, taken into account.

Except for members of minority groups, financing assistance is rendered only for 1- to 4-family owner-occupied units. For housing, available to members of minority groups, assistance may be given in obtaining financing of any type of housing insurable by Federal Housing Administration or guaranteeable by the Veterans' Administration. No assistance is rendered in financing farms, summer homes, boarding or rooming housing, commercial properties, home improvements or repairs, or in refinancing existing mortgages.

All loans are made by private financial institutions in accordance with their own lending standards. Loans are negotiated directly by the lending institutions with the borrowers. The VHMCP merely brings the two together, acting as a clearing house.

VOLUME OF ACTIVITY

The volume of applications received by the regional committee offices of the VHMCP mounted rapidly after the organization of the program. The number of these applications reached a high point in May, then declined to a low in July. This early upsurge was due largely to the fact that all veterans on the waiting list for VA direct loans were offered the opportunity to apply for direct loans when the VHMCP began operations. Their direct loan applications were then referred to the VHMCP regional committees. After July, applications to VHMCP rose to another peak, followed by a moderate decline which may have reflected the seasonal factors and perhaps the restrictions on the terms of FHA and VA mortgages which raised down payments and shortened terms.

Through the end of the year, a total of 28,256 applications had been received, of which 28,040 were from owner-applicants, 49 from lenders, and 167 from builders. Loans placed under the program numbered 8,630 including 7,410 for owner-occupants. There were also 1,205 loans placed under builders applications, which generally covered projects of housing and hence resulted in a larger number of loans, and 15 loans from lenders' applications. At the end of December, there were 5,902 applications in process.

TYPE OF LENDERS

The vast bulk of the loans made under the VHMCP have been made by life insurance companies. Nearly 70 life insurance companies have made loans under the program, and for a number of these companies the loans made to VHMCP applicants accounted for a substantial proportion of their current investment in FHA-insured and VA-guaranteed home mortgages. Most of the more than 100 participating life insurance companies (which hold about 97 percent of all FHA-insured and VA-guaranteed home loans held by all life insurance companies) have reserved specific allotments of their mortgage investment funds for loans referred to them by the VHMCP. Efforts are being made to broaden the share of the participation of other types of lending institutions, but a number of factors must be borne in mind in seeking to determine the shares that could ideally be taken by institutions other than life insurance companies.

Loans placed, by type of lending institution (through Dec. 31, 1955)

Type of lending institution	Number of loans	Percent of total
Savings and loan associations	213	2.5
Commercial banks	99	1.1
Life-insurance companies	8,068	93.5
Mutual savings banks	132	1.5
Mortgage companies	118	1.4
Total	8,630	100.0

In only one year the Voluntary Home Mortgage Credit Program has demonstrated successfully that private lending institutions, suitably organized, can provide sufficient mortgage investment funds to reduce very substantially the need for direct lending activity by the Federal Government in the mortgage market. Through an intensive effort on the part of the industry groups participating in the program and by the program's small staff, the industry was organized and mobilized for the extremely difficult task of channeling funds into previously neglected areas of the housing market. Many in the country who never before had access to the loan insurance and guaranty programs of the Federal Housing Administration and the Veterans' Administration are now able to obtain loans under these programs on terms as liberal as are available to those in areas with adequate financing facilities.

Part II

FEDERAL HOUSING ADMINISTRATION

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SECTION 1

THE FHA IN 1955

The Federal Housing Administration records 1955 as a year of substantial progress in the mortgage and loan insurance activities through which it helps private enterprise to make better housing available to the people of America.

Progress has been particularly notable in the field of home financing. The Housing Act of 1954 (Public Law 560, 83d Cong., approved August 2, 1954) liberalized the downpayment requirements and maximum maturities for insured home mortgage transactions and made the acceptable terms for proposed and existing construction more nearly alike than ever before.

The new terms were a strong factor in the greatly increased volume of applications coming to the FHA in the following months. In the calendar year 1955 applications were received for mortgage insurance on 618,638 homes—the largest number for any year in FHA history. More than half were existing homes. The number of existing homes on which applications were received was over 30 percent greater than in 1954. The volume of home mortgage insurance was also at an exceptionally high level.

Insurance written in 1955 under all FHA programs totaled $3.8 billion, an amount 24 percent greater than the total for 1954.

FHA progress in helping to improve housing conditions was aided by the Housing Amendments of 1955 (Public Law 345, 84th Cong., approved August 11, 1955), which extended the authority to insure property improvement loans, amended the provisions of some mortgage insurance programs to make them more workable, and added two new programs of mortgage insurance, one for military housing and one for mobile home courts.

Progress was made during the year in achieving better internal organization, better control of operations, more efficient methods and procedures, and substantial cost savings.

Greater emphasis was placed on the necessity for preserving values in older properties and established neighborhoods.

The first commitments were issued under Section 220 of the National Housing Act, which provides for mortgage insurance in urban renewal areas.

FHA facilities were made available on an emergency basis in disaster areas.

Instructions were issued to directors of FHA insuring offices early in the year outlining specific steps for them to take in helping to provide adequate housing available to members of minority groups.

Closer cooperation with industry and consumer groups was brought about to increase the effectiveness of FHA programs. Thirteen industry advisory meetings were held during the year, at each of which experts in a particular field discussed with the Commissioner and members of his staff a special subject such as architectural standards, appraisals, urban renewal, cooperative housing, home site improvement, property management, or others closely related to FHA operations.

A complete revision of the FHA minimum property requirements was undertaken with the assistance of an industry advisory committee, in order to clarify and standardize the requirements for the entire country in a single volume.

NEW LEGISLATION

The Housing Amendments of 1955 (Public Law 345, 84th Cong., approved August 11, 1955) increased the general FHA mortgage insurance authorization (covering all programs except property improvement loan insurance under Title I and the insurance of mortgages on armed services housing under the revised Title VIII) to the amount of outstanding insurance and commitments on July 1, 1955 plus $4 billion, in order to provide for the estimated amount of commitments to be issued in the fiscal year 1956.

The amendments extended FHA authority to insure lending institutions against loss on property improvement loans, so as to include loans made before September 30, 1956.

They increased to $12.5 million the maximum amount of mortgage that the FHA may insure on a multifamily housing project when the mortgagor is a private corporation. The increase applies to mortgages insured under Sections 207, 213, 220, and 221, and under Section 803 of Title VIII in its old form.

Sections 207 and 213 were amended to authorize mortgage insurance on projects of 8 or more family units. FHA administrative rules previously set the minimum at 12 units.

Section 213 was amended to provide for determination of the maximum insurable amount on the basis of replacement cost instead of estimated value, and insurance under Section 213 was made available to cooperatives in the purchase of Government-owned housing. The FHA Commissioner was directed to appoint a Special Assistant for Cooperative Housing and to provide him with an adequate staff in order to expedite and facilitate operations under Section 213.

The Federal National Mortgage Association was authorized to enter into advance commitments, totaling not more than $50 million outstanding at any time and not over $5 million in any one State, to buy mortgages insured under Section 213.

Section 220 was amended to provide for determination of the maximum insurable mortgage amount on proposed construction on the basis of estimated replacement cost instead of estimated value.

Section 221 was amended by eliminating the requirement of cost certification for builders of single-family homes and by specifying that families voluntarily moving from urban renewal areas are eligible for housing financed under this section as well as families involuntarily displaced from urban renewal areas or by governmental action.

A new program of mortgage insurance for mobile home courts and parks was provided under Section 207 of Title II. The mortgage amount may not exceed $1,000 per trailer space or $300,000 per mortgage.

The Commissioner was authorized to settle certificates of claim and refunds to mortgagors at any time after sale of an acquired property, without waiting until the new loan is fully repaid.

The authority to insure mortgages under Title IX was terminated except for housing designated by the President as defense housing, on which commitments were outstanding on August 1, 1955.

A new program of military housing was provided under Title VIII and the provisions of this title previously in effect were continued only for outstanding commitments, commitments issued on or before June 30, 1956 pursuant to certification by the Secretary of Defense on or before June 30, 1955, and commitments issued pursuant to Atomic Energy Commission certification made on or before June 30, 1956.

Under the new provisions of Title VIII, mortgages may be insured pursuant to commitments issued before September 30, 1956. A separate insurance authorization of $1,363,500,000 is established for the purpose. Certification by the Secretary of Defense (or the Secretary of the Treasury, for Coast Guard personnel) is required. The mortgage may not exceed the replacement cost of the project (including land, physical improvements, and on-site utilities), nor an average of $13,500 per family unit. The mortgage maturity may not exceed 25 years, and the interest rate may not exceed 4 percent. Cost certification is not required. The Secretary of Defense will acquire control of each housing unit as it becomes available for occupancy, and when the project is completed the builder's capital stock will be transferred to the Secretary, who will maintain, operate, and assign the housing.

The FHA Commissioner was directed to appoint a Special Assistant, with an adequate staff, to expedite operations under Title VIII.

The Federal National Mortgage Association was authorized to make commitments to purchase mortgages insured under Title VIII. Purchases and commitments outstanding at any one time may not exceed $200 million.

PROPERTY IMPROVEMENT LOAN INSURANCE

More than a million property improvement loans totaling $645.8 million were reported to the FHA for insurance under Title I in 1955.

Insurance written from 1934 through 1955 covered more than 19 million loans with net proceeds totaling $8.9 billion. About $1 billion was outstanding on December 31, 1955. At that date, the FHA had available for losses and related expenses about $44 million. This amount had accumulated from earnings derived from fees, premiums, and income on investments.

Claims paid in 1955 totaled 40,194 and amounted to $17.6 million. This amount is 1.50 percent of the average net proceeds of loans outstanding during the year, and compares with a ratio of 1.63 percent for the entire period of operations from 1934 through 1955.

Claims totaling $187.8 million, or 2.1 percent of the $9 billion insured, have been paid since 1934 on about 600,000 loans. Allowance for actual and anticipated recoveries brings the net claim ratio to 1.0 percent. Over $8.5 million in recoveries was collected in 1955.

New contracts of insurance were issued in 1955 to 342 lending institutions. This brought the total number of institutions holding contracts to 7,543. About 3,300 of these made Title I loans during the year. A noticeable trend was an increased interest shown by smaller lending institutions, including credit unions. Commercial banks remained the principal type of lender, accounting for nearly 79 percent of all loans reported for insurance in 1955.

A newly created staff of 12 Title I supervisors in geographically distributed field locations, supplementing the work of local insuring offices, brought about a closer relationship between the FHA and lenders and dealers participating in the Title I program. In matters involving complaints there was a high degree of staff cooperation between Better Business Bureaus, FHA field offices, and the Office of the Assistant Commissioner, Title I. During the year, 1,263 companies and individuals dealing in home improvements were restricted in their participation in Title I as a result of unethical or irregular practices.

MORTGAGE INSURANCE

Home mortgages insured in 1955 numbered 310,870—45 percent more than in 1954, and the highest number for any year except 1950. Of the dwelling units securing these mortgages, 131,116 were in new homes and 187,338 in existing homes. "New" homes are those approved for mortgage insurance before the beginning of construction. "Existing" homes include new homes built without this prior approval.

The dollar amount of home mortgage insurance—over $3 billion—was the highest in FHA history.

Home mortgages were insured under the following sections of the National Housing Act in 1955:

	Units	Amount (000)
Title I, Sec. 8	5,714	$32,308
Title II, Sec. 203	301,707	2,928,953
Title II, Sec. 213	1,054	9,026
Title II, Sec. 222	6,635	86,545
Title IX, Sec. 903	3,344	27,915
Total [1]	318,466	3,084,767

[1] Includes 12 open-end advances totaling $19,531 insured under Sec. 203 pursuant to the provisions of Sec. 225.

The great volume of applications resulting from lower downpayments and longer maturities authorized by 1954 legislation placed a severe strain on FHA field offices. At the beginning of 1955, many of the offices had serious backlogs. Relief was obtained by overtime work and measures to increase employee productiveness, and by the employment of additional personnel in field offices after Congress authorized funds for this purpose in January. By the end of the year most offices had returned to a normal processing schedule.

On April 28 the FHA put into effect a requirement that the cash investment of a buyer financing a home with an FHA-insured mortgage must include closing charges as well as the down payment on the property.

On July 30 the Commissioner by administrative action imposed credit restrictions designed to avert inflationary trends in the housing market. The minimum downpayment for homes financed with FHA-insured home mortgages was increased by 2 percent, and the maximum mortgage maturity of an insured home mortgage was reduced from 30 years to 25 years. The minimum downpayment on an owner-occupied home approved for mortgage insurance before the beginning of construction had been 5 percent of the first $9,000 of appraised value and 25 percent of the remaining value. It was now increased to 7 percent of the first $9,000 and 27 percent of the remainder. For other homes the minimum downpayment was increased to 12 percent of the first $9,000 and 27 percent of the remaining value.

The restrictions initially applied to individual home mortgages insured under Sections 203, 213, 220, 221, and 222, but on November 10 they were removed for Sections 220 and 221 and for mortgages to finance homes replacing those destroyed by floods or other major disasters. The 5-percent minimum downpayment was restored on November 3 for servicemen's mortgages insured under Section 222. On January 17, 1956, the 30-year maximum maturity was restored for all FHA-insured home mortgages.

Mortgages totaling over $76 million were insured in 1955 on 81 multifamily projects with over 9,400 family units. They included mortgages on rental projects under Section 207, cooperative projects under Section 213, military housing under Section 803, and defense housing under Section 908:

	Projects	Units	Amount (000)
Title II, Sec. 207	47	5,108	$39,059
Title II, Sec. 213	24	1,545	13,854
Title VIII, Sec. 803	9	2,681	22,406
Title IX, Sec. 908	1	106	923
Total	81	9,440	76,242

NOTE.—Because of adjustments the above totals do not correspond exactly with those mentioned in the text.

On November 18, insuring offices were notified that mortgages on rehabilitated properties could be considered for insurance under Section 207 if at least 25 percent of the mortgage proceeds was devoted to new physical improvements. The previous requirement had been at least 50 percent for that purpose. The change was made to promote the improvement of urban neighborhoods where blight threatened or had already begun.

About 276,700 housing units were started under FHA programs in 1955—a little over 21 percent of the total number of privately financed nonfarm units started as estimated by the Bureau of Labor Statistics. The 4 million FHA units started from 1935 through 1955 amounted to 28.6 percent of the total units started in that period.

In 1955 there were 611 new mortgage lending institutions added to the FHA list of approved mortgagees, and 59 were removed from the list.

Cooperative Housing

At the end of 1955 the FHA had insured, under Section 213, mortgages totaling $312.5 million on 307 cooperative housing projects providing homes for 33,398 families The projects are located in 25 States. Nearly two-thirds of the units are in management-type projects.

Two major developments in cooperative housing mortgage insurance have resulted from the enactment of the Housing Amendments of 1955 in August. The first is an increase of interest in the Section 213 program on the part of consumer groups. The second is the relationship established by the FHA with public interest groups. Meetings have been held in Washington between representatives of these groups and FHA officials to discuss the problems and possibilities of consumer-initiated cooperative housing under Section 213. Most of the representatives at the meetings have State and regional counterparts throughout the country which are ready to work with local FHA offices in helping cooperatives to organize and get their housing projects under way.

Discussions have been held with redevelopment authority officials in New York, Newark, Cleveland, Cincinnati, and Chicago concerning the use of cooperative housing in urban renewal programs, and a rehabilitation project was being reactivated in Philadelphia at the end of the year.

Rehabilitated properties are eligible for mortgage insurance under Section 213 when at least 25 percent of the mortgage proceeds is used for new physical improvements to the properties.

On October 17 the Commission appointed a Special Assistant for Cooperative Housing, to expedite operations under Section 213.

Urban Renewal

A special assistant to direct FHA participation in urban renewal programs was appointed by the Commissioner March 1, 1955.

On September 26, 1955, the first 3 commitments under Section 220 were issued, in the amount of about $6.6 million, involving mortgage insurance on 762 dwelling units in the Delano Village redevelopment project in North Harlem, N. Y. At the end of the year applications were in process on 7 other redevelopment projects totaling 2,284 units.

Under Section 221, in November and December the HHFA Administrator issued certifications of need for 12 localities in Alabama, New Jersey, Pennsylvania, and Tennessee—a total allocation of 1,772 units.

Progress was made during the year on preapplication processing of proposed urban renewal housing. Projects included Garden Valley in Cleveland, Area B in Washington, D. C., and Gregory Site in Jersey City.

The FHA has also assisted in the development of urban renewal plans in rehabilitation areas in a number of cities.

The Housing Amendments of 1955 substituted replacement cost for appraised value as a basis for determining maximum insurable mortgage amounts on new construction under Section 220, and so made it necessary to reconsider previous administrative determinations. Subsequent changes in FHA administrative requirements liberalized the position of the agency with respect to capital stock, outstanding obligations, and other less important provisions of the mortgagor's corporate charter.

By the end of 1955, the principal factor limiting the extent of FHA's further participation in the urban renewal program through mortgage insurance on newly constructed properties was the amount of additional land which local public agencies then had ready for sale to prospective redevelopers.

At the end of 1955 the HHFA Administrator had certified 35 redevelopment plans pursuant to Section 220.

Armed Services Housing

A new program of mortgage insurance for military housing under Title VIII of the National Housing Act was provided by the Housing Amendments of 1955, which also directed the FHA Commissioner to appoint a special assistant, with an adequate staff, to expedite operations under this program. The appointment was made on September 26.

Many problems had to be ironed out and numerous obstacles overcome before effective operating procedures could be set up. This "clearing of the track" was done in record time through establishment of liaison with appropriate branches of government and industry.

At the end of the year, 49 projects representing 31,975 housing units had received FHA and Defense Department approval, and were in various stages of development ranging from initial planning and engineering to final bidding.

AGGREGATE INSURANCE VOLUME

From June 1934 to the end of 1955, FHA insurance aggregated $39.8 billion. About two-thirds of this amount, $25.9 billion, represented mortgage insurance on 4 million homes, including $21.2 billion on 3.3 million homes insured under Section 203 of the National Housing Act. Property improvement loan insurance on about 19 million loans totaled $8.9 billion. Mortgages amounting to $4.9 billion were insured on multifamily projects with nearly 678,000 units. In addition, 756 short-term loans totaling $5.3 million were insured on manufactured housing.

Of the $39.8 billion of insurance written by the FHA during its 21½ years of operation, unpaid balances of $19.4 billion remained outstanding at the end of 1955. Loans with face amounts totaling $16.5 billion had been terminated, and of the remaining $23.3 billion face amount in force at the end of 1955 an estimated $3.9 billion had been amortized, leaving $19.4 billion outstanding.

The outstanding balance consisted of $1 billion in property improvement loan insurance, $14.2 billion in home mortgage insurance, $.3 billion in mortgages on cooperative housing, and $3.8 billion in mortgage insurance on rental projects, including military and defense housing.

The volume and characteristics of FHA insurance are discussed in detail in Sections 2 and 3 of this report.

FORECLOSURES AND LOSSES

At the end of 1955 the FHA had acquired through foreclosure or the assignment of mortgage notes 60,141 units of housing, representing about 1¼ percent of the 4,826,488 units covered by mortgages or loans insured since the beginning of operations. Of the acquired units, 31,376 had been sold and 28,765 remained on hand.

Losses realized on the total amount of mortgage insurance written from 1934 through 1955 amounted to six one-hundredths of 1 percent. Losses to the Mutual Mortgage Insurance Fund on sale of acquired properties under Section 203 amounted to two one-hundredths of 1 percent.

In addition to the actual losses realized, provision has been made for estimated future losses in the amount of $82,110,151 on the 28,765 units remaining on hand at the end of 1955.

PROPERTY MANAGEMENT

All properties acquired by the FHA 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.

The policy of the FHA is not to sell acquired home properties in bulk, but to put them in good condition and then return them at fair prices in the going market, without speculative markup, to the home-ownership use for which they were originally produced. The agency uses the facilities of qualified local real estate brokers to manage and sell 1- to 4-family properties through established retail channels.

The FHA rehabilitates acquired rental project properties to the extent necessary to enable them to compete in the rental market, and then 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 as a direct transaction between the Government and the purchaser. The sale is publicized in advance through advertisements stating minimum prices and terms, and the property is sold to the qualified operator whose offer meets the minimum and is most advantageous.

Property management procedures were simplified in 1955 so that a smaller staff was able to handle a larger number of transactions.

Statements of profit and loss on sales of properties acquired under the various FHA home mortgage insurance programs are included in Section 5 of this report (Accounts and Finance), together with similar statements for properties acquired and mortgage notes assigned to the FHA under the multifamily housing programs.

FINANCIAL POSITION

Gross income from fees, insurance premiums, and investments during the fiscal year 1955 from all insurance operations of the FHA totaled $138,-823,312. Expenses of administering the agency during the fiscal year 1955 amounted to $36,061,825, leaving an excess of gross income over operating expenses of $102,761,487.

From the establishment of the FHA in 1934 through June 30, 1955, gross income totaled $1,021,594,006, while operating expenses amounted to $382,-186,935. Expenses during the first 3 fiscal years, 1935 through 1937, were met from funds advanced through the Reconstruction Finance Corporation by the United States Treasury. During the following 3 fiscal years, 1938 through 1940, partial payments of operating expenses were met from income. Since July 1, 1940, operating expenses have been paid in total by allocation from the various insurance funds.

In fiscal year 1954, the FHA completely liquidated its indebtedness to the United States Treasury Department for funds advanced by the Treasury for salaries and expenses during the early years of FHA operations and for the establishment of certain insurance funds.

At June 30, 1955, the FHA had capital and statutory reserves of $417,861,324 which had accumulated from earnings. Of this amount, $397,551,324 represented earnings and reserves available for future losses and related expenses. The remaining $20,310,000 of retained earnings had been transferred from the FHA insurance funds in which it was earned to other FHA insurance funds under the provisions of Section 219 of the National Housing Act.

The capital and statutory reserves of each fund at June 30, 1955, are as follows:

Title I Insurance Fund	$37, 777, 724
Title I Housing Insurance Fund	1, 734, 500
Mutual Mortgage Insurance Fund	240, 024, 368
Housing Insurance Fund	6, 613, 361
Sec. 220 Housing Insurance Fund	955, 414
Sec. 221 Housing Insurance Fund	951, 513
Servicemen's Mortgage Insurance Fund	989, 031
War Housing Insurance Fund	109, 859, 684
Housing Investment Insurance Fund	845, 516
Armed Services Housing Mortgage Insurance Fund	11, 764, 731
National Defense Housing Insurance Fund	6, 345, 482
Total	417, 861,324

A detailed discussion of FHA finances will be found in Section 5 of this report, "Accounts and Finance."

APPRAISALS FOR ATOMIC ENERGY COMMISSION

The Atomic Energy Community Act of 1955 (Public Law 221, 84th Cong., approved August 4, 1955), providing for termination of Government ownership of AEC communities at Oak Ridge, Tenn., and Richland, Wash., specified that appraisals of the properties were to be made by the FHA. This assignment involved the establishment of current fair market values for 5,973 properties in Oak Ridge and 5,409 in Richland. The work was begun in September 1955 and scheduled for completion in April 1956.

It is estimated that before the appraisals were made over 400 man-days were spent for each community in organizing the work, obtaining basic data, and orienting the appraisers.

An expert appraiser of national reputation was employed as consultant to the FHA appraisal task force in each community. The 24 staff appraisers at Oak Ridge and the 17 staff appraisers at Richland were obtained from various FHA field offices and were under the direction of appraisers from the headquarters office. Market analysts and architectural cost estimators were also obtained from the local insuring offices, and clerical help was hired locally. The commercial properties were appraised by expert contract appraisers, 12 being used in Oak Ridge and 6 in Richland.

In addition to the Richland and Oak Ridge appraisals, the FHA made sample appraisals of each basic type of house in the AEC community of Los Alamos, N. Mex., at the request of the Joint Committee on Atomic Energy.

MANAGEMENT IMPROVEMENT

Improved production at reduced cost was effected in many FHA operations in 1955. The following are examples:

In the Comptroller's Division, management improvements completed in 1955 are expected to effect annual savings in personal services of $207,000. A study of the internal accounting system of the agency undertaken during the year is expected to produce further substantial savings. Studies are being made of the use of electronic equipment to increase efficiency.

Better use of space in Washington resulted in rent savings of $82,000 and better working conditions.

Records management economies saved about $180,000 during the year. Other improvements, particularly in printing, resulted in savings of $40,000 a year.

ORGANIZATION AND PERSONNEL

Staff appointments in 1955 included a deputy commissioner, new assistant commissioners for Operations and for Title I, the 3 special assistants for cooperative housing, urban renewal, and military housing previously mentioned, 3 new zone operations commissioners, and 20 new directors of insuring offices.

The large volume of mortgage insurance applications coming to the FHA after passage of the Housing Act of 1954 made it necessary to increase substantially the number of FHA employees in the field in order to keep processing operations current. At the beginning of 1955 the agency had 5,226 per annum employees, and at the end of the year there were 6,252. The average employment during the year was 6,006, with about 77 percent of the employees serving in field offices and the remaining 23 percent in the Washington headquarters office. There were 2,018 appointments of per annum employees during the year, and 992 separations were effected.

Charts 1 [1] and 2 show the organization of the headquarters and field offices.

A study of field offices begun in 1954 was concluded in 1955, and a line and staff organization was put into effect giving greater authority and responsibility to the directors. A meeting of all directors was called in Washington in May to discuss this and other policy questions.

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[1] Table and chart numbers throughout the report are keyed to the numbers of the parts in which they appear. Text references to tables and charts, however, omit the section number.

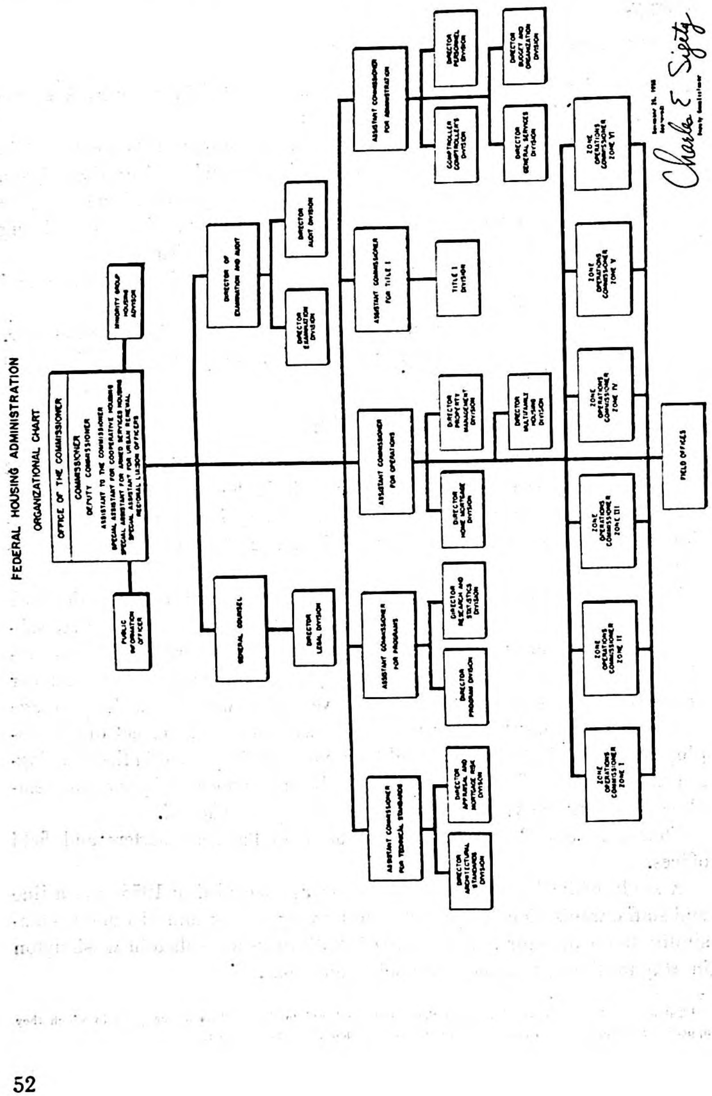
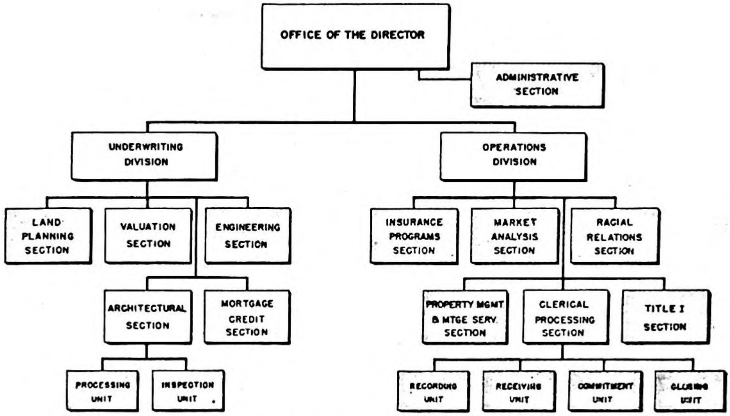

FEDERAL HOUSING ADMINISTRATION
ORGANIZATIONAL CHART
OFFICE OF THE COMMISSIONER
COMMISSIONER
DEPUTY COMMISSIONER
ASSISTANT TO THE COMMISSIONER
SPECIAL ASSISTANT FOR COOPERATIVE HOUSING
SPECIAL ASSISTANT FOR ARMED SERVICES HOUSING
SPECIAL ASSISTANT FOR URBAN RENEWAL
REGIONAL LIAISON OFFICERS
PUBLIC INFORMATION OFFICER
MINORITY GROUP HOUSING ADVISOR
GENERAL COUNSEL
DIRECTOR LEGAL DIVISION
DIRECTOR OF EXAMINATION AND AUDIT
DIRECTOR EXAMINATION DIVISION
DIRECTOR AUDIT DIVISION
ASSISTANT COMMISSIONER FOR TECHNICAL STANDARDS
DIRECTOR ARCHITECTURAL STANDARDS DIVISION
DIRECTOR APPRAISAL AND MORTGAGE RISK DIVISION
ASSISTANT COMMISSIONER FOR PROGRAMS
DIRECTOR PROGRAM DIVISION
DIRECTOR RESEARCH AND STATISTICS DIVISION
ASSISTANT COMMISSIONER FOR OPERATIONS
DIRECTOR HOME MORTGAGE DIVISION
DIRECTOR PROPERTY MANAGEMENT DIVISION
DIRECTOR MULTIFAMILY HOUSING DIVISION
ASSISTANT COMMISSIONER FOR TITLE I
TITLE I DIVISION
ASSISTANT COMMISSIONER FOR ADMINISTRATION
COMPTROLLER COMPTROLLER'S DIVISION
DIRECTOR PERSONNEL DIVISION
DIRECTOR GENERAL SERVICES DIVISION
DIRECTOR BUDGET AND ORGANIZATION DIVISION
FIELD OFFICES
ZONE OPERATIONS COMMISSIONER ZONE I
ZONE OPERATIONS COMMISSIONER ZONE II
ZONE OPERATIONS COMMISSIONER ZONE III
ZONE OPERATIONS COMMISSIONER ZONE IV
ZONE OPERATIONS COMMISSIONER ZONE V
ZONE OPERATIONS COMMISSIONER ZONE VI
Charles E. Sigety
Deputy Commissioner

CHART II–1

FEDERAL HOUSING ADMINISTRATION
INSURING OFFICE
ORGANIZATIONAL CHART



THIS IS THE MAXIMUM ORGANIZATION OF AN FHA INSURING OFFICE. WHERE THE MAXIMUM ORGANIZATION IS NOT REQUIRED, THE FUNCTIONS ARE COMBINED OR ARE PERFORMED BY SPECIALISTS FROM OTHER OFFICES ON A PART-TIME BASIS AND SOME OR ALL OF THE SHADED UNITS ARE NOT ESTABLISHED.

CHART II–2

The Alaska insuring office was moved during the year from Juneau to Anchorage, the Long Beach and Los Angeles offices were consolidated, and an insuring office was opened in Knoxville, Tenn.

At the end of 1955, there were 136 FHA field offices. They included 76 insuring offices, which receive and completely process applications for mortgage insurance; 15 service offices, which receive applications for mortgage insurance and process them for submission to insuring offices for review, issuance of commitments, and endorsement for insurance; and 45 valuation stations, where technical personnel prepare architectural and valuation reports for the insuring offices in their respective areas.

Chart 3 shows the boundaries of the six regions supervised by the zone operations commissioners in Washington, and the locations of the field offices.

SECTION 608 RECOVERIES

The FHA continued during the year its efforts to recover excess mortgage proceeds distributed in violation of the charters of corporations formed under the terms of Section 608.

Early in the year Commissioner Mason stipulated that firms and individuals identified with housing projects financed under Section 608 must furnish FHA with construction cost data on those projects if they had not already done so, before participating further in FHA programs.

JURISDICTION OF FIELD OFFICES - FEDERAL HOUSING ADMINISTRATION
NOVEMBER 1, 1955

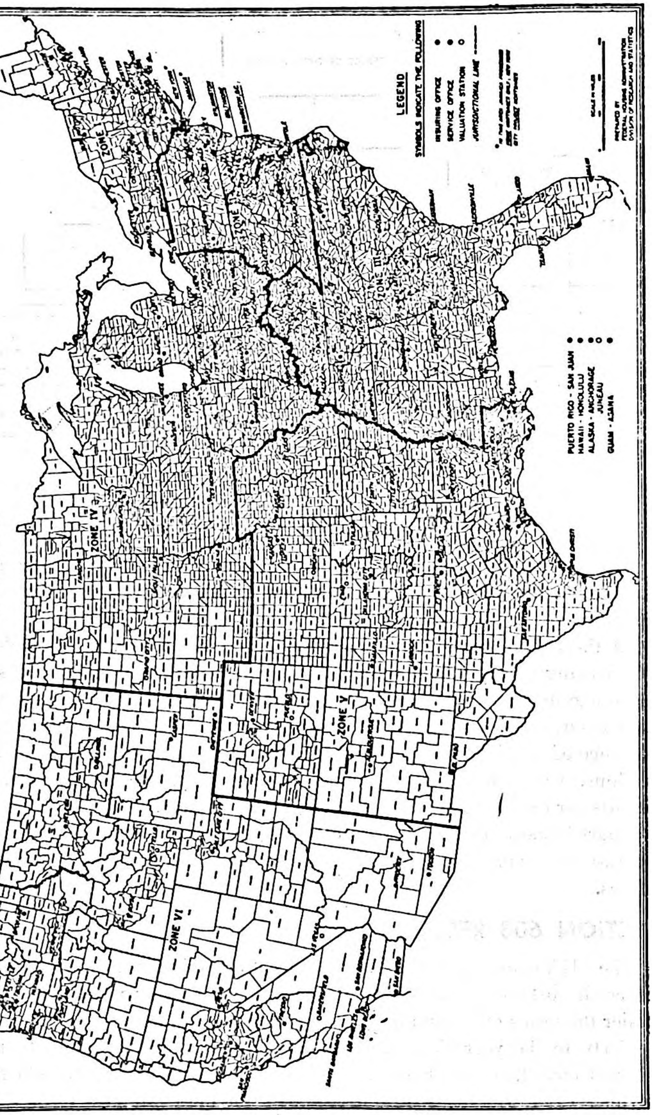


CHART II–3

To determine that FHA was not doing business with persons involved in improper distributions of mortgage proceeds, the Previous Participation Certificate (FHA Form 2570) was instituted. All building project sponsors applying for FHA mortgage insurance are required to file the certificate before their applications can be processed by the field offices.

Three court victories helped to pave the way in the 608 recovery program. One test affirmed the right of FHA to refuse to do business with an applicant on the basis of unsatisfactory past experience. Another established the right of FHA as a preferred stockholder to conduct its recovery litigation in Federal rather than State courts. Another upheld the right of FHA to take control of corporations refusing to comply with the request of the agency for construction cost data.

Armed with these precedents, the Commissioner sent notices to the presidents of 17 projects directing them to call meetings of preferred stockholders for the purpose of removing their directors and electing new ones.

At the end of the year the FHA controlled 3 projects; suits had been filed by the Department of Justice to recover windfall profits in 2 other cases involving about $4 million in improper distributions; and additional cases involving over $5 million had been referred to the Department of Justice for recovery action. Settlement negotiations were continuing at the close of the year and had resulted in the return to the mortgagor corporations of about $1¼ million.

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SECTION 2

VOLUME OF FHA MORTGAGE AND LOAN INSURANCE OPERATIONS

This section of the report presents a detailed statistical analysis of the volume of FHA operations during and through the year 1955. It includes a comprehensive discussion of yearly trends, geographical distributions, financial institutions participation, termination and foreclosure rates, and default experience.

During 1955, FHA insurance was available under the following titles and sections of the National Housing Act, classified according to principal functions:

(1) Home Mortgage Insurance.—Title II, Sections 203, 213, 220, 221, 222, 225, and Title IX, Section 903.
(2) Project Mortgage Insurance.—Title II, Sections 207, 213, 220, 221; Title VIII, Section 803; and Title IX, Section 908.
(3) Property Improvement Loan Insurance.—Title I, Section 2.
(4) Rental Housing Investment Yield Insurance.—Title VII, Section 701.

Insurance was also written during the year under some programs terminated by the Housing Act of 1954, pursuant to commitments issued prior to the termination date. Included in this category were home mortgages insured under Section 8 of Title I and manufactured-housing loans insured under Section 609 of Title VI. (Table 2.)

No insurance was written during the year under the home and multifamily project mortgage provisions of Sections 220 and 221 of Title II, nor under the Title VII yield insurance program. There was, however, application and commitment activity under the Section 220 multifamily project program which will be discussed in more detail later in this report.

SUMMARY OF OPERATIONS

Combined Insurance Activity

During 1955, the FHA wrote insurance on $3.8 billion of mortgages and loans—one-fourth more than in 1954 and the fourth largest volume in the agency's history. It was the eighth consecutive year in which total insurance written exceeded $3 billion. Covered by this insurance were 311,000 home mortgages, 9,400 dwelling units in multifamily projects, and 646,000 property improvement loans. (Table 1 and Chart 4.)

TABLE II–1

Mortgages and loans insured by FHA, 1934–55

[Dollar amounts in thousands]

Year	Total, all programs[1]	Home mortgage programs[2]		Project mortgage programs[3]		Property improvement loans[4]		Manufactured-housing loans[5]	
	Amount	Number	Amount	Units	Amount	Number	Net proceeds	Number	Amount
1934	$27,406	----------	----------	----------	----------	72,658	$27,406	----------	----------
1935	297,495	23,397	$93,882	738	$2,355	635,747	201,258	----------	----------
1936	532,581	77,231	308,945	624	2,101	617,697	221,535	----------	----------
1937	489,200	102,076	424,373	3,023	10,483	124,758	54,344	----------	----------
1938	671,593	115,124	485,812	11,930	47,638	376,480	138,143	----------	----------
1939	925,262	164,530	694,764	13,462	51,851	502,308	178,647	----------	----------
1940	991,174	177,400	762,084	3,559	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	933,986	166,402	763,097	20,179	84,622	307,826	86,267	----------	----------
1944	877,472	146,974	707,363	12,430	56,096	389,615	114,013	----------	----------
1945	664,985	96,776	474,245	4,058	19,817	501,441	170,923	----------	----------
1946	755,778	80,872	421,949	2,232	13,175	799,304	320,654	----------	----------
1947	1,788,264	141,364	894,675	46,604	359,944	1,247,613	533,645	----------	----------
1948	3,340,865	300,034	2,116,043	79,184	608,711	1,357,386	614,239	3	$1,872
1949	3,826,283	305,705	2,209,842	133,135	1,021,231	1,246,254	593,744	196	1,466
1950	4,343,378	342,582	2,492,367	154,597	1,156,681	1,447,101	693,761	175	569
1951	3,219,836	252,642	1,928,433	74,207	583,774	1,437,764	707,070	131	560
1952	3,112,782	234,420	1,942,307	39,839	321,911	1,495,741	848,327	85	237
1953	3,882,328	261,541	2,288,626	30,701	259,194	2,244,227	1,334,287	40	221
1954	3,067,250	214,237	1,942,266	28,257	234,022	1,506,480	890,606	115	356
1955	3,806,937	310,870	3,084,767	9,431	76,489	1,024,698	645,645	11	36
Total	39,828,037	3,948,055	25,919,881	677,773	4,957,824	19,096,577	8,945,017	756	5,316

[1] Throughout this report, component parts may not add to the indicated totals because of negative adjustments or rounding of numbers.
[2] Includes 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; Secs. 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; Secs. 220, 221, 222, and 225, Aug. 2, 1954.
[3] Includes 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.
[4] Sec. 2 (Classes 1 and 2), enacted June 27, 1934. Data are based on loans tabulated in Washington. The increase in 1953 loans over 1952 loans insured was caused in part by authorization controls which resulted in a tabulation backlog of approximately $200 million as of Dec. 31, 1952. See text of 1953 FHA annual report, pages 126–128, for detailed explanation.
[5] Sec. 609, enacted June 30, 1947.

The relative distributions of the three major types of FHA programs in 1955, and cumulatively from 1934 through 1955, are indicated in the following table on the basis of dollar volume of insurance written:

Type of program	Year 1955		1934–55	
	Billions of dollars	Percent	Billions of dollars	Percent
Home mortgages	3.1	81	25.9	65
Multifamily project mortgages	.1	2	5.0	12
Property improvement loans	.6	17	8.9	23
Total	3.8	100	39.8	100

The predominance of the home mortgage activity in FHA operations parallels the national trend toward homeownership.

The volumes of FHA insurance written under each title and section of the National Housing Act during 1955, 1954, and cumulatively through the

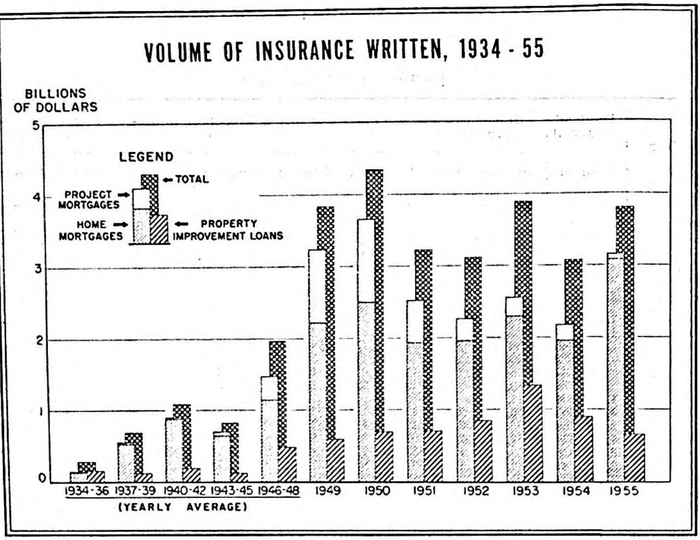

CHART II–4

end of 1955 are shown in Table 2. Again in 1955, as in each year since the culmination of the Title VI Veterans Emergency Housing Program, the preponderant portion of FHA insurance was written under Title II and most of this under the home mortgage provisions of Section 203. Compared with 1954, the Title II volume was nearly 70 percent higher, Section 203 having increased by 80 percent. Insuring activity under Title I, primarily the insurance of property improvement loans, accounted for only 18 percent of the 1955 total—markedly below the 32 percent reported for 1954. Reflecting the completion of the Title IX defense housing program and the scheduled termination of the legislative authority for the *military housing* provisions of Title VIII (not to be confused with the recently enacted Armed Services provisions of that title), each of these titles accounted for less than 1 percent of the 1955 volume.

Through December 31, 1955, nearly $40 billion in mortgages and loans had been financed with the assistance of FHA insurance. Of this amount, $26 billion covered 3,948,000 home mortgages, $9 billion was involved in almost 19,100,000 property improvement loans, and $5 billion represented multifamily housing project mortgages secured by 678,000 dwelling units. In addition, the FHA insured 756 loans aggregating $5 million for the production and sale of manufactured houses.

TABLE II–2

FHA insurance written by title and section, 1954, 1955, and 1934–55

[Dollar amounts in thousands]

	1955			1954			1934–55		
	Number	Amount	Units	Number	Amount	Units	Number	Amount	Units
Title I	1,030,412	$677,953	NA	1,522,377	$979,995	NA	19,180,885	$9,275,178	NA
Sec. 2 property improvement loans	1,024,698	645,645	NA	1,506,480	890,606	NA	19,096,577	8,945,017	NA
Sec. 2 home mortgages	----	----	----	----	----	----	46,115	126,611	46,115
Sec. 8 home mortgages	5,714	32,308	5,714	15,897	89,389	15,897	38,193	203,551	38,193
Title II	302,532	3,077,457	316,049	180,448	1,831,974	203,483	3,180,439	22,178,701	3,416,391
Sec. 203 home mortgages	294,772	2,928,953	301,707	175,698	1,640,392	181,309	3,160,929	21,221,308	3,283,995
Sec. 207 project mortgages	47	39,059	5,108	100	92,928	11,442	765	447,220	80,560
Sec. 213 cooperative housing	1,078	22,880	2,599	4,640	98,512	10,722	12,100	423,466	45,191
Project mortgages	(24)	(13,854)	(1,545)	(138)	(56,417)	(6,220)	(307)	(312,464)	(33,398)
Home mortgages	(1,054)	(9,026)	(1,054)	(4,502)	(42,095)	(4,502)	(11,793)	(111,003)	(11,793)
Sec. 222	6,635	86,545	6,635	10	142	10	6,645	86,687	6,645
Sec. 225	(12)	20	(12)	----	----	----	(12)	20	(12)
Title VI	11	36	----	116	406	5	635,940	7,127,561	1,166,812
Sec. 603 home mortgages							624,653	3,645,212	690,007
Sec. 608 project mortgages	----	----	----	----	----	----	7,045	3,440,018	465,674
Sec. 609 manufactured-housing loans	11	36	NA	115	356	NA	756	5,316	NA
Sec. 610 public housing sales	----	----	----	1	6	1	3,386	24,468	9,072
Sec. 603–610 home mortgages	(—)	(—)	(—)	(1)	(6)	(1)	(3,363)	(16,109)	(5,157)
Sec. 608–610 project mortgages	(—)	(—)	(—)	(—)	(—)	(—)	(23)	(8,369)	(3,915)
Sec. 611 site-fabricated housing	----	----	----	----	----	----	100	12,546	2,059
Project mortgages	(—)	(—)	(—)	(—)	(—)	(—)	(25)	(11,991)	(1,984)
Home mortgages	(—)	(—)	(—)	(—)	(—)	(—)	(75)	(556)	(75)
Title VIII	9	22,406	2,681	30	74,764	9,310	269	674,345	83,757
Sec. 803	9	22,406	2,681	30	74,764	9,310	269	674,345	83,757
Title IX	2,696	28,838	3,450	18,144	180,110	22,227	56,386	572,253	73,245
Sec. 903 home mortgages	2,695	27,915	3,344	18,128	170,290	20,945	56,289	508,826	64,760
Sec. 908 project mortgages	1	923	106	16	9,820	1,282	97	63,427	8,485
Total [1]	1,335,660	3,806,937	[2] 327,885	1,721,115	3,067,250	[2] 250,922	23,053,919	39,828,037	[2] 4,824,513

[1] All tables presenting cumulative data for Sec. 207 include 106 mortgages for $7,782,866 and 2,176 units insured under Sec. 210.
[2] Excludes Title I, Sec. 2 property improvement loans, and Sec. 609.

As shown in Table 2, Title II insurance has aggregated $22 billion or 56 percent of the cumulative total, with $21 billion representing home mortgages insured under Section 203. Over $9 billion—nearly one-quarter of the total—has been insured under Title I, very largely in property improvement loans. Mortgages on homes and multifamily rental housing projects insured under the World War II and postwar emergency housing provisions of Title VI total slightly over $7 billion or about 18 percent of total FHA insurance written since 1934. Titles VIII and IX have each accounted for less than 2 percent of the cumulative total.

The outstanding balances of FHA-insured loans and mortgages still in force at the close of 1955 totaled $19.4 billion, or just under half of the $39.8 billion of FHA insurance written through that date. (Table 3). About $16.5 billion of FHA insurance contracts had been terminated, primarily through the prepayment of home mortgages before maturity and the maturity of short-term property improvement loans. The $23.3 billion original face amount of the insured mortgages and loans remaining in force had been reduced by about $3.9 billion through regular amortization payments. The proportion of insurance terminated has varied from program to program, reflecting differences in the date of enactment, the purpose of the program, the average term of the insured obligations, and the prepayment rate. The highest termination rates have been reported for Section 611 where most insurance covered financing of short-term construction loans, Section 609 involving short-term production and marketing credit, and Section 203 and 603 operations which have been characterized by high prepayment rates stemming from large volumes of property transfers and refinancing. With the exception of Section 207, terminations of multifamily project mortgages have been at a generally lower rate, reflecting longer mortgage durations and more recent legislative enactment of most of these programs. In the case of Section 207, most of the terminated insurance contracts covered pre-World War II projects, with a large proportion of the mortgages prepaid through refinancing.

FHA Influence on Residential Financing during 1955

The all-time high volume of $3 billion of home mortgages insured by FHA during 1955 was about 11 percent of the total of $28½ billion of nonfarm mortgages of $20,000 or less recorded during the year. This was significantly higher than the 8½ percent recorded in 1954, but about the same as the 11 percent average reported for the period 1951–53 and markedly below the 17 percent average for the years 1948–50 when the FHA share was at the highest levels in the postwar period. The FHA-insured portion of total home mortgage recordings has never exceeded the 25 percent peak established in 1942 when wartime building and credit restrictions tended to channel a larger proportion of home-mortgage financing to FHA. In the prewar years of 1939–41, FHA accounted for about one-fifth of

TABLE II–3

Status of FHA insurance written as of Dec. 31, 1955

[Dollar amounts in thousands]

		Insurance written	Insurance terminated	Insurance in force		
				Total	Amortized (estimated)	Net outstanding
Title I:						
Sec. 2 property improvement loans [1]	Number of loans	19,142,692	15,557,044	3,585,648		
	Net proceeds	$9,071,627	$6,689,612	$2,382,015	$1,308,637	$1,073,378
Sec. 8 home mortgages	Number of mortgages	38,193	1,321	36,872		
	Amount	$203,551	$6,315	$197,236	$11,042	$186,194
Title II:						
Sec. 203 home mortgages	Number of mortgages	3,160,929	1,400,024	1,760,905		
	Amount	$21,221,308	$7,290,373	$13,930,935	$1,811,237	$12,119,698
Sec. 207–210 project mortgages	Number of units	80,560	42,326	38,234		
	Amount	$447,220	$167,305	$279,915	$10,373	$269,542
Sec. 213 cooperative housing	Number of units	45,191	12,188	33,003		
	Amount	$423,466	$114,951	$308,515	$8,414	$300,101
Sec. 222 servicemen's housing	Number of mortgages	6,645	13	6,632		
	Amount	$86,687	$165	$86,521	$845	$85,676
Title VI (war and veterans' emergency programs):						
Sec. 603 home mortgages [2]	Number of mortgages	628,016	355,014	273,002		
	Amount	$3,661,321	$1,846,818	$1,814,503	$437,993	$1,376,509
Sec. 608 project mortgages [3]	Number of units	469,589	53,002	415,687		
	Amount	$3,448,378	$334,589	$3,113,789	$230,279	$2,833,510
Sec. 609 manufactured-housing loans [4]	Number of loans	756	756			
	Amount	$5,316	$5,316			
Sec. 611 site-fabricated housing	Number of units	2,059	1,989	70		
	Amount	$12,546	$12,027	$519	$44	$475
Title VIII (military project mortgages):						
Sec. 803	Number of units	83,757	1,124	82,633		
	Amount	$674,345	$9,414	$664,931	$25,171	$639,760
Title IX (defense housing program):						
Sec. 903 home mortgages	Number of mortgages	56,289	4,488	51,801		
	Amount	$508,826	$38,154	$470,672	$19,215	$451,457
Sec. 908 project mortgages	Number of units	8,485	847	7,638		
	Amount	$63,427	$6,495	$56,932	$1,664	$55,267
Total [5]	Amount	$39,828,037	$16,521,535	$23,306,503	$3,914,915	$19,391,587

[1] Includes home mortages insured under Sec. 2. [2] Includes 3,363 mortgages for $16,108,500 insured under Sec. 610 provision, of which 707 mortgages in the amount of $2,823,050 had been terminated, leaving 2,656 mortgages for $13,285,450 in force. [3] Includes 3,915 units (23 mortgages) for $8,359,500 insured under Sec. 610 provisions, of which 1,130 units (7 mortgages) in the amount of $2,040,300 had been terminated, leaving 2,785 units (16 mortgages) for $6,319,200 in force. [4] Includes 745 discounted purchasers' loans for $2,119,559, of which all have been terminated. [5] Includes open-end advances of $19,531 insured under the provisions of Sec. 225.

total recordings. (It may be noted that total recordings are not strictly comparable to FHA mortgage insurance, since there may be repetitive recordings for construction and interim short-term financing on properties subsequently financed with long-term mortgages either with or without mortgage insurance.)

On the basis of comparison with home-mortgage debt outstanding at the year end, the FHA proportion declined in 1955 as it has each year since 1950. Of the $89 billion of nonfarm home mortgages outstanding at the end of 1955, 16 percent was insured by the FHA—somewhat below the 17 percent in 1954 and the 19 percent in 1950. Of the nearly $13½ billion expansion in the total home mortgage debt during 1955, only $1½ billion was accounted for by increases in total FHA-insured mortgages, while over $5 billion was VA-guaranteed and the remaining $6.7 billion conventionally financed. The FHA outstanding home mortgage debt increased nearly 12 percent in 1955, the VA debt nearly 27 percent, and the outstanding amount of conventional home mortgages by 15 percent.

The actual extent of FHA influence in the home-mortgage financing field is probably somewhat understated when comparisons are made on the basis of mortgage recordings and outstanding home mortgage debt. Many new-home purchase transactions financed with VA-guaranteed or conventional mortgages have involved structures originally built under the FHA inspection procedure with construction loans arranged on the basis of FHA commitments. It is estimated that nearly half of the FHA-approved and inspected new homes completed under (Section 203) during 1955 were sold with GI or conventional permanent financing, compared with 44 percent in 1954, 30 percent in 1953, and 40 percent in 1952. Another facet of the FHA influence is demonstrated by the fact that FHA construction inspections were indicated in over one-fourth of the VA-appraisal assignments for proposed new homes during the period 1951–55.

No comparison of FHA multifamily project activity with a significant national total is possible because of the lack of comparable national total data on annual volumes of multifamily mortgage recordings and outstanding debt. The closest approximation to a comparable national figure is the Federal Reserve Board estimate of mortgage debt outstanding on both multifamily and commercial properties—totaling some $32 billion at the end of 1955. (It should be noted that commercial properties are not eligible for FHA mortgage insurance.) Of this amount, nearly $4 billion was covered by FHA project mortgage insurance.

The FHA-insured portion of consumer installment credit extended for home repair and modernization purposes declined to an estimated 45 percent of the total in 1955, compared with 66 percent in 1954 and an average of 75 percent for the years 1950–53. Of the $1.6 billion of this type of debt outstanding at the end of 1955 (as estimated by the Federal Reserve Board), an estimated three-fifths was covered by FHA insurance—markedly

TABLE II–4

Nonfarm dwelling units started under FHA programs compared with total for United States, 1935–55

Year	Home mortgage programs						Project mortgage programs								Total FHA units	Total United States nonfarm units [2]	FHA as percent of United States total
	Secs. 2 and 8 [1]	Sec. 203	Sec. 222	Sec. 603	Sec. 903	Total home units	Sec. 207	Sec. 213		Sec. 608	Sec. 611	Sec. 803	Sec. 908	Total project units			
								Sales type	Management type								
1935		13,220				13,220	738							738	13,964	215,700	6.5
1936		48,752				48,752	624							624	49,376	304,200	16.2
1937		56,980				56,980	3,023							3,023	60,003	332,400	18.1
1938	5,845	100,966				106,811	11,030							11,030	118,741	399,300	29.7
1939	10,783	133,874				144,657	13,462							13,462	158,119	458,400	34.5
1940	10,194	166,451				176,645	3,446							3,446	180,091	529,600	34.0
1941	9,145	180,156		27,790		217,091	3,296							3,296	220,387	619,500	35.6
1942	4,010	41,578		114,616		160,204	1,163			4,295				5,458	165,662	301,200	55.0
1943	307	338		125,474		126,119	41			19,994				20,035	146,154	183,700	79.6
1944		208		83,396		83,604				9,655				9,655	93,259	138,700	67.2
1945		17,049		21,818		38,897	200			2,062				2,262	41,159	208,100	19.8
1946		44,244		22,878		67,122	41			1,870				1,911	69,033	662,500	10.4
1947	217	20,884		157,168		178,269				50,766				50,766	229,035	845,600	27.1
1948	3,006	82,979		130,464		216,449				77,610				77,610	294,059	913,500	32.2
1949	3,261	241,559		7,806		252,626	813			109,995	100	268		111,176	363,802	988,800	36.8
1950	3,191	324,937		117		328,245	2,277	141		143,331	372	12,315		158,436	486,681	1,352,200	36.0
1951	9,357	177,435			132	186,924	4,651	1,780	5,888	39,826	1,328	23,126		76,599	263,523	1,020,100	25.8
1952	5,533	190,973			32,579	229,085	7,342	3,791	6,338	5,805	37	24,039	3,374	50,816	279,901	1,068,500	26.2
1953	4,572	181,436			30,501	216,509	7,451	2,519	5,464	199	195	15,575	4,057	35,460	251,969	1,068,300	23.6
1954	22,643	220,189	5		8,073	250,910	11,856	3,569	2,659	28		6,313	972	25,397	276,307	1,201,700	23.0
1955	296	267,411	329		619	268,655	4,180	539	987			2,334		8,040	276,695	1,309,500	21.1
Total	92,360	2,511,625	334	691,557	71,904	3,367,780	76,534	12,339	21,336	465,526	2,032	83,970	8,403	670,140	4,037,920	14,121,500	28.6

[1] Sec. 2 activity 1938-50; Sec. 8, 1950-55.
[2] Total number of privately financed nonfarm dwelling units started, as reported by the Bureau of Labor Statistics.

less than the 77 percent in 1954 and the average of 78 percent for the 1950–53 year ends.

Table 4 indicates that nearly 277,000 dwelling units were started under the FHA inspection system during 1955. About 269,000 units were in 1- to 4-family homes (second highest volume in FHA history) and 8,000 in multifamily housing projects. While FHA home starts registered a 7 percent increase over 1954, this was largely offset by a marked decrease in multifamily project activity, so that total FHA starts in 1955 registered a gain of less than 1 percent over the previous year.

In 1955, FHA's share of total privately financed starts continued to decline, slipping from 23 percent to 21 percent—the lowest proportion reported since 1946. (Chart 5.) During the height of its multifamily project activity during 1947–52, more than 1 of every 4 units were started under FHA inspection, and in 1949 and 1950, nearly 3 of every 8 units. The downward trend in the FHA proportion of total starts in the last 6 years reflects not only contraction in FHA's multifamily project operations but reduction in the proportion of home structures started under the FHA inspection system since 1950. A number of factors which may have influenced the latter development include the increase in the FHA application fee on proposed home construction to $45 in May 1950, increasing utilization of VA inspections by builders, decreased availability of mortgage funds following the

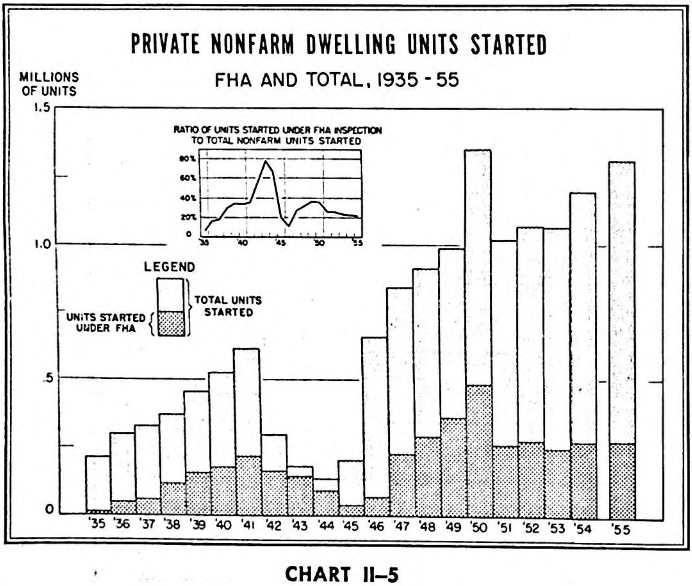

CHART II–5

discontinuance of Federal Reserve support of United States Government securities in 1951 and the tightening of the money market in 1953, increased downpayment and monthly payment requirements under the credit restriction policy effective during the Korean conflict, the competitive advantage in the secondary mortgage market of conventional mortgages with higher interest rates, and the more liberal downpayments available in VA-guaranteed transactions. Furthermore, in many areas of the country the homes in most demand were in price ranges where financing under FHA rules in effect before August 2, 1954 was no more favorable for new homes than for existing. Consequently, new homes could be produced advantageously without FHA compliance inspections and submitted later for mortgage insurance as existing properties. In the period 1952–55, the existing "new" homes covered by FHA insurance represented about one-fourth of the combined total of the FHA "regular" new-home transactions (i. e., approved prior to the beginning of construction) plus existing "new" homes (i. e., completed within the current or preceding calendar year).

FHA Workload

Applications for FHA mortgage insurance covering 628,000 dwelling units were received by FHA field offices during 1955—about 5,000 more than in 1954 and the third highest volume in the agency's history. Home mortgage receipts rose 7 percent to an all-time high of 618,600 units, reflecting a combination of a 30 percent gain in existing homes to a record high of 312,400 units and a 10 percent drop in new-home applications to 306,200 units. Applications for multifamily project insurance involved 9,400 units—only one-fifth of the 1954 volume and the lowest yearly level since 1945.

During 1955, FHA field offices processed (approved or rejected) applications (including those carried over from the previous year) involving over 639,000 dwelling units, or about one-fifth more than in 1954. Commitments for mortgage insurance were issued for transactions involving over 90 percent, or 598,000 units. The remainder of the applications were rejected because the property or the mortgagor failed to meet FHA eligibility requirements. Excluded from these processing workload data are cases which preliminary examination revealed to be patently ineligible for FHA insurance and which therefore were not assigned for processing, and preapplication appraisal work performed on public housing disposition projects and armed services housing projects.

In addition to the processing workload, FHA field offices had a construction inspection workload of approximately 397,000 units during 1955—3 percent more than in 1954.

VOLUME OF INSURANCE WRITTEN

This portion of the report indicates the annual trend in the volumes of FHA insurance written in each of its major programs—home mortgages, multifamily projects, and property improvement loans—by the related sections of the National Housing Act.

Home Mortgage Volume

During 1955 FHA home mortgage insurance was available under the various subsections of Title II, namely Section 203(b) for regular homes; Section 203(h) for disaster housing; Section 203(i) for moderate-cost suburban homes and farm homes; Section 213 for individual homes released from Section 213 sales-type projects; Section 220 for individual homes in urban renewal areas; Section 221 for individual homes for families relocated from urban renewal projects or displaced by other governmental action; Section 222 for career-servicemen's homes; Section 223 authorizing Section 203 and Section 213 insurance for homes involved in public-housing disposition projects, refinancing of existing mortgages insured under Section 903, and refinancing of mortgages taken by FHA in connection with the sale of acquired properties; and Section 225 for insuring "open-end" increases to existing mortgages. Until July 1, 1955, Section 903 insurance was available for defense housing specified by the President. Insurance was also written during the year pursuant to commitments which were outstanding under the Section 8 suburban home and disaster housing program terminated by the Housing Act of 1954.

No mortgages were insured by FHA during 1955 under the home mortgage provisions of Sections 220 and 221; the first applications under these Sections were not received until March 1956.

All but 5 percent of the FHA home mortgage insurance business in 1955 was written under Section 203, as shown in the following summary table.

Section	Total		New		Existing	
	Units	Amount	Units	Amount	Units	Amount
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
203	95	95	92	94	96	96
222	2	3	1	1	3	3
8	2	1	4	3	(1)	(1)
903	1	1	3	2	(1)	(1)
213	(1)	(1)	----	----	1	1
Total	100	100	100	100	100	100

[1] Less than 0.5 percent.

With the proportions of new-construction units attributable to the terminated Sections 8 and 903 down substantially, the Section 203 proportion increased to 92 percent from 70 percent the year before, while its existing-

TABLE II–5

Home mortgages insured by FHA, 1935–55

[Dollar amounts in thousands]

Year	Grand total [1]		Total new construction		New construction									
					Secs. 2 and 8 [2]		Sec. 203 [4]		Sec. 222		Sec. 603		Sec. 903	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
1935-39	513, 615	$2, 007, 777	235, 391	$1, 012, 590	16, 628	$37, 914	218, 763	$974, 676	----	----	----	----	----	----
1940-44	981, 388	4, 116, 585	738, 051	3, 117, 345	22, 373	61, 888	399, 467	1, 792, 224	----	----	316, 211	$1, 263, 233	----	----
1945-49	979, 451	6, 116, 754	540, 396	3, 693, 452	5, 591	20, 452	187, 002	1, 324, 183	----	----	347, 803	2, 258, 816	----	----
1950	351, 528	2, 492, 367	225, 269	1, 636, 678	1, 759	7, 428	221, 381	1, 613, 725	----	----	2, 129	15, 525	----	----
1951	261, 231	1, 928, 433	161, 673	1, 215, 535	6, 106	28, 514	155, 416	1, 187, 402	----	----	23	184	----	----
1952	246, 109	1, 942, 307	122, 764	968, 613	5, 615	29, 112	102, 695	831, 748	----	----	----	----	14, 449	$107, 716
1953	272, 299	2, 288, 626	151, 777	1, 258, 558	4, 276	21, 393	121, 981	1, 038, 234	----	----	----	----	25, 520	198, 933
1954	222, 665	1, 942, 266	121, 847	1, 035, 306	15, 826	89, 007	85, 184	777, 067	----	----	----	----	20, 836	169, 340
1955 [3]	318, 454	3, 084, 767	131, 116	1, 269, 179	5, 705	32, 259	120, 459	1, 188, 329	1, 608	$20, 676	----	----	3, 344	27, 915
Total	4, 146, 740	25, 919, 881	2, 428, 284	15, 117, 315	83, 879	327, 966	1, 612, 348	10, 727, 587	1, 608	20, 676	666, 300	3, 537, 181	64, 149	503, 904

Year	Total existing construction		Existing or refinanced construction													
			Sec. 8		Sec. 203		Sec. 213		Sec. 222		Sec. 603 and 603-610		Sec. 611		Sec. 903	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
1935-39	278, 224	$995, 187	----	----	278, 224	$995, 187	----	----	----	----	----	----	----	----	----	----
1940-44	243, 337	999, 240	----	----	236, 737	973, 301	----	----	----	----	6, 600	$25, 939	----	----	----	----
1945-49	439, 055	2, 513, 302	----	----	419, 194	2, 423, 058	----	----	----	----	19, 861	90, 244	----	----	----	----
1950	126, 259	855, 690	----	----	125, 186	852, 330	----	----	----	----	1, 073	3, 360	----	----	----	----
1951	99, 558	712, 898	46	$215	97, 991	706, 196	313	$2, 464	----	----	1, 202	3, 983	6	$40	----	----
1952	123, 345	973, 694	200	996	119, 673	940, 724	3, 235	30, 355	----	----	56	291	69	516	113	$819
1953	120, 522	1, 030, 068	103	553	117, 269	998, 977	2, 689	27, 062	----	----	72	323	----	----	389	3, 154
1954	100, 818	906, 899	71	382	96, 125	863, 325	4, 502	42, 095	10	$142	1	6	----	----	109	950
1955 [3]	187, 338	1, 815, 588	9	50	181, 248	1, 740, 624	1, 054	9, 026	5, 027	65, 868	----	----	----	----	----	----
Total	1, 718, 456	10, 802, 565	429	2, 195	1, 671, 647	10, 493, 721	11, 793	111, 003	5, 037	66, 010	28, 864	124, 139	75	556	611	4, 922

[1] For total number and amount of mortgages insured under each section in 1954, 1955, and cumulatively through the end of 1955, see Table 2.
[2] Sec. 2 activity, 1938-50; Sec. 8 activity, 1950-55.
[3] Grand total and total existing includes $19,531 insured under provisions of Sec. 225 open-end mortgage program.
[4] Section 203 new includes 436 units for $2,592,300 in 1954 and 14,557 units for $90,853,450 in 1955 insured under Sec. 203(i).

construction share was up slightly to over 96 percent. Section 203 has been the major FHA long-term home mortgage insurance vehicle during most of its existence. Only during the emergency period of World War II and the several postwar years immediately succeeding was it subordinate to another program—Section 603—which was specifically designed to cope with the special housing problems of those years.

In the first full year of its operation, the Section 222 servicemen's program accounted for 1,600 units or 1 percent of the new-home and 5,000 or 3 percent of the existing-home units. The proportion of existing-home units insured under the home mortgage provisions of Section 213 decreased from 4 percent in 1954 to 1 percent—slightly more than 1,000 units—in 1955 in line with the decrease in activity under the project mortgage provisions of that section.

Included in the Section 203 figure shown in Table 5 are the mortgages insured under the moderate-cost suburban home provisions of Section 203(i) which was enacted in 1954 to replace the terminated Section 8. Nearly all of these mortgages covered new construction, totaling in 1955 almost $91 million on over 14,500 units.

In response to heavy application receipts in the last half of 1954 and the first half of 1955—stemming from the ready availability of mortgage money and the liberalized credit terms provided under Section 203 by the Housing Act of 1954—FHA insurance of home mortgages in 1955 reached an all-time high amount of $3.1 billion on 318,400 dwelling units. For the second time since 1950, existing-home insurance exceeded that on new homes, attaining record-high levels of $1.8 billion and 187,300 units. New-home mortgages insured during the year totaled nearly $1.3 billion and covered 131,000 units. (See Chart 6 and Table 5.) [2] Compared with 1954, insurance on total homes was up 59 percent in amount and 43 percent in number of units, with new homes increasing 23 percent in amount and 8 percent in number of units while the existing-home amount more than doubled and the number of units increased by 86 percent.

Reflecting the higher maximum mortgage amounts authorized under Section 203 by the Housing Act of 1954 and increased building and land costs, the average amounts of total, new-, and existing-home mortgages increased in 1955 to their highest levels in FHA history—about $9,700 each. These increases represented gains over 1954 of $1,200 for new homes, $700 for existing homes, and $1,000 for new and existing combined.

Home mortgages insured by FHA represented only about one-half of the total cases closed in 1955, with commitment expirations accounting for two-fifths of the closings, and rejected applications for about 10 percent. Table 6 shows the trend of the disposition of Section 203 applications closed during

[2] Throughout this report, the terms "new construction" and "new homes" refer to properties approved for mortgage insurance before the beginning of construction and inspected by FHA during construction.

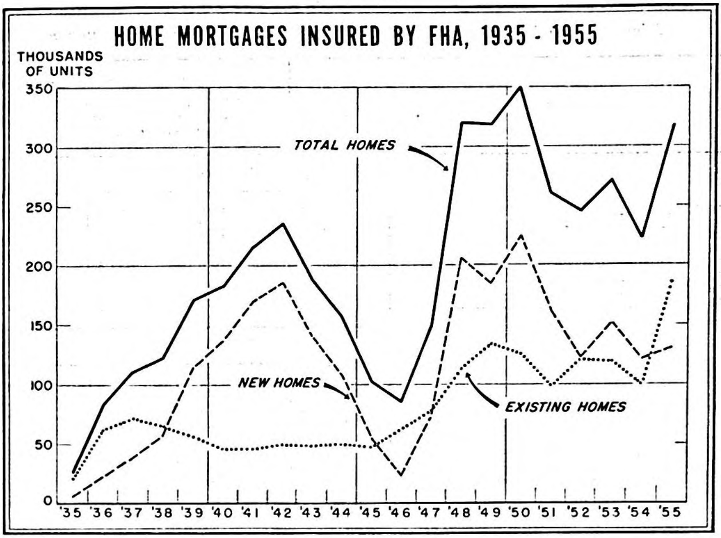

CHART II–6

selected years in the postwar period. For new-home cases closed in 1955 under Section 203, insurance endorsements accounted for 42.5 percent—the same as in 1954 and the lowest proportion since 1948. New-home commitment expirations for the second consecutive year exceeded insurance endorsements, increasing to 48 percent of the total—the highest expiration rate since 1947. Although the new-home rejection proportion was down to 9.5 percent from 13.5 percent in 1954, it was higher than in any other previous year since 1950. Of the existing homes closed under Section 203 in 1955, nearly 58 percent were insured—slightly more than in 1954 but lower than any other postwar year. The existing-home expiration rate rose to 31 percent from 27 percent in 1954, but rejections declined to 11 percent. The prevalent practice of many builders to use Section 203 commitments as security for construction loan advances on homes which on completion are sold with either VA-guaranteed or conventional financing is evidenced by the continuing low rate of new-home insurance endorsements and the increase in the expired commitment rate. The decline in the new- and existing-home rejection rate from 1954 may perhaps have been indicative of increasing familiarity on the part of builders and lenders with the FHA property and mortgage credit requirements of the Section 203 program as revised by the Housing Act of 1954.

TABLE II–6

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

Year	Number of cases closed	Percent of cases closed by— Rejection of application [1]	Expiration of commitment [1]	Insurance of mortgage
	Total construction			
1946	145,500	16.2	37.9	45.9
1948	244,985	19.3	26.3	54.4
1950	539,640	10.4	26.9	62.7
1951	436,755	7.1	36.7	56.2
1952	367,064	9.6	32.5	57.9
1953	395,640	6.6	34.9	58.5
1954	357,920	14.6	36.3	49.1
1955	584,779	10.4	39.2	50.4
	New construction			
1946	51,522	13.5	65.9	20.6
1948	69,271	26.9	31.6	41.5
1950	345,478	9.5	27.2	63.3
1951	297,204	5.5	43.3	51.2
1952	194,029	8.1	41.5	50.4
1953	207,151	5.2	37.5	57.3
1954	196,291	13.5	44.0	42.5
1955	281,065	9.5	48.0	42.5
	Existing construction			
1946	93,978	17.6	22.6	59.8
1948	175,714	16.3	24.2	59.5
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
1953	188,489	8.2	32.0	59.8
1954	161,629	16.0	26.8	57.2
1955	303,714	11.3	31.0	57.7

[1] Excludes cases reopened after rejection or expiration.

Project Mortgage Volume

During 1955 authority to insure mortgages to finance the construction or purchase of multifamily housing was provided under the following programs: Title II, Section 207, covering (1) new and rehabilitated rental housing, (2) sale of public housing by certain Federal or State agencies, (3) refinanced Section 608 or Section 908 mortgages, (4) commissioner-held mortgages assigned and properties acquired under provisions of Title II, Title VI, Title VII, Title VIII, or Title IX, upon sale, and (5) trailer courts or trailer parks;[3] Section 213 cooperative housing; Section 220 redevelopment housing; and Section 221 relocation housing; Title VIII, Section 803, armed services housing; and Title IX, Section 908, defense housing. In addition, insurance of equity financing for rental projects is provided under the Title VII program for yield insurance. An explanation of the purposes of these various programs appears at the beginning of this report.

[3] Provided by the Housing Act of 1955.

TABLE II–25 (continued)

Purchases of FHA-insured mortgages and loans by type of institution, 1955

[Dollar amounts in thousands]

Section	Type of institution								
	National bank	State bank	Mortgage company	Insurance company	Savings and loan association	Savings bank	Federal agency	All other	Total
PERCENTAGE DISTRIBUTION OF AMOUNT									
Home programs:									
Sec. 8	1.7	1.5	0.4	14.5	9.4	37.4	32.0	3.1	100.0
Sec. 203	10.1	8.6	1.2	46.9	2.2	25.1	3.6	2.3	100.0
Sec. 213H	.9	(3)	.2	-------	-------	14.3	83.4	1.2	100.0
Sec. 222	5.6	1.2	.7	61.3	1.8	26.8	2.0	.6	100.0
Sec. 603	25.5	41.0	1.5	12.9	12.2	5.6	(3)	1.3	100.0
Sec. 903	.6	.2	14.9	2.7	.8	2.1	78.2	.5	100.0
Total	9.6	8.5	1.7	42.6	2.6	24.2	8.6	2.2	100.0
Project programs:									
Sec. 207	2.8	17.5	3.5	17.7	-------	48.0	3.2	7.3	100.0
Sec. 213P	-------	-------	-------	3.0	-------	94.2	2.8	-------	100.0
Sec. 608	2.1	13.2	1.2	58.6	-------	24.9	-------	-------	100.0
Sec. 803	-------	-------	4.8	5.0	-------	6.4	77.4	6.4	100.0
Sec. 908	2.8	-------	-------	-------	-------	33.3	52.5	11.4	100.0
Total	1.3	7.8	2.8	26.8	-------	25.8	31.4	4.1	100.0
Property improvement loans: Sec. 2	57.8	39.9	1.6	-------	.1	.1	-------	.5	100.0
Total all programs	12.1	10.8	1.8	37.2	2.1	22.6	11.1	2.3	100.0
NUMBER OF PURCHASING INSTITUTIONS									
Home programs:									
Sec. 8	25	35	15	37	52	47	1	5	217
Sec. 203	414	478	98	245	256	191	1	67	1,750
Sec. 213H	2	1	1	-------	-------	4	1	2	11
Sec. 222	16	8	3	58	10	35	1	2	133
Sec. 603	52	40	10	21	21	18	1	3	166
Sec. 903	6	3	5	6	1	12	1	1	35
Project programs:									
Sec. 207	2	5	2	11	-------	12	1	2	35
Sec. 213P	-------	-------	-------	1	-------	4	1	-------	6
Sec. 608	3	4	1	6	-------	6	-------	-------	20
Sec. 803	-------	-------	1	1	-------	3	1	2	8
Sec. 908	1	-------	-------	-------	-------	3	1	2	7
Property improvement loans: Sec. 2	64	55	9	-------	6	3	-------	3	140

1 Includes related Sec. 610 mortgages.
2 Excludes Sec. 611 home mortgages.
3 Less than 0.05 percent.

a moderately lower level than in 1954, declining 5 percent to $773 million or 58 percent of the total, compared with 61 percent in 1954. Virtually all of the decline occurred in sales of Section 903 mortgages. (See Table 26.)

Accounting for the major remaining portion of FHA home mortgage sales in 1955 were State banks with $218 million or 16 percent of the total and national banks with $171 million or 13 percent. For both types of institutions this represented gains of 20 percent over their 1954 sales.

Table 26 shows that mortgage companies were responsible for the bulk of sales of mortgages insured under Sections 8, 203, 213, 222, and 903, with State banks and savings banks selling the major portion of the Section 603 mortgages.

Purchase and Sale of Multifamily Housing Mortgages.—The $236 million involved in project mortgage transfers between financial institutions during 1955 represented a decrease of 30 percent from 1954 and was the lowest dollar volume recorded since tabulation of these data was initiated in 1950. The largest dollar volume ($88 million) of the secondary market activity for 1955 involved Section 608 mortgages and was more than double the previous year's total for this section. With this exception, all project programs showed marked declines—Section 803 reporting $86 million as compared to $186 million during 1954, while Section 908 mortgage transfers represented less than one-third of the 1954 volume.

TABLE II–26

Sales of FHA-insured mortgages and loans by type of institution, 1955

[Dollar amounts in thousands]

Section	Type of institution								
	National bank	State bank	Mortgage company	Insurance company	Savings and loan association	Savings bank	Federal agency	All other	Total
NUMBER OF MORTGAGES AND LOANS									
Home programs:									
Sec. 8	1,049	427	7,512	98	217	81	207	186	9,777
Sec. 203	16,733	22,735	70,476	6,724	4,810	1,730	727	3,313	127,248
Sec. 213H	106		1,340	1				464	1,911
Sec. 222	48	53	623	23	9			5	761
Sec. 603	624	1,991	131	170	185	756	340	411	4,608
Sec. 903	647	295	3,388		112		875	8	5,325
Total	19,207	25,501	83,470	7,016	5,333	2,567	2,149	4,387	149,630
Project programs:									
Sec. 207	10	23	19			7			59
Sec. 213P		5	3						8
Sec. 608	8	34	8	15		45		1	111
Sec. 803	13	16	2	1	1	1	1		35
Sec. 908	3	8	2				1		14
Total	34	86	34	16	1	53	2	1	227
Property improvement loans: Sec. 2	111,308	48,370	15,119		698	565		3,926	179,986
Total all programs	130,549	73,957	98,623	7,032	6,032	3,185	2,151	8,314	329,843
FACE AMOUNT OF MORTGAGES AND LOANS									
Home programs:									
Sec. 8	$5,928	$2,282	$42,391	$522	$1,170	$461	$1,100	$1,034	$54,887
Sec. 203	151,757	200,536	677,257	64,456	41,696	13,579	5,144	26,406	1,180,830
Sec. 213H	1,075		11,098	6				5,230	17,409
Sec. 222	613	723	8,299	305	128			59	10,126
Sec. 603 [1]	4,460	11,718	673	851	1,667	5,612	2,612	2,990	30,584
Sec. 903	6,804	2,605	33,610		951		7,616	65	51,650
Total [2]	170,638	217,863	773,328	66,140	45,611	19,651	16,472	35,783	1,345,486
Project programs:									
Sec. 207	7,449	19,093	8,627			3,876			39,044
Sec. 213P		8,771	2,693						11,464
Sec. 608 [1]	853	12,900	14,504	5,902		51,907		1,971	88,037
Sec. 803	34,861	39,024	2,014	902	4,304	3,367	1,215		85,686
Sec. 908	1,879	9,267	502				134		11,781
Total	45,042	89,055	28,339	6,804	4,304	59,149	1,349	1,971	236,012
Property improvement loans, Sec. 2	80,611	35,718	9,514		485	537		2,254	120,117
Total all programs	296,290	342,636	811,181	72,943	50,400	79,337	17,821	40,008	1,710,616

See footnotes on next page.

TABLE II–26 (continued)

Sales of FHA-insured mortgages and loans by type of institution, 1955

[Dollar amounts in thousands]

Section	Type of institution								
	National bank	State bank	Mortgage company	Insurance company	Savings and loan association	Savings bank	Federal agency	All other	Total
PERCENTAGE DISTRIBUTION OF AMOUNT									
Home programs:									
Sec. 8	10.8	4.2	77.2	1.0	2.1	0.8	2.0	1.9	100.0
Sec. 203	12.9	17.0	57.4	5.5	3.5	1.1	.4	2.2	100.0
Sec. 213H	6.2	-------	63.8	(3)	-------	-------	-------	30.0	100.0
Sec. 222	6.1	7.1	81.9	3.0	1.3	-------	-------	.6	100.0
Sec. 603	14.6	38.3	2.2	2.8	5.4	18.4	8.5	9.8	100.0
Sec. 903	13.2	5.0	65.1	-------	1.8	-------	14.8	.1	100.0
Total	12.7	16.2	57.5	4.9	3.4	1.5	1.2	2.6	100.0
Project programs:									
Sec. 207	10.1	48.9	22.1	-------	-------	9.9	-------	-------	100.0
Sec. 213P	-------	76.5	23.5	-------	-------	-------	-------	-------	100.0
Sec. 608	1.0	14.6	16.5	6.7	-------	50.0	-------	2.2	100.0
Sec. 803	40.7	45.5	2.4	1.1	5.0	3.9	1.4	-------	100.0
Sec. 908	15.9	78.7	4.3	-------	-------	-------	1.1	-------	100.0
Total	19.1	37.7	12.0	2.9	1.8	25.1	.6	.8	100.0
Property improvement loans, Sec. 2	62.4	27.7	7.4	-------	.4	.4	-------	1.7	100.0
Total all programs	17.3	20.0	47.4	4.3	3.0	4.6	1.1	2.3	100.0
NUMBER OF SELLING INSTITUTIONS									
Home programs:									
Sec. 8	19	21	120	13	17	5	1	6	202
Sec. 203	434	438	694	229	145	49	1	28	2,018
Sec. 213H	3	-------	16	1	-------	-------	-------	2	22
Sec. 222	22	19	156	14	4	-------	-------	3	218
Sec. 603	50	52	13	21	13	14	1	3	167
Sec. 903	8	11	56	-------	3	-------	1	2	81
Project programs:									
Sec. 207	8	11	13	-------	-------	3	-------	-------	35
Sec. 213P	-------	1	3	-------	-------	-------	-------	-------	4
Sec. 608	1	7	1	3	-------	8	-------	1	21
Sec. 803	5	7	2	1	1	1	1	-------	18
Sec. 908	2	4	2	-------	-------	-------	1	-------	9
Property improvement loans: Sec. 2	98	75	11	-------	6	2	-------	9	201

[1] Includes related Sec. 610 mortgages.
[2] Excludes Sec. 611 home mortgages.
[3] Less than 0.05 percent.

The largest purchaser of FHA-insured project mortgages in 1955 was the Federal National Mortgage Association, which accounted for 31 percent of the total, principally mortgages insured under the Section 803 program. Insurance companies ranked second with 27 percent of the total dollar purchases, and savings banks, accounting for 26 percent, ranked third (Table 25).

For the years prior to 1955, savings banks were the leading purchasers of project mortgages. During the period 1950–55 this type of institution purchased one-third or more of all FHA-insured project mortgages sold each year in the secondary market. Insurance companies ranked second in dollar purchases during 1950–52 and 1955, while Federal agencies accounted for the second largest proportion in 1953-54.

The number and original principal amount of FHA-insured project mortages sold during 1955 are presented in Table 26 by type of lending institution. State banks, accounting for 38 percent of the total, led in sales. Departing from an established trend, savings banks ranked second (25 percent) whereas in former years they accounted for only small proportions of the total sales. National banks sold the third largest share (19 percent) while Federal agencies, reporting less than 1 percent of the total sales this year, dropped markedly from the 24 percent shown in 1954.

For the six-year period 1950–55, State banks were the leading sellers of project mortgages. National banks ranked second for the years 1950–54, and savings banks in 1955. For this period, these leading sellers (exclusive of savings banks in 1955) were also the leading originators. The leading purchasers—savings banks and insurance companies—also generally held the largest proportions of project mortgages. Though Federal agencies increased their proportion of project mortgages purchased during 1953–55, their share of holdings increased to only 4 percent of the total at the end of 1955, and the large share of sales attributable to savings banks during 1955 had no appreciable effect on their holdings since their dollar volume of sales was just slightly less than their purchases.

PURCHASE AND SALE OF PROPERTY IMPROVEMENT LOANS.—In 1955, FHA compiled, for the first time, data on the secondary market transfers of Title I property improvement loans. Tables 25 and 26 reveal that commercial banks, the major source of Title I financing, accounted for $9 out of every $10 of both purchases and sales during the year. Only $129 million in Title I paper was transferred, primarily because these are short-term notes and it has been customary in the past for lenders to hypothecate notes for short periods rather than to transfer formally all or part of their portfolio. However, 64 national banks purchased $75 million in Title I property improvement notes in 1955—28 percent of the purchases by this type of lender under all programs. State banks, another major purchaser, bought $52 million of the total $129 million transferred during 1955.

National banks and State banks were also the most active sellers, accounting for $116 million of the total sales. Mortgage companies, which sold almost $10 million in Title I paper, accounted for the bulk of the remaining sales.

TERMINATIONS, DEFAULTS, AND CLAIMS PAID

Data on the termination and default status of FHA-insured home and multifamily project mortgages and on claims paid on defaulted Title I property improvement loans are presented in this section of the report. As shown in Table 3, total terminations of FHA-insured mortgages and loans have aggregated over $16½ billion or 41 percent of the total amount insured. During 1955, over $2.4 billion of FHA insurance contracts were terminated—$1.3 billion in home mortgages, $1.0 billion in Title I property improvement loans, and $0.1 billion in multifamily project mortgages.

Terminations of Home and Project Mortgages by Type

Over one and three-fourths million FHA-insured home mortgages totaling $9.2 billion in original face amount had been terminated by the close of 1955. In force at that date were over 2 million home mortgages with face amounts aggregating $16.6 billion—approximately equal to the amount of home mortgage insurance written in the last seven and one-half years.

Termination of an FHA mortgage insurance contract occurs when:

1. The loan is paid in full at maturity.
2. The loan is prepaid prior to maturity. If prepaid without refinancing, or with the proceeds of a non-FHA mortgage involving the same or a new mortgagor, it is classified as a prepayment in full. If the prepayment involves refinancing with a new FHA-insured mortgage, it is classified as a prepayment by supersession.
3. The mortgage is foreclosed and title to the property is acquired by the mortgagee. The mortgagee may either transfer title to FHA in exchange for debentures and a certificate of claim for those foreclosure expenses not covered by the debentures, or retain the property, in which case the mortgagee "withdraws" from the FHA contract and foregoes its insurance privileges. (Also classified as "withdrawals" are cases where mortgage is foreclosed and the property is purchased by a party other than the mortgagee).

Table 27 shows that nearly all (98 percent) of the terminations of FHA home mortgage insurance contracts resulted from prepayments, 81 percent prepaid in full and nearly 17 percent by supersession. Foreclosures, i. e., properties acquired by the mortgagees, have represented only 1½ percent of the total, including slightly over 1 percent in which the properties were transferred to FHA in exchange for debentures. Only in the Section 903 defense housing program have foreclosures been predominant, accounting for 72 percent of the total terminations under this program. Although nearly half of the home mortgage foreclosures through the end of 1955 had occurred under the Section 603 program, these represented less than 4 percent of the total terminations for this program. Another 38 percent of the total foreclosures involved Section 203 mortgages, but these constituted only seven-tenths of 1 percent of all Section 203 terminations.

Mortgagees had decided to forego their insurance privileges in connection with some 6,200 of the properties acquired after default, probably because it was believed that they could be disposed of more profitably in the sales or rental market. Most of these—nearly 2 of every 3—were properties originally insured under Section 203, another third having been insured under Section 603.

Table 28 shows the disposition of the 20,844 home properties transferred to FHA under terms of the insurance contracts through December 31,

TABLE II–27

Termination of FHA-insured home mortgages, by type, 1935–55

[Dollar amounts in thousands]

Disposition	Total[1]		Sec. 8		Sec. 203		Sec. 213	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Mortgages insured	3, 901, 040	$25, 793, 251	38, 193	$203, 551	3, 160, 929	$21, 221, 308	11, 793	$111, 003
Mortgages terminated:								
Prepaid in full	1, 427, 343	7, 389, 366	885	4, 209	1, 161, 342	6, 007, 764	98	886
Prepaid by supersession	200, 424	1, 571, 617	200	1, 389	212, 355	1, 173, 010	24	166
Matured loans	16, 523	47, 686			15, 515	47, 645		
Properties acquired by mortgagee:								
Transferred to FHA	20, 844	134, 292	128	631	6, 197	35, 092	17	143
Retained by mortgagee	6, 219	37, 129	16	77	4, 109	21, 502		
Other terminations	651	2, 967	2	9	506	2, 360		
Total terminations	1, 761, 004	9, 183, 057	1, 321	6, 315	1, 400, 024	7, 290, 373	139	1, 195
Mortgages in force	2, 140, 936	16, 610, 193	36, 872	197, 236	1, 760, 905	13, 930, 935	11, 654	109, 808

Disposition	Sec. 222		Sec. 603		Sec. 603–610		Sec. 611		Sec. 903	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Mortgages insured	6, 645	$86, 687	621, 653	$3, 645, 212	3, 363	$16, 109	75	$556	56, 289	$503, 826
Mortgages terminated:										
Prepaid in full	13	165	263, 470	1, 365, 737	556	2, 232	4	29	966	8, 344
Prepaid by supersession			77, 323	393, 961	137	542	1	8	294	2, 542
Matured loans			8	40						
Properties acquired by mortgagee:										
Transferred to FHA			11, 261	71, 113	13	46			3, 228	27, 268
Retained by mortgagee			2, 093	12, 546	1	3				
Other terminations			143	598						
Total terminations	13	165	354, 307	1, 843, 995	707	2, 823	5	37	4, 488	33, 154
Mortgages in force	6, 632	86, 521	270, 346	1, 801, 217	2, 656	13, 285	70	519	51, 801	470, 672

[1] Excludes Sec. 2 home mortgages and Sec. 225 open-end increases.

TABLE II–28

Disposition of FHA-acquired home properties, Dec. 31, 1955

Section	Total number acquired	Number of properties sold				Number of properties on hand
		Total	Sold for all cash	Sold for cash and notes [1]	Sold for notes only	
8	128	88	3	84	1	40
203	6,197	5,739	881	4,841	17	458
213	17	6		6		11
222						
603 [2]	11,274	10,080	2,119	7,827	134	1,194
611						
903	3,228	476	25	451		2,752
Total	20,844	16,389	3,028	13,209	152	4,455

[1] Or contracts of deed.
[2] Includes Sec. 603–610 cases.

1955. Nearly four-fifths of these have been sold, including about one-seventh sold for cash and five-eighths sold for cash and notes. Many of these mortgage notes have been sold by FHA either outright or with FHA insurance coverage. Of the total properties acquired, about 54 percent were from Section 603 transactions, 30 percent from Section 203, and 15 percent from Section 903. All but 7 percent of the Section 203 acquired properties and all but about 10 percent of the Section 603 properties have been sold. Reflecting the recency of the Section 903 acquisitions, fully 85 percent of these properties were still on hand at the year end. More detailed information on FHA financial experience with acquired properties is presented in Section 5 of this report.

Some 1,419 FHA-insured project mortgages with original face amounts totaling $643.5 million had been terminated by the end of 1955. This represented nearly one-eighth of all project mortgage insurance written through that date. Mortgages covering 7,112 projects with original face amounts aggregating $4,314.3 million remained in force at the year end.

The bulk of terminated project mortgages were those prepaid prior to the maturity of the obligation. These accounted for nearly two-thirds of the amount of all terminations and included prepayments in full ($391 million) and prepayments by supersession with another insured mortgage ($17 million). Practically all of the remaining terminations were the result of default on the part of mortgagors. Termination through default occurs when the mortgagee, in exchange for FHA debentures, assigns the mortgage to FHA without foreclosing or forecloses and transfers title to the property to FHA. In addition, the mortgagee may foreclose, withdraw from the mortgage insurance contract, and retain title to the property. Through 1955, 475 project mortgages had been terminated as a result of default. Of these, there had been 275 instances in which titles to the property were transferred to FHA, 191 mortgages had been assigned to FHA without foreclosure, and titles to 9 properties were retained by mortgagees. Other types of terminations involved less than one-half of 1 percent of the total amount of all terminations, and it may be noted that no project mortgages have been terminated through maturity of the obligation. The distribution of terminations, by type, for the several project programs is presented in Table 29.

During 1955, 189 project mortgages were prepaid in full and 1 by supersession. Of the prepayments in full, 90 were under the Section 213 cooperative program, all but 1 being sales-type projects in which the properties (single-family dwellings) are released from the lien of the blanket mortgage and conveyed to individual members of the cooperative, thus dissolving

TABLE II–29

Terminations of FHA-insured multifamily housing mortgages, by type, 1935–55

[Dollar amounts in thousands]

Disposition	All sections		Sec. 207		Sec. 213		Sec. 608	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Mortgages insured	8,531	$4,957,824	765	$447,220	307	$312,464	7,045	$3,440,018
Mortgage insurance terminated:								
Prepayments in full	900	391,213	322	130,286	185	111,564	362	135,595
Prepayments by supersession	30	17,310	13	8,032			17	9,278
Matured loans								
Default terminations:								
Mortgages assigned by mortgagee:								
Mortgage held or sold by FHA	191	116,237	8	9,070	2	1,974	166	90,686
Title acquired by FHA	116	32,661	3	905	1	219	111	30,544
Titles acquired by mortgagee:								
Property transferred to FHA	159	81,891	22	16,667			135	64,553
Property retained by mortgagee	9	1,639	7	1,407			2	232
Other terminations	14	2,598	9	938			5	1,660
Total terminations	1,419	643,549	384	167,305	188	113,756	798	332,548
Mortgages in force, Dec. 31, 1955	7,112	4,314,274	381	279,915	119	198,708	6,247	3,107,470

Disposition	Sec. 608–610		Sec. 611		Sec. 803		Sec. 908	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Mortgages insured	23	$8,360	25	$11,991	269	$674,345	97	$63,427
Mortgage insurance terminated:								
Prepayments in full	6	1,778	25	11,991				
Prepayments by supersession								
Matured loans								
Default terminations:								
Mortgages assigned by mortgagee:								
Mortgage held or sold by FHA					4	9,006	11	5,501
Title acquired by FHA							1	994
Titles acquired by mortgagee:								
Property transferred to FHA	1	263			1	408		
Property retained by mortgagee								
Other terminations								
Total terminations	7	2,040	25	11,991	5	9,414	12	6,495
Mortgages in force, Dec. 31, 1955	16	6,319			264	664,931	85	56,932

the mortgagor corporation originally organized for the purpose of constructing homes for members. The bulk (88) of the remaining prepayments in full were under the high-volume Section 608 program. There were 80 mortgages terminated in 1955 by reason of default on the part of mortgagors. Of these, 75 were under the Section 608 program; 10 under Section 207; 8, Section 908; 4, Section 803; and 1, Section 608–610 (publicly built housing).

The disposition of projects and mortgage notes acquired by the FHA is shown in Table 30. Though 51 projects were acquired by FHA during 1955, the inventory of properties on hand showed an increase of only 11 projects—totaling 146 as compared to 135 at the end of 1954. Through December 31, 1955, the FHA had sold a total of 129 of the 275 projects acquired. Dwelling units contained in these sold projects exceeded more than one-half of the total units in projects acquired by the FHA. As noted in the table, 8 projects had been sold with reinsurance, 14 had been sold without reinsurance, and 107 had been sold with FHA holding the mortgage. As of the year end 191 defaulted mortgages had been assigned to the FHA without foreclosure.

TABLE II–30

Disposition of FHA-acquired multifamily housing properties and mortgages, Dec. 31, 1955

Section	FHA-acquired multifamily housing properties [1]						Mortgage notes assigned to FHA				
	Total	Properties sold by FHA				On hand	Total	Mortgage notes sold by FHA			On hand
		Total	With reinsurance	Without reinsurance	With mortgage held by FHA			Total	With reinsurance	Without reinsurance	
Number of projects:											
Sec. 207	25	19	7	4	8	6	8	1	1		7
Sec. 213	1					1	2	1		1	1
Sec. 608	246	109	1	9	99	137	166	1		1	165
Sec. 608–610	1	1		1							
Sec. 803	1					1	4				4
Sec. 908	1					1	11				11
Total	275	129	8	14	107	146	191	3	1	2	188
Number of units:											
Sec. 207	3,827	3,077	1,491	704	882	750	1,588	1,102	1,102		486
Sec. 213	26					26	185	144		144	41
Sec. 608	13,990	6,246	594	493	5,159	7,744	12,203	42		42	12,161
Sec. 608–610	150	150		150							
Sec. 803	55					55	1,069				1,069
Sec. 908	128					128	719				719
Total	18,176	9,473	2,085	1,347	6,041	8,703	15,764	1,288	1,102	186	14,476

[1] Includes projects acquired by FHA after assignment of mortgage notes to FHA.

Terminations of Home and Project Mortgages by Years

The yearly trend of the number of total FHA home mortgage terminations, foreclosures, and FHA property acquisitions is shown in Table 31 for the period 1950–55, together with corresponding cumulatives and the percentage relationships to mortgages insured. Total home mortgage terminations in 1955 increased by over one-third to nearly 178,000—the second largest number in FHA history. Most of these occurred under Sections 203 and 603.

Prepayments accounted for all but 4 percent of the home mortgage terminations during 1955, probably reflecting the high rate of property transfers during the year. In most of the individual programs, prepayments were preponderant. Only under the Section 903 Defense Housing Program did foreclosures account for the bulk of the year's terminations. In fact, of the total of 4,000 foreclosures of FHA-insured home mortgages (the highest

TABLE II–31

Terminations of FHA-insured home mortgages, by years, 1950–55

Year	Total terminations			Foreclosures [1]			FHA acquisitions		
	Number for the period	Cumulative through end of year		Number for the period	Cumulative through end of year		Number for the period	Cumulative through end of year	
		Number	Percent of total insured		Number	Percent of total insured		Number	Percent of total insured
Total: [2]									
1950	131, 833	1, 116, 795	42. 50	2, 610	16, 301	0. 62	1, 860	12, 707	0. 48
1951	109, 795	1, 226, 590	42. 58	1, 523	17, 824	. 62	1, 142	13, 849	. 48
1952	101, 134	1, 327, 721	42. 62	1, 478	19, 302	. 62	893	14, 742	. 47
1953	123, 624	1, 451, 348	42. 98	1, 132	20, 434	. 61	733	15, 475	. 46
1954	131, 910	1, 583, 258	44. 09	3, 415	23, 849	. 66	1, 573	17, 048	. 47
1955	177, 746	1, 761, 004	45. 13	4, 021	27, 870	. 71	3, 796	20, 844	. 53
Sec. 8:									
1951	2	2	. 03	---	---	---	---	---	---
1952	89	91	. 75	5	5	. 04	2	2	. 02
1953	193	284	1. 71	64	69	. 42	55	57	. 34
1954	283	567	1. 75	45	114	. 35	25	82	. 25
1955	754	1, 321	3. 46	79	193	. 51	46	128	. 34
Sec. 203:									
1950	97, 144	880, 845	44. 02	677	6, 324	. 32	225	4, 333	. 22
1951	85, 506	966, 351	43. 02	760	7, 084	. 32	407	4, 740	. 21
1952	81, 301	1, 047, 652	42. 60	684	7, 768	. 32	282	5, 022	. 20
1953	101, 832	1, 149, 484	42. 72	741	8, 509	. 32	263	5, 285	. 20
1954	105, 603	1, 255, 087	43. 79	1, 131	9, 640	. 34	427	5, 712	. 20
1955	144, 937	1, 400, 024	44. 29	1, 096	10, 736	. 34	485	6, 197	. 20
Sec. 213:									
1952	1	1	. 03	---	---	---	---	---	---
1953	10	11	. 18	---	---	---	---	---	---
1954	22	33	. 31	4	4	. 04	3	3	. 03
1955	106	139	1. 18	46	50	. 42	14	17	. 14
Sec. 222: 1955	13	13	. 20	---	---	---	---	---	---
Sec. 603: [3]									
1950	34, 689	235, 950	37. 62	1, 933	9, 977	1. 59	1, 635	8, 374	1. 34
1951	24, 287	260, 237	41. 45	763	10, 740	1. 71	735	9, 109	1. 45
1952	19, 743	279, 980	44. 59	789	11, 529	1. 84	609	9, 718	1. 55
1953	21, 425	301, 405	47. 99	305	11, 834	1. 88	412	10, 130	1. 61
1954	25, 113	326, 518	51. 99	1, 114	12, 948	2. 06	427	10, 557	1. 68
1955	28, 496	355, 014	56. 53	492	13, 440	2. 14	717	11, 274	1. 80
Sec. 903:									
1953	161	161	. 45	22	22	. 06	3	3	. 01
1954	889	1, 050	1. 96	1, 121	1, 143	2. 13	691	694	1. 29
1955	3, 438	4, 488	7. 97	2, 308	3, 451	6. 13	2, 534	3, 228	5. 73

[1] Includes terminations with titles transferred to FHA or retained by mortgagee; also foreclosed properties held by mortgagees pending redemption period or final disposition—49 under Sec. 8, 430 under Sec. 203, 33 under Sec. 213, 72 under Sec. 603, and 223 under Sec. 903.

[2] Includes Sec. 611 home cases.

[3] Includes Sec. 603–610 cases.

number in the agency's history), well over half occurred under Section 903, reflecting a twofold increase over the previous year in foreclosures under this program. Section 203 foreclosures, on the other hand, declined slightly, while Section 603 foreclosures were less than half of what they were in 1954.

Reflecting primarily the accelerated rate of Section 903 foreclosures, the number of home mortgage properties transferred to FHA in exchange for debentures in 1955 increased more than twofold to nearly 3,800—the largest number on record. Two of every three of these represented a Section 903 transaction, FHA acquisitions under this program during the year being well over three times what they were in 1954. Section 203 acquisitions were slightly higher than in the previous year, but Section 603 increased two-thirds to over 700—the largest number under this program since 1951.

When related to cumulative insurance written, total home mortgage foreclosures (including those being retained by mortgagees pending final disposition) constituted only seven-tenths of 1 percent at the end of 1955—slightly higher than the comparable figures for other recent years. With the Section 203 ratio remaining constant at about three-tenths of 1 percent and Section 603 just over 2 percent, most of the increase in the overall ratio of foreclosures to mortgages insured stemmed from the substantial increase in the Section 903 ratio from 2 percent in 1954 to 6 percent in 1955.

Chart 12 shows the trends in the yearly rates of FHA home mortgage terminations for total types, for prepayments (in full and by supersession), for

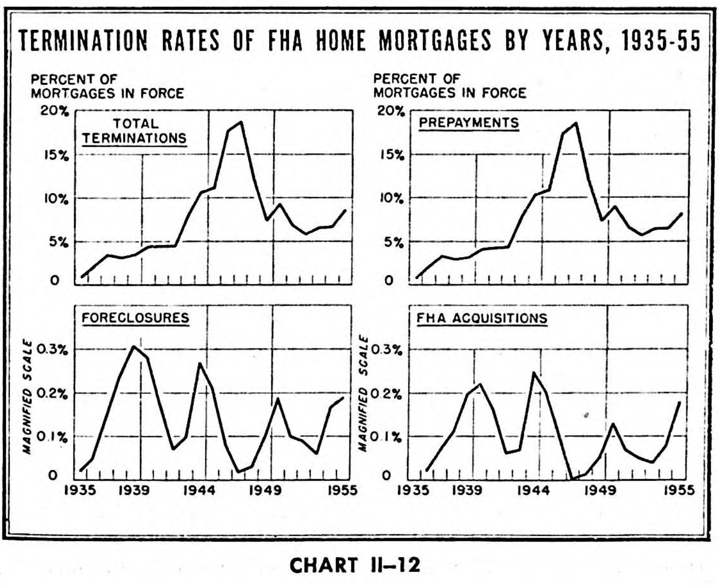

CHART II–12

total foreclosures, and for those foreclosures that result in transfer of properties to FHA. The rates represent the percentage relationship between the yearly volumes of terminations and the average number of mortgages in force during the year. As illustrated by the curves in the charts, the trend in FHA home mortgage terminations has been determined almost exclusively by prepayments; and the rise in the termination rate in 1955 paralleled the increase in prepayments. The peak of prepayments (and hence of terminations) occurred in the early postwar years when mortgage obligations were retired on homes retained by owners or on those sold to new owners. The foreclosure rate in 1955 edged upward slightly. These represented less than two-tenths of 1 percent of total mortgages exposed during the year. Even in the peak years of foreclosure activity, foreclosures have had only a limited influence on total terminations. As expected, FHA property acquisitions had paralleled foreclosures with a rate consistently somewhat lower than that of foreclosures. Foreclosure rates react not only to economic conditions (as evidenced by the peak following the 1937–38 recession and the 1948–49 inventory adjustment) but may also rise following the peak of activity in a temporary special purpose program, as in 1944 when foreclosures of Section 603 War Housing increased following the peak years of activity under that program, and in 1954–55 following the high insurance volume under the Section 903 Defense Housing program. The sharp rise in the curve depicting FHA property acquisitions during 1955 (but only from 0.08 to 0.18 of 1 percent) reflects the high rates of foreclosures of Section 903 mortgages in the last 2 years.

Table 32 presents the trend of multifamily housing mortgage terminations for the years 1950 through 1955 for all project programs combined and for the individual programs. Through 1955, one-sixth of all dwelling units securing insured project mortgages had been terminated—5 percent as a result of default on the part of mortgagors.

Paralleling the sharp decline in the volume of insurance written since 1950 has been a marked increase in the cumulative termination ratio. The proportion of project dwelling units in terminated mortgages has increased from 11 percent of total insurance in 1950 to 17 percent at the end of 1955 for all programs combined. The bulk of these terminations have been prepayments in full prior to maturity, this type of termination accounting for two-thirds of the total through this period. The proportion of terminations resulting from defaults by the mortgagor, had, however, increased to one-third of all terminated units at the end of 1955 compared with 17 percent through 1950.

Through 1953, terminations of Section 207 project mortgage insurance accounted for the major proportion of all project terminations. For the most part, these terminations represented prepayments in full, with a majority of cases subject to the prewar provisions of the section. For these prewar projects, mortgages involving 80 percent of all insured units had been prepaid in full by the end of 1955 and only 4 percent remained in force. By the end of 1954, Section 608 terminations predominated, though representing little more than one-tenth of all units insured under this leading program

TABLE II–32

Terminations of FHA-insured multifamily housing mortgages, by years, 1935–55

Year	Total terminations					Default terminations [1]				
	Number for the period		Cumulative through end of year			Number for the period		Cumulative through end of year		
	Number of mortgages	Number of units	Number of mortgages	Dwelling units: Number	Dwelling units: Percent of total insured	Number of mortgages	Number of units	Number of mortgages	Dwelling units: Number	Dwelling units: Percent of total insured
All sections:										
1950	137	10,961	553	52,232	10.54	66	2,646	112	9,005	1.82
1951	151	10,436	704	62,668	11.00	82	4,306	194	13,311	2.34
1952	99	8,321	803	70,989	11.65	39	3,162	233	16,473	2.70
1953	139	12,239	942	83,228	13.00	68	5,395	301	21,868	3.42
1954	187	12,013	1,129	95,241	14.25	76	5,548	377	27,416	4.10
1955	290	16,991	1,419	[2] 112,232	16.56	98	6,909	475	34,325	5.06
Sec. 207:										
1950	18	2,883	327	37,252	81.16	-------	-------	25	4,483	9.77
1951	6	527	333	37,779	74.38	-------	-------	25	4,483	8.83
1952	10	733	343	38,512	67.76	1	20	26	4,503	7.92
1953	9	968	352	39,480	61.68	3	159	29	4,662	7.28
1954	12	1,136	364	40,616	53.83	1	214	30	4,876	6.46
1955	20	1,710	384	[2] 42,326	52.54	10	887	40	5,763	7.15
Sec. 213:										
1951	9	268	9	268	3.24	-------	-------	-------	-------	-------
1952	10	1,794	19	2,062	11.42	1	144	1	144	.80
1953	23	4,028	42	6,090	23.76	2	67	3	211	.82
1954	56	2,886	98	8,976	28.18	-------	-------	3	211	.66
1955	90	3,073	188	12,049	36.08	-------	-------	3	211	.63
Sec. 608:										
1950	114	7,018	221	13,920	3.25	66	2,646	87	4,522	1.06
1951	131	9,168	352	23,088	4.99	82	4,306	169	8,828	1.91
1952	67	5,112	419	28,200	6.05	37	2,998	206	11,826	2.54
1953	105	6,925	524	35,125	7.54	63	5,169	269	16,995	3.65
1954	109	7,347	633	42,472	9.12	70	5,026	339	22,021	4.73
1955	165	10,300	798	[2] 52,772	11.33	75	4,209	414	26,230	5.63
Sec. 608–610:										
1950	4	960	4	960	24.58	-------	-------	-------	-------	-------
1951	-------	-------	4	960	24.52	-------	-------	-------	-------	-------
1952	1	10	5	970	24.78	-------	-------	-------	-------	-------
1953	-------	-------	5	970	24.78	-------	-------	-------	-------	-------
1954	1	10	6	980	25.03	-------	-------	-------	-------	-------
1955	1	150	7	1,130	28.86	1	150	1	150	3.83
Sec. 611:										
1950	1	100	1	100	13.37	-------	-------	-------	-------	-------
1951	5	473	6	573	33.43	-------	-------	-------	-------	-------
1952	11	672	17	1,245	67.70	-------	-------	-------	-------	-------
1953	2	318	19	1,563	78.78	-------	-------	-------	-------	-------
1954	4	326	23	1,889	95.21	-------	-------	-------	-------	-------
1955	2	95	25	1,984	100.00	-------	-------	-------	-------	-------
Sec. 803:										
1954	1	55	1	55	.07	1	55	1	55	.07
1955	4	1,069	5	1,124	1.34	4	1,069	5	1,124	1.34
Sec. 908:										
1954	4	253	4	253	3.02	4	253	4	253	3.02
1955	8	594	12	847	9.98	8	594	12	847	9.98

[1] Includes mortgage notes and property titles transferred to FHA and projects retained by mortgagees with termination of FHA mortgage insurance contracts, numbering 7 for 348 units under Sec. 207, and 2 for 37 units under Sec. 608.

[2] Includes terminated contracts superseded by new FHA insurance contracts covering the same properties, numbering 13 for 2,035 units under Sec. 207, and 17 for 1,486 units under Sec. 608.

at the end of 1955 as compared to 53 percent for Section 207. Default terminations accounted for one-half of all Section 608 terminations through 1955—largely projects insured under the postwar provisions of this program. One-tenth of the Section 908 defense housing project units insured through 1955 were reported terminated as a result of default, but this program represents only a minor proportion of FHA project mortgage insurance.

The relatively high proportion of terminations under Section 213 reflects the activity attributable to the sales-type provisions of this program, in which mortgages are, in effect, construction loans. As previously noted, when these blanket liens are paid off, the individual properties are released to members of the cooperative organizations. To date, sales-type projects have accounted for nearly two-fifths of the total units insured under Section 213 and virtually all of these have been terminated.

Defaults of Home and Project Mortgages by Years

Only 7 of every 1,000 FHA-insured home mortgages in force at the end of 1955 were in default—slightly fewer than at the close of 1954. In the individual programs, Section 903 had by far the highest default ratio—74 of each 1,000 cases as compared with 5 per 1,000 under Section 203 and about 6½ per thousand under Section 603. In the Section 8 and Section 213 programs, defaults exceeded 11 per thousand.

Table 33 presents data on the trend of FHA home mortgage defaults at the year ends 1950–55. The table also shows the trend in those defaulted cases where foreclosure was in process and those where foreclosures had been completed but properties were being retained by the mortgagees pending the expiration of the redemption periods provided by the laws of the individual States, or for other reasons.

Just under 15,000 FHA home mortgages were in default at the end of 1955—8 percent less than at the end of the previous year. Most (nearly three-fifths) of these were Section 203 mortgages, one-fourth Section 903 mortgages, and one-ninth Section 603 mortgages. Of the mortgages in default at the end of 1955, less than one-fifth (representing thirteen one-hundredths of 1 percent of all the mortgages in force) were in the process of foreclosure, and only 5 percent (representing four one-hundredths of 1 percent of those in force) were foreclosed and in the mortgagee inventory.

The monthly trend of FHA home mortgages in default during the period 1950–55 is indicated in Chart 13, the top line depicting the number in default and the lower line the ratio of defaults to mortgages in force. Although fluctuating somewhat during 1955, the general trend in both number of defaults and default ratio was downward. The decrease in defaults may have been attributable to such factors as the sustained high levels of employment and personal income during 1955 in most sections of the country tending to cure minor defaults and keep new defaults at a minimum, and the trans-

TABLE II–33

Default status of FHA-insured home mortgages, by years, 1950–55

As of year end	Mortgages in force	Defaults and potential FHA acquisitions					
		Total defaults		Foreclosures in process		Mortgagee inventory [2]	
		Number	Percent of in force	Number	Percent of in force	Number	Percent of in force
Total: [1]							
1950	1, 511, 402	17, 058	1. 13	1, 167	0. 08	950	0. 06
1951	1, 654, 276	18, 007	1. 09	899	. 05	607	. 04
1952	1, 787, 568	10, 562	. 59	646	. 04	513	. 03
1953	1, 925, 485	10, 778	. 56	822	. 04	299	. 02
1954	2, 007, 812	16, 231	. 81	1, 091	. 05	1, 371	. 07
1955	2, 140, 936	14, 988	. 70	2, 755	. 13	807	. 04
Sec. 8:							
1950	209	----------	----------	----------	----------	----------	----------
1951	6, 386	7	. 11	1	. 02	----------	----------
1952	12, 112	87	. 72	5	. 04	3	. 02
1953	16, 298	90	. 55	12	. 07	8	. 05
1954	31, 912	207	. 65	19	. 06	21	. 07
1955	36, 872	418	1. 13	47	. 13	49	. 13
Sec. 203:							
1950	1, 119, 967	9, 480	. 85	502	. 04	306	. 03
1951	1, 279, 915	11, 087	. 87	515	. 04	225	. 02
1952	1, 411, 362	7, 141	. 51	438	. 03	176	. 01
1953	1, 540, 975	6, 737	. 44	511	. 03	210	. 01
1954	1, 611, 070	8, 966	. 56	681	. 04	387	. 02
1955	1, 760, 905	8, 866	. 50	1, 515	. 09	430	. 02
Sec. 213:							
1951	313	----------	----------	----------	----------	----------	----------
1952	3, 547	----------	----------	----------	----------	----------	----------
1953	6, 226	40	. 64	3	. 05	----------	----------
1954	10, 706	84	. 78	16	. 15	1	. 01
1955	11, 654	133	1. 14	12	. 10	33	. 28
Sec. 222:							
1954	10	----------	----------	----------	----------	----------	----------
1955	6, 632	1	. 02	----------	----------	----------	----------
Sec. 603: [3]							
1950	391, 226	7, 578	1. 94	665	. 17	644	. 16
1951	367, 656	6, 913	1. 88	383	. 10	382	. 10
1952	347, 962	3, 317	. 95	203	. 06	334	. 10
1953	326, 609	2, 309	. 71	178	. 05	62	. 02
1954	301, 498	2, 810	. 93	190	. 06	513	. 17
1955	273, 002	1, 739	. 64	200	. 07	72	. 03
Sec. 903:							
1952	12, 510	17	. 14	----------	----------	----------	----------
1953	35, 305	1, 602	4. 54	118	. 33	19	. 05
1954	52, 544	4, 164	7. 92	185	. 35	449	. 85
1955	51, 801	3, 831	7. 40	981	1. 89	223	. 43

[1] Includes Sec. 611.
[2] Titles to foreclosed properties subject to redemption or held by mortgagees pending final disposition.
[3] Includes Sec. 603–610 cases.

fer to FHA of many of the properties in which mortgages were in default at the end of 1954, thus removing these cases from the default category. The decline in the default ratio also reflects the increase in the number of insured mortgages in force during the year.

The status of project mortgages covered by insurance in force at the end of each year from 1950 through 1955 is shown in Table 34. Of the 7,112 mortgages in this category at the end of 1955, 80 were in default, including 11 mortgages in process of being assigned to the FHA and 12 that were

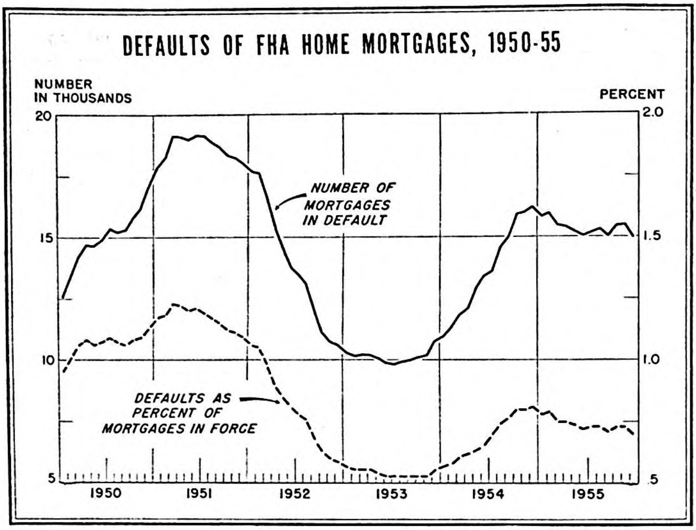

CHART II–13

being acquired by mortgagees. While fewer in number than for the preceding year, the 16,000 dwelling units secured by these defaulted mortgages represented 2.8 percent of the total units in force—the highest year-end ratio since 1950—and more than doubled the proportion reported at the end of 1954. As shown in Chart 14, the highest default ratio registered for all project mortgage programs combined occurred at the end of the third quarter of 1955 when more than 3 percent of all units covered by insurance in force were reported in default. Defaulted project mortgages together with cumulative FHA acquisitions (mortgage notes and property titles transferred to FHA) accounted for 7 percent of all units covered by insurance written through 1955.

Although mortgages insured under Section 608 had accounted for the bulk of defaults through 1953—four-fifths or more for each year—the proportion fell to just over one-half in 1954 and less than one-half at the end of 1955. During the same period, Section 608's proportionate share of dwelling units covered by insurance in force declined from 93 percent in 1950 to 73 percent in 1955. Section 803 defaulted mortgages accounted for the second largest proportion of units in default at the end of 1955.

For the individual programs, Section 908 has shown the highest percentage of defaulted mortgages, with totals exceeding more than one-tenth of all units in force for the years 1953 through 1955. This program, as noted previously, involves but a fraction of FHA's currently insured project mortgages. The Section 803 program had mortgages in default which involved

TABLE II–34

Status of FHA-insured multifamily housing mortgages in force, by years, 1950–55

Year	Insured mortgages in force		Insured mortgages in default			Mortgage notes being assigned to FHA			Projects being acquired by mortgagee		
	Number of mortgages	Number of units	Number of mortgages	Number of units	Percent of units in force	Number of mortgages	Number of units	Percent of units in force	Number of mortgages	Number of units	Percent of units in force
All sections:											
1950	6,673	443,106	113	6,495	1.47	12	212	0.05	36	1,933	0.44
1951	7,008	506,877	76	6,471	1.28	4	193	.04	8	916	.18
1952	7,149	538,395	70	5,585	1.04	2	208	.04	17	526	.10
1953	7,225	556,857	52	5,154	.93	6	446	.08	9	655	.12
1954	7,321	573,101	90	6,959	1.21	12	962	.17	21	1,314	.23
1955	7,112	565,541	80	15,966	2.82	11	1,242	.22	12	1,044	.18
Sec. 207:											
1950	76	8,650	1	800	9.25						
1951	136	13,013									
1952	193	18,323	2	42	.23						
1953	266	24,530	1	214	.87				1	214	0.87
1954	354	34,836	7	886	2.54	1	104	0.30	2	150	.43
1955	381	38,234	8	2,532	6.62	1	299	.78	2	538	1.41
Sec. 213:											
1950	6	285									
1951	32	8,012									
1952	81	15,992									
1953	103	19,543									
1954	185	22,877	1	274	1.20						
1955	119	21,349	6	1,235	5.78						
Sec. 608:											
1950	6,510	413,909	112	5,695	1.38	12	212	0.05	36	1,933	0.47
1951	6,678	439,404	76	6,471	1.47	4	193	.04	8	916	.21
1952	6,630	437,749	67	5,524	1.26	2	208	.05	17	526	.12
1953	6,522	430,555	43	4,191	.97	6	446	.10	4	291	.07
1954	6,412	423,211	65	3,875	.92	8	616	.15	14	814	.19
1955	6,247	412,902	44	7,177	1.74	7	373	.09	5	156	.04
Sec. 608–610:											
1950	18	2,945									
1951	19	2,955									
1952	18	2,945									
1953	18	2,945									
1954	17	2,935	1	150	5.11	1	150	5.11			
1955	16	2,785									
Sec. 611:											
1950	7	648									
1951	15	1,141									
1952	5	594	1	19	3.20						
1953	6	421									
1954	2	95									
1955											
Sec. 803:											
1950	56	16,669									
1951	128	42,352									
1952	186	59,585									
1953	230	71,766									
1954	259	81,021	4	708	0.87				1	200	0.25
1955	264	82,633	14	4,212	5.10	1	350	0.42	1	200	.24
Sec. 908:											
1952	36	3,207									
1953	80	7,097	8	749	10.55				4	150	2.11
1954	92	8,126	12	1,066	13.12	2	92	1.13	4	150	1.85
1955	85	7,638	8	810	10.60	2	220	2.88	4	150	1.96

5 percent of all units in force at the year end. Section 207, FHA's regular long-term project program, has experienced a rising trend in defaults from less than one-quarter of 1 percent in 1952 to nearly 7 percent in 1955. The high ratio shown for 1950 resulted from the default of one large project,

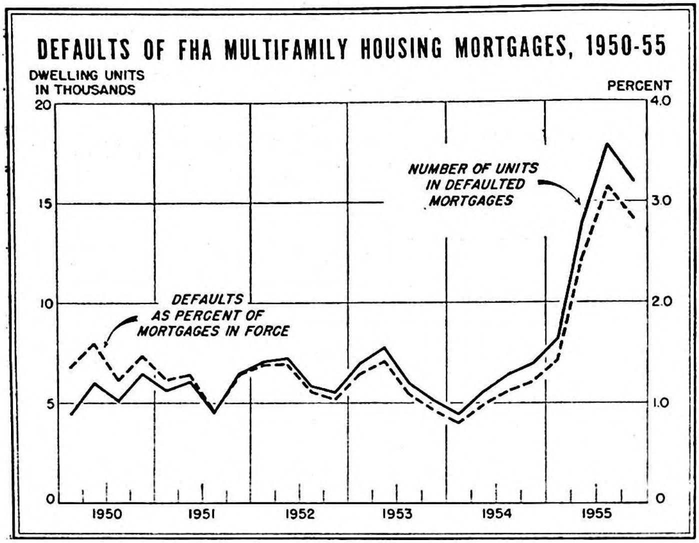

CHART II–14

which was not of a serious nature and was soon corrected. Section 213 cooperatives had nearly 6 percent of their total units in default at December 1955, while the Section 608 default ratio, despite the sharp increases for other programs, remained fairly constant. Decreasing from 1.4 percent in 1950 to a low of nine-tenths of 1 percent in 1954 and rising again in 1955 to a high of 1.7 percent, this program has shown an overall variation of less than 1 percent for the period covered by Table 34.

Terminations and Defaults by States

The FHA home mortgage experience in each State and Territory through the end of 1955 is indicated by the data in Table 35. The first four columns show the total number of mortgages insured, the percent of these terminated, the percent foreclosed, and the percent of cases in which properties were transferred to FHA after foreclosure. The number of insured mortgages in force at the year end is shown in the fifth column. The last four columns present information on the default status of FHA home mortgages in force at the year end—namely, the percent delinquent, the proportion in process of foreclosure, and the proportion involving completed foreclosures with properties being held by mortgagees pending final disposition.

FHA home mortgage termination rates were lowest in Guam, the Virgin Islands, and Puerto Rico, where the majority of insured cases are of relatively recent origin, and highest in Vermont, Illinois, New Hampshire, Wisconsin,

TABLE II–35

Terminations and default status of FHA-insured home mortgages, by States, as of Dec. 31, 1955

State	Total mortgages insured 1935–55	Terminations, 1935–55: Total (As percent of insured)	Terminations, 1935–55: Foreclosures [1] (As percent of insured)	Terminations, 1935–55: FHA acquisitions (As percent of insured)	Insured mortgages in force Dec. 31, 1955	Defaults as of Dec. 31, 1955: Total (As percent of in force)	Defaults as of Dec. 31, 1955: Foreclosures in process (As percent of in force)	Defaults as of Dec. 31, 1955: Mortgagee inventory [2] (As percent of in force)	Insured mortgages in good standing Dec. 31, 1955
Alabama	45,087	41.96	1.88	1.67	26,170	0.42	-------	0.02	26,059
Arizona	53,181	23.24	1.17	.99	40,824	2.25	0.06	.08	39,907
Arkansas	39,005	37.22	1.74	1.38	24,545	1.00	.15	.05	24,299
California	631,042	49.22	.23	.12	320,449	.60	.06	.01	318,531
Colorado	44,116	44.44	.17	.07	24,509	.78	(3)	.04	24,319
Connecticut	45,042	43.00	3.70	3.54	25,675	1.03	.09	(3)	25,411
Delaware	7,994	53.57	.59	.31	3,712	.38	.03	.03	3,698
District of Columbia	7,115	57.25	.13	-------	3,042	.53	-------	-------	3,026
Florida	117,597	29.42	.64	.44	83,003	.36	.03	.02	82,706
Georgia	66,118	39.43	1.81	1.54	40,018	.86	.15	.16	39,703
Idaho	22,110	43.10	.34	.25	12,580	.75	.02	.02	12,486
Illinois	169,906	59.45	.17	.07	68,902	.33	.12	.01	68,677
Indiana	128,611	46.75	.42	.25	68,480	.54	.10	.05	68,112
Iowa	38,287	47.83	.49	.42	19,974	.44	.02	.01	19,886
Kansas	72,668	40.26	.98	.72	43,414	.52	.04	.08	43,190
Kentucky	37,878	43.95	.29	.18	21,229	.60	.04	(3)	21,101
Louisiana	64,533	38.61	1.62	1.35	39,618	.86	.03	.09	39,277
Maine	13,336	45.85	1.24	.71	7,222	4.83	.15	.04	6,873
Maryland	56,857	52.92	2.33	2.10	26,769	.43	.13	.01	26,653
Massachusetts	24,449	51.40	1.81	1.37	11,881	2.43	.18	.03	11,592
Michigan	266,526	44.54	.65	.34	147,805	.25	.02	.03	147,430
Minnesota	37,847	53.12	.36	.19	17,743	1.90	1.17	.03	17,405
Mississippi	27,493	37.33	.51	.36	17,230	.71	.02	.01	17,108
Missouri	102,222	46.48	.45	.39	54,707	.32	.01	(3)	54,533
Montana	14,138	47.21	.10	.04	7,463	.20	-------	-------	7,448
Nebraska	38,134	48.33	.55	.31	19,705	.42	.07	.01	19,622
Nevada	13,249	28.70	1.99	.98	9,447	3.37	1.46	1.40	9,129
New Hampshire	5,287	58.88	2.97	1.78	2,174	4.97	-------	-------	2,066
New Jersey	142,091	53.68	1.03	.72	65,822	.75	.10	.02	65,329
New Mexico	23,270	25.68	.09	.02	17,295	.36	.04	.02	17,232
New York	190,140	41.29	.87	.54	111,628	.74	.14	.01	110,803
North Carolina	47,786	36.13	.68	.54	30,523	.43	.02	.02	30,393
North Dakota	4,358	39.95	.21	.11	2,617	1.53	.08	.04	2,577
Ohio	193,200	51.41	.19	.11	93,880	1.44	.97	-------	92,527
Oklahoma	93,414	39.45	.78	.67	56,559	.50	.14	.02	56,275
Oregon	56,807	38.85	.44	.15	34,739	1.17	.35	.35	34,331
Pennsylvania	192,464	53.85	.22	.08	88,824	.36	.01	.01	88,503
Rhode Island	9,748	45.67	1.49	1.14	5,296	1.00	-------	-------	5,243
South Carolina	34,423	36.59	3.41	3.10	21,828	3.06	.03	.17	21,159
South Dakota	13,550	45.58	.20	.10	7,374	.33	.01	-------	7,350
Tennessee	72,702	38.99	.61	.48	44,359	.24	(3)	-------	44,251
Texas	246,875	34.76	1.00	.83	161,060	.36	.02	.03	160,484
Utah	37,558	48.97	1.18	1.07	19,164	.49	.01	.01	19,070
Vermont	4,668	62.25	1.44	.94	1,762	3.18	.28	-------	1,706
Virginia	85,988	40.63	1.53	1.39	51,054	.29	.01	.03	50,905
Washington	155,299	50.21	.40	.22	77,317	.66	.06	.05	76,806
West Virginia	24,784	51.96	1.32	1.20	11,906	.33	.02	-------	11,867
Wisconsin	33,134	58.16	.62	.49	13,862	.89	.06	.02	13,738
Wyoming	12,463	53.86	.16	.10	5,750	.38	.02	.02	5,728
Alaska	2,911	21.23	.10	.07	2,293	15.79	12.30	-------	1,931
Hawaii	12,688	28.84	.04	.02	9,029	.74	-------	-------	8,962
Puerto Rico	17,039	17.13	.23	.14	14,617	.99	.08	.02	14,473
Virgin Islands	13	7.69	-------	-------	12	-------	-------	-------	12
Guam	167	1.80	-------	-------	164	-------	-------	-------	164
Total [4]	3,898,059	45.18	.71	.53	2,137,055	.70	.13	.04	2,122,067

[1] Includes terminations with titles transferred to FHA or retained by mortgagees; and foreclosed properties in mortgagee inventory.
[2] Titles to foreclosed properties subject to redemption or held by mortgagees pending final disposition.
[3] Less than 0.005 percent.
[4] Cases tabulated in Washington through Dec. 31, 1955, excluding Title I, Sec. 2, homes.

and the District of Columbia. In most of the States, between 40 and 60 percent of the insured cases had been terminated, between 30 and 40 percent in 11 States, and 20 to 30 percent in 4 States.

Prepayment was the major reason for termination in every State and Territory. In most States and Territories fewer than 7 of each 1,000 FHA-insured home mortgages had been foreclosed—fewer than 5 per 1,000 in three-eighths of the States. Foreclosure rates, cumulatively, were between 10 and 20 cases per 1,000 in 15 States and between 20 and 40 per 1,000 in 4 States.

FHA home property acquisitions after foreclosure were at a somewhat lower rate. In about one-half the States, they represented less than 5 of each 1,000 insured cases, and in five-sixths of the States less than 10 per 1,000. Acquisition rates were between 10 and 20 per 1,000 cases in 10 States and between 20 and 40 per 1,000 in 3 States, the highest being 35 per 1,000 in Connecticut. In most of the States where foreclosure and acquisition rates exceeded 10 per 1,000, the bulk of the foreclosed and acquired cases had been insured under Section 603.

At the close of 1955, there were FHA-insured mortgages in default in every State and Territory except the Virgin Islands and Guam, with the highest rate—roughly one-sixth of the cases—occurring in Alaska. In most States and Territories, however, the default rate was less than 9 per 1,000 (between 2 and 5 per 1,000 in 20 States and between 5 and 9 per 1,000 in 14 States). Of the 14 States reporting default rates of 10 or more cases per 1,000, 2 (Arizona and Massachusetts) had rates of 20 to 29 per 1,000, 3 (Nevada, South Carolina, and Vermont) rates of 30 to 39 per 1,000, and 2 (Maine and New Hampshire) rates of 40 to 49 per 1,000. Most of the defaulted mortgages in this latter group of States were insured under Section 203 or Section 903.

Included in the total default category were cases in process of foreclosure and those where foreclosure had been completed with properties being held by the mortgagee pending final disposition. Home mortgage foreclosures in process involved less than 1 of every 1,000 insured cases in the majority of the States and in 10 States only 1 of every 1,000. In only 2 States were as many as 10 of each 1,000 cases in this stage. In Alaska, however, nearly one-eighth of the FHA-insured home mortgages were being foreclosed at the end of 1955. Properties being held by mortgagees after foreclosure accounted for less than 1 of every 1,000 FHA-insured cases in most States, with Nevada reporting the highest rate of 14 per 1,000.

The distribution by States of all terminated project mortgages is presented in Table 36, which includes separate data for all terminations and for those resulting from mortgagor defaults. In 9 States, the District of Columbia, and Puerto Rico, terminated mortgages have been reported involving at least one-fourth of each State's total insurance, based on dwelling units, with the highest rate (70 percent) recorded for Arkansas. Less than 10 percent of the total units insured through 1955 in each of 10 States and Hawaii had been terminated, and in Montana, New Mexico, and North Dakota no project mortgage terminations had been reported.

TABLE II–36

Terminations and default status of FHA-insured multifamily housing mortgages, by State location, as of Dec. 31, 1955

State	Total units covered by insurance, 1935–55	Units in terminated mortgages, 1935–55: Total	Default terminations: Total[1]	Default terminations: Mortgage notes assigned and held by FHA[2]	Default terminations: Property titles transferred to FHA	Units covered by mortgages in force as of Dec. 31, 1955	Units in default as of Dec. 31, 1955: Total	Units in default as of Dec. 31, 1955: Potential acquisitions[3]	Units covered by insured mortgages in good standing Dec. 31, 1955
		As percent of insured units					As percent of units in force		
Alabama	12,012	13.40	7.04	1.34	5.59	10,402	0.71	0.71	10,328
Arizona	5,187	47.00	3.30	1.39	1.91	2,749			2,749
Arkansas	1,712	69.51	24.94	5.14	19.80	522	6.13		490
California	49,333	25.68	4.31	1.65	.42	36,663			36,663
Colorado	3,141	17.83				2,581			2,581
Connecticut	7,111	9.37				6,445	5.46		6,093
Delaware	4,155	4.72	.96	.96		3,959			3,959
District of Columbia	21,222	28.21	5.17	2.22	2.95	15,235	1.13		15,063
Florida	15,229	20.97	18.43	8.02	10.40	12,036	3.51	.25	11,614
Georgia	23,273	7.75	2.70	1.43	1.27	21,470	3.26	.93	20,770
Idaho	1,126	46.63	46.63	37.39	9.24	601			601
Illinois	22,511	18.47	.21		.21	18,353	2.20		17,950
Indiana	9,050	8.60	1.06	1.06		8,272	3.13	2.42	8,013
Iowa	1,806	9.91				1,627			1,627
Kansas	4,760	19.64	8.61	3.61	4.79	3,825			3,825
Kentucky	6,668	20.04	14.65	7.50	7.15	5,332	1.22		5,267
Louisiana	9,398	46.73	35.18	13.36	21.81	5,006	10.45	10.45	4,483
Maine	2,420	7.40	7.40		7.40	2,241	77.29		509
Maryland	43,691	13.60	1.38	1.35	.02	37,749	3.55	.17	36,410
Massachusetts	5,326	18.49	13.39		13.39	4,341			4,341
Michigan	10,975	18.69	1.31			8,924	3.54		8,608
Minnesota	6,309	20.26	9.08	.17	8.75	5,031	3.92	.66	4,834
Mississippi	2,722	14.51	14.07		14.07	2,327	.52		2,315
Missouri	11,341	22.33	8.54		8.45	8,809	2.18		8,617
Montana	837					837			837
Nebraska	2,599	10.70				2,321			2,321
Nevada	1,356	23.23				1,041			1,041
New Hampshire	244	67.21	67.21		67.21	80			80
New Jersey	59,019	13.17	4.36	2.86	1.44	51,248	.76	.17	50,859
New Mexico	2,472					2,472			2,472
New York	125,315	10.29	1.74	.51	.98	112,420	3.41		108,586
North Carolina	17,905	11.57	3.83	.49	3.34	15,833	.71		15,721
North Dakota	154					154	12.99	12.99	134
Ohio	22,090	17.35	1.31	1.20	.11	18,257			18,257
Oklahoma	4,662	41.93	23.90	13.21	10.68	2,707	6.87	5.54	2,521
Oregon	5,387	16.58	8.07	8.07		4,494			4,494
Pennsylvania	25,219	17.18	2.47	2.47		20,887	3.75		20,104
Rhode Island	952	3.78				916			916
South Carolina	7,254	22.19	18.43	7.04	11.39	5,644	1.91	.99	5,536
South Dakota	1,231	3.74				1,185			1,185
Tennessee	10,490	11.22	1.82		1.82	9,313	.49	.49	9,267
Texas	34,126	11.81	6.05	.73	5.28	30,097	2.80	1.50	29,255
Utah	1,615	1.61	1.61	1.61		1,589	22.03	22.03	1,239
Vermont	193	29.02	22.80		22.80	137	11.68		121
Virginia	45,163	22.81	4.64	.46	4.18	34,863	6.28		32,673
Washington	10,267	16.55	11.65	6.25	5.30	8,568	3.50		8,268
West Virginia	797	31.49	9.66	9.66		546			546
Wisconsin	4,120	8.59	1.00	1.00		3,766			3,766
Wyoming	571	5.78				538			538
Alaska	3,853	13.83	13.83	13.83		3,320			3,320
Hawaii	3,151	.32				3,141			3,141
Puerto Rico	6,253	25.36	25.36	25.36		4,667			4,667
Total	677,773	16.56	5.96	2.14	2.68	565,541	2.82	.40	549,575

[1] Includes mortgage notes and property titles transferred to FHA and 9 projects involving 385 units retained by mortgagees with termination of FHA mortgage insurance contracts.
[2] Excludes mortgage notes foreclosed with title transferred to FHA and mortgage notes sold by FHA.
[3] Includes mortgage notes in process of assignment to FHA and property titles in process of acquisition by mortgagees.

Default terminations had been reported in all but 11 States and Hawaii, accounting for 10 percent or more of all insured units in 12 States, Alaska, and Puerto Rico. Of these, 9 States and Alaska reported default terminations ranging from 10 percent to 25 percent, while 4 States and Puerto Rico exceeded 25 percent. Default terminations for the entire Nation, as previously noted, have accounted for 5 percent of all project units covered by insurance written, with more than one-half of these contained in projects which have been transferred to FHA.

As also shown in Table 36, defaulted mortgages were reported as of December 31, 1955 for projects located in 28 States and the District of Columbia, with 9 States reporting ratios in excess of 5 percent. With the exception of Virginia, all were comparatively low-volume States with only small numbers of project mortgages in default. In Maine, the high percentage of dwelling units covered by defaulted mortgages was attributable solely to operations under the Section 803 program.

Projects covered by defaulted mortgages considered as potential FHA acquisitions were located in 14 States. While 4 States—Utah, North Dakota, Louisiana, and Oklahoma—reported more than 5 percent of their total units in force in this category, the United States total for defaults of this nature represented less than one-half of 1 percent of all project units covered by insured mortgages in force.

Claims Paid on Property Improvement Loans

For the first time since World War II, when restrictions of various kinds materially reduced the volume of modernization and repair activities, the average net proceeds of loans outstanding ($1.2 billion at December 31, 1955) reversed its trend from the steady yearly increase which had reached a peak of $1.4 billion in 1954 (Table 37). This pattern is depicted graph-

TABLE II–37

Property improvement loans outstanding and claims paid by FHA, 1934–55

[Dollar amounts in thousands]

Year	Average net proceeds of loans outstanding	Annual amount of claims paid	Claims paid as percent of loans outstanding	Year	Average net proceeds of loans outstanding	Annual amount of claims paid	Claims paid as percent of loans outstanding
1934	$12,008			1945	$140,247	$1,524	1.09
1935	93,582	$447	0.48	1946	262,376	2,434	.93
1936	253,218	5,885	2.32	1947	501,171	5,830	1.16
1937	224,861	6,891	3.06	1948	748,438	14,346	1.92
1938	144,449	6,016	4.17	1949	803,293	17,494	2.18
1939	199,347	4,649	2.33	1950	889,433	18,148	2.04
1940	253,676	6,115	2.41	1951	959,394	12,086	1.26
1941	303,149	7,071	2.33	1952	1,130,827	11,524	1.02
1942	265,583	6,998	2.64	1953	1,377,679	14,995	1.09
1943	155,667	3,588	2.30	1954	1,436,558	21,047	1.47
1944	115,153	1,670	1.45	1955	1,175,670	17,648	1.50

ically in Chart 15, the persistent upward movement being interrupted only in 1937–38 (reflecting a lapse in FHA authority to insure) and again during 1942–45 (under wartime restrictions). Claims paid in 1955 amounting to $17.6 million show a corresponding decrease from the 1954 peak of over $21 million. Larger numbers of claims were paid in 1949 and 1950 but, because of the smaller average size of insured notes in force at that time, the total amounts were only $17 million and $18 million, respectively.

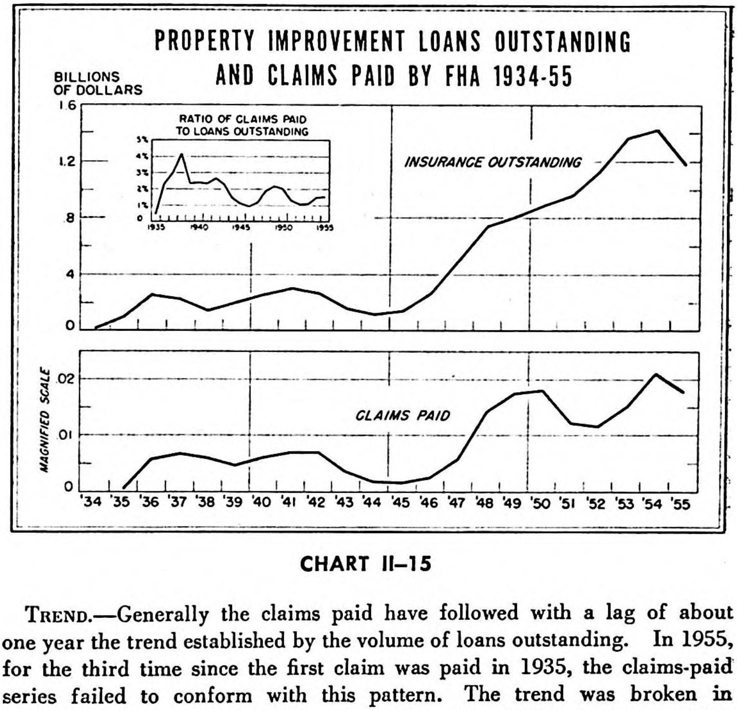

CHART II–15

TREND.—Generally the claims paid have followed with a lag of about one year the trend established by the volume of loans outstanding. In 1955, for the third time since the first claim was paid in 1935, the claims-paid series failed to conform with this pattern. The trend was broken in 1941 by the shift to wartime economy, and again in 1950, reflecting the high level of prosperity prevailing during the Korean crisis. The 1954 amendments, permitting insured institutions more time in submitting claims for payment, undoubtedly affected this trend for 1955.

Claims paid over the 21-year period from 1935 through 1955 averaged 1.63 percent of loans outstanding, in comparison with the 1955 ratio of 1.50 percent.

Of the 19 million property improvement loans insured through 1955, some 600,000, or about 3 percent, had been reported in default. This resulted in claim payments of $187.8 million, or 2.1 percent of the $9 billion insured.

Allowance for actual recoveries on defaulted notes taken over by FHA after payment of claims reduces this ratio to 1.2 percent. Anticipated recoveries on notes in process of collection further reduce the net claim ratio to 1.0 percent.

During 1955, FHA collected over $8.5 million on claims paid lenders on defaulted notes, establishing a new all-time high for any one year. The 1954 collections amounted to $7.7 million and those in 1953 (previous high) to $8.4 million.

Through 1955, the cumulative total of cash collections and proceeds from the disposal of real properties amounted almost to $76.5 million, or about 41 percent of the total amount of claim payments made to lending institutions since 1934. Another $19 million is expected from notes still in process of collection, which would bring recoveries to 50 percent of claims paid to insured lenders.

All claims and operating expenses under the property improvement program have been paid by the FHA out of income, with no cost to the Treasury, with respect to insurance written since July 1, 1939, when insurance premiums were first authorized under this program. Since that time, an insurance reserve of $44 million has been built up.

STATE DISTRIBUTION.—The distributions by States of the number and amount of claims paid on insured property improvement loans for the year of 1955 and cumulatively since 1934 are shown in Table 38. For 1955, New York with 4,164 claims amounting to $2.5 million reported the largest volume. California was second with almost the same number of claims (4,124), but they amounted to only $1.5 million, a reflection of the average claim paid, $590 in New York and $347 in California. Michigan ranked third in dollar amount of claims paid ($1.2 million) but in number (2,839) was outranked by Texas with 3,501 claims amounting to $1.1 million.

Since the beginning of the Title I program, claims paid in New York ($25.6 million), California ($21.3 million), and Michigan ($13.9 million) have accounted for approximately one-third of the loss on insured property improvement loans. With respect to the ratio of claims paid to loans insured, New York with a 2.03 percent ratio and Michigan with 1.98 percent are both below the national average of 2.08 percent. In contrast, California has a higher than average ratio of 2.40 percent. As is to be expected, the cumulative total of claims paid in individual States closely follows the pattern established by property improvement loans insured.

FINANCING INSTITUTIONS.—There are over 7,500 approved Title I lenders eligible for insurance under the 1950 Reserve. More than 5,000 of these lenders have been active at some time since 1950, with an average of 3,300 lenders a month reporting some activity in 1955.

Table 39 shows claims paid during and through 1955 on insured property improvement loans by type of institution, together with a summation of insurance written under the 1950 reserve. Total claims paid in 1955 amounted to $17.6 million, or 16 percent less than the $21.0 million reported for 1954.

TABLE II–38

Claims paid on FHA property improvement loans, by State location, 1955 and 1934–55

State	Claims paid, 1955			Claims paid, 1934–55			Cumulative percent of claims paid to loans insured
	Number	Amount	Average	Number	Amount	Average	
Alabama	732	$283, 576	$387	9, 797	$2, 550, 907	$260	2. 24
Arizona	457	194, 304	425	3, 576	1, 459, 296	408	2. 01
Arkansas	353	115, 569	327	6, 041	1, 746, 114	289	3. 14
California	4, 124	1, 432, 822	347	63, 327	21, 206, 796	336	2. 40
Colorado	437	214, 662	491	3, 704	1, 370, 970	370	1. 79
Connecticut	175	86, 496	494	5, 828	2, 095, 250	360	2. 44
Delaware	36	16, 547	460	657	239, 015	364	3. 41
District of Columbia	344	133, 603	388	3, 798	1, 202, 347	317	2. 39
Florida	1, 032	460, 221	446	13, 282	4, 815, 228	363	2. 33
Georgia	940	363, 978	387	9, 523	2, 820, 641	296	2. 67
Idaho	241	150, 385	624	3, 403	1, 401, 960	413	2. 56
Illinois	2, 077	1, 022, 236	492	26, 631	9, 136, 867	343	1. 58
Indiana	1, 102	465, 867	423	20, 478	5, 821, 420	284	2. 12
Iowa	577	282, 329	489	7, 267	2, 497 348	344	2. 09
Kansas	548	210, 720	385	5, 383	1, 526, 267	284	1. 97
Kentucky	515	209, 747	407	6, 023	1, 901, 013	316	2. 13
Louisiana	416	201, 624	485	6, 162	1, 564, 407	254	1. 80
Maine	224	69, 730	311	3, 305	1, 086, 414	329	3. 03
Maryland	1, 522	475, 118	312	11, 233	3, 319, 072	295	1. 87
Massachusetts	794	362, 039	456	15, 503	5, 264, 332	340	2. 35
Michigan	2, 839	1, 230, 496	433	44, 801	13, 889, 144	310	1. 98
Minnesota	742	342, 308	461	9, 061	3, 146, 384	347	1. 60
Mississippi	359	115, 368	321	7, 505	1, 931, 084	257	3. 68
Missouri	934	345, 617	370	14, 025	3, 982, 900	284	1. 97
Montana	94	63, 991	681	1, 427	587, 330	412	2. 10
Nebraska	168	76, 417	455	2, 826	945, 163	334	1. 90
Nevada	89	78, 017	877	607	341, 067	562	2. 11
New Hampshire	143	59, 629	417	2, 371	781, 310	330	3. 58
New Jersey	1, 311	716, 106	546	25, 755	8, 766, 672	340	2. 34
New Mexico	101	58, 038	575	1, 405	552, 031	393	2. 19
New York	4, 164	2, 456, 145	590	59, 720	25, 639, 157	429	2. 03
North Carolina	347	154, 370	445	6, 019	1, 748, 814	291	2. 25
North Dakota	109	47, 961	440	1, 403	500, 065	356	2. 87
Ohio	1, 708	809, 661	474	27, 017	9, 009, 130	333	1. 81
Oklahoma	433	195, 352	451	7, 264	2, 059, 922	284	1. 73
Oregon	433	216, 606	500	6, 905	2, 452, 666	355	2. 34
Pennsylvania	2, 069	967, 052	467	32, 021	10, 018, 398	313	2. 19
Rhode Island	38	12, 292	323	1, 734	549, 296	317	1. 85
South Carolina	291	105, 628	363	3, 859	1, 056, 582	274	2. 67
South Dakota	126	63, 811	506	1, 099	439, 645	400	2. 36
Tennessee	700	242, 438	346	9, 876	2, 895, 765	293	1. 94
Texas	3, 501	1, 139, 517	325	31, 403	8, 348, 859	266	1. 71
Utah	476	347, 301	730	4, 448	1, 898, 945	427	2. 14
Vermont	70	41, 394	591	1, 618	612, 217	378	6. 15
Virginia	710	299, 050	421	6, 878	2, 318, 851	337	1. 89
Washington	646	307, 975	477	11, 567	3, 678, 650	318	1. 74
West Virginia	213	95, 628	449	3, 012	1, 179, 849	392	2. 62
Wisconsin	376	188, 102	500	6, 703	2, 381, 275	355	2. 00
Wyoming	41	29, 645	723	521	270, 223	516	2. 41
Alaska	15	13, 091	873	71	44, 420	626	1. 89
Hawaii	11	6, 936	631	21	12, 058	574	. 45
Puerto Rico	289	70, 326	243	4, 426	1, 279, 233	289	4. 76
Guam	2	536	268	3	1, 347	449	. 37
Total [1]	40, 194	17, 648, 408	439	562, 589	186, 406, 767	331	2. 08

[1] Includes adjustments.

During the year, national and State banks received 80 percent of total claims paid, with national banks accounting for 48 percent of the total as compared to 52 percent in 1954. Conversely, State banks increased their share of the claims from 25 percent in 1954 to 31 percent in 1955. The distribution of claims paid through 1955 under the 1950 Reserve parallels closely the distribution of insurance written by type of institution.

TABLE II–39

Claims paid on FHA-insured property improvement loans by type of institution 1955 and 1950 Reserve, and insurance written under 1950 Reserve

[Dollar amount in thousands]

Type of institution	Number	Amount	Percent of amount	Average
Claims paid 1955:				
National bank	20,159	$8,544	48.4	$424
State bank	12,186	5,472	31.0	449
Mortgage company	160	85	.5	531
Insurance company	------	------	------	------
Savings and loan association	3,670	1,789	10.1	487
Savings bank	651	273	1.6	419
Federal agency	3	2	(1)	667
All other	3,365	1,483	8.4	441
Total	40,194	17,648	100.0	439
Claims paid to date 1950 Reserve:				
National bank	83,500	35,393	54.0	424
State bank	39,697	17,352	26.5	437
Mortgage company	433	241	.4	557
Insurance company	1	1	(1)	1,000
Savings and loan association	9,706	4,747	7.2	489
Savings bank	1,871	805	1.2	430
Federal agency	6	3	(1)	500
All other	14,607	6,996	10.7	479
Total	149,821	65,538	100.0	437
Insurance written under 1950 Reserve:				
National bank	4,570,225	2,496,379	50.5	546
State bank	2,731,947	1,538,356	31.1	563
Mortgage company	31,568	22,295	.4	706
Insurance company	338	220	(1)	651
Savings and loan association	591,903	343,666	7.0	581
Savings bank	156,835	83,162	1.7	530
Federal agency	------	------	------	------
All other	709,884	462,883	9.3	652
Total	8,792,700	4,946,961	100.0	563

[1] Less than 0.05 percent.

On a cumulative basis, Chart 16 presents essentially the same data as reported in Table 39 except that the types of institutions have been consolidated into five major groups instead of the eight reported in the table. Since the 1950 Reserve has been in effect, two types of institutions—National banks and State chartered banks—have financed over 80 percent of the FHA-insured property improvement loans. The bulk of the remainder has been accounted for by finance companies and savings and loan associations. Paralleling their relative volume of insured loans, national banks have received twice as much in claim payments as any other type of lender, the ratio of their claims to loans insured being 1.42 percent as compared to the national average of 1.32 percent. State banks, insuring one-third of the total net proceeds, have received 28 percent of the claim payments, a loss ratio of 1.12 percent. Other types of institutions, accounting for only one-half percent of insurance written, have also reported the smallest claims ratio of 0.95 percent in contrast to the finance company ratio of 1.53 percent.

Payments Received Prior to Default.—Table 40 presents a cross tabulation of installments paid by borrowers prior to default by the number

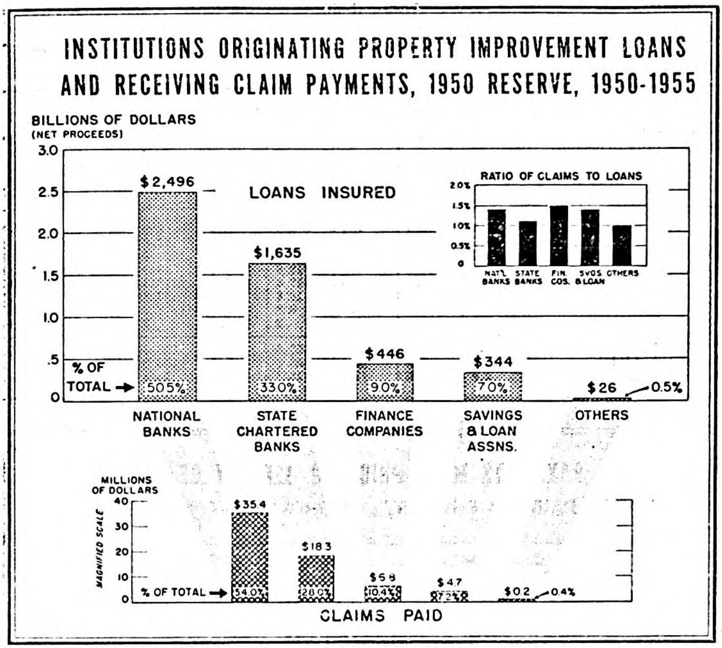

CHART II–16

of payments contracted for in the original note. Chart 16 depicts graphically the distribution by 6-month intervals of the number of payments made by borrowers prior to default of loans and the amount of claims paid by FHA.

During 1955, 44 percent of the defaulting borrowers had made fewer than 12 payments, claims paid on their loans averaged $629, compared to a $439 average for all claims. Loans which were originated with 36-month terms constituted the most common default cases—83 percent of total. The median default date for these loans was between the 15th and 16th month, and resulted in an average claim of $451. Chart 17 shows that 5 percent of the 1955 claims, representing over 9 percent of the dollar volume, involved notes upon which the borrower made no payments. More than 17 percent of all claims, accounting for over one-fourth of the total amount, were on notes which went into default after one payment was received but before the sixth payment was due. The next group, involving 1 out of every 5 claims and 27 percent of the amount, represented notes going into default between the 6th and the 11th month. Over 60 percent of the dollar volume reported for claims paid involved notes on which fewer than 12 payments had been made.

TABLE II–40

Number of payments received prior to default by term of property improvement loans, 1955

Number of payments received prior to default	Term of defaulted loan—percentage distribution					Percentage distribution		Average claim paid
	6–11 months	12–23 months	24–35 months	36 months	37 or more months	Total number	Total amount	
0	39.1	16.5	6.4	3.9	5.2	5.0	9.1	$789
1–5	59.9	36.3	22.5	15.4	13.2	17.6	26.5	664
6–11	1.0	32.8	23.2	20.0	19.3	20.9	26.7	560
12–17		14.3	23.1	18.9	18.0	19.0	18.7	432
18–23		.1	17.0	17.4	15.8	16.3	11.6	312
24–29			7.4	14.4	7.7	12.8	5.7	195
30–35			.4	9.8	3.5	8.2	1.5	83
36 or more				.2	17.3	.2	.2	414
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	439
Percent of total	.5	5.2	10.5	83.0	.8	100.0		
Median	1.8	5.5	11.5	15.3	16.1	14.1		

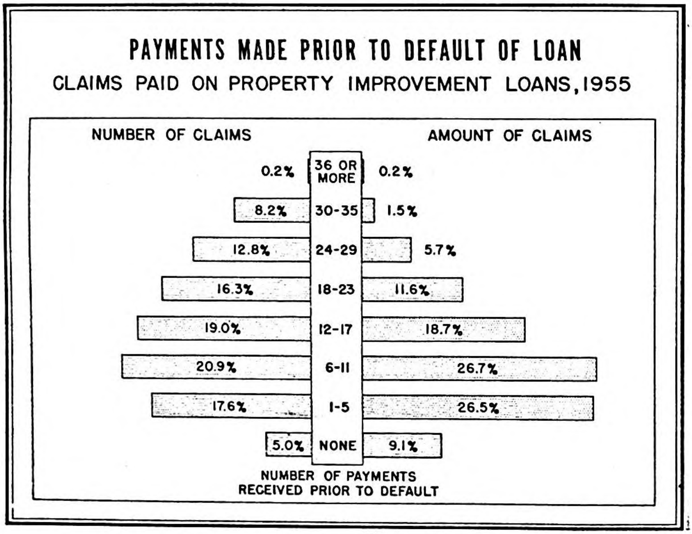

CHART II–17

SECTION 3

CHARACTERISTICS OF MORTGAGE AND LOAN TRANSACTIONS INSURED BY FHA IN 1955

This section of the report presents statistical analyses of the principal features of the transactions—home, multifamily project, and property improvement—insured by FHA during 1955.

SECTION 203 HOME MORTGAGE TRANSACTIONS

Table 4 shows that 276,700 or over one-fifth of the privately financed dwelling units started in the nonfarm areas of the nation during 1955 were in structures approved for FHA mortgage insurance and subject to FHA compliance inspections during construction. Of these, 267,400 units, or all but 3 percent, were in 1- to 4-family homes approved under the Section 203 program.

Completions under this program during the year totaled 246,000 units, including a sizable number approved and started in 1954. Mortgage transactions closed with Section 203 insurance during 1955 involved nearly 120,500 of these new units and an additional 181,200 units in existing properties, or about 95 percent of the total number of units in FHA home mortgage transactions insured in 1955.

It should be noted that data on the characteristics of FHA home mortgage transactions involving properties located in 68 selected standard metropolitan areas are presented in this section of the report in addition to the national and State summaries of the type presented in the 1954 Annual Report. The State summaries are designed not only to provide information on FHA transactions in the various States, but to show the influence of the State data on the national summaries. Similarly, the data for the selected metropolitan areas indicate how the State data are influenced by differences occurring in individual localities within the State.

As indicated by Table 41, the predominance of single-family structures in Section 203 transactions was even more marked in 1955 than in previous years, being reported in all but seven-tenths of 1 percent of the new-home and all but 3 percent of the existing-home transactions. The decline in the proportion of new 2-family structures may have resulted in part from reduced

TABLE II–41

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

Units per structure	New homes					Existing homes				
	1955	1954	1953	1950	1946	1955	1954	1953	1950	1946
	Structures—percentage distributions									
1	99.3	98.1	97.8	99.0	98.7	96.9	96.2	96.4	95.5	93.6
2	.5	1.6	1.8	.9	1.0	2.8	3.2	3.2	4.1	5.8
3	.1	.1	(1)	(1)	.1	.2	.3	.2	.2	.3
4	.1	.2	.4	.1	.2	.1	.3	.2	.2	.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Dwelling units—percentage distributions									
1	98.2	95.9	95.1	97.7	96.9	93.5	91.9	92.4	90.1	87.4
2	.9	3.1	3.4	1.8	2.1	5.3	6.1	6.0	7.8	10.9
3	.3	.3	.1	.1	.2	.7	1.0	.7	.7	.7
4	.6	.7	1.4	.4	.8	.5	1.0	.9	1.4	1.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average	1.01	1.02	1.03	1.01	1.02	1.04	1.05	1.04	1.06	1.07

[1] Less than 0.05 percent.

loan-to-value ratios for nonowner-occupant properties valued above $7,900 and from administrative restrictions imposed by FHA in August 1954 on the use of Section 203 for rental purposes. Nearly half of the new 2-family homes involved in the 1953 transactions and three-fifths of those in 1954 were rental properties.

Virtually all of the mortgagors in 1-family home transactions insured during 1955 were owner-occupants—98 percent of the new-home and 99 percent of the existing-home mortgagors.

Trends of Typical Section 203 Home Mortgage Transactions

Medians and averages (arithmetic means) of the principal characteristics of Section 203 new- and existing-home transactions insured during 1955 may be compared with those of selected previous years by reference to Table 42. For purposes of this discussion, "typical" transactions are delineated in terms of the medians and averages.

A noteworthy development in the trend of typical Section 203 characteristics from 1954 to 1955 was the marked rise in the level of most of the new-home items, and, with the exception of certain of the mortgage features and land price, the relative stability of most of the existing-home characteristics. Consequently, typical new-home transactions and existing-home transactions were roughly the same in 1955 with respect to property values, house sizes, monthly payments, and housing expenses.

In the typical new-home transaction insured in 1955, the amount of the mortgage was $10,034, its term about 25 years, the total monthly payment $74.32 (including property taxes and hazard and FHA insurance

TABLE II—42

Characteristics of 1-family home transactions, Sec. 203, selected years

Median [1]	1955	1954	1953	1952	1950	1948	1946
NEW HOMES							
Mortgage:							
Amount	$10,034	$8,862	$8,555	$8,273	$7,101	$7,058	$5,504
Term in years [2]	25.6	22.9	22.2	21.7	24.1	20.1	21.0
Loan-value ratio (percent)	88.5	85.3	86.5	83.7	88.0	81.0	87.0
Total monthly payment [3]	$74.32	$68.62	$65.95	$64.16	$54.31	$58.08	$46.18
Property:							
FHA-estimated value	$11,742	$10,678	$10,140	$10,022	$8,286	$8,721	$6,558
Market price of site [2]	$1,626	$1,456	$1,291	$1,227	$1,035	$1,049	$761
Site-value ratio (percent)	13.4	13.1	12.5	12.0	12.0	11.7	11.5
Percent with garages [2]	69.8	66.6	59.7	53.4	48.7	55.1	58.1
Structure:							
Calculated area (square feet)	1,022	961	924	923	838	912	(4)
Number of rooms	5.6	5.4	5.3	5.3	4.9	5.4	5.5
Number of bedrooms	3.4	3.3	3.1	3.1	(4)	(4)	(4)
Mortgagor: [3]							
Annual effective income	$5,484	$5,139	$4,880	$4,811	$3,861	$4,000	$3,313
Monthly housing expense	$96.03	$88.91	$85.11	$83.16	$75.41	$78.64	$62.85
Expense-income ratio [2] (percent)	19.7	19.6	19.7	19.6	21.6	21.7	20.9
EXISTING HOMES							
Mortgage:							
Amount	$9,603	$9,030	$8,623	$8,047	$6,801	$5,969	$4,697
Term in years [2]	22.7	20.1	19.9	19.7	20.2	19.3	18.9
Loan-value ratio (percent)	84.8	78.5	78.3	77.9	77.8	77.9	78.4
Total monthly payment [3]	$74.81	$74.34	$70.84	$65.08	$56.65	$49.76	$40.83
Property:							
FHA-estimated value	$11,555	$11,549	$11,061	$10,289	$8,865	$7,579	$5,934
Market price of site [2]	$1,707	$1,591	$1,461	$1,296	$1,150	$970	$833
Site-value ratio (percent)	14.2	13.3	12.8	12.3	12.4	12.0	13.3
Percent with garages [2]	79.9	79.6	74.1	70.7	70.6	70.5	83.4
Structure:							
Calculated area (square feet)	1,030	1,035	1,008	992	1,006	972	(4)
Number of rooms	5.6	5.6	5.6	5.5	5.6	5.6	5.9
Number of bedrooms	3.1	3.1	3.0	3.1	(4)	(4)	(4)
Mortgagor: [3]							
Annual effective income	$5,669	$5,696	$5,396	$4,938	$4,274	$3,731	$3,101
Monthly housing expense	$97.49	$97.41	$93.25	$86.63	$78.99	$71.00	$58.11
Expense-income ratio [2] (percent)	19.4	19.4	19.3	19.4	20.3	20.4	20.3

[1] Throughout this report, medians are computed on the assumption that distribution of all characteristics are represented by continuous data within groups. For definition of sample and terms see page 204.
[2] Average (arithmetic mean).
[3] Throughout this report, data relating to monthly mortgage payment, mortgagor's income, and housing expense are based on 1-family occupant cases only.
[4] Not available.

premiums in addition to debt service), and the ratio of loan to value 88½ percent. The property had an FHA-estimated value of $11,742, of which 13 percent or $1,626 represented the land market price. The house was a single-family structure containing 1,022 square feet and provided 5½ rooms of which 3 were bedrooms. In all probability there was some type of auto shelter. The prospective monthly housing expense (monthly payment plus costs of household operation and property maintenance and repair) was estimated at $96.03. The annual effective income of a typical new-home occupant mortgagor was $5,484. On the average, about one-fifth of this income was required for housing expense.

Compared with the typical new-home transaction insured in 1954, the mortgage amount was 13 percent higher, the mortgage duration 32 months longer, the loan-value ratio up by 3 percentage points, and the monthly payment 8 percent higher. Property value increased by 10 percent and land price by 12 percent (so that the percentage relationship of land price to value increased only slightly), and an additional 3 percent of the new-home properties had garages (or carports). The structure was larger by 6 percent in calculated area, 4 percent in room count, and 3 percent in number of bedrooms. With the typical mortgagor's income increasing by 7 percent and the housing expense by 8 percent there was virtually no change in the expense-income ratio.

The typical existing-home transaction in 1955 involved a mortgage of $9,603, scheduled to be repaid over a term of nearly 23 years at a monthly rate of $74.81 including debt service, property taxes, and hazard and FHA mortgage insurance premiums. The typical property was valued by FHA at $11,555, including land with a market price of $1,707 or 14 percent of total value. The 5½-room house, including 3 bedrooms, had a calculated area of 1,030 square feet. Nearly 80 percent of the existing-home properties had garages. The typical existing-home mortgagor had an annual income of $5,669, of which 19 percent or $97.49 monthly was required for housing expense.

The most significant changes in the typical existing-home transaction from 1954 to 1955 were a 6 percent rise in mortgage amount, a 31-month increase in mortgage duration, a 6-percentage-point rise in the ratio of loan to value, and a 7-percent increase in the average land price. In addition, the ratio of land price to total property value rose by 1 percentage point.

The postwar trend in selected characteristics of the typical Section 203 new- and existing-home cases during the last 10 years is depicted in Chart 18, plotted on a semi-logarithmic scale to demonstrate better the relative changes in the characteristics.

The higher levels of mortgage amounts, durations, and loan-to-value ratios of Section 203 transactions in 1955 reflect the liberalization of the credit provisions of that section by the Housing Act of 1954. The uptrend in FHA mortgage amount (13 percent for new homes and 6 percent for existing) also paralleled a 10 percent rise in the average amount of total nonfarm mortgage recordings of $20,000 or less from 1954 to 1955. Home mortgages guaranteed by the Veterans' Administration registered an increase of 6 percent during the same period.

Despite the increase in the median mortgage amount of the typical FHA existing-home transaction, the median monthly payment remained about the same as in 1954 because of the longer average term. In new homes, on the other hand, the increase in mortgage amount was sufficient to raise the median monthly payment even with the lengthening of the amortization period.

The increase in median value of FHA new homes during the past year was attributable to a combination of several factors. The house itself was larger, both in area and room-count, and the proportion of garage facilities was greater. Construction costs were higher, the Boeckh construction index for residences averaging 3 percent above 1954, and the average con-

TABLE II–25 (continued)

Purchases of FHA-insured mortgages and loans by type of institution, 1955

[Dollar amounts in thousands]

Section	Type of institution								
	National bank	State bank	Mortgage company	Insurance company	Savings and loan association	Savings bank	Federal agency	All other	Total
PERCENTAGE DISTRIBUTION OF AMOUNT									
Home programs:									
Sec. 8	1.7	1.5	0.4	14.5	9.4	37.4	32.0	3.1	100.0
Sec. 203	10.1	8.6	1.2	46.9	2.2	25.1	3.6	2.3	100.0
Sec. 213H	.9	(3)	.2	-------	-------	14.3	83.4	1.2	100.0
Sec. 222	5.6	1.2	.7	61.3	1.8	26.8	2.0	.6	100.0
Sec. 603	25.5	41.0	1.5	12.9	12.2	5.6	(3)	1.3	100.0
Sec. 903	.6	.2	14.9	2.7	.8	2.1	78.2	.5	100.0
Total	9.6	8.5	1.7	42.6	2.6	24.2	8.6	2.2	100.0
Project programs:									
Sec. 207	2.8	17.5	3.5	17.7	-------	48.0	3.2	7.3	100.0
Sec. 213P	-------	-------	-------	3.0	-------	94.2	2.8	-------	100.0
Sec. 608	2.1	13.2	1.2	58.6	-------	24.9	-------	-------	100.0
Sec. 803	-------	-------	4.8	5.0	-------	6.4	77.4	6.4	100.0
Sec. 908	2.8	-------	-------	-------	-------	33.3	52.5	11.4	100.0
Total	1.3	7.8	2.8	26.8	-------	25.8	31.4	4.1	100.0
Property improvement loans: Sec. 2	57.8	39.9	1.6	-------	.1	.1	-------	.5	100.0
Total all programs	12.1	10.8	1.8	37.2	2.1	22.6	11.1	2.3	100.0
NUMBER OF PURCHASING INSTITUTIONS									
Home programs:									
Sec. 8	25	35	15	37	52	47	1	5	217
Sec. 203	414	478	98	245	256	191	1	67	1,750
Sec. 213H	2	1	1	-------	-------	4	1	2	11
Sec. 222	16	8	3	58	10	35	1	2	133
Sec. 603	52	40	10	21	21	18	1	3	166
Sec. 903	6	3	5	6	1	12	1	1	35
Project programs:									
Sec. 207	2	5	2	11	-------	12	1	2	35
Sec. 213P	-------	-------	-------	1	-------	4	1	-------	6
Sec. 608	3	4	1	6	-------	6	-------	-------	20
Sec. 803	-------	-------	1	1	-------	3	1	2	8
Sec. 908	1	-------	-------	-------	-------	3	1	2	7
Property improvement loans: Sec. 2	64	55	9	-------	6	3	-------	3	140

1 Includes related Sec. 610 mortgages.
2 Excludes Sec. 611 home mortgages.
3 Less than 0.05 percent.

a moderately lower level than in 1954, declining 5 percent to $773 million or 58 percent of the total, compared with 61 percent in 1954. Virtually all of the decline occurred in sales of Section 903 mortgages. (See Table 26.)

Accounting for the major remaining portion of FHA home mortgage sales in 1955 were State banks with $218 million or 16 percent of the total and national banks with $171 million or 13 percent. For both types of institutions this represented gains of 20 percent over their 1954 sales.

Table 26 shows that mortgage companies were responsible for the bulk of sales of mortgages insured under Sections 8, 203, 213, 222, and 903, with State banks and savings banks selling the major portion of the Section 603 mortgages.

PURCHASE AND SALE OF MULTIFAMILY HOUSING MORTGAGES.—The $236 million involved in project mortgage transfers between financial institutions during 1955 represented a decrease of 30 percent from 1954 and was the lowest dollar volume recorded since tabulation of these data was initiated in 1950. The largest dollar volume ($88 million) of the secondary market activity for 1955 involved Section 608 mortgages and was more than double the previous year's total for this section. With this exception, all project programs showed marked declines—Section 803 reporting $86 million as compared to $186 million during 1954, while Section 908 mortgage transfers represented less than one-third of the 1954 volume.

TABLE II–26

Sales of FHA-insured mortgages and loans by type of institution, 1955

[Dollar amounts in thousands]

Section	Type of institution								
	National bank	State bank	Mortgage company	Insurance company	Savings and loan association	Savings bank	Federal agency	All other	Total
NUMBER OF MORTGAGES AND LOANS									
Home programs:									
Sec. 8	1,049	427	7,512	98	217	81	207	186	9,777
Sec. 203	16,733	22,735	70,476	6,724	4,810	1,730	727	3,313	127,248
Sec. 213H	106	-------	1,340	1	-------	-------	-------	464	1,911
Sec. 222	48	53	623	23	9	-------	-------	5	761
Sec. 603	624	1,991	131	170	185	756	340	411	4,608
Sec. 903	647	295	3,388	-------	112	-------	875	8	5,325
Total	19,207	25,501	83,470	7,016	5,333	2,567	2,149	4,387	149,630
Project programs:									
Sec. 207	10	23	19	-------	-------	7	-------	-------	59
Sec. 213P	-------	5	3	-------	-------	-------	-------	-------	8
Sec. 608	8	34	8	15	-------	45	-------	1	111
Sec. 803	13	16	2	1	1	1	1	-------	35
Sec. 908	3	8	2	-------	-------	-------	1	-------	14
Total	34	86	34	16	1	53	2	1	227
Property improvement loans: Sec. 2	111,308	48,370	15,119	-------	698	565	-------	3,926	179,986
Total all programs	130,549	73,957	98,623	7,032	6,032	3,185	2,151	8,314	329,843
FACE AMOUNT OF MORTGAGES AND LOANS									
Home programs:									
Sec. 8	$5,928	$2,282	$42,391	$522	$1,170	$461	$1,100	$1,034	$54,887
Sec. 203	151,757	200,536	677,257	64,456	41,696	13,579	5,144	26,406	1,180,830
Sec. 213H	1,075	-------	11,098	6	-------	-------	-------	5,230	17,409
Sec. 222	613	723	8,299	305	128	-------	-------	59	10,126
Sec. 603 [1]	4,460	11,718	673	851	1,667	5,612	2,612	2,990	30,584
Sec. 903	6,804	2,605	33,610	-------	951	-------	7,616	65	51,650
Total [2]	170,638	217,863	773,328	66,140	45,611	19,651	16,472	35,783	1,345,486
Project programs:									
Sec. 207	7,449	19,093	8,627	-------	-------	3,876	-------	-------	39,044
Sec. 213P	-------	8,771	2,693	-------	-------	-------	-------	-------	11,464
Sec. 608 [1]	853	12,900	14,504	5,902	-------	51,907	-------	1,971	88,037
Sec. 803	34,861	39,024	2,014	902	4,304	3,367	1,215	-------	85,686
Sec. 908	1,879	9,267	502	-------	-------	-------	134	-------	11,781
Total	45,042	89,055	28,339	6,804	4,304	59,149	1,349	1,971	236,012
Property improvement loans, Sec. 2	80,611	35,718	9,514	-------	485	537	-------	2,254	129,117
Total all programs	296,290	342,636	811,181	72,943	50,400	79,337	17,821	40,008	1,710,616

See footnotes on next page.

TABLE II–26 (continued)

Sales of FHA-insured mortgages and loans by type of institution, 1955

[Dollar amounts in thousands]

Section	Type of institution								
	National bank	State bank	Mortgage company	Insurance company	Savings and loan association	Savings bank	Federal agency	All other	Total
PERCENTAGE DISTRIBUTION OF AMOUNT									
Home programs:									
Sec. 8	10.8	4.2	77.2	1.0	2.1	0.8	2.0	1.9	100.0
Sec. 203	12.9	17.0	57.4	5.5	3.5	1.1	.4	2.2	100.0
Sec. 213H	6.2	-------	63.8	(3)	-------	-------	-------	30.0	100.0
Sec. 222	6.1	7.1	81.9	3.0	1.3	-------	-------	.6	100.0
Sec. 603	14.6	38.3	2.2	2.8	5.4	18.4	8.5	9.8	100.0
Sec. 903	13.2	5.0	65.1	-------	1.8	-------	14.8	.1	100.0
Total	12.7	16.2	57.5	4.9	3.4	1.5	1.2	2.6	100.0
Project programs:									
Sec. 207	19.1	48.9	22.1	-------	-------	9.9	-------	-------	100.0
Sec. 213P	-------	76.5	23.5	-------	-------	-------	-------	-------	100.0
Sec. 608	1.0	14.6	16.5	6.7	-------	59.0	-------	2.2	100.0
Sec. 803	40.7	45.5	2.4	1.1	5.0	3.9	1.4	-------	100.0
Sec. 908	15.9	78.7	4.3	-------	-------	-------	1.1	-------	100.0
Total	19.1	37.7	12.0	2.9	1.8	25.1	.6	.8	100.0
Property improvement loans, Sec. 2	62.4	27.7	7.4	-------	.4	.4	-------	1.7	100.0
Total all programs	17.3	20.0	47.4	4.3	3.0	4.6	1.1	2.3	100.0
NUMBER OF SELLING INSTITUTIONS									
Home programs:									
Sec. 8	19	21	120	13	17	5	1	6	202
Sec. 203	434	438	694	229	145	49	1	28	2,018
Sec. 213H	3	-------	16	1	-------	-------	-------	2	22
Sec. 222	22	19	156	14	4	-------	-------	3	218
Sec. 603	50	52	13	21	13	14	1	3	167
Sec. 903	8	11	56	-------	3	-------	1	2	81
Project programs:									
Sec. 207	8	11	13	-------	-------	3	-------	-------	35
Sec. 213P	-------	1	3	-------	-------	-------	-------	-------	4
Sec. 608	1	7	1	3	-------	8	-------	1	21
Sec. 803	5	7	2	1	1	1	1	-------	18
Sec. 908	2	4	2	-------	-------	-------	1	-------	9
Property improvement loans: Sec. 2	98	75	11	-------	6	2	-------	9	201

[1] Includes related Sec. 610 mortgages.
[2] Excludes Sec. 611 home mortgages.
[3] Less than 0.05 percent.

The largest purchaser of FHA-insured project mortgages in 1955 was the Federal National Mortgage Association, which accounted for 31 percent of the total, principally mortgages insured under the Section 803 program. Insurance companies ranked second with 27 percent of the total dollar purchases, and savings banks, accounting for 26 percent, ranked third (Table 25).

For the years prior to 1955, savings banks were the leading purchasers of project mortgages. During the period 1950–55 this type of institution purchased one-third or more of all FHA-insured project mortgages sold each year in the secondary market. Insurance companies ranked second in dollar purchases during 1950–52 and 1955, while Federal agencies accounted for the second largest proportion in 1953-54.

The number and original principal amount of FHA-insured project mortgages sold during 1955 are presented in Table 26 by type of lending institution. State banks, accounting for 38 percent of the total, led in sales. Departing from an established trend, savings banks ranked second (25 percent) whereas in former years they accounted for only small proportions of the total sales. National banks sold the third largest share (19 percent) while Federal agencies, reporting less than 1 percent of the total sales this year, dropped markedly from the 24 percent shown in 1954.

For the six-year period 1950–55, State banks were the leading sellers of project mortgages. National banks ranked second for the years 1950–54, and savings banks in 1955. For this period, these leading sellers (exclusive of savings banks in 1955) were also the leading originators. The leading purchasers—savings banks and insurance companies—also generally held the largest proportions of project mortgages. Though Federal agencies increased their proportion of project mortgages purchased during 1953–55, their share of holdings increased to only 4 percent of the total at the end of 1955, and the large share of sales attributable to savings banks during 1955 had no appreciable effect on their holdings since their dollar volume of sales was just slightly less than their purchases.

Purchase and Sale of Property Improvement Loans.—In 1955, FHA compiled, for the first time, data on the secondary market transfers of Title I property improvement loans. Tables 25 and 26 reveal that commercial banks, the major source of Title I financing, accounted for $9 out of every $10 of both purchases and sales during the year. Only $129 million in Title I paper was transferred, primarily because these are short-term notes and it has been customary in the past for lenders to hypothecate notes for short periods rather than to transfer formally all or part of their portfolio. However, 64 national banks purchased $75 million in Title I property improvement notes in 1955—28 percent of the purchases by this type of lender under all programs. State banks, another major purchaser, bought $52 million of the total $129 million transferred during 1955.

National banks and State banks were also the most active sellers, accounting for $116 million of the total sales. Mortgage companies, which sold almost $10 million in Title I paper, accounted for the bulk of the remaining sales.

TERMINATIONS, DEFAULTS, AND CLAIMS PAID

Data on the termination and default status of FHA-insured home and multifamily project mortgages and on claims paid on defaulted Title I property improvement loans are presented in this section of the report. As shown in Table 3, total terminations of FHA-insured mortgages and loans have aggregated over $16½ billion or 41 percent of the total amount insured. During 1955, over $2.4 billion of FHA insurance contracts were terminated—$1.3 billion in home mortgages, $1.0 billion in Title I property improvement loans, and $0.1 billion in multifamily project mortgages.

Terminations of Home and Project Mortgages by Type

Over one and three-fourths million FHA-insured home mortgages totaling $9.2 billion in original face amount had been terminated by the close of 1955. In force at that date were over 2 million home mortgages with face amounts aggregating $16.6 billion—approximately equal to the amount of home mortgage insurance written in the last seven and one-half years.

Termination of an FHA mortgage insurance contract occurs when:

1. The loan is paid in full at maturity.
2. The loan is prepaid prior to maturity. If prepaid without refinancing, or with the proceeds of a non-FHA mortgage involving the same or a new mortgagor, it is classified as a prepayment in full. If the prepayment involves refinancing with a new FHA-insured mortgage, it is classified as a prepayment by supersession.
3. The mortgage is foreclosed and title to the property is acquired by the mortgagee. The mortgagee may either transfer title to FHA in exchange for debentures and a certificate of claim for those foreclosure expenses not covered by the debentures, or retain the property, in which case the mortgagee "withdraws" from the FHA contract and foregoes its insurance privileges. (Also classified as "withdrawals" are cases where mortgage is foreclosed and the property is purchased by a party other than the mortgagee).

Table 27 shows that nearly all (98 percent) of the terminations of FHA home mortgage insurance contracts resulted from prepayments, 81 percent prepaid in full and nearly 17 percent by supersession. Foreclosures, i. e., properties acquired by the mortgagees, have represented only 1½ percent of the total, including slightly over 1 percent in which the properties were transferred to FHA in exchange for debentures. Only in the Section 903 defense housing program have foreclosures been predominant, accounting for 72 percent of the total terminations under this program. Although nearly half of the home mortgage foreclosures through the end of 1955 had occurred under the Section 603 program, these represented less than 4 percent of the total terminations for this program. Another 38 percent of the total foreclosures involved Section 203 mortgages, but these constituted only seven-tenths of 1 percent of all Section 203 terminations.

Mortgagees had decided to forego their insurance privileges in connection with some 6,200 of the properties acquired after default, probably because it was believed that they could be disposed of more profitably in the sales or rental market. Most of these—nearly 2 of every 3—were properties originally insured under Section 203, another third having been insured under Section 603.

Table 28 shows the disposition of the 20,844 home properties transferred to FHA under terms of the insurance contracts through December 31,

TABLE II–27

Termination of FHA-insured home mortgages, by type, 1935–55

[Dollar amounts in thousands]

Disposition	Total[1]		Sec. 8		Sec. 203		Sec. 213	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Mortgages insured	3,901,940	$25,793,251	38,193	$203,551	3,160,929	$21,221,308	11,793	$111,003
Mortgages terminated:								
Prepaid in full	1,427,343	7,389,366	885	4,209	1,161,342	6,007,764	98	886
Prepaid by supersession	290,421	1,571,617	290	1,380	212,355	1,173,010	24	166
Matured loans	15,523	47,686			15,515	47,645		
Properties acquired by mortgagee:								
Transferred to FHA	20,844	134,292	128	631	6,197	35,092	17	143
Retained by mortgagee	6,219	37,129	16	77	4,109	24,502		
Other terminations	651	2,967	2	9	506	2,360		
Total terminations	1,761,004	9,183,057	1,321	6,315	1,400,024	7,290,373	139	1,195
Mortgages in force	2,140,936	16,610,193	36,872	197,236	1,760,905	13,930,935	11,654	109,808

Disposition	Sec. 222		Sec. 603		Sec. 603-610		Sec. 611		Sec. 903	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Mortgages insured	6,645	$86,687	621,653	$3,645,212	3,363	$16,109	75	$556	56,239	$503,826
Mortgages terminated:										
Prepaid in full	13	165	263,479	1,365,737	556	2,232	4	29	966	8,344
Prepaid by supersession			77,323	393,961	137	542	1	8	294	2,512
Matured loans			8	40						
Properties acquired by mortgagee:										
Transferred to FHA			11,261	71,113	13	46			3,228	27,268
Retained by mortgagee			2,093	12,546	1	3				
Other terminations			143	598						
Total terminations	13	165	354,307	1,843,995	707	2,823	5	37	4,488	38,154
Mortgages in force	6,632	86,521	270,346	1,801,217	2,656	13,285	70	519	51,801	470,672

[1] Excludes Sec. 2 home mortgages and Sec. 225 open-end increases.

TABLE II–28

Disposition of FHA-acquired home properties, Dec. 31, 1955

Section	Total number acquired	Number of properties sold: Total	Sold for all cash	Sold for cash and notes [1]	Sold for notes only	Number of properties on hand
8	128	88	3	84	1	40
203	6,107	5,739	881	4,841	17	458
213	17	6		6		11
222						
603 [2]	11,274	10,080	2,119	7,827	134	1,194
611						
903	3,228	476	25	451		2,752
Total	20,844	16,389	3,028	13,209	152	4,455

[1] Or contracts of deed.
[2] Includes Sec. 603–610 cases.

1955. Nearly four-fifths of these have been sold, including about one-seventh sold for cash and five-eighths sold for cash and notes. Many of these mortgage notes have been sold by FHA either outright or with FHA insurance coverage. Of the total properties acquired, about 54 percent were from Section 603 transactions, 30 percent from Section 203, and 15 percent from Section 903. All but 7 percent of the Section 203 acquired properties and all but about 10 percent of the Section 603 properties have been sold. Reflecting the recency of the Section 903 acquisitions, fully 85 percent of these properties were still on hand at the year end. More detailed information on FHA financial experience with acquired properties is presented in Section 5 of this report.

Some 1,419 FHA-insured project mortgages with original face amounts totaling $643.5 million had been terminated by the end of 1955. This represented nearly one-eighth of all project mortgage insurance written through that date. Mortgages covering 7,112 projects with original face amounts aggregating $4,314.3 million remained in force at the year end.

The bulk of terminated project mortgages were those prepaid prior to the maturity of the obligation. These accounted for nearly two-thirds of the amount of all terminations and included prepayments in full ($391 million) and prepayments by supersession with another insured mortgage ($17 million). Practically all of the remaining terminations were the result of default on the part of mortgagors. Termination through default occurs when the mortgagee, in exchange for FHA debentures, assigns the mortgage to FHA without foreclosing or forecloses and transfers title to the property to FHA. In addition, the mortgagee may foreclose, withdraw from the mortgage insurance contract, and retain title to the property. Through 1955, 475 project mortgages had been terminated as a result of default. Of these, there had been 275 instances in which titles to the property were transferred to FHA, 191 mortgages had been assigned to FHA without foreclosure, and titles to 9 properties were retained by mortgagees. Other types of terminations involved less than one-half of 1 percent of the total amount of all terminations, and it may be noted that no project mortgages have been terminated through maturity of the obligation. The distribution of terminations, by type, for the several project programs is presented in Table 29.

During 1955, 189 project mortgages were prepaid in full and 1 by supersession. Of the prepayments in full, 90 were under the Section 213 cooperative program, all but 1 being sales-type projects in which the properties (single-family dwellings) are released from the lien of the blanket mortgage and conveyed to individual members of the cooperative, thus dissolving

TABLE II–29

Terminations of FHA-insured multifamily housing mortgages, by type, 1935–55

[Dollar amounts in thousands]

Disposition	All sections		Sec. 207		Sec. 213		Sec. 608	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Mortgages insured	8,531	$4,957,824	765	$447,220	307	$312,464	7,045	$3,440,018
Mortgage insurance terminated:								
Prepayments in full	900	391,213	322	130,286	185	111,564	362	135,595
Prepayments by supersession	30	17,310	13	8,032	-----	-----	17	9,278
Matured loans	-----	-----	-----	-----	-----	-----	-----	-----
Default terminations:								
Mortgages assigned by mortgagee:								
Mortgage held or sold by FHA	191	116,237	8	9,070	2	1,974	166	90,686
Title acquired by FHA	116	32,661	3	905	1	219	111	30,544
Titles acquired by mortgagee:								
Property transferred to FHA	159	81,891	22	16,667	-----	-----	135	64,553
Property retained by mortgagee	9	1,639	7	1,407	-----	-----	2	232
Other terminations	14	2,598	9	938	-----	-----	5	1,660
Total terminations	1,419	643,549	384	167,305	188	113,756	798	332,548
Mortgages in force, Dec. 31, 1955	7,112	4,314,274	381	279,915	119	198,708	6,247	3,107,470

Disposition	Sec. 608–610		Sec. 611		Sec. 803		Sec. 908	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Mortgages insured	23	$8,360	25	$11,991	269	$674,345	97	$63,427
Mortgage insurance terminated:								
Prepayments in full	6	1,778	25	11,991	-----	-----	-----	-----
Prepayments by supersession	-----	-----	-----	-----	-----	-----	-----	-----
Matured loans	-----	-----	-----	-----	-----	-----	-----	-----
Default terminations:								
Mortgages assigned by mortgagee:								
Mortgage held or sold by FHA	-----	-----	-----	-----	4	9,006	11	5,501
Title acquired by FHA	-----	-----	-----	-----	-----	-----	1	994
Titles acquired by mortgagee:								
Property transferred to FHA	1	263	-----	-----	1	408	-----	-----
Property retained by mortgagee	-----	-----	-----	-----	-----	-----	-----	-----
Other terminations	-----	-----	-----	-----	-----	-----	-----	-----
Total terminations	7	2,040	25	11,991	5	9,414	12	6,495
Mortgages in force, Dec. 31, 1955	16	6,319	-----	-----	264	664,931	85	56,932

the mortgagor corporation originally organized for the purpose of constructing homes for members. The bulk (88) of the remaining prepayments in full were under the high-volume Section 608 program. There were 80 mortgages terminated in 1955 by reason of default on the part of mortgagors. Of these, 75 were under the Section 608 program; 10 under Section 207; 8, Section 908; 4, Section 803; and 1, Section 608–610 (publicly built housing).

The disposition of projects and mortgage notes acquired by the FHA is shown in Table 30. Though 51 projects were acquired by FHA during 1955, the inventory of properties on hand showed an increase of only 11 projects—totaling 146 as compared to 135 at the end of 1954. Through December 31, 1955, the FHA had sold a total of 129 of the 275 projects acquired. Dwelling units contained in these sold projects exceeded more than one-half of the total units in projects acquired by the FHA. As noted in the table, 8 projects had been sold with reinsurance, 14 had been sold without reinsurance, and 107 had been sold with FHA holding the mortgage. As of the year end 191 defaulted mortgages had been assigned to the FHA without foreclosure.

TABLE II–30

Disposition of FHA-acquired multifamily housing properties and mortgages, Dec. 31, 1955

Section	FHA-acquired multifamily housing properties [1]						Mortgage notes assigned to FHA				
	Total	Properties sold by FHA				On hand	Total	Mortgage notes sold by FHA			On hand
		Total	With reinsurance	Without reinsurance	With mortgage held by FHA			Total	With reinsurance	Without reinsurance	
Number of projects:											
Sec. 207	25	19	7	4	8	6	8	1	1	-------	7
Sec. 213	1	-------	-------	-------	-------	1	2	1	-------	1	1
Sec. 608	246	109	1	9	99	137	166	1	-------	1	165
Sec. 608–610	1	1	-------	1	-------	-------	-------	-------	-------	-------	-------
Sec. 803	1	-------	-------	-------	-------	1	4	-------	-------	-------	4
Sec. 908	1	-------	-------	-------	-------	1	11	-------	-------	-------	11
Total	275	129	8	14	107	146	191	3	1	2	188
Number of units:											
Sec. 207	3,827	3,077	1,491	704	882	750	1,588	1,102	1,102	-------	486
Sec. 213	26	-------	-------	-------	-------	26	185	144	-------	144	41
Sec. 608	13,990	6,246	594	493	5,159	7,744	12,203	42	-------	42	12,161
Sec. 608–610	150	150	-------	150	-------	-------	-------	-------	-------	-------	-------
Sec. 803	55	-------	-------	-------	-------	55	1,069	-------	-------	-------	1,069
Sec. 908	128	-------	-------	-------	-------	128	719	-------	-------	-------	719
Total	18,176	9,473	2,085	1,347	6,041	8,703	15,764	1,288	1,102	186	14,476

[1] Includes projects acquired by FHA after assignment of mortgage notes to FHA.

Terminations of Home and Project Mortgages by Years

The yearly trend of the number of total FHA home mortgage terminations, foreclosures, and FHA property acquisitions is shown in Table 31 for the period 1950–55, together with corresponding cumulatives and the percentage relationships to mortgages insured. Total home mortgage terminations in 1955 increased by over one-third to nearly 178,000—the second largest number in FHA history. Most of these occurred under Sections 203 and 603.

Prepayments accounted for all but 4 percent of the home mortgage terminations during 1955, probably reflecting the high rate of property transfers during the year. In most of the individual programs, prepayments were preponderant. Only under the Section 903 Defense Housing Program did foreclosures account for the bulk of the year's terminations. In fact, of the total of 4,000 foreclosures of FHA-insured home mortgages (the highest

TABLE II–31

Terminations of FHA-insured home mortgages, by years, 1950–55

Year	Total terminations			Foreclosures [1]			FHA acquisitions		
	Number for the period	Cumulative through end of year		Number for the period	Cumulative through end of year		Number for the period	Cumulative through end of year	
		Number	Percent of total insured		Number	Percent of total insured		Number	Percent of total insured
Total: [2]									
1950	131,833	1,116,795	42.50	2,610	16,301	0.62	1,860	12,707	0.48
1951	109,795	1,226,590	42.58	1,523	17,824	.62	1,142	13,849	.48
1952	101,134	1,327,724	42.62	1,478	19,302	.62	893	14,742	.47
1953	123,624	1,451,348	42.98	1,132	20,434	.61	733	15,475	.46
1954	131,910	1,583,258	44.09	3,415	23,849	.66	1,573	17,048	.47
1955	177,746	1,761,004	45.13	4,021	27,870	.71	3,796	20,844	.53
Sec. 8:									
1951	2	2	.03						
1952	89	91	.75	5	5	.04	2	2	.02
1953	193	284	1.71	64	69	.42	55	57	.34
1954	283	567	1.75	45	114	.35	25	82	.25
1955	754	1,321	3.46	79	193	.51	46	128	.34
Sec. 203:									
1950	97,144	880,845	44.02	677	6,324	.32	225	4,333	.22
1951	85,506	966,351	43.02	760	7,084	.32	407	4,740	.21
1952	81,301	1,047,652	42.60	684	7,768	.32	282	5,022	.20
1953	101,832	1,149,484	42.72	741	8,509	.32	263	5,285	.20
1954	105,603	1,255,087	43.79	1,131	9,640	.34	427	5,712	.20
1955	144,937	1,400,024	44.29	1,096	10,736	.34	485	6,197	.20
Sec. 213:									
1952	1	1	.03						
1953	10	11	.18						
1954	22	33	.31	4	4	.04	3	3	.03
1955	106	139	1.18	46	50	.42	14	17	.14
Sec. 222: 1955	13	13	.20						
Sec. 603: [3]									
1950	34,689	235,950	37.62	1,933	9,977	1.59	1,635	8,374	1.34
1951	24,287	260,237	41.45	763	10,740	1.71	735	9,109	1.45
1952	19,743	279,980	44.59	789	11,529	1.84	609	9,718	1.55
1953	21,425	301,405	47.99	305	11,834	1.88	412	10,130	1.61
1954	25,113	326,518	51.99	1,114	12,948	2.06	427	10,557	1.68
1955	28,496	355,014	56.53	492	13,440	2.14	717	11,274	1.80
Sec. 903:									
1953	161	161	.45	22	22	.06	3	3	.01
1954	889	1,050	1.96	1,121	1,143	2.13	691	694	1.29
1955	3,438	4,488	7.97	2,308	3,451	6.13	2,534	3,228	5.73

[1] Includes terminations with titles transferred to FHA or retained by mortgagee; also foreclosed properties held by mortgagees pending redemption period or final disposition—49 under Sec. 8, 430 under Sec. 203, 33 under Sec. 213, 72 under Sec. 603, and 223 under Sec. 903.

[2] Includes Sec. 611 home cases.

[3] Includes Sec. 603–610 cases.

number in the agency's history), well over half occurred under Section 903, reflecting a twofold increase over the previous year in foreclosures under this program. Section 203 foreclosures, on the other hand, declined slightly, while Section 603 foreclosures were less than half of what they were in 1954.

Reflecting primarily the accelerated rate of Section 903 foreclosures, the number of home mortgage properties transferred to FHA in exchange for debentures in 1955 increased more than twofold to nearly 3,800—the largest number on record. Two of every three of these represented a Section 903 transaction, FHA acquisitions under this program during the year being well over three times what they were in 1954. Section 203 acquisitions were slightly higher than in the previous year, but Section 603 increased two-thirds to over 700—the largest number under this program since 1951.

When related to cumulative insurance written, total home mortgage foreclosures (including those being retained by mortgagees pending final disposition) constituted only seven-tenths of 1 percent at the end of 1955—slightly higher than the comparable figures for other recent years. With the Section 203 ratio remaining constant at about three-tenths of 1 percent and Section 603 just over 2 percent, most of the increase in the overall ratio of foreclosures to mortgages insured stemmed from the substantial increase in the Section 903 ratio from 2 percent in 1954 to 6 percent in 1955.

Chart 12 shows the trends in the yearly rates of FHA home mortgage terminations for total types, for prepayments (in full and by supersession), for

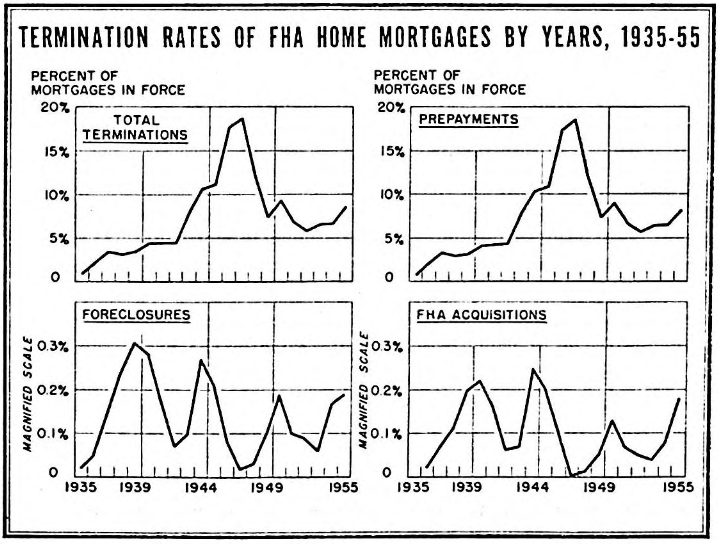

CHART II–12

total foreclosures, and for those foreclosures that result in transfer of properties to FHA. The rates represent the percentage relationship between the yearly volumes of terminations and the average number of mortgages in force during the year. As illustrated by the curves in the charts, the trend in FHA home mortgage terminations has been determined almost exclusively by prepayments; and the rise in the termination rate in 1955 paralleled the increase in prepayments. The peak of prepayments (and hence of terminations) occurred in the early postwar years when mortgage obligations were retired on homes retained by owners or on those sold to new owners. The foreclosure rate in 1955 edged upward slightly. These represented less than two-tenths of 1 percent of total mortgages exposed during the year. Even in the peak years of foreclosure activity, foreclosures have had only a limited influence on total terminations. As expected, FHA property acquisitions had paralleled foreclosures with a rate consistently somewhat lower than that of foreclosures. Foreclosure rates react not only to economic conditions (as evidenced by the peak following the 1937–38 recession and the 1948–49 inventory adjustment) but may also rise following the peak of activity in a temporary special purpose program, as in 1944 when foreclosures of Section 603 War Housing increased following the peak years of activity under that program, and in 1954–55 following the high insurance volume under the Section 903 Defense Housing program. The sharp rise in the curve depicting FHA property acquisitions during 1955 (but only from 0.08 to 0.18 of 1 percent) reflects the high rates of foreclosures of Section 903 mortgages in the last 2 years.

Table 32 presents the trend of multifamily housing mortgage terminations for the years 1950 through 1955 for all project programs combined and for the individual programs. Through 1955, one-sixth of all dwelling units securing insured project mortgages had been terminated—5 percent as a result of default on the part of mortgagors.

Paralleling the sharp decline in the volume of insurance written since 1950 has been a marked increase in the cumulative termination ratio. The proportion of project dwelling units in terminated mortgages has increased from 11 percent of total insurance in 1950 to 17 percent at the end of 1955 for all programs combined. The bulk of these terminations have been prepayments in full prior to maturity, this type of termination accounting for two-thirds of the total through this period. The proportion of terminations resulting from defaults by the mortgagor, had, however, increased to one-third of all terminated units at the end of 1955 compared with 17 percent through 1950.

Through 1953, terminations of Section 207 project mortgage insurance accounted for the major proportion of all project terminations. For the most part, these terminations represented prepayments in full, with a majority of cases subject to the prewar provisions of the section. For these prewar projects, mortgages involving 80 percent of all insured units had been prepaid in full by the end of 1955 and only 4 percent remained in force. By the end of 1954, Section 608 terminations predominated, though representing little more than one-tenth of all units insured under this leading program

TABLE II–32

Terminations of FHA-insured multifamily housing mortgages, by years, 1935–55

Year	Total terminations					Default terminations [1]				
	Number for the period		Cumulative through end of year			Number for the period		Cumulative through end of year		
				Dwelling units					Dwelling units	
	Number of mortgages	Number of units	Number of mortgages	Number	Percent of total insured	Number of mortgages	Number of units	Number of mortgages	Number	Percent of total insured
All sections:										
1950	137	10,961	553	52,232	10.54	66	2,646	112	9,005	1.82
1951	151	10,436	704	62,668	11.00	82	4,306	194	13,311	2.34
1952	99	8,321	803	70,989	11.65	39	3,162	233	16,473	2.70
1953	139	12,239	942	83,228	13.00	68	5,395	301	21,868	3.42
1954	187	12,013	1,129	95,241	14.25	76	5,548	377	27,416	4.10
1955	290	16,991	1,419	[2] 112,232	16.56	98	6,909	475	34,325	5.06
Sec. 207:										
1950	18	2,883	327	37,252	81.16	-------	-------	25	4,483	9.77
1951	6	527	333	37,779	74.38	-------	-------	25	4,483	8.83
1952	10	733	343	38,512	67.76	1	20	26	4,503	7.92
1953	9	968	352	39,480	61.68	3	159	29	4,662	7.28
1954	12	1,136	364	40,616	53.83	1	214	30	4,876	6.46
1955	20	1,710	384	[2] 42,326	52.54	10	887	40	5,763	7.15
Sec. 213:										
1951	9	268	9	268	3.24	-------	-------	-------	-------	-------
1952	10	1,794	19	2,062	11.42	1	144	1	144	.80
1953	23	4,028	42	6,090	23.76	2	67	3	211	.82
1954	56	2,886	98	8,976	28.18	-------	-------	3	211	.66
1955	90	3,073	188	12,049	36.08	-------	-------	3	211	.63
Sec. 608:										
1950	114	7,018	221	13,920	3.25	66	2,646	87	4,522	1.06
1951	131	9,168	352	23,088	4.99	82	4,306	169	8,828	1.91
1952	67	5,112	419	28,200	6.05	37	2,998	206	11,826	2.54
1953	105	6,925	524	35,125	7.54	63	5,169	269	16,995	3.65
1954	109	7,347	633	42,472	9.12	70	5,026	339	22,021	4.73
1955	165	10,300	798	[2] 52,772	11.33	75	4,209	414	26,230	5.63
Sec. 608–610:										
1950	4	960	4	960	24.58	-------	-------	-------	-------	-------
1951	-------	-------	4	960	24.52	-------	-------	-------	-------	-------
1952	1	10	5	970	24.78	-------	-------	-------	-------	-------
1953	-------	-------	5	970	24.78	-------	-------	-------	-------	-------
1954	1	10	6	980	25.03	-------	-------	-------	-------	-------
1955	1	150	7	1,130	28.86	1	150	1	150	3.83
Sec. 611:										
1950	1	100	1	100	13.37	-------	-------	-------	-------	-------
1951	5	473	6	573	33.43	-------	-------	-------	-------	-------
1952	11	672	17	1,245	67.70	-------	-------	-------	-------	-------
1953	2	318	19	1,563	78.78	-------	-------	-------	-------	-------
1954	4	326	23	1,889	95.21	-------	-------	-------	-------	-------
1955	2	95	25	1,984	100.00	-------	-------	-------	-------	-------
Sec. 803:										
1954	1	55	1	55	.07	1	55	1	55	.07
1955	4	1,069	5	1,124	1.34	4	1,069	5	1,124	1.34
Sec. 908:										
1954	4	253	4	253	3.02	4	253	4	253	3.02
1955	8	594	12	847	9.98	8	594	12	847	9.98

[1] Includes mortgage notes and property titles transferred to FHA and projects retained by mortgagees with termination of FHA mortgage insurance contracts, numbering 7 for 348 units under Sec. 207, and 2 for 37 units under Sec. 608.

[2] Includes terminated contracts superseded by new FHA insurance contracts covering the same properties, numbering 13 for 2,035 units under Sec. 207, and 17 for 1,486 units under Sec. 608.

at the end of 1955 as compared to 53 percent for Section 207. Default terminations accounted for one-half of all Section 608 terminations through 1955—largely projects insured under the postwar provisions of this program. One-tenth of the Section 908 defense housing project units insured through 1955 were reported terminated as a result of default, but this program represents only a minor proportion of FHA project mortgage insurance.

The relatively high proportion of terminations under Section 213 reflects the activity attributable to the sales-type provisions of this program, in which mortgages are, in effect, construction loans. As previously noted, when these blanket liens are paid off, the individual properties are released to members of the cooperative organizations. To date, sales-type projects have accounted for nearly two-fifths of the total units insured under Section 213 and virtually all of these have been terminated.

Defaults of Home and Project Mortgages by Years

Only 7 of every 1,000 FHA-insured home mortgages in force at the end of 1955 were in default—slightly fewer than at the close of 1954. In the individual programs, Section 903 had by far the highest default ratio—74 of each 1,000 cases as compared with 5 per 1,000 under Section 203 and about 6½ per thousand under Section 603. In the Section 8 and Section 213 programs, defaults exceeded 11 per thousand.

Table 33 presents data on the trend of FHA home mortgage defaults at the year ends 1950–55. The table also shows the trend in those defaulted cases where foreclosure was in process and those where foreclosures had been completed but properties were being retained by the mortgagees pending the expiration of the redemption periods provided by the laws of the individual States, or for other reasons.

Just under 15,000 FHA home mortgages were in default at the end of 1955—8 percent less than at the end of the previous year. Most (nearly three-fifths) of these were Section 203 mortgages, one-fourth Section 903 mortgages, and one-ninth Section 603 mortgages. Of the mortgages in default at the end of 1955, less than one-fifth (representing thirteen one-hundredths of 1 percent of all the mortgages in force) were in the process of foreclosure, and only 5 percent (representing four one-hundredths of 1 percent of those in force) were foreclosed and in the mortgagee inventory.

The monthly trend of FHA home mortgages in default during the period 1950–55 is indicated in Chart 13, the top line depicting the number in default and the lower line the ratio of defaults to mortgages in force. Although fluctuating somewhat during 1955, the general trend in both number of defaults and default ratio was downward. The decrease in defaults may have been attributable to such factors as the sustained high levels of employment and personal income during 1955 in most sections of the country tending to cure minor defaults and keep new defaults at a minimum, and the trans-

TABLE II–33

Default status of FHA-insured home mortgages, by years, 1950–55

As of year end	Mortgages in force	Defaults and potential FHA acquisitions					
		Total defaults		Foreclosures in process		Mortgagee inventory [2]	
		Number	Percent of in force	Number	Percent of in force	Number	Percent of in force
Total: [1]							
1950	1, 511, 402	17, 058	1. 13	1, 167	0. 08	950	0. 06
1951	1, 654, 276	18, 007	1. 09	899	. 05	607	. 04
1952	1, 787, 568	10, 562	. 59	646	. 04	513	. 03
1953	1, 925, 485	10, 778	. 56	822	. 04	299	. 02
1954	2, 007, 812	16, 231	. 81	1, 091	. 05	1, 371	. 07
1955	2, 140, 936	14, 988	. 70	2, 755	. 13	807	. 04
Sec. 8:							
1950	209	------	------	------	------	------	------
1951	6, 386	7	. 11	1	. 02	------	------
1952	12, 112	87	. 72	• 5	. 04	3	. 02
1953	16, 298	90	. 55	12	. 07	8	. 05
1954	31, 912	207	. 65	19	. 06	21	. 07
1955	36, 872	418	1. 13	47	. 13	49	. 13
Sec. 203:							
1950	1, 119, 967	9, 480	. 85	502	. 04	306	. 03
1951	1, 279, 915	11, 087	. 87	515	. 04	225	. 02
1952	1, 411, 362	7, 141	. 51	438	. 03	176	. 01
1953	1, 540, 975	6, 737	. 44	511	. 03	210	. 01
1954	1, 611, 070	8, 966	. 56	681	. 04	387	. 02
1955	1, 760, 905	8, 866	. 50	1, 515	. 09	430	. 02
Sec. 213:							
1951	313	------	------	------	------	------	------
1952	3, 547	------	------	------	------	------	------
1953	6, 226	40	. 64	3	. 05	------	------
1954	10, 706	84	. 78	16	. 15	1	. 01
1955	11, 654	133	1. 14	12	. 10	33	. 28
Sec. 222:							
1954	10	------	------	------	------	------	------
1955	6, 632	1	. 02	------	------	------	------
Sec. 603: [3]							
1950	391, 226	7, 578	1. 94	665	. 17	644	. 16
1951	367, 656	6, 913	1. 88	383	. 10	382	. 10
1952	347, 962	3, 317	. 95	203	. 06	334	. 10
1953	326, 609	2, 309	. 71	178	. 05	62	. 02
1954	301, 498	2, 810	. 93	190	. 06	513	. 17
1955	273, 002	1, 739	. 64	200	. 07	72	. 03
Sec. 903:							
1952	12, 510	17	. 14	------	------	------	------
1953	35, 305	1, 602	4. 54	118	. 33	19	. 05
1954	52, 544	4, 164	7. 92	185	. 35	449	. 85
1955	51, 801	3, 831	7. 40	981	1. 89	223	. 43

[1] Includes Sec. 611.
[2] Titles to foreclosed properties subject to redemption or held by mortgagees pending final disposition.
[3] Includes Sec. 603–610 cases.

fer to FHA of many of the properties in which mortgages were in default at the end of 1954, thus removing these cases from the default category. The decline in the default ratio also reflects the increase in the number of insured mortgages in force during the year.

The status of project mortgages covered by insurance in force at the end of each year from 1950 through 1955 is shown in Table 34. Of the 7,112 mortgages in this category at the end of 1955, 80 were in default, including 11 mortgages in process of being assigned to the FHA and 12 that were

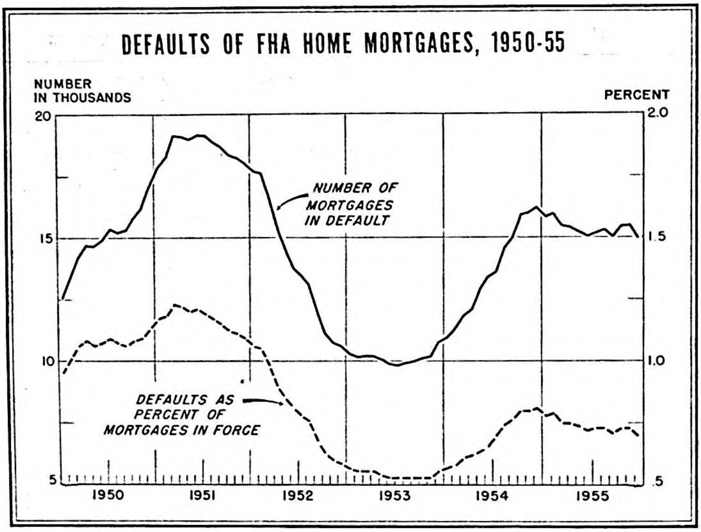

CHART II–13

being acquired by mortgagees. While fewer in number than for the preceding year, the 16,000 dwelling units secured by these defaulted mortgages represented 2.8 percent of the total units in force—the highest year-end ratio since 1950—and more than doubled the proportion reported at the end of 1954. As shown in Chart 14, the highest default ratio registered for all project mortgage programs combined occurred at the end of the third quarter of 1955 when more than 3 percent of all units covered by insurance in force were reported in default. Defaulted project mortgages together with cumulative FHA acquisitions (mortgage notes and property titles transferred to FHA) accounted for 7 percent of all units covered by insurance written through 1955.

Although mortgages insured under Section 608 had accounted for the bulk of defaults through 1953—four-fifths or more for each year—the proportion fell to just over one-half in 1954 and less than one-half at the end of 1955. During the same period, Section 608's proportionate share of dwelling units covered by insurance in force declined from 93 percent in 1950 to 73 percent in 1955. Section 803 defaulted mortgages accounted for the second largest proportion of units in default at the end of 1955.

For the individual programs, Section 908 has shown the highest percentage of defaulted mortgages, with totals exceeding more than one-tenth of all units in force for the years 1953 through 1955. This program, as noted previously, involves but a fraction of FHA's currently insured project mortgages. The Section 803 program had mortgages in default which involved

TABLE II–34

Status of FHA-insured multifamily housing mortgages in force, by years, 1950–55

Year	Insured mortgages in force		Insured mortgages in default			Mortgage notes being assigned to FHA			Projects being acquired by mortgagee		
	Number of mortgages	Number of units	Number of mortgages	Number of units	Percent of units in force	Number of mortgages	Number of units	Percent of units in force	Number of mortgages	Number of units	Percent of units in force
All sections:											
1950	6,673	443,106	113	6,495	1.47	12	212	0.05	36	1,933	0.44
1951	7,008	506,877	76	6,471	1.28	4	193	.04	8	916	.18
1952	7,149	538,395	70	5,585	1.04	2	208	.04	17	526	.10
1953	7,225	556,857	52	5,154	.93	6	446	.08	9	655	.12
1954	7,321	573,101	90	6,959	1.21	12	962	.17	21	1,314	.23
1955	7,112	565,541	80	15,966	2.82	11	1,242	.22	12	1,044	.18
Sec. 207:											
1950	76	8,650	1	800	9.25						
1951	136	13,013									
1952	193	18,323	2	42	.23						
1953	266	24,530	1	214	.87				1	214	0.87
1954	354	34,836	7	886	2.54	1	104	0.30	2	150	.43
1955	381	38,234	8	2,532	6.62	1	299	.78	2	538	1.41
Sec. 213:											
1950	6	285									
1951	32	8,012									
1952	81	15,992									
1953	103	19,543									
1954	185	22,877	1	274	1.20						
1955	119	21,349	6	1,235	5.78						
Sec. 608:											
1950	6,510	413,909	112	5,695	1.38	12	212	0.05	36	1,933	0.47
1951	6,678	439,404	76	6,471	1.47	4	193	.04	8	916	.21
1952	6,630	437,749	67	5,524	1.26	2	208	.05	17	526	.12
1953	6,522	430,555	43	4,191	.97	6	446	.10	4	291	.07
1954	6,412	423,211	65	3,875	.92	8	616	.15	14	814	.19
1955	6,247	412,902	44	7,177	1.74	7	373	.09	5	156	.04
Sec. 608–610:											
1950	18	2,945									
1951	19	2,955									
1952	18	2,945									
1953	18	2,945									
1954	17	2,935	1	150	5.11	1	150	5.11			
1955	16	2,785									
Sec. 611:											
1950	7	648									
1951	15	1,141									
1952	5	591	1	19	3.20						
1953	6	421									
1954	2	95									
1955											
Sec. 803:											
1950	56	16,669									
1951	128	42,352									
1952	186	59,585									
1953	230	71,766									
1954	259	81,021	4	708	0.87				1	200	0.25
1955	264	82,633	14	4,212	5.10	1	350	0.42	1	200	.24
Sec. 908:											
1952	36	3,207									
1953	80	7,097	8	749	10.55				4	150	2.11
1954	92	8,126	12	1,066	13.12	2	92	1.13	4	150	1.85
1955	85	7,638	8	810	10.60	2	220	2.88	4	150	1.96

5 percent of all units in force at the year end. Section 207, FHA's regular long-term project program, has experienced a rising trend in defaults from less than one-quarter of 1 percent in 1952 to nearly 7 percent in 1955. The high ratio shown for 1950 resulted from the default of one large project,

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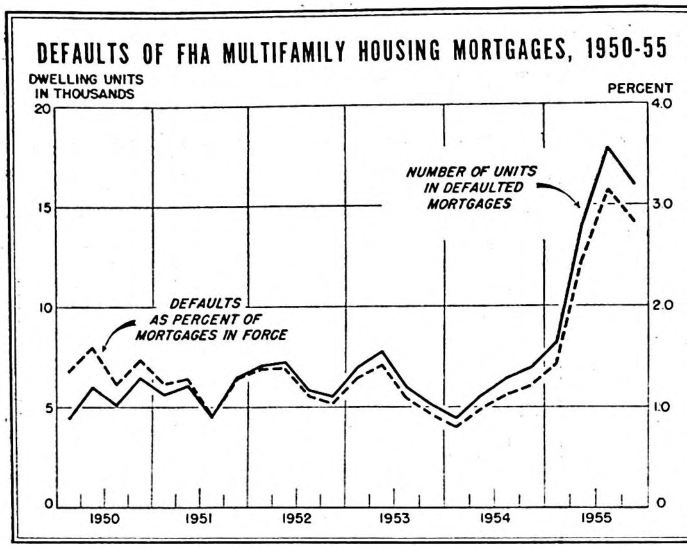

CHART II–14

which was not of a serious nature and was soon corrected. Section 213 cooperatives had nearly 6 percent of their total units in default at December 1955, while the Section 608 default ratio, despite the sharp increases for other programs, remained fairly constant. Decreasing from 1.4 percent in 1950 to a low of nine-tenths of 1 percent in 1954 and rising again in 1955 to a high of 1.7 percent, this program has shown an overall variation of less than 1 percent for the period covered by Table 34.

Terminations and Defaults by States

The FHA home mortgage experience in each State and Territory through the end of 1955 is indicated by the data in Table 35. The first four columns show the total number of mortgages insured, the percent of these terminated, the percent foreclosed, and the percent of cases in which properties were transferred to FHA after foreclosure. The number of insured mortgages in force at the year end is shown in the fifth column. The last four columns present information on the default status of FHA home mortgages in force at the year end—namely, the percent delinquent, the proportion in process of foreclosure, and the proportion involving completed foreclosures with properties being held by mortgagees pending final disposition.

FHA home mortgage termination rates were lowest in Guam, the Virgin Islands, and Puerto Rico, where the majority of insured cases are of relatively recent origin, and highest in Vermont, Illinois, New Hampshire, Wisconsin,

TABLE II–35

Terminations and default status of FHA-insured home mortgages, by States, as of Dec. 31, 1955

State	Total mortgages insured 1935–55	Terminations, 1935–55			Insured mortgages in force Dec. 31, 1955	Defaults as of Dec. 31, 1955			Insured mortgages in good standing Dec. 31, 1955
		Total	Foreclosures [1]	FHA acquisitions		Total	Foreclosures in process	Mortgagee inventory [2]	
		As percent of insured				As percent of in force			
Alabama	45,087	41.96	1.88	1.67	26,170	0.42	-------	0.02	26,059
Arizona	53,181	23.24	1.17	.99	40,824	2.25	0.06	.08	39,907
Arkansas	39,095	37.22	1.74	1.38	24,545	1.00	.15	.05	24,299
California	631,042	49.22	.23	.12	320,449	.60	.06	.01	318,531
Colorado	44,116	44.44	.17	.07	24,509	.78	(3)	.04	24,319
Connecticut	45,042	43.00	3.70	3.54	25,675	1.03	.09	(3)	25,411
Delaware	7,994	53.57	.59	.31	3,712	.38	.03	.03	3,698
District of Columbia	7,115	57.25	.13	-------	3,042	.53	-------	-------	3,026
Florida	117,597	29.42	.64	.44	83,003	.36	.03	.02	82,706
Georgia	66,118	39.43	1.81	1.54	40,048	.86	.15	.16	39,703
Idaho	22,110	43.10	.34	.25	12,580	.75	.02	.02	12,486
Illinois	169,906	59.45	.17	.07	68,902	.33	.12	.01	68,677
Indiana	128,611	46.75	.42	.25	68,480	.54	.10	.05	68,112
Iowa	38,287	47.83	.49	.42	19,974	.44	.02	.01	19,886
Kansas	72,668	40.26	.98	.72	43,414	.52	.04	.08	43,190
Kentucky	37,878	43.95	.29	.18	21,229	.60	.04	(3)	21,101
Louisiana	64,533	38.61	1.62	1.35	39,618	.86	.03	.09	39,277
Maine	13,336	45.85	1.24	.71	7,222	4.83	.15	.04	6,873
Maryland	56,857	52.92	2.33	2.10	26,769	.43	.13	.01	26,653
Massachusetts	24,449	51.40	1.81	1.37	11,881	2.43	.18	.03	11,592
Michigan	266,526	44.54	.65	.34	147,805	.25	.02	.03	147,430
Minnesota	37,847	53.12	.36	.19	17,743	1.90	1.17	.03	17,405
Mississippi	27,493	37.33	.51	.36	17,230	.71	.02	.01	17,108
Missouri	102,222	46.48	.45	.39	54,707	.32	.01	(3)	54,533
Montana	14,138	47.21	.10	.04	7,463	.20	-------	-------	7,448
Nebraska	38,134	48.33	.55	.31	19,705	.42	.07	.01	19,622
Nevada	13,249	28.70	1.99	.98	9,447	3.37	1.46	1.40	9,129
New Hampshire	5,287	58.88	2.97	1.78	2,174	4.97	-------	-------	2,066
New Jersey	142,091	53.68	1.03	.72	65,822	.75	.10	.02	65,329
New Mexico	23,270	25.68	.09	.02	17,295	.36	.04	.02	17,232
New York	190,140	41.29	.87	.54	111,628	.74	.14	.01	110,803
North Carolina	47,786	36.13	.68	.54	30,523	.43	.02	.02	30,393
North Dakota	4,358	39.95	.21	.11	2,617	1.53	.08	.04	2,577
Ohio	193,200	51.41	.19	.11	93,880	1.44	.97	-------	92,527
Oklahoma	93,414	39.45	.78	.67	56,559	.50	.14	.02	56,275
Oregon	56,807	38.85	.44	.15	34,739	1.17	.35	.35	34,331
Pennsylvania	192,464	53.85	.22	.08	88,824	.36	.01	.01	88,503
Rhode Island	9,748	45.67	1.49	1.14	5,296	1.00	-------	-------	5,243
South Carolina	34,423	36.59	3.41	3.10	21,828	3.06	.03	.17	21,159
South Dakota	13,550	45.58	.20	.10	7,374	.33	.01	-------	7,350
Tennessee	72,702	38.99	.61	.48	44,359	.24	(3)	-------	44,251
Texas	246,875	34.76	1.00	.83	161,060	.36	.02	.03	160,484
Utah	37,558	48.97	1.18	1.07	19,164	.49	.01	.01	19,070
Vermont	4,668	62.25	1.44	.94	1,762	3.18	.28	-------	1,706
Virginia	85,988	40.63	1.53	1.39	51,051	.29	.01	.03	50,905
Washington	155,299	50.21	.40	.22	77,317	.66	.06	.05	76,806
West Virginia	24,784	51.96	1.32	1.20	11,906	.33	.02	-------	11,867
Wisconsin	33,134	58.16	.62	.49	13,862	.89	.06	.02	13,738
Wyoming	12,463	53.86	.16	.10	5,750	.38	.02	.02	5,728
Alaska	2,911	21.23	.10	.07	2,293	15.79	12.30	-------	1,931
Hawaii	12,688	28.84	.04	.02	9,029	.74	-------	-------	8,962
Puerto Rico	17,639	17.13	.23	.14	14,617	.99	.08	.02	14,473
Virgin Islands	13	7.69	-------	-------	12	-------	-------	-------	12
Guam	167	1.80	-------	-------	164	-------	-------	-------	164
Total [4]	3,898,059	45.18	.71	.53	2,137,055	.70	.13	.04	2,122,067

[1] Includes terminations with titles transferred to FHA or retained by mortgagees; and foreclosed properties in mortgagee inventory.
[2] Titles to foreclosed properties subject to redemption or held by mortgagees pending final disposition.
[3] Less than 0.005 percent.
[4] Cases tabulated in Washington through Dec. 31, 1955, excluding Title I, Sec. 2, homes.

and the District of Columbia. In most of the States, between 40 and 60 percent of the insured cases had been terminated, between 30 and 40 percent in 11 States, and 20 to 30 percent in 4 States.

Prepayment was the major reason for termination in every State and Territory. In most States and Territories fewer than 7 of each 1,000 FHA-insured home mortgages had been foreclosed—fewer than 5 per 1,000 in three-eighths of the States. Foreclosure rates, cumulatively, were between 10 and 20 cases per 1,000 in 15 States and between 20 and 40 per 1,000 in 4 States.

FHA home property acquisitions after foreclosure were at a somewhat lower rate. In about one-half the States, they represented less than 5 of each 1,000 insured cases, and in five-sixths of the States less than 10 per 1,000. Acquisition rates were between 10 and 20 per 1,000 cases in 10 States and between 20 and 40 per 1,000 in 3 States, the highest being 35 per 1,000 in Connecticut. In most of the States where foreclosure and acquisition rates exceeded 10 per 1,000, the bulk of the foreclosed and acquired cases had been insured under Section 603.

At the close of 1955, there were FHA-insured mortgages in default in every State and Territory except the Virgin Islands and Guam, with the highest rate—roughly one-sixth of the cases—occurring in Alaska. In most States and Territories, however, the default rate was less than 9 per 1,000 (between 2 and 5 per 1,000 in 20 States and between 5 and 9 per 1,000 in 14 States). Of the 14 States reporting default rates of 10 or more cases per 1,000, 2 (Arizona and Massachusetts) had rates of 20 to 29 per 1,000, 3 (Nevada, South Carolina, and Vermont) rates of 30 to 39 per 1,000, and 2 (Maine and New Hampshire) rates of 40 to 49 per 1,000. Most of the defaulted mortgages in this latter group of States were insured under Section 203 or Section 903.

Included in the total default category were cases in process of foreclosure and those where foreclosure had been completed with properties being held by the mortgagee pending final disposition. Home mortgage foreclosures in process involved less than 1 of every 1,000 insured cases in the majority of the States and in 10 States only 1 of every 1,000. In only 2 States were as many as 10 of each 1,000 cases in this stage. In Alaska, however, nearly one-eighth of the FHA-insured home mortgages were being foreclosed at the end of 1955. Properties being held by mortgagees after foreclosure accounted for less than 1 of every 1,000 FHA-insured cases in most States, with Nevada reporting the highest rate of 14 per 1,000.

The distribution by States of all terminated project mortgages is presented in Table 36, which includes separate data for all terminations and for those resulting from mortgagor defaults. In 9 States, the District of Columbia, and Puerto Rico, terminated mortgages have been reported involving at least one-fourth of each State's total insurance, based on dwelling units, with the highest rate (70 percent) recorded for Arkansas. Less than 10 percent of the total units insured through 1955 in each of 10 States and Hawaii had been terminated, and in Montana, New Mexico, and North Dakota no project mortgage terminations had been reported.

TABLE II-36

Terminations and default status of FHA-insured multifamily housing mortgages, by State location, as of Dec. 31, 1955

State	Total units covered by insurance, 1935-55	Units in terminated mortgages, 1935-55: Total	Default terminations: Total [1]	Default terminations: Mortgage notes assigned and held by FHA [2]	Default terminations: Property titles transferred to FHA	Units covered by mortgages in force as of Dec. 31, 1955	Units in default as of Dec. 31, 1955: Total	Units in default: Potential acquisitions [3]	Units covered by insured mortgages in good standing Dec. 31, 1955
		As percent of insured units					As percent of units in force		
Alabama	12,012	13.40	7.04	1.34	5.59	10,402	0.71	0.71	10,328
Arizona	5,187	47.00	3.30	1.39	1.91	2,749	--------	--------	2,749
Arkansas	1,712	69.51	24.94	5.14	19.80	522	6.13	--------	490
California	49,333	25.68	4.31	1.65	.42	36,663	--------	--------	36,663
Colorado	3,141	17.83	--------	--------	--------	2,581	--------	--------	2,581
Connecticut	7,111	9.37	--------	--------	--------	6,445	5.46	--------	6,093
Delaware	4,155	4.72	.96	.96	--------	3,959	--------	--------	3,959
District of Columbia	21,222	28.21	5.17	2.22	2.95	15,235	1.13	--------	15,063
Florida	15,229	20.97	18.43	8.02	10.40	12,036	3.51	.25	11,614
Georgia	23,273	7.75	2.70	1.43	1.27	21,470	3.26	.93	20,770
Idaho	1,126	46.63	46.63	37.39	9.24	601	--------	--------	601
Illinois	22,511	18.47	.21	--------	.21	18,353	2.20	--------	17,950
Indiana	9,050	8.60	1.06	1.06	--------	8,272	3.13	2.42	8,013
Iowa	1,806	9.91	--------	--------	--------	1,627	--------	--------	1,627
Kansas	4,760	19.64	8.61	3.61	4.79	3,825	--------	--------	3,825
Kentucky	6,668	20.04	14.65	7.50	7.15	5,332	1.22	--------	5,267
Louisiana	9,398	46.73	35.18	13.36	21.81	5,006	10.45	10.45	4,483
Maine	2,420	7.40	7.40	--------	7.40	2,241	77.29	--------	509
Maryland	43,691	13.60	1.38	1.35	.02	37,749	3.55	.17	36,410
Massachusetts	5,326	18.49	13.39	--------	13.39	4,341	--------	--------	4,341
Michigan	10,975	18.69	1.31	--------	--------	8,924	3.54	--------	8,608
Minnesota	6,309	20.26	9.08	.17	8.75	5,031	3.92	.66	4,834
Mississippi	2,722	14.51	14.07	--------	14.07	2,327	.52	--------	2,315
Missouri	11,341	22.33	8.54	--------	8.45	8,809	2.18	--------	8,617
Montana	837	--------	--------	--------	--------	837	--------	--------	837
Nebraska	2,599	10.70	--------	--------	--------	2,321	--------	--------	2,321
Nevada	1,356	23.23	--------	--------	--------	1,041	--------	--------	1,041
New Hampshire	244	67.21	67.21	--------	67.21	80	--------	--------	80
New Jersey	59,019	13.17	4.36	2.86	1.44	51,248	.76	.17	50,859
New Mexico	2,472	--------	--------	--------	--------	2,472	--------	--------	2,472
New York	125,315	10.29	1.74	.51	.08	112,420	3.41	--------	108,586
North Carolina	17,905	11.57	3.83	.49	3.34	15,833	.71	--------	15,721
North Dakota	154	--------	--------	--------	--------	154	12.99	12.99	134
Ohio	22,090	17.35	1.31	1.20	.11	18,257	--------	--------	18,257
Oklahoma	4,662	41.93	23.90	13.21	10.68	2,707	6.87	5.54	2,521
Oregon	5,387	16.58	8.07	8.07	--------	4,494	--------	--------	4,494
Pennsylvania	25,219	17.18	2.47	2.47	--------	20,887	3.75	--------	20,104
Rhode Island	952	3.78	--------	--------	--------	916	--------	--------	916
South Carolina	7,254	22.19	18.43	7.04	11.39	5,644	1.91	.99	5,536
South Dakota	1,231	3.74	--------	--------	--------	1,185	--------	--------	1,185
Tennessee	10,490	11.22	1.82	--------	1.82	9,313	.49	.49	9,267
Texas	34,126	11.81	6.05	.73	5.28	30,097	2.80	1.50	29,255
Utah	1,615	1.61	1.61	1.61	--------	1,589	22.03	22.03	1,239
Vermont	193	29.02	22.80	--------	22.80	137	11.68	--------	121
Virginia	45,163	22.81	4.64	.46	4.18	34,863	6.28	--------	32,673
Washington	10,267	16.55	11.65	6.25	5.30	8,568	3.50	--------	8,268
West Virginia	797	31.49	9.66	9.66	--------	546	--------	--------	546
Wisconsin	4,120	8.59	1.00	1.00	--------	3,766	--------	--------	3,766
Wyoming	571	5.78	--------	--------	--------	538	--------	--------	538
Alaska	3,853	13.83	13.83	13.83	--------	3,320	--------	--------	3,320
Hawaii	3,151	.32	--------	--------	--------	3,141	--------	--------	3,141
Puerto Rico	6,253	25.36	25.36	25.36	--------	4,667	--------	--------	4,667
Total	677,773	16.56	5.06	2.14	2.68	565,541	2.82	.40	549,575

[1] Includes mortgage notes and property titles transferred to FHA and 9 projects involving 385 units retained by mortgagees with termination of FHA mortgage insurance contracts.
[2] Excludes mortgage notes foreclosed with title transferred to FHA and mortgage notes sold by FHA.
[3] Includes mortgage notes in process of assignment to FHA and property titles in process of acquisition by mortgagees.

Default terminations had been reported in all but 11 States and Hawaii, accounting for 10 percent or more of all insured units in 12 States, Alaska, and Puerto Rico. Of these, 9 States and Alaska reported default terminations ranging from 10 percent to 25 percent, while 4 States and Puerto Rico exceeded 25 percent. Default terminations for the entire Nation, as previously noted, have accounted for 5 percent of all project units covered by insurance written, with more than one-half of these contained in projects which have been transferred to FHA.

As also shown in Table 36, defaulted mortgages were reported as of December 31, 1955 for projects located in 28 States and the District of Columbia, with 9 States reporting ratios in excess of 5 percent. With the exception of Virginia, all were comparatively low-volume States with only small numbers of project mortgages in default. In Maine, the high percentage of dwelling units covered by defaulted mortgages was attributable solely to operations under the Section 803 program.

Projects covered by defaulted mortgages considered as potential FHA acquisitions were located in 14 States. While 4 States—Utah, North Dakota, Louisiana, and Oklahoma—reported more than 5 percent of their total units in force in this category, the United States total for defaults of this nature represented less than one-half of 1 percent of all project units covered by insured mortgages in force.

Claims Paid on Property Improvement Loans

For the first time since World War II, when restrictions of various kinds materially reduced the volume of modernization and repair activities, the average net proceeds of loans outstanding ($1.2 billion at December 31, 1955) reversed its trend from the steady yearly increase which had reached a peak of $1.4 billion in 1954 (Table 37). This pattern is depicted graph-

TABLE II–37

Property improvement loans outstanding and claims paid by FHA, 1934–55

[Dollar amounts in thousands]

Year	Average net proceeds of loans outstanding	Annual amount of claims paid	Claims paid as percent of loans outstanding	Year	Average net proceeds of loans outstanding	Annual amount of claims paid	Claims paid as percent of loans outstanding
1934	$12,008			1945	$140,247	$1,524	1.09
1935	93,582	$447	0.48	1946	262,376	2,434	.93
1936	253,218	5,885	2.32	1947	501,171	5,830	1.16
1937	224,861	6,891	3.06	1948	748,438	14,346	1.92
1938	144,449	6,016	4.17	1949	803,293	17,494	2.18
1939	199,347	4,649	2.33	1950	889,433	18,148	2.04
1940	253,676	6,115	2.41	1951	959,394	12,086	1.26
1941	303,149	7,071	2.33	1952	1,130,827	11,524	1.02
1942	265,583	6,998	2.64	1953	1,377,679	14,995	1.09
1943	155,667	3,588	2.30	1954	1,436,558	21,047	1.47
1944	115,153	1,670	1.45	1955	1,175,670	17,648	1.50

ically in Chart 15, the persistent upward movement being interrupted only in 1937–38 (reflecting a lapse in FHA authority to insure) and again during 1942–45 (under wartime restrictions). Claims paid in 1955 amounting to $17.6 million show a corresponding decrease from the 1954 peak of over $21 million. Larger numbers of claims were paid in 1949 and 1950 but, because of the smaller average size of insured notes in force at that time, the total amounts were only $17 million and $18 million, respectively.

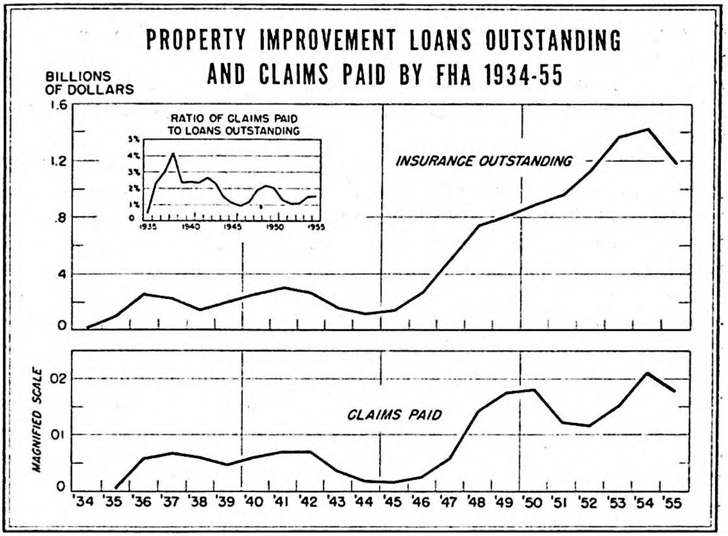

CHART II–15

TREND.—Generally the claims paid have followed with a lag of about one year the trend established by the volume of loans outstanding. In 1955, for the third time since the first claim was paid in 1935, the claims-paid series failed to conform with this pattern. The trend was broken in 1941 by the shift to wartime economy, and again in 1950, reflecting the high level of prosperity prevailing during the Korean crisis. The 1954 amendments, permitting insured institutions more time in submitting claims for payment, undoubtedly affected this trend for 1955.

Claims paid over the 21-year period from 1935 through 1955 averaged 1.63 percent of loans outstanding, in comparison with the 1955 ratio of 1.50 percent.

Of the 19 million property improvement loans insured through 1955, some 600,000, or about 3 percent, had been reported in default. This resulted in claim payments of $187.8 million, or 2.1 percent of the $9 billion insured.

Allowance for actual recoveries on defaulted notes taken over by FHA after payment of claims reduces this ratio to 1.2 percent. Anticipated recoveries on notes in process of collection further reduce the net claim ratio to 1.0 percent.

During 1955, FHA collected over $8.5 million on claims paid lenders on defaulted notes, establishing a new all-time high for any one year. The 1954 collections amounted to $7.7 million and those in 1953 (previous high) to $8.4 million.

Through 1955, the cumulative total of cash collections and proceeds from the disposal of real properties amounted almost to $76.5 million, or about 41 percent of the total amount of claim payments made to lending institutions since 1934. Another $19 million is expected from notes still in process of collection, which would bring recoveries to 50 percent of claims paid to insured lenders.

All claims and operating expenses under the property improvement program have been paid by the FHA out of income, with no cost to the Treasury, with respect to insurance written since July 1, 1939, when insurance premiums were first authorized under this program. Since that time, an insurance reserve of $44 million has been built up.

STATE DISTRIBUTION.—The distributions by States of the number and amount of claims paid on insured property improvement loans for the year of 1955 and cumulatively since 1934 are shown in Table 38. For 1955, New York with 4,164 claims amounting to $2.5 million reported the largest volume. California was second with almost the same number of claims (4,124), but they amounted to only $1.5 million, a reflection of the average claim paid, $590 in New York and $347 in California. Michigan ranked third in dollar amount of claims paid ($1.2 million) but in number (2,839) was outranked by Texas with 3,501 claims amounting to $1.1 million.

Since the beginning of the Title I program, claims paid in New York ($25.6 million), California ($21.3 million), and Michigan ($13.9 million) have accounted for approximately one-third of the loss on insured property improvement loans. With respect to the ratio of claims paid to loans insured, New York with a 2.03 percent ratio and Michigan with 1.98 percent are both below the national average of 2.08 percent. In contrast, California has a higher than average ratio of 2.40 percent. As is to be expected, the cumulative total of claims paid in individual States closely follows the pattern established by property improvement loans insured.

FINANCING INSTITUTIONS.—There are over 7,500 approved Title I lenders eligible for insurance under the 1950 Reserve. More than 5,000 of these lenders have been active at some time since 1950, with an average of 3,300 lenders a month reporting some activity in 1955.

Table 39 shows claims paid during and through 1955 on insured property improvement loans by type of institution, together with a summation of insurance written under the 1950 reserve. Total claims paid in 1955 amounted to $17.6 million, or 16 percent less than the $21.0 million reported for 1954.

TABLE II–38

Claims paid on FHA property improvement loans, by State location, 1955 and 1934–55

State	Claims paid, 1955			Claims paid, 1934–55			Cumulative percent of claims paid to loans insured
	Number	Amount	Average	Number	Amount	Average	
Alabama	732	$283, 576	$387	9, 797	$2, 550, 907	$260	2. 24
Arizona	457	194, 304	425	3, 576	1, 459, 296	408	2. 01
Arkansas	353	115, 569	327	6, 041	1, 746, 114	289	3. 14
California	4, 124	1, 432, 822	347	63, 327	21, 296, 796	336	2. 40
Colorado	437	214, 662	491	3, 704	1, 370, 070	370	1. 79
Connecticut	175	86, 496	494	5, 828	2, 095, 250	360	2. 44
Delaware	36	16, 547	460	657	239, 015	364	3. 41
District of Columbia	344	133, 603	388	3, 798	1, 202, 347	317	2. 39
Florida	1, 032	460, 221	446	13, 282	4, 815, 228	363	2. 33
Georgia	940	363, 978	387	9, 523	2, 820, 641	296	2. 67
Idaho	241	150, 385	624	3, 403	1, 401, 960	413	2. 56
Illinois	2, 077	1, 022, 236	492	26, 631	9, 136, 867	343	1. 58
Indiana	1, 102	465, 867	423	20, 478	5, 821, 420	284	2. 12
Iowa	577	282, 329	489	7, 267	2, 497 348	344	2. 09
Kansas	548	210, 720	385	5, 383	1, 526, 267	284	1. 97
Kentucky	515	209, 747	407	6, 023	1, 904, 013	316	2. 13
Louisiana	416	201, 624	485	6, 162	1, 564, 407	251	1. 80
Maine	224	69, 730	311	3, 305	1, 086, 414	329	3. 03
Maryland	1, 522	475, 118	312	11, 233	3, 319, 072	295	1. 87
Massachusetts	794	362, 039	456	15, 503	5, 264, 332	340	2. 35
Michigan	2, 839	1, 230, 496	433	44, 801	13, 889, 144	310	1. 98
Minnesota	742	342, 308	461	9, 061	3, 146, 384	347	1. 60
Mississippi	359	115, 368	321	7, 505	1, 931, 084	257	3. 68
Missouri	934	345, 617	370	14, 025	3, 982, 900	284	1. 97
Montana	94	63, 991	681	1, 427	587, 330	412	2. 10
Nebraska	168	76, 417	455	2, 826	945, 163	334	1. 90
Nevada	89	78, 047	877	607	341, 067	562	2. 11
New Hampshire	143	59, 629	417	2, 371	781, 310	330	3. 58
New Jersey	1, 311	716, 106	546	25, 755	8, 766, 672	340	2. 34
New Mexico	101	58, 038	575	1, 405	552, 031	393	2. 19
New York	4, 164	2, 456, 145	590	59, 720	25, 639, 157	429	2. 03
North Carolina	347	154, 370	445	6, 019	1, 748, 814	291	2. 25
North Dakota	109	47, 961	440	1, 403	500, 065	356	2. 87
Ohio	1, 708	809, 661	474	27, 017	9, 009, 130	333	1. 81
Oklahoma	433	195, 352	451	7, 264	2, 059, 922	284	1. 73
Oregon	433	216, 606	500	6, 905	2, 452, 666	355	2. 34
Pennsylvania	2, 069	967, 052	467	32, 021	10, 018, 398	313	2. 19
Rhode Island	38	12, 292	323	1, 734	519, 296	317	1. 85
South Carolina	291	105, 628	363	3, 859	1, 056, 582	274	2. 67
South Dakota	126	63, 811	506	1, 099	439, 645	400	2. 36
Tennessee	700	242, 438	346	9, 876	2, 895, 765	293	1. 94
Texas	3, 501	1, 139, 517	325	31, 403	8, 348, 859	266	1. 71
Utah	476	347, 301	730	4, 448	1, 898, 945	427	2. 14
Vermont	70	41, 394	591	1, 618	612, 217	378	6. 15
Virginia	710	299, 050	421	6, 878	2, 318, 851	337	1. 89
Washington	646	307, 975	477	11, 567	3, 678, 650	318	1. 74
West Virginia	213	95, 628	449	3, 012	1, 179, 849	392	2. 62
Wisconsin	376	188, 102	500	6, 703	2, 381, 275	355	2. 00
Wyoming	41	29, 645	723	524	270, 223	516	2. 41
Alaska	15	13, 091	873	71	44, 420	626	1. 89
Hawaii	11	6, 936	631	21	12, 058	574	. 45
Puerto Rico	289	70, 326	243	4, 426	1, 279, 233	289	4. 76
Guam	2	536	268	3	1, 347	449	. 37
Total [1]	40, 194	17, 648, 408	439	562, 589	186, 406, 767	331	2. 08

[1] Includes adjustments.

During the year, national and State banks received 80 percent of total claims paid, with national banks accounting for 48 percent of the total as compared to 52 percent in 1954. Conversely, State banks increased their share of the claims from 25 percent in 1954 to 31 percent in 1955. The distribution of claims paid through 1955 under the 1950 Reserve parallels closely the distribution of insurance written by type of institution.

TABLE II–39

Claims paid on FHA-insured property improvement loans by type of institution 1955 and 1950 Reserve, and insurance written under 1950 Reserve

[Dollar amount in thousands]

Type of institution	Number	Amount	Percent of amount	Average
Claims paid 1955:				
National bank	20,159	$8,544	48.4	$424
State bank	12,186	5,472	31.0	449
Mortgage company	160	85	.5	531
Insurance company				
Savings and loan association	3,670	1,789	10.1	487
Savings bank	651	273	1.6	419
Federal agency	3	2	(1)	667
All other	3,365	1,483	8.4	441
Total	40,194	17,648	100.0	439
Claims paid to date 1950 Reserve:				
National bank	83,500	35,393	54.0	424
State bank	39,697	17,352	26.5	437
Mortgage company	433	241	.4	557
Insurance company	1	1	(1)	1,000
Savings and loan association	9,706	4,747	7.2	489
Savings bank	1,871	805	1.2	430
Federal agency	6	3	(1)	500
All other	14,607	6,996	10.7	479
Total	149,821	65,538	100.0	437
Insurance written under 1950 Reserve:				
National bank	4,570,225	2,496,379	50.5	546
State bank	2,731,947	1,538,356	31.1	563
Mortgage company	31,568	22,295	.4	706
Insurance company	338	220	(1)	651
Savings and loan association	591,903	343,666	7.0	581
Savings bank	156,835	83,162	1.7	530
Federal agency				
All other	709,884	462,883	9.3	652
Total	8,792,700	4,946,961	100.0	563

[1] Less than 0.05 percent.

On a cumulative basis, Chart 16 presents essentially the same data as reported in Table 39 except that the types of institutions have been consolidated into five major groups instead of the eight reported in the table. Since the 1950 Reserve has been in effect, two types of institutions—National banks and State chartered banks—have financed over 80 percent of the FHA-insured property improvement loans. The bulk of the remainder has been accounted for by finance companies and savings and loan associations. Paralleling their relative volume of insured loans, national banks have received twice as much in claim payments as any other type of lender, the ratio of their claims to loans insured being 1.42 percent as compared to the national average of 1.32 percent. State banks, insuring one-third of the total net proceeds, have received 28 percent of the claim payments, a loss ratio of 1.12 percent. Other types of institutions, accounting for only one-half percent of insurance written, have also reported the smallest claims ratio of 0.95 percent in contrast to the finance company ratio of 1.53 percent.

PAYMENTS RECEIVED PRIOR TO DEFAULT.—Table 40 presents a cross tabulation of installments paid by borrowers prior to default by the number

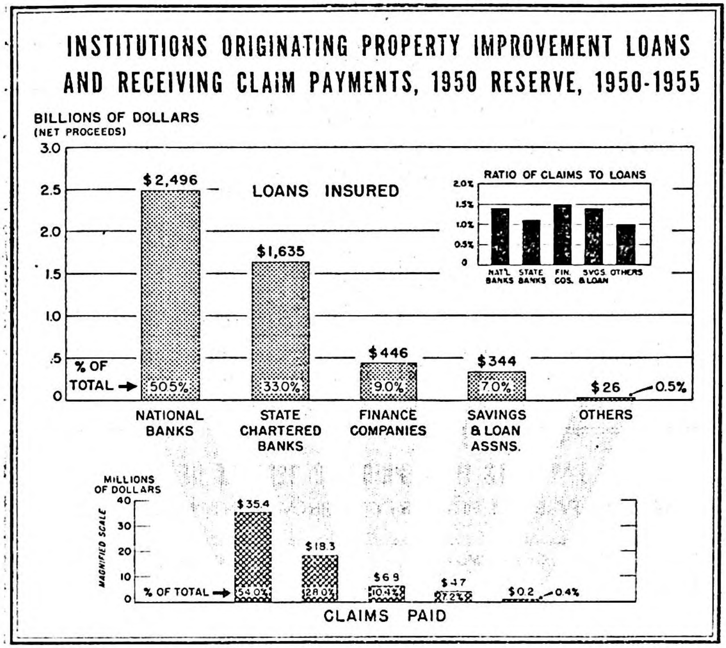

CHART II–16

of payments contracted for in the original note. Chart 16 depicts graphically the distribution by 6-month intervals of the number of payments made by borrowers prior to default of loans and the amount of claims paid by FHA.

During 1955, 44 percent of the defaulting borrowers had made fewer than 12 payments, claims paid on their loans averaged $629, compared to a $439 average for all claims. Loans which were originated with 36-month terms constituted the most common default cases—83 percent of total. The median default date for these loans was between the 15th and 16th month, and resulted in an average claim of $451. Chart 17 shows that 5 percent of the 1955 claims, representing over 9 percent of the dollar volume, involved notes upon which the borrower made no payments. More than 17 percent of all claims, accounting for over one-fourth of the total amount, were on notes which went into default after one payment was received but before the sixth payment was due. The next group, involving 1 out of every 5 claims and 27 percent of the amount, represented notes going into default between the 6th and the 11th month. Over 60 percent of the dollar volume reported for claims paid involved notes on which fewer than 12 payments had been made.

TABLE II–40

Number of payments received prior to default by term of property improvement loans, 1955

Number of payments received prior to default	Term of defaulted loan—percentage distribution					Percentage distribution		Average claim paid
	6–11 months	12–23 months	24–35 months	36 months	37 or more months	Total number	Total amount	
0	30.1	16.5	6.4	3.9	5.2	5.0	0.1	$789
1–5	59.9	36.3	22.5	15.4	13.2	17.6	26.5	664
6–11	1.0	32.8	23.2	20.0	19.3	20.9	26.7	560
12–17		14.3	23.1	18.9	18.0	19.0	18.7	432
18–23		.1	17.0	17.4	15.8	16.3	11.6	312
24–29			7.4	14.4	7.7	12.8	5.7	195
30–35			.4	9.8	3.5	8.2	1.5	83
36 or more				.2	17.3	.2	.2	414
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	439
Percent of total	.5	5.2	10.5	83.0	.8	100.0		
Median	1.8	5.5	11.5	15.3	16.1	14.1		

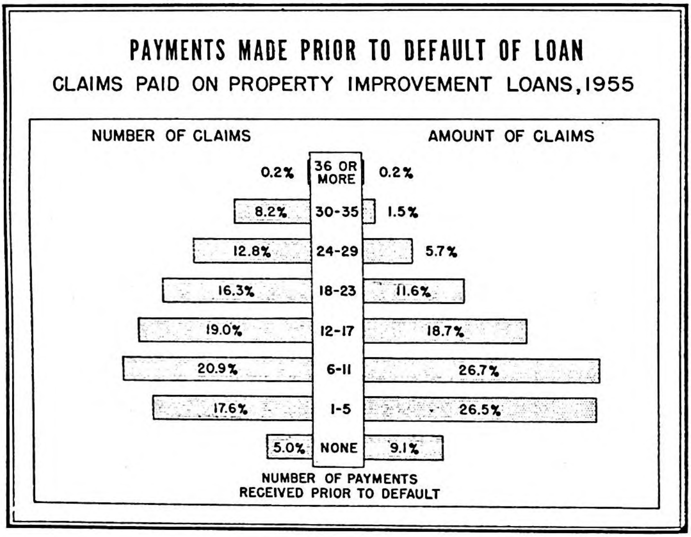

CHART II–17

SECTION 3

CHARACTERISTICS OF MORTGAGE AND LOAN TRANSACTIONS INSURED BY FHA IN 1955

This section of the report presents statistical analyses of the principal features of the transactions—home, multifamily project, and property improvement—insured by FHA during 1955.

SECTION 203 HOME MORTGAGE TRANSACTIONS

Table 4 shows that 276,700 or over one-fifth of the privately financed dwelling units started in the nonfarm areas of the nation during 1955 were in structures approved for FHA mortgage insurance and subject to FHA compliance inspections during construction. Of these, 267,400 units, or all but 3 percent, were in 1- to 4-family homes approved under the Section 203 program.

Completions under this program during the year totaled 246,000 units, including a sizable number approved and started in 1954. Mortgage transactions closed with Section 203 insurance during 1955 involved nearly 120,500 of these new units and an additional 181,200 units in existing properties, or about 95 percent of the total number of units in FHA home mortgage transactions insured in 1955.

It should be noted that data on the characteristics of FHA home mortgage transactions involving properties located in 68 selected standard metropolitan areas are presented in this section of the report in addition to the national and State summaries of the type presented in the 1954 Annual Report. The State summaries are designed not only to provide information on FHA transactions in the various States, but to show the influence of the State data on the national summaries. Similarly, the data for the selected metropolitan areas indicate how the State data are influenced by differences occurring in individual localities within the State.

As indicated by Table 41, the predominance of single-family structures in Section 203 transactions was even more marked in 1955 than in previous years, being reported in all but seven-tenths of 1 percent of the new-home and all but 3 percent of the existing-home transactions. The decline in the proportion of new 2-family structures may have resulted in part from reduced

TABLE II—41

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

Units per structure	New homes					Existing homes				
	1955	1954	1953	1950	1946	1955	1954	1953	1950	1946
	Structures—percentage distributions									
1	99.3	98.1	97.8	99.0	98.7	96.9	96.2	96.4	95.5	93.6
2	.5	1.6	1.8	.9	1.0	2.8	3.2	3.2	4.1	5.8
3	.1	.1	[1]	[1]	.1	.2	.3	.2	.2	.3
4	.1	.2	.4	.1	.2	.1	.3	.2	.2	.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Dwelling units—percentage distributions									
1	98.2	95.9	95.1	97.7	96.9	93.5	91.9	92.4	90.1	87.4
2	.9	3.1	3.4	1.8	2.1	5.3	6.1	6.0	7.8	10.9
3	.3	.3	.1	.1	.2	.7	1.0	.7	.7	.7
4	.6	.7	1.4	.4	.8	.5	1.0	.9	1.4	1.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average	1.01	1.02	1.03	1.01	1.02	1.04	1.05	1.04	1.06	1.07

[1] Less than 0.05 percent.

loan-to-value ratios for nonowner-occupant properties valued above $7,900 and from administrative restrictions imposed by FHA in August 1954 on the use of Section 203 for rental purposes. Nearly half of the new 2-family homes involved in the 1953 transactions and three-fifths of those in 1954 were rental properties.

Virtually all of the mortgagors in 1-family home transactions insured during 1955 were owner-occupants—98 percent of the new-home and 99 percent of the existing-home mortgagors.

Trends of Typical Section 203 Home Mortgage Transactions

Medians and averages (arithmetic means) of the principal characteristics of Section 203 new- and existing-home transactions insured during 1955 may be compared with those of selected previous years by reference to Table 42. For purposes of this discussion, "typical" transactions are delineated in terms of the medians and averages.

A noteworthy development in the trend of typical Section 203 characteristics from 1954 to 1955 was the marked rise in the level of most of the new-home items, and, with the exception of certain of the mortgage features and land price, the relative stability of most of the existing-home characteristics. Consequently, typical new-home transactions and existing-home transactions were roughly the same in 1955 with respect to property values, house sizes, monthly payments, and housing expenses.

In the typical new-home transaction insured in 1955, the amount of the mortgage was $10,034, its term about 25 years, the total monthly payment $74.32 (including property taxes and hazard and FHA insurance

TABLE II—42

Characteristics of 1-family home transactions, Sec. 203, selected years

Median [1]	1955	1954	1953	1952	1950	1948	1946
NEW HOMES							
Mortgage:							
Amount	$10,034	$8,862	$8,555	$8,273	$7,101	$7,058	$5,504
Term in years [2]	25.6	22.9	22.2	21.7	24.1	20.1	21.0
Loan-value ratio (percent)	88.5	85.3	86.5	83.7	88.0	81.0	87.0
Total monthly payment [3]	$74.32	$68.62	$65.95	$64.16	$54.31	$58.08	$46.18
Property:							
FHA-estimated value	$11,742	$10,678	$10,140	$10,022	$8,286	$8,721	$6,558
Market price of site [2]	$1,626	$1,456	$1,291	$1,227	$1,035	$1,049	$761
Site-value ratio (percent)	13.4	13.1	12.5	12.0	12.0	11.7	11.5
Percent with garages [2]	69.8	66.6	59.7	53.4	48.7	55.1	58.1
Structure:							
Calculated area (square feet)	1,022	961	924	923	838	912	(4)
Number of rooms	5.6	5.4	5.3	5.3	4.9	5.4	5.5
Number of bedrooms	3.4	3.3	3.1	3.1	(4)	(4)	(4)
Mortgagor: [3]							
Annual effective income	$5,484	$5,139	$4,880	$4,811	$3,861	$4,000	$3,313
Monthly housing expense	$96.03	$88.91	$85.11	$83.16	$75.41	$78.64	$62.85
Expense-income ratio [2] (percent)	19.7	19.6	19.7	19.6	21.6	21.7	20.9
EXISTING HOMES							
Mortgage:							
Amount	$9,603	$9,030	$8,623	$8,047	$6,801	$5,969	$4,697
Term in years [2]	22.7	20.1	19.9	19.7	20.2	19.3	18.9
Loan-value ratio (percent)	84.8	78.5	78.3	77.9	77.8	77.9	78.4
Total monthly payment [3]	$74.81	$74.34	$70.84	$65.08	$56.65	$49.76	$40.83
Property:							
FHA-estimated value	$11,555	$11,549	$11,061	$10,289	$8,865	$7,579	$5,934
Market price of site [2]	$1,707	$1,591	$1,461	$1,296	$1,150	$970	$833
Site-value ratio (percent)	14.2	13.3	12.8	12.3	12.4	12.0	13.3
Percent with garages [2]	79.9	79.6	74.1	70.7	70.6	70.5	83.4
Structure:							
Calculated area (square feet)	1,030	1,035	1,008	992	1,006	972	(4)
Number of rooms	5.6	5.6	5.6	5.5	5.6	5.6	5.9
Number of bedrooms	3.1	3.1	3.0	3.1	(4)	(4)	(4)
Mortgagor: [3]							
Annual effective income	$5,669	$5,696	$5,396	$4,938	$4,274	$3,731	$3,101
Monthly housing expense	$97.49	$97.41	$93.25	$86.63	$78.99	$71.00	$58.11
Expense-income ratio [2] (percent)	19.4	19.4	19.3	19.4	20.3	20.4	20.3

[1] Throughout this report, medians are computed on the assumption that distribution of all characteristics are represented by continuous data within groups. For definition of sample and terms see page 204.
[2] Average (arithmetic mean).
[3] Throughout this report, data relating to monthly mortgage payment, mortgagor's income, and housing expense are based on 1-family occupant cases only.
[4] Not available.

premiums in addition to debt service), and the ratio of loan to value 88½ percent. The property had an FHA-estimated value of $11,742, of which 13 percent or $1,626 represented the land market price. The house was a single-family structure containing 1,022 square feet and provided 5½ rooms of which 3 were bedrooms. In all probability there was some type of auto shelter. The prospective monthly housing expense (monthly payment plus costs of household operation and property maintenance and repair) was estimated at $96.03. The annual effective income of a typical new-home occupant mortgagor was $5,484. On the average, about one-fifth of this income was required for housing expense.

Compared with the typical new-home transaction insured in 1954, the mortgage amount was 13 percent higher, the mortgage duration 32 months longer, the loan-value ratio up by 3 percentage points, and the monthly payment 8 percent higher. Property value increased by 10 percent and land price by 12 percent (so that the percentage relationship of land price to value increased only slightly), and an additional 3 percent of the new-home properties had garages (or carports). The structure was larger by 6 percent in calculated area, 4 percent in room count, and 3 percent in number of bedrooms. With the typical mortgagor's income increasing by 7 percent and the housing expense by 8 percent there was virtually no change in the expense-income ratio.

The typical existing-home transaction in 1955 involved a mortgage of $9,603, scheduled to be repaid over a term of nearly 23 years at a monthly rate of $74.81 including debt service, property taxes, and hazard and FHA mortgage insurance premiums. The typical property was valued by FHA at $11,555, including land with a market price of $1,707 or 14 percent of total value. The 5½-room house, including 3 bedrooms, had a calculated area of 1,030 square feet. Nearly 80 percent of the existing-home properties had garages. The typical existing-home mortgagor had an annual income of $5,669, of which 19 percent or $97.49 monthly was required for housing expense.

The most significant changes in the typical existing-home transaction from 1954 to 1955 were a 6 percent rise in mortgage amount, a 31-month increase in mortgage duration, a 6-percentage-point rise in the ratio of loan to value, and a 7-percent increase in the average land price. In addition, the ratio of land price to total property value rose by 1 percentage point.

The postwar trend in selected characteristics of the typical Section 203 new- and existing-home cases during the last 10 years is depicted in Chart 18, plotted on a semi-logarithmic scale to demonstrate better the relative changes in the characteristics.

The higher levels of mortgage amounts, durations, and loan-to-value ratios of Section 203 transactions in 1955 reflect the liberalization of the credit provisions of that section by the Housing Act of 1954. The uptrend in FHA mortgage amount (13 percent for new homes and 6 percent for existing) also paralleled a 10 percent rise in the average amount of total nonfarm mortgage recordings of $20,000 or less from 1954 to 1955. Home mortgages guaranteed by the Veterans' Administration registered an increase of 6 percent during the same period.

Despite the increase in the median mortgage amount of the typical FHA existing-home transaction, the median monthly payment remained about the same as in 1954 because of the longer average term. In new homes, on the other hand, the increase in mortgage amount was sufficient to raise the median monthly payment even with the lengthening of the amortization period.

The increase in median value of FHA new homes during the past year was attributable to a combination of several factors. The house itself was larger, both in area and room-count, and the proportion of garage facilities was greater. Construction costs were higher, the Boeckh construction index for residences averaging 3 percent above 1954, and the average con-

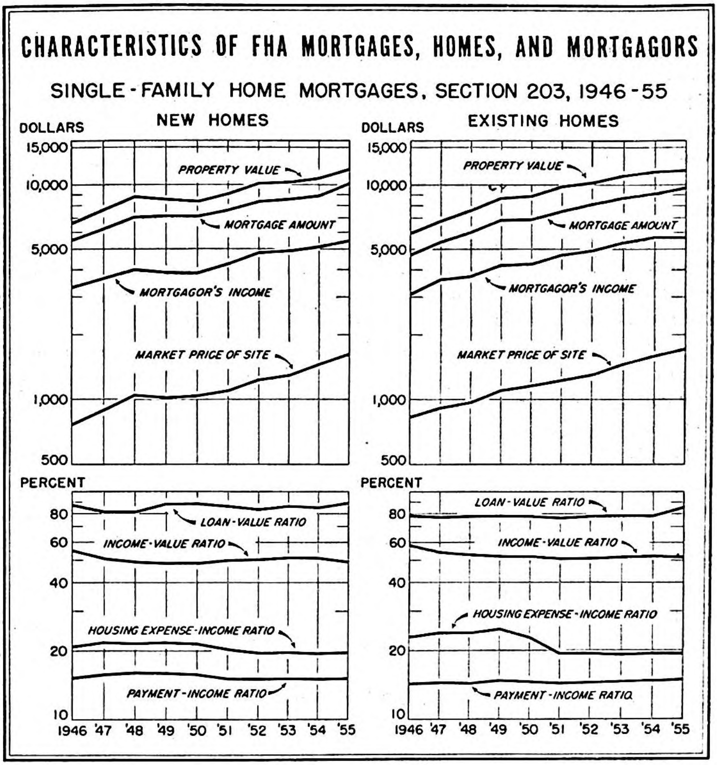

CHART 11–18

struction cost for new private one-family houses started, as estimated by the Bureau of Labor Statistics, increasing 7 percent. Also contributing was the higher level of land prices. To some extent the higher maximum mortgage amounts, together with the relatively lower down payments and longer mortgage terms made available under Section 203 by the Housing Act of 1954, probably encouraged home buyers to purchase homes in higher-priced categories. The higher level of buyers' incomes may have had the same effect.

The relative lack of change in FHA existing-home values from 1954 to 1955 is in line with the constancy in size of the structures. It also may reflect stability in the prices of existing-home properties, as well as continuing demand on the part of those home buyers who utilize FHA financing for properties in the same general price range.

In Chart 18, the upward trend in FHA property values, land prices, and mortgagors' incomes mirrors the general inflation in prices and the rise in personal income that has characterized the postwar period. Since 1946, FHA median property values have increased nearly 80 percent for new homes and 95 percent for existing; median incomes of new-home mortgagors by two-thirds and those of the existing homeowners by five-sixths; and the average market price of land in the same period for both new and existing homes has more than doubled. This noteworthy rise in land prices—in the last 5 years alone amounting to nearly 50 percent for new homes and 40 percent for existing—has resulted from intensive utilization of suitable building sites during the postwar period and consequent present scarcity and great demand for land, and high costs of development.

With periodic upward revisions in the Section 203 maximum amounts authorized by the Congress in recognition of rising construction and property costs, FHA home-mortgage amounts have generally kept pace with property values.

Trends in ratios of mortgage amount to property value, mortgagor's income to property value, mortgage payment to income, and housing expense to income are shown in the lower portion of Chart 18. Particularly noteworthy is the minimum change that has occurred with respect to the relationships of mortgagor's income to property value, monthly payment, and housing expense. The ratio of loan to value curves tend to reflect, allowing for the time lag that is characteristic of FHA operations, changes in legislation and the credit control regulations in effect during the Korean conflict.

Mortgage Characteristics

AMOUNT OF MORTGAGE DISTRIBUTION.—Chart 19 shows that over one-half of the new and nearly that proportion of the existing one-family home mortgages insured in 1955 under Section 203 were for amounts of $8,000 to $10,999. In addition, sizable proportions—31 percent of the new and 25 percent of the existing—were in the $11,000 to $14,999 range. In the ranges below $8,000 and in those of $15,000 or more, existing-home mortgages were reported more frequently than those on new dwellings.

Reflecting the increase in Section 203 maximum mortgage amounts provided under the Housing Act of 1954 (with allowance for construction and loan-processing lags), the new-home mortgages insured in 1955 averaged 13 percent higher than in 1954 and existing-home mortgages 7 percent more. As indicated in Table 43, these higher levels of mortgage amounts resulted principally from increases in the proportions of new-home mortgages in the $10,000 to $13,999 brackets, and of existing homes in the $9,000 to $12,999 groups. Most of the compensating declines occurred in the proportions of new-home mortgages of $7,000 to $9,999 and of existing-home mortgages between $6,000 and $7,999. The shifts in the new-home mortgage

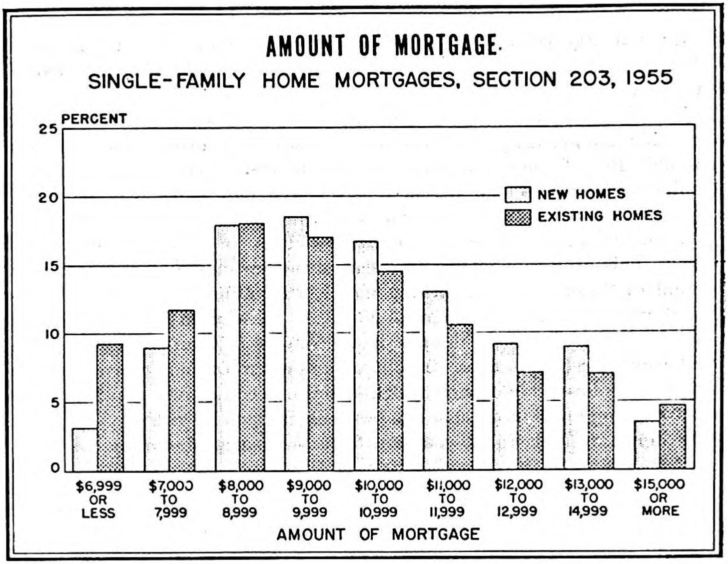

CHART 11–19

distribution tended to be somewhat more pronounced and concentrated than the corresponding changes in existing-home mortgages.

TABLE II–43

Amount of mortgage, 1-family homes, Sec. 203, selected years

Amount of mortgage	New homes—percentage distribution					Existing homes—percentage distribution				
	1955	1954	1953	1950	1946	1955	1954	1953	1950	1946
Less than $4,000	0.1	0.1	0.1	0.4	8.3	0.3	0.4	0.2	4.4	27.8
$4,000 to $4,999	.1	.1	.2	1.1	22.6	.7	1.1	1.2	8.3	29.0
$5,000 to $5,999	.6	.7	1.1	9.0	31.4	2.3	3.6	4.6	16.3	21.3
$6,000 to $6,999	2.4	5.2	14.4	33.0	25.0	6.0	9.5	11.2	22.0	11.0
$7,000 to $7,999	9.0	23.3	20.6	28.5	9.5	11.8	15.8	18.0	18.6	4.7
$8,000 to $8,999	17.9	22.8	24.4	16.0	2.4	18.0	18.5	20.4	13.0	2.7
$9,000 to $9,999	18.5	22.8	25.0	8.3	.4	17.0	16.0	16.7	7.2	1.2
$10,000 to $10,999	16.7	10.6	7.5	1.9	.2	14.5	12.7	11.8	4.5	1.1
$11,000 to $11,999	13.0	6.1	3.2	.8	.2	10.6	7.4	6.1	1.9	.2
$12,000 to $12,999	9.2	3.9	1.7	.5	(1)	7.1	6.0	4.6	1.7	.4
$13,000 to $13,999	6.0	1.8	.7	.2	------	4.1	3.2	2.2	.7	.1
$14,000 to $14,999	3.0	1.1	.8	.1	------	2.9	2.6	1.8	.7	.2
$15,000 to $16,999	2.6	1.1	.3	.2	------	2.8	2.9	1.2	.7	.3
$17,000 to $19,999	.7	.3	(1)	------	------	1.5	.2	(1)	------	(1)
$20,000	.2	.1	(1)	------	------	.4	.1	(1)	------	------
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average	$10,305	$9,143	$8,585	$7,307	$5,548	$9,898	$9,283	$8,847	$7,102	$4,929
Median	$10,034	$8,862	$8,555	$7,101	$5,504	$9,603	$9,030	$8,623	$6,801	$4,697

[1] Less than 0.05 percent.

TERM OF MORTGAGE IN YEARS.—The distributions by term of mortgage for the Section 203 1-family home mortgages insured in 1955 are shown in Table 44 for the States and Territories and in Table 45 for selected metropolitan areas.

Since the enactment of the Housing Act of 1954, the maximum duration of Section 203 mortgages has been 30 years or three-fourths of the remaining economic life of the property, whichever is less. Under the Section 203 Administrative Rules and Regulations, insured mortgages may be written only for terms of 10, 15, 20, 25, or 30 years.

Nationally, most Section 203 mortgages closed in 1955 had terms of 25 years. This group included 58 percent of the new-home mortgages and 45 percent of those involving existing homes, with almost as large a share of the latter group having durations of 20 years. Maximum 30-year terms were reported in 27 percent of the new-home transactions but in only 7 percent of the existing-home cases, reflecting the shorter economic lives of these properties. Less than 1 percent of the new-home and only about 5 percent of the existing-home mortgages had terms of less than 20 years.

As shown in Table 44, 25-year new-home mortgages predominated in most

TABLE II—44

Term of mortgage by States, 1-family homes, Sec. 203, 1955

State	Percentage distribution	Median term in years	Term of mortgage—percentage distribution				
			10 years	15 years	20 years	25 years	30 years
NEW HOMES							
Alabama	1.3	27.3	----------	0.7	14.7	76.5	8.1
Arizona	2.5	30.0	0.1	.5	10.7	33.4	55.3
Arkansas	1.1	26.8	----------	.3	22.8	74.3	2.6
California	14.4	28.4	.1	.2	10.5	58.5	30.7
Colorado	1.6	28.8	.2	.4	3.4	60.2	35.8
Connecticut	1.0	30.0	----------	.9	2.8	29.2	67.1
Delaware	.2	28.9	----------	1.6	7.7	52.3	38.5
District of Columbia	(1)	(2)	----------	----------	----------	----------	----------
Florida	4.1	27.7	.1	.8	10.2	73.0	15.9
Georgia	1.8	27.3	----------	.2	12.9	81.3	5.6
Idaho	.3	27.0	----------	----------	28.7	52.9	18.4
Illinois	3.0	27.4	.1	.5	14.9	71.6	12.9
Indiana	2.8	27.1	.1	.8	20.6	66.5	12.0
Iowa	1.4	26.5	----------	.4	28.7	68.6	2.3
Kansas	1.6	27.8	----------	----------	17.1	58.4	24.5
Kentucky	.6	27.5	----------	2.0	12.9	69.1	16.0
Louisiana	2.3	27.7	.4	.9	9.5	73.5	15.7
Maine	.2	26.6	----------	1.5	29.9	58.2	10.4
Maryland	1.1	29.1	----------	1.1	4.7	54.2	40.0
Massachusetts	.8	30.0	----------	.4	8.5	40.9	50.2
Michigan	8.3	29.5	(1)	.4	4.9	49.1	45.6
Minnesota	.9	29.0	----------	1.0	9.7	49.2	40.1
Mississippi	.7	27.0	----------	2.1	16.9	76.1	4.9
Missouri	2.1	27.7	.2	.9	9.8	73.3	15.8
Montana	.3	26.8	----------	----------	28.7	59.4	11.9
Nebraska	1.2	27.3	----------	.5	14.0	76.2	9.3
Nevada	.7	28.3	----------	1.3	26.4	33.3	39.0
New Hampshire	.1	27.6	----------	----------	17.9	60.7	21.4
New Jersey	2.0	30.0	.6	1.2	8.5	39.3	50.4
New Mexico	.9	28.9	.3	.6	16.9	41.1	41.1
New York	5.2	30.0	.1	.3	6.7	33.2	59.7
North Carolina	1.8	26.5	----------	1.4	30.7	61.7	6.2
North Dakota	.2	23.3	----------	----------	76.9	23.1	----------
Ohio	4.7	27.1	----------	.8	22.0	63.2	14.0
Oklahoma	2.6	27.5	----------	.2	9.1	81.3	9.4
Oregon	1.1	27.7	----------	.5	11.4	70.0	18.1
Pennsylvania	4.9	30.0	.4	2.6	9.2	27.9	59.9
Rhode Island	.4	27.5	----------	1.5	26.7	43.5	28.3

See footnotes at end of table.

TABLE II-44—Continued

Term of mortgage by States, 1-family homes, Sec. 203, 1955—Continued

State	Percentage distribution	Median term in years	Term of mortgage—percentage distribution				
			10 years	15 years	20 years	25 years	30 years
NEW HOMES—continued							
South Carolina	0.7	26.8		0.4	22.9	74.2	2.5
South Dakota	.7	22.7		4.1	83.9	8.7	3.3
Tennessee	2.6	28.2		.7	5.2	69.8	24.3
Texas	8.7	27.5	(1)	.3	12.7	75.3	11.7
Utah	1.4	27.8		.4	17.4	57.1	25.1
Vermont	.1	26.6			30.3	60.6	9.1
Virginia	1.0	27.7	0.3	.6	15.2	62.2	21.7
Washington	2.3	27.2		1.2	23.1	59.0	16.7
West Virginia	.2	23.9	1.3	2.6	58.4	36.4	1.3
Wisconsin	.8	27.6			11.4	74.9	13.7
Wyoming	.4	26.1	.9	1.7	32.7	63.8	.9
Alaska	.1	30.0			16.3	4.6	79.1
Hawaii	.5	25.4		1.3	44.2	53.2	1.3
Puerto Rico	.3	22.5		.9	96.5		2.6
Total	100.0	28.0	.1	.7	13.7	58.4	27.1
EXISTING HOMES							
Alabama	1.0	25.8	0.7	1.7	38.9	55.6	3.1
Arizona	1.0	24.7	1.8	4.8	46.2	33.7	13.5
Arkansas	.7	24.4	1.0	1.9	54.0	42.1	1.0
California	15.0	25.7	.2	1.7	40.6	53.2	4.3
Colorado	.8	27.2		1.3	17.3	70.6	10.8
Connecticut	2.3	27.6	.3	1.2	26.4	42.3	29.8
Delaware	.3	28.0		4.6	15.8	49.3	30.3
District of Columbia	.1	25.5		9.1	36.4	42.4	12.1
Florida	1.3	26.4	.1	2.6	29.1	63.5	4.7
Georgia	1.9	26.2	.4	1.2	33.4	60.9	4.1
Idaho	1.0	23.5	1.1	5.3	62.1	31.1	.4
Illinois	3.5	23.9	.7	5.2	56.2	36.3	1.6
Indiana	3.5	23.8	.4	10.4	51.3	36.5	1.4
Iowa	1.4	24.5	.1	6.1	48.3	43.5	2.0
Kansas	2.4	24.7	.6	4.4	48.0	42.1	4.9
Kentucky	1.2	26.3		2.5	31.7	61.3	4.5
Louisiana	1.4	26.4	.1	4.0	27.8	64.2	3.9
Maine	.6	23.5	1.2	5.5	61.9	27.3	4.1
Maryland	.9	26.8	.2	3.4	30.5	45.4	20.5
Massachusetts	1.4	27.7	.1	1.3	24.8	43.6	30.2
Michigan	6.9	25.6	.4	4.2	39.6	50.3	5.5
Minnesota	1.5	26.5		3.9	32.8	44.6	18.7
Mississippi	.3	26.0		6.2	32.0	61.2	.6
Missouri	4.0	24.9	.5	6.2	44.3	45.7	3.3
Montana	.6	23.2	2.1	7.7	62.8	24.8	2.6
Nebraska	1.1	23.6	.8	13.1	50.4	34.8	.9
Nevada	.3	23.2		16.4	52.1	29.2	2.3
New Hampshire	.2	24.9		2.9	47.6	42.7	6.8
New Jersey	2.8	27.3	.2	3.4	29.9	35.5	31.0
New Mexico	.3	26.1	.5	2.1	35.6	52.7	9.1
New York	5.1	25.9	.3	5.3	37.3	37.5	19.6
North Carolina	.9	24.2	.2	5.1	53.1	39.7	1.9
North Dakota	.2	23.7	.8	5.6	58.9	28.2	6.5
Ohio	6.2	24.1	.2	9.9	48.8	37.5	3.6
Oklahoma	2.0	25.5	.3	3.9	40.1	54.4	1.3
Oregon	2.5	23.7	.5	9.6	53.7	35.0	1.2
Pennsylvania	3.0	26.4	.4	6.6	32.7	36.6	23.7
Rhode Island	.6	25.9		3.7	39.3	41.4	15.6
South Carolina	.6	25.5	1.1	3.7	40.2	52.4	2.6
South Dakota	.4	21.8	3.6	20.0	71.4	4.5	.5
Tennessee	1.5	26.8	.1	1.1	23.2	71.5	4.1
Texas	5.8	25.8		2.0	39.2	56.8	2.0
Utah	1.0	26.0	.2	2.0	36.9	56.1	4.8
Vermont	.2	23.5	1.0	6.2	60.8	29.9	2.1
Virginia	2.2	25.5	.2	3.8	41.8	44.7	9.5
Washington	6.0	23.9	.7	9.5	50.4	36.2	3.2
West Virginia	.6	22.5	2.3	14.5	66.9	15.4	.9
Wisconsin	.7	26.0	.3	2.5	36.9	52.0	8.3
Wyoming	.3	23.5	2.4	10.9	51.8	34.9	
Alaska	.1	22.5		11.1	77.7	5.6	5.6
Hawaii	.3	22.7	.6	1.7	89.0	8.7	
Puerto Rico	.1	22.8		1.8	85.5		12.7
Total	100.0	25.3	.4	4.9	42.1	45.2	7.4

[1] Less than 0.05 percent.
[2] Inadequate sample.

TABLE II–45

Term of mortgage, selected metropolitan areas, 1-family homes, Sec. 203, 1955

Standard metropolitan area	As percent of United States total	Median term in years	Term of mortgage—percentage distribution				
			10 years	15 years	20 years	25 years	30 years
NEW HOMES							
Akron, Ohio	0.1	27.2	----------	3.5	17.2	65.5	13.8
Albany-Schenectady-Troy, N. Y	.1	27.1	----------	----------	19.5	72.2	8.3
Albuquerque, N. Mex	.5	30.0	----------	.7	5.3	41.7	52.3
Atlanta, Ga	.4	27.4	----------	.7	14.3	72.8	12.2
Baltimore, Md	.7	29.8	----------	1.2	4.5	46.3	48.0
Birmingham, Ala	.4	27.4	----------	1.4	8.5	84.5	5.6
Buffalo, N. Y	.4	30.0	----------	----------	9.9	19.8	70.3
Charlotte, N. C	.4	27.7	----------	.8	13.7	65.3	20.2
Chicago, Ill	2.1	27.8	0.1	.7	12.1	66.0	21.1
Cleveland, Ohio	1.0	28.0	----------	.9	12.7	61.0	25.4
Columbus, Ohio	.9	27.2	----------	----------	17.9	72.5	9.6
Dallas, Tex	1.3	28.0	----------	----------	5.1	74.9	20.0
Dayton, Ohio	1.1	26.1	----------	1.1	37.9	51.3	9.7
Denver, Colo	1.1	29.5	.3	----------	2.2	53.1	44.4
Des Moines, Iowa	.3	26.3	----------	----------	34.0	64.2	1.8
Detroit, Mich	5.9	30.0	.1	.4	3.0	42.0	54.5
El Paso, Tex	.9	27.1	----------	.3	14.9	84.1	.7
Flint, Mich	1.0	28.9	----------	.6	2.6	59.4	37.4
Fort Wayne, Ind	.2	27.3	----------	----------	11.4	82.3	6.3
Fort Worth, Tex	1.2	27.4	.2	----------	9.2	86.1	4.5
Fresno, Calif	.2	26.1	1.5	----------	36.9	53.9	7.7
Grand Rapids, Mich	.4	27.7	----------	.8	8.1	76.6	14.5
Hartford, Conn	.3	30.0	----------	1.2	2.3	18.6	77.9
Houston, Tex	1.5	28.3	----------	.6	8.0	61.9	29.5
Indianapolis, Ind	.6	26.6	----------	----------	28.2	66.3	5.5
Jacksonville, Fla	.5	28.1	----------	.6	4.3	73.9	21.2
Kansas City, Kans.-Mo	.7	27.5	----------	1.2	11.8	73.5	13.5
Knoxville, Tenn	.5	27.3	----------	1.3	6.4	92.3	----------
Little Rock-North Little Rock, Ark	.4	26.9	----------	----------	20.6	77.2	2.2
Los Angeles-Long Beach, Calif	4.1	28.2	.1	.1	6.6	66.8	26.4
Louisville, Ky	.3	28.1	----------	2.9	11.7	56.3	29.1
Memphis, Tenn	.8	30.0	----------	1.2	3.8	40.4	54.6
Miami, Fla	.8	27.8	----------	1.5	15.5	59.0	24.0
Milwaukee, Wis	.4	27.7	----------	----------	4.0	84.1	11.9
Minneapolis-St. Paul, Minn	.7	30.0	----------	.9	4.8	43.4	50.9
New Orleans, La	.6	28.7	1.1	----------	2.2	62.7	34.0
New York-Northeastern New Jersey	4.2	30.0	.1	.4	4.2	31.7	63.6
Norfolk-Portsmouth, Va	.2	28.2	----------	3.3	9.8	57.4	29.5
Oklahoma City, Okla	.8	27.8	----------	----------	8.7	73.6	17.7
Omaha, Nebr	.5	27.1	----------	.6	16.8	76.3	6.3
Philadelphia, Pa	4.9	30.0	.6	2.6	7.4	26.0	63.4
Phoenix, Ariz	2.2	30.0	.1	.4	8.4	32.9	58.2
Pittsburgh, Pa	.8	28.7	.4	1.1	11.3	49.8	37.4
Portland, Oreg	.8	27.8	----------	----------	9.1	72.3	18.6
Richmond, Va	.3	27.7	1.0	----------	9.6	74.0	15.4
Rochester, N. Y	.1	29.4	----------	----------	12.5	42.5	45.0
Sacramento, Calif	1.4	28.7	----------	----------	14.7	47.8	37.5
St. Louis, Mo	1.7	27.8	.2	.7	3.8	79.5	15.8
Salt Lake City, Utah	.7	28.0	----------	----------	14.9	58.7	26.4
San Antonio, Tex	.3	27.5	----------	----------	8.8	82.4	8.8
San Bernardino-Riverside-Ontario, Calif	.8	27.3	.4	.4	17.8	67.9	13.5
San Diego, Calif	.5	26.7	----------	----------	27.0	67.1	5.9
San Francisco-Oakland, Calif	3.5	29.4	----------	.3	6.3	49.2	44.2
San Jose, Calif	1.8	30.0	----------	----------	6.0	42.8	51.2
Seattle, Wash	1.0	27.3	----------	.3	19.2	67.6	12.9
Shreveport, La	.6	27.6	----------	.5	8.3	80.4	10.8
South Bend, Ind	.2	27.0	----------	2.6	15.6	77.9	3.9
Spokane, Wash	.3	29.0	----------	----------	18.4	39.1	42.5
Stockton, Calif	.3	27.9	----------	.9	6.2	73.4	19.5
Syracuse, N. Y	.1	29.4	----------	----------	16.7	37.5	45.8
Tacoma, Wash	.3	27.1	----------	----------	25.7	57.8	16.5
Tampa-St. Petersburg, Fla	1.0	27.6	----------	1.0	12.2	70.5	16.3
Toledo, Ohio	.3	27.8	----------	1.0	10.4	68.8	19.8
Topeka, Kans	.1	28.8	----------	----------	7.3	56.1	36.6
Tulsa, Okla	.9	27.6	----------	.3	4.0	87.8	7.9
Washington, D. C	.4	28.8	----------	----------	4.1	60.3	35.6
Wichita, Kans	.5	29.1	----------	----------	5.6	54.7	39.7
Youngstown, Ohio	.2	27.3	----------	2.6	15.4	69.2	12.8

TABLE II–45—Continued

Term of mortgage, selected metropolitan areas, 1-family homes, Sec. 203, 1955—Continued

Standard metropolitan area	Percentage distribution	Median term in years	Term of mortgage—percentage distribution				
			10 years	15 years	20 years	25 years	30 years
EXISTING HOMES							
Akron, Ohio	0.7	23.9	0.5	16.4	42.6	38.7	1.8
Albany-Schenectady-Troy, N. Y.	.5	24.1	.4	5.8	53.2	30.8	9.8
Albuquerque, N. Mex	.2	26.3			35.5	57.8	6.7
Atlanta, Ga	.8	27.0	.2	.9	20.5	72.5	5.9
Baltimore, Md	.5	26.0		5.8	34.6	47.7	11.9
Birmingham, Ala	.4	26.0	1.3	1.3	35.1	60.5	1.8
Buffalo, N. Y	.8	26.6	.7	3.0	33.8	38.6	23.9
Charlotte, N. C	.2	26.6		2.3	26.7	64.0	7.0
Chicago, Ill	2.4	24.1	.8	5.8	52.8	39.1	1.5
Cleveland, Ohio	1.4	25.4	.5	10.2	35.4	45.6	8.3
Columbus, Ohio	1.6	23.8	.1	10.0	52.4	36.2	1.3
Dallas, Tex	1.1	26.5		.5	29.2	68.0	2.3
Dayton, Ohio	.5	23.0		11.2	65.8	21.4	1.6
Denver, Colo	.6	27.3		1.8	16.4	69.9	11.9
Des Moines, Iowa	.3	24.6		4.4	49.1	44.6	1.9
Detroit, Mich	3.9	25.9	.2	3.8	36.8	52.1	7.1
El Paso, Tex	.1	25.8		3.9	37.3	58.8	
Flint, Mich	.5	26.5	.3	2.0	29.0	62.0	6.7
Fort Wayne, Ind	.2	23.8	.7	2.9	60.7	35.0	.7
Fort Worth, Tex	.7	24.5		1.0	54.0	44.0	1.0
Fresno, Calif	.5	25.2	1.0	2.7	44.5	48.5	3.3
Grand Rapids, Mich	.6	25.6		3.2	40.1	53.8	2.9
Hartford, Conn	.4	29.3	.5	.5	16.3	37.7	45.0
Houston, Tex	1.4	25.4		3.7	42.4	49.6	4.3
Indianapolis, Ind	1.1	23.3	.5	19.2	46.3	33.4	.6
Jacksonville, Fla	.4	26.9		.5	19.6	77.1	2.8
Kansas City, Kans.-Mo	2.3	24.0	.6	9.4	51.5	36.9	2.6
Knoxville, Tenn	.2	26.8		1.6	21.6	76.0	.8
Little Rock-North Little Rock, Ark	.3	25.3		1.9	45.0	53.1	
Los Angeles-Long Beach, Calif	3.8	24.5	.2	2.4	53.0	40.7	3.7
Louisville, Ky	.7	26.9		2.1	21.6	69.9	6.4
Memphis, Tenn	.6	27.2	.3	.9	13.8	79.5	5.5
Miami, Fla	.3	26.3	.6	2.3	31.6	59.3	6.2
Milwaukee, Wis	.2	26.9			24.6	65.2	10.2
Minneapolis-St. Paul, Minn	.9	27.7		3.5	21.2	47.8	27.5
New Orleans, La	.3	27.0		1.6	15.5	81.8	1.1
New York-Northeastern New Jersey	3.8	27.6	.1	2.4	26.0	42.0	29.5
Norfolk-Portsmouth, Va	.4	23.8		2.8	62.9	33.9	.4
Oklahoma City, Okla	.6	25.3		6.4	40.9	51.2	1.5
Omaha, Nebr	.6	23.2		18.6	49.4	31.7	.3
Philadelphia, Pa	2.1	26.9	.2	5.0	31.3	35.7	27.8
Phoenix, Ariz	.6	25.8	.8	1.9	40.3	41.7	15.3
Pittsburgh, Pa	.7	26.4	.2	6.1	31.1	45.7	16.9
Portland, Oreg	1.7	24.1	.6	9.3	49.0	39.7	1.4
Richmond, Va	.5	26.8	.4	3.5	25.1	59.2	11.8
Rochester, N. Y	.6	25.0	.9	9.4	39.7	35.3	14.7
Sacramento, Calif	1.4	26.2	.1	2.5	33.7	57.2	6.5
St. Louis, Mo	2.1	26.2	.2	1.5	34.6	58.9	4.8
Salt Lake City, Utah	.5	26.7		2.1	25.5	66.4	6.0
San Antonio, Tex	.5	26.1		4.2	31.6	62.5	1.7
San Bernardino-Riverside-Ontario, Calif	.4	26.5		1.2	28.8	66.7	3.3
San Diego, Calif	.7	24.9	.3	.8	49.2	48.4	1.3
San Francisco-Oakland, Calif	4.2	26.3	.1	.8	33.3	61.2	4.6
San Jose, Calif	1.0	27.1		.5	20.6	69.5	9.4
Seattle, Wash	2.8	24.1	.4	7.4	51.7	38.3	2.2
Shreveport, La	.4	26.7		4.9	25.5	59.3	10.3
South Bend, Ind	.3	22.6	.6	12.0	72.2	14.6	.6
Spokane, Wash	.4	24.9	.4	7.5	43.1	38.9	10.1
Stockton, Calif	.5	26.2	.3	2.8	32.5	57.8	6.6
Syracuse, N. Y	.3	25.1		6.4	43.1	26.0	24.5
Tacoma, Wash	.5	23.9	.3	8.3	52.8	33.8	4.8
Tampa-St. Petersburg, Fla	.3	25.3		6.4	40.9	47.4	5.3
Toledo, Ohio	.3	25.5		2.6	42.3	51.5	3.6
Topeka, Kans	.4	26.5	.4	2.7	30.8	53.3	12.8
Tulsa, Okla	.8	26.3		1.1	31.1	66.4	1.4
Washington, D. C	.8	27.8		1.3	22.3	47.8	28.6
Wichita, Kans	.5	24.8		1.5	50.7	46.0	1.8
Youngstown, Ohio	.3	23.6	.6	7.9	57.1	27.1	7.3

(3 of 4) States, while 30-year terms were most common in 7 (Arizona, Connecticut, Massachusetts, Nevada, New Jersey, New York, and Pennsylvania) and 20-year terms in only 3 (North Dakota, South Dakota, and West Virginia). Not only were 30-year new-home transactions insured in every State but North Dakota, but in most States these outnumbered the 20-year mortgages. One-fifth or more of the new-home mortgages in 20 States involved 30-year terms.

In FHA-insured existing-home transactions, 25-year mortgages were the most numerous in over half of the States and 20-year mortgages in 21 States. As in the case of new-home transactions, 30-year durations were reported for existing-home mortgages in every State but Wyoming and represented at least 10 percent of the total in 11 States and the District of Columbia.

Table 45 indicates that in most of the selected metropolitan areas the 25-year mortgage was the most common in both new- and existing-home transactions; that 30-year terms were extended in virtually all of these areas and outnumbered 20-year terms in new-home transactions in more than two-thirds of the areas, including nearly one-fifth of the localities in which 30-year mortgages predominated; and that existing-home mortgages of less than 25 years were preponderant in less than one-third of the areas.

Total Monthly Mortgage Payment Distribution.—Chart 20 depicts the distribution of the total monthly payments stipulated in the new- and existing- one-family home mortgages insured under Section 203 during 1955. In addition to principal amortization and interest, the total monthly mortgage payment covers the monthly installments for property taxes and special assessments, hazard and FHA mortgage insurance premiums, and ground rent, if any.

Monthly payments of $60 to $89 were specified in 2 of every 3 new-home and 5 of every 8 existing-home mortgage contracts closed in 1955. About one-eighth of both types of transactions involved payments of $50 to $59, while one-tenth required payments of $90 to $99. Monthly payments of $100 or more were required for nearly 9 percent of the new-home and 12 percent of the existing-home mortgages.

Compared with 1954, new-home monthly payments averaged about 7 percent higher, while existing-home payments were only a few cents more. Although the average increase in mortgage amounts was significantly greater—13 percent for new homes and 7 percent for existing—the rise in mortgage payments was minimized by the longer durations, averaging 32 months more for new homes and nearly 31 months more for existing homes than in 1954. As indicated in Table 46, there were significant shifts in the new-home monthly payment distributions from 1954 to 1955—principally declines in the proportions below $70 and increases in the proportion of mortgages requiring payments of $80 or more. For existing-home trans-

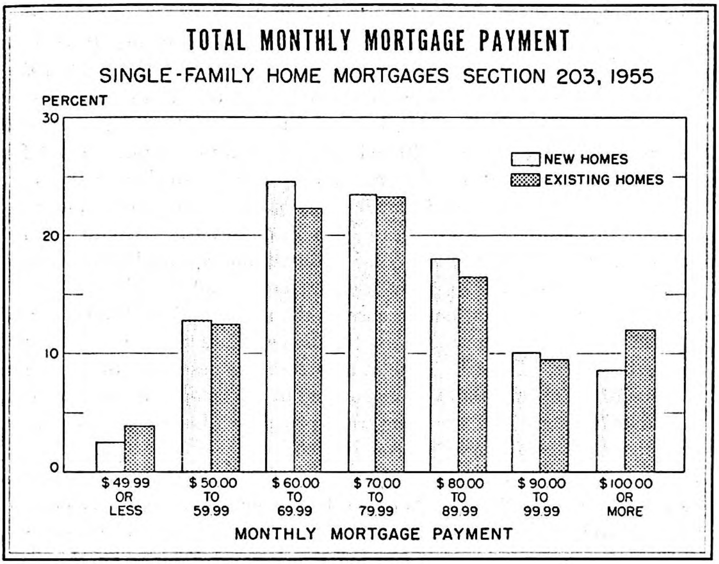

CHART 11–20

actions, the changes were minor—slight decreases in the proportion of cases involving monthly payments of less than $60 and in the $100 to $129 groups (probably reflecting the influence of the longer mortgage terms), and increases in the $60 to $99 intervals.

TABLE II—46

Total monthly mortgage payment, 1-family homes, Sec. 203, selected years

Total monthly mortgage payment	New homes—percentage distributions					Existing homes—percentage distributions				
	1955	1954	1953	1950	1946	1955	1954	1953	1950	1946
Less than $30	0.1	0.1	(1)	0.2	5.4	0.2	0.2	(1)	2.3	14.5
$30 to $39	.2	.1	0.3	4.0	25.0	.5	.7	0.7	7.7	34.3
$40 to $49	2.1	3.3	8.8	29.8	31.1	3.2	4.3	6.4	21.8	26.9
$50 to $59	12.8	20.5	24.0	35.2	27.1	12.5	13.8	17.3	27.2	12.8
$60 to $69	24.6	30.0	29.3	20.4	9.0	22.3	21.5	23.7	19.3	5.7
$70 to $79	23.5	23.3	21.6	7.2	1.8	23.3	21.3	21.8	10.2	2.8
$80 to $89	18.0	11.5	9.6	1.7	.3	16.5	15.3	14.2	5.3	1.2
$90 to $99	10.1	6.0	4.0	.7	.2	9.5	9.4	7.7	2.6	.6
$100 to $109	4.6	2.8	1.4	.4	.1	5.2	5.9	4.1	1.6	.4
$110 to $119	2.2	1.3	.5	.2	-------	3.0	3.6	2.4	.9	.4
$120 to $129	.9	.6	.3	.1	-------	1.6	2.2	1.0	.6	.1
$130 or more	.9	.5	.2	.1	-------	2.2	1.8	.7	.5	.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average	$76.08	$71.36	$67.05	$55.38	$46.06	$77.15	$77.10	$72.79	$58.94	$43.25
Median	$74.32	$68.62	$65.95	$54.31	$46.18	$74.81	$74.34	$70.84	$56.65	$40.83

[1] Less than 0.05 percent.

Ratio of Loan to Value.—Virtually all of the new-home and most of the existing-home mortgages insured under Section 203 during 1955 were approved under the Administrative Rules in effect prior to July 30, 1955, and hence could involve maximum loan-value ratios of 95 percent for new homes and 90 percent for existing homes of the first $9,000 of appraised value plus 75 percent of the additional value up to a maximum amount for mortgages of $20,000 on 1- and 2-family properties.[5] In Alaska, Hawaii, and Guam the specified amounts could be as much as 50 percent more, in recognition of the higher construction costs in these parts. Credit control limitations imposed on July 30, 1955 reduced the applicable maximum ratios to 93 percent and 73 percent for new homes and 88 percent and 73 percent for existing homes, but because of the time required for FHA and mortgagee processing of new- and existing-home transactions and construction of new homes, practically none of the new-home cases and only a small proportion of the existing-home cases covered by the sample of cases insured in the first 10 months of the year were probably affected by the lower loan-value ratios effective on and after July 30.

As shown in Table 47, two-thirds of the 1-family new-home mortgages insured under Section 203 in 1955 were for amounts exceeding 85 percent of the FHA-appraised value—one-third of the total in the 86 to 90 percent interval and about the same proportion in the 91 to 95 percent bracket. Nearly 3 of every 4 of the existing-home cases had loan-value ratios above 80 percent, including 30 percent ranging from 81 to 85 percent, nearly one-third from 86 to 90 percent, and nearly one-ninth—representing properties originally constructed with FHA compliance inspections—from 91 to 95 percent.

TABLE II–47

Ratio of loan to value, 1-family homes, Sec. 203, selected years

Ratio of loan to value (percent)	New homes—percentage distributions					Existing homes—percentage distributions				
	1955	1954	1953	1950	1946	1955	1954	1953	1950	1946
50 or less	0.8	0.8	0.7	0.6	0.6	0.6	1.1	1.3	2.1	1.3
51 to 55	.4	.4	.4	.4	.8	.4	.8	.8	1.4	.9
56 to 60	.7	.7	.8	.5	.8	.9	1.6	1.5	2.2	1.2
61 to 65	1.2	1.4	1.3	.9	1.3	1.5	2.8	2.6	3.7	2.8
66 to 70	2.1	2.6	2.7	1.6	3.3	4.3	7.7	7.2	8.8	5.8
71 to 75	4.1	5.1	5.2	3.2	4.8	5.9	9.8	9.8	13.5	8.8
76 to 80	9.5	28.8	21.7	8.8	11.8	13.2	52.2	58.8	51.5	60.7
81 to 85	14.2	11.8	13.8	10.9	14.1	30.2	7.3	4.0	4.4	3.6
86 to 90	33.7	25.6	30.7	57.1	62.5	32.1	10.8	8.8	9.8	14.9
91 to 95	33.3	22.8	22.7	16.0	-------	10.9	5.9	5.2	2.6	------
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average	85.0	82.2	82.9	85.0	84.1	82.2	77.8	77.5	76.4	78.6
Median	88.5	85.3	86.5	88.0	87.0	84.8	78.5	78.3	77.8	78.4

Loan-value ratios for Section 203 cases insured in 1955 were significantly higher than in the previous year, reflecting the increases in the maximum

[5] For nonoccupant mortgagors, the maximum ratio is 85 percent of the mortgage amount specified for owner-occupant cases.

ratios provided in the Housing Act of 1954. In addition, it should be noted that the 1954 data cover, for the most part, cases approved under the lower maximum ratios in effect prior to the enactment of that legislation. In the new-home distributions, the major changes were a sharp drop in the proportion of cases with ratios of 76 percent to 80 percent and the corresponding increase in the proportions having ratios of 86 to 90 percent and 91 to 95 percent. The shifts in the existing-home distributions were more marked—the proportions in the 76 to 80 percent group falling from over half to about one-eighth of the total, while the 81 to 85 percent group was quadrupling to 30 percent, the 86 to 90 percent group tripling to 32 percent, and the 91 to 95 percent group doubling to nearly 11 percent of the total.

Table 48 shows the loan-value distributions by property value groups for the Section 203 cases insured during 1955. Most of the mortgages were at or near the maximum amount specified under the legislation and applicable administrative rules. The greatest concentration of transactions at or near the maximum limits was particularly evident in the new homes valued at less than $10,000, for which the law provides the most favorable

TABLE II–48

Ratio of loan to value by property value, 1-family homes, Sec. 203, 1955

FHA estimate of property value	Percentage distribution	Median loan-value ratio	Ratio of loan to value—percentage distributions								
			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	Total
NEW HOMES											
Less than $7,000	0.4	93.1	------	------	------	2.7	1.4	1.4	9.0	85.5	100.0
$7,000 to $7,999	3.0	93.2	------	0.1	0.1	.6	2.8	2.1	5.6	88.7	100.0
$8,000 to $8,999	10.0	93.1	0.1	.3	.3	.4	1.6	1.9	8.4	87.0	100.0
$9,000 to $9,999	14.2	92.9	.1	.1	.4	.8	2.0	3.6	11.4	81.6	100.0
$10,000 to $10,999	12.3	91.9	.3	.3	1.2	2.0	4.0	6.8	24.1	61.3	100.0
$11,000 to $11,999	12.3	88.2	.7	.8	2.3	3.0	6.3	12.7	55.9	18.3	100.0
$12,000 to $12,999	11.9	87.1	.9	1.2	3.2	4.2	15.7	11.5	63.0	.3	100.0
$13,000 to $13,999	9.9	86.8	.9	1.4	4.6	7.2	13.7	13.2	59.0	------	100.0
$14,000 to $14,999	8.2	86.1	1.3	1.5	6.0	8.1	13.9	18.1	51.1	------	100.0
$15,000 to $15,999	6.3	84.3	1.8	2.5	7.6	6.5	18.2	19.9	43.5	------	100.0
$16,000 to $17,999	7.1	82.2	2.1	3.0	7.9	9.0	17.0	46.0	14.3	.7	100.0
$18,000 to $19,999	2.6	81.8	2.2	3.6	7.0	7.9	19.9	57.8	1.6	------	100.0
$20,000 or more	1.8	80.8	2.4	5.0	10.6	8.2	24.6	46.4	2.8	------	100.0
Total	100.0	88.5	.8	1.1	3.3	4.1	9.5	14.2	33.7	33.3	100.0
EXISTING HOMES											
Less than $7,000	2.5	88.0	0.2	0.8	4.7	3.5	8.3	10.2	56.8	15.5	100.0
$7,000 to $7,999	4.9	89.0	.3	.5	2.9	2.3	7.1	6.4	50.1	30.4	100.0
$8,000 to $8,999	10.1	89.1	.4	.6	3.1	2.8	5.8	9.3	45.6	32.4	100.0
$9,000 to $9,999	12.2	88.4	.3	.7	3.5	2.9	6.9	11.4	49.8	24.5	100.0
$10,000 to $10,999	12.7	87.6	.5	1.0	4.0	3.9	9.9	15.3	48.8	16.6	100.0
$11,000 to $11,999	11.6	86.5	.3	1.1	5.0	5.3	10.7	22.1	50.2	5.3	100.0
$12,000 to $12,999	11.2	83.8	.4	1.2	5.7	6.2	14.9	38.8	32.8	------	100.0
$13,000 to $13,999	9.3	82.5	.6	1.7	7.1	7.6	16.5	56.8	9.7	------	100.0
$14,000 to $14,999	7.1	82.3	.7	1.8	8.2	9.7	15.3	56.7	7.6	------	100.0
$15,000 to $15,999	5.2	81.8	1.0	2.0	9.1	9.1	20.7	52.2	5.9	------	100.0
$16,000 to $17,999	6.6	81.6	1.2	2.5	9.3	10.4	19.9	55.1	1.5	.1	100.0
$18,000 to $19,999	3.2	81.5	.9	2.2	9.3	10.4	22.2	55.0	------	------	100.0
$20,000 or more	3.4	78.6	2.0	3.7	13.2	11.5	37.0	32.6	------	------	100.0
Total	100.0	84.8	.6	1.3	5.8	5.9	13.2	30.2	32.1	10.9	100.0

downpayment terms. For the higher-value new homes and all value classes of existing homes, the loan-value distributions tended to be more widely distributed. Several factors may have influenced this situation—lending institutions tend to be more conservative in financing loans on all existing properties and higher-priced new properties because of market considerations; under the FHA mortgage credit policy, mortgages are limited to amounts involving debt services which, when coupled with other housing expenses and long-term financial obligations, are determined to be within the mortgagor's income capacity; buyers of higher-priced new and existing homes are frequently moving from smaller homes with accumulated equities enabling them to make larger downpayments on their "new" homes; and, finally, in the 11 percent of the existing-home transactions involving refinancing of outstanding mortgages by the same owner, the FHA mortgage credit policy limits mortgages to an amount required to cover any existing indebtedness plus costs of repairs, alterations, additions to the property, and the cost of obtaining the loan, or 70 percent of the FHA valuation of the property, whichever is the greater.

Property Value Characteristics

Under the FHA underwriting system, a determination of the estimated value of the property (including the house, other physical improvements, and land) involves consideration of a number of items—the replacement cost of the property, its rental value, selling prices of comparable homes, type and location of the neighborhood, the character and market price of the site, quality of materials and construction, the size of the house, and garage facilities. Data on some of these items and their relationship to property value are presented and analyzed in this section of the report.

Property Value Distribution.—As is evident in Chart 21, property values of $8,000 to $13,999 predominated in the Section 203 transactions insured during 1955—including 7 of every 10 new homes and 2 of every 3 existing properties. Most of the remaining properties involved values of from $14,000 to $17,999. In the lowest and highest value brackets, existing properties were relatively more numerous than new—7 percent of the existing and 3 percent of the new were valued at less than $8,000, and 7 percent of the existing and 4 percent of the new were valued at $18,000 or more.

FHA property values for new homes averaged 9 percent higher in 1955 than in 1954, while existing-home values inched upward less than 1 percent. Table 49 discloses that the uptrend in new-home values was concurrent with declines of proportions in all value brackets below $12,000—principally in the $7,000 and $8,000 groups—and increases in all the ranges from $12,000 upward, particularly in the $13,000 to $17,999 brackets. In contrast, the existing-home distribution showed little change from 1954. In addition to higher construction and land costs, the higher 1955 level of new-home values is also probably attributable to the more favorable financ-

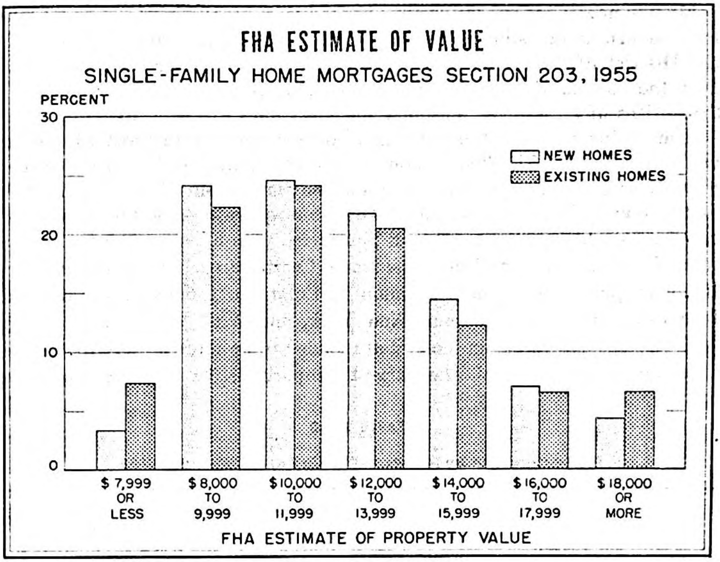

CHART 11–21

ing terms made available for the purchase of the more expensive properties under provisions of the Housing Act of 1954.

Property value distributions of the new- and existing-home cases insured under Section 203 during 1955 are presented by States and Territories in Table 50 and for selected metropolitan areas in Table 51.

TABLE II–49

Property value, 1-family homes, Sec. 203, selected years

FHA estimate of property value	New homes—percentage distributions					Existing homes—percentage distributions				
	1955	1954	1953	1950	1946	1955	1954	1953	1950	1946
Less than $4,000				(1)	2.3		(1)		1.2	9.0
$4,000 to $4,999				0.4	10.0		0.2		1.4	16.8
$5,000 to $5,999	(1)	(1)		1.6	20.3	0.6	.4		4.2	24.6
$6,000 to $6,999	0.4	0.6	2.2	18.3	27.8	1.9	2.0	2.8	10.7	20.3
$7,000 to $7,999	3.0	6.0	14.9	20.8	22.4	4.9	5.5	6.8	15.8	12.1
$8,000 to $8,999	10.0	18.8	14.4	22.5	11.1	10.1	10.1	11.2	17.1	7.0
$9,000 to $9,999	14.2	15.7	14.8	15.9	3.4	12.2	11.1	12.5	14.5	3.4
$10,000 to $10,999	12.3	12.4	15.7	10.0	1.5	12.7	12.6	14.0	11.3	2.5
$11,000 to $11,999	12.3	12.8	14.5	4.7	.5	11.6	12.1	12.9	7.6	1.1
$12,000 to $12,999	11.9	10.1	10.1	2.3	.3	11.2	11.8	12.1	5.7	1.2
$13,000 to $13,999	9.9	7.8	5.2	1.4	.2	9.3	9.1	8.7	3.3	.5
$14,000 to $14,999	8.2	5.5	3.2	.7	.1	7.1	6.6	6.0	2.0	.3
$15,000 to $15,999	6.3	3.8	2.0	.5	.1	5.2	5.8	4.6	1.7	.4
$16,000 to $17,999	7.1	3.8	1.9	.5	(1)	6.6	7.0	5.2	1.9	.3
$18,000 to $19,999	2.6	1.4	.7	.2		3.2	3.1	1.9	.9	.2
$20,000 or more	1.8	1.3	.4	.2		3.4	2.6	1.3	.7	.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average value	$12,118	$11,120	$10,357	$8,594	$6,597	$12,047	$11,934	$11,419	$9,298	$6,269
Median value	$11,742	$10,678	$10,140	$8,286	$6,558	$11,555	$11,549	$11,061	$8,865	$5,934

[1] Less than 0.05 percent.

Median new-home property values ranged from $9,587 in Maine to $14,207 in Missouri, and existing-home medians from $9,254 in Maine to $14,500 in the District of Columbia. The higher medians in Alaska and Hawaii reflect the substantially higher construction costs in those Territories. In three-fifths of the States, new-home median values exceeded existing.

The major share of the FHA new-home properties in most States had values of $8,000 to $11,999. In one-third of the States, the bulk ranged from $10,000 to $13,999, and in one-eighth of the States from $12,000 to $15,999. States having the largest proportion of the lower-value new homes were located principally in the South and Southwest, with a few in the upper portion of New England and the West North Central area. Higher value new-home properties were most common in Colorado, Connecticut, Michigan, Minnesota, Missouri, Montana, New York, and West Virginia.

Existing-home values in most States tended to be more widely distributed than new-home values. The largest proportions of existing homes in

TABLE II–50

Property value by States, 1-family homes, Sec. 203, 1955

State	Median property value	Property value—percentage distribution							
		Less than $8,000	$8,000 to $9,999	$10,000 to $11,999	$12,000 to $13,999	$14,000 to $15,999	$16,000 to $17,999	$18,000 to $19,999	$20,000 or more
NEW HOMES									
Alabama	$10,864	5.2	28.2	30.6	13.8	9.7	7.8	2.1	2.6
Arizona	10,511	11.9	29.9	28.2	17.0	5.8	3.7	1.0	2.5
Arkansas	10,272	11.7	34.2	25.0	11.4	10.1	1.8	1.8	4.0
California	11,733	1.1	30.6	20.8	22.6	13.5	6.8	3.3	1.3
Colorado	13,048	3.8	9.2	24.6	33.3	20.4	6.3	1.3	1.1
Connecticut	13,011	-------	8.7	23.2	32.5	20.1	7.4	5.6	2.5
Delaware	12,278	-------	18.5	27.7	29.2	13.8	3.1	4.6	3.1
District of Columbia	(1)	-------	-------	-------	-------	-------	-------	-------	-------
Florida	10,220	10.0	36.8	25.9	15.1	7.8	2.5	1.0	.9
Georgia	9,619	12.0	46.2	17.0	10.4	7.4	2.7	2.2	2.1
Idaho	12,361	1.2	14.9	26.4	26.4	12.6	10.4	4.6	3.5
Illinois	12,190	1.3	24.1	21.9	24.1	12.0	10.9	4.6	1.1
Indiana	11,158	4.7	28.1	29.9	20.9	8.6	5.0	1.8	1.0
Iowa	10,530	4.7	35.9	30.3	13.8	8.5	4.9	1.1	.8
Kansas	11,486	5.8	24.8	26.6	19.8	13.5	5.6	2.7	1.2
Kentucky	12,500	-------	22.0	22.6	19.0	22.6	6.1	3.1	4.6
Louisiana	12,114	4.1	17.7	26.8	21.4	12.6	8.6	5.0	3.8
Maine	9,587	6.0	58.2	28.3	3.0	4.5	-------	-------	-------
Maryland	11,307	5.2	30.2	23.0	20.8	6.3	10.1	4.4	-------
Massachusetts	11,317	.7	20.0	45.2	26.3	5.6	2.2	-------	-------
Michigan	13,973	.5	4.6	21.5	23.7	32.0	12.9	2.9	1.9
Minnesota	13,180	-------	1.7	18.1	47.8	19.1	7.7	4.3	1.3
Mississippi	10,338	12.4	32.1	29.6	13.2	8.2	2.9	.4	1.2
Missouri	14,207	.7	4.5	13.8	28.2	26.2	21.0	3.6	2.0
Montana	13,974	-------	2.0	12.9	35.6	32.7	11.9	4.9	-------
Nebraska	10,937	1.8	26.8	40.2	20.5	7.1	1.6	1.0	1.0
Nevada	11,119	-------	42.0	16.0	23.4	10.4	2.6	1.3	4.3
New Hampshire	10,000	-------	50.0	32.1	7.1	3.6	3.6	3.6	-------
New Jersey	11,919	5.9	18.0	27.6	24.6	16.5	7.1	.3	-------
New Mexico	9,688	5.6	51.0	27.8	11.9	2.7	.3	.7	-------
New York	14,098	.9	11.9	16.2	19.8	23.7	13.3	8.0	6.2
North Carolina	9,683	12.8	44.1	21.1	11.6	4.0	2.9	1.9	1.6
North Dakota	11,889	-------	17.3	34.6	34.6	11.6	-------	1.9	-------
Ohio	12,939	.1	12.7	16.2	32.9	21.8	11.0	3.0	2.3
Oklahoma	10,614	4.1	36.3	25.5	19.6	9.1	3.4	1.2	.8
Oregon	12,103	-------	21.4	26.9	24.7	15.3	8.1	2.8	.8
Pennsylvania	12,111	.1	12.5	35.6	28.3	14.8	6.7	1.1	.9
Rhode Island	11,350	.8	16.0	48.1	25.9	6.9	1.5	-------	.8
South Carolina	10,212	7.1	40.0	28.3	15.0	5.4	2.1	1.3	.8
South Dakota	10,880	.8	31.0	38.0	19.4	7.5	2.5	.8	-------

[1] Inadequate sample.

TABLE II–50—Continued

Property value by States, 1-family homes, Sec. 203, 1955—Continued

State	Median property value	Property value—percentage distribution							
		Less than $8,000	$8,000 to $9,999	$10,000 to $11,999	$12,000 to $13,999	$14,000 to $15,999	$16,000 to $17,999	$18,000 to $19,999	$20,000 or more
NEW HOMES—continued									
Tennessee	$11,299	2.4	26.8	33.9	23.6	8.7	3.0	0.8	0.8
Texas	10,168	6.6	41.0	24.8	15.4	8.6	2.5	.7	.4
Utah	12,132	--------	11.5	37.5	19.8	15.6	9.7	3.7	2.2
Vermont	10,500	--------	36.4	51.5	9.1	--------	--------	--------	3.0
Virginia	10,511	5.9	37.2	21.7	16.7	10.0	5.0	2.3	1.2
Washington	12,701	1.3	10.1	28.8	27.5	18.1	8.5	2.7	3.0
West Virginia	13,500	--------	11.7	24.6	20.8	18.2	16.9	5.2	2.6
Wisconsin	12,763	.8	4.3	32.9	29.8	22.3	6.7	2.0	1.2
Wyoming	11,438	12.9	22.4	22.4	25.0	9.5	6.0	.9	.9
Alaska	18,250	--------	--------	--------	--------	2.3	46.5	9.3	41.9
Hawaii	15,385	.7	14.3	11.0	15.6	13.6	19.5	9.7	15.6
Puerto Rico	9,339	2.7	65.5	13.2	5.3	--------	5.3	2.7	5.3
Total	11,742	3.4	24.2	24.6	21.8	14.5	7.1	2.6	1.8
EXISTING HOMES									
Alabama	11,615	9.2	24.1	21.0	17.9	13.4	7.1	2.8	4.5
Arizona	9,724	19.5	35.3	21.2	10.9	4.1	2.7	1.1	5.2
Arkansas	9,740	18.6	36.1	17.4	11.9	8.5	4.1	1.2	2.2
California	11,615	4.0	23.1	28.0	20.9	11.8	6.2	3.1	2.9
Colorado	12,169	.2	14.7	32.3	26.4	14.3	6.7	2.4	3.0
Connecticut	13,286	2.7	10.7	17.6	29.4	18.6	9.0	4.8	7.2
Delaware	12,615	--------	17.1	17.1	33.6	12.5	11.8	2.0	5.9
District of Columbia	14,500	--------	--------	18.2	24.2	27.3	12.1	9.1	9.1
Florida	10,979	7.8	26.7	27.1	20.1	9.3	5.0	2.1	1.9
Georgia	12,288	5.3	20.4	21.1	21.1	14.8	8.6	5.1	3.6
Idaho	10,356	19.2	25.2	27.0	14.2	6.6	4.6	1.8	1.4
Illinois	13,521	2.1	11.0	19.9	22.1	20.4	13.6	5.1	5.8
Indiana	10,997	8.0	27.3	26.3	18.3	9.3	4.6	3.1	3.1
Iowa	11,767	5.4	19.1	28.6	26.2	12.9	5.1	1.6	1.1
Kansas	10,843	11.7	28.2	21.1	19.0	9.2	6.0	2.4	2.4
Kentucky	11,239	5.9	26.1	28.3	16.7	10.8	4.5	3.6	4.1
Louisiana	11,841	7.4	24.7	19.4	17.8	14.6	6.2	3.6	6.3
Maine	9,254	26.5	37.2	19.5	8.1	4.1	2.0	1.7	.9
Maryland	12,756	9.2	16.3	18.3	18.3	16.1	10.8	5.4	5.6
Massachusetts	11,242	6.5	21.6	35.0	23.4	7.3	4.2	1.1	.9
Michigan	12,563	2.0	12.7	28.0	23.3	16.7	9.2	4.4	3.7
Minnesota	13,385	.6	6.6	19.7	34.8	19.7	9.9	4.3	4.4
Mississippi	9,944	15.7	35.4	28.7	8.4	6.7	3.4	.6	1.1
Missouri	12,281	4.4	17.1	24.8	23.6	13.4	8.0	3.7	5.0
Montana	12,616	8.8	13.6	19.8	24.2	17.7	5.9	6.2	3.8
Nebraska	10,768	10.1	26.6	32.3	17.9	8.5	2.2	.8	1.6
Nevada	13,083	.6	16.4	22.2	20.5	8.8	9.9	7.6	14.0
New Hampshire	9,518	16.5	46.6	21.3	2.9	7.8	3.9	--------	1.0
New Jersey	13,046	5.6	12.7	17.7	25.9	17.5	11.7	4.2	4.7
New Mexico	10,731	5.9	34.0	29.8	23.9	4.8	1.1	--------	.5
New York	12,242	3.9	20.4	22.6	23.9	15.3	7.0	3.5	3.4
North Carolina	11,149	12.5	25.3	23.2	14.3	7.1	8.9	4.6	4.1
North Dakota	12,350	2.4	12.9	29.0	32.3	13.7	4.9	4.0	.8
Ohio	12,887	1.0	13.8	22.8	26.8	17.2	9.8	4.8	3.8
Oklahoma	9,611	21.3	36.2	20.2	12.8	5.0	1.9	1.1	1.5
Oregon	10,654	8.4	31.8	28.4	17.1	8.1	3.3	1.8	1.1
Pennsylvania	10,671	13.9	27.0	24.0	17.3	9.3	4.5	2.1	1.9
Rhode Island	11,367	7.6	20.7	30.4	20.7	10.3	6.4	.9	3.0
South Carolina	10,064	17.4	31.9	21.4	16.8	8.0	2.6	.8	1.1
South Dakota	10,300	17.7	28.2	26.8	16.4	5.5	2.7	1.8	.9
Tennessee	10,481	10.1	32.4	27.3	15.0	7.6	4.1	1.7	1.8
Texas	9,416	19.4	40.9	21.9	9.7	4.4	2.2	.8	.7
Utah	12,603	3.1	16.7	22.0	25.0	15.2	6.7	5.0	6.3
Vermont	9,921	18.6	33.0	24.7	15.5	4.1	1.0	3.1	--------
Virginia	11,887	10.7	22.1	18.0	15.3	13.3	8.0	6.4	6.2
Washington	11,205	9.8	24.8	24.8	19.5	10.4	4.3	2.8	3.6
West Virginia	11,329	14.2	20.5	22.5	14.8	12.0	7.7	2.9	5.4
Wisconsin	13,348	1.2	9.3	17.6	32.7	21.6	11.0	3.3	3.3
Wyoming	11,568	7.8	15.1	36.7	22.9	12.1	4.2	1.2	--------
Alaska	18,333	--------	--------	2.7	11.1	13.9	16.7	16.7	38.9
Hawaii	15,808	5.2	4.6	8.7	20.2	12.7	14.5	11.6	22.5
Puerto Rico	14,625	3.6	7.3	10.9	23.6	10.9	14.6	5.5	23.6
Total	11,555	7.4	22.3	24.3	20.5	12.3	6.6	3.2	3.4

TABLE II–51

Property value, selected metropolitan areas, 1-family homes, Sec. 203, 1955

Standard metropolitan area	Median property value	Property value—percentage distribution							
		Less than $8,000	$8,000 to $9,999	$10,000 to $11,999	$12,000 to $13,999	$14,000 to $15,999	$16,000 to $17,999	$18,000 to $19,999	$20,000 or more
NEW HOMES									
Akron, Ohio	$13,577	------	------	10.3	58.6	20.7	3.5	------	6.9
Albany-Schenectady-Troy, N. Y	9,667	19.5	36.1	16.7	16.7	5.5	5.5	------	------
Albuquerque, N. Mex	9,850	1.3	51.7	30.5	13.2	3.3	------	------	------
Atlanta, Ga	11,458	2.0	37.4	15.0	13.6	15.7	5.4	4.8	6.1
Baltimore, Md	11,381	7.4	22.1	31.2	21.7	6.1	6.6	4.9	------
Birmingham, Ala	11,364	5.6	24.6	29.6	11.3	9.9	11.3	3.5	4.2
Buffalo, N. Y	12,300	------	16.5	29.8	24.8	15.7	12.4	.8	------
Charlotte, N. C	10,500	6.4	40.8	17.6	9.6	8.8	8.0	5.6	3.2
Chicago, Ill	13,464	.6	1.2	25.4	30.3	18.4	15.4	6.8	1.9
Cleveland, Ohio	15,674	------	.3	5.4	12.0	41.1	30.7	7.0	3.5
Columbus, Ohio	12,905	------	1.8	14.3	53.6	19.3	7.5	1.0	2.5
Dallas, Tex	10,052	1.6	47.7	24.7	14.2	8.8	2.8	.2	------
Dayton, Ohio	11,900	------	22.8	27.7	40.6	8.1	.8	------	------
Denver, Colo	13,540	------	7.0	20.9	34.7	26.3	7.6	1.9	1.6
Des Moines, Iowa	9,930	2.8	50.5	12.8	10.1	9.2	11.9	1.8	.9
Detroit, Mich	14,380	.6	2.5	17.2	21.6	37.7	15.0	3.3	2.1
El Paso, Tex	10,473	1.0	40.2	27.4	22.0	9.1	.3	------	------
Flint, Mich	12,532	------	6.9	31.2	36.4	16.8	7.8	.6	.3
Fort Wayne, Ind	10,786	------	43.1	15.2	22.8	6.3	10.1	2.5	------
Fort Worth, Tex	8,942	10.2	62.9	18.6	5.9	1.7	.7	------	------
Fresno, Calif	9,719	4.6	52.3	16.9	16.9	6.1	1.6	------	1.6
Grand Rapids, Mich	12,231	------	8.1	39.5	24.2	19.4	4.0	2.4	2.4
Hartford, Conn	12,973	------	------	8.2	48.8	27.9	10.5	2.3	2.3
Houston, Tex	10,711	4.6	35.3	22.5	20.2	12.0	4.2	.8	.4
Indianapolis, Ind	11,700	1.0	19.3	35.6	18.8	7.9	9.4	5.5	2.5
Jacksonville, Fla	10,161	23.7	23.7	20.6	16.9	12.7	2.4	------	------
Kansas City, Kans.-Mo	13,111	------	13.8	21.1	24.8	22.4	10.2	5.7	2.0
Knoxville, Tenn	10,703	5.8	27.6	44.2	13.5	3.8	3.2	1.3	.6
Little Rock-North Little Rock, Ark	10,864	8.1	27.9	22.1	15.4	15.4	2.2	3.7	5.2
Los Angeles-Long Beach, Calif	11,152	.1	40.4	15.4	24.9	10.8	5.2	3.1	.1
Louisville, Ky	14,500	------	6.7	16.3	20.2	32.7	10.6	5.8	7.7
Memphis, Tenn	11,574	2.3	25.8	30.8	20.8	11.9	5.8	.7	1.9
Miami, Fla	11,841	2.9	16.2	34.6	21.0	16.5	5.1	1.5	2.2
Milwaukee, Wis	12,630	------	------	36.5	32.5	20.6	7.2	1.6	1.6
Minneapolis-St. Paul, Minn	13,160	------	------	17.5	50.9	17.1	8.3	5.3	.9
New Orleans, La	12,813	------	10.2	32.8	19.9	15.6	11.8	7.0	2.7
New York - Northeastern New Jersey	14,637	.4	9.3	13.1	18.4	27.0	14.7	9.7	7.4
Norfolk-Portsmouth, Va	10,500	------	44.3	21.3	18.0	11.5	3.3	1.6	------
Oklahoma City, Okla	12,234	.7	23.1	23.5	26.0	14.1	9.0	2.5	1.1
Omaha, Nebr	11,267	.6	26.4	35.6	21.2	8.6	1.2	1.7	1.7
Philadelphia, Pa	11,903	1.0	13.9	37.7	26.0	14.5	6.0	.5	.4
Phoenix, Ariz	10,650	10.8	28.6	28.6	19.0	5.9	3.6	.7	2.8
Pittsburgh, Pa	13,756	.4	2.3	5.3	49.2	24.8	11.6	3.4	3.0
Portland, Oreg	12,557	------	13.7	28.9	25.9	17.5	9.5	3.4	1.1
Richmond, Va	10,278	5.8	39.4	21.0	9.6	10.6	7.7	2.9	------
Rochester, N. Y	13,571	------	------	15.0	42.5	25.0	15.0	2.5	------
Sacramento, Calif	12,130	2.5	19.6	26.6	20.3	13.4	9.6	5.8	2.2
St. Louis, Mo	14,303	.9	13.1	7.3	25.2	24.3	24.3	3.1	1.8
Salt Lake City, Utah	13,362	------	9.0	28.5	20.4	20.4	13.6	4.7	3.4
San Antonio, Tex	11,882	2.6	17.5	31.6	23.7	14.0	5.3	3.5	1.8
San Bernardino-Riverside-Ontario, Calif	9,563	4.6	64.2	14.2	8.5	6.9	1.6	------	------
San Diego, Calif	12,421	------	17.7	27.6	22.9	17.1	9.4	3.5	1.8
San Francisco-Oakland, Calif	12,943	.4	12.1	21.1	28.3	21.2	11.2	3.1	2.6
San Jose, Calif	12,324	.2	18.4	25.8	26.4	13.4	6.3	7.3	2.2
Seattle, Wash	13,300	1.5	4.5	27.1	26.4	21.6	11.4	2.1	5.4
Shreveport, La	12,261	10.3	22.5	14.2	17.6	10.8	12.3	4.9	7.4
South Bend, Ind	11,583	2.6	24.7	32.5	33.7	3.9	2.6	------	------
Spokane, Wash	12,531	2.3	16.1	21.8	33.3	15.0	4.6	4.6	2.3
Stockton, Calif	10,429	4.4	40.4	25.4	16.7	10.5	2.6	------	------
Syracuse, N. Y	12,800	------	4.2	29.1	54.2	------	8.3	4.2	------
Tacoma, Wash	12,467	.9	18.2	24.6	22.7	17.3	10.9	4.5	.9
Tampa-St. Petersburg, Fla	9,284	15.6	49.4	20.3	6.9	4.0	1.6	1.6	.6
Toledo, Ohio	14,630	------	1.0	5.2	26.0	39.6	14.6	7.3	6.3
Topeka, Kans	11,389	------	39.0	24.4	12.2	22.0	2.4	------	------
Tulsa, Okla	9,943	3.6	48.0	22.5	16.7	7.5	.7	.3	.7
Washington, D. C	13,559	------	34.7	4.1	17.4	12.4	24.0	4.1	3.3
Wichita, Kans	11,625	.6	22.9	32.4	22.3	16.2	2.8	1.7	1.1
Youngstown, Ohio	11,833	------	24.4	29.5	26.9	10.2	7.7	------	1.3

TABLE II–51—Continued

Property value, selected metropolitan areas, 1-family homes, Sec. 203, 1955— Continued

Standard metropolitan area	Median property value	Property value—percentage distribution							
		Less than $8,000	$8,000 to $9,999	$10,000 to $11,999	$12,000 to $13,999	$14,000 to $15,999	$16,000 to $17,999	$18,000 to $19,999	$20,000 or more
EXISTING HOMES									
Akron, Ohio	$13,043	0.8	12.6	20.5	33.3	18.2	7.7	4.1	2.8
Albany-Schenectady-Troy, N. Y	12,486	4.7	17.4	21.4	21.4	17.4	10.5	3.2	4.0
Albuquerque, N. Mex	11,065	5.2	28.2	32.6	29.6	3.0	.7	------	.7
Atlanta, Ga	13,565	1.1	11.6	17.4	25.2	17.7	12.7	8.6	5.7
Baltimore, Md	10,675	14.6	25.0	26.9	18.9	8.8	3.5	.8	1.5
Birmingham, Ala	11,696	8.9	24.0	20.9	15.6	12.0	7.5	4.9	6.2
Buffalo, N. Y	12,283	5.2	14.9	25.7	29.4	15.8	5.2	3.0	.8
Charlotte, N. C	12,500	8.2	17.5	20.9	11.6	12.8	11.6	11.6	5.8
Chicago, Ill	14,090	2.9	8.3	15.6	22.1	21.6	16.3	6.3	6.9
Cleveland, Ohio	14,382	.6	6.3	14.3	23.2	27.6	16.4	6.8	4.8
Columbus, Ohio	11,848	.9	19.8	31.8	24.4	10.4	6.2	2.9	3.6
Dallas, Tex	8,922	17.0	52.8	17.6	6.3	3.9	1.8	.3	.3
Dayton, Ohio	12,246	.3	19.7	25.3	29.8	8.5	10.2	2.3	3.9
Denver, Colo	12,425	------	14.3	28.9	25.8	17.0	7.6	2.7	3.7
Des Moines, Iowa	11,735	3.8	22.0	27.0	22.0	17.0	4.4	3.8	------
Detroit, Mich	12,898	.4	9.6	28.0	24.4	19.0	10.9	3.6	4.1
El Paso, Tex	10,139	7.8	37.3	45.1	9.8	------	------	------	------
Flint, Mich	11,714	2.0	17.7	35.7	21.3	12.7	4.0	4.3	2.3
Fort Wayne, Ind	11,462	9.3	23.6	22.1	17.9	17.9	7.1	2.1	------
Fort Worth, Tex	8,034	49.3	37.7	10.6	1.9	.5	------	------	------
Fresno, Calif	10,894	9.7	24.7	27.8	16.1	15.4	4.3	1.0	1.0
Grand Rapids, Mich	12,340	1.7	13.1	30.2	25.6	14.0	6.4	7.0	2.0
Hartford, Conn	13,576	2.7	9.5	16.8	27.3	20.4	12.3	5.5	5.5
Houston, Tex	10,177	12.8	34.2	26.1	15.5	6.7	3.3	1.0	.4
Indianapolis, Ind	11,567	3.2	25.4	26.6	19.2	10.0	4.6	4.7	6.3
Jacksonville, Fla	10,206	16.8	29.9	25.2	14.5	6.1	3.3	2.8	1.4
Kansas City, Kans.-Mo	12,167	5.1	19.9	22.7	24.8	12.8	8.3	3.5	2.9
Knoxville, Tenn	11,250	17.6	17.6	25.6	16.8	11.2	8.0	3.2	------
Little Rock-North Little Rock, Ark	10,130	5.6	42.5	21.9	11.3	11.3	3.7	1.2	2.5
Los Angeles-Long Beach, Calif	12,138	2.6	17.5	28.1	23.6	13.1	7.6	3.7	3.8
Louisville, Ky	11,644	1.3	26.3	26.6	19.7	11.4	5.1	4.5	5.1
Memphis, Tenn	9,875	6.7	45.5	23.5	12.0	5.9	1.8	2.0	2.6
Miami, Fla	11,625	1.1	24.2	29.8	29.2	6.2	6.2	1.1	2.2
Milwaukee, Wis	14,188	------	1.7	12.6	31.9	28.6	16.0	5.0	4.2
Minneapolis-St. Paul, Minn	13,462	------	3.6	17.2	41.2	20.0	9.0	4.0	5.0
New Orleans, La	13,643	------	13.3	19.3	21.5	17.7	9.4	7.7	11.1
New York-Northeastern New Jersey	13,324	.7	16.5	15.1	26.6	19.3	11.5	5.0	5.3
Norfolk-Portsmouth, Va	10,848	11.9	27.0	19.4	14.7	12.3	6.0	5.1	3.6
Oklahoma City, Okla	9,853	17.3	35.8	21.2	14.2	5.8	3.0	1.5	1.2
Omaha, Nebr	10,538	10.6	28.6	33.5	15.8	7.2	2.2	.9	1.2
Philadelphia, Pa	9,946	17.0	34.0	27.1	10.8	5.5	2.9	1.5	1.2
Phoenix, Ariz	9,720	19.7	35.3	20.0	10.1	4.7	3.0	1.4	5.8
Pittsburgh, Pa	12,992	2.9	12.0	20.5	32.3	17.4	7.1	4.1	3.7
Portland, Oreg	10,461	10.1	33.9	27.4	15.4	6.8	3.8	1.7	.9
Richmond, Va	10,319	15.7	30.3	19.5	12.9	11.5	3.1	5.6	1.4
Rochester, N. Y	11,256	9.1	18.7	31.3	21.9	11.2	4.1	3.4	.3
Sacramento, Calif	10,658	5.3	33.0	28.6	15.9	7.6	5.6	2.3	1.7
St. Louis, Mo	12,933	1.9	10.3	24.8	25.4	15.4	10.2	4.7	7.3
Salt Lake City, Utah	13,108	1.4	10.1	21.0	29.0	18.2	7.7	4.9	7.7
San Antonio, Tex	10,000	9.1	40.9	24.1	11.2	4.2	4.9	2.8	2.8
San Bernardino-Riverside-Ontario, Calif	11,904	5.3	25.1	20.6	20.2	18.5	7.4	2.1	.8
San Diego, Calif	11,492	1.8	22.1	34.1	23.1	10.2	5.0	2.4	1.3
San Francisco-Oakland, Calif	11,754	2.9	21.2	29.5	22.6	11.7	5.8	2.9	3.4
San Jose, Calif	13,367	1.3	14.5	19.6	20.3	15.7	12.6	9.0	7.0
Seattle, Wash	11,815	4.7	23.1	24.3	21.4	11.7	4.9	4.4	5.5
Shreveport, La	10,938	6.4	36.3	13.2	13.2	15.7	6.9	3.4	4.9
South Bend, Ind	10,333	13.3	32.3	24.1	13.3	8.2	4.4	1.9	2.5
Spokane, Wash	10,667	10.4	32.1	27.5	13.3	10.0	3.8	.8	2.1
Stockton, Calif	9,847	10.0	42.6	24.6	8.3	9.0	3.1	1.0	1.4
Syracuse, N. Y	12,545	3.7	12.2	27.7	21.8	13.3	10.1	4.3	6.9
Tacoma, Wash	10,567	19.6	24.5	23.8	20.0	7.6	2.1	1.4	1.0
Tampa-St. Petersburg, Fla	11,708	1.7	24.4	27.9	22.7	13.4	4.7	2.3	2.9
Toledo, Ohio	13,600	------	4.6	18.0	35.6	18.6	9.8	8.8	4.6
Topeka, Kans	9,643	17.1	39.5	20.6	11.4	5.3	4.8	1.3	------
Tulsa, Okla	9,429	21.5	40.4	21.8	10.0	4.1	1.1	.4	.7
Washington, D. C	15,944	.4	2.1	6.9	17.7	23.5	20.4	12.4	16.6
Wichita, Kans	10,553	5.9	34.5	27.2	18.4	7.0	3.3	1.1	2.6
Youngstown, Ohio	13,172	2.3	14.7	19.8	28.2	17.5	9.0	5.1	3.4

about half the States had values of $8,000 to $11,999; in 16 States, $10,000 to $13,999; in 4 States (Connecticut, Illinois, Minnesota, and Wisconsin), $12,000 to $15,999; and in Maine and Oklahoma values of less than $10,000 predominated.

As is evident in Table 51, median property values in metropolitan areas located within the same State may vary considerably, depending on the nature of market demands, construction costs, availability of land, and institutional lending practices. Moreover, the level of property values is in many instances significantly different for a metropolitan area than for the remainder of the State.

Detailed characteristics of the Section 203 cases insured in 1955 are presented by property value groups on a national basis in Table 52 (Transaction characteristics), Table 53 (Property characteristics), and Table 56 (Financial characteristics). These data not only reveal the relationship between property value and the various other items reported on, but provide an indication of the nature of the properties and the financial require-

TABLE II–52

Transaction characteristics by property value, 1-family homes, Sec. 203, 1955

FHA estimate of property value	Percentage distribution	Average						Ratio of	
		Property value	Total requirements [1]	Sale price [1]	Closing costs [1 2]	Amount of mortgage	Mortgagor's annual income	Loan to property value	Loan to total requirements
NEW HOMES									
Less than $7,000	0.4	$6,509	$6,620	$6,511	$109	$6,049	$4,218	92.9	91.4
$7,000 to $7,999	3.0	7,451	7,569	7,396	173	6,903	4,393	92.6	91.2
$8,000 to $8,999	10.0	8,415	8,597	8,413	184	7,834	4,764	93.1	91.1
$9,000 to $9,999	14.2	9,366	9,581	9,377	204	8,609	5,073	91.9	90.0
$10,000 to $10,999	12.3	10,419	10,713	10,478	235	9,281	5,364	89.1	86.6
$11,000 to $11,999	12.3	11,392	11,715	11,471	244	9,859	5,650	86.5	84.2
$12,000 to $12,999	11.9	12,424	12,858	12,590	268	10,482	5,980	84.4	81.5
$13,000 to $13,999	9.9	13,376	13,839	13,567	272	11,120	6,289	83.1	80.4
$14,000 to $14,999	8.2	14,374	14,848	14,564	284	11,767	6,608	81.9	79.2
$15,000 to $15,999	6.3	15,360	15,854	15,562	292	12,348	7,086	80.4	77.9
$16,000 to $17,999	7.1	16,723	17,251	16,921	330	13,234	7,797	79.1	76.7
$18,000 to $19,999	2.6	18,706	19,315	18,928	387	14,695	9,057	78.6	76.1
$20,000 or more	1.8	21,809	22,744	22,345	399	16,645	10,648	76.3	73.2
Total	100.0	12,118	12,367	12,113	254	10,305	5,969	85.0	83.3
EXISTING HOMES									
Less than $7,000	2.5	6,095	6,393	6,194	199	5,276	4,406	86.6	82.5
$7,000 to $7,999	4.9	7,440	7,769	7,554	215	6,566	4,731	88.3	84.5
$8,000 to $8,999	10 1	8,410	8,780	8,560	220	7,416	5,017	88.2	84.5
$9,000 to $9,999	12.2	9,358	9,789	9,557	232	8,132	5,281	86.9	83.1
$10,000 to $10,999	12.7	10,349	10,868	10,625	243	8,800	5,543	85.0	81.0
$11,000 to $11,999	11.6	11,350	11,940	11,684	256	9,466	5,789	83.4	79.3
$12,000 to $12,999	11.2	12,346	12,965	12,696	269	10,132	6,154	82.1	78.1
$13,000 to $13,999	9.3	13,342	13,987	13,704	283	10,765	6,440	80.7	77.0
$14,000 to $14,999	7.1	14,325	15,021	14,727	294	11,434	6,823	79.8	76.1
$15,000 to $15,999	5.2	15,298	16,062	15,742	320	12,086	7,386	79.0	75.2
$16,000 to $17,999	6.6	16,728	17,629	17,280	349	13,097	8,094	78.3	74.3
$18,000 to $19,999	3.2	18,664	19,816	19,395	421	14,535	9,155	77.9	73.3
$20,000 or more	3.4	22,458	23,779	23,332	447	16,961	11,513	75.5	71.3
Total	100.0	12,047	12,558	12,281	277	9,898	6,223	82.2	78.8

[1] Data reflect purchase transactions only.
[2] Includes estimated costs to mortgagor for items incidental to acquisition or refinancing of property, but excluding prepayable expenses; existing-home data may also reflect costs of some minor repairs or improvements.

TABLE II–53

Property characteristics by property value, 1-family homes, Sec. 203, 1955

FHA estimate of property value	Percentage distribution	Average: Property value	Average: Property replacement cost	Average: Market price of site	Price of site as percent of value	Average: Calculated area (square feet)	Average: Number of rooms	Average: Number of bedrooms	Percentage of structures with garage
NEW HOMES									
Less than $7,000	0.4	$6,509	$6,982	$762	11.7	742	4.3	2.2	44.3
$7,000 to $7,999	3.0	7,451	7,851	866	11.6	807	4.3	2.2	47.3
$8,000 to $8,999	10.0	8,415	8,735	1,056	12.5	883	4.8	2.7	61.4
$9,000 to $9,999	14.2	9,366	9,764	1,218	13.0	960	5.1	2.9	65.9
$10,000 to $10,999	12.3	10,419	10,791	1,308	12.6	977	5.0	2.8	64.1
$11,000 to $11,999	12.3	11,392	11,865	1,478	13.0	1,034	5.1	2.8	68.3
$12,000 to $12,999	11.9	12,424	12,810	1,678	13.5	1,064	5.2	2.8	73.7
$13,000 to $13,999	9.9	13,376	13,752	1,801	13.5	1,097	5.2	2.8	71.4
$14,000 to $14,999	8.2	14,374	14,768	1,961	13.6	1,129	5.3	2.9	71.4
$15,000 to $15,999	6.3	15,360	15,701	2,174	14.2	1,183	5.3	2.9	75.1
$16,000 to $17,999	7.1	16,723	17,079	2,435	14.6	1,236	5.4	2.9	79.4
$18,000 to $19,999	2.6	18,706	19,168	2,699	14.4	1,388	5.7	3.0	89.7
$20,000 or more	1.8	21,809	22,199	3,151	14.4	1,539	5.9	3.0	93.9
Total	100.0	12,118	12,510	1,626	13.4	1,049	5.1	2.9	69.8
EXISTING HOMES									
Less than $7,000	2.5	6,095	8,967	840	13.8	899	4.8	2.2	59.4
$7,000 to $7,999	4.9	7,440	9,511	1,018	13.7	898	4.7	2.2	69.6
$8,000 to $8,999	10.1	8,410	10,258	1,179	14.0	925	4.8	2.3	73.8
$9,000 to $9,999	12.2	9,358	11,150	1,317	14.1	972	4.9	2.4	76.9
$10,000 to $10,999	12.7	10,349	12,079	1,442	13.9	1,013	5.0	2.5	77.8
$11,000 to $11,999	11.6	11,350	12,944	1,566	13.8	1,043	5.1	2.6	80.3
$12,000 to $12,999	11.2	12,346	13,860	1,695	13.7	1,096	5.3	2.7	79.8
$13,000 to $13,999	9.3	13,342	14,744	1,842	13.8	1,127	5.3	2.7	81.1
$14,000 to $14,999	7.1	14,325	15,719	2,007	14.0	1,178	5.5	2.8	83.1
$15,000 to $15,999	5.2	15,298	16,741	2,176	14.2	1,253	5.6	2.9	84.5
$16,000 to $17,999	6.6	16,728	18,204	2,475	14.8	1,337	5.8	2.9	88.4
$18,000 to $19,999	3.2	18,664	20,148	2,827	15.1	1,461	6.0	3.0	91.4
$20,000 or more	3.4	22,458	24,341	3,521	15.7	1,694	6.3	3.2	94.0
Total	100.0	12,047	13,713	1,707	14.2	1,096	5.2	2.6	79.9

ments entailed in acquiring and owning property in a particular value class.

Selecting new homes in the $10,000 value range as an example, it may be seen from Table 52 that these properties had an average FHA-estimated value of $10,419 and secured mortgages averaging $9,281 or 89 percent of the value; that the mortgagors had average annual effective incomes of $5,364 or 51 percent of the property value; that, for the great majority of the cases which were purchase transactions, the buyers paid an average sale price of $10,478 which, together with the closing costs of $235, brought the average total requirements of the transaction (exclusive of prepayable expenses) to $10,713. Of this amount, 13 percent represented the buyer's initial investment.

Table 53 indicates that the replacement costs of these properties averaged $10,791, or 4 percent more than the estimated value. This included land with a market price of $1,308, or about one-eighth of the average property value. The structures had an average calculated area of 977 square feet and consisted of 5 rooms, of which 3 were bedrooms. Garage facilities were provided in 64 percent of the cases.

In addition to the national summary of property characteristics information presented in Table 53, corresponding averages are shown by States in Table 54 and by selected standard metropolitan areas in Table 55.

Transaction Characteristics.—Table 52 indicates the average property value, total requirements, sale price, closing costs, mortgage amount, mortgagor's annual income, and ratio of mortgage amount to property value and total requirements of the various property value groups of Section 203 1-family cases insured during 1955.

Inasmuch as the total requirements and sale price data are based on purchase-type transactions only, they are not strictly comparable with the property value and mortgage amount data covering all types of 1-family home transactions. These include, in addition to purchases, new-home transactions where a single home is built for or by the owner on his own lot; existing-home transactions where the existing indebtedness is refinanced with no change in ownership; and existing-home transactions where a substantial portion of the mortgage funds is used to finance improvements to the property. Although purchase-transactions predominated in both new- and existing-home cases, varying proportions of the different types of transactions in individual value classes may result in relationships between FHA value data and data on total requirements and sale price which diverge somewhat from a normal pattern.

As would be expected, increases in sale price, closing costs, mortgage amount, and mortgagor's annual income accompanied increases in property value, while the reverse was true of the ratios of mortgage amount to property value and total requirements.

Comparison of the new- and existing-home averages of the various characteristics for corresponding property value groups reveals that sale price and closing costs (and hence total requirements) and mortgagor's annual income for existing-home transactions almost always exceeded those for new homes, while mortgage amount and the ratios of mortgage to property value and mortgage to total requirements were invariably greater for new homes. The higher level of existing-home sale prices within the same property value groups reflects the depreciation allowance made in the FHA value estimates of the older properties and any allowances in the form of lower values assigned to newly completed properties not constructed under the FHA compliance inspection system. In the case of closing costs in existing-home transactions, these frequently include costs of minor repairs or improvements in addition to the customary items. The higher incomes reported for existing-home mortgagors parallel their comparatively larger down-payments, and, as shown in Table 56, larger monthly payments and total housing expenses.

Property Characteristics.—Table 53 shows by property value groups averages of property value, replacement cost, market price of an equivalent site of land, land price-value ratio, calculated area, number of rooms, number of bedrooms, and percentage of structures with garages or carports for the new and existing homes underlying Section 203 transactions closed during 1955. Corresponding averages are presented by States and Territories in Table 54 and for selected standard metropolitan areas in Table 55.

As is evident in these tables, the FHA estimates of property value are almost always below the estimated replacement cost of the properties. Under the FHA valuation procedure, replacement cost establishes an upper limit to value, since a typical buyer acting intelligently would not be warranted in paying more for property than the cost of producing an equivalent property. Because of depreciation, the difference between value and replacement cost is noticeably greater for existing properties than for new. For Section 203 transactions closed in 1955, property value averaged about 97 percent of replacement cost for new homes and 88 percent for existing. The relatively lower values of the existing properties reflect depreciation resulting from the shorter economic life of these structures and the influence of obsolescence on such items as structural design, the quantity and types of equipment, and location.

In both new- and existing-home transactions, the ratio of value to replacement cost advanced with increases in property value—for new homes, from 93 percent for those valued at less than $7,000 to 98 percent in the highest value groups, while for existing homes the comparable range was from 68 percent to 92 and 93 percent. It appears that going market prices tended to exert more downward pull on property values in the lower brackets. Sale prices represented proportionately smaller shares of estimated replacement cost in the lower value ranges.

By States, as shown in Table 54, average value-cost ratios for new homes ranged from 91 percent in West Virginia to 99 percent in Arizona, with most States having ratios of 96 to 97.9 percent. In contrast, the range of existing-home ratios was more widespread—from 77 percent in Vermont to 95 percent in Georgia—reflecting variations in age, degree of obsolescence, and market demand. In nearly half of the States, existing-home ratios averaged from 85 to 89.9 percent, and in nearly one-third of the States from 90 to 94.9 percent. In every State and Territory, the new-home ratio of value to replacement cost exceeded the corresponding existing-home ratio. Average replacement cost for existing homes exceeded that for new dwellings in 5 of every 6 States.

Comparable data on average property value and replacement cost averages and their interrelationships are shown for selected metropolitan areas in Table 55.

Market prices of the land sites involved in Section 203 transactions insured in 1955 averaged about $1,626 for new homes, or 13 percent of total property value, and 1,707 or 14 percent of property value, for existing homes. In both new and existing properties, land prices rose with increases in property value. Land prices of the higher valued properties ($15,000 or more), however, represented a somewhat larger proportion of total value, possibly because of the larger size, better dimensions, or more desirable location of the sites. Frequently the higher priced new homes are contract-built on lots available in developed neighborhoods and hence having higher market values. In each value group, land prices and the ratio of land prices to total value were higher for existing homes than for new, with the new-existing differences generally tending to decrease in the higher value categories. The significantly higher land prices of existing homes in the value classes below $11,000 may in part reflect their location in more fully developed neighborhoods closer to the hearts of cities and providing better shopping, transportation, and community facilities. The higher ratios of land price to total value for existing homes in these same groups stem from the differential in depreciation experience between land value and structure.

TABLE II–54

Property characteristics, by States, 1-family homes, Sec. 203, 1955

State	Percentage distribution	Average			Price of site as percent of value	Average			Percentage of structures with garage
		Property value	Property replacement cost	Market price of site		Calculated area (square feet)	Number of rooms	Number of bedrooms	
NEW HOMES									
Alabama	1.3	$11,688	$12,147	$1,642	14.0	1,108	5.7	2.8	63.7
Arizona	2.5	11,014	11,076	1,469	13.3	1,231	5.2	2.9	88.1
Arkansas	1.1	11,028	11,558	1,455	13.2	1,060	4.9	2.7	89.5
California	14.4	12,036	12,503	1,897	15.8	1,164	5.3	3.1	99.6
Colorado	1.6	12,671	13,402	1,910	15.1	1,047	4.9	2.8	65.6
Connecticut	1.0	13,369	13,839	1,404	10.5	980	5.0	2.7	35.0
Delaware	.2	12,741	13,200	1,919	15.1	1,066	5.2	2.9	44.3
District of Columbia	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Florida	4.1	10,696	10,955	1,296	12.1	1,019	5.0	2.8	83.5
Georgia	1.8	10,584	10,804	1,266	12.0	1,020	5.1	2.8	50.1
Idaho	.3	12,817	13,335	1,159	9.0	1,042	4.5	2.4	74.0
Illinois	3.0	12,552	12,981	1,745	13.9	928	4.8	2.7	20.0
Indiana	2.8	11,454	11,724	1,446	12.6	930	4.9	2.9	27.1
Iowa	1.4	11,154	11,865	1,217	10.9	901	4.7	3.1	34.8
Kansas	1.6	11,794	12,303	1,459	12.4	993	5.0	2.8	79.0
Kentucky	.6	12,780	13,324	1,728	13.5	1,027	5.1	2.8	37.0
Louisiana	2.3	12,659	12,949	1,902	15.0	1,084	5.0	2.8	83.6
Maine	.2	9,688	10,027	743	7.7	825	4.4	2.3	9.8
Maryland	1.1	11,825	12,241	1,526	12.9	995	5.4	2.9	13.2
Massachusetts	.8	11,350	11,568	1,216	10.7	901	4.8	2.7	25.5
Michigan	8.3	13,725	14,079	1,957	14.3	1,004	4.9	2.8	15.2
Minnesota	.9	13,400	14,127	1,255	9.4	977	4.9	2.7	28.2
Mississippi	.7	10,725	10,948	1,291	12.0	1,104	5.1	2.8	75.7
Missouri	2.1	14,084	14,524	1,997	14.2	995	5.3	2.8	84.3
Montana	.3	13,945	14,525	1,444	10.4	1,052	4.8	2.6	52.8
Nebraska	1.2	11,213	11,598	1,190	10.6	895	4.6	2.5	43.8
Nevada	.7	11,604	11,766	1,435	12.4	1,059	5.2	3.0	72.1
New Hampshire	.1	10,584	10,923	882	8.3	862	4.6	2.4	37.5
New Jersey	2.0	11,929	12,260	1,644	13.8	1,022	5.3	2.8	53.6
New Mexico	.9	10,027	10,603	1,200	12.0	1,104	5.6	3.0	98.0
New York	5.2	14,096	14,615	1,647	11.7	1,066	5.4	2.8	75.0
North Carolina	1.8	10,355	10,706	1,381	13.3	1,029	5.1	2.8	36.8
North Dakota	.2	11,787	12,445	1,370	11.6	891	4.5	2.4	40.0
Ohio	4.7	13,242	13,475	1,853	14.0	963	5.1	2.8	35.5
Oklahoma	2.6	11,158	11,387	1,436	12.9	1,046	5.2	2.8	97.8
Oregon	1.1	12,377	12,653	1,332	10.8	1,084	5.3	2.8	91.4
Pennsylvania	4.9	12,406	12,877	1,798	14.5	1,131	5.3	2.9	81.3
Rhode Island	.4	11,541	12,348	1,147	9.9	1,343	4.9	2.9	43.8
South Carolina	.7	10,686	11,160	1,270	11.9	1,075	5.2	2.9	41.0
South Dakota	.7	11,109	11,798	1,100	9.9	937	4.8	2.6	43.0
Tennessee	2.6	11,406	11,641	1,429	12.5	1,080	5.3	2.9	79.6
Texas	8.7	10,728	10,969	1,384	12.9	1,065	5.2	2.9	93.0

[1] Less than 0.05 percent.

[2] Inadequate sample.

TABLE II–54—Continued

Property characteristics, by States, 1-family homes, Sec. 203, 1955—Continued

State	Percentage distribution	Average: Property value	Average: Property replacement cost	Average: Market price of site	Price of site as percent of value	Average: Calculated area (square feet)	Average: Number of rooms	Average: Number of bedrooms	Percentage of structures with garage
NEW HOMES—continued									
Utah	1.4	$12,834	$13,347	$1,470	11.5	1,082	5.0	2.7	66.7
Vermont	.1	10,696	10,890	1,070	10.0	866	4.7	2.8	17.4
Virginia	1.0	11,183	11,437	1,335	11.9	1,000	5.1	2.9	26.6
Washington	2.3	12,935	13,411	1,283	9.9	1,080	5.2	2.7	87.6
West Virginia	.2	13,400	14,678	1,937	14.5	1,061	5.0	2.7	56.9
Wisconsin	.8	12,901	13,533	1,587	12.3	932	4.8	2.6	18.4
Wyoming	.4	11,390	11,600	1,352	11.9	933	4.5	2.4	63.1
Alaska	.1	19,981	21,040	2,151	10.8	881	4.8	2.4	87.2
Hawaii	.5	15,440	15,816	4,296	27.8	1,041	5.0	3.0	98.0
Puerto Rico	.3	10,656	10,959	2,871	26.9	890	5.1	3.0	18.4
Total	100.0	12,118	12,510	1,626	13.4	1,049	5.1	2.9	69.8
EXISTING HOMES									
Alabama	1.0	$12,032	$13,106	$1,945	16.2	1,222	5.7	2.7	76.7
Arizona	1.0	10,665	11,571	1,489	14.0	1,221	5.1	2.7	84.3
Arkansas	.7	10,438	11,782	1,693	16.2	1,156	5.1	2.5	82.2
California	15.0	12,069	13,236	2,263	18.8	1,171	5.1	2.6	98.9
Colorado	8	12,594	13,413	2,154	17.1	1,012	4.8	2.5	78.1
Connecticut	2.3	13,675	15,574	1,549	11.3	1,082	5.2	2.8	65.6
Delaware	.3	13,153	13,816	1,932	14.7	1,134	5.5	2.9	60.3
District of Columbia	.1	14,753	16,344	2,250	15.3	1,218	5.9	2.9	42.9
Florida	1.3	11,382	12,263	1,589	14.0	1,094	5.3	2.6	88.6
Georgia	1.9	12,602	13,218	1,704	13.5	1,195	5.6	2.7	70.1
Idaho	1.0	10,616	12,458	1,107	10.4	997	4.7	2.4	85.7
Illinois	3.5	13,672	15,884	1,744	12.8	1,072	5.1	2.6	69.6
Indiana	3.5	11,591	13,540	1,377	11.9	1,018	5.0	2.6	72.0
Iowa	1.4	11,778	13,849	1,565	13.3	1,023	4.9	2.9	72.3
Kansas	2.4	11,370	12,864	1,418	12.5	1,047	5.2	2.5	88.7
Kentucky	1.2	11,791	13,168	1,697	14.4	1,062	5.1	2.5	57.3
Louisiana	1.4	12,430	13,328	2,240	18.0	1,155	5.2	2.6	84.9
Maine	.6	9,656	12,077	910	9.4	1,156	5.7	2.9	65.1
Maryland	.9	12,971	14,519	1,860	14.3	1,082	5.5	2.8	27.1
Massachusetts	1.4	11,253	12,981	1,272	11.3	1,070	5.4	2.8	56.8
Michigan	6.9	12,965	15,229	1,758	13.6	1,034	5.3	2.7	64.6
Minnesota	1.5	13,640	15,987	1,560	11.4	1,075	5.2	2.7	71.5
Mississippi	.3	10,313	11,145	1,460	14.2	1,131	5.3	2.6	74.5
Missouri	4.0	12,649	14,841	1,638	12.9	1,089	5.3	2.5	84.7
Montana	.6	12,674	14,578	1,506	11.9	1,076	5.0	2.6	76.6
Nebraska	1.1	10,916	13,150	1,356	12.4	1,023	4.9	2.5	77.6
Nevada	.3	14,383	15,207	1,911	13.3	1,152	4.9	2.6	78.6
New Hampshire	.2	9,833	11,828	867	8.8	1,098	5.3	2.8	56.0
New Jersey	2.8	13,116	14,727	1,990	15.2	1,083	5.5	2.8	67.8
New Mexico	.3	10,717	11,947	1,411	13.2	1,152	5.4	2.6	92.4
New York	5.1	12,422	14,990	1,509	12.1	1,134	5.4	2.8	72.2
North Carolina	.9	11,756	13,130	1,775	15.1	1,246	5.4	2.7	61.5
North Dakota	.2	12,345	14,419	1,683	13.6	1,007	4.9	2.5	73.8
Ohio	6.2	13,186	15,163	1,603	12.2	1,042	5.2	2.6	74.6
Oklahoma	2.0	10,122	11,184	1,444	14.3	1,058	5.1	2.5	94.2
Oregon	2.5	11,035	12,920	1,336	12.1	1,062	5.2	2.6	93.5
Pennsylvania	3.0	11,091	12,809	1,437	13.0	1,195	5.7	3.0	70.7
Rhode Island	.6	11,746	14,015	1,381	11.8	1,140	5.4	3.3	56.3
South Carolina	.6	10,411	11,828	1,418	13.6	1,164	5.4	2.6	53.3
South Dakota	.4	10,431	13,378	1,193	11.4	1,049	5.1	2.6	71.7
Tennessee	1.5	10,948	11,750	1,659	15.2	1,071	5.3	2.5	77.7
Texas	5.8	9,895	10,837	1,538	15.5	1,049	5.0	2.4	95.3
Utah	1.0	13,077	14,432	1,707	13.1	1,000	4.8	2.4	83.1
Vermont	2	10,177	13,166	1,049	10.3	1,262	5.8	3.3	80.5
Virginia	2.2	12,521	13,471	1,606	12.8	1,079	5.4	2.7	43.1
Washington	6.0	11,668	13,811	1,563	13.4	1,077	5.1	2.6	90.5
West Virginia	.6	11,837	14,472	1,818	15.4	1,249	5.5	2.7	67.2
Wisconsin	.7	13,379	15,311	1,807	13.5	1,045	5.0	2.6	63.9
Wyoming	.3	11,553	12,771	1,513	13.1	993	4.6	2.3	77.0
Alaska	.1	19,523	22,694	1,963	10.1	983	5.0	2.5	71.9
Hawaii	.3	16,086	17,385	5,011	31.2	1,077	5.0	2.7	97.1
Puerto Rico	.1	15,995	18,172	3,624	22.7	1,241	5.9	3.2	88.2
Total	100.0	12,047	13,713	1,707	14.2	1,096	5.2	2.6	79.9

TABLE II–55

Property characteristics, selected metropolitan areas, 1-family homes, Sec. 203, 1955

Standard metropolitan area	As percent of United States total	Average			Price of site as percent of value	Average			Percentage of structures with garage
		Property value	Property replacement cost	Market price of site		Calculated area (square feet)	Number of rooms	Number of bedrooms	
NEW HOMES									
Akron, Ohio	0.1	$14,084	$14,277	$1,655	11.8	901	5.0	2.7	20.8
Albany-Schenectady-Troy, N. Y.	.1	10,236	10,805	891	8.7	866	4.8	2.5	33.3
Albuquerque, N. Mex	.5	10,204	10,849	1,265	12.4	1,157	5.8	3.1	99.3
Atlanta, Ga	.4	12,406	12,563	1,655	13.3	1,086	5.3	2.8	65.2
Baltimore, Md	.7	11,707	12,140	1,505	12.9	1,006	5.5	2.8	12.8
Birmingham, Ala	.4	12,173	12,607	1,737	14.3	1,084	5.6	2.8	65.3
Buffalo, N. Y	.4	12,454	12,763	1,450	11.6	994	4.8	2.6	28.3
Charlotte, N. C	.4	11,724	12,043	1,831	15.6	1,113	5.3	2.8	43.3
Chicago, Ill	2.1	13,968	14,406	1,943	13.9	969	4.8	2.7	22.0
Cleveland, Ohio	1.0	15,547	15,762	2,011	12.9	961	4.9	2.6	23.2
Columbus, Ohio	.8	13,398	13,393	1,795	13.4	969	4.9	2.7	23.4
Dallas, Tex	1.3	10,738	10,883	1,465	13.6	1,070	5.3	3.0	99.3
Dayton, Ohio	1.1	11,414	11,665	2,035	17.8	976	5.6	3.2	51.2
Denver, Colo	1.1	13,333	14,198	2,080	15.6	1,093	5.0	2.8	68.9
Des Moines, Iowa	.3	11,515	12,873	1,263	11.0	1,015	5.2	3.5	64.9
Detroit, Mich	5.9	14,126	14,489	2,138	15.1	1,036	5.0	2.9	11.4
El Paso, Tex	.9	10,898	11,172	1,377	12.6	1,195	5.6	3.2	74.7
Flint, Mich	1.0	12,686	12,947	1,679	13.2	878	4.6	2.5	20.3
Fort Wayne, Ind	.2	11,732	11,951	1,733	14.8	927	5.1	3.0	42.6
Fort Worth, Tex	1.2	9,378	9,709	1,124	12.0	1,000	5.1	2.8	94.1
Fresno, Calif	.2	10,461	11,520	1,057	10.1	1,103	5.0	2.9	100.0
Grand Rapids, Mich	.4	12,731	13,096	1,454	11.4	1,017	4.9	2.8	28.7
Hartford, Conn	.3	13,761	14,318	1,440	10.5	1,064	5.2	2.9	42.7
Houston, Tex	1.5	11,338	11,436	1,696	15.0	1,046	5.1	2.9	100.0
Indianapolis, Ind	.6	12,401	12,596	1,520	12.3	972	5.0	2.9	35.8
Jacksonville, Fla	.5	10,303	10,707	1,163	11.3	1,008	5.1	2.7	82.9
Kansas City, Kans.-Mo	.7	13,300	13,521	1,698	12.8	993	5.3	2.9	90.3
Knoxville, Tenn	.5	10,791	11,071	1,178	10.9	1,025	5.0	2.9	85.7
Little Rock-North Little Rock, Ark	.4	11,929	12,392	1,842	15.4	1,031	4.8	2.7	92.1
Los Angeles-Long Beach, Calif	4.1	11,562	11,875	1,940	16.8	1,187	5.4	3.3	99.3
Louisville, Ky	.3	14,385	14,808	2,039	14.2	1,051	5.3	2.8	28.4
Memphis, Tenn	.8	11,867	12,025	1,809	15.2	1,105	5.4	3.0	76.2
Miami, Fla	.8	12,352	12,517	1,656	13.4	1,186	5.2	3.0	82.2
Milwaukee, Wis	.4	12,974	13,371	1,864	14.4	830	4.6	2.4	8.8
Minneapolis-St. Paul, Minn	.7	13,455	14,148	1,288	9.6	975	4.9	2.7	27.3
New Orleans, La	.6	13,300	13,398	2,734	20.6	986	5.0	2.9	59.2
New York-Northeastern New Jersey	4.2	14,630	15,160	1,760	12.0	1,093	5.5	2.8	83.1
Norfolk-Portsmouth, Va	.2	11,362	11,526	1,493	13.1	1,034	5.3	3.1	48.1
Oklahoma City, Okla	.8	12,415	12,629	1,577	12.7	1,099	5.5	2.8	99.6
Omaha, Nebr	.5	11,529	11,885	1,295	11.2	877	4.6	2.5	53.0
Philadelphia, Pa	4.9	12,148	12,677	1,804	14.9	1,153	5.4	2.9	77.7
Phoenix, Ariz	2.2	11,146	11,206	1,518	13.6	1,255	5.2	2.9	88.9
Pittsburgh, Pa	.8	14,147	14,241	1,905	13.5	1,036	5.4	2.8	93.1
Portland, Oreg	.8	12,777	13,083	1,365	10.7	1,074	5.3	2.8	90.2
Richmond, Va	.3	11,035	11,168	1,115	10.1	1,024	5.1	2.8	7.8
Rochester, N. Y	.1	13,801	13,926	1,534	11.1	1,000	4.9	2.7	44.1
Sacramento, Calif	1.4	12,649	13,090	1,968	15.6	1,168	5.2	3.0	100.0
St. Louis, Mo	1.7	13,908	14,462	2,125	15.3	951	5.2	2.7	73.4
Salt Lake City, Utah	.7	13,626	14,080	1,657	12.2	1,110	5.1	2.7	77.5
San Antonio, Tex	.3	12,217	12,544	1,492	12.2	1,030	5.1	2.8	87.2
San Bernardino-Riverside-Ontario, Calif	.8	9,958	10,552	1,480	14.9	1,150	5.6	3.4	98.8
San Diego, Calif	.5	12,750	13,074	2,281	17.9	1,124	5.3	2.7	100.0
San Francisco-Oakland, Calif	3.5	13,250	13,608	2,139	16.1	1,168	5.1	2.9	99.7
San Jose, Calif	1.8	12,866	13,656	2,131	16.6	1,195	5.2	3.1	99.8
Seattle, Wash	1.0	13,561	14,037	1,495	11.0	1,099	5.3	2.8	91.1
Shreveport, La	.6	12,773	13,214	1,736	13.6	1,113	5.1	2.8	89.4
South Bend, Ind	.2	11,289	11,748	1,579	14.0	918	4.9	2.9	28.6
Spokane, Wash	.3	12,672	12,804	1,042	8.2	1,014	4.9	2.7	66.7
Stockton, Calif	.3	10,778	11,296	1,595	14.8	1,115	5.0	2.9	100.0
Syracuse, N. Y	.1	12,975	13,600	1,251	9.6	892	4.7	2.6	79.2
Tacoma, Wash	.3	12,660	13,571	1,118	8.8	1,109	5.2	2.7	96.3
Tampa-St. Petersburg, Fla	1.0	9,873	10,072	1,194	12.1	920	4.8	2.5	89.1
Toledo, Ohio	.3	15,065	15,521	1,903	12.6	1,010	5.2	2.8	53.8
Topeka, Kans	.1	11,332	11,962	1,351	11.9	960	4.8	2.6	71.1
Tulsa, Okla	.9	10,579	10,791	1,439	13.6	1,037	5.1	3.0	98.3
Washington, D. C	.4	13,340	13,650	1,874	14.0	1,031	5.3	3.0	19.7
Wichita, Kans	.5	12,032	12,582	1,581	13.1	1,037	5.2	2.9	82.9
Youngstown, Ohio	.2	11,946	12,410	1,325	11.1	910	4.6	2.5	21.8

TABLE II–55—Continued

Property characteristics, selected metropolitan areas, 1-family homes, Sec. 203, 1955—Continued

Standard metropolitan area	As percent of United States total	Average			Price of site as percent of value	Average			Percentage of structures with garage
		Property value	Property replacement cost	Market price of site		Calculated area (square feet)	Number of rooms	Number of bedrooms	
EXISTING HOMES									
Akron, Ohio	0.7	$13,193	$15,415	1,614	12.2	1,019	5.2	2.6	68.8
Albany-Schenectady-Troy, N. Y	.5	12,735	15,108	1,128	8.9	1,104	5.4	2.8	70.5
Albuquerque, N. Mex	.2	10,932	12,279	1,503	13.7	1,715	5.5	2.7	93.2
Atlanta, Ga	.8	13,034	14,405	2,009	14.4	1,215	5.7	2.8	82.6
Baltimore, Md	.5	10,984	12,879	1,630	14.8	1,025	5.4	2.7	19.9
Birmingham, Ala	.4	12,287	13,894	1,972	16.0	1,254	5.7	2.7	78.9
Buffalo, N. Y	.8	12,167	14,751	1,398	11.5	1,101	5.5	2.8	64.5
Charlotte, N. C	.2	13,089	14,020	2,190	16.7	1,256	5.5	2.6	54.2
Chicago, Ill	2.4	14,150	16,200	1,840	13.0	1,056	5.1	2.6	59.8
Cleveland, Ohio	1.4	14,388	17,224	1,750	12.2	1,087	5.4	2.8	81.4
Columbus, Ohio	1.6	12,337	13,413	1,476	12.0	996	5.0	2.5	68.2
Dallas, Tex	1.2	9,559	10,186	1,601	16.7	965	5.1	2.2	93.5
Dayton, Ohio	.5	12,607	14,693	1,735	13.8	1,042	5.4	2.7	76.4
Denver, Colo	.6	12,863	13,748	2,345	18.2	1,003	4.8	2.5	78.5
Des Moines, Iowa	.3	11,922	13,727	1,697	14.2	1,000	4.8	2.8	79.1
Detroit, Mich	3.9	13,273	15,326	1,961	14.8	1,015	5.3	2.7	60.9
El Paso, Tex	.1	9,766	10,311	1,380	14.1	1,041	5.1	2.6	81.8
Flint, Mich	.5	12,208	14,190	1,598	13.1	924	4.9	2.5	62.2
Fort Wayne, Ind	.2	11,680	13,871	1,463	12.5	1,044	5.3	2.7	84.4
Fort Worth, Tex	.7	8,222	8,938	1,117	13.6	947	4.7	2.3	90.0
Fresno, Calif	.5	11,346	12,544	1,228	10.8	1,181	5.0	2.5	98.6
Grand Rapids, Mich	.6	12,769	14,964	1,569	12.3	1,110	5.4	2.8	70.9
Hartford, Conn	.4	13,753	15,831	1,518	11.0	1,172	5.6	2.9	60.8
Houston, Tex	1.4	10,538	11,689	1,942	18.4	1,096	5.0	2.4	98.9
Indianapolis, Ind	1.1	12,365	14,487	1,492	12.1	1,060	5.1	2.6	79.3
Jacksonville, Fla	.4	10,581	11,600	1,310	12.4	1,066	5.6	2.6	87.9
Kansas City, Kans.-Mo	2.3	12,354	13,977	1,470	11.9	1,078	5.3	2.6	91.5
Knoxville, Tenn	.2	11,360	12,215	1,423	12.5	1,104	5.3	2.7	81.0
Little Rock-North Little Rock, Ark	.3	11,036	12,367	2,162	19.6	1,125	5.2	2.6	79.2
Los Angeles-Long Beach, Calif	3.8	12,591	13,656	2,793	22.2	1,220	5.3	2.7	99.9
Louisville, Ky	.7	12,233	13,539	1,759	14.4	984	4.9	2.4	51.1
Memphis, Tenn	.6	10,659	11,372	1,949	18.3	1,014	5.3	2.4	72.5
Miami, Fla	.3	11,829	12,717	2,057	17.4	1,094	5.2	2.9	85.6
Milwaukee, Wis	.2	14,364	16,035	2,530	17.6	1,013	4.9	2.5	60.6
Minneapolis-St. Paul, Minn	.9	13,877	15,951	1,597	11.5	1,039	5.2	2.7	68.3
New Orleans, La	.3	14,287	14,988	3,562	24.9	1,059	5.1	2.6	80.6
New York-Northeastern New Jersey	3.8	13,456	15,141	2,057	15.3	1,090	5.4	2.7	73.0
Norfolk-Portsmouth, Va	.4	11,778	12,759	1,434	12.2	1,049	5.3	2.6	60.0
Oklahoma City, Okla	.6	10,469	11,601	1,514	14.5	1,058	5.3	2.5	93.4
Omaha, Nebr	.6	10,741	13,486	1,518	14.1	1,021	5.0	2.6	77.7
Philadelphia, Pa	2.1	10,279	11,982	1,357	13.2	1,182	5.7	3.0	63.1
Phoenix, Ariz	.6	10,811	11,524	1,580	14.6	1,225	5.2	2.7	86.3
Pittsburgh, Pa	.7	13,103	14,369	1,802	13.8	1,129	5.5	2.8	82.6
Portland, Oreg	1.7	10,855	12,977	1,360	12.5	1,042	5.2	2.6	93.2
Richmond, Va	.5	11,082	12,177	1,219	11.0	1,055	5.4	2.6	16.8
Rochester, N. Y	.6	11,472	15,126	1,285	11.2	1,232	5.7	2.9	78.8
Sacramento, Calif	1.4	11,306	12,607	2,202	19.5	1,101	4.9	2.5	99.3
St. Louis, Mo	2.1	13,476	15,998	1,924	14.3	1,083	5.2	2.4	79.3
Salt Lake City, Utah	.5	13,737	14,915	1,966	14.3	1,007	4.8	2.4	88.4
San Antonio, Tex	.5	10,958	12,433	1,629	14.9	1,077	5.2	2.3	97.1
San Bernardino-Riverside-Ontario, Calif	.4	11,959	12,825	1,747	14.6	1,217	5.1	2.7	100.0
San Diego, Calif	.7	11,838	13,039	2,796	23.6	1,067	5.2	2.6	96.3
San Francisco-Oakland, Calif	4.2	12,185	13,446	2,317	19.0	1,158	5.2	2.6	97.9
San Jose, Calif	1.0	13,850	14,989	2,615	18.9	1,240	5.2	2.8	99.6
Seattle, Wash	2.9	12,374	14,643	1,909	15.4	1,103	5.2	2.6	91.3
Shreveport, La	.4	12,040	13,265	1,891	15.7	1,199	5.4	2.5	85.9
South Bend, Ind	.3	10,943	13,114	1,316	12.0	1,025	5.2	2.7	81.5
Spokane, Wash	.4	10,994	13,053	1,185	10.8	1,038	5.0	2.5	85.4
Stockton, Calif	.5	10,555	12,115	1,734	16.4	1,135	5.0	2.5	98.2
Syracuse, N. Y	.3	13,191	16,620	1,341	10.2	1,204	5.6	3.0	78.6
Tacoma, Wash	.5	10,665	13,084	1,354	12.7	1,009	5.1	2.7	95.0
Tampa-St. Petersburg, Fla	.3	12,016	12,857	1,569	13.1	1,157	5.3	2.5	94.6
Toledo, Ohio	.3	14,091	16,392	1,796	12.7	1,106	5.4	2.7	79.8
Topeka, Kans	.4	10,177	12,163	1,246	12.2	984	5.0	2.4	82.7
Tulsa, Okla	.8	9,745	10,738	1,540	15.8	1,002	4.9	2.4	95.6
Washington, D. C	.8	16,329	17,252	2,461	15.1	1,144	5.6	2.9	40.6
Wichita, Kans	.5	11,234	12,511	1,541	13.7	1,039	5.2	2.5	90.5
Youngstown, Ohio	.3	13,160	14,792	1,514	11.5	992	4.9	2.5	68.2

Land market prices are influenced by geographic location, varying not only from State to State as shown in Table 54, but within States as shown by the metropolitan area data in Table 55. In the continental United States, land price averages ranged from $743 in Maine to $1,997 in Missouri for new homes and from $867 in New Hampshire to $2,263 in California for existing homes. New-home land prices in most of the States averaged from $1,200 to $1,499, while in nearly half of the States the existing-home averages were in the $1,400–$1,699 bracket. The land proportion of property value ranged for new homes from 8 percent in Maine to 16 percent in California and for existing homes from 9 percent in New Hampshire to 19 percent, also in California, with most of the States having new-home ratios between 11 and 14 percent and existing-home ratios between 12 and 15 percent. New-home land prices averaged lower than existing-home in more than 5 of every 8 States, and the land-value ratios for new homes were below the existing-home averages in all but 7 States.

In Hawaii and Puerto Rico the markedly higher land prices representing substantially larger proportions of total property value stem primarily from the high cost encountered in preparing the land for residential developments. Land prices in Alaska, although unusually high, constitute a lower than average proportion of total property value.

The data relating to the area, room count, and bedroom count shown in Table 53 provide an indication of the size of the structure and the type of accommodations provided in each value group. A more detailed analysis of these items is presented in the subsequent portion of the report dealing specifically with the size of the FHA homes in 1955 and the relation of size to property value. Table 53 reveals that garage facilities (including carports) were provided in nearly 70 percent of the new homes and 80 percent of the existing, the proportions of garages generally rising with increases in property value. In all value groups the proportion of existing homes with garage facilities exceeded that for new. As shown in Table 54, the proportion of new homes with garage facilities was generally higher in the Southern and Western States, although more than three-fourths of the new dwellings in New York, Pennsylvania, Kansas, and Missouri included such facilities. In only 2 States—Maryland and Virginia—and the District of Columbia did the garage proportion for existing homes fall below 50 percent, contrasted with 22 States in which over half the new homes lacked garage space.

FINANCIAL CHARACTERISTICS.—Table 56 indicates, for each of the property value groups of FHA new- and existing-home transactions insured under Section 203 in 1955, averages of property value, mortgage term, property taxes, total monthly mortgage payment, monthly prospective housing expense and mortgagor's monthly income.

For example, the mortgages in the $10,000 value class were to be amortized over a period of 25 years on the average, and had an average monthly payment of $68.30 including, in addition to amortization of principal and interest, FHA mortgage insurance premiums, hazard insurance premiums, and property taxes averaging $10 monthly. A prospective monthly housing expense—total monthly mortgage payment plus the estimated costs of household operation (heating and cooking fuel, lighting, refrigeration, and water) together with the anticipated monthly cost of maintenance and repairs—average $89. Comparable delineations of the characteristics may be drawn for the transactions in the other value classes.

Mortgage terms for both new- and existing-construction transactions generally average longer in the higher value groups. This may reflect location of many of these properties in areas where lending institution policies are more liberal. Longer amortization periods may have been extended to buyers of higher-price homes because of higher credit standings or, in some instances, to keep the monthly payments within the financial capacity of some buyers. Another contributing factor may have been the longer remaining economic life assigned to the higher value properties. This also accounted for the average term of the new-home mortgage exceeding that of the existing in corresponding value groups. The new-existing spread in average terms, moreover, narrowed as property values in-

TABLE II–56

Financial characteristics by property value, 1-family homes, Sec. 203, 1955

FHA estimate of property value	Percentage distribution	Average		Monthly average			
		Property value	Term of mortgage (years)	Property taxes	Total mortgage payment	Prospective housing expense	Mortgagor's income
NEW HOMES							
Less than $7,000	0.4	$6,509	25.1	$6.65	$45.48	$62.29	$351.53
$7,000 to $7,999	3.0	7,451	24.5	6.50	50.86	68.39	366.05
$8,000 to $8,999	10.0	8,415	24.7	7.79	57.88	76.56	397.03
$9,000 to $9,999	14.2	9,366	25.2	9.09	63.64	82.64	422.79
$10,000 to $10,999	12.3	10,419	25.2	10.01	68.30	89.17	447.03
$11,000 to $11,999	12.3	11,392	25.8	11.17	72.34	94.01	470.80
$12,000 to $12,999	11.9	12,424	25.7	12.34	77.08	99.62	498.37
$13,000 to $13,999	9.9	13,376	25.9	13.56	82.10	105.38	524.11
$14,000 to $14,999	8.2	14,374	26.3	14.72	86.54	110.17	550.67
$15,000 to $15,999	6.3	15,360	26.5	15.85	91.62	115.51	590.50
$16,000 to $17,999	7.1	16,723	26.3	16.75	97.80	123.93	649.78
$18,000 to $19,999	2.6	18,706	26.0	19.06	109.74	138.77	754.76
$20,000 or more	1.8	21,809	25.5	21.63	126.31	158.13	887.35
Total	100.0	12,118	25.6	12.00	76.08	98.02	497.45
EXISTING HOMES							
Less than $7,000	2.5	6,095	19.1	6.22	45.51	65.02	367.17
$7,000 to $7,999	4.9	7,440	20.8	7.29	53.57	73.28	394.29
$8,000 to $8,999	10.1	8,410	21.7	8.80	59.30	79.70	418.07
$9,000 to $9,999	12.2	9,358	22.1	9.50	64.21	85.38	440.11
$10,000 to $10,999	12.7	10,349	22.4	10.50	69.16	91.28	461.95
$11,000 to $11,999	11.6	11,350	22.8	11.43	73.82	96.64	482.44
$12,000 to $12,999	11.2	12,346	23.2	12.49	78.66	102.01	512.87
$13,000 to $13,999	9.3	13,342	23.6	13.28	82.56	107.07	536.70
$14,000 to $14,999	7.1	14,325	23.7	14.41	87.71	113.13	568.60
$15,000 to $15,999	5.2	15,298	23.8	15.11	92.33	118.46	615.53
$16,000 to $17,999	6.6	16,728	23.8	16.72	100.60	128.20	674.49
$18,000 to $19,999	3.2	18,664	23.7	18.27	111.56	140.58	762.93
$20,000 or more	3.4	22,458	23.6	22.19	130.93	164.18	959.42
Total	100.0	12,047	22.7	12.12	77.15	100.58	518.55

creased, reflecting the larger proportion of recently built properties having longer economic lives in the higher value classes of existing homes.

Property taxes increased with property value despite wide variations in tax rates in the different sections of the country as indicated by analysis of the tax data in Tables 71 and 72. There was, however, no correlation on a national basis between tax rates (ratio of taxes to property value) and property value. Although average taxes for total new and existing homes were practically the same, in the individual classes below $13,000 new-home taxes averaged less than existing but were larger in all the higher value classes except the $20,000 or more. These differences probably reflected variations in local tax levels.

Next to principal and interest payments, property taxes constituted the largest share of total mortgage payment—averaging 16 percent for total payments on both new and existing homes. The tax portion generally increased as property values rose, ranging for new homes from 13 percent for the $7,000 class to over 17 percent in the $18,000 to $19,999 group, and in existing homes from 14 percent in the $7,000 class to nearly 17 percent in the $16,000 to $17,999 group.

Total mortgage payments advanced with rise in property value, principally as a result of increased debt service on higher average mortgage amounts (see Table 52) and to a lesser extent the aforementioned property tax tendencies. Table 56 shows that the range of average monthly mortgage payments from the lowest to the highest property value groups was $45 to $126 for new homes and $46 to $131 for existing. In the same value classes, new-home monthly payments were generally somewhat smaller than existing-home payments, the differences amounting to only $1 to $2 in most groups.

Prospective housing expense—three-fourths attributable to mortgage payment—exhibited similar relations to increases in property value, with averages ranging from $62 to $158 for new homes and from $65 to $164 for existing homes in the lowest and highest property value groups. Existing-home expenses, reflecting larger average monthly payments and operating and repair costs, exceeded the new-home average in corresponding value classes by $2 or $3 in most instances. The portion of housing expense attributable to household operation and estimated cost of repair and maintenance averaged $22 for new homes and $23 for existing, and, in line with a higher cost of operating and maintaining the larger, more expensive properties, ranged upward with increases in property value—from $17 to $32 for new homes and from $19 to $33 for existing properties. It should be noted that the monthly-payment proportion of housing expense increased as property values grew higher.

Size of House Characteristics

This portion of the report deals with the sizes of FHA homes as indicated by calculated area of the structures, number of rooms, and number of bedrooms. Data are presented on the trend of calculated area (Table 57), the calculated area distributions of the 1955 homes by States and in selected metropolitan areas (Tables 58 and 59), characteristics of the 1955 properties in the various area classes (Table 60), room and bedroom count distributions of the 1955 homes by area classes (Table 61), and room and bedroom count distributions of the 1955 homes by States and selected metropolitan areas (Tables 62 and 63).

CALCULATED AREA DISTRIBUTION.—For new homes underlying Section 203 transactions insured in 1955, the median calculated area of 1,022 square feet was the largest reported since 1948 when these data were initially tabulated. The existing-home median of 1,030 square feet was only 5 square feet less than the record high of 1954.

As shown in Chart 22, 7 of every 10 new homes had areas of 800 to 1,199 square feet, with a fifth each in the 900 and 1,000 square foot groups. The existing-home distribution was less concentrated and the proportions of

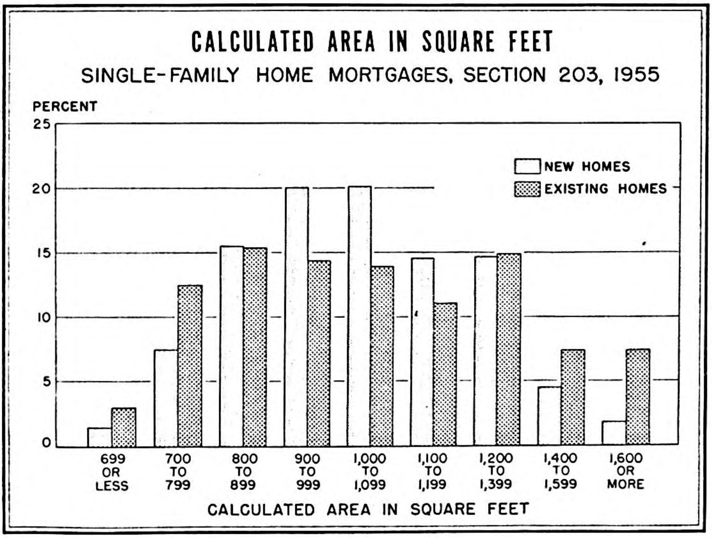

CHART 11–22

smaller and larger homes greater than for new homes. The largest proportions of existing structures (aggregating two-thirds of the total) were in a range extending from 700 to 1,199 square feet, with 15 percent in the 1,200 to 1,399 square-foot group (about the same as the new-home proportion) and 10 percent containing 1,500 square feet or more (about three times the new-home proportion).

New homes, on the average, were 6 percent larger in 1955 than in the previous year. Table 57 discloses that this gain is attributable to higher

TABLE II–57

Calculated area, 1-family homes, Sec. 203, selected years

Calculated area (square feet)	New homes—percentage distributions					Existing homes—percentage distributions				
	1955	1954	1953	1950	1948	1955	1954	1953	1950	1948
Less than 600	0.2	(1)	0.1	0.5	0.9	0.4	0.2	0.2	0.5	0.9
600 to 699	1.3	2.4	2.7	7.6	4.6	2.6	2.5	3.0	3.3	4.7
700 to 799	7.5	11.5	19.5	30.6	20.6	12.5	12.9	13.7	14.4	16.3
800 to 899	15.5	20.5	22.1	25.4	22.0	15.4	15.7	17.5	16.5	18.5
900 to 999	20.0	23.1	20.6	13.0	16.2	14.4	13.8	13.9	14.1	13.3
1,000 to 1,099	20.1	18.0	15.4	9.9	11.2	13.9	12.9	13.5	11.7	10.9
1,100 to 1,199	14.5	11.8	10.2	5.3	8.7	11.1	10.9	10.8	9.3	8.0
1,200 to 1,299	8.9	6.9	4.5	3.2	6.4	8.6	8.8	8.4	7.6	6.8
1,300 to 1,399	5.7	2.6	2.3	2.0	3.4	6.4	6.8	5.9	5.8	5.1
1,400 to 1,499	2.8	1.6	1.4	.9	2.2	4.4	4.3	3.9	4.3	3.7
1,500 to 1,599	1.7	.7	.5	.6	1.5	3.0	3.2	2.6	3.2	2.9
1,600 to 1,799	1.2	.6	.4	.6	1.4	3.7	3.9	3.3	4.2	3.7
1,800 to 1,999	.4	.2	.2	.2	.4	1.7	2.0	1.6	2.2	2.2
2,000 or more	.2	.1	.1	.2	.5	1.9	2.1	1.7	2.9	3.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average	1,049	990	953	894	972	1,096	1,104	1,075	1,100	1,075
Median	1,022	961	924	838	912	1,030	1,035	1,008	1,006	972

1 Less than 0.05 percent.

TABLE II–58

Calculated area by States, 1-family homes, Sec. 203, 1955

State	Median calculated area (square feet)	Calculated area—percentage distribution								
		Less than 700	700 to 799	800 to 899	900 to 999	1,000 to 1,099	1,100 to 1,199	1,200 to 1,399	1,400 to 1,599	1,600 and over
NEW HOMES										
Alabama	1,058	0.5	4.7	13.3	21.8	16.8	12.3	18.5	7.6	4.5
Arizona	1,218	-------	2.9	5.3	10.7	11.1	17.7	25.6	20.5	6.2
Arkansas	1,023	-------	7.4	13.6	24.5	19.9	14.1	11.7	4.3	4.5
California	1,150	.1	1.4	4.2	11.7	19.6	26.0	26.5	7.3	3.2
Colorado	1,061	-------	5.9	13.6	14.1	26.7	28.4	9.4	1.9	-------
Connecticut	960	3.4	12.4	18.6	26.0	15.8	14.2	6.2	2.8	.6
Delaware	1,065	-------	-------	20.0	3.1	41.5	18.5	12.3	3.1	1.5
District of Columbia	(1)	-------	-------	-------	-------	-------	-------	-------	-------	-------
Florida	979	2.5	14.5	17.4	19.8	13.0	15.1	11.4	3.7	2.6
Georgia	934	-------	10.4	32.7	19.9	11.0	8.2	9.8	4.8	3.2
Idaho	991	1.1	9.2	21.8	19.5	11.5	15.0	12.7	5.8	3.4
Illinois	903	.3	9.9	39.0	26.4	13.5	5.8	3.7	1.3	.1
Indiana	917	.5	16.1	27.8	33.2	14.0	3.8	2.9	1.5	.2
Iowa	852	8.1	28.2	26.1	14.7	4.5	15.3	2.1	.6	.4
Kansas	985	5.2	6.4	15.6	26.8	21.8	13.3	8.3	1.4	1.2
Kentucky	1,009	2.0	6.2	17.9	22.1	19.5	18.5	9.7	1.5	2.6
Louisiana	1,031	3.0	4.9	17.1	19.1	18.8	12.2	14.4	5.9	4.6
Maine	781	14.9	43.3	16.4	14.9	7.5	-------	1.5	1.5	-------
Maryland	1,020	6.1	9.6	20.1	8.0	30.6	12.4	11.0	1.7	.5
Massachusetts	887	1.1	18.2	35.3	27.9	12.6	3.0	1.1	.8	-------
Michigan	1,019	1.6	7.8	13.1	20.4	37.4	12.9	4.3	2.2	.3
Minnesota	963	-------	12.7	18.7	29.4	20.4	10.4	6.4	1.7	.3
Mississippi	1,057	-------	4.5	17.3	17.7	18.5	11.5	18.5	9.1	2.9
Missouri	971	.7	7.4	19.4	31.5	21.5	9.5	6.8	1.9	1.3
Montana	1,044	-------	1.0	16.8	21.8	23.8	18.8	15.8	2.0	-------
Nebraska	873	1.3	29.2	26.8	20.5	13.9	3.7	2.4	1.1	1.1
Nevada	1,051	1.7	1.7	4.4	10.5	62.0	6.2	9.2	1.7	2.6
New Hampshire	850	3.6	42.9	7.1	35.7	7.1	-------	3.6	-------	-------
New Jersey	1,027	5.6	8.9	13.2	17.7	16.8	12.6	19.6	4.4	1.2
New Mexico	1,066	-------	1.6	6.6	24.2	26.5	15.2	17.9	7.0	1.0
New York	1,045	4.2	10.0	17.1	13.4	11.7	14.7	20.0	7.1	1.8
North Carolina	987	1.0	8.3	19.9	23.9	20.9	9.0	9.2	4.2	3.6
North Dakota	879	-------	28.9	26.9	19.2	17.3	5.8	1.9	-------	-------
Ohio	970	.5	9.7	25.5	20.5	33.5	6.5	2.6	.9	.3
Oklahoma	996	.6	7.8	12.2	30.8	14.7	13.4	15.8	3.2	1.5
Oregon	1,036	.3	1.1	14.4	26.4	21.7	16.6	14.4	3.9	1.2
Pennsylvania	1,133	.5	3.8	10.3	13.8	16.7	15.0	33.8	5.0	1.1
Rhode Island	949	1.5	17.8	16.3	29.5	13.2	9.3	4.6	.8	7.0
South Carolina	1,049	.4	4.2	12.1	22.9	21.3	18.3	13.7	4.6	2.5

1 Inadequate sample.

TABLE II–58—Continued

Calculated area by States, 1-family homes, Sec. 203, 1955—Continued

State	Median calculated area (square feet)	Calculated area—percentage distribution								
		Less than 700	700 to 799	800 to 899	900 to 999	1,000 to 1,099	1,100 to 1,199	1,200 to 1,399	1,400 to 1,599	1,600 and over
NEW HOMES—con.										
South Dakota	926	0.4	15.7	27.3	25.2	18.6	8.3	2.5	2.0	-------
Tennessee	1,046	.1	2.6	10.4	25.9	24.0	14.8	15.6	4.3	2.3
Texas	1,035	.1	3.4	12.8	27.9	16.6	15.9	17.1	5.2	1.0
Utah	1,068	.2	4.6	13.9	15.7	23.0	18.1	21.0	2.6	.9
Vermont	900	3.1	12.5	34.4	37.5	9.4	-------	-------	3.1	-------
Virginia	966	.6	11.1	21.4	25.5	17.9	10.3	10.6	.3	2.3
Washington	1,052	-------	5.5	13.2	20.1	21.6	15.4	16.3	6.2	1.7
West Virginia	997	2.6	10.4	14.3	23.3	15.6	3.9	16.9	6.5	6.5
Wisconsin	892	22.4	6.7	22.7	23.5	12.9	4.7	4.3	1.6	1.2
Wyoming	936	17.2	15.5	12.9	12.1	22.4	9.5	6.9	.9	2.6
Alaska	839	2.3	34.9	32.6	18.6	2.3	-------	4.7	2.3	2.3
Hawaii	1,014	-------	1.3	31.2	14.3	23.4	9.7	14.3	3.2	2.6
Puerto Rico	797	5.3	46.0	25.7	7.1	2.6	1.8	4.4	3.5	3.6
Total	1,022	1.5	7.5	15.5	20.0	20.1	14.5	14.6	4.5	1.8
EXISTING HOMES										
Alabama	1,180	0.9	4.9	10.1	12.3	9.5	15.3	24.0	10.8	12.2
Arizona	1,157	1.1	2.7	10.2	14.9	12.6	14.9	20.5	11.3	11.8
Arkansas	1,088	1.2	8.7	11.7	16.7	13.3	12.1	16.2	10.2	9.9
California	1,121	.3	3.2	11.3	13.9	18.0	16.0	20.8	8.6	7.9
Colorado	969	3.9	18.0	16.3	17.0	15.4	10.2	12.0	3.3	3.9
Connecticut	968	6.0	16.0	18.9	13.4	9.5	6.3	11.0	8.5	10.4
Delaware	1,077	-------	1.3	8.5	13.8	34.2	9.9	20.4	9.9	2.0
District of Columbia	1,163	-------	3.0	12.1	9.1	18.2	12.1	18.2	12.1	15.2
Florida	1,041	2.3	6.3	17.6	16.7	17.2	12.9	15.5	6.0	5.5
Georgia	1,152	.2	3.7	8.8	10.9	17.8	16.7	22.2	10.9	8.8
Idaho	923	4.4	19.6	22.8	13.8	13.0	8.4	8.4	5.0	4.6
Illinois	1,010	2.7	11.7	15.1	19.0	14.9	11.1	12.9	6.5	6.1
Indiana	929	5.7	22.0	18.1	14.7	11.0	6.8	10.1	5.2	6.4
Iowa	924	8.2	20.3	18.4	12.7	11.4	7.4	8.5	6.4	6.7
Kansas	963	4.5	16.1	18.6	17.2	14.3	7.8	10.6	4.1	6.8
Kentucky	988	8.3	13.5	14.3	15.9	11.6	9.1	14.6	5.9	6.8
Louisiana	1,101	2.8	7.4	13.5	13.1	13.2	12.4	20.2	9.0	8.4
Maine	1,098	7.3	16.3	10.8	8.2	7.6	4.9	17.8	14.0	13.1
Maryland	1,013	4.8	14.2	13.2	16.1	13.0	11.8	15.3	5.4	6.2
Massachusetts	976	3.5	16.9	16.0	17.8	10.1	7.6	13.3	6.2	8.6
Michigan	949	5.3	21.7	16.6	13.2	11.3	7.4	11.3	6.9	6.3
Minnesota	1,025	2.4	12.2	12.7	17.9	18.7	9.9	12.7	7.1	6.4
Mississippi	1,094	1.7	9.5	10.1	10.1	19.7	20.2	16.9	5.6	6.2
Missouri	983	3.3	14.7	17.9	17.0	12.4	7.5	10.0	6.9	10.3
Montana	1,010	3.9	8.9	14.5	21.3	15.4	11.8	12.7	5.0	6.5
Nebraska	934	4.9	21.6	19.4	12.4	13.4	6.9	8.8	5.5	7.1
Nevada	1,074	.6	14.1	10.0	8.8	22.4	5.9	18.2	10.0	10.0
New Hampshire	977	4.8	17.5	16.5	14.6	5.8	7.8	18.5	4.8	9.7
New Jersey	1,018	3.1	14.8	15.5	14.6	11.0	12.6	13.1	8.4	6.9
New Mexico	1,138	.5	4.3	10.1	17.0	13.3	12.8	31.9	6.9	3.2
New York	1,058	2.8	16.7	13.3	10.9	10.7	9.3	15.4	10.4	10.5
North Carolina	1,127	.4	4.6	9.1	14.3	17.9	13.7	15.2	9.5	15.3
North Dakota	944	4.0	19.3	20.2	14.5	11.3	8.1	12.1	8.1	2.4
Ohio	968	5.1	20.1	17.7	10.4	11.0	9.7	13.3	7.3	5.4
Oklahoma	993	1.5	11.9	19.8	18.0	13.5	9.4	14.7	6.2	5.0
Oregon	994	2.5	11.5	17.9	19.2	14.9	11.7	12.3	4.5	5.5
Pennsylvania	1,163	1.7	4.8	10.0	9.5	12.6	18.1	22.9	10.9	9.5
Rhode Island	1,056	3.4	12.3	11.6	13.5	16.6	9.8	13.5	9.2	10.1
South Carolina	1,136	2.3	6.0	11.1	11.1	14.5	14.0	26.2	7.4	7.4
South Dakota	943	5.5	19.1	19.5	13.6	7.3	9.1	10.4	5.9	9.6
Tennessee	1,033	.1	10.0	21.4	12.7	17.6	11.2	16.1	6.9	4.0
Texas	1,008	.8	12.2	19.6	16.2	10.3	11.9	14.3	5.3	3.4
Utah	945	3.3	18.7	22.4	12.1	13.7	10.8	12.1	4.4	2.5
Vermont	1,095	2.1	11.3	11.3	14.4	11.3	9.3	12.4	8.3	19.6
Virginia	1,024	3.1	12.2	16.1	15.2	14.4	11.1	14.8	6.5	6.6
Washington	1,006	3.4	12.6	16.9	16.4	13.3	9.7	13.4	7.1	7.2
West Virginia	1,179	.9	9.4	13.4	9.4	10.0	8.8	16.0	10.5	21.6
Wisconsin	986	6.3	14.6	16.3	14.8	14.1	11.8	11.6	3.5	7.0
Wyoming	953	2.4	13.9	21.7	22.9	15.7	10.2	10.2	1.2	1.8
Alaska	873	11.1	16.7	30.5	16.7	2.8	2.8	2.8	8.3	8.3
Hawaii	1,008	5.2	11.0	15.0	17.9	11.5	8.7	15.6	8.7	6.4
Puerto Rico	1,113	1.8	5.5	21.8	12.7	7.3	7.3	14.5	5.5	23.6
Total	1,030	3.0	12.5	15.4	14.4	13.9	11.1	15.0	7.4	7.3

TABLE II–59

Calculated area, selected metropolitan areas, 1-family homes, Sec. 203, 1955

Standard metropolitan area	Median calculated area (square feet)	Calculated area—percentage distribution								
		Less than 700	700 to 799	800 to 899	900 to 999	1,000 to 1,099	1,100 to 1,199	1,200 to 1,399	1,400 to 1,599	1,600 and over
NEW HOMES										
Akron, Ohio	883	3.5	3.5	51.7	13.8	17.2	10.3	------	------	------
Albany-Schenectady-Troy, N. Y	840	22.2	11.1	41.7	11.1	8.3	2.8	------	------	2.8
Albuquerque, N. Mex	1,111	------	1.3	.7	13.9	32.4	15.2	26.5	9.3	.7
Atlanta, Ga	1,028	------	8.8	27.9	9.5	13.6	10.2	17.0	8.2	4.8
Baltimore, Md	1,036	9.1	9.9	7.8	9.9	36.4	12.0	12.0	2.1	.8
Birmingham, Ala	1,043	.7	7.0	14.8	21.2	14.8	12.0	19.7	7.0	2.8
Buffalo, N. Y	898	8.3	17.4	24.8	14.9	15.7	4.1	13.2	.8	.8
Charlotte, N. C	1,052	.8	6.4	10.4	19.2	25.6	8.0	13.6	10.4	5.6
Chicago, Ill	951	.3	4.8	27.5	34.1	18.2	8.3	4.8	2.0	------
Cleveland, Ohio	928	------	16.5	29.2	15.6	20.6	11.7	3.2	2.2	1.0
Columbus, Ohio	987	1.4	13.6	17.9	19.6	38.6	4.6	2.9	1.4	------
Dallas, Tex	1,021	------	2.3	6.5	38.1	14.2	15.8	18.9	3.5	.7
Dayton, Ohio	1,018	.3	1.9	24.5	12.6	58.3	2.4	------	------	------
Denver, Colo	1,106	------	1.9	7.3	10.3	28.3	38.3	11.4	2.5	------
Des Moines, Iowa	1,110	10.1	11.9	9.2	9.2	4.6	52.3	1.8	.9	------
Detroit, Mich	1,041	.3	3.7	8.4	18.3	47.0	15.2	4.0	2.9	.2
El Paso, Tex	1,198	------	------	------	15.9	13.5	20.9	35.5	13.2	1.0
Flint, Mich	887	10.1	27.5	14.2	29.0	9.0	3.5	6.1	.3	.3
Fort Wayne, Ind	897	------	31.6	19.0	24.1	15.2	5.1	2.5	2.5	------
Fort Worth, Tex	977	------	4.2	24.8	27.5	14.9	19.0	8.9	.5	.2
Fresno, Calif	1,071	------	1.5	9.2	26.2	18.5	18.5	18.5	4.6	3.0
Grand Rapids, Mich	970	------	9.7	21.8	26.6	20.2	12.1	6.4	.8	2.4
Hartford, Conn	1,023	------	1.2	7.0	36.0	25.6	13.9	8.1	7.0	1.2
Houston, Tex	994	------	3.0	16.5	32.4	13.7	14.3	13.9	5.0	1.2
Indianapolis, Ind	957	.5	11.4	10.4	48.5	14.3	7.9	4.0	2.0	1.0
Jacksonville, Fla	1,010	7.9	14.5	15.2	10.9	15.2	11.5	22.4	1.8	.6
Kansas City, Kans.-Mo	984	1.2	6.9	18.3	28.1	27.6	10.2	5.7	2.0	------
Knoxville, Tenn	994	------	7.1	14.8	30.1	24.4	12.8	5.1	3.2	2.5
Little Rock-North Little Rock, Ark	1,006	------	7.4	19.3	22.2	19.3	13.3	10.4	5.2	2.9
Los Angeles-Long Beach, Calif	1,172	.1	.2	1.5	6.3	17.4	34.2	30.5	9.0	.8
Louisville, Ky	1,041	2.9	4.8	8.6	23.1	26.0	17.3	12.5	1.9	2.9
Memphis, Tenn	1,048	------	.8	9.6	30.0	20.0	12.0	20.0	3.8	3.8
Miami, Fla	1,146	------	5.2	5.5	16.9	12.1	22.4	20.2	8.1	9.6
Milwaukee, Wis	826	34.9	6.4	33.3	11.1	10.3	2.4	------	1.6	------
Minneapolis-St. Paul, Minn	972	------	13.6	18.4	25.0	24.1	10.6	7.0	1.3	------
New Orleans, La	972	1.1	7.0	26.9	20.9	24.7	9.7	7.5	1.1	1.1
New York-Northeastern New Jersey	1,101	3.4	9.3	13.2	11.4	12.5	17.5	22.4	8.3	2.0
Norfolk-Portsmouth, Va	986	------	------	24.6	29.5	19.7	9.8	16.4	------	------
Oklahoma City, Okla	1,077	.7	7.2	15.5	13.7	16.6	19.5	20.6	4.3	1.9
Omaha, Nebr	834	.6	40.8	25.3	18.4	6.3	2.9	2.9	1.1	1.7
Philadelphia, Pa	1,165	.1	3.1	7.2	11.1	18.5	15.5	37.6	5.7	1.2
Phoenix, Ariz	1,245	------	.6	4.9	8.3	12.0	18.1	27.1	23.0	6.0
Pittsburgh, Pa	985	.4	3.8	13.9	37.6	7.5	17.7	13.9	3.0	2.2
Portland, Oreg	1,053	.4	.4	12.9	23.2	24.7	17.5	16.7	3.4	.8
Richmond, Va	1,006	------	15.4	10.6	22.1	30.8	5.7	12.5	------	2.9
Rochester, N. Y	979	------	5.0	17.5	35.0	25.0	2.5	12.5	2.5	------
Sacramento, Calif	1,147	.2	3.1	8.3	13.6	15.6	19.4	23.7	11.8	4.3
St. Louis, Mo	938	------	18.2	21.4	27.5	17.3	8.1	5.8	.7	1.0
Salt Lake City, Utah	1,111	.4	.9	11.1	14.1	20.1	29.9	20.9	1.7	.9
San Antonio, Tex	1,007	------	7.0	15.8	25.4	24.6	13.1	10.5	1.8	1.8
San Bernardino-Riverside-Ontario, Calif	1,187	------	2.7	3.5	12.7	12.7	21.1	44.2	2.7	.4
San Diego, Calif	1,119	------	6.5	8.8	11.8	19.4	18.8	24.1	7.7	2.9
San Francisco-Oakland, Calif	1,146	.1	.6	3.6	9.1	23.9	27.8	25.8	5.4	3.7
San Jose, Calif	1,170	------	.8	4.2	13.8	15.3	22.6	27.6	6.5	9.2
Seattle, Wash	1,065	------	4.8	13.2	19.3	19.6	16.0	17.5	8.7	.9
Shreveport, La	1,070	6.9′	3.9	12.2	19.1	11.3	10.3	21.1	9.3	5.9
South Bend, Ind	918	------	13.2	28.9	44.7	5.3	1.3	6.6	------	------
Spokane, Wash	1,013	------	11.5	17.2	18.4	21.8	16.1	12.7	2.3	------
Stockton, Calif	1,106	------	3.5	8.0	11.5	25.7	22.1	23.0	4.4	1.8
Syracuse, N. Y	857	4.2	29.2	29.2	20.8	4.2	------	12.4	------	------
Tacoma, Wash	1,075	------	10.2	10.2	13.0	22.2	11.1	19.4	7.4	6.5
Tampa-St. Petersburg, Fla	866	3.1	29.7	25.9	15.9	9.7	6.6	4.7	2.8	1.6
Toledo, Ohio	1,006	------	7.3	13.5	27.1	32.3	9.4	9.4	------	1.0
Topeka, Kans	1,003	------	12.2	26.9	9.7	36.6	9.7	4.9	------	------
Tulsa, Okla	981	------	2.0	7.5	50.3	12.8	7.8	16.7	1.6	1.3
Washington, D. C	1,012	------	1.6	38.0	8.3	17.4	18.2	13.2	.8	2.5
Wichita, Kans	1,009	.6	2.8	11.2	33.7	19.7	18.0	10.1	1.7	2.2
Youngstown, Ohio	883	------	5.1	53.8	16.7	16.7	5.1	1.3	1.3	------

TABLE II–59—Continued

Calculated area, selected metropolitan areas, 1-family homes, Sec. 203, 1955—Continued

Standard metropolitan area	Median calculated area (square feet)	Calculated area—percentage distribution								
		Less than 700	700 to 799	800 to 899	900 to 999	1,000 to 1,099	1,100 to 1,199	1,200 to 1,399	1,400 to 1,599	1,600 and over
EXISTING HOMES										
Akron, Ohio	948	3.1	16.7	24.6	11.8	9.0	14.6	10.2	5.9	4.1
Albany-Schenectady-Troy, N. Y.	1,049	4.3	14.9	14.1	9.8	14.1	12.3	13.4	6.2	10.9
Albuquerque, N. Mex.	1,183	.7	1.5	9.6	15.6	10.4	14.8	39.3	5.2	2.9
Atlanta, Ga.	1,176	----	2.0	5.2	8.0	20.7	18.6	25.0	12.5	8.0
Baltimore, Md.	982	6.2	18.8	14.2	13.1	12.7	9.6	17.7	5.0	2.7
Birmingham, Ala.	1,198	1.3	6.7	7.1	12.5	8.0	14.7	24.4	9.8	15.5
Buffalo, N. Y.	1,050	6.7	13.3	12.0	11.8	12.4	8.3	15.9	9.4	10.2
Charlotte, N. C.	1,200	1.2	4.7	8.1	11.6	12.8	11.6	17.4	17.4	15.2
Chicago, Ill.	995	2.9	13.7	14.1	20.2	15.0	11.0	11.9	5.6	5.6
Cleveland, Ohio	1,020	2.7	18.4	16.9	10.4	8.2	9.9	16.1	10.7	6.7
Columbus, Ohio	891	9.1	29.3	12.7	7.4	9.1	9.4	11.8	5.7	5.5
Dallas, Tex.	905	.8	16.8	31.7	14.4	15.8	8.5	8.3	2.6	1.1
Dayton, Ohio	974	3.9	19.0	17.4	13.1	11.2	7.5	17.7	5.9	4.3
Denver, Colo.	949	4.0	22.3	16.8	14.1	13.1	10.1	11.6	4.0	4.0
Des Moines, Iowa	867	13.4	24.2	18.5	15.3	6.4	3.8	5.7	6.4	6.3
Detroit, Mich.	930	5.6	22.0	18.4	13.6	11.6	7.1	9.6	6.3	5.8
El Paso, Tex.	1,042	----	3.9	17.7	17.7	25.5	19.6	11.7	3.9	----
Flint, Mich.	818	11.7	35.9	12.7	10.1	7.4	6.4	8.4	4.7	2.7
Fort Wayne, Ind.	991	9.3	20.0	13.6	7.9	7.9	10.7	15.7	8.5	6.4
Fort Worth, Tex.	917	.5	22.3	24.2	17.9	17.4	8.5	7.5	1.2	.5
Fresno, Calif.	1,143	.7	3.0	8.7	11.4	19.7	15.0	21.8	15.0	4.7
Grand Rapids, Mich.	1,050	1.2	14.2	17.4	11.9	10.5	9.3	16.0	13.4	6.1
Hartford, Conn.	1,067	8.2	15.9	11.3	9.1	8.2	5.0	13.2	10.9	18.2
Houston, Tex.	1,057	.6	9.6	15.2	15.5	15.7	15.7	15.7	7.4	4.6
Indianapolis, Ind.	957	4.4	18.9	17.4	16.2	13.6	5.7	8.6	5.2	10.0
Jacksonville, Fla.	1,034	3.7	6.1	19.2	14.5	19.2	14.9	12.6	5.6	4.2
Kansas City, Kans.-Mo.	974	3.9	15.0	18.0	17.8	14.1	6.4	10.0	5.9	8.9
Knoxville, Tenn.	1,055	----	8.0	18.4	11.2	22.4	8.0	16.0	12.0	4.0
Little Rock-North Little Rock, Ark.	1,050	.6	8.7	11.9	21.9	13.8	10.6	16.9	8.7	6.9
Los Angeles-Long Beach, Calif.	1,166	.4	2.2	8.9	12.4	14.5	17.8	23.9	9.9	10.0
Louisville, Ky.	909	13.9	21.3	13.6	13.1	10.7	7.7	11.2	3.7	4.8
Memphis, Tenn.	942	----	13.2	30.9	14.1	13.5	7.6	11.8	6.2	2.7
Miami, Fla.	1,030	----	6.2	20.2	17.4	15.7	11.8	16.9	5.6	6.2
Milwaukee, Wis.	937	11.8	19.3	14.3	12.6	9.2	10.1	11.8	3.4	7.5
Minneapolis-St. Paul, Minn.	1,005	1.5	14.2	12.1	21.1	22.6	9.2	9.0	5.9	4.4
New Orleans, La.	1,009	3.9	10.5	19.9	14.4	15.5	13.8	13.8	3.3	4.9
New York-Northeastern New Jersey	999	1.7	20.9	15.3	12.3	8.7	10.8	13.8	8.9	7.6
Norfolk-Portsmouth, Va.	1,003	2.4	16.7	18.6	11.9	13.1	9.5	15.1	8.3	4.4
Oklahoma City, Okla.	995	1.2	9.2	18.6	22.3	14.0	9.2	13.7	7.3	4.5
Omaha, Nebr.	921	5.9	23.9	17.7	11.8	11.2	7.5	7.5	6.5	8.0
Philadelphia, Pa.	1,160	1.8	5.0	9.8	7.4	14.4	19.4	23.5	10.7	8.0
Phoenix, Ariz.	1,162	.8	1.4	8.5	17.0	13.2	14.6	21.2	10.4	12.9
Pittsburgh, Pa.	1,105	1.7	8.3	13.3	15.7	10.3	14.7	19.6	8.3	8.1
Portland, Oreg.	971	3.5	14.1	19.9	17.5	15.2	10.1	10.1	3.9	5.7
Richmond, Va.	946	5.9	17.4	19.9	14.6	11.5	6.3	9.4	6.3	8.7
Rochester, N. Y.	1,205	1.9	5.9	10.6	10.0	11.6	9.4	24.1	15.3	11.2
Sacramento, Calif.	1,057	.5	4.0	17.3	17.5	18.7	13.1	17.3	5.6	6.0
St. Louis, Mo.	976	2.8	15.0	19.1	17.2	12.4	7.6	8.9	7.1	9.9
Salt Lake City, Utah	952	4.2	16.4	23.8	10.8	14.7	11.5	11.5	4.6	2.5
San Antonio, Tex.	1,034	2.8	11.2	19.2	11.2	16.4	11.2	16.8	5.9	5.3
San Bernardino-Riverside-Ontario, Calif.	1,207	.4	2.0	9.9	9.5	14.4	12.8	30.0	13.6	7.4
San Diego, Calif.	1,041	.3	12.2	15.6	14.5	18.3	14.0	14.8	5.8	4.5
San Francisco-Oakland, Calif.	1,093	.2	3.5	11.9	14.8	21.0	17.0	17.2	7.0	7.4
San Jose, Calif.	1,217	.4	1.5	9.4	8.3	13.8	14.3	27.7	12.9	11.7
Seattle, Wash.	1,025	2.7	11.3	17.5	15.7	11.5	9.4	14.2	8.9	8.8
Shreveport, La.	1,159	2.0	6.4	13.3	10.3	13.3	7.9	24.6	9.9	12.3
South Bend, Ind.	954	7.0	22.8	15.8	8.2	8.9	9.5	15.8	9.5	2.5
Spokane, Wash.	949	3.8	22.9	14.6	17.9	10.4	9.2	8.3	5.4	7.5
Stockton, Calif.	1,088	.7	2.1	12.1	19.4	18.0	16.2	16.6	7.3	7.6
Syracuse, N. Y.	1,097	3.2	14.5	12.3	10.7	9.6	9.6	12.8	10.2	17.1
Tacoma, Wash.	965	5.2	14.5	19.0	17.6	14.5	10.0	12.4	4.1	2.7
Tampa-St. Petersburg, Fla.	1,074	1.2	4.1	14.5	18.6	15.7	13.9	18.0	6.4	7.6
Toledo, Ohio	1,103	6.2	9.3	13.9	5.2	14.9	14.9	22.2	9.8	3.6
Topeka, Kans.	887	8.8	26.3	17.1	11.8	10.5	5.3	9.2	3.1	7.9
Tulsa, Okla.	953	1.8	15.4	23.6	17.5	15.2	7.7	12.0	3.9	2.9
Washington, D. C.	1,096	1.7	4.9	10.0	18.3	15.8	15.5	20.4	6.4	7.0
Wichita, Kans.	949	6.3	16.5	18.8	17.3	12.1	8.8	7.4	5.1	7.7
Youngstown, Ohio	956	3.4	18.1	18.1	18.6	17.5	9.6	7.9	4.5	2.3

frequencies of homes with 1,000 square feet or more and declines in the proportions of those with smaller areas, especially in the 700 to 899 square-foot range. The existing-home distribution, on the other hand, remained roughly the same as in 1954, with the average change being a slight decline of less than 1 percent.

As shown in Tables 58 and 59, the calculated area distributions of the Section 203 transactions insured in 1955 varied significantly from State to State and within States. The median calculated areas for new homes ranged from 781 square feet in Maine to 1,218 square feet in Arizona, with nearly four-fifths of the States reporting medians in the 900 or 1,000 square-foot ranges. New-home areas tended to be typically smaller in a group of New England and North Central States (Maine, New Hampshire, Massachusetts, North Dakota, Nebraska, Iowa, and Wisconsin) and typically larger in Pennsylvania, Arizona, and California.

The existing-home area distributions in nearly all of the States were more widespread than the new-home distributions. Median areas of the existing homes, however, were confined to a narrower range of from 923 square feet in Idaho to 1,180 square feet in Alabama. In over two-fifths of the States (principally in the northern half of the Nation), the medians were between 900 and 999 square feet. They were between 1,000 and 1,099 square feet in three-eighths of the States and between 1,100 and 1,199 square feet in over one-fifth of the States (all except Pennsylvania in the South or West). Existing-home areas typically exceeded new-home areas in about 3 of every 5 States.

The large degree of variation in calculated areas within States is evident from the data presented in Table 59. In Florida, for example, the new-home medians of 979 square feet for the entire State compared with medians of 1,146 square feet in the Miami metropolitan area, 1,010 square feet in the Jacksonville area, and 866 square feet in Tampa. In Iowa, the new-home median of 852 square feet was considerably below the median of 1,110 square feet in the Des Moines metropolitan area.

CHARACTERISTICS BY CALCULATED AREA.—Table 60 shows, for the Section 203 homes in the various calculated area ranges, the average floor area, property value, total requirements, monthly housing expense, monthly rental value, number of rooms and bedrooms, and percent of homes with garage or carport facilities.

New homes in the 1,000 to 1,099 square-foot group, for example, involved an average area of 1,044 square feet, in 5.2 rooms of which 3 were bedrooms. The average FHA-estimated property value was $12,293, and monthly rental value was about $97. Prospective housing expense for mortgage payments, costs of household operation, and maintenance and repair averaged $98 monthly. For those transactions where the mortgagors purchased new homes from builders, the total transaction requirements—sale price plus

TABLE II–60

Property characteristics by calculated area, 1-family homes, Sec. 203, 1955

Calculated area (square feet)	Percentage distribution	Average							
		Calculated area (square feet)	Property value	Total requirements [1]	Monthly housing expense	Monthly rental value	Number of rooms	Number of bedrooms	Percentage of structures with garage
NEW HOMES									
Less than 700	1.5	623	$9,162	$9,236	$79.38	$74.97	4.2	2.0	36.9
700 to 799	7.5	754	9,429	9,649	81.59	74.87	4.2	2.2	40.1
800 to 899	15.5	854	10,291	10,468	86.78	81.07	4.7	2.6	45.3
900 to 999	20.0	946	11,021	11,232	91.45	86.92	5.0	2.9	62.5
1,000 to 1,099	20.1	1,044	12,293	12,636	98.29	96.81	5.2	3.0	69.4
1,100 to 1,199	14.5	1,148	12,886	13,259	102.39	101.34	5.4	3.1	85.2
1,200 to 1,299	8.9	1,243	13,731	14,234	103.87	107.93	5.5	3.1	89.8
1,300 to 1,399	5.7	1,342	14,660	15,165	113.91	114.24	5.7	3.0	93.2
1,400 to 1,599	4.5	1,481	16,472	17,202	126.75	126.49	5.8	3.1	92.7
1,600 to 1,999	1.6	1,730	18,511	19,404	140.37	139.91	6.1	3.1	93.1
2,000 or more	.2	2,148	20,958	21,874	154.11	153.63	6.7	3.2	87.7
Total	100.0	1,049	12,118	12,367	98.02	95.17	5.1	2.9	69.8
EXISTING HOMES									
Less than 700	3.0	642	8,835	9,220	80.25	71.17	4.2	2.0	59.8
700 to 799	12.5	754	9,735	10,204	86.01	78.52	4.3	2.1	62.5
800 to 899	15.4	848	10,457	10,888	89.75	83.99	4.6	2.3	73.0
900 to 999	14.4	947	11,190	11,722	94.03	89.19	4.9	2.5	77.6
1,000 to 1,099	13.9	1,045	11,843	12,435	98.39	93.97	5.2	2.7	82.5
1,100 to 1,199	11.1	1,145	12,568	13,247	102.95	99.14	5.4	2.8	85.7
1,200 to 1,299	8.6	1,244	13,206	13,898	107.52	103.96	5.6	2.9	88.6
1,300 to 1,399	6.4	1,345	13,951	14,742	112.64	109.82	5.8	2.9	90.3
1,400 to 1,599	7.4	1,485	14,614	15,373	118.55	114.51	6.1	3.1	88.8
1,600 to 1,999	5.4	1,749	15,706	16,611	123.24	122.42	6.5	3.3	88.7
2,000 or more	1.9	2,361	17,546	18,139	146.78	137.36	7.2	3.9	91.8
Total	100.0	1,096	12,047	12,558	100.58	95.47	5.2	2.6	79.9

[1] Data reflect purchase transactions only.

costs incidental to closing—averaged $12,636. Nearly 70 percent of the homes were provided with garages or carports.

In summary, the data presented in Table 60 demonstrate that increases in calculated area of either new or existing properties were accompanied by increases in property value, total requirements, monthly housing expense, monthly rental value, number of rooms and bedrooms, and percentage of structures with garages.

In all area classes except those between 700 and 999 square feet, property values, total requirements, and monthly rental values averaged higher for new homes than for existing. The divergence of homes in the 700 to 999 square-foot classes may have been attributable to geographical distribution, i. e., that large proportions of the new homes were located in low-cost areas while many of the existing homes were in communities with high real estate prices.

Monthly housing expenses for new homes were below those for existing homes in the area ranges under 1,000 square feet, about the same in the 1,000 to 1,199 square-foot group, and higher in all area classes of 1,200 square feet or more. Geographical distribution may also have been a factor in the development of this situation. As indicated in Tables 44 and 45, mortgage terms vary by geographical location and the length of the term is a determining factor in the size of the principal and interest components of housing expense. The other two major components of housing expense—monthly taxes and costs of household operation—are also subject to considerable variation among the different areas of the Nation. Garages (or carports) were more prevalent among the existing homes in all area classes below 1,200 square feet and in those of 2,000 or more square feet.

Number of Rooms and Bedrooms.—Most (58 percent) of the new one-family homes in Section 203 transactions insured during 1955 had 5 rooms; nearly a fourth had 6 rooms; one-sixth, 4 rooms or less (including a very small proportion of 3-room houses); and less than 2 percent, 7 rooms or more. Although the largest number of existing homes also had 5 rooms, these represented a comparatively smaller proportion (40 percent) of the total. In turn, the existing-home proportions of the smaller and larger structures were higher—25 percent with 4 rooms, 27 percent with 6 rooms (only slightly more than new homes) and 9 percent with 7 rooms and more (nearly 5 times the new-home proportion). The new-home distribution, compared with 1954, was marked by declines in the proportion of 4-room houses offset by increases in the 6-room proportion. The existing-home distribution remained almost the same as in the previous year.

Relatively more bedrooms were provided in the new homes than in the existing. Three bedrooms were available in nearly three-fourths of the new houses but in less than half of the existing. Over 44 percent of the existing properties had 2 bedrooms (including a very small number of 1-bedroom houses), compared with less than half of that proportion of new homes. Structures with 4 bedrooms or more occurred in 7 percent of the existing homes and nearly 6 percent of the new homes. Compared with 1954, there was an appreciable increase in the percentage of new 3-bedroom homes from 65 to 74 percent, offset by a decrease in 2-bedroom structures from 29 to 20 percent. Changes in the existing-home distribution were minor.

As would be expected, and as is readily apparent from the data in Table 61, larger calculated areas are ordinarily accompanied by an increase in the number of rooms and bedrooms provided, although structures of all room and bedroom counts were reported in nearly all calculated area ranges. Four-room dwellings were predominant in the new and existing homes with floor areas of less than 800 square feet; 5-room houses in the new-home ranges of 900 to 1,199 square feet and in the existing-home ranges of 900 to 1,099 square feet; and 6 rooms in new homes with 1,300 to 1,999 square feet and existing homes of 1,200 to 1,599 square feet.

Three-bedroom structures predominated in all area ranges of new homes, except those with less than 800 square feet where the majority had 2 bedrooms. In existing homes, 2-bedroom dwellings prevailed in the area ranges below 1,000 square feet, 3 bedrooms in the 1,000 to 1,999 square-foot classes,

TABLE II–61

Number of rooms and bedrooms by calculated area, 1-family homes, Sec. 203, 1955

Calculated area (square feet)	Percentage distribution	Number of rooms: Median number of rooms	Number of rooms: Percentage distributions: 3–4	5	6	7 or more	Number of bedrooms: Median number of bedrooms	Number of bedrooms: Percentage distributions: 1–2	3	4 or more
NEW HOMES										
Less than 700	1.5	4.6	87.1	6.6	6.1	0.2	2.6	87.3	8.2	4.5
700 to 799	7.5	4.6	79.8	19.2	1.0	(1)	2.6	83.6	16.1	.3
800 to 899	15.5	5.2	35.8	59.9	4.2	.1	3.1	43.6	55.3	1.1
900 to 999	20.0	5.5	8.8	81.2	9.7	.3	3.4	15.0	83.5	1.5
1,000 to 1,099	20.1	5.6	3.6	73.2	22.9	.3	3.5	7.8	88.4	3.8
1,100 to 1,199	14.5	5.9	2.6	54.7	41.6	1.1	3.6	6.2	79.5	14.3
1,200 to 1,299	8.9	5.9	1.5	49.3	47.5	1.7	3.5	4.8	84.0	11.2
1,300 to 1,399	5.7	6.2	1.2	34.9	60.6	3.3	3.5	4.3	87.0	8.7
1,400 to 1,599	4.5	6.3	1.6	28.2	60.0	10.2	3.5	5.2	82.9	11.9
1,600 to 1,999	1.6	6.6	1.7	19.4	49.7	29.2	3.6	6.8	74.4	18.8
2,000 or more	.2	7.8	....	6.6	26.2	67.2	3.7	1.6	68.9	29.5
Total	100.0	5.6	16.0	57.7	24.6	1.7	3.4	20.4	73.8	5.8
Median area	1,022	....	809	1,010	1,184	1,508	....	832	1,051	1,185
EXISTING HOMES										
Less than 700	3.0	4.6	83.3	12.6	3.2	.9	2.5	90.0	8.3	1.7
700 to 799	12.5	4.7	73.9	21.0	4.5	.6	2.6	87.3	10.6	2.1
800 to 899	15.4	5.1	47.0	45.1	6.8	1.1	2.7	75.3	22.3	2.4
900 to 999	14.4	5.4	23.1	62.1	13.2	1.6	2.9	54.6	43.3	2.1
1,000 to 1,099	13.9	5.6	9.4	62.7	25.7	2.2	3.2	35.3	62.2	2.5
1,100 to 1,199	11.1	5.9	4.9	48.9	42.9	3.3	3.3	25.9	70.3	3.8
1,200 to 1,299	8.6	6.2	2.1	37.9	53.4	6.6	3.4	18.8	74.8	6.4
1,300 to 1,399	6.4	6.3	1.2	28.5	58.3	12.0	3.5	14.8	76.1	9.1
1,400 to 1,599	7.4	6.6	.8	17.6	54.6	27.0	3.5	11.0	72.2	16.8
1,600 to 1,999	5.4	6.9	.7	7.7	42.3	49.3	3.7	6.8	60.6	32.6
2,000 or more	1.9	8.1	1.9	2.2	15.2	80.7	4.5	3.8	35.1	61.1
Total	100.0	5.6	24.5	39.9	26.9	8.7	3.1	44.4	48.5	7.1
Median area	1,030	....	806	1,011	1,229	1,584	....	875	1,152	1,504

[1] Less than 0.05 percent.

and 4 or more bedrooms in the structures with 2,000 square feet or more.

The median number of rooms for new and existing homes in the area ranges below 1,200 square feet were roughly the same; in the higher ranges the existing-home medians tended to be somewhat larger. In the structures with areas of 800 to 1,199 square feet, new homes tended to have significantly more bedrooms than the existing.

Table 62 shows room and bedroom distributions of the 1955 Section 203 transactions for each State and Territory. As indicated by the medians, new homes with largest number of rooms were found in Alabama (6.3 rooms), while the roomiest existing structures were in the District of Columbia (6.4 rooms) and Pennsylvania and Vermont (6.3 rooms). At the low end of the room-count scale for new homes was Maine with a median of 4.5 rooms, and for existing homes Idaho and Wyoming, each with medians of 4.9 rooms. Existing homes were typically larger than newly constructed dwellings in 2 of every 3 States. In most States, the 5-room house predominated in both new- and existing-home transactions. New homes of 4 rooms or less were predominant in only 6 States—Maine, New Hampshire, North Dakota, Nebraska, Wyoming, and Idaho—while houses with 6 rooms or more were in the majority only in Alabama, New Mexico, and New York. In 22 States, one-fifth or more of the new structures had 6 rooms or more. Five-room structures also made up the bulk of existing construction, but houses with 4, 6, or 7 rooms were more frequently reported than for new construction.

The table also indicates that 3-bedroom structures predominated in FHA new-home transactions insured in 1955 in 7 of every 8 States and accounted for a good share of the total in those States where the 2-bedroom house was most popular. In only 6 States (those mentioned previously as having the largest proportion of 4-room structures) did the 2-bedroom house constitute the majority of the new-home transactions. California, Iowa, and New Mexico were the only States where 10 percent or more of the new homes had 4 or more bedrooms. Four-bedroom structures, however, were reported in all but 4 States.

TABLE II–62

Number of rooms and bedrooms, by States, 1-family homes, Sec. 203, 1955

State	Percentage distribution	Number of rooms					Number of bedrooms			
		Median number of rooms	Percentage distribution				Median number of bedrooms	Percentage distribution		
			3–4	5	6	7 or more		1–2	3	4 or more
NEW HOMES										
Alabama	1.3	6.3	5.0	25.6	64.7	4.7	3.4	18.5	78.2	3.3
Arizona	2.5	5.6	8.9	64.1	25.7	1.3	3.4	12.1	85.1	2.8
Arkansas	1.1	5.4	26.0	63.1	10.1	.8	3.3	30.8	68.9	.3
California	14.4	5.7	6.5	62.7	28.7	2.1	3.6	9.0	71.2	19.8
Colorado	1.6	5.5	20.6	63.6	15.8	--------	3.4	22.8	76.8	.4
Connecticut	1.0	5.5	23.5	55.1	20.8	.6	3.3	26.5	72.0	1.5
Delaware	.2	5.6	3.1	80.0	15.4	1.5	3.4	16.9	78.5	4.6
District of Columbia	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Florida	4.1	5.5	25.2	51.5	21.8	1.5	3.3	27.6	68.8	3.6
Georgia	1.8	5.6	13.4	62.8	21.6	2.2	3.4	18.7	80.0	1.8
Idaho	.3	4.9	52.9	40.2	6.9	--------	2.8	60.9	39.1	--------
Illinois	3.0	5.3	30.9	60.6	8.1	.4	3.3	33.8	63.7	2.5
Indiana	2.8	5.5	13.7	77.9	8.3	.1	3.4	13.0	82.5	4.5
Iowa	1.4	5.2	43.1	44.2	12.5	.2	3.6	10.9	70.8	18.3
Kansas	1.6	5.5	22.3	51.3	25.6	.8	3.4	24.9	68.5	6.6
Kentucky	.6	5.5	19.0	56.9	19.5	4.6	3.3	20.2	66.2	4.6
Louisiana	2.3	5.5	20.4	60.3	17.5	1.8	3.3	26.1	69.3	4.6
Maine	.2	4.5	65.7	25.4	7.4	1.5	2.7	74.6	19.4	6.0
Maryland	1.1	5.9	10.4	44.7	44.1	.8	3.4	17.8	79.7	2.5
Massachusetts	.8	5.4	24.1	70.0	5.9	--------	3.2	35.6	61.1	3.3
Michigan	8.3	5.4	14.8	79.0	5.8	.4	3.4	17.7	81.3	1.0
Minnesota	.9	5.4	21.7	65.9	10.7	1.7	3.3	31.4	63.9	4.7
Mississippi	.7	5.6	9.1	69.5	19.8	1.6	3.4	17.7	80.2	2.1
Missouri	2.1	5.7	8.1	57.0	33.9	1.0	3.4	20.7	77.9	1.4
Montana	.3	5.2	39.6	45.5	13.9	1.0	3.1	44.5	52.5	3.0
Nebraska	1.2	4.9	50.1	42.8	6.3	.8	2.9	53.4	43.7	2.9
Nevada	.7	5.6	5.6	75.3	17.8	1.3	3.5	9.1	86.1	4.8
New Hampshire	.1	5.0	50.0	46.4	--------	3.6	2.8	60.7	39.3	--------
New Jersey	2.0	5.8	20.8	34.3	40.1	4.8	3.4	23.8	73.9	2.3
New Mexico	.9	6.2	5.6	33.5	55.6	5.3	3.5	11.3	77.8	10.9
New York	5.2	6.1	15.3	30.8	51.1	2.8	3.4	24.0	71.0	5.0
North Carolina	1.8	5.5	17.8	63.7	14.0	4.5	3.3	26.8	69.6	3.6
North Dakota	.2	4.8	55.8	42.3	1.9	--------	2.9	55.8	44.2	--------
Ohio	4.7	5.6	18.8	52.8	27.6	.8	3.3	26.9	66.2	6.9
Oklahoma	2.6	5.7	13.7	53.4	32.1	.8	3.4	19.3	80.0	.7
Oregon	1.1	5.7	11.9	52.5	34.5	1.1	3.4	20.3	78.6	1.1
Pennsylvania	4.9	5.8	10.8	40.8	39.0	.4	3.4	14.5	83.9	1.6
Rhode Island	.4	5.3	35.9	41.2	21.4	1.5	3.5	10.0	86.2	3.8
South Carolina	.7	5.7	11.3	59.6	28.3	.8	3.4	17.5	80.0	2.5
South Dakota	.7	5.3	31.8	54.6	13.6	--------	3.2	40.9	58.7	.4
Tennessee	2.6	5.7	7.1	61.8	28.6	2.5	3.4	11.4	85.8	2.8
Texas	8.7	5.6	11.7	62.4	23.6	2.3	3.4	16.6	78.7	4.7

[1] Less than 0.05 percent. [2] Inadequate sample.

TABLE II–62—Continued

Number of rooms and bedrooms, by States, 1-family homes, Sec. 203, 1955—Continued

State	Percentage distribution	Number of rooms: Median number of rooms	Number of rooms: Percentage distribution 3–4	5	6	7 or more	Number of bedrooms: Median number of bedrooms	Number of bedrooms: Percentage distribution 1–2	3	4 or more
NEW HOMES—con.										
Utah	1.4	5.5	26.9	45.8	26.6	0.7	3.3	35.5	56.5	8.0
Vermont	.1	5.2	36.4	57.6	6.0	-------	3.4	16.7	83.3	-------
Virginia	1.0	5.6	11.1	68.6	19.1	1.2	3.4	20.2	74.5	5.3
Washington	2.3	5.7	19.7	44.5	29.2	6.6	3.3	27.3	70.4	2.3
West Virginia	.2	5.5	22.1	61.0	15.6	1.3	3.3	28.6	70.1	1.3
Wisconsin	.8	5.3	34.5	55.3	9.8	.4	3.2	38.6	59.4	2.0
Wyoming	.4	4.8	56.0	35.4	6.9	1.7	2.8	61.2	37.1	1.7
Alaska	.1	5.3	41.9	32.5	25.6	-------	2.8	60.5	34.9	4.6
Hawaii	.5	5.5	5.9	87.0	5.9	1.2	3.5	6.6	91.4	2.0
Puerto Rico	.3	5.6	2.7	84.8	8.0	4.5	3.5	2.8	93.5	3.7
Total	100.0	5.6	16.0	57.7	24.6	1.7	3.4	20.4	73.8	5.8
EXISTING HOMES										
Alabama	1.0	6.2	6.4	33.9	48.1	11.6	3.3	33.9	63.2	2.9
Arizona	1.0	5.5	27.6	41.5	23.7	7.2	3.2	39.8	54.5	5.7
Arkansas	.7	5.6	22.8	49.4	21.5	6.3	2.9	51.9	43.7	4.4
California	15.0	5.6	20.7	51.2	23.1	5.0	3.2	41.6	54.2	4.2
Colorado	.8	5.3	38.8	44.0	13.9	3.3	2.9	51.3	45.7	3.0
Connecticut	2.3	5.7	27.0	33.2	30.4	9.4	3.2	38.6	46.7	14.7
Delaware	.3	6.0	4.0	45.7	44.4	5.9	3.5	14.0	78.0	8.0
District of Columbia	.1	6.4	6.1	21.2	57.6	15.1	3.4	24.2	60.6	15.2
Florida	1.3	5.8	17.3	41.6	34.8	6.3	3.2	38.3	59.4	2.3
Georgia	1.9	6.1	6.6	38.1	45.7	9.6	3.3	33.6	62.9	3.5
Idaho	1.0	4.9	50.4	31.1	12.8	5.7	2.8	63.1	30.1	6.8
Illinois	3.5	5.5	27.5	45.5	19.2	7.8	3.1	47.7	45.3	7.0
Indiana	3.5	5.4	32.6	42.1	18.6	6.7	3.1	44.9	48.6	6.5
Iowa	1.4	5.3	40.5	37.3	14.1	8.1	3.5	18.4	69.6	12.0
Kansas	2.4	5.6	26.3	41.3	24.3	8.1	2.9	53.3	41.0	5.7
Kentucky	1.2	5.4	33.8	36.7	21.6	7.9	2.9	57.1	35.5	7.4
Louisiana	1.4	5.6	23.0	44.3	24.8	7.9	3.1	46.9	50.9	2.2
Maine	.6	6.2	24.4	20.4	30.2	25.0	3.3	35.7	43.0	21.3
Maryland	.9	6.0	19.6	29.9	39.3	11.2	3.3	32.5	58.6	8.9
Massachusetts	1.4	5.8	24.7	33.4	27.8	14.1	3.3	37.6	48.2	14.2
Michigan	6.9	5.7	24.5	38.4	27.0	10.1	3.2	38.7	54.0	7.3
Minnesota	1.5	5.6	21.9	46.2	22.9	9.0	3.2	37.0	54.8	8.2
Mississippi	.3	5.7	19.7	41.6	31.4	7.3	3.1	46.1	51.1	2.8
Missouri	4.0	5.7	19.4	46.7	23.1	10.8	2.9	58.0	35.1	6.9
Montana	.6	5.4	36.3	34.2	20.6	8.9	3.0	49.8	38.3	11.9
Nebraska	1.1	5.3	38.4	38.3	14.6	8.7	2.9	58.4	33.9	7.7
Nevada	.3	5.4	32.5	41.4	22.5	3.6	3.1	46.2	50.3	3.5
New Hampshire	.2	5.8	25.5	31.4	32.3	10.8	3.3	39.8	40.8	19.4
New Jersey	2.8	6.1	21.1	27.1	36.9	14.9	3.3	34.6	53.9	11.5
New Mexico	.3	5.9	17.6	35.1	41.5	5.8	3.1	42.0	53.7	4.3
New York	5.1	5.9	22.3	28.8	33.8	15.1	3.3	35.7	51.3	13.0
North Carolina	.9	5.7	15.9	46.7	24.3	13.1	3.2	38.2	52.7	9.1
North Dakota	.2	5.2	41.9	35.5	15.3	7.3	2.9	54.8	39.5	5.7
Ohio	6.2	5.7	29.3	30.7	31.8	8.2	3.1	43.0	50.4	6.6
Oklahoma	2.0	5.6	24.4	43.4	27.0	5.2	2.9	55.7	42.7	1.6
Oregon	2.5	5.6	31.0	32.8	27.1	9.1	2.9	50.6	39.9	9.5
Pennsylvania	3.0	6.3	11.9	23.9	48.6	15.6	3.4	22.5	64.1	13.4
Rhode Island	.6	5.8	28.0	29.2	24.0	18.8	3.6	6.0	71.4	22.6
South Carolina	.6	5.9	10.9	40.0	41.4	7.7	3.2	39.3	57.8	2.9
South Dakota	.4	5.4	33.6	37.7	15.5	13.2	3.0	48.2	42.3	9.5
Tennessee	1.5	5.7	13.9	51.5	29.0	5.6	3.0	49.7	48.4	1.9
Texas	5.8	5.5	25.1	48.8	23.1	3.0	2.8	63.2	35.7	1.1
Utah	1.0	5.1	46.4	35.3	13.7	4.6	2.8	64.4	29.1	6.5
Vermont	.2	6.3	13.6	28.1	32.3	26.0	3.6	13.5	57.3	29.2
Virginia	2.2	5.8	13.1	44.0	33.0	9.9	3.2	41.2	51.6	7.2
Washington	6.0	5.5	31.7	34.4	23.9	10.0	2.9	51.8	38.7	9.5
West Virginia	.6	5.9	16.5	35.9	30.8	16.8	3.2	42.7	45.6	11.7
Wisconsin	.7	5.4	36.2	38.4	19.9	5.5	3.0	48.2	46.5	5.3
Wyoming	.3	4.9	52.4	39.8	4.8	3.0	2.8	65.1	33.1	1.8
Alaska	.1	5.3	41.7	25.0	22.2	11.1	2.8	63.9	19.4	16.7
Hawaii	.3	5.5	23.1	57.2	15.6	4.1	3.3	31.8	63.6	4.6
Puerto Rico	.1	6.4	3.7	25.9	46.3	24.1	3.7	1.8	74.1	24.1
Total	100.0	5.6	24.5	39.9	26.9	8.7	3.1	44.4	48.5	7.1

TABLE II–63

Number of rooms and bedrooms, selected metropolitan areas, 1-family homes, Sec. 203, 1955

Standard metropolitan area	As percent of United States total	Number of rooms: Median number of rooms	Number of rooms: Percentage distribution: 3–4	5	6	7 or more	Number of bedrooms: Median number of bedrooms	Number of bedrooms: Percentage distribution: 1–2	3	4 or more
NEW HOMES										
Akron, Ohio	0.1	5.5	20.7	58.6	20.7	------	3.3	31.0	65.5	3.5
Albany-Schenectady-Troy, N. Y.	.1	5.2	38.9	52.8	5.5	2.8	3.1	47.2	52.8	------
Albuquerque, N. Mex.	.5	6.3	.7	28.5	62.2	8.6	3.5	2.0	89.4	8.6
Atlanta, Ga.	.4	5.7	15.0	47.6	33.3	4.1	3.4	18.4	80.9	.7
Baltimore, Md.	.7	6.1	10.7	34.4	54.1	.8	3.4	21.3	77.1	1.6
Birmingham, Ala.	.4	6.3	7.7	26.1	63.4	2.8	3.4	21.1	78.9	------
Buffalo, N. Y.	.4	5.3	33.9	56.2	9.1	.8	3.1	45.5	53.7	.8
Charlotte, N. C.	.4	5.7	13.6	51.2	23.2	12.0	3.4	23.2	68.8	8.0
Chicago, Ill.	2.1	5.3	29.5	59.5	10.4	.6	3.3	32.8	63.4	3.8
Cleveland, Ohio	1.0	5.4	31.0	48.4	18.7	1.9	3.1	43.0	55.4	1.6
Columbus, Ohio	.8	5.4	23.9	61.8	12.9	1.4	3.3	30.3	66.8	2.9
Dallas, Tex.	1.3	5.7	3.7	65.1	28.9	2.3	3.5	8.8	87.0	4.2
Dayton, Ohio	1.1	6.2	2.4	35.5	61.3	.8	3.6	6.7	69.4	23.9
Denver, Colo.	1.1	5.5	15.5	66.0	18.5	------	3.4	17.9	81.6	.5
Des Moines, Iowa	.3	5.9	26.6	27.5	45.9	------	4.0	7.4	33.3	59.3
Detroit, Mich.	5.9	5.5	7.6	85.8	6.3	.3	3.4	10.5	88.6	.9
El Paso, Tex.	.9	5.9	------	51.7	41.9	6.4	3.7	------	75.8	24.2
Flint, Mich.	1.0	5.1	43.6	50.6	5.5	.3	3.1	47.1	52.6	.3
Fort Wayne, Ind.	.2	5.6	3.8	83.5	12.7	------	3.5	5.1	91.1	3.8
Fort Worth, Tex.	1.2	5.6	17.6	58.9	21.0	2.5	3.4	23.5	73.0	3.5
Fresno, Calif.	.2	5.5	15.4	70.8	12.3	1.5	3.4	15.4	78.5	6.1
Grand Rapids, Mich.	.4	5.4	18.5	71.8	6.5	3.2	3.4	21.0	75.8	3.2
Hartford, Conn.	.3	5.6	8.1	66.3	25.6	------	3.5	9.4	88.3	2.3
Houston, Tex.	1.5	5.6	11.6	69.2	17.2	2.0	3.4	11.1	87.1	1.8
Indianapolis, Ind.	.6	5.5	6.9	84.2	8.4	.5	3.5	9.5	87.5	3.0
Jacksonville, Fla.	.5	5.5	23.0	50.9	23.7	2.4	3.3	28.5	71.5	------
Kansas City, Kans.-Mo.	.7	5.8	10.6	50.0	39.0	.4	3.5	15.1	76.8	8.1
Knoxville, Tenn.	.5	5.5	10.3	76.9	12.2	.6	3.4	12.8	87.2	------
Little Rock-North Little Rock, Ark.	.4	5.4	25.0	70.6	4.4	------	3.3	28.0	71.3	.7
Los Angeles-Long Beach, Calif.	4.1	5.9	2.7	51.2	44.7	1.4	3.8	3.9	58.7	37.4
Louisville, Ky.	.3	5.7	13.5	54.8	25.0	6.7	3.4	25.0	69.2	5.8
Memphis, Tenn.	.8	5.8	3.9	56.5	36.9	2.7	3.5	3.5	89.6	6.9
Miami, Fla.	.8	5.7	11.4	56.6	30.9	1.1	3.5	2.5	94.6	2.9
Milwaukee, Wis.	.4	4.9	50.8	42.1	7.1	------	2.9	56.3	43.7	------
Minneapolis-St. Paul, Minn.	.7	5.4	20.2	67.1	11.4	1.3	3.3	31.1	63.6	5.3
New Orleans, La.	.6	5.5	16.7	66.6	16.7	------	3.5	17.2	71.5	11.3
New York-Northeastern New Jersey	4.2	6.2	12.5	22.4	61.8	3.3	3.4	21.6	72.7	5.7
Norfolk-Portsmouth, Va.	.2	5.7	------	73.8	26.2	------	3.6	6.6	72.1	21.3
Oklahoma City, Okla.	.8	6.2	7.6	31.5	60.5	.4	3.4	20.2	79.8	------
Omaha, Nebr.	.5	4.9	50.6	43.7	4.6	1.1	2.9	50.3	49.0	.7
Philadelphia, Pa.	4.9	5.9	10.1	45.3	43.0	1.6	3.4	12.2	86.0	1.8
Phoenix, Ariz.	2.2	5.7	6.6	66.1	26.6	.7	3.5	9.1	87.8	3.1
Pittsburgh, Pa.	.8	5.8	7.1	53.4	37.6	1.9	3.4	17.4	80.7	1.9
Portland, Oreg.	.8	5.8	10.3	50.9	37.3	1.5	3.4	16.4	82.8	.8
Richmond, Va.	.3	5.6	12.5	66.3	20.2	1.0	3.3	26.0	73.1	.9
Rochester, N. Y.	.1	5.4	25.0	60.0	15.0	------	3.2	37.5	57.5	5.0
Sacramento, Calif.	1.4	5.6	6.7	67.6	23.5	2.2	3.5	9.4	77.9	12.7
St. Louis, Mo.	1.7	5.6	16.6	51.8	30.4	1.2	3.3	29.8	69.0	1.2
Salt Lake City, Utah	.7	5.6	19.6	49.4	30.2	.8	3.3	32.1	62.8	5.1
San Antonio, Tex.	.3	5.5	13.2	67.5	16.7	2.6	3.4	22.8	75.4	1.8
San Bernardino-Riverside-Ontario, Calif.	.8	6.1	5.0	41.9	46.2	6.9	3.9	6.2	45.2	48.6
San Diego, Calif.	.5	5.9	14.1	41.8	41.2	2.9	3.3	30.0	65.3	4.7
San Francisco-Oakland, Calif.	3.5	5.6	10.3	69.3	19.2	1.2	3.5	13.4	79.3	7.3
San Jose, Calif.	1.8	5.6	2.9	74.7	19.2	3.2	3.5	3.9	85.9	10.2
Seattle, Wash.	1.0	5.8	18.4	38.0	33.4	10.2	3.3	27.4	69.0	3.6
Shreveport, La.	.6	5.6	18.6	52.0	26.5	2.9	3.3	28.4	66.2	5.4
South Bend, Ind.	.2	5.4	15.6	77.9	6.5	------	3.5	11.0	86.3	2.7
Spokane, Wash.	.3	5.5	19.5	66.7	13.8	------	3.3	29.9	70.1	------
Stockton, Calif.	.3	5.5	12.3	77.2	10.5	------	3.4	16.7	78.1	5.2
Syracuse, N. Y.	.1	5.3	33.3	62.5	4.2	------	3.2	37.5	62.5	------
Tacoma, Wash.	.3	5.6	25.4	39.1	29.1	6.4	3.3	31.8	64.6	3.6
Tampa-St. Petersburg, Fla.	1.0	5.2	39.7	45.6	12.5	2.2	2.9	51.2	46.9	1.9
Toledo, Ohio	.3	5.7	15.6	52.1	32.3	------	3.4	22.9	75.0	2.1
Topeka, Kans.	.1	5.2	39.0	46.3	14.7	------	3.1	43.9	56.1	------
Tulsa, Okla.	.9	5.5	8.8	75.8	14.4	1.0	3.5	4.9	93.8	1.3
Washington, D. C.	.4	5.7	4.1	62.0	31.4	2.5	3.5	3.3	92.5	4.2
Wichita, Kans.	.5	5.6	12.8	60.3	26.3	.6	3.5	12.9	81.5	5.6
Youngstown, Ohio	.2	5.1	46.2	47.4	6.4	------	3.0	48.7	50.0	1.3

TABLE II-63—Continued

Number of rooms and bedrooms, selected metropolitan areas, 1-family homes, Sec. 203, 1955—Continued

Standard metropolitan area	As percent of United States total	Number of rooms: Median number of rooms	Number of rooms: Percentage distribution: 3-4	5	6	7 or more	Number of bedrooms: Median number of bedrooms	Number of bedrooms: Percentage distribution: 1-2	3	4 or more
EXISTING HOMES										
Akron, Ohio	0.7	5.7	27.9	30.8	33.6	7.7	3.2	41.9	51.9	6.2
Albany-Schenectady-Troy, N. Y	.5	5.9	23.9	30.4	32.3	13.4	3.3	32.6	52.2	15.2
Albuquerque, N. Mex	.2	6.1	16.3	30.4	45.2	8.1	3.2	37.0	58.5	4.5
Atlanta, Ga	.8	6.2	3.8	35.0	52.3	8.9	3.3	26.5	68.5	5.0
Baltimore, Md	.5	6.0	25.8	23.8	42.7	7.7	3.2	41.9	51.9	6.2
Birmingham, Ala	.4	6.2	8.9	30.7	50.2	10.2	3.2	36.9	59.6	3.5
Buffalo, N. Y	.8	5.9	17.5	35.0	33.0	14.5	3.4	29.1	59.0	11.9
Charlotte, N. C	.2	5.9	14.0	37.2	33.7	15.1	3.2	41.9	53.5	4.6
Chicago, Ill	2.4	5.5	28.1	45.5	19.0	7.4	2.9	50.3	42.7	7.0
Cleveland, Ohio	1.4	6.0	25.4	24.2	37.7	12.7	3.3	36.6	52.5	10.9
Columbus, Ohio	1.6	5.4	38.0	27.1	30.5	4.4	2.9	51.9	44.1	4.0
Dallas, Tex	1.2	5.6	16.7	57.6	24.2	1.5	2.7	75.7	23.8	.5
Dayton, Ohio	.5	5.9	16.7	38.0	37.1	8.2	3.2	39.3	53.8	6.9
Denver, Colo	.6	5.2	40.6	41.2	15.2	3.0	2.9	53.2	44.3	2.5
Des Moines, Iowa	.3	5.1	47.8	34.6	10.7	6.9	3.4	26.3	64.5	9.2
Detroit, Mich	3.9	5.7	21.3	40.7	28.3	9.7	3.2	36.9	57.3	5.8
El Paso, Tex	.1	5.6	19.6	53.0	23.5	3.9	3.1	43.1	53.0	3.9
Flint, Mich	.5	5.2	43.7	25.7	24.0	6.6	2.9	57.4	36.6	6.0
Fort Wayne, Ind	.2	5.8	27.1	27.1	37.2	8.6	3.2	36.8	57.9	5.3
Fort Worth, Tex	.7	5.2	40.6	47.8	10.9	.7	2.7	69.3	30.2	.5
Fresno, Calif	.5	5.5	22.4	55.2	18.4	4.0	3.0	49.1	48.5	2.4
Grand Rapids, Mich	.6	5.8	22.4	36.3	27.9	13.4	3.3	35.8	52.9	11.3
Hartford, Conn	.4	6.1	20.5	24.5	39.1	15.9	3.4	29.5	49.1	21.4
Houston, Tex	1.4	5.5	29.0	43.4	23.7	3.9	2.9	56.0	43.2	.8
Indianapolis, Ind	1.1	5.4	28.7	47.3	16.2	7.8	3.0	48.7	45.3	6.0
Jacksonville, Fla	.4	6.2	6.5	35.1	51.4	7.0	3.2	38.5	61.0	.5
Kansas City, Kans.-Mo	2.3	5.7	18.5	44.9	25.9	10.7	2.9	51.0	42.9	6.1
Knoxville, Tenn	.2	5.7	14.4	48.8	30.4	6.4	3.3	34.4	61.6	4.0
Little Rock-North Little Rock, Ark	.3	5.6	21.9	47.5	24.4	6.2	2.9	50.9	45.3	3.8
Los Angeles-Long Beach, Calif	3.8	5.7	15.7	50.2	28.3	5.8	3.3	33.4	60.2	6.4
Louisville, Ky	.7	5.2	43.6	33.8	17.0	5.6	2.8	64.9	30.6	4.5
Memphis, Tenn	.6	5.7	10.5	56.3	27.6	5.6	2.8	62.5	35.8	1.7
Miami, Fla	.3	5.7	20.8	42.1	33.2	3.9	3.5	11.6	84.9	3.5
Milwaukee, Wis	.2	5.2	42.8	31.1	22.7	3.4	2.9	55.1	39.8	5.1
Minneapolis-St. Paul, Minn	.9	5.6	20.6	49.6	22.3	7.5	3.2	36.4	55.4	8.2
New Orleans, La	.3	5.5	22.1	50.8	22.1	5.0	3.1	44.8	53.0	2.2
New York-Northeastern New Jersey	3.8	6.0	25.4	23.7	37.6	13.3	3.2	41.0	48.0	11.0
Norfolk-Portsmouth, Va	.4	5.8	15.5	42.6	33.1	8.8	3.0	49.6	44.4	6.0
Oklahoma City, Okla	.6	5.8	15.5	43.8	34.3	6.4	2.9	57.8	40.4	1.8
Omaha, Nebr	.6	5.4	35.4	37.9	16.5	10.2	2.9	51.9	39.2	8.9
Philadelphia, Pa	2.1	6.3	12.2	20.7	53.3	13.8	3.4	20.3	68.4	11.3
Phoenix, Ariz	.6	5.6	24.9	41.7	25.2	8.2	3.3	35.1	58.6	6.3
Pittsburgh, Pa	.7	6.1	12.5	35.2	42.5	9.8	3.3	34.3	57.4	8.3
Portland, Oreg	1.7	5.6	31.1	31.7	26.4	10.8	2.9	51.8	37.3	10.9
Richmond, Va	.5	5.7	14.3	50.2	22.6	12.9	2.9	51.7	39.2	9.1
Rochester, N. Y	.6	6.2	13.1	26.6	42.2	18.1	3.4	26.0	58.9	15.1
Sacramento, Calif	1.4	5.3	33.4	48.1	15.8	2.7	2.9	52.8	45.5	1.7
St. Louis, Mo	2.1	5.6	20.3	49.0	20.7	10.0	2.8	61.5	31.2	7.3
Salt Lake City, Utah	.5	5.2	41.3	38.1	16.4	4.2	2.8	64.4	29.0	6.6
San Antonio, Tex	.5	5.8	20.0	40.0	34.4	5.6	2.8	66.1	32.2	1.7
San Bernardino-Riverside, Ontario, Calif	.4	5.5	19.4	55.8	21.5	3.3	3.3	33.8	61.7	4.5
San Diego, Calif	.7	5.7	17.8	45.7	31.8	4.7	3.1	44.3	52.0	3.7
San Francisco-Oakland, Calif	4.2	5.6	20.1	50.7	22.8	6.4	3.1	46.4	50.0	3.6
San Jose, Calif	1.0	5.6	15.7	57.0	22.7	4.6	3.4	25.1	68.5	6.4
Seattle, Wash	2.9	5.6	29.7	33.5	25.5	11.3	2.9	52.0	38.4	9.6
Shreveport, La	.4	5.8	19.7	37.9	29.6	12.8	2.9	53.5	44.5	2.0
South Bend, Ind	.3	5.7	25.3	35.4	29.8	9.5	3.3	35.8	55.6	8.6
Spokane, Wash	.4	5.3	38.8	34.2	21.2	5.8	2.8	60.4	33.3	6.3
Stockton, Calif	.5	5.4	26.3	53.6	15.2	4.9	2.9	50.3	47.6	2.1
Syracuse, N. Y	.3	6.0	17.7	32.3	21.0	29.0	3.4	28.2	50.0	21.8
Tacoma, Wash	.5	5.5	32.8	33.1	24.1	10.0	3.1	46.7	39.1	14.2
Tampa-St. Petersburg, Fla	.3	5.7	19.8	44.2	26.1	9.9	2.9	50.3	45.0	4.7
Toledo, Ohio	.3	6.1	20.7	24.4	47.1	7.8	3.3	34.5	59.8	5.7
Topeka, Kans	.4	5.4	35.5	33.3	24.6	6.6	2.8	64.7	30.0	5.3
Tulsa, Okla	.8	5.4	33.8	45.6	18.8	1.8	2.8	61.7	37.6	.7
Washington, D. C	.8	6.2	7.4	34.2	45.8	12.6	3.4	17.5	72.4	10.1
Wichita, Kans	.5	5.6	26.1	37.5	27.6	8.8	2.9	53.9	40.2	5.9
Youngstown, Ohio	.3	5.3	39.5	36.7	17.0	6.8	2.9	52.0	44.6	3.4

New homes typically provided more bedrooms than existing homes in all but 6 States. Although the largest share of existing homes in most States were also 3-bedroom structures, their predominance was not as marked as in new homes.

Comparable data on the room- and bedroom-count distributions are presented for the selected metropolitan areas in Table 63.

Relation of Size of House to Property Value

The close correlation between the FHA-estimated value of a property and the size of the structure, i. e., the calculated floor area and the number of rooms and bedrooms, is illustrated by the data presented in Tables 64 and 65.

Calculated Area by Property Value.—As shown in Table 64, there is considerable variation in the calculated areas of homes within individual property value groups. This variation is more pronounced in existing homes than in new, and in the higher value ranges of the new homes. The broad range of calculated areas for homes having comparable values reflects differences in construction and land costs and in prices of existing homes because of such factors as geographical location, types of materials and quality of construction, character and location of neighborhood, and—for existing properties—condition and age of structure.

It is readily ascertainable from the median data shown in the second column of Table 64 that calculated areas of both new and existing homes increased with property value and that areas of new homes were smaller than existing homes in all value classes except the $8,000, $9,000, and $11,000 ranges. These exceptional cases probably reflect the location of sizable proportions of the homes in those value ranges in areas where lower construction and land costs permit building of larger-size houses. Otherwise, the larger median area of existing properties in the various value ranges probably reflects the fact that many of these properties involve older structures on which the value has depreciated because of obsolescence and shorter remaining economic life.

Rooms and Bedrooms by Property Value.—Table 65 discloses the relationship between property value and the number of rooms and bedrooms provided by the structures. As indicated by the median numbers of rooms and bedrooms, higher value properties generally provided more rooms and bedrooms, with the bedroom count less affected by changes in value than was the room count. For new homes valued from $9,000 to $14,999, the increase in median room count was very slight and the median bedroom count remained almost constant; moreover, for the more expensive new-home properties with values ranging from $15,000 to $20,000 or more, the median number of bedrooms was constant. This pattern of the data reflects the demand of home buyers for 3-bedroom houses over a wide range of prices.

TABLE II–64

Calculated area by property value, 1-family homes, Sec. 203, 1955

FHA estimate of property value	Percentage distribution	Median calculated area (square feet)	Calculated area (square feet)—percentage distributions: Less than 700	700 to 799	800 to 899	900 to 999	1,000 to 1,099	1,100 to 1,199	1,200 to 1,299	1,300 to 1,399	1,400 to 1,599	1,600 to 1,999	2,000 or more	Total
NEW HOMES														
Less than $7,000	0.4	735	34.7	43.8	18.7	1.4	1.4	----	----	----	----	----	----	100.0
$7,000 to $7,999	3.0	705	8.2	44.3	33.9	9.3	4.1	0.2	----	----	----	----	----	100.0
$8,000 to $8,999	10.0	885	3.8	19.4	31.8	31.3	12.3	1.3	0.1	----	----	----	----	100.0
$9,000 to $9,999	14.2	943	1.9	10.5	24.9	29.4	13.8	15.0	3.9	0.3	0.2	0.1	----	100.0
$10,000 to $10,999	12.3	971	2.5	9.0	20.6	25.2	23.4	12.9	4.8	1.2	.3	.1	----	100.0
$11,000 to $11,999	12.3	1,019	.3	6.4	18.4	20.2	24.2	13.7	7.4	7.7	1.5	.2	----	100.0
$12,000 to $12,999	11.9	1,053	.1	3.1	9.9	22.8	26.6	18.3	12.0	4.1	2.8	.3	(1)	100.0
$13,000 to $13,999	9.9	1,073	.1	1.5	8.5	23.2	22.9	19.3	13.6	6.8	3.5	.5	0.1	100.0
$14,000 to $14,999	8.2	1,103	.1	.6	5.5	12.2	31.0	19.4	14.4	10.3	5.5	.9	.1	100.0
$15,000 to $15,999	6.3	1,162	.2	.8	3.8	6.4	26.4	20.0	19.4	10.9	9.3	2.7	.1	100.0
$16,000 to $17,999	7.1	1,218	.4	.7	2.0	6.0	15.7	22.3	16.8	16.3	15.8	3.8	.2	100.0
$18,000 to $19,999	2.6	1,394	.1	.1	.6	2.5	5.0	13.3	11.9	17.4	32.4	15.7	1.0	100.0
$20,000 or more	1.8	1,511	.5	.2	2.5	.5	2.2	5.6	8.3	12.4	32.0	28.7	7.1	100.0
Total	100.0	1,022	1.5	7.5	15.5	20.0	20.1	14.5	8.9	5.7	4.5	1.6	.2	100.0
EXISTING HOMES														
Less than $7,000	2.5	830	16.7	27.4	19.9	11.4	6.8	5.5	3.3	2.6	3.5	2.6	.3	100.0
$7,000 to $7,999	4.9	834	10.1	31.7	24.2	11.8	6.9	4.9	3.9	1.8	2.6	1.7	.4	100.0
$8,000 to $8,999	10.1	871	7.1	24.2	26.5	16.6	9.9	4.9	3.8	2.2	2.9	1.5	.4	100.0
$9,000 to $9,999	12.2	925	4.8	17.8	22.8	10.1	14.1	8.4	4.6	3.0	2.9	1.9	.6	100.0
$10,000 to $10,999	12.7	974	3.2	16.0	17.3	18.2	17.9	11.0	5.7	3.9	3.5	2.6	.7	100.0
$11,000 to $11,999	11.6	1,011	1.6	14.0	15.8	16.6	17.9	13.0	8.7	4.4	4.7	2.5	.8	100.0
$12,000 to $12,999	11.2	1,058	.8	9.4	15.3	15.0	16.4	14.7	10.9	6.0	6.1	4.2	1.2	100.0
$13,000 to $13,999	9.3	1,100	.4	5.7	13.3	15.4	15.2	15.8	13.2	8.7	7.4	4.0	.9	100.0
$14,000 to $14,999	7.1	1,137	.2	3.6	10.2	13.7	17.1	13.9	13.3	10.8	10.3	5.3	1.6	100.0
$15,000 to $15,999	5.2	1,214	.1	1.8	5.7	11.4	15.2	13.9	13.3	13.7	14.7	7.9	2.3	100.0
$16,000 to $17,999	6.6	1,283	.2	1.0	3.5	7.6	12.2	14.6	13.1	12.8	17.7	13.2	4.1	100.0
$18,000 to $19,999	3.2	1,399	.2	.2	1.3	2.4	5.8	11.2	14.4	14.8	22.5	21.3	5.9	100.0
$20,000 or more	3.4	1,615	.1	.2	.5	.9	1.8	5.0	8.1	10.0	22.3	31.0	20.1	100.0
Total	100.0	1,030	3.0	12.5	15.4	14.4	18.9	11.1	8.6	6.4	7.4	5.4	1.9	100.0

[1] Less than 0.05 percent.

Although the over-all median room count for both new and existing homes was the same (5.6 rooms), in all of the individual value classes except $8,000 to $11,999 existing homes tended to have more rooms. On the other hand, the median bedroom count for new homes was slightly larger than that of existing homes in most of the corresponding ranges, reflecting current demand for more bedrooms in new houses coming on the market.

TABLE II–65

Number of rooms and bedrooms by property value, 1-family homes, Sec. 203, 1955

FHA estimate of property value	Percentage distribution	Number of rooms					Number of bedrooms			
		Median number of rooms	Percentage distributions				Median number of bedrooms	Percentage distributions		
			3–4	5	6	7 or more		1–2	3	4 or more
NEW HOMES										
Less than $7,000	0.4	4.6	82.0	9.0	9.0	--------	2.6	86.8	5.6	7.6
$7,000 to $7,999	3.0	4.8	66.3	32.1	1.5	0.1	2.7	69.5	29.8	.7
$8,000 to $8,999	10.0	5.3	26.5	69.6	3.9	--------	3.3	28.5	71.3	.2
$9,000 to $9,999	14.2	5.6	18.6	57.1	23.4	.9	3.5	21.1	61.5	17.4
$10,000 to $10,999	12.3	5.5	22.6	57.4	19.4	.6	3.4	26.3	65.5	8.2
$11,000 to $11,999	12.3	5.6	17.3	58.9	23.4	.4	3.4	22.2	74.2	3.6
$12,000 to $12,999	11.9	5.6	10.9	63.8	24.6	.7	3.4	17.2	80.3	2.5
$13,000 to $13,999	9.9	5.7	9.1	61.8	27.4	1.7	3.4	14.7	82.5	2.8
$14,000 to $14,999	8.2	5.7	6.5	61.3	29.8	2.4	3.4	12.7	83.7	3.6
$15,000 to $15,999	6.3	5.8	5.3	57.1	35.2	2.4	3.5	9.9	87.0	3.1
$16,000 to $17,999	7.1	5.9	4.6	52.7	39.6	3.1	3.5	9.9	85.8	4.3
$18,000 to $19,999	2.6	6.3	2.1	34.0	53.5	10.4	3.5	7.2	83.0	9.8
$20,000 or more	1.8	6.4	3.4	21.2	56.9	18.5	3.5	8.8	80.4	10.8
Total	100.0	5.6	16.0	57.7	24.6	1.7	3.4	20.4	73.8	5.8
Median value	$11,742	--------	$10,142	$11,787	$13,105	$15,873	--------	$10,640	$12,346	$10,482
EXISTING HOMES										
Less than $7,000	2.5	4.9	52.2	25.9	15.0	6.9	2.6	74.1	19.9	6.0
$7,000 to $7,999	4.9	4.9	53.1	29.0	12.8	5.1	2.6	76.8	18.6	4.6
$8,000 to $8,999	10.1	5.2	44.4	36.5	14.7	4.4	2.7	72.0	24.3	3.7
$9,000 to $9,999	12.2	5.3	36.4	40.9	18.1	4.6	2.8	62.4	33.2	4.4
$10,000 to $10,999	12.7	5.5	30.2	42.8	21.2	5.8	2.9	52.2	42.3	5.5
$11,000 to $11,999	11.6	5.6	24.9	45.0	24.1	6.0	3.1	45.0	49.4	5.6
$12,000 to $12,999	11.2	5.7	18.7	45.6	28.1	7.6	3.2	36.8	56.3	6.9
$13,000 to $13,999	9.3	5.8	14.4	46.2	31.7	7.7	3.3	32.4	60.4	7.2
$14,000 to $14,999	7.1	5.9	11.1	44.4	34.9	9.6	3.3	27.5	64.5	8.0
$15,000 to $15,999	5.2	6.0	6.5	42.2	39.4	11.9	3.4	22.7	67.9	9.4
$16,000 to $17,999	6.6	6.2	4.3	34.7	45.3	15.7	3.5	17.5	71.9	10.6
$18,000 to $19,999	3.2	6.4	2.4	27.8	47.5	22.3	3.5	12.4	74.0	13.6
$20,000 or more	3.4	6.7	1.6	16.5	45.8	36.1	3.6	9.0	67.2	23.8
Total	100.0	5.6	24.5	39.9	26.9	8.7	3.1	44.4	48.5	7.1
Median value	$11,555	--------	$9,856	$11,713	$13,042	$13,916	--------	$10,254	$12,857	$13,262

Structures of all room and bedroom counts were found in nearly all value ranges of new homes and all ranges of existing homes underlying Section 203 transactions insured in 1955. For new homes, 5-room structures predominated in all value groups from $8,000 to $17,999. The existing-home distributions, in contrast, were somewhat more dispersed, with significant proportions of homes of the different room counts occurring in most value groups. Three-bedroom houses were predominant in nearly all value classes of new homes and in most of the existing homes.

Mortgagor's Income Characteristics

In determining the acceptability of a transaction for mortgage insurance under the FHA underwriting system, an evaluation is made of the risk entailed in the mortgage credit elements of the transaction. This involves consideration of such items as the mortgagor's income, his financial assets, current and anticipated obligations of a recurring nature, and his reasons for applying for the loan.

Owner-occupants are the mortgagors in nearly all of the Section 203 1-family transactions—in 98 percent of the new-home and virtually all of the existing-home cases insured in 1955. The ability of an owner-occupant mortgagor to bear the cost of home ownership is measured in terms of his *effective* income. This is an estimate of the mortgagor's probable earning capacity during the first third of the mortgage term, which experience has indicated is likely to be the most hazardous portion of the life of the mortgage. Incomes of co-mortgagors or endorsers may be included partially, wholly, or not at all, depending on specific circumstances. This section of the report is devoted to an analysis of the Section 203 owner-occupant transactions insured in 1955 from the viewpoint of mortgagor's income and housing expense.

MORTGAGOR'S INCOME DISTRIBUTION.—As depicted in Chart 23, there was a remarkable similarity in the income distributions of the new- and exist-

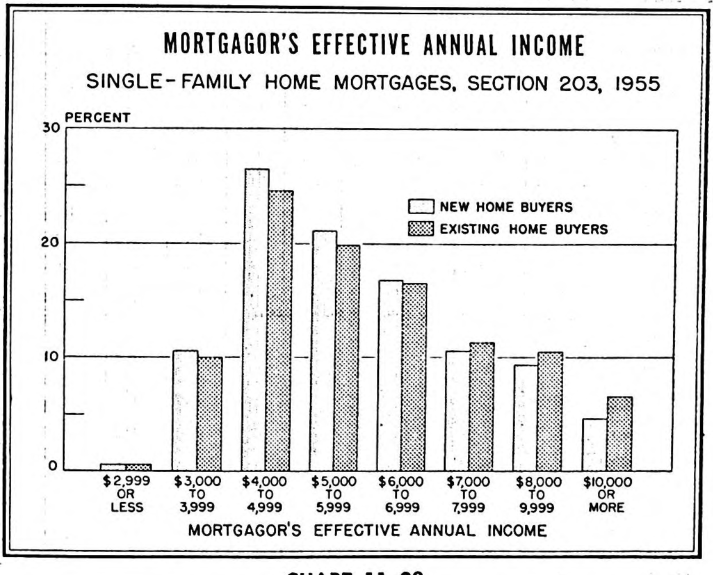

CHART 11–23

TABLE II–66

Mortgagor's annual income, 1-family homes, Sec. 203, selected years

Mortgagor's effective annual income	New homes—percentage distributions					Existing homes—percentage distributions				
	1955	1954	1953	1950	1946	1955	1954	1953	1950	1946
Less than $2,000	(1)	(1)	(1)	0.2	2.9	(1)	(1)	(1)	0.4	4.5
$2,000 to $2,999	0.6	1.0	1.6	12.0	31.8	0.6	0.8	1.1	8.9	34.2
$3,000 to $3,999	10.6	15.5	20.6	43.4	37.3	10.0	10.6	14.2	33.5	33.8
$4,000 to $4,999	26.5	30.2	32.0	24.0	16.3	24.6	24.3	25.4	24.1	13.8
$5,000 to $5,999	21.0	19.2	18.3	9.7	4.1	19.9	18.4	19.1	11.9	4.3
$6,000 to $6,999	16.8	14.8	12.8	5.8	4.3	16.5	16.6	15.6	9.4	4.4
$7,000 to $7,999	10.6	9.0	7.5	2.5	1.7	11.3	11.6	10.5	4.9	1.9
$8,000 to $8,999	5.6	4.2	3.1	1.0	.4	6.2	6.2	5.1	2.1	.8
$9,000 to $9,999	3.7	2.8	1.8	.6	.3	4.3	4.6	3.6	1.7	.8
$10,000 to $10,999	2.0	1.3	.9	.3	.2	2.3	2.7	1.9	1.0	.4
$11,000 to $11,999	.7	.5	.3	.1	.1	1.0	1.0	.7	.3	.1
$12,000 or more	1.9	1.5	1.1	.4	.6	3.3	3.2	2.8	1.8	1.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average	$5,969	$5,633	$5,284	$4,213	$3,619	$6,223	$6,245	$5,938	$4,837	$3,640
Median	$5,484	$5,139	$4,880	$3,861	$3,313	$5,669	$5,696	$5,396	$4,274	$3,101

[1] Less than 0.05 percent.

TABLE II–67

Mortgagor's monthly income by States, 1-family homes, Sec. 203, 1955

State	Median monthly income	Mortgagor's effective monthly income—percentage distribution							
		Less than $300	$300 to $399	$400 to $499	$500 to $599	$600 to $699	$700 to $799	$800 to $999	$1,000 or more
NEW HOMES									
Alabama	$454.87	8.7	25.9	28.1	15.7	10.9	5.0	4.0	1.7
Arizona	481.92	4.8	23.4	26.7	17.4	12.1	5.5	6.2	3.9
Arkansas	445.83	10.3	27.7	26.1	18.2	6.5	3.8	4.1	3.3
California	479.51	2.1	24.8	29.0	18.5	12.4	5.6	4.8	2.8
Colorado	515.13	1.7	17.5	27.3	22.9	14.2	8.5	4.8	3.1
Connecticut	470.71	2.2	25.8	31.1	16.7	13.2	5.7	3.4	1.9
Delaware	490.00	4.8	30.6	16.1	14.5	21.0	6.5	6.5	-------
District of Columbia	(1)	-------	-------	-------	-------	-------	-------	-------	-------
Florida	443.66	9.4	29.3	25.8	16.8	8.8	5.0	3.1	1.8
Georgia	423.24	11.0	33.3	24.4	16.8	7.4	3.6	1.9	1.6
Idaho	476.79	2.4	22.3	32.9	15.3	12.9	11.8	-------	2.4
Illinois	455.94	2.9	28.2	33.7	18.3	8.9	4.5	2.7	.8
Indiana	442.35	5.8	32.0	29.0	17.4	9.3	4.1	1.5	.9
Iowa	400.42	6.5	43.4	25.8	12.9	6.2	3.0	1.5	.7
Kansas	497.60	5.3	20.7	24.6	21.2	14.6	6.9	4.5	2.2
Kentucky	512.00	7.8	18.2	20.8	26.1	12.0	8.3	4.2	2.6
Louisiana	469.85	6.1	25.3	26.5	15.5	11.9	6.1	5.5	3.1
Maine	381.67	12.3	46.1	19.9	12.3	4.6	1.6	1.6	1.6
Maryland	453.47	6.3	33.1	19.8	18.7	13.8	4.1	3.6	.6
Massachusetts	449.39	5.2	29.7	30.5	18.6	9.3	3.3	2.6	.8
Michigan	473.69	1.1	25.8	31.2	20.1	10.3	6.2	3.9	1.4
Minnesota	445.79	1.7	33.6	32.2	19.0	6.8	5.1	1.3	.3
Mississippi	435.34	10.0	31.5	24.1	18.2	7.9	5.4	2.1	.8
Missouri	515.61	1.6	16.5	28.3	22.9	14.8	6.4	7.2	2.3
Montana	528.57	1.0	11.0	32.0	21.0	15.0	10.0	7.0	3.0
Nebraska	423.66	8.3	35.8	24.9	16.6	8.0	3.2	2.1	1.1
Nevada	566.30	1.4	13.4	21.2	21.2	15.7	6.9	9.2	11.0
New Hampshire	400.00	14.3	35.7	28.5	14.3	3.6	-------	3.6	-------
New Jersey	487.15	3.9	21.5	28.2	22.9	12.5	3.9	5.8	1.3
New Mexico	478.24	3.7	24.3	28.2	24.6	11.6	3.3	3.3	1.0
New York	536.13	1.8	16.2	24.6	20.6	15.0	8.9	8.1	4.8
North Carolina	444.29	9.8	26.5	30.8	16.3	8.1	4.6	2.5	1.4
North Dakota	490.00	-------	32.0	20.0	30.0	-------	8.0	8.0	2.0
Ohio	457.99	1.8	29.7	31.9	20.0	9.2	4.8	2.0	.6
Oklahoma	465.12	5.9	28.7	23.7	16.7	12.5	6.9	3.3	2.3
Oregon	499.04	.9	19.5	29.9	23.6	12.6	7.5	4.9	1.1
Pennsylvania	463.73	3.0	28.4	20.2	19.9	10.2	4.0	3.9	1.4
Rhode Island	409.46	6.1	41.2	28.3	13.0	6.1	3.8	1.5	-------
South Carolina	411.67	12.5	34.6	25.0	13.7	6.7	5.0	2.1	.4

[1] Inadequate sample.

TABLE II–67—Continued

Mortgagor's monthly income by States, 1-family homes, Sec. 203, 1955—Continued

State	Median monthly income	Mortgagor's effective monthly income—percentage distribution							
		Less than $300	$300 to $399	$400 to $499	$500 to $599	$600 to $699	$700 to $799	$800 to $999	$1,000 or more
NEW HOMES—continued									
South Dakota	$466.22	2.5	27.1	30.8	17.9	13.7	5.4	1.3	1.3
Tennessee	455.73	4.6	28.9	29.6	20.7	8.4	4.1	2.7	1.0
Texas	469.03	3.4	26.7	28.8	18.8	11.7	5.7	3.4	1.5
Utah	432.38	2.3	38.4	28.6	15.2	7.3	3.7	3.3	1.2
Vermont	390.63	3.2	51.7	25.8	12.9	-------	3.2	-------	3.2
Virginia	428.80	8.7	33.4	27.6	16.2	6.0	4.5	2.7	.9
Washington	496.41	1.1	22.0	27.9	22.3	14.1	6.6	4.0	2.0
West Virginia	451.92	7.8	24.7	33.7	14.3	6.5	6.5	5.2	1.3
Wisconsin	404.32	5.5	43.1	32.0	10.3	6.7	1.2	.8	.4
Wyoming	482.35	2.7	21.8	30.9	20.9	9.1	9.1	1.8	3.7
Alaska	(1)	-------	-------	-------	-------	-------	-------	-------	-------
Hawaii	495.45	12.4	17.0	21.6	14.4	15.7	9.1	7.2	2.6
Puerto Rico	397.73	11.6	39.3	22.3	11.6	5.3	3.6	3.6	2.7
Total	456.97	4.0	26.5	28.2	18.8	11.0	5.5	4.0	2.0
EXISTING HOMES									
Alabama	475.94	8.0	24.1	23.6	15.6	13.1	5.7	5.7	4.2
Arizona	498.15	4.7	21.2	24.5	15.4	14.0	7.1	4.6	8.5
Arkansas	455.56	7.5	28.8	24.7	19.0	9.0	5.0	4.0	2.0
California	500.48	2.5	21.4	26.0	18.8	12.8	7.8	6.7	4.0
Colorado	515.26	1.5	19.7	25.6	20.8	13.4	8.1	6.1	4.8
Connecticut	479.02	4.7	26.5	23.8	17.3	12.9	6.2	4.8	3.8
Delaware	490.70	.6	23.3	28.7	18.7	11.3	10.0	4.7	2.7
District of Columbia	670.00	-------	12.0	21.2	6.0	15.2	15.2	15.2	15.2
Florida	498.90	3.3	22.4	24.7	18.4	12.2	7.0	8.9	3.1
Georgia	514.23	5.0	19.3	22.5	23.0	13.8	7.0	5.6	3.8
Idaho	450.32	2.8	32.7	28.8	16.2	10.2	3.9	3.0	2.4
Illinois	515.24	1.5	17.1	28.1	21.8	13.7	7.8	5.5	4.5
Indiana	472.87	4.3	27.3	25.2	18.9	11.6	5.7	4.3	2.7
Iowa	459.76	4.4	26.9	31.3	18.2	9.5	4.5	3.1	2.1
Kansas	500.00	4.2	22.4	23.4	20.4	12.9	7.7	5.3	3.7
Kentucky	458.67	7.7	27.6	25.1	18.3	9.9	4.9	3.6	2.9
Louisiana	488.26	6.5	18.8	28.0	20.0	11.2	7.1	5.1	3.3
Maine	397.35	12.5	38.5	26.0	11.4	6.1	2.0	1.2	2.3
Maryland	499.02	4.0	25.8	20.4	18.4	14.6	7.8	6.8	2.2
Massachusetts	456.98	5.7	28.2	28.2	20.0	10.8	3.7	2.0	1.4
Michigan	479.76	1.6	26.0	28.1	17.7	11.4	6.2	5.3	3.7
Minnesota	477.34	2.0	23.7	31.5	21.0	10.9	4.9	2.9	3.1
Mississippi	442.86	9.1	30.7	23.9	15.3	10.2	2.3	5.7	2.8
Missouri	489.36	3.5	25.9	23.1	20.4	13.5	6.3	4.2	3.1
Montana	505.22	3.9	17.5	27.5	20.3	12.4	6.0	5.7	6.7
Nebraska	464.33	5.8	28.0	25.2	21.6	8.7	3.8	4.3	2.6
Nevada	677.42	-------	8.4	10.8	16.3	18.7	10.3	10.8	24.7
New Hampshire	408.62	7.8	39.8	28.2	14.6	4.8	2.9	-------	1.9
New Jersey	513.32	2.3	18.8	26.1	21.3	14.7	7.6	5.4	3.8
New Mexico	517.35	1.6	17.6	26.2	26.2	13.9	8.6	4.3	1.6
New York	484.96	2.2	23.4	28.7	18.9	12.3	5.4	5.8	3.3
North Carolina	491.67	8.2	20.4	23.4	17.9	14.8	6.2	5.8	3.3
North Dakota	464.86	3.4	25.9	31.9	19.0	10.3	5.2	.9	3.4
Ohio	464.90	2.6	28.0	29.8	18.2	11.0	5.6	3.3	1.5
Oklahoma	455.34	8.8	27.2	25.3	17.0	10.3	4.8	3.5	3.1
Oregon	483.73	1.8	23.7	29.3	20.8	10.7	6.2	4.0	3.5
Pennsylvania	440.50	6.8	32.8	25.8	17.0	8.9	4.0	3.2	1.5
Rhode Island	400.69	10.3	39.5	21.9	11.9	7.3	4.9	3.3	.9
South Carolina	449.53	10.8	24.0	30.6	18.9	6.6	6.0	1.7	1.4
South Dakota	467.16	6.1	22.9	31.3	15.4	13.5	3.3	4.7	2.8
Tennessee	453.52	8.7	28.2	24.5	17.9	10.0	5.3	3.6	1.8
Texas	461.49	6.3	27.0	27.1	17.3	10.8	5.8	3.9	1.8
Utah	459.41	3.4	27.6	32.0	14.1	8.8	4.0	5.6	4.5
Vermont	422.58	11.1	31.1	34.5	13.3	5.6	2.2	1.1	1.1
Virginia	485.94	6.9	23.5	22.8	17.3	13.1	6.1	6.9	3.4
Washington	481.94	2.4	24.4	28.3	18.3	12.0	6.3	4.7	3.6
West Virginia	457.87	7.3	24.6	31.3	16.8	11.6	2.3	3.8	2.3
Wisconsin	454.96	2.8	30.5	30.5	15.8	10.1	5.8	2.5	2.0
Wyoming	535.48	3.7	16.1	23.5	19.1	18.5	10.5	4.9	3.7
Alaska	875.00	-------	-------	8.6	17.1	11.4	8.6	20.0	34.3
Hawaii	573.61	7.0	12.3	15.2	21.1	14.6	11.7	10.5	7.6
Puerto Rico	612.50	2.0	4.0	22.0	20.0	16.0	10.0	12.0	14.0
Total	472.39	3.9	24.6	26.6	18.6	11.9	6.2	4.9	3.3

TABLE II–68

Mortgagor's monthly income, selected metropolitan areas, 1-family homes, Sec. 203, 1955

Standard metropolitan area	Median monthly income	Mortgagor's effective monthly income—percentage distribution							
		Less than $300	$300 to $399	$400 to $499	$500 to $599	$600 to $699	$700 to $799	$800 to $999	$1,000 or more
NEW HOMES									
Akron, Ohio	$427.78	------	41.3	31.0	17.2	3.5	3.5	------	3.5
Albany-Schenectady-Troy, N. Y	416.67	5.9	38.2	35.2	5.9	8.8	3.0	------	3.0
Albuquerque, N. Mex	465.12	2.6	28.7	28.7	21.4	12.0	4.0	2.6	------
Atlanta, Ga	480.30	6.8	25.2	22.4	18.4	13.6	5.4	4.8	3.4
Baltimore, Md	427.66	7.0	37.7	19.3	17.6	12.7	3.3	2.0	.4
Birmingham, Ala	445.16	9.6	30.1	22.8	17.6	7.4	7.4	4.4	.7
Buffalo, N. Y	441.07	.9	39.3	23.9	16.2	12.0	5.1	1.7	.9
Charlotte, N. C	460.71	8.1	28.2	22.6	16.9	8.1	7.3	5.6	3.2
Chicago, Ill	489.18	.4	16.3	37.4	23.3	11.5	5.4	4.1	1.6
Cleveland, Ohio	487.11	.7	22.2	31.2	25.1	12.2	5.1	1.9	1.6
Columbus, Ohio	464.47	2.0	23.8	37.6	20.8	6.4	6.4	3.0	------
Dallas, Tex	461.30	2.3	31.3	26.8	18.4	14.9	3.7	1.9	.7
Dayton, Ohio	444.85	1.3	32.2	36.8	15.7	9.4	3.8	.8	------
Denver, Colo	541.86	1.4	13.4	25.4	23.5	18.0	9.3	4.9	4.1
Des Moines, Iowa	437.10	3.8	35.5	29.0	16.8	8.4	5.6	.9	------
Detroit, Mich	490.93	.5	20.0	32.4	22.3	11.4	7.2	4.5	1.7
El Paso, Tex	525.71	1.4	19.0	23.5	23.8	14.6	8.5	6.1	3.1
Flint, Mich	423.91	1.8	41.8	27.0	14.1	7.9	5.0	1.8	.6
Fort Wayne, Ind	427.78	3.8	39.8	23.1	14.1	12.8	3.8	2.6	------
Fort Worth, Tex	402.75	6.5	42.8	27.1	12.7	7.2	3.0	.5	.2
Fresno, Calif	420.00	4.7	39.1	31.2	14.0	4.7	1.6	4.7	------
Grand Rapids, Mich	397.41	3.3	47.9	24.8	9.9	9.1	3.3	1.7	------
Hartford, Conn	497.73	1.2	23.5	25.9	23.5	17.6	7.1	------	1.2
Houston, Tex	468.21	3.6	24.2	32.6	18.5	11.5	5.8	2.8	1.0
Indianapolis, Ind	484.21	1.5	24.7	28.2	21.3	11.9	6.9	3.0	2.5
Jacksonville, Fla	457.32	9.9	25.5	25.5	19.2	7.5	7.5	3.7	1.2
Kansas City, Kans.-Mo	522.64	.8	17.9	26.3	22.1	15.8	10.0	5.0	2.1
Knoxville, Tenn	456.00	4.5	27.3	32.5	14.9	7.8	7.1	5.2	.7
Little Rock-North Little Rock, Ark	458.97	6.1	26.1	30.0	18.5	8.5	3.1	4.6	3.1
Los Angeles-Long Beach, Calif	473.33	1.9	25.3	31.1	17.7	11.8	5.2	5.1	1.9
Louisville, Ky	554.55	2.9	6.9	22.5	32.4	11.8	11.8	7.8	3.9
Memphis, Tenn	444.35	4.3	35.0	24.1	19.1	7.8	5.0	3.1	1.6
Miami, Fla	479.38	4.5	21.5	30.2	15.9	10.2	8.3	4.9	4.5
Milwaukee, Wis	401.35	4.8	44.8	29.6	12.0	5.6	2.4	.8	------
Minneapolis-St. Paul, Minn	450.00	1.3	33.4	30.7	22.2	6.2	4.9	1.3	------
New Orleans, La	465.85	8.7	26.6	22.3	19.6	8.7	6.5	4.3	3.3
New York-Northeastern New Jersey	558.33	.9	12.2	23.9	22.4	16.1	9.6	9.3	5.6
Norfolk-Portsmouth, Va	450.00	6.7	25.0	36.7	18.3	5.0	6.7	1.6	------
Oklahoma City, Okla	543.22	5.1	19.3	16.4	21.5	19.6	9.8	5.8	2.5
Omaha, Nebr	404.41	5.8	43.3	19.9	15.2	7.6	3.5	4.1	.6
Philadelphia, Pa	469.85	2.7	26.8	29.3	20.9	10.9	3.8	4.2	1.4
Phoenix, Ariz	482.22	4.7	23.7	26.3	17.4	12.0	5.3	6.4	4.2
Pittsburgh, Pa	484.34	.4	22.7	31.9	21.6	11.9	5.0	4.6	1.9
Portland, Oreg	513.56	.8	20.1	26.0	23.2	16.5	6.7	5.1	1.6
Richmond, Va	413.04	7.0	40.0	23.0	13.0	10.0	3.0	2.0	2.0
Rochester, N. Y	458.82	2.6	21.0	44.7	13.2	7.9	5.3	5.3	------
Sacramento, Calif	542.31	1.1	17.8	22.3	20.7	15.5	8.9	8.7	5.0
St. Louis, Mo	493.37	1.9	20.7	29.3	20.5	13.1	5.6	6.4	2.5
Salt Lake City, Utah	450.88	1.4	34.9	26.9	17.5	7.5	5.7	5.2	.9
San Antonio, Tex	490.28	2.7	18.6	31.9	23.0	10.6	9.7	3.5	------
San Bernardino-Riverside-Ontario, Calif	441.89	6.3	31.5	29.1	16.5	10.2	2.8	2.4	1.2
San Diego, Calif	440.22	3.1	35.4	28.6	18.0	6.8	2.5	3.7	1.9
San Francisco-Oakland, Calif	512.67	.5	18.1	28.8	20.0	16.5	7.6	4.9	3.6
San Jose, Calif	473.95	1.4	26.9	29.3	19.3	10.0	6.0	4.8	2.3
Seattle, Wash	514.29	1.6	16.2	28.9	22.7	16.6	6.2	4.9	2.9
Shreveport, La	498.11	5.5	18.8	26.2	15.8	14.9	7.4	5.9	5.5
South Bend, Ind	442.50	5.2	33.7	26.0	19.5	7.8	5.2	2.6	------
Spokane, Wash	454.76	------	34.2	28.8	13.7	13.7	6.8	1.4	1.4
Stockton, Calif	485.19	4.4	25.4	23.7	24.6	12.3	5.3	2.6	1.7
Syracuse, N. Y	516.67	4.4	21.7	21.7	13.1	30.4	8.7	------	------
Tacoma, Wash	453.85	2.0	34.0	26.0	19.0	9.0	5.0	5.0	------
Tampa-St. Petersburg, Fla	412.50	13.1	33.9	24.3	15.3	7.3	2.6	2.6	.9
Toledo, Ohio	496.15	2.1	21.3	27.7	20.2	11.7	8.5	7.4	1.1
Topeka, Kans	454.55	13.2	21.1	28.9	15.8	18.4	2.6	------	------
Tulsa, Okla	438.13	5.9	34.1	26.2	14.4	8.5	7.2	2.0	1.7
Washington, D. C	533.33	3.3	16.7	22.5	22.5	15.8	8.3	9.2	1.7
Wichita, Kans	531.82	.6	18.1	25.4	18.6	16.4	10.7	7.9	2.3
Youngstown, Ohio	417.39	2.6	42.3	29.5	19.2	5.1	1.3	------	------

TABLE II-68—Continued

Mortgagor's monthly income, selected metropolitan areas, 1-family homes, Sec. 203, 1955—Continued

Standard metropolitan area	Median monthly income	Mortgagor's effective monthly income—percentage distribution							
		Less than $300	$300 to $399	$400 to $499	$500 to $599	$600 to $699	$700 to $799	$800 to $999	$1,000 or more
EXISTING HOMES									
Akron, Ohio	$457.26	0.5	31.3	31.8	17.4	9.5	4.9	2.0	2.6
Albany-Schenectady-Troy, N. Y.	517.69	.7	21.1	24.0	23.6	14.6	8.4	5.1	2.5
Albuquerque, N. Mex	538.75	.7	17.0	20.8	29.6	16.3	10.4	3.7	1.5
Atlanta, Ga	545.75	3.2	14.7	21.1	24.1	14.7	9.3	8.4	4.5
Baltimore, Md	420.37	7.3	38.4	20.8	15.4	10.0	4.2	3.1	.8
Birmingham, Ala	485.19	5.4	24.1	24.1	15.2	13.0	7.1	8.0	3.1
Buffalo, N. Y	448.33	2.2	32.1	32.5	15.8	8.9	4.6	2.2	1.7
Charlotte, N. C	547.50	4.7	14.1	20.0	23.5	17.6	7.1	5.9	7.1
Chicago, Ill	532.13	1.1	13.9	27.9	22.2	15.9	8.4	6.1	4.5
Cleveland, Ohio	477.82	2.1	24.7	29.8	18.9	12.5	6.4	3.7	1.9
Columbus, Ohio	456.05	4.0	30.0	28.4	18.4	9.1	5.4	3.8	.9
Dallas, Tex	441.78	6.3	33.8	23.6	20.0	10.4	3.6	1.8	.5
Dayton, Ohio	482.69	2.6	19.1	34.2	17.1	17.1	7.6	2.0	.3
Denver, Colo	525.38	1.8	19.1	24.0	20.0	13.9	8.9	7.1	5.2
Des Moines, Iowa	483.96	1.9	20.1	33.3	22.0	9.4	7.6	4.4	1.3
Detroit, Mich	495.98	.5	21.4	29.2	18.7	12.1	7.4	6.3	4.4
El Paso, Tex	537.50	------	5.9	35.3	23.5	19.6	5.9	5.9	3.9
Flint, Mich	444.16	1.0	37.7	25.7	13.7	11.0	3.3	3.6	4.0
Fort Wayne, Ind	476.09	3.6	33.8	16.6	23.0	11.5	4.3	5.8	1.4
Fort Worth, Tex	396.69	14.4	36.8	24.9	12.9	6.8	2.7	1.0	.5
Fresno, Calif	456.96	6.1	28.7	26.7	14.9	11.8	3.7	4.7	3.4
Grand Rapids, Mich	446.55	2.6	35.6	25.4	17.8	8.4	4.7	4.1	1.4
Hartford, Conn	502.63	3.7	23.4	22.5	17.4	16.5	6.4	7.3	2.8
Houston, Tex	499.77	3.3	18.6	28.1	19.7	13.5	8.3	6.2	2.3
Indianapolis, Ind	512.31	1.6	20.7	25.1	21.3	12.7	8.0	6.0	4.6
Jacksonville, Fla	522.73	3.3	18.6	23.3	21.0	15.7	8.6	8.6	.9
Kansas City, Kans.-Mo	509.24	3.0	22.1	22.8	23.1	14.0	7.3	4.4	3.3
Knoxville, Tenn	505.00	4.1	19.5	25.2	24.4	12.2	7.3	5.7	1.6
Little Rock-North Little Rock, Ark	475.00	3.9	26.9	25.6	17.3	10.3	6.4	6.4	3.2
Los Angeles-Long Beach, Calif	533.10	1.2	16.3	25.7	20.3	14.1	8.5	8.2	5.7
Louisville, Ky	469.10	5.1	28.4	23.9	20.4	10.7	4.0	4.0	3.5
Memphis, Tenn	428.77	9.5	34.2	21.7	15.2	10.1	4.2	3.6	1.5
Miami, Fla	476.92	1.7	25.8	29.2	13.5	12.4	5.6	7.9	3.9
Milwaukee, Wis	475.00	.8	25.2	31.9	18.5	13.5	5.9	1.7	2.5
Minneapolis-St. Paul, Minn	477.35	1.3	23.5	32.5	20.5	11.3	5.0	3.0	2.9
New Orleans, La	493.64	3.9	17.3	30.7	21.8	10.1	8.4	5.0	2.8
New York-Northeastern New Jersey	534.91	.7	14.7	27.0	21.9	15.6	7.6	7.6	4.9
Norfolk-Portsmouth, Va	485.96	4.8	25.8	22.6	18.2	15.9	5.1	4.8	2.8
Oklahoma City, Okla	468.90	8.8	24.0	24.9	18.9	11.6	5.5	3.0	3.3
Omaha, Nebr	454.32	4.4	31.8	25.5	19.8	7.2	4.4	5.0	1.9
Philadelphia, Pa	422.73	7.1	37.1	25.6	14.7	7.0	4.6	2.7	1.2
Phoenix, Ariz	495.79	4.2	20.7	26.2	14.9	11.6	7.5	4.7	10.2
Pittsburgh, Pa	497.95	2.2	18.4	30.0	24.3	13.8	3.7	5.6	2.0
Portland, Oreg	471.01	2.4	26.5	29.7	18.9	10.8	5.9	3.7	2.1
Richmond, Va	457.26	10.9	26.7	21.7	17.2	13.7	3.9	3.1	2.8
Rochester, N. Y	445.96	2.9	32.7	31.4	15.9	11.1	3.5	1.9	.6
Sacramento, Calif	520.70	2.6	24.6	18.4	20.8	15.4	7.7	7.3	3.2
St. Louis, Mo	497.98	1.9	25.2	23.4	19.7	13.6	7.2	4.9	4.1
Salt Lake City, Utah	473.00	2.1	22.0	35.5	13.5	10.3	4.2	7.4	5.0
San Antonio, Tex	449.30	7.4	30.3	25.0	10.9	12.3	6.0	5.6	2.5
San Bernardino-Riverside-Ontario, Calif	490.68	5.4	22.4	24.5	19.9	12.4	6.6	7.1	1.7
San Diego, Calif	477.39	1.9	24.2	30.9	19.9	10.2	5.9	4.0	3.0
San Francisco-Oakland, Calif	488.30	2.5	23.5	27.2	17.0	12.5	8.0	6.3	3.0
San Jose, Calif	536.04	1.1	17.9	23.6	20.5	13.9	10.7	7.9	4.4
Seattle, Wash	500.16	2.1	22.0	25.8	19.3	13.0	7.5	6.1	4.2
Shreveport, La	503.13	7.0	16.5	26.0	16.0	13.5	8.0	6.5	6.5
South Bend, Ind	475.71	3.8	29.3	22.3	20.4	11.5	8.3	2.5	1.9
Spokane, Wash	451.54	4.7	31.2	27.4	16.9	10.1	3.8	3.8	2.1
Stockton, Calif	476.47	4.5	27.4	23.6	18.8	11.5	5.2	5.2	3.8
Syracuse, N. Y	483.33	3.2	29.4	20.9	17.6	11.2	7.5	5.9	4.3
Tacoma, Wash	474.16	2.5	24.5	31.1	20.6	10.1	5.6	3.5	2.1
Tampa-St. Petersburg, Fla	507.14	4.7	21.0	22.8	20.5	7.0	7.6	12.3	4.1
Toledo, Ohio	487.10	.5	21.7	32.0	23.7	8.2	6.7	4.6	2.6
Topeka, Kans	455.77	6.6	30.7	22.8	18.4	11.8	3.1	4.4	2.2
Tulsa, Okla	436.89	8.9	30.7	28.0	14.2	8.3	3.2	3.9	2.8
Washington, D. C	623.81	.2	8.5	19.0	18.0	18.0	13.5	16.0	6.8
Wichita, Kans	515.18	2.2	17.5	27.1	20.8	15.3	7.4	5.6	4.1
Youngstown, Ohio	461.21	2.8	27.1	32.8	19.2	9.0	6.2	2.3	.6

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ing-home mortgagors in the Section 203 transactions insured in 1955. Annual effective incomes for most of the occupant mortgagors—64 percent of the new-home and 61 percent of the existing-home buyers—were in a range from $4,000 to $6,999 (before taxes). In the higher income brackets, the proportion of existing-home mortgagors was somewhat higher than was reported for new-home purchasers. About one-ninth of both the new- and existing-home mortgagors had incomes of less than $4,000.

Incomes of FHA new-home mortgagors averaged about 6 percent higher in 1955 than in 1954, but the income level of existing-home mortgagors remained almost unchanged. As revealed by Table 66, there was a decline in the proportion of new-home mortgagors earning less than $5,000, counterbalanced by increased proportions in the higher-income ranges. Changes in the existing-home distribution were very minor. The upward trend in the incomes of FHA new-home mortgagors was in the same direction as the change in nonfarm family income during the same period, although the rate of increase for FHA mortgagors was somewhat higher.

Table 67 shows by States and Territories the medians and percentage distributions of the monthly effective incomes of owner-occupant mortgagors in the FHA new- and existing-home transactions insured under Section 203 during 1955. In most States, the income distribution of existing-home buyers was subject to slightly more variation and included somewhat higher proportions in the higher income brackets than was true for new-home buyers. As evidenced by the medians, incomes of existing-home mortgagors were higher than those of new-home owners in all but 13 States. In the continental United States, Nevada had the highest median incomes for both new- ($566) and existing-home owners ($677). Maine reported the lowest median incomes—$382 for new-home and $397 for existing-home mortgagors.

In most States the majority of new- and existing-home mortgagors, reported monthly incomes of $300 to $499. Mortgagors with incomes below $300 monthly occurred in 10 percent or more of the new-home transactions in 6 States (principally in the South) and in the existing-home in 4 States. On the other hand, at least one-tenth of the new-home mortgagors in 5 States and of the existing-home mortgagors in 10 States had monthly incomes of $800 or more.

Comparable data on mortgagor's monthly incomes are presented for selected metropolitan areas in Table 68. The observations made with respect to the State tables apply to the metropolitan areas as well—namely, that monthly incomes in the $300 and $400 ranges predominated in most areas in both new- and existing-home transactions; that new-home distributions tended to be more concentrated; and that, within the majority of the individual areas, median incomes of new-home mortgagors were less than those of existing-home owners. Also evident is variation in the income distribution reported for different areas within the same State.

CHARACTERISTICS BY MORTGAGOR'S MONTHLY INCOME.—Selected characteristics of the 1955 Section 203 transactions involving occupant-mortgagors are grouped and presented according to mortgagor income levels in Table 69 (transaction and property characteristics) and Table 70 (financial characteristics). A major use of these data may be demonstrated by delineating the characteristics of a particular income group, for example, those mortgagors earning $450 to $499 monthly. This group of new-home buyers paid an average sale price of $12,161 for a 5-room home containing 1,046 square feet. Total transaction requirements—sale price plus closing costs of $250—averaged $12,411. The average FHA-estimated property value was $12,133, or more than twice the average annual income. The mortgage obligation for this income group averaged $10,343, or 85 percent of the property value, and was to be repaid over a term of nearly 26 years at the approximate monthly rate of $76 (including $12 in property taxes, as well as debt service and insurance premiums). The over-all average hous-

TABLE II–69

Transaction and property characteristics by mortgagor's income, 1-family homes, Sec. 203, 1955

Mortgagor's effective monthly income	Percentage distribution	Average							Percent ratio of loan to value	Ratio of property value to income
		Mortgagor's annual income	Total requirements[1]	Sale price[1]	Property value	Mortgage amount	Calculated area (square feet)	Number of rooms		
NEW HOMES										
Less than $250	0.6	$2,583	$8,517	$8,331	$8,393	$7,302	846	4.6	87.0	3.25
$250 to $299	3.4	3,270	9,192	8,969	9,031	7,984	877	4.7	88.4	2.76
$300 to $349	11.4	3,875	10,068	9,855	9,941	8,676	933	4.9	87.3	2.57
$350 to $399	15.1	4,450	10,900	10,675	10,716	9,265	971	5.0	86.5	2.41
$400 to $449	16.7	5,025	11,766	11,526	11,493	9,849	1,024	5.1	85.7	2.29
$450 to $499	11.5	5,613	12,411	12,161	12,133	10,343	1,046	5.1	85.2	2.16
$500 to $549	11.6	6,203	12,954	12,695	12,666	10,740	1,086	5.2	84.8	2.04
$550 to $599	7.2	6,840	13,401	13,132	13,068	11,046	1,102	5.2	84.5	1.91
$600 to $649	6.5	7,395	13,717	13,447	13,420	11,288	1,130	5.2	84.1	1.81
$650 to $699	4.5	8,009	14,246	13,964	13,896	11,677	1,161	5.3	84.0	1.74
$700 to $799	5.5	8,856	15,121	14,825	14,730	12,312	1,200	5.4	83.6	1.66
$800 to $899	3.0	10,048	16,247	15,916	15,763	13,040	1,269	5.5	82.7	1.57
$900 to $999	1.0	11,178	16,719	16,308	16,355	13,415	1,299	5.5	82.0	1.46
$1,000 or more	2.0	14,859	17,474	17,098	16,979	13,907	1,353	5.6	81.9	1.14
Total	100.0	5,969	12,367	12,113	12,113	10,315	1,049	5.1	85.2	2.03
EXISTING HOMES										
Less than $250	0.6	2,647	7,718	7,803	7,900	6,474	930	4.7	81.9	2.98
$250 to $299	3.3	3,309	8,889	8,658	8,600	7,248	918	4.8	84.2	2.60
$300 to $349	10.5	3,886	9,901	9,665	9,571	8,040	943	4.8	84.0	2.46
$350 to $399	14.1	4,446	10,744	10,504	10,353	8,642	988	5.0	83.5	2.33
$400 to $449	15.5	5,025	11,581	11,339	11,099	9,218	1,028	5.1	83.1	2.21
$450 to $499	11.1	5,631	12,315	12,045	11,778	9,704	1,075	5.2	82.4	2.09
$500 to $549	11.3	6,210	12,847	12,563	12,255	10,093	1,107	5.3	82.4	1.97
$550 to $599	7.3	6,846	13,341	13,064	12,751	10,457	1,137	5.3	82.0	1.86
$600 to $649	6.9	7,408	13,838	13,544	13,134	10,746	1,162	5.4	81.8	1.77
$650 to $699	5.0	8,019	14,478	14,181	13,732	11,183	1,195	5.5	81.4	1.71
$700 to $799	6.2	8,844	15,501	15,189	14,659	11,872	1,264	5.6	81.0	1.66
$800 to $899	3.4	10,020	16,831	16,481	15,854	12,752	1,353	5.7	80.4	1.58
$900 to $999	1.5	11,222	18,090	17,745	16,877	13,525	1,436	5.8	80.1	1.50
$1,000 or more	3.3	14,850	19,257	18,948	18,239	14,441	1,539	6.0	79.2	1.23
Total	100.0	6,223	12,558	12,281	12,033	9,899	1,096	5.2	82.3	1.93

[1] Based on purchase transactions only.

ing expense (covering mortgage payment and cost of household utilities and home repairs) was about $97.50, or over one-fifth of the mortgagor's monthly income.

As in previous years, although the level of sale prices, property values, and structure sizes, mortgage amounts and payments, and housing expenses mounted with advances in mortgagor's income, the rate of increase was comparatively slower. For example, the average income of mortgagors in the $650 to $699 group was more than double that in the $300 to $349 group, but the sale prices, property values, mortgage amounts, mortgage payments, and housing expenses of the higher-income mortgagors were only 1.3 or 1.4 times as much. The steady declines in the ratio of property value to income shown in the last column of Table 69 and in the ratios of monthly payments and housing expense to income shown in the last two columns of Table 70 (and depicted in Chart 24) further substantiate the disproportionate relationships between increases in income and the other items.

TABLE II–70

Financial characteristics by mortgagor's income, 1-family homes, Sec. 203, 1955

Mortgagor's effective monthly income	Percentage distribution	Average monthly income	Average		Monthly average			Percent of income	
			Mortgage amount	Term of mortgage (years)	Property taxes	Total mortgage payment	Prospective housing expense	Mortgage payment	Housing expense
NEW HOMES									
Less than $250	0.6	$215.27	$7,302	25.3	$6.42	$52.28	$70.46	24.3	32.7
$250 to $299	3.4	272.49	7,984	25.5	7.61	57.52	76.33	21.1	28.0
$300 to $349	11.4	322.83	8,676	25.6	9.37	63.39	83.34	19.6	25.8
$350 to $399	15.1	370.85	9,265	25.7	10.45	68.10	88.39	18.4	23.8
$400 to $449	16.7	418.72	9,849	25.7	11.33	72.09	93.76	17.2	22.4
$450 to $499	11.5	467.78	10,343	25.7	11.87	75.97	97.53	16.2	20.8
$500 to $549	11.6	516.88	10,740	25.7	12.61	79.19	101.30	15.3	19.6
$550 to $599	7.2	569.97	11,046	25.7	13.30	81.37	104.17	14.3	18.3
$600 to $649	6.5	616.22	11,288	25.7	13.58	83.99	107.07	13.6	17.4
$650 to $699	4.5	667.40	11,677	25.7	14.08	86.42	110.26	12.9	16.5
$700 to $799	5.5	737.96	12,312	25.5	14.80	91.62	116.30	12.4	15.8
$800 to $899	3.0	837.36	13,040	25.6	16.77	97.44	122.84	11.6	14.7
$900 to $999	1.0	931.51	13,415	25.6	17.70	101.11	127.26	10.9	13.7
$1,000 or more	2.0	1,238.23	13,907	25.2	18.23	107.94	134.78	8.7	10.9
Total	100.0	497.45	10,315	25.6	12.00	76.08	98.02	15.3	19.7
EXISTING HOMES									
Less than $250	0.6	220.56	6,474	21.6	6.89	51.34	70.20	23.3	31.8
$250 to $299	3.3	275.79	7,248	22.3	8.06	56.61	76.65	20.5	27.8
$300 to $349	10.5	323.82	8,040	22.7	9.41	62.52	83.45	19.3	25.8
$350 to $399	14.1	370.51	8,642	22.8	10.33	67.06	89.10	18.1	24.0
$400 to $449	15.5	418.76	9,218	22.9	11.09	71.46	93.88	17.1	22.4
$450 to $499	11.1	469.26	9,704	22.9	11.77	75.14	98.46	16.0	21.0
$500 to $549	11.3	517.50	10,093	22.8	12.22	78.24	102.06	15.1	19.7
$550 to $599	7.3	570.49	10,457	22.8	12.77	81.07	105.28	14.2	18.5
$600 to $649	6.9	617.36	10,746	22.7	13.33	83.99	107.65	13.6	17.4
$650 to $699	5.0	668.27	11,183	22.7	13.89	87.46	111.92	13.1	16.7
$700 to $799	6.2	737.04	11,872	22.8	14.88	92.62	118.39	12.6	16.1
$800 to $899	3.4	834.99	12,752	22.7	16.44	100.47	126.81	12.0	15.2
$900 to $999	1.5	935.13	13,525	22.4	17.65	106.07	133.97	11.3	14.3
$1,000 or more	3.3	1,237.52	14,441	22.3	19.46	115.75	145.53	9.4	11.8
Total	100.0	518.55	9,899	22.7	12.12	77.15	100.58	14.9	19.4

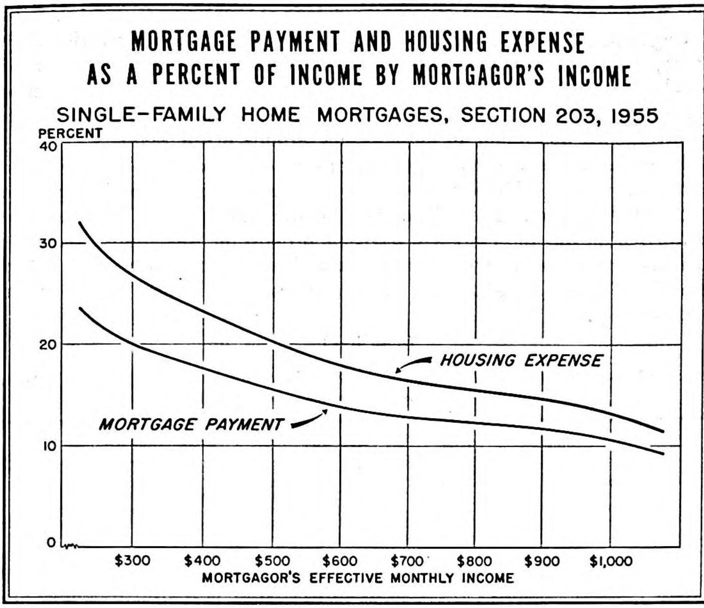

CHART 11–24

Although this pattern of relationships probably also occurs in non-FHA transactions, the FHA experience may differ somewhat for these reasons: Relatively few buyers of more expensive homes used FHA-insured financing since they might more readily secure the required financing with conventional loans; second, since most operative-builder production of homes for sale is concentrated in the lower and middle price ranges where the most favorable FHA financing terms apply, it is probable that the FHA transactions included comparatively larger proportions of these properties. The higher-income family purchases of these homes are probably not representative of all home purchases by this income group.

Table 69 discloses that in most of the corresponding income groups total requirements, sale prices, property values, and mortgage amounts averaged higher for new-home mortgagors than for existing. Reflecting legislative prescription, ratios of loan to value were lower for existing-home transactions in all mortgagor income classes. The ratio of property value to income, in line with the trend in property value, averaged higher for new-home mortgagors except where monthly incomes were $800 or more.

Mirroring a consistently shorter remaining economic life of the existing properties, the terms of existing-home mortgages, as shown in Table 70, were lower in all income classes. The combination of the shorter repayment period and the lower average mortgage amount resulted in average existing-home mortgage payments which in most income classes varied only slightly from the new-home payments. Probably as a result of higher costs of household operation and maintenance and repair expenses, housing expenses averaged higher for existing homes in most of the income classes, although the divergence was minor in most income groups below $650.

The share of the new-home mortgagor's income required for mortgage payment averaged 15.3 percent—somewhat higher than the existing-home ratio of 14.9 percent. For existing-home mortgagors earning $650 or more monthly, however, the mortgage payment proportion was higher than for the new-home owners. On the other hand, housing expense-income ratios were higher for existing-home mortgagors in nearly all income classes above $350 monthly.

TABLE II–71

Financial characteristics of occupant transactions, by States, 1-family homes, Sec. 203, 1955

State	Percentage distribution	Average				Monthly average			Percent ratio of housing expense to income
		Monthly effective income	Property value	Mortgage amount	Term of mortgage (years)	Property taxes	Total mortgage payment	Prospective housing expense	
NEW HOMES									
Alabama	1.2	$479.01	$11,688	$10,125	24.6	$5.53	$69.97	$89.18	18.6
Arizona	2.5	529.88	11,014	9,524	27.2	18.91	76.56	99.97	18.9
Arkansas	1.1	489.51	11,028	9,583	24.0	5.09	71.47	90.34	18.5
California	14.4	515.36	12,036	10,381	26.0	14.51	77.28	97.38	18.9
Colorado	1.6	541.01	12,671	10,790	26.6	15.96	81.57	105.01	19.4
Connecticut	1.0	507.57	13,369	11,127	28.1	15.02	79.89	103.59	20.4
Delaware	.2	507.42	12,741	10,872	26.4	5.68	70.28	97.48	19.2
District of Columbia	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Florida	4.1	471.67	10,696	9,514	25.2	5.00	65.91	86.72	18.4
Georgia	1.8	461.53	10,584	9,331	24.6	4.46	65.16	83.29	18.0
Idaho	.3	509.36	12,817	10,875	24.5	10.41	78.41	108.06	21.2
Illinois	2.6	474.37	12,552	10,637	24.8	11.04	76.81	97.07	20.5
Indiana	2.9	461.72	11,454	9,962	24.5	8.09	71.46	99.59	21.6
Iowa	1.5	432.75	11,154	9,557	23.6	10.15	71.63	93.96	21.7
Kansas	1.6	520.83	11,794	10,296	25.4	15.19	83.18	99.68	19.1
Kentucky	.6	525.94	12,780	10,943	25.1	10.28	79.02	98.42	18.7
Louisiana	2.3	509.61	12,659	10,768	25.1	5.91	73.78	90.55	17.8
Maine	.2	418.77	9,688	8,527	23.9	11.25	69.58	85.60	20.4
Maryland	1.1	476.85	11,825	9,034	26.7	13.07	73.50	96.48	20.2
Massachusetts	.8	468.97	11,350	9,746	27.2	18.26	76.76	103.70	22.1
Michigan	8.4	502.74	13,725	11,388	27.0	14.42	82.95	104.84	20.9
Minnesota	.9	461.90	13,400	11,061	26.4	13.57	81.48	104.57	22.6
Mississippi	.8	458.88	10,725	9,433	24.2	5.55	67.38	80.17	17.5
Missouri	2.1	543.57	14,084	11,013	25.2	9.89	80.84	102.56	18.9
Montana	.3	569.41	13,945	11,547	24.2	12.04	85.59	109.31	19.2
Nebraska	1.2	451.69	11,213	9,738	24.7	15.05	78.71	94.39	20.9
Nevada	.7	645.96	11,604	9,931	25.5	9.77	73.22	97.33	15.1
New Hampshire	.1	424.11	10,584	9,121	25.2	16.82	73.68	102.46	24.2
New Jersey	2.0	523.87	11,929	9,873	26.9	13.00	70.70	97.73	18.7
New Mexico	.9	487.15	10,027	9,148	26.1	7.87	65.17	80.88	18.5
New York	5.2	578.57	14,096	11,309	27.6	21.76	88.33	115.55	20.0
North Carolina	1.8	464.58	10,355	9,212	23.7	7.01	66.34	91.56	19.7
North Dakota	.2	565.20	11,787	10,048	21.2	13.63	82.21	107.18	19.0
Ohio	4.5	477.61	13,242	11,008	24.5	10.93	79.46	104.70	21.9
Oklahoma	2.7	502.66	11,158	9,904	25.1	7.54	71.01	87.99	17.5
Oregon	1.1	521.27	12,377	10,481	25.3	13.20	77.55	105.85	20.3
Pennsylvania	5.0	492.81	12,406	10,199	27.2	14.28	75.09	97.18	19.7
Rhode Island	.4	434.27	11,541	9,697	24.9	12.05	72.88	97.66	22.5
South Carolina	.8	440.10	10,686	9,435	23.9	4.11	66.63	87.73	19.9
South Dakota	.8	484.95	11,109	9,536	20.6	14.93	81.28	103.64	21.4
Tennessee	2.7	473.29	11,406	10,017	25.9	8.46	72.35	93.54	19.8
Texas	8.9	496.59	10,728	9,594	24.9	10.64	72.57	91.16	18.4
Utah	1.3	474.63	12,834	10,813	25.3	9.98	75.61	98.89	20.8

(1) Less than 0.05 percent.

(2) Inadequate sample.

TABLE II–71—Continued

Financial characteristics of occupant transactions, by States, 1-family homes, Sec. 203, 1955—Continued

State	Percentage distribution	Average				Monthly average			Percent ratio of housing expense to income
		Monthly effective income	Property value	Mortgage amount	Term of mortgage (years)	Property taxes	Total mortgage payment	Prospective housing expense	
NEW HOMES—continued									
Vermont	0.1	$421.26	$10,696	$9,448	23.9	$12.39	$71.82	$100.74	23.9
Virginia	1.0	451.88	11,183	9,759	25.2	6.83	67.28	90.88	20.1
Washington	2.2	521.81	12,935	10,782	24.6	10.60	77.45	110.36	21.1
West Virginia	.2	477.36	13,400	10,834	21.7	3.40	76.32	94.25	19.7
Wisconsin	.8	420.24	12,901	10,525	25.1	18.08	81.73	107.97	25.7
Wyoming	.3	521.78	11,390	9,936	23.1	11.81	75.63	97.56	18.7
Alaska	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Hawaii	.5	522.76	15,440	10,558	22.7	7.34	79.28	101.23	19.4
Puerto Rico	.3	450.71	10,656	8,883	20.2	14.24	74.98	88.91	19.7
Total	100.0	497.45	12,113	10,315	25.6	12.00	76.08	98.02	19.7
EXISTING HOMES									
Alabama	1.0	516.39	12,032	9,973	22.9	6.03	71.23	91.78	17.8
Arizona	1.0	578.48	10,665	8,743	22.6	18.86	76.97	99.03	17.1
Arkansas	.7	480.94	10,438	8,735	22.0	5.15	65.93	88.37	18.4
California	15.0	546.61	12,069	10,000	23.0	14.86	79.12	99.70	18.2
Colorado	.8	555.61	12,594	10,534	24.5	16.54	83.02	104.36	18.8
Connecticut	2.3	524.34	13,675	11,066	25.0	15.83	84.28	109.31	20.8
Delaware	.3	528.31	13,153	11,065	25.3	6.20	74.11	101.65	19.2
District of Columbia	.1	691.00	14,753	11,848	22.9	12.61	89.70	117.55	17.0
Florida	1.3	537.97	11,382	9,710	23.6	5.81	60.84	93.08	17.3
Georgia	1.9	546.10	12,602	10,337	23.4	6.62	74.34	95.95	17.6
Idaho	1.0	485.61	10,616	8,785	21.2	9.20	68.62	96.60	19.9
Illinois	2.9	547.47	13,672	10,865	21.6	13.44	86.05	108.60	19.8
Indiana	3.5	504.21	11,591	9,526	21.5	8.54	73.42	103.26	20.5
Iowa	1.5	490.33	11,778	9,620	22.1	11.43	76.40	100.37	20.5
Kansas	2.4	539.81	11,370	9,600	22.3	13.72	80.17	100.82	18.7
Kentucky	1.2	490.65	11,791	9,792	23.4	9.60	73.27	92.62	18.9
Louisiana	1.4	532.24	12,430	10,253	23.4	6.16	72.89	89.72	16.9
Maine	.6	431.90	9,656	7,979	21.4	10.49	65.01	86.54	20.0
Maryland	.9	528.79	12,971	10,279	24.1	14.09	81.30	108.03	20.4
Massachusetts	1.4	481.97	11,253	9,398	25.1	18.78	77.42	100.89	20.9
Michigan	7.0	524.38	12,965	10,368	22.8	14.18	82.03	102.94	19.6
Minnesota	1.5	505.57	13,640	10,831	24.0	15.54	85.46	109.65	21.7
Mississippi	.3	483.41	10,313	8,710	22.8	6.18	65.00	78.25	16.2
Missouri	4.0	523.87	12,649	10,137	22.3	9.57	77.77	99.17	18.9
Montana	.6	558.31	12,674	9,933	20.9	12.53	79.88	102.80	18.4
Nebraska	1.1	487.89	10,916	9,174	21.1	15.70	78.60	100.46	20.6
Nevada	.3	814.84	14,383	11,398	20.9	12.36	92.21	122.12	15.0
New Hampshire	.2	430.99	9,833	8,237	22.7	14.88	69.08	99.26	23.0
New Jersey	2.8	550.72	13,116	10,545	24.7	16.92	82.63	109.75	19.9
New Mexico	.3	525.80	10,717	9,270	23.4	8.73	69.66	96.11	18.3
New York	5.1	530.09	12,422	10,124	23.5	18.18	82.97	112.60	21.2
North Carolina	.9	520.96	11,756	9,710	21.9	8.34	73.67	100.84	19.4
North Dakota	.2	496.02	12,345	9,965	21.7	15.43	83.24	109.70	22.1
Ohio	6.3	492.85	13,186	10,696	21.7	10.56	81.43	106.85	21.7
Oklahoma	2.0	490.37	10,122	8,816	22.7	6.75	66.48	83.36	17.0
Oregon	2.6	526.14	11,035	9,030	21.4	12.02	72.82	102.15	19.4
Pennsylvania	3.1	471.32	11,091	9,219	23.8	12.67	70.86	93.17	19.8
Rhode Island	.6	444.86	11,746	9,534	23.6	13.78	74.75	101.67	22.9
South Carolina	.6	468.73	10,411	8,831	22.6	3.99	64.40	85.49	18.2
South Dakota	.4	499.51	10,431	8,297	18.9	14.07	74.69	99.33	19.9
Tennessee	1.5	479.98	10,948	9,404	23.9	8.88	70.53	90.91	18.9
Texas	5.9	492.28	9,895	8,706	23.0	10.28	68.95	86.40	17.6
Utah	1.0	503.83	13,077	10,651	23.2	10.58	77.68	101.07	20.1
Vermont	.2	429.31	10,177	8,526	21.3	11.98	69.39	97.30	22.7
Virginia	2.2	526.87	12,521	10,338	23.0	8.53	76.46	100.37	19.1
Washington	6.0	525.63	11,668	9,579	21.6	8.13	71.82	103.65	19.7
West Virginia	.6	484.12	11,837	9,512	19.9	3.26	70.03	90.43	18.7
Wisconsin	.7	485.93	13,379	10,772	23.2	18.73	86.75	114.63	23.6
Wyoming	.3	553.56	11,553	9,578	21.0	12.10	77.24	101.27	18.3
Alaska	.1	893.94	19,523	15,858	20.3	15.44	130.81	183.37	20.5
Hawaii	.3	605.40	16,086	11,599	20.3	7.41	88.67	109.56	18.1
Puerto Rico	.1	763.86	15,995	11,444	21.2	22.13	99.67	118.30	15.5
Total	100.0	518.55	12,033	9,899	22.7	12.12	77.15	100.58	19.4

TABLE II–72

Financial characteristics of occupant transactions, selected metropolitan areas, 1-family homes, Sec. 203, 1955

Standard metropolitan area	As percent of United States total	Average: Monthly effective income	Average: Property value	Average: Mortgage amount	Average: Term of mortgage (years)	Monthly average: Property taxes	Monthly average: Total mortgage payment	Monthly average: Prospective housing expense	Percent ratio of housing expense to income
NEW HOMES									
Akron, Ohio	0.1	$473.38	$14,084	$11,607	24.5	$11.14	$84.41	$106.83	22.6
Albany-Schenectady-Troy, N. Y	.1	451.68	10,236	8,983	24.4	13.97	70.64	96.03	21.3
Albuquerque, N. Mex	.5	478.59	10,204	9,294	27.3	8.99	65.38	90.92	19.0
Atlanta, Ga	.5	544.70	12,406	10,706	24.8	6.04	73.93	94.79	17.4
Baltimore, Md	.8	457.28	11,707	8,643	27.0	13.54	72.90	95.74	20.9
Birmingham, Ala	.4	467.73	12,173	10,432	24.7	6.45	71.59	91.77	19.6
Buffalo, N. Y	.4	476.87	12,454	10,608	28.0	16.14	77.95	104.88	22.0
Charlotte, N. C	.4	500.54	11,724	10,228	25.5	7.94	71.85	98.82	19.7
Chicago, Ill	1.7	514.34	13,968	11,524	25.4	12.57	83.22	108.23	21.0
Cleveland, Ohio	1.0	509.13	15,547	12,193	25.6	16.99	91.93	114.74	22.5
Columbus, Ohio	.6	481.68	13,398	11,204	24.6	8.48	77.84	109.96	22.8
Dallas, Tex	1.3	479.11	10,738	9,621	25.7	9.83	70.49	89.42	18.7
Dayton, Ohio	1.2	460.15	11,414	9,894	23.5	9.25	72.27	95.97	20.9
Denver, Colo	1.1	565.63	13,333	11,236	27.1	16.78	84.51	106.96	18.9
Des Moines, Iowa	.3	458.41	11,515	10,000	23.4	10.89	75.45	97.55	21.3
Detroit, Mich	6.0	522.04	14,126	11,647	27.5	15.76	85.18	107.20	20.5
El Paso, Tex	.9	551.43	10,898	9,836	24.3	11.59	75.02	100.39	18.2
Flint, Mich	1.1	455.86	12,686	10,835	26.7	12.94	78.43	97.54	21.4
Fort Wayne, Ind	.2	456.76	11,732	10,133	24.7	9.86	73.81	100.87	22.1
Fort Worth, Tex	1.3	426.76	9,378	8,588	24.8	11.02	65.57	87.17	20.4
Fresno, Calif	.2	438.09	10,461	9,313	23.3	9.69	69.85	90.41	20.6
Grand Rapids, Mich	.4	441.20	12,731	10,523	25.2	9.53	74.74	98.62	22.4
Hartford, Conn	.3	509.28	13,761	11,409	28.7	16.02	81.93	106.07	20.8
Houston, Tex	1.6	492.02	11,338	10,034	26.0	10.58	75.01	91.77	18.7
Indianapolis, Ind	.6	522.98	12,401	10,659	23.9	8.75	77.34	106.17	20.3
Jacksonville, Fla	.5	480.40	10,303	9,178	25.8	1.59	59.49	81.81	17.0
Kansas City, Kans.-Mo	.7	544.53	13,300	11,196	25.0	10.42	82.00	101.90	18.7
Knoxville, Tenn	.5	490.27	10,791	9,562	24.6	8.22	70.68	91.68	18.7
Little Rock-North Little Rock, Ark	.4	498.58	11,929	10,122	24.1	5.76	73.76	94.65	19.0
Los Angeles-Long Beach, Calif	4.1	507.71	11,562	10,157	26.0	13.51	74.83	92.67	18.3
Louisville, Ky	.3	587.75	14,385	12,053	25.9	13.24	87.97	109.22	18.6
Memphis, Tenn	.8	471.39	11,867	10,347	27.4	8.14	71.32	92.49	19.6
Miami, Fla	.8	529.36	12,352	10,677	25.4	7.44	76.73	98.80	18.7
Milwaukee, Wis	.4	418.62	12,974	10,507	25.4	19.59	82.90	107.77	25.7
Minneapolis-St. Paul, Minn	.7	463.26	13,455	11,120	27.2	14.39	82.20	104.95	22.7
New Orleans, La	.6	498.35	13,300	11,119	26.3	5.76	73.80	89.69	18.0
New York-Northeastern New Jersey	4.3	602.90	14,630	11,588	28.0	23.54	91.36	118.57	19.7
Norfolk-Portsmouth, Va	.2	464.27	11,362	10,053	25.7	5.87	68.21	90.95	19.6
Oklahoma City, Okla	.9	548.47	12,415	10,757	25.5	8.18	76.44	92.68	16.9
Omaha, Nebr	.5	452.16	11,529	9,976	24.4	15.33	81.71	98.50	21.8
Philadelphia, Pa	5.0	503.23	12,148	9,967	27.5	13.94	72.25	96.69	19.2
Phoenix, Ariz	2.1	533.07	11,146	9,619	27.5	19.74	77.62	101.31	19.0
Pittsburgh, Pa	.8	516.90	14,147	11,341	26.1	17.76	89.15	109.32	21.1
Portland, Oreg	.8	531.75	12,777	10,712	25.5	13.32	78.99	107.06	20.1
Richmond, Va	.3	454.18	11,035	9,705	25.1	6.63	66.29	89.11	19.6
Rochester, N. Y	.1	490.32	13,801	11,159	26.6	13.20	80.43	110.97	22.6
Sacramento, Calif	1.4	573.15	12,649	10,795	26.1	15.68	80.77	100.18	17.5
St. Louis, Mo	1.8	529.75	13,908	10,823	25.5	9.83	77.90	101.25	19.1
Salt Lake City, Utah	.7	489.03	13,626	11,468	25.6	10.23	79.70	103.80	21.2
San Antonio, Tex	.4	510.82	12,217	10,437	25.0	14.51	80.12	92.35	18.1
San Bernardino-Riverside-Ontario, Calif	.8	463.07	9,958	8,975	24.8	12.85	68.55	85.67	18.5
San Diego, Calif	.5	475.20	12,750	10,449	23.9	17.97	83.33	100.15	21.1
San Francisco-Oakland, Calif	3.5	549.64	13,250	11,148	26.9	15.34	81.68	104.83	19.1
San Jose, Calif	1.8	506.23	12,866	11,013	27.3	15.01	80.74	103.20	20.4
Seattle, Wash	1.0	543.16	13,561	11,255	24.7	11.87	81.47	114.94	21.2
Shreveport, La	.6	547.06	12,773	10,953	25.1	7.23	76.05	93.79	17.1
South Bend, Ind	.2	461.53	11,289	9,966	24.2	9.35	74.34	103.27	22.4
Spokane, Wash	.2	478.15	12,672	10,656	26.2	10.13	74.14	103.04	21.5
Stockton, Calif	.4	493.96	10,778	9,504	25.5	16.01	74.18	92.66	18.8
Syracuse, N. Y	.1	514.09	12,975	10,731	26.5	15.04	80.29	104.39	20.3
Tacoma, Wash	.3	479.02	12,660	10,320	24.6	10.68	74.95	106.69	22.3
Tampa-St. Petersburg, Fla	1.0	442.16	9,873	8,833	25.2	4.60	60.74	80.99	18.3
Toledo, Ohio	.3	530.67	15,065	12,256	25.4	11.09	86.38	110.35	20.8
Topeka, Kans	.1	464.24	11,332	9,893	26.5	14.76	76.32	92.61	19.9
Tulsa, Okla	.9	490.38	10,579	9,559	25.5	8.24	69.30	88.16	18.0
Washington, D. C	.4	550.18	13,340	10,834	26.6	13.40	81.36	106.60	19.4
Wichita, Kans	.6	559.58	12,032	10,642	26.7	18.16	83.84	101.10	18.1
Youngstown, Ohio	.2	429.28	11,946	10,162	24.6	10.32	73.62	94.04	21.9

TABLE II-72—Continued

Financial characteristics of occupant transactions, selected metropolitan areas, 1-family homes, Sec. 203, 1955—Continued

Standard metropolitan area	As percent of United States total	Average				Monthly average			Percent ratio of housing expense to income
		Monthly effective income	Property value	Mortgage amount	Term of mortgage (years)	Property taxes	Total mortgage payment	Prospective housing expense	
EXISTING HOMES									
Akron, Ohio	0.7	$495.37	$13,193	$10,535	21.2	$12.01	$82.90	$107.78	21.8
Albany-Schenectady-Troy, N. Y	.5	544.98	12,735	10,405	22.2	18.39	86.67	115.27	21.2
Albuquerque, N. Mex	.2	537.56	10,932	9,459	23.6	9.39	70.93	97.81	18.2
Atlanta, Ga	.8	585.42	13,934	11,351	24.1	8.32	80.89	103.46	17.7
Baltimore, Md	.5	460.18	10,984	8,483	23.3	12.58	71.83	96.18	20.9
Birmingham, Ala	.4	527.57	12,287	10,203	23.0	7.22	72.97	94.36	17.9
Buffalo, N. Y	.8	481.24	12,167	9,915	24.1	15.75	78.55	109.93	22.8
Charlotte, N. C	.2	571.32	13,089	10,952	23.8	9.85	80.20	109.21	19.1
Chicago, Ill	1.9	561.76	14,150	11,123	21.7	14.36	88.47	114.94	20.5
Cleveland, Ohio	1.4	508.16	14,388	11,350	22.6	13.61	87.75	112.77	22.2
Columbus, Ohio	1.6	478.85	12,337	10,396	21.5	8.37	77.26	104.11	21.7
Dallas, Tex	1.2	459.76	9,559	8,585	23.6	9.08	65.63	83.28	18.1
Dayton, Ohio	.5	504.20	12,607	10,389	20.7	9.63	79.89	104.25	20.7
Denver, Colo	.6	566.97	12,863	10,727	24.6	16.23	83.91	105.23	18.6
Des Moines Iowa	.3	508.89	11,922	9,868	22.2	12.89	81.69	102.14	20.1
Detroit, Mich	3.9	546.52	13,273	10,529	23.1	16.64	85.06	104.35	19.1
El Paso, Tex	.1	569.00	9,766	8,831	22.7	11.55	70.08	92.55	16.3
Flint, Mich	.5	496.29	12,208	10,168	23.6	12.32	77.75	95.38	19.2
Fort Wayne, Ind	.3	498.70	11,680	9,510	21.6	9.66	73.94	103.62	20.8
Fort Worth, Tex	.7	422.45	8,222	7,467	22.3	10.07	60.88	81.70	19.3
Fresno, Calif	.5	496.50	11,346	9,434	22.5	11.43	73.77	95.27	19.2
Grand Rapids, Mich	.6	484.02	12,769	10,300	22.8	9.30	76.65	102.01	21.1
Hartford, Conn	.4	553.10	13,753	11,203	26.3	17.72	84.05	108.61	19.6
Houston, Tex	1.4	537.41	10,538	9,217	22.7	10.58	74.02	90.20	16.8
Indianapolis, Ind	1.1	550.40	12,365	10,120	20.9	9.50	79.45	110.24	20.0
Jacksonville, Fla	.4	535.72	10,581	9,385	24.1	1.87	62.66	86.92	16.2
Kansas City, Kans.-Mo	2.4	537.44	12,354	10,133	21.6	10.39	80.29	101.01	18.8
Knoxville, Tenn	.2	515.46	11,360	9,676	23.8	9.13	73.04	94.38	18.3
Little Rock-North Little Rock, Ark	.3	512.58	11,036	9,421	22.6	6.12	70.63	93.02	18.1
Los Angeles-Long Beach, Calif.	3.8	580.30	12,591	10,357	22.3	15.61	83.13	101.70	17.5
Louisville, Ky	.7	499.60	12,233	10,215	24.1	11.02	76.07	96.77	19.4
Memphis, Tenn	.6	464.17	10,659	9,301	24.5	9.04	68.08	87.37	18.8
Miami, Fla	.3	526.99	11,829	9,981	23.4	7.85	74.45	94.61	18.0
Milwaukee, Wis	.2	504.14	14,364	11,560	24.3	21.02	91.28	119.28	23.7
Minneapolis-St. Paul, Minn	.9	506.65	13,877	11,104	25.1	16.42	86.52	110.02	21.7
New Orleans, La	.3	533.69	14,287	11,521	24.1	6.88	80.90	95.60	17.9
New York-Northeastern New Jersey	3.7	578.65	13,456	10,924	24.9	20.55	88.54	115.48	20.0
Norfolk-Portsmouth, Va	.5	518.66	11,778	9,888	21.5	7.55	73.82	96.70	18.6
Oklahoma City, Okla	.6	499.27	10,469	9,090	22.4	6.64	68.70	84.53	16.9
Omaha, Nebr	.6	487.40	10,741	8,204	20.7	15.18	78.21	100.39	20.6
Philadelphia, Pa	2.2	457.15	10,279	8,650	24.3	12.68	66.82	90.46	20.0
Phoenix, Ariz	.7	574.38	10,811	9,087	23.4	20.58	79.53	101.84	17.7
Pittsburgh, Pa	.7	526.75	13,103	10,631	23.6	16.06	82.93	103.42	19.6
Portland, Oreg	1.7	507.43	10,855	8,969	21.6	11.29	71.29	100.33	19.8
Richmond, Va	.5	482.70	11,082	9,399	23.9	8.05	66.97	90.32	18.7
Rochester, N. Y	.6	468.58	11,472	9,197	22.7	14.03	73.78	108.03	23.1
Sacramento, Calif	1.4	543.68	11,306	9,515	23.4	15.10	75.85	94.78	17.4
St. Louis, Mo	2.1	541.30	13,476	10,648	23.3	10.01	79.57	104.25	19.3
Salt Lake City, Utah	.5	526.28	13,737	11,251	23.8	11.13	80.86	103.90	19.7
San Antonio, Tex	.5	509.18	10,958	9,364	23.1	13.06	74.80	87.65	17.2
San Bernardino-Riverside-Ontario, Calif	.4	518.48	11,959	9,934	23.6	14.87	77.70	96.76	18.7
San Diego, Calif	.7	513.64	11,838	9,718	22.5	17.89	81.31	97.72	19.0
San Francisco-Oakland, Calif.	4.2	531.92	12,185	10,068	23.5	14.10	78.05	101.02	19.0
San Jose, Calif	1.0	570.81	13,850	11,324	24.3	16.02	86.58	110.78	19.4
Seattle, Wash	2.9	546.02	12,374	10,150	21.8	8.79	75.93	107.76	19.7
Shreveport, La	.4	589.66	12,040	10,154	23.8	7.62	73.55	92.24	15.6
South Bend, Ind	.3	498.16	10,943	9,020	20.1	8.50	71.69	103.31	20.7
Spokane, Wash	.4	482.61	10,994	9,172	22.6	8.37	68.18	96.54	20.0
Stockton, Calif	.5	514.60	10,555	8,996	23.4	16.36	73.80	92.30	17.9
Syracuse, N. Y	.3	532.91	13,191	10,770	23.4	16.14	86.02	114.93	21.6
Tacoma, Wash	.5	502.24	10,665	8,780	21.7	8.63	66.40	98.95	19.7
Tampa-St. Petersburg, Fla	.3	560.99	12,016	9,922	22.7	7.98	74.97	100.64	17.9
Toledo, Ohio	.4	519.61	14,091	11,255	22.8	11.05	83.95	109.32	21.0
Topeka, Kans	.4	489.29	10,177	8,875	23.7	14.95	72.89	89.68	18.3
Tulsa, Okla	.8	476.01	9,745	8,707	23.5	7.58	65.28	83.28	17.5
Washington, D. C	.8	651.20	16,329	13,100	25.2	14.97	96.04	125.97	19.3
Wichita, Kans	.5	561.00	11,234	9,692	22.4	16.62	85.05	99.69	17.8
Youngstown, Ohio	.3	478.88	13,160	10,349	21.6	11.06	80.35	102.93	21.5

Average data on the financial characteristics of the Section 203 1-family transactions insured in 1955 are presented in Table 71 by States and in Table 72 by selected metropolitan areas. Inasmuch as the data are based on only those transactions which involve owner-occupant mortgagors, the averages of certain items differ slightly from those appearing in the other State and metropolitan area tables.

Monthly income, property value, and mortgage term have been discussed on a State location basis in previous paragraphs, while mortgage amount data are discussed in a subsequent section of this report in connection with the State table showing characteristics of purchase transactions.

The average prospective monthly housing expenses for new homes ranged from a low of $80 in Mississippi to a high of over $115 in New York, and for existing properties from $78 in Mississippi to $122 in Nevada. In nearly one-half of the States, the average housing expenses reported for new homes ranged from $90 to $99 and for existing homes from $100 to $109. Nearly one-third of the States had new-home expenses averaging $100 to $109 and existing-home expenses of $90 to $99. Lowest average expenses for both new and existing homes tended to occur in the Southern States. Existing-home expenses averaged higher than new in 25 States and lower in the other 23, with no geographical pattern apparent.

The portion of mortgagor's income required, on the average, for housing expense ranged from about 25 percent in Wisconsin downward to 15 percent in Nevada, reflecting the substantially higher than average incomes of FHA mortgagors in Nevada and the somewhat lower than average incomes of those in Wisconsin. In two-thirds of the States the ratio of housing expense to income for both new and existing homes was bracketed between 18.0 and 20.9 percent, with the ratios tending to be higher in the northern section of the nation.

Over three-fourths of housing expense is accounted for by the monthly payment, in both new- and existing-home transactions. Average total mortgage payments for Section 203 new-home mortgages insured in 1955 ranged from $65 in Georgia to $88 in New York and for existing homes from $64 in South Carolina to $92 in Nevada. New-home payments in most States averaged from $70 to $79 monthly, with average payments of $65 to $69 indicated in one-fifth of the States and $80 to $89 in another fifth.

Existing-home averages tended to be somewhat less concentrated—one-half of the States having average payments of $70 to $79, nearly one-fourth payments of $60 to $69, and another fourth payments of $80 to $89. Most of the States having average payments below $70 were located in the South and those with payments of $80 or more in the North. In individual States, new-home payments generally averaged lower than existing-home.

As indicated by Table 71, the size of the mortgage payment was largely determined by the principal amount of mortgage and the mortgage term. The highest average payments are generally found in those States with the largest average mortgage amounts. On the other hand, higher than average payments also occurred in States with lower than average maturities, notably North Dakota and South Dakota, despite the lower average mortgage amounts reported for those States.

Property taxes also influence the level of monthly payment. For example, New York, with an average new-home mortgage amount about $200 lower than that of Montana and a mortgage term averaging 41 months longer, reported a higher average payment largely because its property taxes average nearly $10 higher than in Montana. Property taxes were lowest in West Virginia, averaging $3.40 monthly on new homes and $3.26 for existing properties. They were highest in New York for new homes ($21.76 monthly) and in Arizona for existing homes ($18.86 monthly). In most States, new-home taxes averaged from $9 to $14.99 monthly, with a fourth of the States reporting taxes of $5 to $8.99, and one-sixth taxes of $15 to $18.99. Existing-home tax averages were more dispersed—22 States having averages of $9 to $14.99, 14 States averages of $5 to $8.99, and 10 States averages of $15 to $18.99. The portion of the monthly payment required for property taxes in new-home transactions ranged from 4 percent in West Virginia to 25 percent in Arizona and New York; and in existing-home cases from 5 percent in West Virginia to 25 percent in Arizona. The property-tax share of monthly payment in most States was between 12 and 20 percent.

Since tax amounts are influenced by the value of the typical properties in various States, a better indicator of the geographical variation in property taxes is the tax rate, i. e., ratio of taxes to property value. The lowest tax rates were those of West Virginia, while the highest occurred in Arizona. In most States the average tax rates, on an annual basis, were in a range of $8 to $15.99 per $1,000. Low tax rates in a number of Southern States probably reflect the influence of homestead exemption acts.

In addition to monthly payment, housing expense includes an amount for estimated utility, repair, and maintenance expenses—averaging $22 monthly for new homes and $23 for existing. This component of housing expense, ranging from an average of $13 in Mississippi to over $30 in Washington, for both new and existing homes, tended to be lower in the Southern States, principally because of lower heating costs. In most States the average amount was between $20 and $25.

Comparable data on the financial characteristics of Section 203 owner-occupant transactions insured in 1955 are presented for selected metropolitan areas in Table 72. As indicated in previous metropolitan area tables, the data for the areas within a State exhibit considerable variation from one another and from the over-all State total.

HOUSING EXPENSE BY MORTGAGOR'S MONTHLY INCOME.—In determining whether a mortgage obligation will be within the mortgagor's financial ability to pay, the FHA credit analysis involves consideration of the relationship

TABLE II–73

Housing expense by mortgagor's income, 1-family homes, Sec. 203, 1955

Mortgagor's effective monthly income	Percentage distribution	Median monthly housing expense	Monthly housing expense—percentage distributions: Less than $60	$60 to $69	$70 to $79	$80 to $89	$90 to $99	$100 to $109	$110 to $119	$120 to $129	$130 to $139	$140 to $149	$150 or more	Total
NEW HOMES														
Less than $250	0.6	$69.63	11.7	40.6	35.5	9.2	1.5	1.5	------	------	------	------	------	100.0
$250 to $299	3.4	76.39	2.8	20.2	43.2	26.1	6.8	.5	0.4	------	------	------	------	100.0
$300 to $349	11.4	83.88	.8	6.8	27.0	39.7	21.3	3.9	.5	(1)	------	------	------	100.0
$350 to $399	15.1	88.92	.7	4.1	10.3	32.4	29.6	14.4	2.3	0.2	(1)	(1)	(1)	100.0
$400 to $449	16.7	94.67	.4	2.0	11.3	22.3	28.6	24.4	9.2	1.0	0.1	------	0.1	100.0
$450 to $499	11.5	98.99	.5	2.0	8.9	18.3	22.6	24.6	18.2	4.1	.5	0.1	.2	100.0
$500 to $549	11.6	102.53	.3	1.7	6.9	15.1	20.2	22.9	20.1	10.0	2.4	.3	.1	100.0
$550 to $599	7.2	104.86	.3	1.5	5.7	13.9	18.7	20.3	19.4	12.4	6.0	1.5	.3	100.0
$600 to $649	6.5	106.52	.2	.9	5.8	13.2	17.3	19.3	18.2	12.9	8.1	3.1	1.0	100.0
$650 to $699	4.5	110.41	.1	.8	3.5	10.5	16.4	17.9	18.8	15.3	8.6	5.7	2.4	100.0
$700 to $799	5.5	115.11	(1)	.3	1.9	8.6	13.2	17.8	16.0	15.5	11.1	8.4	7.2	100.0
$800 to $899	3.0	121.96	------	.8	2.1	4.6	10.0	13.2	15.9	17.1	12.1	9.8	14.4	100.0
$900 to $999	1.0	124.00	------	.3	.6	6.5	5.3	11.5	20.2	14.0	11.5	9.0	21.1	100.0
$1,000 or more	2.0	130.60	.2	.3	1.6	4.6	6.5	9.3	11.0	15.9	9.3	11.3	30.0	100.0
Total	100.0	96.03	.6	3.4	12.1	21.0	21.3	17.4	11.6	6.0	3.0	1.7	1.9	100.0
EXISTING HOMES														
Less than $250	.6	70.23	19.4	30.8	35.9	10.2	2.6	1.1	------	------	------	------	------	100.0
$250 to $299	3.3	76.70	4.9	19.4	38.3	27.2	7.8	1.7	.5	.2	------	------	------	100.0
$300 to $349	10.5	84.18	1.8	8.7	24.6	35.8	22.7	5.8	.5	.1	(1)	------	------	100.0
$350 to $399	14.1	89.89	1.1	4.9	16.0	28.3	30.0	15.8	3.3	.4	.1	(1)	.1	100.0
$400 to $449	15.5	94.83	.8	3.4	12.0	21.2	26.0	22.8	11.4	2.0	.2	.1	.1	100.0
$450 to $499	11.1	99.38	.7	2.9	9.1	16.5	22.1	23.7	16.7	6.6	1.1	.3	.3	100.0
$500 to $549	11.3	102.39	.7	2.0	7.5	14.8	20.1	20.7	18.1	11.3	3.9	.6	.3	100.0
$550 to $599	7.3	105.12	.3	1.4	6.6	12.9	18.9	19.1	17.6	12.8	7.2	2.2	1.0	100.0
$600 to $649	6.9	107.36	.3	1.7	5.1	12.3	17.5	17.8	16.9	12.3	9.5	4.3	2.3	100.0
$650 to $699	5.0	110.42	.2	1.0	4.1	10.9	14.6	18.6	15.6	12.9	9.4	7.6	5.1	100.0
$700 to $799	6.2	117.80	.2	.7	3.2	7.8	11.1	15.3	15.0	14.7	11.8	8.4	11.8	100.0
$800 to $899	3.4	125.52	.2	.5	1.9	5.3	9.5	11.8	13.8	12.7	13.7	9.5	21.1	100.0
$900 to $999	1.5	133.05	------	.1	2.2	3.4	6.7	11.0	10.6	13.0	9.9	10.2	32.9	100.0
$1,000 or more	3.3	145.15	(1)	.2	1.3	2.7	4.0	7.0	9.1	9.5	10.6	10.8	44.8	100.0
Total	100.0	97.49	1.0	3.8	11.4	18.6	20.2	16.7	11.3	6.7	4.0	2.3	4.0	100.0

[1] Less than 0.05 percent.

between the mortgagor's prospective housing expense and his effective income.

Table 73 shows the medians and percentage distribution of prospective monthly housing expense within the various income brackets of the occupant-mortgagors involved in Section 203 transactions insured in 1955. As indicated by the medians, families of higher incomes generally purchased more expensive homes, entailing higher housing expenses resulting from the larger monthly payments and higher costs of household operation. For new-home mortgagors, median housing expenses ranged from $70 for those earning less than $250 monthly to $131 for those with incomes of $1,000 or more, and for existing-home mortgagors the comparable range of expenses was from $70 to $145.

Housing expenses varied considerably in all income classes, with the spread increasing as incomes rose. This is vividly demonstrated by Chart 25. In many instances, the relatively low housing expenses reported for some higher-income mortgagors reflected the purchase of moderate-priced homes or the undertaking of smaller mortgage obligations by these families.

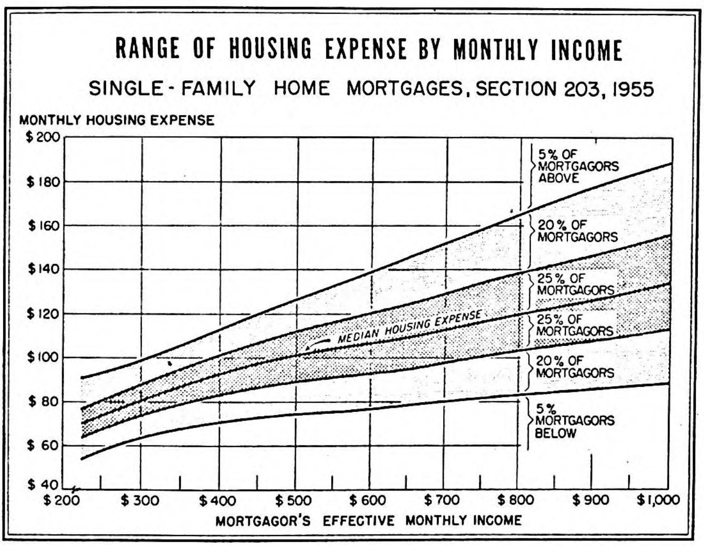

CHART 11–25

Although the median housing expenses involved in existing-home transactions exceeded the new in nearly all individual income groups, the differences were insignificant in most income classes below $700.

Purchase Transaction Characteristics

Purchase of a home for personal long-term occupancy is, by far, the predominant reason for mortgage financing in Section 203 1-family transactions. In 1955, 87 percent of the new-home and 86 percent of the existing-home transactions involved purchases by occupant mortgagors.

This portion of the report is devoted to an analysis of selected characteristics of these purchase transactions. The data are presented on a national basis by amounts of total requirements in Table 74, by States in Table 75, and by selected metropolitan areas in Table 76. The distribution of mortgage amounts by groups of total requirements is shown in Table 77.

CHARACTERISTICS BY TOTAL REQUIREMENTS.—Averages of total requirements, sale prices, FHA-estimated property values, mortgage amounts, mortgagors' annual effective incomes, and current investments (i. e., cash required over and above the mortgage amounts, but exclusive of prepayable recurring expenses) for the Section 203 purchase-transactions insured in 1955

TABLE II–74

Purchase transaction characteristics by total requirements, 1-family homes, Sec. 203, 1955

Total requirements	Percentage distribution	Average						Mortgage as percent of		Current investment as percent of income
		Total requirements	Sale price	Property value	Mortgage amount	Mortgagor's annual income	Current investment[1]	Property value	Total requirements	
NEW HOMES										
Less than $7,000	0.4	$6,530	$6,413	$6,649	$6,020	$4,328	$510	90.5	92.2	11.8
$7,000 to $7,999	2.8	7,487	7,329	7,466	6,921	4,406	566	92.7	92.4	12.8
$8,000 to $8,999	9.9	8,490	8,312	8,432	7,815	4,743	675	92.7	92.0	14.2
$9,000 to $9,999	13.7	9,442	9,256	9,297	8,603	5,026	839	92.5	91.1	16.7
$10,000 to $10,999	11.8	10,477	10,258	10,279	9,240	5,366	1,237	89.9	88.2	23.1
$11,000 to $11,999	11.3	11,443	11,209	11,195	9,809	5,592	1,634	87.6	85.7	29.2
$12,000 to $12,999	11.1	12,484	12,231	12,123	10,373	5,839	2,111	85.6	83.1	36.2
$13,000 to $13,999	10.4	13,459	13,189	13,059	10,946	6,236	2,513	83.8	81.3	40.3
$14,000 to $14,999	8.2	14,470	14,193	13,996	11,572	6,477	2,898	82.7	80.0	44.7
$15,000 to $15,999	7.0	15,451	15,151	14,892	12,111	6,874	3,340	81.3	78.4	48.6
$16,000 to $16,999	5.0	16,420	16,065	15,737	12,635	7,338	3,785	80.3	76.9	51.6
$17,000 to $17,999	3.0	17,450	17,109	16,676	13,442	7,994	4,008	80.6	77.0	50.1
$18,000 to $19,999	3.3	18,841	18,457	17,828	14,209	8,741	4,632	79.7	75.4	53.0
$20,000 or more	2.1	22,232	21,720	20,622	16,148	10,214	6,084	78.3	72.6	59.6
Total	100.0	12,367	12,113	12,008	10,287	5,975	2,080	85.7	83.2	34.8
EXISTING HOMES										
Less than $7,000	2.3	6,278	6,071	6,238	5,358	4,368	920	85.9	85.3	21.1
$7,000 to $7,999	4.4	7,550	7,340	7,394	6,556	4,680	994	88.7	86.8	21.2
$8,000 to $8,999	9.1	8,527	8,315	8,314	7,383	4,928	1,144	88.8	86.6	23.2
$9,000 to $9,999	11.2	9,476	9,246	9,184	8,089	5,193	1,387	88.1	85.4	26.7
$10,000 to $10,999	12.0	10,485	10,253	10,105	8,720	5,430	1,765	86.3	83.2	32.5
$11,000 to $11,999	10.9	11,480	11,236	10,995	9,347	5,671	2,133	85.0	81.4	37.6
$12,000 to $12,999	10.9	12,490	12,233	11,915	9,940	5,963	2,550	83.4	79.6	42.8
$13,000 to $13,999	9.7	13,476	13,208	12,836	10,560	6,255	2,916	82.3	78.4	46.6
$14,000 to $14,999	7.6	14,462	14,178	13,749	11,181	6,594	3,281	81.3	77.3	49.8
$15,000 to $15,999	5.8	15,440	15,139	14,616	11,791	7,059	3,649	80.7	76.4	51.7
$16,000 to $16,999	4.5	16,455	16,120	15,514	12,405	7,409	4,050	80.0	75.4	54.7
$17,000 to $17,999	3.3	17,460	17,086	16,416	13,085	8,078	4,375	79.7	74.9	54.2
$18,000 to $19,999	3.9	18,841	18,470	17,644	13,991	8,627	4,850	79.3	74.3	56.2
$20,000 or more	4.4	23,166	22,661	21,005	16,437	10,768	6,729	78.3	71.0	62.5
Total	100.0	12,558	12,281	11,949	9,952	6,177	2,606	83.3	79.2	42.2

[1] Total requirements less mortgage amount.

are presented by total requirement groups in Table 74. Also shown are the ratios of mortgage amount to property value and to total requirements, and the ratio of current investment to mortgagor's income.

Not only did current investments (downpayments plus closing costs) of the Section 203 home purchasers in 1955 increase as the amount of total requirements moved upward, but the rate of increase was higher and current investments represented proportionately larger shares of total requirements in the higher-priced brackets. For example, average total requirements for the $17,000 new homes was twice that of the $8,000 group, but the average current investment was nearly 6 times larger and the ratio of current investment to total requirements nearly 3 times more.

Inasmuch as the downpayments made by most home buyers are largely from savings accumulated out of their incomes, the relationship of current investments of home buyers to their incomes is particularly noteworthy. In 1955, current investments averaged about 35 percent of income for new-home buyers and 42 percent for existing-home purchasers. In 1954, before the lower downpayment provisions of the Housing Act of 1954 became effective, investments of buyers averaged 38 percent in the new-home and 51 percent in the existing-home transactions.

Reflecting primarily the proportionately smaller downpayments permissible in new-home transactions and to a lesser extent the lower level of new-home closing costs, current investments of new-home buyers were consistently lower than those of existing-home buyers in corresponding total requirement classes. More significantly, new-home current investments constituted smaller proportions of the buyers' incomes than in the existing-home transactions, with the divergence between the new and existing ratios narrowing considerably in the total requirements groups of $15,000 or more.

The State averages of selected characteristics of FHA home purchase transactions insured during 1955 are shown in Table 75. Prices paid by home buyers in the continental United States ranged from an average of $9,447 in Maine to $14,424 in New York for new homes, and from $9,629 in Maine to $14,568 in Nevada for existing homes. In most States, the new-home average prices were bracketed between $10,000 and $13,000, with about one-fourth of the States each reporting averages in the $10,000, $11,000, and $12,000 ranges. Existing-home prices in the majority of the States were also in the $10,000 to $12,999 range, but most of these—nearly one-third—had averages in the $12,000 price class, with one-fourth reporting averages in the $11,000 class and one-sixth averages in the $10,000 class. In another one-sixth of the States, the existing-home price averages were in the $13,000 class. Generally speaking, price levels of both new and existing homes tended to be lower in the Southern States. Within most individual States, existing-home prices were higher than the new.

Closing costs, as derived by differencing total requirements and sale price, averaged $254 for new homes and $277 for existing, the latter average reflecting to a limited extent the inclusion of costs of minor repairs. The lowest average closing costs were reported in North Dakota ($120) for new homes and in Vermont ($127) for existing homes; the highest in Missouri for new homes ($429) and in Delaware for existing properties ($444). The level of closing costs is related to the amount of the mortgage and the number and the amount of the items which may be included, such as financing charges, recording fees and taxes, costs of credit reports, property surveys, title examination and insurance, and other charges or fees which are customary in the particular locality. Also affecting the level of closing costs was the tendency on the part of builders in some communities to absorb part or all of the closing costs in the sale price in order to promote the sale of their properties. New-home closing costs averaged from $200 to $299 in one-half of the States, with nearly one-fourth having averages of $150 to

TABLE II–75

Purchase transaction characteristics, by States, 1-family homes, Sec. 203, 1955

State	Percentage distribution	Average						Mortgage as percent of		Current investment as percent of income
		Total requirements	Sale price	Property value	Mortgage amount	Mortgagor's annual income	Current investment [1]	Property value	Total requirements	
NEW HOMES										
Alabama	1.0	$11,858	$11,484	$11,330	$10,071	$5,622	$1,787	88.9	84.9	31.8
Arizona	2.6	11,129	10,954	10,987	9,581	6,273	1,548	87.2	86.1	24.7
Arkansas	.9	10,886	10,582	10,546	9,300	5,800	1,586	88.2	85.4	27.3
California	14.3	12,414	12,185	11,924	10,406	6,141	2,008	87.3	83.8	32.7
Colorado	1.8	12,875	12,705	12,633	10,780	6,472	2,095	85.3	83.7	32.4
Connecticut	1.0	13,493	13,337	13,168	10,987	6,061	2,506	83.4	81.4	41.3
Delaware	.2	13,070	12,730	12,637	10,878	6,139	2,192	86.1	83.2	35.7
District of Columbia	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Florida	4.2	11,065	10,800	10,525	9,432	5,595	1,633	89.6	85.2	29.2
Georgia	1.7	10,181	9,953	10,045	9,025	5,256	1,156	89.8	88.6	22.0
Idaho	.2	12,637	12,409	12,262	10,618	5,949	2,019	86.6	84.0	33.9
Illinois	2.7	12,558	12,369	12,256	10,467	5,694	2,091	85.4	83.3	36.7
Indiana	2.8	11,649	11,469	11,320	9,903	5,465	1,746	87.5	85.0	31.9
Iowa	1.3	11,233	11,045	10,994	9,563	5,160	1,670	87.0	85.1	32.4
Kansas	1.6	12,147	11,805	11,694	10,307	6,294	1,840	88.1	84.9	29.2
Kentucky	.6	13,175	12,892	12,743	10,905	6,245	2,270	85.6	82.8	36.3
Louisiana	2.0	12,427	12,169	12,247	10,652	6,009	1,775	87.0	85.7	29.5
Maine	.2	9,608	9,447	9,306	8,434	4,749	1,174	90.6	87.8	24.7
Maryland	1.2	10,682	10,412	11,648	8,897	5,636	1,785	76.4	83.3	31.7
Massachusetts	.8	11,404	11,233	11,372	9,840	5,683	1,564	86.5	86.3	27.5
Michigan	9.2	14,116	13,897	13,736	11,429	6,040	2,687	83.2	81.0	44.5
Minnesota	.9	13,740	13,459	13,320	11,081	5,463	2,659	83.2	80.6	48.7
Mississippi	.7	10,917	10,689	10,525	9,373	5,394	1,544	89.1	85.9	28.6
Missouri	2.3	14,601	14,172	14,154	11,052	6,499	3,549	78.1	75.7	54.6
Montana	.2	14,638	14,290	13,977	11,654	6,552	2,984	83.4	79.6	45.5
Nebraska	.9	11,526	11,238	10,974	9,656	5,377	1,870	88.0	83.8	34.8
Nevada	.4	11,151	10,933	10,925	9,370	7,771	1,781	85.8	84.0	22.9
New Hampshire	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
New Jersey	2.2	12,414	12,018	11,932	9,917	6,304	2,497	83.1	79.9	39.6
New Mexico	1.0	10,328	10,149	9,929	9,085	5,791	1,243	91.5	88.0	21.5
New York	5.7	14,711	14,424	14,161	11,355	6,982	3,356	80.2	77.2	48.1
North Carolina	1.6	10,490	10,253	10,053	9,093	5,492	1,397	90.5	86.7	25.4
North Dakota	.2	12,040	11,920	11,479	9,965	7,121	2,075	86.8	82.8	29.1
Ohio	4.6	13,516	13,247	13,244	11,100	5,748	2,416	83.8	82.1	42.0
Oklahoma	2.9	11,464	11,207	11,105	9,885	5,997	1,579	89.0	86.2	26.3
Oregon	1.1	12,532	12,338	12,269	10,502	6,256	2,030	85.6	83.8	32.4
Pennsylvania	5.3	12,861	12,499	12,337	10,175	5,926	2,686	82.5	79.1	45.3
Rhode Island	.3	11,663	11,445	11,412	9,805	5,288	1,858	85.9	84.1	35.1
South Carolina	.6	10,417	10,179	10,169	9,182	5,220	1,235	90.3	88.1	23.7
South Dakota	.7	10,962	10,804	10,629	9,351	5,778	1,611	88.0	85.3	27.9
Tennessee	2.7	11,740	11,465	11,312	9,998	5,681	1,742	88.4	85.2	30.7
Texas	9.6	10,928	10,716	10,691	9,584	5,936	1,344	89.6	87.7	22.6

See footnotes at end of table.

TABLE II–75—Continued

Purchase transaction characteristics, by States, 1-family homes, Sec. 203, 1955—Continued

State	Percentage distribution	Average: Total requirements	Average: Sale price	Average: Property value	Average: Mortgage amount	Average: Mortgagor's annual income	Average: Current investment [1]	Mortgage as percent of: Property value	Mortgage as percent of: Total requirements	Current investment as percent of income
NEW HOMES—con.										
Utah	1.3	$12,865	$12,617	$12,530	$10,747	$5,490	$2,118	85.8	83.5	38.6
Vermont	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Virginia	1.0	11,538	11,255	11,214	9,855	5,477	1,683	87.9	85.4	30.7
Washington	1.9	12,919	12,695	12,684	10,898	6,264	2,021	85.9	84.4	32.3
West Virginia	.1	13,997	13,640	13,016	11,173	5,814	2,824	85.8	79.8	48.6
Wisconsin	.7	12,817	12,597	12,681	10,413	4,979	2,404	82.1	81.2	48.3
Wyoming	.3	11,157	10,797	10,505	9,424	5,893	1,733	89.7	84.5	29.4
Alaska	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Hawaii	.2	13,177	12,825	16,035	10,685	6,521	2,492	66.6	81.1	38.2
Puerto Rico	.3	9,983	9,519	9,197	8,304	4,846	1,679	90.3	83.2	34.6
Total	100.0	12,367	12,113	12,008	10,287	5,975	2,080	85.7	83.2	34.8
EXISTING HOMES										
Alabama	1.0	12,501	12,145	11,939	10,073	6,228	2,428	84.4	80.6	39.0
Arizona	.7	11,055	10,817	10,386	8,895	6,584	2,160	85.6	80.5	32.8
Arkansas	.7	10,520	10,164	10,143	8,735	5,654	1,785	86.1	83.0	31.6
California	14.3	13,013	12,750	12,053	10,142	6,514	2,871	84.1	77.9	44.1
Colorado	.8	13,152	12,969	12,466	10,522	6,545	2,630	84.4	80.0	40.2
Connecticut	2.3	14,237	14,057	13,595	11,119	6,244	3,118	81.8	78.1	49.9
Delaware	.3	13,757	13,313	13,142	11,079	6,308	2,678	84.3	80.5	42.5
District of Columbia	(2)	16,351	15,928	15,610	12,907	9,222	3,444	82.7	78.9	37.3
Florida	1.3	12,054	11,726	11,285	9,733	6,426	2,321	86.2	80.7	36.1
Georgia	2.0	12,756	12,404	12,462	10,314	6,486	2,442	82.8	80.9	37.7
Idaho	.9	10,699	10,525	10,369	8,765	5,690	1,934	84.5	81.9	34.0
Illinois	3.0	14,250	13,969	13,417	10,838	6,531	3,412	80.8	76.1	52.2
Indiana	3.3	12,318	12,120	11,579	9,651	6,011	2,667	83.3	78.3	44.4
Iowa	1.3	12,319	12,121	11,743	9,754	5,897	2,565	83.1	79.2	43.5
Kansas	2.4	12,239	11,929	11,348	9,696	6,465	2,543	85.4	79.2	39.3
Kentucky	1.3	12,350	12,072	11,773	9,840	5,913	2,510	83.6	79.7	42.4
Louisiana	1.4	12,519	12,198	12,222	10,243	6,209	2,276	83.8	81.8	36.7
Maine	.6	9,879	9,620	9,681	8,140	5,222	1,739	84.1	82.4	33.3
Maryland	.9	12,616	12,247	12,605	10,054	6,169	2,562	79.8	79.7	41.5
Massachusetts	1.4	11,313	11,100	11,122	9,394	5,779	1,919	84.5	83.0	33.2
Michigan	7.1	13,565	13,352	12,912	10,451	6,214	3,114	80.9	77.0	50.1
Minnesota	1.3	14,006	13,737	13,537	10,956	6,027	3,050	80.9	78.2	50.6
Mississippi	.3	10,707	10,438	10,162	8,736	5,796	1,971	86.0	81.6	34.0
Missouri	4.3	12,942	12,607	12,541	10,162	6,256	2,780	81.0	78.5	44.4
Montana	.5	13,253	12,899	12,522	10,224	6,676	3,029	81.6	77.1	45.4
Nebraska	1.1	11,855	11,562	10,810	9,234	5,766	2,621	85.4	77.9	45.5
Nevada	.3	14,872	14,568	13,658	11,202	8,789	3,670	82.0	75.3	41.8
New Hampshire	.2	9,850	9,674	9,769	8,298	5,219	1,552	84.9	84.2	29.7
New Jersey	3.0	13,834	13,463	13,083	10,626	6,590	3,208	81.2	76.8	48.6
New Mexico	.3	11,621	11,445	10,602	9,308	6,095	2,313	87.8	80.1	37.9
New York	5.5	12,908	12,565	12,355	10,145	6,307	2,763	82.1	78.6	43.8
North Carolina	.9	12,035	11,746	11,608	9,693	6,240	2,342	83.5	80.5	37.5
North Dakota	.2	12,950	12,646	12,270	10,025	5,987	2,925	81.7	77.4	48.9
Ohio	6.7	13,782	13,476	13,158	10,756	5,900	3,026	81.7	78.0	51.3
Oklahoma	2.2	10,570	10,322	10,050	8,843	5,872	1,727	88.0	83.7	29.4
Oregon	2.6	11,059	10,907	10,924	9,061	6,211	1,998	82.9	81.9	32.2
Pennsylvania	3.2	11,673	11,336	10,878	9,166	5,567	2,507	84.3	78.5	45.0
Rhode Island	.6	12,004	11,645	11,692	9,604	5,321	2,400	82.1	80.0	45.1
South Carolina	.7	10,618	10,310	10,195	8,768	5,545	1,850	86.0	82.6	33.4
South Dakota	.3	11,262	11,032	10,417	8,763	6,121	2,499	84.1	77.8	40.8
Tennessee	1.5	11,321	11,051	10,839	9,410	5,736	1,911	86.8	83.1	33.3
Texas	6.6	10,221	10,007	9,870	8,709	5,902	1,512	88.2	85.2	25.6
Utah	.8	13,570	13,268	13,079	10,866	6,093	2,704	83.1	80.1	44.4
Vermont	.2	10,351	10,224	10,185	8,624	5,035	1,727	84.7	83.3	34.3
Virginia	2.3	12,937	12,622	12,313	10,255	6,225	2,682	83.3	79.3	43.1
Washington	5.4	11,896	11,686	11,662	9,744	6,193	2,152	83.6	81.9	34.7
West Virginia	.6	12,767	12,428	11,602	9,630	5,816	3,137	83.0	75.4	53.9
Wisconsin	.7	13,815	13,603	13,421	10,823	5,862	2,992	80.6	78.3	51.0
Wyoming	.3	13,074	12,847	11,557	9,739	6,503	3,335	84.3	74.5	51.3
Alaska	.1	19,555	19,050	18,481	15,591	9,962	3,964	84.4	79.7	39.8
Hawaii	.2	15,395	15,112	15,724	11,699	6,892	3,696	74.4	76.0	53.6
Puerto Rico	.1	14,733	13,679	13,131	10,404	6,618	4,329	79.2	70.6	65.4
Total	100.0	12,558	12,281	11,949	9,952	6,177	2,606	83.3	79.2	42.2

[1] Total requirements less mortgage amount. [2] Less than 0.05 percent. [3] Inadequate sample.

TABLE II–76

Purchase transaction characteristics, selected metropolitan areas, 1-family homes, Sec. 203, 1955

Standard metropolitan area	As percent of United States total	Average: Total requirements	Average: Sale price	Average: Property value	Average: Mortgage amount	Average: Mortgagor's annual income	Average: Current investment[1]	Mortgage as percent of: Property value	Mortgage as percent of: Total requirements	Current investment as percent of income
NEW HOMES										
Akron, Ohio	0.1	$14,664	$14,378	$14,097	$11,668	$5,754	$2,996	82.8	79.6	52.1
Albany-Schenectady-Troy, N. Y	.1	9,905	9,790	9,654	8,707	5,057	1,198	90.2	87.9	23.7
Albuquerque, N. Mex	.5	10,374	10,197	10,132	9,251	5,714	1,123	91.3	89.2	19.7
Atlanta, Ga	.4	12,050	11,725	11,659	10,269	5,882	1,781	88.1	85.2	30.3
Baltimore, Md	.9	10,323	10,089	11,654	8,602	5,450	1,721	73.8	83.3	31.6
Birmingham, Ala	.3	12,351	12,006	11,813	10,377	5,568	1,974	87.8	84.0	35.5
Buffalo, N. Y	.4	13,048	12,648	12,473	10,663	5,746	2,385	85.5	81.7	41.5
Charlotte, N. C	.4	11,867	11,586	11,440	10,131	5,815	1,736	88.6	85.4	29.9
Chicago, Ill	1.9	14,087	13,900	13,714	11,378	6,134	2,709	83.0	80.8	44.2
Cleveland, Ohio	1.0	16,072	15,731	15,591	12,246	6,126	3,826	78.5	76.2	62.5
Columbus, Ohio	.7	14,191	13,860	13,676	11,679	5,678	2,512	85.4	82.3	43.6
Dallas, Tex	1.5	10,875	10,663	10,702	9,597	5,747	1,278	89.7	88.2	22.2
Dayton, Ohio	1.3	11,485	11,242	11,397	9,889	5,531	1,596	86.8	86.1	28.9
Denver, Colo	1.3	13,500	13,323	13,286	11,207	6,753	2,293	84.4	83.0	34.0
Des Moines, Iowa	.3	11,550	11,356	11,295	9,893	5,426	1,657	87.6	85.7	30.5
Detroit, Mich	6.8	14,552	14,328	14,145	11,672	6,263	2,880	82.5	80.2	46.0
El Paso, Tex	1.0	11,468	11,225	10,884	9,824	6,619	1,644	90.3	85.7	24.8
Flint, Mich	1.2	12,992	12,782	12,633	10,855	5,430	2,137	85.9	83.6	39.3
Fort Wayne, Ind	.2	12,061	11,971	11,549	10,018	5,471	2,043	86.7	83.1	37.3
Fort Worth, Tex	1.4	9,578	9,343	9,377	8,589	5,112	989	91.6	89.7	19.3
Fresno, Calif	.1	10,375	10,251	10,103	9,221	5,032	1,154	91.3	88.9	22.9
Grand Rapids, Mich	.3	12,420	12,231	12,156	10,321	5,158	2,099	84.9	83.1	40.7
Hartford, Conn	.3	14,120	13,918	13,763	11,428	6,141	2,692	83.0	80.9	43.8
Houston, Tex	1.7	11,393	11,271	11,347	10,050	5,900	1,343	88.6	88.2	22.8
Indianapolis, Ind	.6	12,903	12,687	12,352	10,624	6,024	2,279	86.0	82.3	37.8
Jacksonville, Fla	.5	10,836	10,555	10,189	9,149	5,748	1,687	89.8	84.4	29.3
Kansas City, Kans.-Mo	.8	13,879	13,560	13,208	11,202	6,504	2,677	84.8	80.7	41.2
Knoxville, Tenn	.5	11,009	10,743	10,412	9,353	5,805	1,656	89.8	85.0	28.5
Little Rock-North Little Rock, Ark	.3	12,093	11,725	11,641	9,941	6,007	2,152	85.4	82.2	35.8
Los Angeles-Long Beach, Calif	4.4	12,038	11,820	11,470	10,151	6,063	1,887	88.5	84.3	31.1
Louisville, Ky	.3	14,975	14,654	14,323	12,011	7,025	2,964	83.9	80.2	42.2
Memphis, Tenn	.9	12,237	11,961	11,872	10,388	5,723	1,849	87.5	84.9	32.3
Miami, Fla	.9	13,160	12,849	12,215	10,602	6,290	2,558	86.8	80.6	40.7
Milwaukee, Wis	.4	12,945	12,768	12,917	10,463	5,000	2,482	81.0	80.8	49.6
Minneapolis-St. Paul, Minn	.7	13,803	13,504	13,387	11,102	5,512	2,701	82.9	80.4	49.0
New Orleans, La	.5	13,446	13,152	13,250	11,340	6,116	2,106	85.6	84.3	34.4
New York-Northeastern New Jersey	4.8	15,245	14,962	14,648	11,604	7,242	3,641	79.2	76.1	50.3
Norfolk-Portsmouth, Va	.2	11,697	11,484	11,429	10,100	5,580	1,597	88.4	86.3	28.6
Oklahoma City, Okla	.9	12,767	12,435	12,402	10,774	6,566	1,993	86.9	84.4	30.4
Omaha, Nebr	.4	12,140	11,825	11,285	9,884	5,430	2,256	87.6	81.4	41.5
Philadelphia, Pa	5.7	12,672	12,307	12,146	9,968	6,041	2,704	82.1	78.7	44.8
Phoenix, Ariz	2.3	11,270	11,096	11,157	9,702	6,307	1,568	87.0	86.1	24.9
Pittsburgh, Pa	.7	14,718	14,228	14,186	11,530	6,312	3,188	81.3	78.3	50.5
Portland, Oreg	.7	13,076	12,890	12,750	10,816	6,410	2,260	84.8	82.7	35.3
Richmond, Va	.3	11,380	11,074	11,060	9,804	5,454	1,576	88.6	86.2	28.9
Rochester, N. Y	.1	14,020	13,684	13,952	11,284	5,894	2,736	80.9	80.5	46.4
Sacramento, Calif	1.3	12,895	12,682	12,470	10,816	6,785	2,079	86.7	83.9	30.6
St. Louis, Mo	2.0	14,224	13,800	13,903	10,806	6,346	3,418	77.7	76.0	53.9
Salt Lake City, Utah	.7	14,039	13,773	13,609	11,602	5,805	2,437	85.3	82.6	42.0
San Antonio, Tex	.4	12,386	12,162	12,246	10,503	6,064	1,883	85.8	84.8	31.1
San Bernardino-Riverside-Ontario, Calif	.8	10,149	9,956	9,825	8,957	5,496	1,192	91.2	88.3	21.7
San Diego, Calif	.2	14,557	13,518	13,109	11,020	5,964	3,537	84.1	75.7	59.3
San Francisco-Oakland, Calif	3.5	13,916	13,665	13,261	11,246	6,567	2,670	84.8	80.8	40.7
San Jose, Calif	1.8	12,949	12,729	12,747	11,026	6,025	1,923	86.5	85.1	31.9
Seattle, Wash	.8	13,538	13,307	13,262	11,331	6,547	2,207	85.4	83.7	33.7
Shreveport, La	.6	12,420	12,196	12,205	10,637	6,315	1,783	87.2	85.6	28.2
South Bend, Ind	.2	11,497	11,164	11,261	9,936	5,568	1,561	88.2	86.4	28.0
Spokane, Wash	.2	12,993	12,791	12,683	10,857	5,684	2,136	85.6	83.6	37.6
Stockton, Calif	.4	11,120	10,935	10,788	9,649	5,952	1,471	89.4	86.8	24.7
Syracuse, N. Y	.1	12,971	12,763	12,505	10,650	6,099	2,321	85.2	82.1	38.1
Tacoma, Wash	.2	12,223	11,994	12,222	10,413	5,749	1,810	85.2	85.2	31.5
Tampa-St. Petersburg, Fla	.9	9,806	9,462	9,418	8,573	5,138	1,233	91.0	87.4	24.0
Toledo, Ohio	.3	15,289	15,027	15,085	12,505	6,560	2,784	82.9	81.8	42.4
Topeka, Kans	.1	11,502	11,002	11,035	9,803	5,447	1,699	88.8	85.2	31.2
Tulsa, Okla	1.1	10,932	10,741	10,504	9,550	5,842	1,382	90.4	87.4	23.7
Washington, D. C	.4	13,272	12,814	13,106	10,651	6,643	2,621	81.3	80.3	39.5
Wichita, Kans	.6	12,369	12,007	11,941	10,610	6,782	1,759	88.9	85.8	25.9
Youngstown, Ohio	.3	11,899	11,788	11,728	10,099	5,107	1,800	86.1	84.9	35.2

[1] Total requirements less mortgage amount.

TABLE II–76—Continued

Purchase transaction characteristics, selected metropolitan areas, 1-family homes, Sec. 203, 1955—Continued

Standard metropolitan area	As percent of United States total	Average: Total requirements	Average: Sale price	Average: Property value	Average: Mortgage amount	Average: Mortgagor's annual income	Average: Current investment[1]	Mortgage as percent of: Property value	Mortgage as percent of: Total requirements	Current investment as percent of income
EXISTING HOMES										
Akron, Ohio	0.7	$13,574	$13,289	$13,185	$10,613	$5,939	$2,961	80.5	78.2	49.9
Albany-Schenectady-Troy, N. Y.	.5	12,991	12,821	12,739	10,442	6,554	2,549	82.0	80.4	38.9
Albuquerque, N. Mex.	.2	11,789	11,615	10,811	9,538	6,239	2,251	88.2	80.9	36.1
Atlanta, Ga.	.9	14,089	13,715	13,834	11,325	6,935	2,764	81.9	80.4	39.9
Baltimore, Md.	.5	10,451	10,190	10,992	8,509	5,526	1,942	77.4	81.4	35.1
Birmingham, Ala.	.4	12,725	12,306	12,210	10,287	6,335	2,438	84.3	80.8	38.5
Buffalo, N. Y.	.9	12,557	12,133	12,087	9,908	5,748	2,649	82.0	78.9	46.1
Charlotte, N. C.	.2	13,501	13,175	12,971	10,935	6,889	2,566	84.3	81.0	37.2
Chicago, Ill.	1.9	14,980	14,644	13,938	11,189	6,724	3,791	80.3	74.7	56.4
Cleveland, Ohio	1.5	15,231	14,889	14,450	11,493	6,126	3,738	79.5	75.5	61.0
Columbus, Ohio	1.8	12,951	12,625	12,266	10,379	5,711	2,572	84.6	80.1	45.0
Dallas, Tex.	1.3	9,922	9,672	9,526	8,565	5,516	1,357	89.9	86.3	24.6
Dayton, Ohio	.6	13,617	13,319	12,645	10,425	6,019	3,192	82.4	76.6	53.0
Denver, Colo.	.6	13,357	13,160	12,694	10,701	6,681	2,656	84.3	80.1	39.8
Des Moines, Iowa	.3	12,614	12,432	12,136	10,287	6,181	2,327	84.8	81.6	37.6
Detroit, Mich.	4.0	14,082	13,860	13,254	10,630	6,464	3,452	80.2	75.5	53.4
El Paso, Tex.	.1	11,144	10,925	9,700	8,792	6,768	2,352	90.6	78.9	34.8
Flint, Mich.	.6	12,775	12,544	12,069	10,162	5,846	2,613	84.2	79.5	44.7
Fort Wayne, Ind.	.2	12,525	12,277	11,538	9,471	5,917	3,054	82.1	75.6	51.6
Fort Worth, Tex.	.8	8,650	8,426	8,202	7,462	5,061	1,188	91.0	86.3	23.5
Fresno, Calif.	.5	11,663	11,426	11,293	9,540	5,936	2,123	84.5	81.8	35.8
Grand Rapids, Mich.	.6	13,212	12,981	12,841	10,406	5,776	2,806	81.0	78.8	48.6
Hartford, Conn.	.4	14,484	14,335	13,671	11,251	6,529	3,233	82.3	77.7	49.5
Houston, Tex.	1.5	10,703	10,544	10,562	9,249	6,470	1,454	87.6	86.4	22.5
Indianapolis, Ind.	1.0	13,562	13,361	12,622	10,393	6,637	3,169	82.3	76.6	47.7
Jacksonville, Fla.	.4	11,255	10,914	10,560	9,388	6,389	1,867	88.9	83.4	29.2
Kansas City, Kans.-Mo.	2.6	12,734	12,431	12,290	10,163	6,396	2,571	82.7	79.8	40.2
Knoxville, Tenn.	.2	11,745	11,478	11,223	9,662	6,173	2,083	86.1	82.3	33.7
Little Rock-North Little Rock, Ark.	.3	11,369	10,992	10,991	9,485	6,041	1,884	86.3	83.4	31.2
Los Angeles-Long Beach, Calif.	3.2	14,477	14,172	12,693	10,644	6,984	3,833	83.9	73.5	54.9
Louisville, Ky.	.7	12,821	12,551	12,199	10,231	5,997	2,590	83.9	79.8	43.2
Memphis, Tenn.	.7	11,010	10,753	10,583	9,302	5,522	1,708	87.9	84.5	30.9
Miami, Fla.	.3	12,873	12,569	11,717	10,095	6,251	2,778	86.2	78.4	44.4
Milwaukee, Wis.	.2	15,057	14,856	14,515	11,689	6,144	3,368	80.5	77.6	54.8
Minneapolis-St. Paul, Minn.	.9	14,305	14,020	13,846	11,222	6,025	3,083	81.0	78.4	51.2
New Orleans, La.	.3	14,306	13,926	14,018	11,432	6,241	2,874	81.6	79.9	46.1
New York-Northeastern New Jersey	4.0	14,222	13,864	13,403	10,964	6,875	3,258	81.8	77.1	47.4
Norfolk-Portsmouth, Va.	.5	12,200	11,945	11,551	9,781	6,184	2,419	84.7	80.2	39.1
Oklahoma City, Okla.	.6	10,886	10,561	10,502	9,163	6,010	1,723	87.3	84.2	28.7
Omaha, Nebr.	.6	11,988	11,695	10,703	9,169	5,770	2,819	85.7	76.5	48.9
Philadelphia, Pa.	2.4	11,111	10,723	10,183	8,638	5,460	2,473	84.8	77.7	45.3
Phoenix, Ariz.	.5	11,239	11,009	10,587	9,130	6,665	2,109	86.2	81.2	31.6
Pittsburgh, Pa.	.7	13,247	12,946	12,749	10,580	6,180	2,667	83.0	79.9	43.2
Portland, Oreg.	1.8	10,930	10,760	10,805	9,035	6,014	1,895	83.6	82.7	31.5
Richmond, Va.	.6	11,411	11,142	10,957	9,345	5,762	2,066	85.3	81.9	35.9
Rochester, N. Y.	.6	11,741	11,320	11,415	9,206	5,585	2,535	80.6	78.4	45.4
Sacramento, Calif.	1.3	11,761	11,573	11,303	9,638	6,467	2,123	85.3	81.9	32.8
St. Louis, Mo.	2.3	13,819	13,441	13,337	10,659	6,479	3,160	79.9	77.1	48.8
Salt Lake City, Utah	.4	14,454	14,114	13,828	11,513	6,360	2,941	83.3	79.7	46.2
San Antonio, Tex.	.6	11,036	10,838	10,959	9,390	6,128	1,646	85.7	85.1	26.9
San Bernardino-Riverside-Ontario, Calif.	.4	12,927	12,569	12,048	10,131	6,118	2,796	84.1	78.4	45.7
San Diego, Calif.	.6	13,234	12,867	11,841	9,895	6,014	3,339	83.6	74.8	55.5
San Francisco-Oakland, Calif.	4.3	12,962	12,706	12,094	10,159	6,351	2,803	84.0	78.4	44.1
San Jose, Calif.	1.0	14,376	14,148	13,954	11,481	6,843	2,895	82.3	79.9	42.3
Seattle, Wash.	2.6	12,657	12,450	12,404	10,324	6,428	2,333	83.2	81.6	36.3
Shreveport, La.	.4	12,233	11,969	11,899	10,229	6,726	2,004	86.0	83.6	29.8
South Bend, Ind.	.3	11,709	11,519	10,930	9,159	5,934	2,550	83.8	78.2	45.0
Spokane, Wash.	.3	11,458	11,241	11,173	9,571	5,802	1,887	85.7	83.5	32.5
Stockton, Calif.	.6	10,793	10,556	10,432	9,013	6,148	1,780	86.4	83.5	29.0
Syracuse, N. Y.	.4	13,405	13,195	13,204	10,827	6,428	2,578	82.0	80.8	40.1
Tacoma, Wash.	.5	10,888	10,704	10,694	8,977	5,886	1,911	83.9	82.4	32.5
Tampa-St. Petersburg, Fla.	.3	12,614	12,253	12,048	10,038	6,775	2,576	83.3	79.6	38.0
Toledo, Ohio	.4	14,403	14,059	13,890	11,209	6,117	3,194	80.7	77.8	52.2
Topeka, Kans.	.4	11,156	10,881	10,027	8,845	5,827	2,311	88.2	79.3	39.7
Tulsa, Okla.	.9	10,343	10,155	9,726	8,719	5,696	1,624	89.6	84.3	28.5
Washington, D. C.	.8	17,086	16,599	16,221	13,166	7,701	3,920	81.2	77.1	50.9
Wichita, Kans.	.5	12,214	11,871	11,040	9,626	6,674	2,588	87.2	78.8	38.8
Youngstown, Ohio	.3	13,735	13,424	13,211	10,595	5,845	3,140	80.2	77.1	53.7

$199, and one-fifth averages of $300 or more. Existing-home closing costs averaged $300 to $399 in 20 States, $200 to $299 in 18 States, and $150 to $199 in 8 States.

Average current investments (downpayments plus closing costs) were lowest for new-home buyers in Georgia ($1,156) and for existing-home buyers in Texas ($1,512), and highest in Missouri ($3,549) for new homes and in Nevada ($3,670) for existing homes. In 7 of 10 States, current investments of new-home buyers averaged from $1,500 to $2,499. Existing-home averages were less concentrated, with half of the States reporting averages of $2,000 to $2,999, one-fourth averages of $1,500 to $1,999, and roughly one-fifth averages of $3,000 to $3,499.

Mortgage amounts accounted for varying proportions of total transaction requirements in the various States, ranging from 76 percent in Missouri to 89 percent in Georgia for new-home transactions, and from 74 percent in Wyoming to 85 percent in Texas for existing-construction cases. For new-home transactions in most States, the average ratios of mortgage to total requirements were in the relatively narrow range of 83 to 85.9 percent. The existing-home average ratios were more dispersed, 7 of 10 States reporting averages in the range from 77 to 81.9 percent. In line with the higher loan-to-value ratios for new construction permitted under the law, new-home mortgages represented larger proportions of total requirements than existing-home mortgages in all but two States.

Inasmuch as FHA-estimated property value is generally less than sale price and almost invariably lower than total requirements, the average loan-to-value ratios exceeded the ratios of loan to total requirements in every instance except for new-home mortgages in Maryland and Hawaii. In these two areas, many of the transactions involve leasehold estates with the land being leased and the mortgagors paying ground rent. FHA property valuations include the land, but since title to the land is not passed to the mortgagor, the sale price, and hence total requirements, exclude it. In determination of the maximum mortgage amount for leasehold cases, the value of the leased fee (usually the land price) is deducted from the mortgage amount obtained by applying the applicable loan-to-value ratio to the property value including land.

The ratio of buyer's current investment to annual effective income ranged in new-home transactions from 22 percent in New Mexico to 55 percent in Missouri and in existing-home cases from 26 percent in Texas to 54 percent in West Virginia. New-home investments averaged from 25 to 35 percent of income in half of the States, and higher in most of the remaining States. The existing-home investment-to-income ratios were higher than the new in nearly every State, ranging mainly from 30 to 50 percent.

Comparable data on the 1955 Section 203 purchase transactions are available for selected metropolitan areas in Table 76.

TABLE II–77

Amount of mortgage by total requirements for purchase transactions, 1-family homes, Sec. 203, 1955

Total requirements	Percentage distribution	Median amount of mortgage	Amount of mortgage—percentage distributions														
			Less than $5,000	$5,000 to $5,999	$6,000 to $6,999	$7,000 to $7,999	$8,000 to $8,999	$9,000 to $9,999	$10,000 to $10,999	$11,000 to $11,999	$12,000 to $12,999	$13,000 to $13,999	$14,000 to $14,999	$15,000 to $16,999	$17,000 to $19,999	$20,000	Total
NEW HOMES																	
Less than $7,000	0.4	$5,985	0.8	50.8	48.4												100.0
$7,000 to $7,999	2.8	6,941	.1	.4	55.9	43.6											100.0
$8,000 to $8,999	9.9	7,872	.3	.3	.9	63.2	35.3										100.0
$9,000 to $9,999	13.7	8,728	.2	(1)	.5	3.8	82.3	13.2									100.0
$10,000 to $10,999	11.8	9,345	.2	.1	.6	1.5	16.5	80.2	0.9								100.0
$11,000 to $11,999	11.3	10,063	.2	.5	.6	1.4	4.9	36.4	55.9	0.1							100.0
$12,000 to $12,999	11.1	10,654	.4	.3	.5	1.6	3.1	13.8	55.2	25.0	0.1						100.0
$13,000 to $13,999	10.4	11,297	.2	.5	.6	1.1	2.9	6.0	22.6	60.1	6.0						100.0
$14,000 to $14,999	8.2	12,279	.1	.4	.3	1.2	1.7	3.9	11.8	20.2	50.9	0.5					100.0
$15,000 to $15,999	7.0	12,505	.1	.3	.3	1.3	1.6	2.2	8.2	16.3	38.9	30.8					100.0
$16,000 to $16,999	5.0	13,153	.2	.3	.4	1.1	1.5	2.1	5.1	8.3	23.3	40.8	7.8	0.1			100.0
$17,000 to $17,999	3.0	13,873	.2	.1	.1	.3	1.3	.5	3.8	5.3	12.4	20.8	43.3	2.9			100.0
$18,000 to $19,999	3.3	14,726	.1	.2	.8	.1	1.0	1.8	2.2	3.4	5.0	13.0	30.8	41.5	0.1		100.0
$20,000 or more	2.1	15,658		.5	.3	.2	.2	.7	2.0	1.4	2.7	2.5	7.8	48.2	28.8	4.7	100.0
Total	100.0	10,081	.2	.5	2.2	8.9	18.3	18.2	17.0	13.3	9.3	6.1	2.9	2.4	.6	.1	100.0
EXISTING HOMES																	
Less than $7,000	2.3	5,532	24.3	57.6	18.1												100.0
$7,000 to $7,999	4.4	6,674	.5	8.5	71.3	19.7											100.0
$8,000 to $8,999	9.1	7,519	.2	1.1	15.1	69.9	13.7										100.0
$9,000 to $9,999	11.2	8,229	.2	.4	3.2	25.1	68.5	2.6									100.0
$10,000 to $10,999	12.0	8,852		.2	1.0	7.5	51.4	39.0	0.9								100.0
$11,000 to $11,999	10.9	9,545	(1)	.1	.6	2.4	17.3	65.5	13.8	0.3							100.0
$12,000 to $12,999	10.9	10,153	(1)	.1	.4	1.3	6.8	30.8	57.3	3.0	0.3						100.0
$13,000 to $13,999	9.7	10,782		(1)	.1	.7	3.3	12.1	45.0	38.0	.7	0.1					100.0
$14,000 to $14,999	7.6	11,420		(1)	.1	.3	1.5	5.0	22.3	53.5	17.1	.1	0.1				100.0
$15,000 to $15,999	5.8	12,102			.1	.6	.9	2.3	10.3	30.6	51.5	3.5	(1)	0.2			100.0
$16,000 to $16,999	4.5	12,679	.1	.1	.1	.1	.8	2.0	5.4	14.6	39.5	36.3	.7	.3			100.0
$17,000 to $17,999	3.3	13,387				.3	.3	.6	3.7	6.8	22.7	40.4	24.4	.4	0.4		100.0
$18,000 to $19,999	3.9	14,320			.1	.1	.3	.6	1.6	2.8	8.8	22.1	42.3	21.2	.1		100.0
$20,000 or more	4.4	16,491				.2	.2	(1)	.6	.6	2.3	4.6	10.1	42.1	32.4	6.9	100.0
Total	100.0	9,697	.6	1.9	5.5	11.5	18.3	17.3	15.0	10.9	7.3	4.2	3.0	2.7	1.5	.3	100.0

[1] Less than 0.05 percent.

AMOUNT OF MORTGAGE BY TOTAL REQUIREMENTS.—FHA home buyers in 1955 generally obtained mortgage financing in amounts at or near the maximums available under the law. This is evident from the distribution pattern of the mortgage amounts in each total requirements group shown in Table 77.

Influenced primarily by the applicable maximum loan-to-value ratios, the median mortgage amounts increased as the amounts of total requirements rose. The rate of increase, however, tended to slacken in the higher requirement groups, especially those amounting to $12,000 or more. This stemmed from a more widespread distribution of the mortgage amounts as requirements increased, reflecting the fact that buyers of the higher-priced homes were frequently able to make larger downpayments and hence required relatively smaller amounts of mortgage financing. Another factor was the higher mortgage amounts allowed on the higher-cost properties in Alaska, Hawaii, and Guam, tending to expand the mortgage amount distributions into the higher-amount categories.

Median mortgage amounts for new-home transactions exceeded those of existing homes in nearly all of the corresponding total requirements groups. This was in line with the higher loan-to-value ratios permitted on new construction. The exception was the group of $20,000 or more, where the comparatively higher property values in the existing-home transactions warranted higher mortgage amounts.

Technical Notes

SIZE OF SAMPLE.—Data presented in this section of the report are based on 33,200 new-home and 58,100 existing-home cases. These cases represent a 40-percent sample of the cases insured under Section 203 (b) during the first 10 months of 1955, selected on the basis of case number in order to assure random distribution.

DEFINITION OF TERMS.—Throughout this report the use of technical terms is in keeping with the following definitions established for use in the FHA underwriting system in connection with the appraisal of properties and the evaluation of mortgage risk:

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, finished spaces in attics, and areas with ceiling heights of less than 5 feet are excluded.

Market Price of Site is the FHA-estimated price for an equivalent site including street improvements or utilities, rough grading, terracing, and retaining walls, if any.

Mortgagor's Effective Income is the FHA-estimated amount of the mortgagor's earning capacity (before deductions for Federal income taxes) that is likely to prevail during approximately the first third of the mortgage term.

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

Property Value is the FHA-estimated 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, assuming the buyers to be well informed and acting intelligently, voluntarily, and without necessity.

Prospective Monthly Housing Expense includes total monthly mortgage payment for the first year and the FHA-estimated cost of monthly maintenance and repair, and heating and utility expenses.

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

Replacement Cost of Property is the FHA-estimated cost of the building (in new condition) and other physical improvements, market price of site, and miscellaneous allowable costs for the typical owner.

Sale Price is the price stated in the sale agreement, adjusted to exclude any portion of closing costs, prepayable expenses, or costs of non-real estate items which the agreement indicates will be assumed by the seller.

Taxes and Assessments include property taxes and any continuing non-prepayable special assessments, as estimated by FHA.

Total Monthly Mortgage Payment includes monthly payment for the first year to principal, interest, FHA insurance premium, hazard insurance premium, taxes and special assessments, and miscellaneous items including ground rent, if any.

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.

CHARACTERISTICS OF MULTIFAMILY HOUSING MORTGAGE TRANSACTIONS

This discussion of multifamily housing characteristics is based on those projects for which the FHA issued commitments during 1955 for the insurance of mortgages secured by newly constructed rental or cooperative housing. During the year there were 85 such commitments issued, involving a total of 8,900 dwelling units. Of these, 6,900 units were in rental projects—3,700 processed under Section 207, 800 under Section 220 urban renewal, and 2,500 under Section 803, including 1,700 units in Wherry housing projects and 800 units in Capehart housing projects. Some 2,000 units were covered by commitments issued under the Section 213 cooperative housing program—1,500 units in management-type projects and 500 in sales-type projects. Not included in this analysis are 4 commitments issued under Section 207 pursuant to Section 223 to refinance the sale of certain public housing (600 units) and 1 commitment issued to refinance a Section 608 project mortgage. No commitment activity was reported under either the Section 221 relocation housing program or the Section 908 defense housing program.

Trends of Typical Multifamily Housing Transactions

The typical rental housing project approved for mortgage insurance by the FHA during 1955 included 69 dwelling units. The typical unit contained 4.7 rooms, rented for $94.27, and secured a mortgage of $7,850 which represented 81.8 percent of the estimated replacement cost.

TABLE II–78

Characteristics of multifamily housing transactions, by section, 1955

Item	Total rental and co-operative housing	Rental housing				Cooperative housing, Sec. 213		
		Total	Sec. 207	Sec. 220	Sec. 803	Total	Man-age-ment type	Sales type
Projects:								
Median size (in units)	68.0	69.0	49.2	254.0	275.0	57.5	112.5	45.0
Average size (in units)	104.6	115.6	76.2	254.0	275.0	78.8	113.7	41.1
Units:								
Median size (in rooms) [1]	4.9	4.7	4.6	3.8	5.2	5.4	5.2	5.8
Median monthly rental	(2)	$94.27	$120.27	$123.39	$73.81	(2)	(2)	(2)
Median mortgage amount [3]	$8,518	$7,850	$8,506	$8,681	$7,622	$10,150	$10,248	$7,339
Median mortgage-cost ratio	82.8	81.8	79.0	88.2	87.7	90.1	84.5	94.4

The following footnotes apply to this and to all subsequent tables in this section of the report:
[1] In determining the number of rooms per unit, baths, closets, halls, and similar spaces were excluded.
[2] Not available.
[3] Amount of mortgage allocable to dwelling use.

The characteristics for each of the several programs for which commitments to insure were approved by FHA during the year are presented in Table 78. In comparison with other rental housing, Section 803 projects were larger—typically containing 275 dwelling units with 5.2 rooms, rented for considerably less—$73.81, and secured a smaller mortgage of $7,622. This results from the high proportion (86 percent) of dwelling units consisting of 1-family structures committed under this program and the fact that no land cost is involved for those projects built on land leased from the Department of Defense. In contrast, projects approved under Section 207 and Section 220 showed differences due, in part, to the relatively large numbers of units in elevator structures—56 percent and 100 percent, respectively—with generally smaller but higher rental units. Under the Section 220 program, the commitments issued by FHA in 1955 covered sections 1, 2, and 3 of the New York City development known as Delano Village. Despite differences in size of typical projects for Section 207 (49 units with 4.6 rooms) and Section 220 (254 units with 3.8 rooms), the median monthly rental varied only slightly from $120.27 under Section 207 to $123.39 under Section 220. The unit mortgage of $8,681 for Section 220 was somewhat higher than the $8,506 reported for Section 207.

The typical Section 213 management-type cooperative project consisted of 112.5 dwelling units with a median room count of 5.2 rooms which secured a mortgage of $10,248 or 84.5 percent of replacement cost. In contrast, sales-type cooperatives were smaller (typically 45 units), had a higher room count of 5.8 rooms per unit, and secured a smaller mortgage of $7,339 which represented 94.4 percent of the replacement cost and reflected the higher participation of veterans in this type of project.

TABLE II–79

Characteristics of mortgages and projects in rental project transactions, by years, 1947–55

Item	Year [1]								
	1955	1954	1953	1952	1951	1950	1949	1948	1947
Projects:									
Median size (in units)	69.0	77.5	106.8	87.5	112.5	48.6	41.6	22.5	20.3
Average size (in units)	115.6	116.8	150.1	154.8	182.4	97.6	78.4	51.1	39.8
Percent with:									
Walkup structures	47.5	54.6	55.8	53.5	49.4	59.0	68.8	84.4	85.9
Elevator structures	32.2	27.6	22.1	5.6	10.1	18.0	14.0	3.1	1.1
1-family structures	20.3	17.8	22.1	40.9	40.5	23.0	17.2	12.5	13.0
Units:									
Median size (in rooms)	4.7	4.7	4.6	4.8	4.6	4.2	4.0	4.7	4.7
Average size (in rooms)	4.5	4.3	4.3	4.5	4.4	3.9	3.7	4.3	4.4
Median monthly rental	$94.27	$102.72	$87.95	$75.38	$71.10	$78.87	$82.49	$87.56	$84.13
Average mortgage amount	$8,049	$7,821	$7,679	$7,179	$7,133	$7,140	$7,190	$7,645	$7,505
Percent in:									
Walkup structures	24.4	35.8	39.4	39.4	35.0	40.0	58.2	76.7	83.6
Elevator structures	40.8	44.4	30.0	4.4	12.8	30.8	26.7	13.1	2.7
1-family structures	34.8	19.8	30.6	56.2	52.2	29.2	15.1	10.2	13.7
Rooms:									
Average monthly rental	$22.99	$24.39	$21.34	$16.77	$16.91	$20.06	$22.22	$20.13	[2] $19.00
Average mortgage amount	$1,802	$1,817	$1,778	$1,579	$1,619	$1,835	$1,940	$1,769	$1,724

[1] Based on commitments issued in 1947–49 under Sec. 608, in 1950–51 under Secs. 207, 608, 803, in 1952–54 under Secs. 207, 803, 908, and in 1955 under Secs. 207, 220, 803.
[2] Estimated.

The trends of selected characteristics for rental housing projects are shown in Table 79 and Chart 26.

The median project of 69 units for 1955 was smaller than that of 77.5 units reported for 1954. It may be noted that project sizes have varied greatly during the 9-year period covered by the table and chart.

The most notable development for 1955 was the 8-percent decrease in monthly rental from the all-time high of $102.72 established in 1954 to $94.27. This decrease occurred despite the fact that the typical unit remained unchanged at 4.7 rooms and the average mortgage amount rose $228 over the $7,821 reported for 1954. This increased mortgage amount for 1955 set a new all-time high for projects approved for mortgage insurance by FHA. Coupled with this was the proportional increase in the number of dwelling units contained in 1-family structures—35 percent as compared to 20 percent a year ago—which, for the most part, were Section

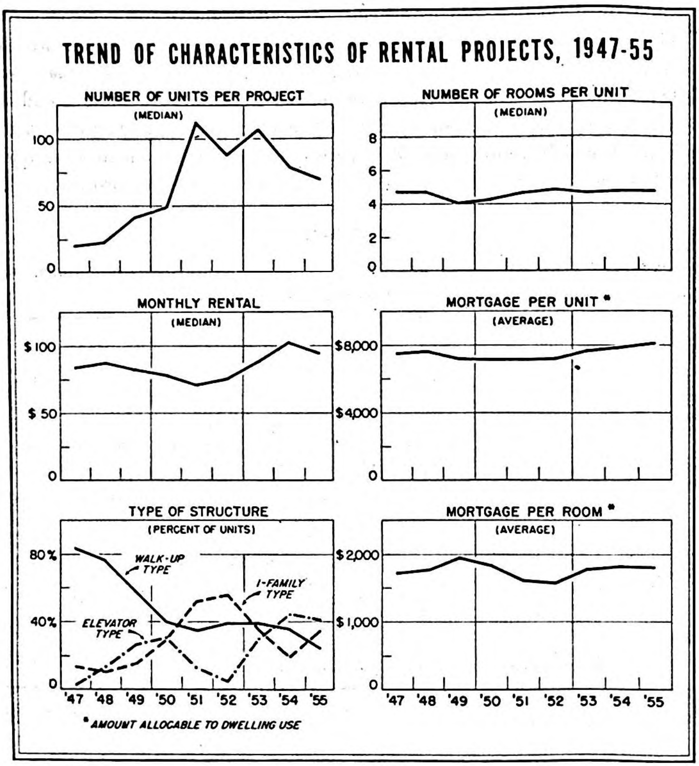

CHART 11–26

803 projects with median rentals of $72. Also, a slight decrease was reported during 1955 in the proportion of dwelling units contained in elevator structures.

Type of Structure

FHA classifies large-scale developments into three principal types of structure: namely, walkup, elevator, and 1-family (row, semidetached, and detached houses). During 1955, as shown in Table 80, nearly one-half of the approved rental projects were walkups, but the major portion of dwelling units (41 percent) were in elevator-type structures. The median rental walkup contained 28 units while the typical elevator project consisted of 135 dwelling units.

TABLE II–80

Type of structure for multifamily housing, by section, 1955

Type of structure	Total rental and cooperative housing	Rental housing				Cooperative housing, Sec. 213		
		Total	Sec. 207	Sec. 220	Sec. 803	Total	Management type	Sales type
Percentage distribution of projects:								
Walkup	41.7	47.5	55.3		22.2	28.0	53.8	
Elevator	28.6	32.2	34.1	100.0		20.0	38.5	
1-family	29.7	20.3	10.6		77.8	52.0	7.7	100.0
All projects	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Percentage distribution of dwelling units:								
Walkup	27.4	24.4	36.6		14.3	37.6	50.2	
Elevator	38.3	40.8	56.3	100.0		29.7	39.6	
1-family	34.3	34.8	7.1		85.7	32.7	10.2	100.0
All units	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Walkups have predominated for FHA-approved rental projects for some years. With the exception of 1954–55 when elevator structures accounted for the greatest number of units and 1951–52 when units in one-family developments predominated, walkups also provided the greatest number of dwelling units (Table 79).

During 1955, as in the preceding 2 years, Section 207 elevator projects accounted for more than one-half of the dwelling units approved under this section of the Act. This was a contributing factor in the increased share of units in rental elevator structures during 1954 and 1955 since the Section 207 activity represented a preponderance of FHA's approved rental project operations for those 2 years. Basically there was little change over 1954 in the distribution of units for each type of structure under Section 207.

Along with this, there was a slight downward shift from 1954 to 14 percent in the proportion of dwelling units in Section 803 walkups. The remaining units were in one-family structures which have always predominated under this section. Since Section 803 operations led during 1951 and 1952, this characteristic accounted for the high ratio of units contained in one-family structures as reported for all programs combined in those years.

Section 213 management-type cooperative projects, for the first time, had more units in walkups (50 percent) than in elevator structures, which formerly accounted for the major share of units for this type project. Sales-type cooperatives, by law, consist entirely of one-family dwellings.

Size of Project

Table 81 presents the percentage distribution of projects and dwelling units by size of project (measured in dwelling units) for each of the programs for which commitments for mortgage insurance were approved by

TABLE II-81

Size of project for multifamily housing, by section, 1955

Number of dwelling units per project	Total rental and cooperative housing	Rental housing				Cooperative housing, Sec. 213		
		Total	Sec. 207	Sec. 220	Sec. 803	Total	Management type	Sales type
Percentage distribution of projects:								
8 to 24	17.8	20.2	25.6	--------	--------	12.0	7.7	16.6
25 to 49	23.8	20.3	25.6	--------	--------	32.0	--------	66.8
50 to 99	21.5	20.4	23.3	--------	11.1	24.0	30.8	16.6
100 to 149	13.2	11.9	12.7	--------	11.1	16.0	30.8	--------
150 to 199	8.3	5.1	6.4	--------	--------	16.0	30.7	--------
200 to 299	9.4	13.6	4.3	100.0	33.4	--------	--------	--------
300 to 399	1.2	1.7	--------	--------	11.1	--------	--------	--------
400 to 499	3.6	5.1	2.1	--------	22.2	--------	--------	--------
500 or more	1.2	1.7	--------	--------	11.1	--------	--------	--------
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median	68.0	69.0	49.2	254.0	275.0	57.5	112.5	45.0
Percentage distribution of dwelling units:								
8 to 24	3.2	3.3	6.2	--------	--------	2.9	1.6	6.9
25 to 49	8.5	6.0	11.3	--------	--------	17.2	--------	68.6
50 to 99	14.7	12.5	21.3	--------	3.6	22.1	21.3	24.5
100 to 149	15.2	13.1	22.1	--------	4.0	23.2	30.9	--------
150 to 199	13.3	7.1	13.6	--------	--------	34.6	46.2	--------
200 to 299	21.2	27.3	12.2	100.0	26.9	--------	--------	--------
300 to 399	3.4	4.4	--------	--------	12.1	--------	--------	--------
400 to 499	14.8	19.0	13.3	--------	33.2	--------	--------	--------
500 or more	5.7	7.3	--------	--------	20.2	--------	--------	--------
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average	104.6	115.6	76.2	254.0	275.0	78.8	113.7	41.1

the FHA during 1955. These data are based on individual project mortgages although in some cases they may be parts of larger multiproject developments.

The median rental project in 1955—69 dwelling units—contained one-tenth fewer units than the typical project approved during 1954. Three-fifths of all the rental projects covered by 1955 commitments contained fewer than 100 units while nearly a third consisted of from 100 to 299 units. Three-fourths of the Section 207 projects had fewer than 100 units in contrast to the Section 803 program, in which all but one project contained more than 100 dwelling units. Under Section 207, elevator projects contained a median 77 units, 1-family projects 63 units, and walkups 28 units. The largest project approved during the year under this section consisted of an elevator structure containing 478 dwelling units.

Four-fifths of all project rental units provided for the year were in projects having 100 units or more. Nearly two-fifths of the Section 207 dwelling units were contained in projects with fewer than 100 units while more than one-third of this section's total were in projects of 100 to 199 units. Two-thirds of the Section 803 units involved projects containing 300 or more units.

The median project for Section 213 management-type cooperatives consisted of 112.5 units with three-fourths of all units contained in projects having from 100 to 199 dwelling units. Sales-type cooperatives on the other hand were much smaller with the typical project containing 45 dwelling units. There were no sales-type projects with as many as 100 units.

With respect to project size the housing amendments of 1955 established 8 units as the minimum number which could be insured on one site under Sections 207, 213, and 803. No projects with fewer than 12 dwelling units (the former statutory limitation) were committed for mortgage insurance during 1955. Section 220 rental projects can have as few as 5 dwelling units.

Size of Dwelling Units

The median dwelling unit for rental projects approved for mortgage insurance during 1955 contained 4.7 rooms—the same as that reported for 1954. Management-type cooperative project units were larger in 1955—5.2 rooms as compared to 4.8 rooms a year ago—while sales-type cooperative dwelling units remained the same size with 5.8 rooms. (See Table 82 for the percentage distribution of dwelling units by number of rooms for the several project programs.)

TABLE II–82

Size of dwelling units for multifamily housing, by section, 1955

Rooms per unit	Total rental and cooperative housing	Rental housing				Cooperative housing, Sec. 213		
		Total	Sec. 207	Sec. 220	Sec. 803	Total	Management type	Sales type
Percentage distribution of dwelling units:								
Less than 3	4.3	5.0	4.2	24.4	-------	2.0	2.7	-------
3	1.5	1.9	3.4	-------	0.3	-------	-------	-------
3½	9.8	11.1	13.2	37.8	-------	5.1	6.9	-------
4	17.3	20.3	21.2	12.6	21.4	6.8	6.8	6.9
4½	21.0	24.2	29.4	25.2	16.4	10.2	13.5	-------
5	22.9	20.3	19.4	-------	27.7	32.1	42.8	-------
5½	9.3	6.7	5.7	-------	10.3	18.2	3.1	63.5
6 or more	13.9	10.5	3.5	-------	23.9	25.6	24.2	29.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median	4.9	4.7	4.6	3.8	5.2	5.4	5.2	5.8

During the year the proportion of units having 5½ rooms or more (all rental projects) increased to 17 percent of the total whereas only 10 percent were this large in 1954. There was a corresponding decrease in the number of units containing 3 or fewer rooms—7 percent in 1955 as compared to 14 percent a year ago. Minor proportional changes occurred for dwelling units of 4 and 5 rooms. Those with 4 rooms increased to 20 percent—4 percentage points over 1954—while units consisting of 5 rooms decreased—20 percent this year as compared to 23 percent in 1954.

The influence of the increased proportion of operations under the Section 207 rental program can be seen in this trend toward large dwelling units.

Prior to legislative changes in 1953, maximum mortgage amounts under this program were limited to a percentage of value or $7,200 per unit for units of less than 4 rooms and $8,100 per unit for units with 4 rooms or more. The 1953 legislation amended these limitations by providing for a maximum mortgage based on $2,000 per room for units with 4 rooms or more but not to exceed $10,000 per unit. The housing amendments of 1954 retained these provisions but removed the $10,000 limitation per unit and provided for increases to the statutory mortgage limitations to compensate for higher cost incident to the construction of elevator-type structures. These statutory limitations remained in effect during 1955. During the period preceding these legislative changes through 1955, dwelling units with more than 4 rooms (Sec. 207) increased from 29 percent of the total in 1952 to 58 percent in 1955. In 1953, units of this size accounted for 42 percent and in 1954, 55 percent. Two-thirds of all Section 207 units contained in elevator structures during 1955 were composed of 4 or more rooms.

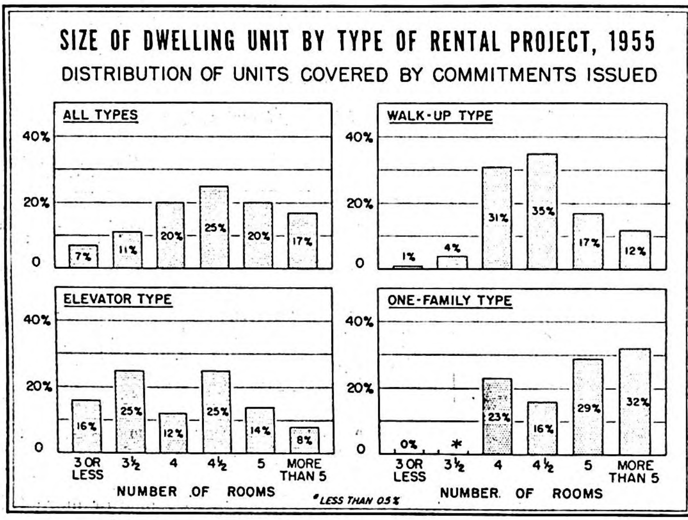

CHART 11–27

Chart 27 presents graphically the size of dwelling units by type of structure for rental projects. Compared to 1954 there were fewer units in walkup structures—predominantly Section 207—with 5 rooms, and more units consisting of 4 rooms. Elevator structures, for the most part Section 207 projects, tended to have more units during 1955 consisting of 3½, 4½, and more than 5 rooms while 1-family structures showed a decrease in the number of units having more than 5 rooms. Nine of every ten units contained in 1-family structures during 1955 were under the Section 803 program.[6]

Mortgage Allocable to Dwellings

The median mortgage amount for rental projects that was allocable to dwelling use in 1955 was $7,850 per unit—a decrease of $191 from 1954. (This is in contrast to the increase of $228 mentioned in connection with Table 79 which was based on changes in arithmetic means. The arithmetic mean amount—$8,049—exceeded the median, reflecting the extremes in the higher ranges of the frequency distribution.) The mortgage amount discussed in this section excludes that portion that is allocated to garages, stores, and other non-dwelling income-producing parts of the project.

TABLE II–83

Amount of mortgage allocable to dwellings for multifamily housing, by section, 1955

Average amount of mortgage per dwelling unit [1]	Total rental and cooperative housing	Rental housing				Cooperative housing, Sec. 213		
		Total	Sec. 207	Sec. 220	Sec. 803	Total	Management type	Sales type
Percentage distribution of dwelling units:								
Less than $5,000								
$5,000 to $5,999	4.0	4.8	9.1			1.7		6.9
$6,000 to $6,999	9.3	12.0	14.4		12.1			
$7,000 to $7,999	34.4	39.8	25.9		72.2	15.9		63.5
$8,000 to $8,999	22.1	26.5	18.3	100.0	15.7	6.7	8.9	
$9,000 to $9,999	13.9	12.7	24.2			17.8	23.8	
$10,000 to $10,999	11.7	2.7	5.1			42.8	48.9	24.5
$11,000 or more	4.6	1.5	3.0			15.1	18.4	5.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median	$8,518	$7,850	$8,506	$8,681	$7,622	$10,150	$10,248	$7,339

[1] 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.

Table 83 shows the percentage distribution of dwelling units by amount of mortgage for each project program having commitment activity during 1955. With the removal of the $10,000 per unit mortgage limitation under Section 207 in 1954, an increased portion of units (4 percent) were in projects having mortgage amounts per unit of $10,000 or more. The largest proportion (two-fifths) of rental project units had mortgages in the $7,000 to $7,999 group with 26 percent of all Section 207 units in this range and 72 percent of Section 803 units. In addition, nearly one-fourth of all

[6] 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.

Section 207 units involved mortgages of $9,000 to $9,999 and 8 percent exceeded $10,000. Section 213 management-type units were secured by mortgages of $10,248, increasing 16 percent over 1954, despite the fact that a smaller proportion were contained in elevator structures. Conversely, sales-type project units decreased 6 percent—$7,339 in 1955 as compared to $7,848 for 1954.

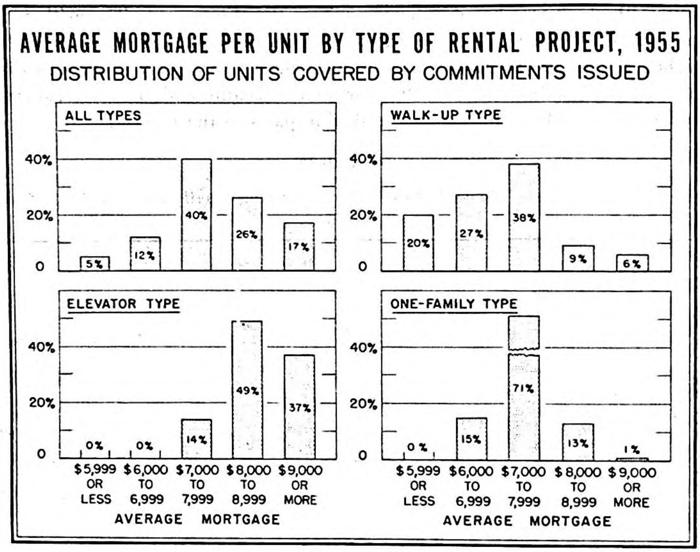

CHART 11–28

A comparison of Chart 28 with its counterpart for last year will reveal considerable changes in the distribution of units by mortgage amount for each type of rental project. There was a sizable shift to smaller mortgages during 1955 in walkups—65 percent of the total units involved mortgages of $6,000 to $7,999 per unit as compared to 30 percent last year while those of $8,000 or more decreased from 51 percent in 1954 down to 15 percent in 1955. Elevator structures showed an increase in the proportion of units having mortgages of $9,000 or more—37 percent as opposed to 14 percent in 1954—with no mortgages of less than $7,000 reported. In the case of 1-family structures a preponderance of units involved mortgages of $7,000 to $7,999 (71 percent).

In addition, the median rental project mortgage (total amount) approved for mortgage insurance during 1955 was $569,444. Nearly three-fifths of the Section 207 project mortgages involved principal amounts of less than $500,000 while all Section 803 mortgages exceeded this amount.

The bulk of the Section 213 management-type projects (77 percent) involved mortgages of $1,000,000 or more while 83 percent of all sales-type cooperative projects were covered by mortgages that were less than $400,000.

During 1955 the statutory mortgage amount for a single project was increased to $12,500,000 (formerly $5,000,000) for projects constructed under private sponsorship. However, the largest mortgage approved during the year involved $5,000,000 which covered an elevator structure under Section 207.

Ratio of Mortgage Amount to Replacement Cost

The typical rental-project mortgage approved for FHA insurance during 1955 involved an amount representing 81.8 percent of the estimated replacement cost—considerably higher than the 74.7 percent reported for 1954. Section 213 management-type cooperative-project mortgages involved 84.5 percent of replacement cost while sales-type cooperative mortgages represented 94.4 percent (Table 84).

TABLE II–84

Ratio of amount of mortgage to replacement cost for multifamily housing, by section, 1955

Mortgage as a percent of replacement cost	Total rental and cooperative housing	Rental housing				Cooperative housing, Sec. 213		
		Total	Sec. 207	Sec. 220	Sec. 803	Total	Management type	Sales type
Percentage distribution of dwelling units:								
Less than 70	3.1	2.8	5.3	-------	-------	4.4	5.8	-------
70 to 74.9	12.1	15.6	29.7	-------	-------	-------	-------	-------
75 to 79.9	20.4	21.1	18.8	-------	30.9	18.0	24.0	-------
80 to 82.4	13.8	14.9	25.6	-------	4.0	10.1	13.5	-------
82.5 to 84.9	4.4	3.8	4.8	-------	3.6	6.3	8.4	-------
85.0 to 87.4	2.6	3.3	6.4	-------	-------	-------	-------	-------
87.5 to 89.9	25.1	29.8	6.9	100.0	41.3	8.5	11.4	-------
90.0 [1]	18.5	8.7	2.5	-------	20.2	52.7	36.9	100.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median	82.8	81.8	79.0	88.2	87.7	90.1	84.5	94.4

[1] Includes any veterans' cooperative projects under Sec. 213 with ratios exceeding 90.0 percent.

The sharp increase in the mortgage-to-cost ratio for rental housing projects reflects the higher ratios reported for Section 803 projects—87.7 percent in 1955 compared with 81.2 percent in 1954—and the 79.0 percent for Section 207 as compared to 72.9 percent in the preceding year.

Section 207 mortgages characteristically have a lower mortgage-to-cost ratio than other rental-project programs since the maximum insurable mortgage is based on the FHA estimate of value rather than on replacement cost. Since the estimate of value is generally lower than the estimated replacement cost, this, of course, results in a lower ratio of loan-to-replacement cost. However, the increased proportion of units having higher loan-value ratios in 1955 tended to increase the mortgage-to-cost ratio as noted above. For

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comparison, the percentage distribution of dwelling units showing mortgage amount as a percent of value for Section 207 is presented below:

Mortgage as a percent of value:	Percentage distribution of units
70.0 to 74.9	1.8
75.0 to 79.9	8.0
80.0	64.8
80.1 to 84.9	----
85.0 to 89.9	17.8
90.0	7.6
Total	100.0

During 1955, nearly two-thirds of the total units had loan-value ratios of 80 percent. Only one-tenth of the units secured mortgages representing less than that proportion of value. This represents a marked change from 1954 when three-fifths of all Section 207 units had loan-value ratios that were less than 80 percent. The maximum ratio of loan to value can exceed 80 percent only on those Section 207 projects that have an average of 2 or more bedrooms per dwelling unit and that involve mortgage amounts not in excess of $7,200 per unit. In these cases, the maximum can be 90 percent. One-fourth of the Section 207 dwelling units approved in 1955 involved mortgages with loan-value ratios of 85 to 90 percent.

Monthly Rental for Rental Projects

The data presented in this section of the report relate to the monthly rentals to be paid by the occupants of rental projects securing FHA-insured mortgages and are based on estimates made in connection with the underwriting analysis prepared at the time of commitment. While generally reflecting rentals that are expected to prevail when the projects are completed and occupied, the rent schedules may be revised because of changes in construction or operating costs.

The median monthly rental for projects approved for FHA insurance during 1955 was $94.27—8 percent less than the all-time high reported for 1954. Despite this decrease, the median rentals for Section 207 and Section 803 projects rose slightly over 1954. The Section 207 rental of $120.27 represented a $4.67 increase, while the Section 803 rental increased $1.68 to $73.81. The median rentals reported for Section 803 have ranged from $70 to $75 since its enactment in 1949 while Section 207 rentals have increased each year starting with 1951, paralleling the increasing proportion in elevator structures. Table 85 shows the percentage distribution of dwelling units by monthly rental for the rental-project programs.

The distribution of dwelling units by monthly rental for each type of rental structure is presented in Chart 29. The bulk of units (two-fifths) in walkups rented for from $80 to $99 and were, for the most part, Section

TABLE II-85

Monthly rental for rental housing projects, by section, 1955

Monthly rental per dwelling unit	Rental housing			
	Total	Sec. 207	Sec. 220	Sec. 803
Percentage distribution of dwelling units:				
Less than $60	4.6			12.7
$60 to $79.99	24.4	10.0		52.7
$80 to $99.99	24.8	22.9	24.4	27.7
$100 to $119.99	11.1	16.8		6.4
$120 to $139.99	17.8	22.9	50.4	.5
$140 to $159.99	11.5	16.6	25.2	
$160 to $179.99	3.9	7.2		
$180 to $199.99	1.4	2.6		
$200 or more	.5	1.0		
Total	100.0	100.0	100.0	100.0
Median	$94.27	$120.27	$123.39	$73.81

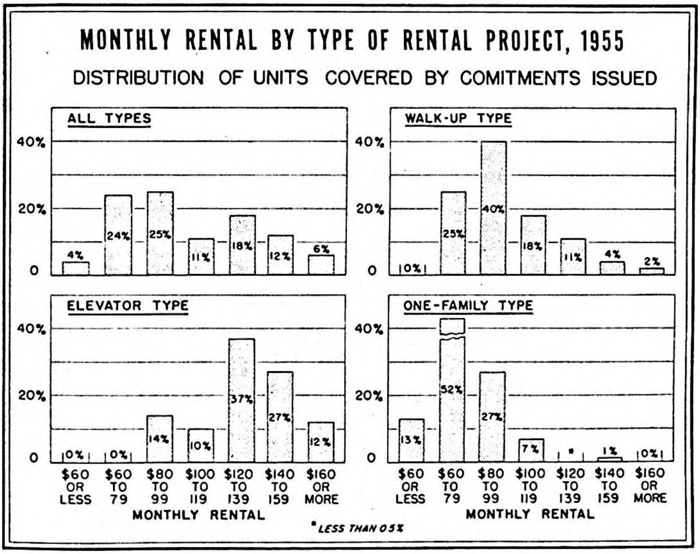

CHART 11-29

207 projects. Three-fourths of the elevator units rented for $120 or more but generally provided all equipment and services—heat, hot and cold water, laundry facilities, janitor services, grounds maintenance, ranges, refrigerators, and in some cases, air conditioning. About three-fourths of these elevator units were approved under the Section 207 program. The largest proportion of 1-family units (52 percent) had rentals ranging from $60 to $79 with the bulk of these approved under Section 803.

CHARACTERISTICS OF PROPERTY IMPROVEMENT LOANS

In 1955, the typical loan granted by an approved lender and insured by FHA under Section 2 of the National Housing Act provided an all-time high of $464 in net proceeds to the borrower. As in past years, these notes usually provided for repayment over a period of 3 years, the typical monthly installment for principal and interest reported for the 1955 insured notes being $14.83. The single-family dwelling again ranked first in type of structure improved and the most common loans, classified by major type of improvement, were for insulation work, additions and alterations, heating, and exterior finishing.

Amount of Loan

The year 1955 continued the general upward trend in the size of insured property improvement loans which has been reported for all postwar years except 1950 when credit restrictions were in effect. Table 86 shows that the typical 1955 borrower received $464, or 8 percent higher than the $430 reported for 1954, and 41 percent higher than the 1946 typical loan of $328. The average amount of the loans insured under this program has, of course, also increased, from $454 in 1946 to $630 in 1955.

TABLE II–86

Amount of property improvement loans, selected years

Net proceeds of individual loan	Number of loans—percentage distribution						Net proceeds—percentage distribution [1]					
	1955	1954	1953	1952	1950	1946	1955	1954	1953	1952	1950	1946
Less than $100	1.2	1.5	1.6	2.1	2.5	3.6	0.1	0.2	0.2	0.3	0.4	0.6
$100 to $199	11.4	12.8	12.6	14.4	18.7	19.1	2.8	3.3	3.2	3.9	6.4	6.3
$200 to $299	15.8	16.6	16.7	18.0	20.5	22.9	6.2	6.8	6.9	7.8	11.3	12.5
$300 to $399	15.0	15.9	15.6	15.5	15.4	15.9	8.1	9.1	9.0	9.4	10.9	12.1
$400 to $499	10.4	10.7	10.4	10.0	9.6	11.3	7.3	7.9	7.6	7.8	8.8	11.1
$500 to $599	9.4	9.0	8.8	8.4	8.0	7.8	8.0	8.0	7.8	7.9	8.8	9.6
$600 to $799	11.7	10.7	11.0	10.5	9.1	7.2	12.8	12.2	12.6	12.7	13.0	11.0
$800 to $999	7.1	6.5	6.9	6.5	5.0	4.2	9.9	9.6	10.2	10.1	9.2	8.2
$1,000 to $1,499	9.9	8.9	9.0	8.1	7.1	4.8	18.3	17.2	17.4	16.5	13.3	12.5
$1,500 to $1,999	4.1	3.6	3.7	3.1	2.0	1.4	10.7	10.0	9.7	9.0	6.8	5.3
$2,000 to $2,499	1.8	1.7	1.7	1.5	1.0	.7	6.2	6.2	6.1	5.7	4.2	3.5
$2,500 to $2,999	1.9	1.9	1.8	1.6	1.0	1.0	7.9	8.1	7.7	7.2	5.2	6.5
$3,000 to $3,999	.2	.1	.1	.2	.1	.1	.8	.7	.8	.9	.9	.5
$4,000 to $4,999	.1	(2)	.1	.1	(2)	(2)	.4	.3	.4	.4	.4	.1
$5,000 or more	(2)	.1	(2)	(2)	(2)	(2)	.5	.4	.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	100.0	100.0
Median	$464	$430	$433	$400	$354	$328						
Average							$630	$591	$595	$567	$479	$454

[1] Data for 1950–55 are based on net proceeds; data for earlier years are based on face amount.
[2] Less than 0.05 percent.

The table also reflects the changes which have taken place during this 10-year interval in the distribution of Title I insured loans by amount of loan. In 1946, 73 percent of the loans reported for insurance involved net proceeds of less than $500, while in 1955 only 54 percent of the total loans reported involved less than this amount. The percentage distribution for

1955 shows, as compared with 1954, the continuation of the gradual tren to larger loans. A greater dispersion of loan sizes is shown, with co sistently smaller percentages of loans in each of the amount classes belo $500 and consistently greater percentages in higher amount classes.

Duration of Loan

The bulk of the loans insured under Title I during 1955 provided fo repayment within periods of 3 years or less, with a heavy concentration– 68 percent of the loans accounting for 79 percent of the total net proceed insured—in the 36-month interval. The median duration was 36 month (Table 87), the same as in other recent years except for that period of 195 when credit was curtailed and the maturities of most loans insured unde Title I limited to 30 months. Only a small portion of the 1955 insure notes—less than three-fourths of 1 percent—involved terms of more tha 3 years.

TABLE II–87

Term of property improvement loans, selected years

Term in months		Number of loans—percentage distribution					Net proceeds—percentage distribution [1]				
Modal term	Interval	1955	1954	1953	1950	1946	1955	1954	1953	1950	1946
6	6 to 8	0.6	0.7	0.7	0.8	1.3	0.3	0.4	0.3	0.5	0.
12	9 to 14	10.0	10.1	9.4	10.1	16.9	4.4	4.5	4.1	4.9	8.
18	15 to 20	6.9	6.7	6.3	6.0	8.4	3.7	3.6	3.3	3.4	5.
24	21 to 26	11.3	10.4	9.7	10.2	12.3	7.7	7.1	6.5	7.1	9.
30	27 to 32	3.0	3.1	3.0	9.8	2.3	2.2	2.3	2.2	9.8	1.
36	33 to 41	67.5	68.5	70.4	62.5	58.6	79.1	80.0	81.5	71.1	73.
48	42 to 53	(2)	(2)	(2)	(2)	(2)	.1	.1	(2)	.1	(2)
60	54 to 63	.6	.4	.4	.4	(3)	2.0	1.6	1.6	1.7	(3)
	Over 63	.1	.1	.1	.2	.2	.5	.4	.5	1.4	1.
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.
Median		36.3	36.4	36.4	36.4	36.0					
Average							31.0	31.1	31.4	30.7	28.

[1] Data for 1950–55 are based on net proceeds; data for earlier years are based on face amount.
[2] Less than 0.05 percent.
[3] Included in "over 63 months."

Type of Property and Improvement

Table 88 presents the percentage distribution of the number and ne proceeds of loans insured in 1955 by type of property and type of improve ment, as well as information on the average net proceeds for notes involv ing the various types of property and improvement. Almost 9 out of 1 loans, accounting for 82 percent of the total dollar volume, were made t improve single-family residences. Another 12 percent of the insured ne proceeds was used for the repair and alteration of multifamily structure while the remainder was used in approximately equal proportions in co nection with commercial, farm home, and garage structures.

In referring to charts and tables showing the volume of notes insure or the net proceeds involved by type of property and type of improvemen it should be noted that these distributions reflect only the major type of property or type of improvement for which the loan was obtained. For example, a loan to finance additions and alterations might well include some minor work on insulation, plumbing, etc., but if the principal expenditure was for the purpose of effecting structural additions or alterations, the loan would be classified as being for that purpose.

TABLE II–88

Type of improvement by type of property for property improvement loans, 1955

Major type of improvement	Total	Type of property improved: Single-family dwellings	Multi-family dwellings	Commercial and industrial	Farm homes and buildings	Garages and other
Percentage distribution of number of loans:						
Additions and alterations	16.7	17.1	12.9	20.6	13.0	14.8
Exterior finish	10.7	10.8	12.2	7.1	9.6	1.6
Interior finish	8.0	7.8	10.8	11.6	3.4	1.6
Roofing	6.3	6.2	7.7	6.3	9.7	1.5
Plumbing	9.4	9.5	8.3	6.4	16.1	1.9
Heating	15.0	14.9	20.7	16.0	9.7	3.2
Insulation	18.3	18.9	19.6	4.6	9.3	1.3
New nonresidential construction	1.7	----	----	12.4	24.7	70.9
Miscellaneous	13.9	14.8	7.8	15.0	4.5	3.2
Total	100.0	100.0	100.0	100.0	100.0	100.0
Percent of total	100.0	87.8	7.8	1.0	1.8	1.6
Percentage distribution of net proceeds:						
Additions and alterations	25.0	21.3	2.3	.6	.4	.4
Exterior finish	12.9	10.9	1.6	.2	.2	(1)
Interior finish	9.2	7.5	1.4	.2	(1)	.1
Roofing	4.9	4.0	.6	.1	.2	(1)
Plumbing	8.0	6.6	1.0	.1	.3	(1)
Heating	15.9	12.7	2.6	.3	.2	.1
Insulation	10.6	9.3	1.2	(1)	.1	(1)
New nonresidential construction	2.8	----	----	.4	.9	1.5
Miscellaneous	10.7	9.3	.9	.3	.1	.1
Total	100.0	81.6	11.6	2.2	2.4	2.2
Average net proceeds:						
Additions and alterations	$932	$885	$1,466	$1,648	$1,007	$924
Exterior finish	751	715	1,054	1,229	823	1,056
Interior finish	722	675	907	1,350	739	1,197
Roofing	484	462	612	877	570	663
Plumbing	524	488	879	1,071	638	851
Heating	657	604	1,018	1,180	677	1,042
Insulation	361	348	480	623	374	601
New nonresidential construction	994	----	----	1,703	1,203	826
Miscellaneous	479	446	951	1,153	792	757
Total	630	578	925	1,308	833	854

[1] Less than 0.05 percent.

For each of the last 5 years, insulation work, including storm windows, weatherstripping, wall and ceiling insulation, has been the most frequently reported type of improvement. Table 88 shows that for nearly one-fifth of the 1955 insured loans involving either single-family or multifamily dwellings, the reported improvement was the installation of insulating materials. Because the individual loans for this type of improvement averaged only $361—less than the average for any other type of improvement—they represent only 11 percent of the total dollar volume insured.

Additions and alterations were reported as the principal type of improvement for nearly 17 percent of all loans insured during 1955 and accounted for exactly one-fourth of the total net proceeds (Chart 30). These notes represented over 21 percent of the total reported in connection with single-family dwellings. The $932 average net proceeds for this type of loan was the highest reported for any type of improvement except new non-residential construction loans which, although averaging $994, represented less than 2 percent of the total net proceeds insured.

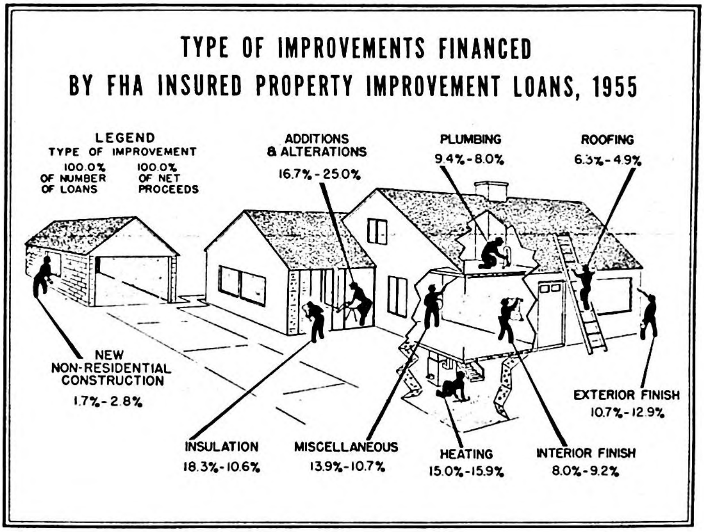

CHART 11–30

Table 89 shows the percentage distribution of the number of loans insured by net proceeds and by type of property improved. Net proceeds for all types of property averaged $630, ranging from $1,308 for commercial and industrial structures down to $578 for single-family dwellings. Further comparison between these 2 types of properties reveals that 56 percent of the loans made to improve commercial and industrial properties involved net proceeds of $1,000 and over while a similar proportion of the loans on single-family dwellings had reported proceeds of less than $500.

Table 90, presenting information on the amount of property improvement loans by type of improvement, shows that nearly 7 out of 10 of the loans made to finance insulation work involved net proceeds of less than $400 and, further, that nearly 90 percent were for less than $600. In contrast, 62 percent of the loans for additions and alterations were for $600 and over.

TABLE II–89

Amount of property improvement loans by type of property, 1955

Net proceeds of individual loan	Total	Type of property improved: Single-family dwellings	Multi-family dwellings	Commercial and industrial	Farm homes and buildings	Garages and other
Percentage distribution of number of loans:						
Less than $100	1.2	1.2	0.7	0.4	1.0	0.4
$100 to $199	11.4	12.2	6.7	1.7	8.1	2.1
$200 to $299	15.8	16.7	10.0	5.9	9.8	4.7
$300 to $399	15.0	15.7	11.2	6.1	10.6	7.2
$400 to $499	10.4	10.6	8.6	4.5	8.6	8.1
$500 to $599	9.4	9.4	9.7	8.4	8.2	10.3
$600 to $799	11.7	11.6	11.6	9.4	13.3	20.0
$800 to $999	7.1	6.8	7.6	6.9	9.5	15.6
$1,000 to $1,499	9.9	9.2	14.5	15.4	14.8	20.1
$1,500 to $1,999	4.1	3.6	7.7	11.0	7.3	6.8
$2,000 to $2,499	1.8	1.5	4.3	10.3	3.3	2.3
$2,500 to $2,999	1.9	1.5	4.5	17.9	4.4	2.4
$3,000 to $3,999	.2	----	1.5	2.1	1.1	(1)
$4,000 to $4,999	.1	----	.7	----	----	----
$5,000 or more	(1)	----	.7	----	----	----
Total	100.0	100.0	100.0	100.0	100.0	100.0
Median	$464	$440	$654	$1,214	$654	$773
Average	$630	$578	$925	$1,308	$833	$854

[1] Less than 0.05 percent.

TABLE II–90

Amount of property improvement loans by type of improvement, 1955

Net proceeds of individual loan	Total	Major type of improvement: Additions and alterations	Exterior finish	Interior finish	Roofing	Plumbing	Heating	Insulation	New nonresidential construction	Miscellaneous
Percentage distribution of number of loans:										
Less than $200	12.6	4.9	4.5	9.3	13.7	16.4	7.4	23.0	2.0	19.8
$200 to $399	30.8	16.0	19.5	24.7	43.2	37.1	24.5	45.6	9.8	40.5
$400 to $599	19.8	17.6	22.7	21.0	20.1	18.3	21.9	20.1	16.7	18.2
$600 to $799	11.7	13.5	16.9	12.4	8.7	9.4	18.7	6.3	17.4	7.3
$800 to $999	7.1	9.3	11.7	7.2	4.3	5.9	11.4	2.2	14.3	3.6
$1,000 to $1,499	9.9	18.3	15.6	12.9	6.1	7.7	10.5	1.9	21.5	5.6
$1,500 to $1,999	4.1	9.7	5.4	5.9	2.1	2.7	3.2	.5	7.8	2.4
$2,000 to $2,499	1.8	4.7	2.1	2.8	1.1	1.1	1.2	.2	3.6	1.2
$2,500 to $2,999	1.9	5.5	1.5	3.5	.7	1.2	.8	.2	4.6	1.3
$3,000 or more	.3	.5	.1	.3	(1)	.2	.4	(1)	2.3	.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median	$464	$772	$638	$556	$368	$379	$566	$313	$857	$341
Average	$630	$932	$751	$722	$484	$524	$657	$361	$994	$479
Percentage distribution of net proceeds:										
Less than $200	2.9	0.7	0.9	1.8	4.2	4.4	1.7	9.0	0.3	6.0
$200 to $399	14.3	5.0	7.8	9.6	25.9	19.9	11.0	36.7	2.9	24.0
$400 to $599	15.3	9.0	14.7	13.8	19.8	16.6	16.2	26.4	8.1	17.9
$600 to $799	12.8	9.7	15.5	11.4	12.1	12.0	19.5	11.7	12.0	10.3
$800 to $999	9.9	8.6	13.8	8.6	7.7	9.8	15.2	5.4	12.4	6.6
$1,000 to $1,499	18.3	22.4	24.0	19.9	14.4	16.7	18.5	6.1	25.1	13.2
$1,500 to $1,999	10.7	16.8	11.8	13.1	7.0	8.3	8.1	2.2	12.6	8.4
$2,000 to $2,499	6.2	10.7	5.8	8.1	4.9	4.4	3.8	1.0	7.7	5.3
$2,500 to $2,999	7.9	14.9	4.9	12.2	3.6	5.9	3.2	1.0	11.8	6.9
$3,000 or more	1.7	2.2	.8	1.5	.4	2.0	2.8	.5	7.1	1.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100 0	100.0

[1] Less than 0.05 percent.

The distribution of the notes insured on properties within each State by type of improvement, which was reported for the first time in the 1954 Annual Report, is presented for 1955 in Table 91. Loans for insulation, which accounted for nearly one-fifth of all loans insured under Title I

TABLE II–91

Type of improvement insured by FHA, by State location of property, 1955

State	Average net proceeds	Major type of improvement							
		Additions and alterations	Exterior finish	Interior finish	Roofing	Plumbing	Heating	Insulation	New nonresidential construction and miscellaneous
Percentage distribution of number of loans:									
Alabama	$607	15.5	11.3	5.4	9.5	13.2	13.6	6.0	25.5
Arizona	687	25.9	7.3	8.1	6.8	11.2	9.9	.3	30.5
Arkansas	612	24.9	14.6	11.3	6.2	13.9	2.7	3.1	23.3
California	582	17.7	8.9	10.3	9.1	10.8	6.8	7.5	28.9
Colorado	623	18.3	9.0	7.7	4.3	14.0	8.3	13.3	25.1
Connecticut	730	11.1	11.7	9.3	5.1	10.6	16.1	29.9	6.2
Delaware	955	15.9	21.7	10.2	8.7	2.9	15.9	11.6	13.1
District of Columbia	551	7.1	9.0	12.6	5.5	5.0	11.2	30.9	18.7
Florida	692	26.6	8.6	7.7	7.4	7.3	3.9	13.0	25.5
Georgia	570	13.4	7.7	5.2	8.2	8.0	8.3	4.5	44.7
Idaho	732	20.6	13.2	8.4	8.0	9.9	12.1	16.6	11.2
Illinois	678	15.5	9.1	7.0	4.9	9.4	21.0	23.9	9.2
Indiana	569	13.9	11.0	5.4	5.4	9.0	21.0	25.2	9.1
Iowa	587	12.5	11.3	6.4	5.7	11.2	26.5	17.4	9.0
Kansas	588	13.5	13.1	7.4	5.5	13.4	8.4	23.9	14.8
Kentucky	521	16.7	10.3	5.2	5.1	6.9	13.1	33.3	9.4
Louisiana	638	21.1	13.2	7.2	6.0	11.9	1.8	6.7	32.1
Maine	530	4.9	10.1	4.4	6.2	8.4	18.5	43.0	4.5
Maryland	500	9.8	8.8	9.3	6.0	4.6	11.1	34.2	16.2
Massachusetts	573	6.0	9.2	7.3	7.1	5.1	18.7	41.8	4.8
Michigan	634	16.7	10.4	7.8	3.8	10.9	19.6	13.6	17.2
Minnesota	582	18.8	11.4	10.3	4.1	15.3	13.9	14.4	11.8
Mississippi	569	18.3	10.3	6.4	7.0	22.6	5.2	3.0	27.2
Missouri	542	14.4	9.0	6.6	4.8	12.6	18.0	19.4	15.2
Montana	820	21.6	14.8	10.7	5.1	10.0	13.5	14.8	9.5
Nebraska	625	13.6	11.1	8.3	6.3	9.1	17.5	25.9	8.2
Nevada	1,011	35.9	4.9	5.2	3.9	7.0	10.6	7.7	24.8
New Hampshire	514	5.0	8.2	4.3	4.4	4.3	17.1	53.1	3.6
New Jersey	798	17.0	11.2	10.6	5.5	8.9	20.1	19.3	7.4
New Mexico	767	39.0	6.1	6.0	2.8	18.2	4.0	2.0	21.9
New York	773	15.7	11.5	1.4	6.1	8.3	21.0	24.8	11.2
North Carolina	591	13.6	16.9	5.0	5.4	10.0	13.8	22.3	13.0
North Dakota	651	15.5	14.9	5.9	8.3	9.8	14.7	21.7	9.2
Ohio	586	14.2	10.4	5.9	5.9	9.0	22.7	21.3	10.6
Oklahoma	632	28.1	18.7	10.2	7.6	8.6	2.8	5.0	19.0
Oregon	709	17.3	13.9	10.8	12.8	9.9	21.0	5.5	8.8
Pennsylvania	559	6.8	10.8	9.1	6.8	10.5	22.6	26.6	6.8
Rhode Island	559	8.1	11.6	7.7	7.3	4.0	12.6	44.3	4.4
South Carolina	556	15.7	10.8	5.9	8.7	9.0	8.4	16.3	25.2
South Dakota	641	18.3	12.4	7.1	4.4	12.7	10.3	21.3	13.5
Tennessee	539	14.9	8.7	5.6	7.2	9.2	9.5	14.7	30.2
Texas	635	29.6	13.1	8.5	7.1	7.5	4.8	1.5	27.9
Utah	572	18.7	5.3	9.8	5.0	15.3	16.8	13.8	15.3
Vermont	519	7.4	9.0	1.5	9.3	4.8	15.7	49.0	3.3
Virginia	533	12.6	10.7	5.6	3.4	5.5	8.6	42.9	10.7
Washington	671	17.8	12.3	10.7	10.6	9.6	19.6	8.6	10.8
West Virginia	539	11.6	8.3	5.2	4.4	14.5	15.5	29.3	11.2
Wisconsin	687	11.5	20.5	5.9	8.6	8.6	21.4	14.1	9.4
Wyoming	892	32.6	10.7	5.4	5.6	7.1	5.5	20.5	12.6
Alaska	1,458	28.8	6.1	6.4	1.9	34.8	13.7	5.7	2.6
Hawaii	877	29.4	10.4	6.7	33.3	2.2	-------	.2	17.8
Puerto Rico	1,223	35.7	18.4	21.0	3.6	2.3	.1	2.6	16.3
Guam	1,576	69.6	8.7	4.3	-------	4.3	-------	-------	13.1
Total	630	16.7	10.7	8.0	6.3	9.4	15.0	18.3	15.6

during that year, are, as to be expected, generally concentrated in the Northern States, especially in New England. However, there were several Southern States that reported a relatively large volume of loans involving this type of improvement. For example, Virginia reported 43 percent and Kentucky 33 percent, which proportions are 2 to 3 times the comparable ones reported for Michigan, Minnesota, or Wisconsin.

Additions and alterations were the second most common type of improvement, accounting for 17 percent of the total for the entire country and for over one-third of all loans reported in New Mexico, Nevada, and Wyoming. The New England States, on the average, reported the smallest proportion of loans for this type of improvement.

Heating, which accounted for 15 percent of all loans insured, was fairly evenly distributed in all States requiring central heat, ranging from 15 to 27 percent of the total number of loans insured.

Thirteen States reported approximately one-fourth of their insured notes as being for new nonresidential construction and miscellaneous loans. With but few exceptions, the State distributions for roofing, plumbing, and finishing did not vary substantially from the national distribution.

TABLE II–92

Type of improvement insured by FHA, by standard metropolitan areas, 1955

Standard metropolitan area	Average net proceeds	Major type of improvement							
		Additions and alterations	Exterior finish	Interior finish	Roofing	Plumbing	Heating	Insulation	New nonresidential construction and miscellaneous
Percentage distribution of number of loans:									
Akron, Ohio	$539	15.5	9.7	7.4	6.0	7.8	24.3	18.3	11.0
Albany-Schenectady-Troy, N. Y	636	10.9	10.5	10.8	5.6	7.4	19.7	26.0	9.1
Albuquerque, N. Mex	741	42.8	3.3	5.9	2.6	21.5	4.3	.7	18.9
Atlanta, Ga	588	12.6	6.3	5.6	9.2	7.6	5.6	2.0	51.1
Baltimore, Md	485	10.8	8.2	9.7	6.7	5.2	12.2	31.0	16.2
Birmingham, Ala	631	16.5	13.0	7.8	14.0	6.9	9.8	1.1	30.9
Buffalo, N. Y	704	18.7	10.7	9.5	6.7	4.6	22.2	14.0	13.6
Charlotte, N. C	615	18.5	9.3	4.5	4.8	7.8	18.1	7.0	30.0
Chicago, Ill	724	15.8	7.2	7.5	4.7	8.6	20.6	25.6	10.0
Cleveland, Ohio	658	26.2	7.7	6.0	9.1	8.7	23.2	8.5	10.6
Columbus, Ohio	554	10.1	13.5	9.9	7.2	10.4	21.5	11.4	16.0
Dallas, Tex	591	22.8	11.7	9.4	7.4	7.4	4.7	3.2	33.4
Dayton, Ohio	574	10.6	6.1	3.6	4.0	8.1	23.7	28.8	15.1
Denver, Colo	595	18.3	6.1	8.3	3.5	14.5	7.5	12.1	29.7
Des Moines, Iowa	569	11.9	7.0	7.2	3.2	10.0	35.9	14.3	10.5
Detroit, Mich	647	18.8	9.0	8.5	2.9	7.0	19.0	11.2	23.6
El Paso, Tex	633	53.7	4.1	7.8	4.2	8.0	3.7	.3	18.2
Flint, Mich	591	12.5	11.0	7.0	2.9	19.2	18.1	15.3	14.0
Fort Wayne, Ind	574	10.2	12.9	8.8	2.9	18.2	27.2	15.2	4.6
Fort Worth, Tex	648	25.9	12.7	12.3	5.2	8.8	3.6	1.9	29.6
Fresno, Calif	510	19.4	5.5	6.8	10.7	13.0	3.6	11.2	29.8
Grand Rapids, Mich	653	21.6	11.7	7.5	4.3	20.9	14.8	12.3	6.9
Hartford, Conn	774	11.8	16.4	10.3	4.2	13.2	27.2	12.7	4.2
Houston, Tex	587	23.0	11.8	7.6	9.7	6.8	8.0	.7	32.4
Indianapolis, Ind	598	16.7	7.2	7.0	5.7	8.4	22.9	19.0	13.1
Jacksonville, Fla	673	34.4	10.1	8.0	6.2	10.2	6.1	8.0	17.0
Kansas City, Kans.-Mo	552	13.7	9.0	6.2	6.2	11.9	14.0	21.1	17.9

TABLE II–92—Continued

Type of improvement insured by FHA, by standard metropolitan areas, 1955— Continued

Standard metropolitan area	Average net proceeds	Major type of improvement: Additions and alterations	Exterior finish	Interior finish	Roofing	Plumbing	Heating	Insulation	New nonresidential construction and miscellaneous
Percentage distribution of number of loans—Con.									
Knoxville, Tenn	$488	14.2	11.2	6.3	9.5	7.3	12.9	18.0	20.6
Little Rock—North Little Rock, Ark	537	23.5	14.6	13.1	5.6	11.6	3.9	1.7	26.0
Los Angeles—Long Beach, Calif	616	19.7	9.6	11.9	8.3	8.7	7.0	3.7	31.1
Louisville, Ky	542	19.8	10.2	5.9	6.3	8.1	15.8	21.7	12.2
Memphis, Tenn	553	17.3	7.7	6.2	3.9	7.8	5.0	2.1	50.0
Miami, Fla	681	19.3	3.8	6.0	8.1	2.8	1.6	21.1	37.3
Milwaukee, Wis	954	11.1	34.1	7.9	3.2	6.0	23.9	3.8	10.0
Minneapolis-St. Paul, Minn	569	19.1	9.9	10.4	3.4	15.0	13.5	16.5	12.2
New Orleans, La	622	21.2	11.3	5.0	3.5	4.5	1.3	1.3	51.9
New York—Northeastern New Jersey	865	17.0	9.7	10.6	4.3	7.8	17.8	23.1	9.7
Norfolk-Portsmouth, Va	507	19.5	8.6	7.8	3.1	5.6	8.2	39.2	8.0
Oklahoma City, Okla	536	19.8	18.0	7.7	6.4	6.2	2.7	7.8	31.4
Omaha, Nebr	617	14.6	9.8	8.3	6.1	8.8	19.2	25.0	8.2
Philadelphia, Pa	610	10.2	12.5	19.6	6.5	10.1	20.9	12.2	8.0
Phoenix, Ariz	643	27.2	8.4	7.6	6.5	11.0	10.6	.3	28.4
Pittsburgh, Pa	589	7.6	8.8	6.2	6.9	13.1	24.6	22.6	10.2
Portland, Oreg	658	13.9	12.7	11.3	14.3	6.4	27.9	4.5	9.0
Richmond, Va	508	12.4	7.1	3.6	2.9	7.8	12.2	39.6	14.4
Rochester, N. Y	580	9.1	13.9	10.6	5.5	6.1	21.4	16.1	17.3
Sacramento, Calif	484	23.3	5.8	7.2	10.4	17.2	5.2	6.8	24.1
St. Louis, Mo	521	13.1	6.9	6.4	4.1	12.9	21.6	19.9	15.1
Salt Lake City, Utah	540	18.7	4.9	10.4	4.6	17.8	15.3	10.9	17.4
San Antonio, Tex	604	22.9	7.4	7.4	4.5	6.0	2.6	.4	48.8
San Bernardino-Riverside—Ontario, Calif	608	20.8	6.6	8.3	11.6	7.4	5.6	5.0	34.7
San Diego, Calif	536	10.4	4.5	3.8	3.4	9.8	4.2	1.2	62.7
San Francisco-Oakland, Calif	540	10.7	12.3	11.4	13.9	10.2	10.5	17.8	13.2
San Jose, Calif	469	15.7	5.8	8.1	8.3	20.1	6.8	11.2	24.0
Seattle, Wash	712	16.8	13.2	12.1	11.4	8.6	23.0	3.9	11.0
Shreveport, La	688	20.6	15.8	8.7	6.2	9.5	4.4	8.7	26.1
South Bend, Ind	555	14.2	6.9	5.9	2.7	17.2	26.7	20.7	5.7
Spokane, Wash	531	11.4	9.8	10.4	6.5	13.6	14.4	19.9	14.0
Stockton, Calif	404	11.5	4.7	10.3	9.1	22.9	1.0	24.4	16.1
Syracuse, N. Y	580	10.4	12.2	7.1	8.0	4.6	18.7	32.0	7.0
Tacoma, Wash	655	24.5	11.3	9.8	10.9	7.3	22.6	3.8	9.8
Tampa-St. Petersburg, Fla	609	24.5	14.6	9.7	9.6	5.5	5.7	1.2	29.2
Toledo, Ohio	697	15.0	11.0	8.1	5.8	6.4	29.5	14.7	9.5
Topeka, Kans	638	14.6	11.6	13.5	4.7	10.8	13.3	17.3	14.2
Tulsa, Okla	644	31.9	16.2	10.1	6.2	10.7	1.8	5.0	18.1
Washington, D. C	551	8.4	10.7	10.4	3.8	3.8	8.5	35.4	19.0
Wichita, Kans	536	9.8	11.1	6.0	3.5	19.4	4.9	29.0	16.3
Youngstown, Ohio	584	14.5	10.0	4.8	6.9	10.6	18.9	24.1	10.2

Information covering the distribution of insured notes by type of improvement for properties located in selected standard metropolitan areas is presented for the first time in this annual report in Table 92. Loans for the Milwaukee area averaging $954 in net proceeds were the largest reported for any area. By type of improvement, exterior finishing (34 percent) and heating (24 percent) made up the bulk of these loans. Stockton, the area with the lowest average net proceeds of $404, reported the most common type of improvement loans being used for insulation work (24 percent) and plumbing (23 percent).

In general, the distribution of insured loans by type of improvement in metropolitan areas closely follows the distribution pattern for the State in which they are located. There are one or two exceptions such as the New York-Northeastern New Jersey area which adheres more closely to the distributions for New Jersey than New York. Another is California where the distribution is a composite of all the metropolitan areas in the State with their differences in climate and structure characteristics.

Claims Paid by Type of Property and Improvement

The average claim paid during 1955 was $439—down from the $443 reported for 1954. Distributions of claims paid by type of property and type of improvement financed are presented in Table 93. The greater num-

TABLE II–93

Type of improvement by type of property for claims paid on property improvement loans, 1955

Major type of improvement	Type of property improved: Total	Single-family dwellings	Multi-family dwellings	Commercial and industrial	Farm homes and buildings	Garages and others
Percentage distribution of number of claims paid:						
Additions and alterations	12.5	12.3	12.4	22.9	12.7	9.8
Exterior finish	18.5	19.2	16.9	5.4	18.4	2.5
Interior finish	6.6	6.3	10.9	15.1	3.0	2.5
Roofing	6.8	6.6	7.9	4.6	11.0	2.9
Plumbing	9.2	9.3	8.3	9.6	11.5	3.1
Heating	12.3	11.9	21.9	11.7	5.5	2.2
Insulation	16.1	17.1	12.1	6.0	8.5	3.8
New nonresidential construction	1.7			8.8	21.8	68.7
Miscellaneous	16.3	17.3	9.6	15.9	7.6	4.5
Total	100.0	100.0	100.0	100.0	100.0	100.0
Percent of total	100.0	87.1	7.0	1.8	2.7	1.4
Percentage distribution of amount of claims paid:						
Additions and alterations	19.1	15.5	1.7	1.0	.7	.2
Exterior finish	21.6	18.6	2.0	.2	.8	(1)
Interior finish	7.8	5.9	1.2	.6	.1	(1)
Roofing	5.2	4.1	.6	.1	.4	(1)
Plumbing	8.2	6.6	.8	.3	.4	.1
Heating	12.0	9.2	2.3	.3	.1	.1
Insulation	10.0	8.8	.8	.2	.1	.1
New nonresidential construction	3.2			.4	1.6	1.2
Miscellaneous	12.9	10.9	1.2	.5	.2	.1
Total	100.0	79.6	10.6	3.6	4.4	1.8
Average claim paid:						
Additions and alterations	$671	$632	$884	$1,012	$889	$758
Exterior finish	511	488	747	880	665	560
Interior finish	517	468	715	914	589	492
Roofing	334	312	414	633	513	430
Plumbing	390	359	631	717	542	621
Heating	427	388	665	645	341	542
Insulation	273	262	415	438	313	466
New nonresidential construction	840			1,181	1,164	576
Miscellaneous	349	319	726	837	513	487
Total	439	401	664	855	709	580

[1] Less than 0.05 percent.

ber of claims paid in any year are in settlement of defaulted notes insured in a prior year. Approximately 4 out of 5 claims paid in 1955 were originated within two years prior to the claim payment. There were no significant changes in the distribution of claims paid by type of improvement between 1954 and 1955. Single-family dwellings have accounted for seven-eighths of all loans insured in the past few years and for an identical share of claims paid in 1955. Exterior finishing led all other classifications for claims paid by type of improvement, with 19 percent of the total number and 22 percent of the dollar volume. For the last several years this type of loan has appeared to have the least satisfactory claims experience, averaging approximately 19 percent of the defaults, with a corresponding dollar loss of 23 percent of the total.

Insured notes covering insulation ranked second in the number of claims paid (16 percent) but, because of the relatively small size of these notes ($273), the dollar loss was only 10 percent of the total. All other claims against loans by type of improvements follow the pattern established by the volume of loans insured.

SECTION 4

ACTUARIAL ANALYSIS OF INSURING OPERATIONS

This section of the report presents a two-part actuarial analysis of insuring operations. The first part is devoted mainly to the annual valuation of the reserve liabilities of FHA's mortgage insurance funds. These annual valuations of reserve liabilities are, with noteworthy exceptions, similar to those made by life insurance organizations. The 1954 annual report included a detailed discussion of the nature of these reserve liabilities, the method of valuing the reserve liabilities, and the determination of the reserve factors used in valuations. The second part of this section of the current report includes a discussion of the termination experience of home mortgages insured under Section 203 as well as a development of the estimated life expectancy of these mortgages. This life expectancy is arrived at on the basis of the actuarial schedule on survivorships shown here. Rates of insured mortgage terminations for the various types of terminations are also presented in this part. Section 4 of the 1954 report also summarized the termination experience initially presented in earlier reports.

Analysis of Reserves of Insurance Funds

FHA operates 11 insurance funds under which the fiscal provisions of the several insurance programs are administered. Loan and insurance contracts written under these programs are assigned to a particular insurance fund in accordance with statutory requirements. Each of the funds is credited with fee, premium, and investment income and is charged with administrative expenses and insurance losses with respect to loan and mortgage insurance contracts assigned to the fund. The earned surplus of a fund, representing the accumulation of net income and the capital contributed by other FHA funds, is available to cover future contingent losses and related expenses. The newer funds, those recently created by amendments to the National Housing Act, have accumulated comparatively little in earned surplus and operate in part from capital contributed by other FHA funds in accordance with statutory provisions. In the other funds the earned surplus is relatively substantial. Detailed fiscal information on income, expenses, losses, earned surplus, and capital contributions for each FHA fund is given in the section on Accounts and Finance.

The adequacy of the earned surplus and capital contributions of a fund to cover its future contingent losses and related expenses can be established by a valuation of such future losses and expenses. In the practice of life insurance organizations such valuations measure reserve liabilities not only for the purpose of establishing whether a fund is solvent, but, also, for the purpose of determining how much of earned surplus may be available for distribution to policy holders or stockholders. With mortality experience well established, expected mortality—one of the major elements in the valuation of reserve liabilities—can be predicted reasonably well. Consequently, the reserve liabilities of life organizations are fairly definite.

There is a noteworthy difference between the reserve liabilities of life organizations and those of FHA's mortgage insurance funds. The future losses and expenses which the liabilities of FHA's mortgage insurance funds measure are principally contingent upon a general deterioration of business conditions—a development which doesn't readily lend itself to prediction. Since the incidence of an economic reversal cannot readily be predicted, the most conservative basis for reserve valuations for such future losses and expenses is to assume that adverse economic conditions of approximately depression magnitude might develop immediately. The reserve valuations are designed to measure the liabilities resulting from the development of such a contingency. Thus, the liabilities of FHA's mortgage insurance funds are contingent liabilities because the risks which the funds underwrite are economic in nature and cyclical in pattern, and the events insured against do not occur in substantial proportions except under the contingency of a depression. In this sense, FHA's reserve liabilities are not designed to measure the solvency of the funds according to its accepted meaning in the underwriting of conventional risks. To emphasize this distinction, the reserve liabilities of FHA's mortgage insurance funds are described as "estimated reserve requirements." They are thus the amounts of earned surplus which an insurance fund requires to cover the insurance losses and administrative expenses which a fund may incur if an economic reversal of approximately depression magnitude were to develop immediately. Although based on accepted actuarial principles, such valuations of reserve requirements for insurance funds underwriting risks which are predominantly economic in nature are unique in insurance practice.

Another noteworthy feature of the reserve requirements is that they take into account the fact that when a claim under mortgage insurance is paid by an insurance fund, the mortgage insurance fund acquires a property in exchange for its debentures. As properties are sold, the proceeds of sales are used to redeem the fund's debentures. It is the expected future acquisitions and their expected future losses on sale, among other things, that are reflected in the reserve requirements when they are valued with respect to the mortgage insurance contracts in force. Some of the other items which are included in the determination of reserve requirements are expected future premiums, investment income, and administrative expenses.

Only one of the FHA's mortgage insurance funds, the Mutual Mortgage Insurance Fund (the first of the funds to be established and the largest in terms of insurance in force) is authorized by statute to distribute part of its earned surplus to mortgagors upon the termination of mortgage insurance, provided such termination does not involve the payment of an insurance claim. Reserve requirements for this fund are used, as in life insurance practice, to determine how much of surplus may thus be distributed.

The valuation of the reserve requirements on December 31, 1955, shows that the reserve position of the Mutual Mortgage Insurance Fund, covering FHA's principal home mortgage insurance operations, improved over that reported a year ago when this fund first attained a balance status. A balance status for a fund exists when its earned surplus is equal to or greater than the estimated reserve requirements. When a balance status is attained, the fund has sufficient resources to meet such future insurance losses and expenses as might be incurred in the event that adverse economic conditions of approximately depression magnitude were to develop immediately. At the year-end, the excess of earned surplus over estimated reserve requirements for this fund was almost $18 million, as Table 94 shows. At the end of 1954, this excess was a little over $13 million. This improvement

TABLE II–94

Outstanding balance of insurance in force, earned surplus, and estimated reserve requirements in the insurance funds of the Federal Housing Administration

	As of Dec. 31, 1955			
	Outstanding balance of insurance in force	Earned surplus and contributions from other insurance funds [1]	Estimated reserve requirements, adjusted [2]	Excess of earned surplus over estimated reserve requirements, adjusted
Title I Housing Insurance Fund	$186,193,922	$2,347,929	$8,778,854	−$6,430,925
Mutual Mortgage Insurance Fund	12,120,656,215	[3] 264,969,829	247,061,712	17,908,117
Housing Insurance Fund	568,704,249	5,269,771	24,215,547	−18,945,776
Sec. 220 Housing Insurance Fund		825,470		825,470
Sec. 221 Housing Insurance Fund		923,640		923,640
Servicemen's Mortgage Insurance Fund	85,675,813	1,018,738	3,287,415	−2,268,677
War Housing Insurance Fund	4,210,494,711	114,786,236	168,259,185	−53,472,949
Housing Investment Insurance Fund		845,343		845,343
Armed Services Housing Mortgage Insurance Fund	639,759,952	9,950,303	38,560,252	−28,609,949
National Defense Housing Insurance Fund	506,724,756	2,743,090	21,375,653	−18,632,563
Total all Mortgage Insurance Funds	18,318,209,618	403,680,349	511,538,618	−107,858,269
Title I Insurance Fund	1,073,377,823	[4] 43,959,440	[5]	
Total all funds	19,391,587,441	447,639,789		

[1] Contributions represent earned surplus of certain insurance funds transferred to other FHA insurance funds as contributed capital in the amount of $20,310,000.

[2] For mortgage insurance contracts in force. Adjusted for estimated unearned premiums in 7 insurance funds in the amount of $51,008,395 to be retained after refunds of unearned premiums upon prepayment.

[3] Includes $50,514,214 as of Dec. 31, 1955, in the Participating Reserve Account, representing balances available for participations, which account may be charged with any net loss sustained by the Mutual Mortgage Insurance Fund in any semiannual period.

[4] Does not include unearned premiums in this fund amounting to $21,940,360 as of Dec. 31, 1955.

[5] Reserve requirements are not estimated for the Title I Insurance Fund. The maximum potential liability under this fund was $236,585,822 as of Dec. 31, 1955, representing the balance of reserves available to qualified lending institutions for the payment of claims. This potential liability was calculated at 10 percent of net proceeds of insurance written less claims paid and reserve adjustments.

occurred despite an increase of almost 16 percent in the amount of insurance in force. In this connection it may be noted that a substantial increase in the amount of new insurance written has the effect of raising significantly the reserve requirements for the reason that reserve requirements are at their highest level for new insurance. Accumulation of amortization causes these requirements to be progressively lower the longer the insurance has remained on the books of the fund.

The adjustment in the reserve requirements is for the unearned premiums estimated to be retained by the fund after refunds of unearned premiums upon prepayment of insured mortgages prior to maturity. FHA's accounting system is on an accrual basis and, consequently, earned surplus figures do not include unearned premiums. To take these unearned premiums into account for reserve purposes, the reserve requirements are adjusted by the amounts of unearned premiums estimated to be retained by the fund. The earned surplus of each fund also is exclusive of the amounts contributed by that fund to establish and operate other insurance funds. Eight of the eleven mortgage insurance funds have received, through the end of 1955, capital contributions in the amount of $20,310,000. Over 90 percent of this amount, or $18,310,000, was contributed by the War Housing Insurance Fund.

The War Housing Insurance Fund, FHA's second largest insurance fund, also showed improvement during 1955 in its reserve position. This improvement can be seen from Table 95 which shows how the differential between earned surplus and reserve requirements has progressively narrowed over the last 3 years. Emergency home and project mortgage insurance contracts written during the defense preparedness and war periods of World War II and during the postwar period of the veterans' emergency housing program were assigned to this fund. Under the provisions of the National Housing Act, new mortgage insurance can no longer be written under the programs covered by this fund.

In addition to the War Housing Insurance Fund, there are five other mortgage insurance funds which have not yet attained a balance status. This is because either they were recently established or the bulk of the insurance covered by them is of recent origin. Consequently, these funds have not had sufficient time to accumulate the necessary earned surplus. They are: (1) the Title I Housing Insurance Fund for the low-cost housing program under which no new insurance is currently being written since the Housing Act of 1954 authorized such insurance under the home mortgage section of Title II of the National Housing Act; (2) the Servicemen's Mortgage Insurance Fund, created by the same 1954 statute, which provides for the purchase of housing by personnel in the United States Armed Forces and Coast Guard on active duty for more than 2 years; (3) the Armed Services Housing Mortgage Insurance Fund which covers rental housing at military installations under Title VIII of the Act which author-

TABLE II–95

Earned surplus and estimated reserve requirements in the insurance funds of the Federal Housing Administration, as of Dec. 31, 1953–55

	Earned surplus and contributions from other funds,[1] as of—			Estimated reserve requirements, adjusted,[2] as of—			Excess of earned surplus over estimated reserve requirements, adjusted, as of—		
	Dec. 31, 1953	Dec. 31, 1954	Dec. 31, 1955	Dec. 31, 1953	Dec. 31, 1954	Dec. 31, 1955	Dec. 31, 1953	Dec. 31, 1954	Dec. 31, 1955
Title I Housing Insurance Fund	$1,132,692	$1,490,880	$2,347,929	$3,722,188	$7,780,402	$8,778,854	−$2,589,496	−$6,289,522	−$6,430,925
Mutual Mortgage Insurance Fund	[3]169,952,425	[3]215,757,547	[3]264,969,829	202,859,167	202,396,873	247,061,712	−32,906,742	13,360,674	17,908,117
Housing Insurance Fund	5,410,647	7,181,905	5,260,771	19,143,338	24,941,343	24,215,547	−13,732,601	−17,759,438	−18,945,776
Sec. 220 Housing Insurance Fund	----------	985,951	825,470	----------	----------	----------	----------	985,951	825,470
Sec. 221 Housing Insurance Fund	----------	987,573	923,640	----------	----------	----------	----------	987,573	923,640
Servicemen's Mortgage Insurance Fund	----------	997,006	1,018,733	----------	5,624	3,287,415	----------	991,382	−2,268,677
War Housing Insurance Fund	121,603,296	109,101,491	114,786,236	221,060,126	194,762,196	168,259,185	−99,456,830	−85,660,705	−53,472,949
Housing Investment Insurance Fund	822,951	842,810	845,343	----------	----------	----------	822,951	842,810	845,343
Armed Services Housing Mortgage Insurance Fund	9,564,286	10,481,958	9,959,303	36,454,599	39,742,753	38,569,252	−26,890,313	−29,260,795	−28,609,949
National Defense Housing Insurance Fund	8,155,595	7,631,579	2,743,090	16,632,261	23,299,851	21,375,653	−8,476,666	−15,668,272	−18,632,563
Total all Mortgage Insurance Funds	316,611,892	355,458,700	403,680,349	499,871,679	492,929,042	511,538,618	−183,229,787	−137,470,342	−107,858,269
Title I Insurance Fund	27,104,491	34,133,423	43,959,440	(4)	(4)	(4)	----------	----------	----------
Total all funds	343,746,383	389,592,123	447,639,789	----------	----------	----------	----------	----------	----------

[1] Contributions represent earned surplus of certain FHA insurance funds transferred as contributed capital to other FHA insurance funds in the amounts of $16,100,000 as of Dec. 31, 1953, $17,590,000 as of Dec. 31, 1954, and $20,310,000 as of Dec. 31, 1955.

[2] For mortgage insurance contracts in force. Adjusted for estimated unearned premiums to be retained after refunds of unearned premiums upon prepayment. For purposes of comparability, estimated reserve requirements for the Mutual Mortgage Insurance Fund as of Dec. 31, 1953, are adjusted for the previously required 10 percent premium transfer to the General Reinsurance Account.

[3] Includes $59,514,214 as of Dec. 31, 1955 in the Participating Reserve Account representing balances available for participations which account may be charged with any net loss sustained by the Mutual Mortgage Insurance Fund in any semiannual period. The comparable figure for Dec. 31, 1954, is $52,621,898. The comparable figure for Dec. 31, 1953, is $51,554,818.

[4] Reserve requirements are not estimated for the Title I Insurance Fund. Unearned premiums in this fund amounted to $30,787,037 as of Dec. 31, 1953, $29,625,922 as of Dec. 31, 1954, and $21,949,369 as of Dec. 31, 1955. The maximum potential liability under this fund representing the balance of reserves available to qualified lending institutions for the payment of claims was $261,310,596 as of Dec. 31, 1953, $237,148,026 as of Dec. 31, 1954, and $236,585,822 as of Dec. 31, 1955. This potential liability was calculated at 10 percent of net proceeds of insurance less claims paid and reserve adjustments.

ized the Wherry Housing Bill and the recently enacted Capehart housing bill; (4) the National Defense Housing Insurance Fund for programed housing for Korean emergency defense workers provided for by Title IX of the Act; and (5) the Housing Insurance Fund for multifamily rental housing under Section 207 of the Act and for cooperative housing under Section 213 of the Act. The three remaining funds showing a balance status, the Section 220 Housing Insurance Fund, the Section 221 Housing Insurance Fund, and the Housing Investment Insurance Fund, have no insurance in force as yet, as Table 94 shows.

With respect to the mortgage insurance funds which have not yet attained a balance status, it is noteworthy that the Commissioner of the Federal Housing Administration has authority, under Section 219 of the National Housing Act, as amended, to transfer resources among seven of the funds as assistance may be required. They are the Title I Housing Insurance Fund, the Housing Insurance Fund, the War Housing Insurance Fund, the Armed Services Housing Mortgage Insurance Fund, the Defense Housing Insurance Fund, the Section 220 Housing Insurance Fund, and the Housing Investment Insurance Fund. Of these, the last two funds have no insurance in force. The Servicemen's Mortgage Insurance Fund, which is among the six funds on December 31, 1955 not in a balance status, the Mutual Mortgage Insurance Fund, and the Section 221 Housing Insurance Fund are excluded from the ability to transfer or receive assets from other funds. No insurance has been written under Section 221. This device of flexibility in the use of resources of separate funds can provide important financial support to the separate funds.

Tables 94 and 95 also show figures on the outstanding balance of insurance in force and the earned surplus for the Title I Insurance Fund. The fiscal provisions of FHA's modernization and property improvement program are administered under this fund. Reserve requirements have not been estimated for this fund, but its financial position can be appraised on the basis of surplus and insurance in force. The earned surplus, together with the unearned premiums on December 31, 1955, amounted to $65,889,800. With outstanding balances of loan insurance in force amounting to $1,073,377,823, the earned surplus and unearned premiums represent 6.14 percent of the outstanding balance of insurance in force as compared with 4.58 percent a year ago.

The maximum potential liability under this fund at the year-end was $236,585,822, which represented the balance of reserves available to qualified lending institutions for payment of future insurance claims on loans outstanding. The comparable figure for December 31, 1954, was $237,148,026. The potential liability is calculated in accordance with the administrative regulations for property improvement loans under Title I, Section 2 at 10 percent of the net proceeds of insurance written less claims paid and reserve adjustments.

This Title I Fund was created by the amendment of June 3, 1939, and the total claims paid under this fund through the end of 1955 amounted to 1.89 percent of the net proceeds of loans insured before any recoveries on defaulted notes. Actual losses (after recoveries) and reserves for future losses on such notes represent just under one percent of the net proceeds of notes insured. The maximum claim rate under Title I amounted to 4.04 percent of the net proceeds of the notes insured, during the period from mid-1934 to mid-1939; after recoveries from collection efforts, the actual losses and reserves amounted to 1.89 percent of notes insured.

Analysis of Termination Experience

The estimated life expectancy of 1- to 4-family home mortgages insured under Section 203 is estimated to be 8.34 years. The life expectancy is the period of time for which such mortgages can, on the average, be expected to remain in force. It is based in part on the cumulative termination experience of the first of FHA's home mortgage insurance programs and in part on a projection of this experience to reflect the life expectancy of mortgages with maturities of 20 years. This termination experience has been observed over the 19-year period since the inauguration of this regular home mortgage program which operates under fiscal provisions of the Mutual Mortgage Insurance Fund. Experience covers all home mortgage insurance contracts written under Section 203 from 1935 through 1953 and exposed to their policy anniversaries in 1954. Projection of this experience through an additional year gives the estimated life expectancy of 8⅓ years.

The estimate of life expectancy on the basis of the 1935–54 termination experience is a little over a third of a year higher than the comparable figure of 7.99 years shown in the 1954 annual report. Part of this increase, a little over a tenth of a year, is due to a revision in the data on exposures. The balance reflects a trend toward longer life expectancies which has been evident in the estimates of life expectancy prepared since the initial calculation which was based on 1935–49 experience. In the 1954 annual report Section 4 summarizes the termination experience presented in earlier reports. The estimated life expectancy based on the 1935–49 experience was 7.55 years. This trend toward longer life expectancies can be expected to continue as the effects of the relatively high levels of terminations in the late war and early postwar years continue to be offset by the relatively lower levels which have been obtaining since then. The relatively high levels of terminations, i.e., terminations in relation to insurance in force, occurred in the period 1944–48, with the peak rate obtaining in 1946. Prepayments accounted for most of these terminations and were the result of mortgagors paying off their mortgages or selling their homes—both developments reflecting a combination of the high personal savings and incomes and the shortages of consumer goods and housing in that war and postwar period.

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 1953 and exposed to policy anniversaries in 1954 or prior termination dates

Policy year	Mortgage survivors at the beginning of policy year	Annual termination rates [1]	Mortgage terminations during the policy year	Policy year	Mortgage survivors at the beginning of policy year	Annual termination rates [1]	Mortgage terminations during the policy year
1st	100,000	0.0245908	2,459	11th	30,788	0.1374881	4,233
2d	97,511	.0466942	4,555	12th	26,555	.1326531	3,523
3d	92,986	.0674255	6,270	13th	23,032	.1286423	2,963
4th	86,716	.0887442	7,696	14th	20,069	.1297757	2,604
5th	79,020	.1168837	9,237	15th	17,465	.1981516	3,461
6th	69,783	.1416230	9,883	16th	14,001	.20[illegible]5151	2,934
7th	59,900	.1538241	9,214	17th	11,070	.1375396	1,523
8th	50,686	.1568644	7,951	18th	9,547	.1764318	1,684
9th	42,735	.1519000	6,491	19th	7,863	.2173305	1,709
10th	36,244	.1505475	5,456				

[1] The method of determining these rates is identical with the standard method of computing probabilities.

The data on the 1935–54 termination experience are organized as a survivorship table which is presented in Actuarial Schedule 1. It is in part from this schedule that the estimate of life expectancy for home mortgages is made. Among the things which the schedule shows for the 1- to 4-family home mortgages insured under Section 203 are their total annual termination rates by policy year. When these termination rates are applied to an initial hypothetical group of 100,000 home mortgage insurance contracts, they produce a survivorship table giving the number of mortgages in force at the beginning of a policy year, the number terminating during that policy year, and the number surviving to the beginning of the next policy year.

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. Determined by the standard method of computing probabilities, the rate of termination for the first policy year is the number of mortgage insurance contracts terminated during this policy year divided by the number of mortgage insurance contracts in force (i. e., exposed to the risk of termination) at the beginning of the first policy year. Likewise, the rate of termination for the second policy year is the number of mortgages terminated during the second policy year divided by the number of mortgages in force at the beginning of the second policy year.

To interpret the figures on rate of terminations, number of terminations, and number of survivors based on the 1935–54 termination experience of Section 203 mortgages, the annual rate of termination of 0.0245908 during the first policy year is a convenient starting point. When the 100,000 mortgage entrants, the initial hypothetical group, is multiplied by this first policy year rate, the product of 2,459 represents the number of mortgages which can be expected to terminate for various reasons during the first policy year after the date of their insurance. When these terminations during the first policy year are subtracted from the 100,000 entrants, it leaves 97,541 mortgages as survivors at the beginning of the second policy year. In the second policy year, the annual rate of termination shown in the schedule is 0.0466942. When this rate is applied against the 97,541 surviving mortgages at the beginning of the second year, it gives 4,555 as the number of mortgages which can be expected to terminate during the second policy year. Subtracting this number of terminated mortgages from the number in force at the beginning of the second policy year leaves 92,986 mortgage survivors at the beginning of the third policy year.

ACTUARIAL SCHEDULE 2

Annual termination rates[1] 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 1953 and exposed to policy anniversaries in 1954 or prior termination dates

Policy year	Type of termination					
	Prepayments in full	Prepayments by supersession	Titles acquired by mortgagees		Others	Total
			Retained by mortgagee	Transferred to FHA		
1st	0.0179289	0.0064851	0.0000672	0.0000773	0.0000323	0.0245908
2d	.0353581	.0103406	.0003203	.0006482	.0000270	.0166942
3d	.0524556	.0136490	.0004125	.0008552	.0000532	.0674255
4th	.0721543	.0151362	.0001418	.0006157	.0000362	.0[illegible]87442
5th	.0995688	.0161555	.0002992	.0001319	.0004343	.1168897
6th	.1250089	.0159696	.0001914	.0002183	.0002408	.141[illegible]290
7th	.1389440	.0144831	.0001164	.0000884	.0001922	.1538241
8th	.1431705	.0130941	.0001100	.0000248	.0001650	.1568644
9th	.1386552	.0126009	.0000822	.0000111	.000190[illegible]	.1519000
10th	.1352157	.0111400	.0000489	.0000027	.0011402	.1505475
11th	.1223425	.0096402	.0000132	----------	.0054622	.1374881
12th	.1213987	.0081620	.0000102	----------	.0030522	.1320531
13th	.1176021	.0061902	.0000220	.0000055	.0018225	.128[illegible]423
14th	.1238292	.0050958	.0000258	----------	.0003219	.1297757
15th	.1582046	.0034117	----------	----------	.0365353	.198[illegible]516
16th	.1162549	.0016795	.0000611	----------	.0915199	.2005154
17th	.1318288	.0017889	----------	----------	.003[illegible]219	.1375306
18th	.1652088	.0009903	.0001650	----------	.0100377	.1764318
19th	.1851852	----------	----------	----------	.0321453	.2173305

[1] The method of determining these rates is identical with the standard method of computing probabilities.

The composition of the total annual termination rates shown in the survivorship table is presented in Actuarial Schedule 2. They include the two types of prepayments—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 terminations, which are predominantly maturities. These annual rates of termination for the different types of termination are determined by the same method of computing probabilities as the total annual termination rates and are, therefore, additive. Thus, the annual rate of prepayment in full for a given policy year can be added to the annual rate of prepayment by supersession for the same policy year to give the total rate of prepayment for the given policy year. The rate for a particular policy year for titles acquired by mortgagees and retained by mortgagees can be combined with the rate for the same policy year for titles acquired by mortgagees and transferred to FHA to give a total foreclosure rate for that policy year. When the annual rates for the different types of termination are added together, they give the total annual termination rates shown in both actuarial schedules.

The annual rates by policy year for the different types of termination measure the distribution of expected terminations during a policy year. The component rates are interpreted in the same manner as the total annual termination rates discussed in connection with Actuarial Schedule 1. To illustrate their interpretation, the same hypothetical group of 100,000 mortgage entrants at the beginning of the first policy year may be used with the annual termination rates for the different types of terminations. How these mortgage terminations can be expected to be distributed among the separate types of terminations during the first policy year can be determined by applying their respective rates for the first policy year against the initial hypothetical group of 100,000 mortgages in force at the beginning of the first policy year. According to Actuarial Schedule 2, the products of the first policy year rates for prepayments, for example, and the 100,000 entrants give 1,793 as the number of prepayments in full and 648 as the number of prepayments by supersession which can be expected during the first year on the basis of the 1935–54 termination experience. Together these two types of prepayment thus account for almost all of the 2,459 terminations which can be expected during the first policy year. The balance of 18 terminations can be expected to consist of 15 foreclosures with 7 of the properties retained by mortgagees and 8 transferred to FHA, and 3 other terminations. To illustrate their interpretation further, the survivorship table shows that out of the initial group, 36,244 mortgages can be expected to remain in force at the beginning of the tenth policy year, for example, and 5,456 as the total number of terminations which can be expected during that year. The rates of termination for the different types of terminations during that policy year when applied to this number in force gives 4,900 prepayments in full, 404 prepayments by supersession, 2 foreclosures, and 150 other types of terminations, principally maturities.

A comparison of the annual rates of prepayment in full with the total annual rates by policy year discloses the extent to which these prepayment rates account for the total termination rates. The rates of prepayment in full in 15 of the 19 policy years represent more than four-fifths of the total termination rate. They account for more than half in the remaining policy years, which are at the earlier and later durations, i. e., the number of policy years during which an insurance contract is exposed to the risk of termination. The emerging pattern of rates of prepayment in full which the 1935–54 experience reflects is one of a steady increase in rate by duration until about the eighth policy year with a slight tapering off for the next 6 years. After the fourteenth year the rates fluctuate sharply reflecting both the thinness of the experience and the approach of the mortgage insurance contracts to their maturities when the cumulative effects of partial prepayments during the life of the mortgage result in accelerated termination before maturity.

The emerging pattern for the rates of prepayment by supersession is one where the rates rise sharply until about the fifth policy year and then decline less sharply in the later durations. These rates are of secondary importance in the determination of the total annual termination rates by policy year. At the earliest duration, this rate accounts for over 25 percent of the total annual termination rate. However, this proportion declines with duration and, in the nineteenth policy year, the rate represents less than 1 percent of the total annual termination rate.

The rates of termination shown in the actuarial schedules 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 of termination for 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 terminations from contracts endorsed for insurance in each calendar year from 1935 through 1953. For the second policy year, they are based on the terminations from endorsements in each calendar year from 1935 through 1952. Thus, for the nineteenth policy year they are based on terminations from endorsements of the calendar year 1935 only. With time, the accumulation of termination data will provide the merged experience of home mortgage insurance contracts through that policy year which will represent the longest maturity eligible for insurance under this program.

Likewise, it should be noted that the FHA mortgage insurance programs have not been exposed to a serious reversal of economic conditions. The cumulative experience of foreclosures, therefore, reflects only the most favorable period of exposure. Accordingly, it must be emphasized that the pattern of termination rates shown in the actuarial schedules is only an emerging one and cannot be said to be definitive for total terminations or for the different types of terminations. Not only can additional termination experience influence their rates by duration, particularly in the later durations where the aggregate experience is smaller, but changing economic conditions will also influence the rates of termination.

SECTION 5

ACCOUNTS AND FINANCE

The figures for 1954 and 1955 in the financial statements of this report are on an accrual basis and are shown for the fiscal year rather than the calendar year. Section 2 of the report, Volume of Mortgage and Loan Insurance 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.

Before July 1, 1939, there was no provision in the National Housing Act for collecting premiums on insurance granted under Title I, Section 2; 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. The account established in connection with insurance operations before July 1, 1939, is identified in the accounting records as the Title I Claims Account. The Housing Act of 1954, approved August 2, 1954, provided that the Title I Claims Account should be terminated as of August 1, 1954, at which time all the remaining assets and liabilities of the account were transferred to and merged with the Title I Insurance Fund.

An amendment of June 3, 1939, to the National Housing Act, created the Title I Insurance Fund and authorized the collection of premiums; and an amendment of June 28, 1941, authorized the retention by the FHA 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, 1955, combined statement of financial condition (Statement 1) and the combined statements on income and expenses (Statement 2).

COMBINED FUNDS

Gross Income and Operating Expenses, Fiscal Year 1955

Gross income of combined FHA funds for fiscal year 1955 under all insurance operations totaled $138,823,312 and was derived from fees, insurance premiums, and income on investments. Operating expenses of the FHA during the fiscal year 1955 totaled $36,061,825.

Cumulative Gross Income and Operating Expenses, by Fiscal Years

From the establishment of FHA in 1934 through June 30, 1955, gross income totaled $1,021,594,006, while operating expenses totaled $382,186,935. Gross income and operating expenses for each fiscal year are detailed below:

Income and operating expenses through June 30, 1955

Fiscal year	Income from fees, premiums, and investments	Operating expenses	Fiscal year	Income from fees, premiums, and investments	Operating expenses
1935	$539,609	$6,336,905	1947	$26,790,341	$16,063,870
1936	2,503,248	12,160,487	1948	51,164,456	20,070,745
1937	5,690,268	10,318,119	1949	63,083,953	23,378,487
1938	7,874,377	9,297,884	1950	85,705,342	27,457,888
1939	11,954,056	12,609,887	1951	98,004,922	31,314,356
1940	17,860,296	13,206,522	1952	103,021,039	30,622,621
1941	24,126,366	13,359,588	1953	115,288,193	31,339,075
1942	28,316,764	13,471,496	1954	125,223,448	31,396,081
1943	25,847,785	11,160,452	1955	138,823,312	36,061,825
1944	28,322,415	11,148,361			
1945	29,824,744	10,218,994	Total	1,021,594,006	382,186,935
1946	30,729,072	11,191,492			

The above income was derived from the following insurance operations: Title I Insurance Fund (property improvement loans), $137,340,418; Title I Housing Insurance Fund (home mortgages), $3,466,986; Title II Mutual Mortgage Insurance Fund (home mortgages), $571,708,951; Title II Housing Insurance Fund (rental housing projects), $20,116,981; Title II, Section 220 Housing Insurance Fund (urban renewal housing) $38,496; Title II, Section 221 Housing Insurance Fund (relocation housing) $12,921; Title II Servicemen's Mortgage Insurance Fund (servicemen's housing) $72,114; Title VI War Housing Insurance Fund (war and veterans' emergency housing), $263,191,008; Title VII Housing Investment Insurance Fund (yield insurance), $90,123; Title VIII Armed Services Housing Mortgage Insurance Fund (rental housing projects), $17,144,156; and Title IX National Defense Housing Insurance Fund (home mortgages and rental housing projects), $8,411,852.

Salaries and Expenses

The current fiscal year is the sixteenth 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 1955 to cover operating costs and the purchase of furniture and equipment are as follows:

Salaries and expenses, fiscal year 1955 (July 1, 1954, to June 30, 1955)

Title and section	Amount	Percent	Title and section	Amount	Percent
Title I:			Title VI:		
Sec. 2	$3,449,812	9.53	Sec. 603	$628,997	1.74
Sec. 8	512,349	1.42	Sec. 608	1,210,559	3.34
Title II:			Sec. 609	1,712	.01
Sec. 203	27,126,506	74.95	Sec. 611	3,023	.01
Sec. 207–210	1,196,642	3.31	Title VII	9,245	.02
Sec. 213	699,517	1.93	Title VIII: Sec. 803	519,462	1.44
Sec. 220	103,738	.29	Title IX:		
Sec. 221	60,451	.17	Sec. 903	426,312	1.18
Sec. 222	107,710	.30	Sec. 908	132,483	.36
			Total	36,188,548	100.00

Capital and Statutory Reserves of Combined FHA Funds

The combined capital and statutory reserves of all FHA funds on June 30, 1955, amounted to $417,861,324, and consisted of $368,831,730 capital ($20,310,000 capital contributions from other FHA insurance funds and $348,521,730 earned surplus), and $49,029,594 statutory reserves as shown in Statement 1.

STATEMENT 1

Comparative statement of financial condition, all FHA funds combined, as of June 30, 1954, and June 30, 1955

	June 30, 1954	June 30, 1955	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$134,710,027	$44,961,782	−$89,748,245
Investments:			
U. S. Government securities (amortized)	257,081,124	355,138,419	98,057,295
Other securities (stock in rental housing corporations)	473,200	475,260	2,060
Total investments	257,554,324	355,613,679	98,059,355
Loans receivable:			
Mortgage notes and contracts for deed	43,937,505	56,565,923	12,628,418
Less reserve for losses	1,149,386	1,674,472	525,086
Net loans receivable	42,788,119	54,891,451	12,103,332
Accounts and notes receivable:			
Accounts receivable—insurance premiums	4,738,857	3,516,110	−1,222,747
Accounts receivable—other	124,320	119,996	−4,324
Total accounts and notes receivable	4,863,177	3,636,106	−1,227,071
Accrued assets: Interest on U. S. Government securities	589,809	719,112	129,303
Land, structures, and equipment:			
Furniture and equipment	2,124,969	[1] 2,295,826	170,857
Less reserve for depreciation	1,230,278	1,331,819	101,541
Net furniture and equipment	894,691	964,007	69,316
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	67,150,085	92,211,483	25,061,398
Less reserve for losses	23,656,483	36,885,505	13,229,022
Net real estate	43,493,602	55,325,978	11,832,376
Mortgage notes acquired under terms of insurance (at cost plus expenses to date)	65,359,006	85,888,755	20,529,749
Less reserve for losses	26,548,225	34,300,577	7,752,352
Net mortgage notes acquired under terms of insurance	38,810,781	51,588,178	12,777,397

[1] Excludes unfilled orders in the amount of $115,341.

STATEMENT 1—Continued

Comparative statement of financial condition, all FHA funds combined, as of June 30, 1954, and June 30, 1955—Continued

	June 30, 1954	June 30, 1955	Increase or decrease (−)
ASSETS—continued			
Acquired security or collateral—Continued			
Defaulted Title I notes	$55, 719, 524	$64, 903, 317	$9, 183, 793
Less reserve for losses	38, 416, 180	44, 146, 152	5, 729, 972
Net defaulted Title I notes	17, 303, 344	20, 757, 165	3, 453, 821
Net acquired security or collateral	99, 607, 727	127, 671, 321	28, 063, 594
Other assets—held for account of mortgagors	52, 164	139, 036	86, 872
Total assets	541, 060, 038	588, 596, 494	47, 536, 456
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies	4, 165, 147	[2] 9, 914, 074	5, 748, 927
Group account participations payable	1, 524, 660	1, 882, 878	358, 218
Total accounts payable	5, 689, 807	11, 796, 952	6, 107, 145
Accrued liabilities: Interest on debentures	1, 246, 945	1, 060, 966	−185, 979
Trust and deposit liabilities			
Fee deposits held for future disposition	5, 604, 333	7, 928, 945	2, 324, 612
Excess proceeds of sale	1, 752, 844	2, 097, 149	344, 305
Deposits held for mortgagors, lessees, and purchasers	1, 784, 659	2, 040, 818	256, 159
Undistributed receipts	2, 966	14, 321	11, 355
Due general fund of the U. S. Treasury	25		−25
Employees' payroll deductions for taxes, etc	828, 767	1, 065, 718	236, 951
Total trust and deposit liabilities	9, 973, 594	13, 146, 951	3, 173, 357
Deferred and undistributed credits:			
Unearned insurance premiums	74, 514, 461	72, 968, 895	−1, 545, 566
Unearned insurance fees	511, 733	250, 477	−261, 256
Other	5, 884	5, 995	111
Total deferred and undistributed credits	75, 032, 078	73, 225, 367	−1, 806, 711
Bonds, debentures, and notes payable: Debentures payable	94, 436, 436	70, 639, 386	−23, 797, 050
Other liabilities: Reserve for foreclosure costs—mortgage notes	655, 052	865, 548	210, 496
Statutory reserves:			
For transfer to general reinsurance account	26, 105, 714		−26, 105, 714
Net balances of group accounts available for contingent losses, expenses, other charges, and participations	101, 653, 018		−101, 653, 018
Participating reserve account		49, 029, 594	49, 029, 594
Total statutory reserves	127, 758, 732	49, 029, 594	−78, 729, 138
Total liabilities	314, 792, 644	219, 764, 764	−95, 027, 880
CAPITAL			
Capital contributions from other FHA insurance funds	15, 200, 000	20, 310, 000	5, 110, 000
Earned surplus:			
Insurance reserve fund (cumulative earnings) available for future losses and related expenses	146, 869, 031	157, 526, 956	10, 657, 925
General reinsurance reserve fund (cumulative earnings) available for future losses and related expenses	64, 198, 363		−64, 198, 363
General surplus account		190, 994, 774	190, 994, 774
Total earned surplus	211, 067, 394	348, 521, 730	137, 454, 336
Total capital	226, 267, 394	368, 831, 730	142, 564, 336
Total liabilities and capital	541, 060, 038	588, 596, 494	47, 536, 456
Contingent liability for certificates of claim on properties on hand	2, 975, 511	4, 086, 620	1, 111, 109

[2] Excludes unfilled orders in the amount of $301,852.

The contributed capital of $20,310,000 and the earned surplus of $348,-521,730 are available for future contingent losses and related expenses. The statutory reserves of $49,029,594 under the Mutual Mortgage Insurance Fund are earmarked for participation payments to mortgagors under the mutual provision of Title II of the National Housing Act.

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

Fund	Capital and statutory reserve
Title I Insurance Fund	$37,777,724
Title I Housing Insurance Fund	1,734,500
Mutual Mortgage Insurance Fund	240,024,368
Housing Insurance Fund	6,613,361
Sec. 220 Housing Insurance Fund	955,414
Sec. 221 Housing Insurance Fund	951,513
Servicemen's Mortgage Insurance Fund	989,031
War Housing Insurance Fund	109,859,684
Housing Investment Insurance Fund	845,516
Armed Services Housing Mortgage Insurance Fund	11,764,731
National Defense Housing Insurance Fund	6,345,482
Total	417,861,324

In addition, the various insurance funds had collected or accrued $250,-477 unearned insurance fees and $72,968,895 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.

	Deferred fee income	Deferred premium income	Total deferred fee and premium income
Title I Insurance Fund		$25,711,151	$25,711,151
Title I Housing Insurance Fund		478,266	478,266
Mutual Mortgage Insurance Fund		30,941,667	30,941,667
Housing Insurance Fund	$221,137	1,460,576	1,681,713
Sec. 220 Housing Insurance Fund	3,720		3,720
Servicemen's Mortgage Insurance Fund		32,475	32,475
War Housing Insurance Fund		11,318,866	11,318,866
Armed Services Housing Mortgage Insurance Fund	25,620	1,646,087	1,671,707
National Defense Housing Insurance Fund		1,379,807	1,379,807
Total	250,477	72,968,895	73,219,372

Combined Income, Expenses, and Losses, all FHA Funds

Total income from all sources during the fiscal year 1955 amounted to $143,392,295, while total expenses and insurance losses amounted to $45,-105,135, leaving net income, before adjustment of valuation and statutory reserves, of $98,287,160. Increases in valuation reserves for the year amounted to $27,236,432, leaving $71,050,728 net income for the period. Cumulative income from June 30, 1934, through June 30, 1955, was $1,035,-609,485, and cumulative expenses were $439,393,159, leaving net income of $596,216,326 before adjustment of valuation reserves.

STATEMENT 2

Combined statement of income and expenses for all FHA funds, through June 30, 1954, and June 30, 1955

	June 30, 1934, to June 30, 1954	July 1, 1954, to June 30, 1955	June 30, 1934, to June 30, 1955
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$55,205,701	$7,816,723	$63,022,424
Interest on mortgage notes and contracts for deed	101,643	21,122	122,765
Interest and other income on defaulted Title I notes	3,727,623	820,011	4,547,634
Interest—other	5,610,032	3,695,250	9,305,282
Dividends on rental housing stock	12,238	2,266	14,504
	64,657,237	12,355,372	77,012,609
Insurance premiums and fees:			
Premiums	667,664,122	112,738,921	780,403,043
Fees	158,450,735	18,265,402	176,716,137
	826,114,857	131,004,323	957,119,180
Other income:			
Profit on sale of investments	1,437,898	----------	1,437,898
Miscellaneous income	7,198	32,600	39,798
	1,445,096	32,600	1,477,696
Total income	892,217,190	143,392,295	1,035,609,485
Expenses:			
Interest expenses:			
Interest on funds advanced by U. S. Treasury	20,385,529	----------	20,385,529
Interest on debentures	680,947	13,592	694,539
	21,066,476	13,592	21,080,068
Administrative expenses:			
Operating costs (including adjustments for prior years)	337,713,077	[1] 35,925,528	373,638,605
Other expenses:			
Depreciation on furniture and equipment	1,818,461	154,142	1,972,603
Miscellaneous expenses	319,967	15,012	334,979
	2,138,428	169,154	2,307,582
Losses and chargeoffs:			
Loss on sale of acquired properties	6,744,645	5,009,903	11,754,548
Loss (or profit −) on equipment	−646	8,563	7,917
Loss on defaulted Title I notes	26,626,044	3,978,395	30,604,439
	33,370,043	8,996,861	42,366,904
Total expenses	394,288,024	45,105,135	439,393,159
Net income before adjustment of valuation reserves	497,929,166	98,287,160	596,216,326
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−1,149,386	−525,086	−1,674,472
Reserve for loss on real estate	−23,656,483	−13,229,022	−36,885,505
Reserve for loss on mortgage notes acquired under terms of insurance	−26,548,225	−7,752,352	−34,300,577
Reserve for loss on defaulted Title I notes	−38,416,180	−5,729,972	−44,146,152
Net adjustment of valuation reserves	−89,770,274	−27,236,432	−117,006,706
Net income	408,158,892	71,050,728	479,209,620

ANALYSIS OF EARNED SURPLUS

Distribution of net income:			
Statutory reserve—participating reserve:			
Balance at beginning of period	----------	$127,758,732	----------
Adjustments during the period	----------	−71,371,016	----------
Allocations from earnings	$181,891,498	−142,592	$110,377,890
	181,891,498	56,245,124	110,377,890
Participations in mutual earnings distributed	−54,132,766	−7,215,530	−61,348,296
Balance at end of period	127,758,732	49,029,594	49,029,594
Earned surplus:			
Balance at beginning of period	----------	211,067,394	----------
Adjustments during the period	----------	71,371,016	----------
Allocations to participating reserve	----------	142,592	----------
Net income for the period	226,267,394	71,050,728	368,831,730
	226,267,394	353,631,730	368,831,730
Capital contributions to other FHA insurance funds	−15,200,000	−5,110,000	−20,310,000
Balance at end of period	211,067,394	348,521,730	348,521,730

[1] Excludes unfilled orders in the amount of $186,511.

Contributed Capital

The contributed capital of $20,310,000 as shown on Statement 1 represents funds transferred from earnings of insurance funds to establish other insurance funds, and transfers under the provisions of Section 219 of the National Housing Act as amended. The contributed capital was also $20,310,000 at December 31, 1955. An analysis of capital contributions at December 31, 1955, is shown in Statement 3.

STATEMENT 3

Analysis of capital contributions to FHA insurance funds from other FHA insurance funds as of Dec. 31, 1955

Fund	Capital contributions		Total contributions	Contributions returned	Contributed capital
	To establish insurance funds	Pursuant to Sec. 219			
TITLE I HOUSING INSURANCE					
From: Title I Insurance	$1,000,000		$1,000,000		$1,000,000
HOUSING INSURANCE					
From:					
Mutual Mortgage Insurance	1,000,000		1,000,000		1,000,000
National Defense Housing Insurance		$3,200,000	3,200,000	−$3,200,000	
Housing Investment Insurance		90,000	90,000	−90,000	
War Housing Insurance		4,400,000	4,400,000		4,400,000
Total	1,000,000	7,690,000	8,690,000	−3,290,000	5,400,000
SEC. 220 HOUSING INSURANCE					
From: War Housing Insurance	1,000,000		1,000,000		1,000,000
SEC. 221 HOUSING INSURANCE					
From: War Housing Insurance	1,000,000		1,000,000		1,000,000
SERVICEMEN'S MORTGAGE INSURANCE					
From: War Housing Insurance	1,000,000		1,000,000		1,000,000
HOUSING INVESTMENT INSURANCE					
From:					
National Defense Housing Insurance		1,000,000	1,000,000	−1,000,000	
War Housing Insurance		910,000	910,000		910,000
To: Housing Insurance		−90,000	−90,000	90,000	
Total		1,820,000	1,820,000	−910,000	910,000
ARMED SERVICES HOUSING MORTGAGE INSURANCE FUND					
From: War Housing Insurance		1,900,000	1,900,000	−1,900,000	
NATIONAL DEFENSE HOUSING INSURANCE					
From: War Housing Insurance	10,000,000		10,000,000		10,000,000
To:					
Housing Insurance		−3,200,000	−3,200,000	3,200,000	
Housing Investment Insurance		−1,000,000	−1,000,000	1,000,000	
Total	10,000,000	−4,200,000	5,800,000	4,200,000	10,000,000
Total all funds	15,000,000	7,210,000	22,210,000	−1,900,000	20,310,000

General Mortgage Insurance Authorization

Public Law 345, 84th Congress, approved August 11, 1955, amended the general mortgage insurance authorization under Section 217. This amendment provides that the aggregate amount of principal obligations of all mortgages which may be insured and outstanding at any one time under insurance contracts or commitments to insure pursuant to any section or title (except Sec. 2) shall not exceed the sum of (*a*) the outstanding principal balances, as of July 1, 1955, of all insured mortgages (without taking into account prepayments or delinquencies), (*b*) the principal amount of all outstanding commitments to insure as of July 1, 1955, and (*c*) $4,000,000,000. This general insurance authorization applies to all mortgage insurance programs, except new insurance written under Title VIII pursuant to commitments issued on or after August 11, 1955. The general mortgage insurance authorization at July 1, 1955 was established as follows:

Insurance in force	$17,552,378,000
Commitments outstanding	3,965,219,300
Additional authorized amount	4,000,000,000
Total authorization	25,517,597,300

The status of the general mortgage insurance authorization at December 31, 1955, is shown in Statement 4 below.

STATEMENT 4

Status of general mortgage insurance authority as of Dec. 31, 1955

	Estimated outstanding balance of insurance in force	Outstanding commitments for insurance	
Sec. 217 general mortgage insurance authorization			[1] $25,517,597,300
Title I, Sec. 8	$186,193,922	$3,896,050	
Title II:			
Sec. 203	12,119,697,830	[2] 3,757,197,847	
Secs. 207–210	269,542,492	[3] 58,984,735	
Sec. 213	300,100,960	[4] 44,205,850	
Sec. 220		6,658,600	
Sec. 221			
Sec. 222	85,675,813	34,705,702	
	12,775,017,095	3,901,752,734	
Title VI:			
Sec. 603	1,366,081,117		
Sec. 608	2,828,406,819		
Sec. 610 (Sec. 603)	10,428,353		
Sec. 610 (Sec. 608)	5,102,971		
Sec. 611	475,451		
	4,210,494,711		
Title VIII, Sec. 803 (prior to Aug. 11, 1955)	636,189,952	12,164,600	
Title IX:			
Sec. 903	451,457,472	17,142,136	
Sec. 908	55,267,284		
	506,724,756	17,142,136	
Total charges to Sec. 217	18,314,620,436	3,934,955,520	22,249,575,956
Unused insurance authorization			3,268,021,344

[1] Increased in accordance with Public Law 345, Sec. 102 (f), approved Aug. 11, 1955.
[2] Includes statements of eligibility in the amount of $7,179,250. Also includes $26,600 commitments outstanding on farm mortgages chargeable against limitation of $100,000,000.
[3] Includes statements of eligibility in the amount of $975,635.
[4] Includes statements of eligibility in the amount of $26,585,700.

Cost Certifications on Multifamily Projects

To prevent the possibility of the builder's "mortgaging out" on multifamily housing projects financed with FHA insured mortgages, the mortgagor is now required to certify, before final endorsement of the mortgage for insurance, to the actual cost of the project; and, if the mortgage amount is more than the statutory ratio applied to such actual costs, the mortgage amount must be correspondingly reduced.

During 1955 cost certifications were received on projects which were completed and had mortgages insured by the Federal Housing Administration as follows:

	Number	Amount of cost certified by builder or sponsor	Amount of mortgage at final endorsement
Sec. 207	8	$3,237,330	$2,780,800
Sec. 803	10	19,332,474	17,338,902
Sec. 908	3	2,755,081	2,732,400

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 19,142,692 in number and $9,071,627,202 in amount (net proceeds) had been reported for insurance under this section through December 31, 1955. Through that date 563,399 claims had been paid for $187,809,145 and there were 2 claims totaling $6,091 payable on real property acquired. The total claims paid and payable numbering 563,401 in the amount of $187,815,236 represent approximately 2.07 percent of the total net proceeds of loans insured, as shown in Statement 5.

In the calendar year 1955, 1,024,698 loans were insured for an aggregate of $645,644,843, and 40,194 claims were paid for $17,648,407.

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STATEMENT 5

Summary of Title I notes insured, claims for insurance paid, and recoveries on defaulted notes purchased, by calendar years, 1934–55

Year	Notes insured (net proceeds)	Claims for insurance paid	Recoveries on defaulted notes purchased: Total recoveries	Cash receipts: On notes	Cash receipts: On sales of repossessed equipment	Real properties
1934–39	$859, 246, 581	$23, 967, 882	$4, 739, 788	$4, 604, 936	$134, 852	----------
1940	241, 734, 821	6, 543, 568	1, 902, 540	1, 888, 681	13, 859	----------
1941	248, 638, 549	7, 265, 059	2, 539, 496	2, 335, 107	11, 853	$192, 536
1942	141, 163, 398	7, 132, 210	2, 831, 754	2, 795, 685	−1, 524	37, 593
1943	87, 194, 156	3, 718, 643	4, 168, 859	4, 024, 096	717	144, 046
1944	113, 939, 150	1, 939, 261	3, 597, 858	3, 558, 901	−159	39, 116
1945	170, 823, 788	1, 588, 875	2, 851, 513	2, 775, 337	1, 093	75, 083
1946	320, 593, 183	2, 435, 964	3, 058, 351	2, 772, 487	7, 270	278, 594
1947	533, 604, 178	5, 829, 750	2, 346, 108	2, 345, 022	239	847
1948	621, 612, 484	14, 345, 659	2, 503, 044	2, 499, 536	752	2, 756
1949	607, 023, 920	17, 493, 909	3, 414, 216	3, 413, 258	657	301
1950	700, 224, 528	18, 168, 052	5, 208, 863	5, 187, 283	----------	21, 580
1951	706, 962, 734	12, 164, 740	6, 711, 469	6, 510, 589	−50	200, 930
1952	848, 327, 393	11, 524, 344	7, 459, 729	7, 202, 020	902	256, 807
1953	1, 334, 287, 124	14, 995, 408	7, 605, 902	7, 533, 730	----------	72, 172
1954	890, 606, 372	21, 047, 414	6, 962, 748	6, 949, 184	----------	13, 564
1955	645, 644, 843	[1] 17, 654, 498	[1] 8, 554, 041	8, 534, 191	----------	[1] 19, 850
Total	9, 071, 627, 202	187, 815, 236	76, 456, 279	74, 930, 043	170, 461	1, 355, 775

Notes.—In addition to the above recoveries, $7,319,487 interest and other income on outstanding balances of Title I notes, and $174,010 interest on mortgage notes had been collected through Dec. 31, 1955.

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 $2,793 equipment destroyed as worthless.

[1] Includes claim payable on real property acquired in the amount of $6,091.

Recoveries

When Title I insurance claims are paid, the notes and other claims against the borrowers become the property of the Federal Housing Administration for collection or other disposition.

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

Through December 31, 1955, there had been acquired under the terms of Title I insurance a total of 548 real properties at a total cost of $1,543,872. All but five of these, with a cost of $18,097, had been sold at a net loss of $59,184, 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, 1955, amounted to $92,305,960. These losses represent 1.02 percent of the total amount of loans insured ($9,071,627,202). A summary of transactions through December 31, 1955, follows:

Summary of Title I transactions for the period June 30, 1934, to Dec. 31, 1955

	Total Title I transactions to Dec. 31, 1955	Percent to notes insured
Total notes insured	$9,071,627,202	100.000
Total claims paid	[1] 187,815,236	2.070
		Percent to claims paid
Recoveries:		
Cash collections:		
On notes	74,930,042	39.895
On sale of repossessed equipment	170,461	.091
Total cash	75,100,503	39.986
Real properties (after deducting losses and reserve for losses on real properties and mortgage notes)	[1] 1,355,776	.722
Total recoveries	76,456,279	40.708
Net notes in process of collection	19,052,997	10.145
Losses:		
Loss on sale of real properties	59,184	.032
Loss on repossessed equipment	4,305,331	2.292
Loss on defaulted Title I notes	44,550,435	23.720
Reserve for loss on real properties and mortgage notes	11,892	.006
Reserve for loss on defaulted Title I notes	43,379,118	23.097
Total losses	92,305,960	49.147

NOTE.—Included in the loss on repossessed equipment is $3,979,705 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.

[1] Includes 2 claims payable on real properties acquired in the amount of $6,091.

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 (Sec. 2) on insurance granted on and after July 1, 1939. 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.

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 for insurance granted under this title. Section 2(f) of the Act as amended August 2, 1954, provides that moneys in this fund not needed for current operations may be invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by the United States Government. At December 31, 1955, the fund held $42,100,000 Special Series 2 percent Treasury notes.

Since establishment of the Title I Insurance Fund, all operating expenses have been paid out of earnings of the fund, and since July 1, 1944, all insurance claims relating to this fund have been paid out of accumulated earnings and recoveries in the fund. Before 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, 1955, as shown in Statement 6, was $37,777,724, consisting entirely of earned surplus. In accordance with Public Law 5, 83d Congress, approved March 10, 1953, the amount of capital contributed to this fund by the United States Government, $8,333,314, was established as a liability of the fund as of June 30, 1953. On July 1, 1953, the entire amount was repaid and the liability liquidated.

STATEMENT 6

Comparative statement of financial condition, Title I Insurance Fund, as of June 30, 1954, and June 30, 1955

	June 30, 1954	June 30, 1955	Increase or Decrease (−)
ASSETS			
Cash with U. S. Treasury	$41, 309, 647	$3, 382, 352	−$37, 927, 295
Investments: U. S. Government securities (amortized)		38, 000, 000	38, 000, 000
Loans receivable:			
Mortgage notes and contracts for deed	526, 489	519, 320	−7, 169
Less reserve for losses	7, 897	7, 745	−152
Net loans receivable	518, 592	511, 575	−7, 017
Accounts and notes receivable:			
Accounts receivable—insurance premiums	3, 093, 370	1, 778, 063	−1, 315, 307
Accounts receivable—other	38, 101	27, 257	−10, 844
Accounts receivable—interfund	137, 995	144, 645	6, 650
Total accounts and notes receivable	3, 269, 466	1, 949, 965	−1, 319, 501
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	38, 446	33, 601	−4, 845
Less reserve for losses	5, 514	8, 734	3, 220
Net real estate	32, 932	24, 867	−8, 065
Defaulted Title I notes	55, 719, 524	64, 903, 317	9, 183, 793
Less reserve for losses	38, 416, 180	44, 146, 152	5, 729, 972
Net defaulted Title I notes	17, 303, 344	20, 757, 165	3, 453, 821
Net acquired security or collateral	17, 336, 276	20, 782, 032	3, 445, 756
Total assets	62, 433, 981	64, 625, 924	2, 191, 943
LIABILITIES			
Accounts payable: Bills payable to vendors and Government agencies	1, 757, 658	1, 119, 369	−638, 289
Trust and deposit liabilities: Deposits held for mortgagors, lessees, and purchasers	10, 575	11, 685	1, 110
Deferred and undistributed credits:			
Unearned insurance premiums	31, 272, 484	25, 711, 151	−5, 561, 333
Other	5, 884	5, 995	111
Total deferred and undistributed credits	31, 278, 368	25, 717, 146	−5, 561, 222
Total liabilities	33, 046, 601	26, 848, 200	−6, 198, 401
CAPITAL			
Earned surplus: Insurance reserve fund (cumulative earnings) available for future losses and related expenses	29, 387, 380	37, 777, 724	8, 390, 344
Total liabilities and capital	62, 433, 981	64, 625, 924	2, 191, 943

For the fiscal year 1955, Title I Insurance Fund income totaled $21,727,769, while expenses and losses amounted to $7,553,981, leaving $14,173,788 net income before adjustment of valuation reserves. After the valuation reserves were increased by $5,733,040, there remained $8,440,748 net income for the year.

STATEMENT 7

Income and expenses, Title I Insurance Fund, through June 30, 1954, and June 30, 1955

	June 3, 1939, to June 30, 1954	July 1, 1954, to June 30, 1955	June 3, 1939, to June 30, 1955
Income:			
Interest and dividends:			
Interest on U. S. Government securities		$643, 647	$643, 647
Interest on mortgage notes and contracts for deed	$101, 643	21, 122	122, 765
Interest and other income on defaulted Title I notes	3, 727, 623	820, 011	4, 547, 634
	3, 829, 266	1, 484, 780	5, 314, 046
Insurance premiums and fees:			
Premiums	116, 117, 078	20, 210, 389	136, 327, 467
Fees	369, 304		369, 304
	116, 486, 382	20, 210, 389	136, 696, 771
Other income: Miscellaneous income		32, 600	32, 600
Total income	120, 315, 648	21, 727, 769	142, 043, 417
Expenses:			
Administrative expenses: Operating costs	24, 402, 153	3, 511, 343	27, 993, 900
Other expenses:			
Depreciation on furniture and equipment	129, 443	15, 167	144, 610
Miscellaneous expenses	272, 951	15, 012	287, 963
	402, 394	30, 179	432, 573
Losses and chargeoffs:			
Loss on sale of acquired properties	25, 655	3, 221	28, 876
Loss on equipment	42, 431	843	43, 274
Loss on defaulted Title I notes	26, 626, 044	3, 978, 395	30, 604, 439
	26, 694, 130	3, 982, 459	30, 676, 589
Total expenses	51, 498, 677	7, 553, 981	59, 103, 062
Net income before adjustment of valuation reserves	68, 816, 971	14, 173, 788	82, 940, 355
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−7, 897	+152	−7, 745
Reserve for loss on real estate	−5, 514	−3, 220	−8, 734
Reserve for loss on defaulted Title I notes	−38, 416, 180	−5, 729, 972	−44, 146, 152
Net adjustment of valuation reserves	−38, 429, 591	−5, 733, 040	−44, 162, 631
Net income	30, 387, 380	8, 440, 748	38, 777, 724

ANALYSIS OF EARNED SURPLUS

Distribution of net income:			
Earned surplus:			
Balance at beginning of period		$29, 387, 380	
Adjustments during the period		−50, 404	
Net income for the period	$30, 387, 380	8, 440, 748	$38, 777, 724
	30, 387, 380	37, 777, 724	38, 777, 724
Capital contributions to other FHA insurance funds	−1, 000, 000		−1, 000, 000
Balance at end of period	29, 387, 380	37, 777, 724	37, 777, 724

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. Section 2(a) of the Act, as amended, provides that the aggregate amount of obligations that may be outstanding at any one time shall not exceed $1,-750,000,000. The status of the Title I, Section 2, insurance authority as of December 31, 1955, is given below:

Status of Title I insurance authority, as of Dec. 31, 1955

Insurance authority		$1,750,000,000
Charges against insurance authority:		
Estimated outstanding balance of insurance in force:		
Amendment of June 3, 1939	$391,228	
Reserve of July 1, 1947	13,224,754	
Reserve of Mar. 1, 1950 (including 48,211 notes on loan reports in process)	1,059,761,841	
Total charges against authority		1,073,377,823
Unused insurance authority		676,622,177

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. Section 2(a) of the Act, as amended August 2, 1954, provides that with respect to any loan, advance of credit, or purchase made after the effective date of the Housing Act of 1954, the amount of any claim for loss on such individual loan, advance of credit, or purchase paid by the Commissioner under the provisions of this section to a lending institution shall not exceed 90 percent of such loss. This new co-insurance provision of Title I became effective October 1, 1954, and from that date the lender is required to bear 10 percent of the loss sustained on any one loan. As of December 31, 1955, the maximum possible liability of the Title I Insurance Fund for claims was $236,585,822.

Insurance reserves under Title I, established, released, and outstanding at Dec. 31, 1955, as provided under Secs. 2 and 6, National Housing Act

Item	Gross reserves established	Reserves released	Semiannual reserve adjustments	Claims paid	Outstanding contingent liability
Insurance reserves:					
Sec. 2:					
20 percent, original Act	$66,331,509	$50,769,729		$15,561,780	
10 percent, amendment Apr. 3, 1936	17,257,563	10,647,672		6,609,891	
10 percent, amendment Feb. 3, 1938	27,302,148	18,041,547		9,260,601	
10 percent, amendment June 3, 1939	86,068,194	65,258,643		20,418,323	$391,228
10 percent, reserve of July 1, 1944	85,450,662	61,218,220		24,232,442	
10 percent, reserve of July 1, 1947	163,061,733	103,705,683		46,131,296	13,224,754
10 percent, reserve of Mar. 1, 1950	494,696,069		$209,220,330	65,538,371	219,937,368
Estimated loan reports in process	3,032,472				3,032,472
Sec. 6:					
20 percent, amendment Apr. 22, 1937	297,366	246,498		50,868	
10 percent, amendment Apr. 17, 1936	11,913	6,339		5,574	
Total	943,509,629	309,894,331	209,220,330	[1] 187,809,146	236,585,822

[1] Excludes 2 claims payable on real properties acquired in the amount of $6,091.

Title I Claims Account

In accordance with Public Law 560, 83d Congress, approved August 2, 1954, the Title I Claims Account was terminated as of August 1, 1954, and the remaining assets transferred to and merged with the Title I Insurance Fund.

Through August 1, 1954, the Federal Government had advanced a total of $38,243,525 to cover operations under Title I (Sec. 2) on insurance granted before July 1, 1939. Of this amount, $6,613,811 had been advanced for salaries and expenses and the remaining $31,629,714 for the payment of insurance claims and loans to insured institutions. In addition, $2,330,360 had been collected as interest and other income, making a total of $40,573,885 accountable funds.

Funds accounted for at August 1, 1954, amounted to $40,541,285: $19,218,917 representing recoveries and interest on claims deposited in the general fund of the Treasury, and $21,322,368 representing expenses and losses, leaving a balance of $32,600 for transfer to the Title I Insurance Fund. This balance is represented by the net assets on hand at August 1, 1954, which consisted of $798 real property and $31,802 accounts and notes receivable.

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 the fund, the Act authorized the Commissioner to transfer the sum of $1,000,000 from the Title I Insurance Fund.

The Title I Housing Insurance Fund 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.

Title I Housing Insurance Fund Capital and Net Income

Assets of the Title I Housing Insurance Fund at June 30, 1955, totaled $2,345,775, against which there were outstanding liabilities of $611,275, leaving $1,734,500 capital. Included in the capital is the sum of $1,000,000 which was transferred from the Title I Insurance Fund in accordance with Section 8(h) of the Act, and earned surplus of $734,500.

STATEMENT 8

Comparative statement of financial condition, Title I Housing Insurance Fund, as of June 30, 1954, and June 30, 1955

	June 30, 1954	June 30, 1955	Increase or decrease (—)
ASSETS			
Cash with U. S. Treasury	$743,349	$157,569	—$585,780
Investments: U. S. Government securities (amortized)	1,406,788	1,706,356	299,568
Loans receivable:			
Mortgage notes and contracts for deed	228,269	307,386	79,117
Less reserve for losses	3,424	4,611	1,187
Net loans receivable	224,845	302,775	77,930
Accounts and notes receivable: Accounts receivable—insurance premiums	9,639	25,397	15,758
Accrued assets: Interest on U. S. Government securities	989	990	1
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	70,582	178,070	107,488
Less reserve for losses	10,117	25,382	15,265
Net acquired security or collateral	60,465	152,688	92,223
Total assets	2,446,075	2,345,775	—100,300
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies	170	326	156
Interfund	1,728	1,159	—569
Total accounts payable	1,898	1,485	—413
Accrued liabilities: Interest on debentures	969	1,670	701
Trust and deposit liabilities:			
Fee deposits held for future disposition	652,735	28,350	—624,385
Excess proceeds of sale	391	1,892	1,501
Deposits held for mortgagors, lessees, and purchasers	2,830	4,512	1,682
Total trust and deposit liabilities	655,956	34,754	—621,202
Deferred and undistributed credits: Unearned insurance premiums	274,890	478,266	203,376
Bonds, debentures, and notes payable: Debentures payable	63,100	95,100	32,000
Total liabilities	996,813	611,275	—385,538
CAPITAL			
Capital contributions from other FHA insurance funds	1,000,000	1,000,000	
Earned surplus: Insurance reserve fund (cumulative earnings) available for future losses and related expenses	449,262	734,500	285,238
Total capital	1,449,262	1,734,500	285,238
Total liabilities and capital	2,446,075	2,345,775	—100,300
Contingent liabilities for certificates of claim on properties on hand	3,500	7,213	3,713

The total income of the Title I Housing Insurance Fund for fiscal year 1955 amounted to $1,177,664, while expenses and losses totaled $685,100, leaving net income of $492,564 before adjustment of the valuation reserves. The valuation reserves were increased $16,452, resulting in a net income of $476,112 for the year.

STATEMENT 9

Income and expenses, Title I Housing Insurance Fund, through June 30, 1954, and June 30, 1955

	April 20, 1950, to June 30, 1954	July 1, 1954, to June 30, 1955	April 20, 1950, to June 30, 1955
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$90,063	$39,549	$129,612
Interest—other	967	6,900	7,867
	91,030	46,449	137,479
Insurance premiums and fees:			
Premiums	858 384	817,668	1,676 052
Fees	1,347,775	313,547	1,661,322
	2,206,159	1,131,215	3 337 374
Total income	2,297,189	1,177,664	3,474,853
Expenses:			
Administrative expenses: Operating costs	1,817,015	673,224	2 681,113
Other expenses: Depreciation on furniture and equipment	8 899	2,883	11,782
Losses and chargeoffs:			
Loss on sale of acquired properties	8,642	8,833	17,475
Loss (or profit —) on equipment	−170	160	−10
	8,472	8 993	17,465
Total expenses	1,834 386	685,100	2,710 360
Net income before adjustment of valuation reserves	462,803	492,564	764,493
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−3,424	−1,187	−4,611
Reserve for loss on real estate	−10,117	−15,265	−25 382
Net adjustment of valuation reserves	−13,541	−16,452	−29,993
Net income	449,262	476,112	734,500

ANALYSIS OF EARNED SURPLUS

Distribution of net income:			
Earned surplus:			
Balance at beginning of period		$449,262	
Adjustments during the period		−190 874	
Net income for the period	$449,262	476 112	$734,500
Balance at end of period	449,262	734,500	734 500

Investments

Section 8(i) of the Act provides that moneys in the Title I Housing Insurance Fund not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by the United States; or the Commissioner may, with the approval of the Secretary of the Treasury, purchase debentures issued under the fund, provided that such purchases are made at a price that will produce an investment yield of not less than the yield obtainable from other authorized investments. During fiscal year 1955, $8,900 of Series L 2½ percent and $42,150 of Series R 2¾ percent debentures were purchased from FNMA, $800 of Series L 2½ percent and $2,500 of Series R 2¾ percent debentures were redeemed in payment of mortgage insurance premiums, and $105,300 of Series L and $4,800 of Series R were called for redemption. During the fiscal year 1955, net investments amounting to $300,000 (principal amount) were made for the account of this fund, and at June 30, 1955, the fund held bonds in the principal amount of $1,700,000 yielding 2.23 percent as follows:

Investments of the Title I Housing Insurance Fund, June 30, 1955

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1958	2	$50, 000	$50, 000	$50, 000
1959	2	700, 000	700, 000	700, 000
1962–72	2½	958, 367	950, 000	956, 356
Average annual yield 2.23 percent		1, 708, 367	1, 700, 000	1, 706, 356

Properties Acquired under the Terms of Insurance

During the calendar year 1955, 46 properties insured under Title I Section 8 were acquired by the Commissioner under the terms of insurance. Through December 31, 1955, a total of 128 homes had been acquired under the Title I Housing Insurance Fund at a total cost of $698,303, and 88 were sold at prices which left a net charge against the fund of $22,971 or an average of $261 per case.

STATEMENT 10

Statement of profit and loss on sale of acquired properties, Title I Housing Insurance Fund, through Dec. 31, 1955

Items	Total TIHI Fund (88 properties)
Proceeds of sale:	
Sales price [1]	$434, 640
Less commission and other selling expense	14, 393
Net proceeds of sales	420, 247
Income:	
Rental and other income (net)	765
Mortgage note income	22, 737
Total income	23, 502
Total proceeds of sold properties	443, 749
Expenses:	
Debentures and cash adjustments	401, 772
Interest on debentures	24, 528
Taxes and insurance	6, 462
Additions and improvements	400
Maintenance and operating expense	26, 423
Total expenses	462, 585
Net profit (or loss —) before distribution of liquidation profits	—18, 836

STATEMENT 10—Continued

Statement of profit and loss on sale of acquired properties, Title I Housing Insurance Fund, through Dec. 31, 1955—Continued

Items	Total TIHI Fund (88 properties)
Less distribution of liquidation profits:	
Certificates of claim	$3,025
Increment on certificates of claim	65
Refunds to mortgagors	1,045
Loss to Title I Housing Insurance Fund	22,971
Average loss to Title I Housing Insurance Fund	261

[1] Analysis of terms of sales:

Terms of sales	Number of properties	Number of notes	Cash	Mortgage notes	Sales price
Properties sold for all cash	3		$13,800		$13,800
Properties sold for cash and notes (or contracts for deed)	84	84	27,265	$386,575	413,840
Properties sold for notes only	1	1		7,000	7,000
Total	88	85	41,065	393,575	434,640

The turnover of Section 8 properties acquired and sold, by calendar year, is given below:

STATEMENT 11

Turnover of properties acquired under Sec. 8 of Title I, through Dec. 31, 1955

Properties acquired		Properties sold, calendar years				Properties on hand Dec. 31, 1955
Year	Number	1952	1953	1954	1955	
1952	2			1	1	
1953	55		7	46	1	1
1954	25			8	14	3
1955	46				10	36
Total	128		7	55	26	40

NOTE.—On the 88 properties sold, the average time between acquisition and sale by the Federal Housing Administration was 6.84 months.

On December 31, 1955, there remained on hand 40 properties insured under the Title I Housing Insurance Fund. The cost of these properties was:

Title I Housing Insurance Fund, statement of properties on hand at Dec. 31, 1955

	Title I Sec. 8 (40 properties)
Expenses:	
Acquisition costs	$229,584
Interest on debentures	6,047
Taxes and insurance	4,254
Maintenance and operating expenses	1,194
Additions and improvements	30
Total expenses	241,109
Income: Rent and other income (net)	418
Net acquired security on hand	240,691

Section 8 of the Act provides that if the net amount realized from any property acquired by FHA under the terms of insurance with respect to which Section 8 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 any excess remaining after paying the certificate of claim and increment thereon shall be refunded to the mortgagor.

Certificates of claim issued in connection with the 88 Section 8 properties which had been acquired and sold through 1955 totaled $21,264. The amount to be paid on these certificates of claim totaled $3,025, while certificates of claim totaling $18,239 will be canceled.

In addition there were excess proceeds on 8 of the 88 properties sold, amounting to $1,045, for refund to the mortgagors.

TITLE II: MUTUAL MORTGAGE INSURANCE FUND

The Mutual Mortgage Insurance Fund was established by Section 202 of the National Housing Act of June 27, 1934, as a revolving fund for carrying out the provisions of Title II with respect to insurance under Section 203 (mortgages on one- to four-family homes) and Section 207 (rental housing projects). An amendment to the Act approved February 3, 1938, established the Housing Insurance Fund to carry the insurance on rental housing projects insured under Section 207 after that date.

In accordance with Section 202 of the Act, the Mutual Mortgage Insurance Fund was originally allocated the sum of $10,000,000 by the Federal Government. It has been credited with all income received in connection with insurance granted under Section 203, and that received with respect to insurance granted before February 3, 1938, under Section 207.

Before the amendment of August 2, 1954, Section 205 of the Act, as amended, provided that mortgages insured under Section 203 should be classified into groups in accordance with sound actuarial practice and risk characteristics. Each group account was credited with the income and charged with the expenses and losses of the mortgages in the group. If such income exceeded the expenses and losses, the resultant credit balance was 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, except that a mortgagor might not receive an amount in excess of the aggregate scheduled annual premiums to the year of termination of the insurance.

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.

An amendment to Section 205 of the Act approved August 2, 1954, directed the Commissioner to establish as of July 1, 1954, a General Surplus Account and a Participating Reserve Account. The balance of the General Reinsurance Account, amounting to $64,198,363, was transferred to the General Surplus Account, whereupon the General Reinsurance Account was abolished. There was transferred from the various group accounts to the Participating Reserve Account as of July 1, 1954, $56,387,716, an amount equal to the aggregate amount which would have been distributed under the provisions of Section 205 in effect on June 30, 1954, if all outstanding mortgages in the group accounts had been paid in full on that date. All of the remaining balances of the group accounts in the amount of $71,371,016 were transferred to the General Surplus Account, whereupon all of the group accounts were abolished. The aggregate net income received or net loss sustained by the Mutual Mortgage Insurance Fund in any semiannual period is credited or charged to the General Surplus Account and/or the Participating Reserve Account in such manner and amount as the Commissioner may determine to be in accord with sound actuarial and accounting practice. All income of the fund during fiscal year 1955, amounting to $55,501,472, was credited to the General Surplus Account. Upon termination of the insurance obligation of the Mutual Mortgage Insurance Fund by payment of any mortgage insured thereunder, the Commissioner is authorized to distribute to the mortgagor a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice, except that a mortgagor may not receive an amount in excess of the aggregate scheduled annual premium to the year of termination of the insurance.

Mutual Mortgage Insurance Fund Capital

As of June 30, 1955, the assets of the Mutual Mortgage Insurance Fund totaled $296,949,736, against which there were outstanding liabilities of $105,954,962, leaving $190,994,774 capital. Included in the liabilities are the statutory reserves of $49,029,594.

In accordance with Public Law 94, 83d Congress, approved June 30, 1953, the amount of capital contributed to this fund by the United States Government totaling $41,994,095, $10,000,000 to establish the fund and $31,994,095 for salaries and expenses, was established as a liability of the fund as of June 30, 1953. The principal liability of $41,994,095, together with interest thereon in the amount of $17,059,847, was repaid during fiscal year 1954, the final payment being made on March 11, 1954.

STATEMENT 12

Comparative statement of financial condition, Mutual Mortgage Insurance Fund, as of June 30, 1954, and June 30, 1955

	June 30, 1954	June 30, 1955	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$13, 275, 595	$15, 061, 005	$1, 785, 410
Investments: U. S. Government securities (amortized)	212, 178, 240	267, 694, 334	55, 516, 094
Loans receivable:			
Mortgage notes and contracts for deed	5, 373, 045	7, 425, 404	2, 052, 359
Less reserve for losses	80, 593	111, 381	30, 788
Net loans receivable	5, 292, 452	7, 314, 023	2, 021, 571
Accounts and notes receivable:			
Accounts receivable—insurance premiums	995, 226	1, 113, 442	118, 216
Accounts receivable—other	167	365	198
Accounts receivable—interfund	777, 490	829, 110	51, 620
Total accounts and notes receivable	1, 772, 883	1, 942, 917	170, 034
Accrued assets: Interest on U. S. Government securities	511, 320	640, 622	129, 302
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	2, 730, 841	5, 071, 137	2, 340, 296
Less reserve for losses	399, 091	774, 302	375, 211
Net acquired security or collateral	2, 331, 750	4, 296, 835	1, 965, 085
Total assets	235, 362, 240	296, 949, 736	61, 587, 496
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies	4, 303	4, 249, 806	4, 245, 503
Group account participations payable	1, 524, 660	1, 882, 878	358, 218
Total accounts payable	1, 528, 963	6, 132, 684	4, 603, 721
Accrued liabilities: Interest on debentures	190, 043	218, 925	28, 882
Trust and deposit liabilities:			
Fee deposits held for future disposition	4, 577, 257	7, 783, 806	3, 206, 549
Excess proceeds of sale	299, 464	365, 962	66, 498
Deposits held for mortgagors, lessees, and purchasers	87, 997	126, 388	38, 391
Total trust and deposit liabilities	4, 964, 718	8, 276, 156	3, 311, 438
Deferred and undistributed credits: Unearned insurance premiums	26, 757, 435	30, 941, 667	4, 184, 232
Bonds, debentures, and notes payable: Debentures payable	9, 963, 986	11, 355, 936	1, 391, 950
Statutory reserves:			
For transfer to general reinsurance reserve	26, 105, 714		−26, 105, 714
Net balances of group accounts available for contingent losses, expenses, other charges, and participations	101, 653, 018		−101, 653, 018
Participating reserve account		49, 029, 594	49, 029, 594
Total statutory reserves	127, 758, 732	49, 029, 594	−78, 729, 138
Total liabilities	171, 163, 877	105, 954, 962	−65, 208, 915
CAPITAL			
Earned surplus:			
General reinsurance reserve fund (cumulative earnings) available for future losses and related expenses	64, 198, 363		−64, 198, 363
General surplus account		190, 994, 774	190, 994, 774
Total earned surplus	64, 198, 363	190, 994, 774	126, 796, 411
Total liabilities and capital	235, 362, 240	296, 949, 736	61, 587, 496
Contingent liability for certificates of claim on properties on hand	120, 435	167, 917	47, 482

Income and Expenses

During fiscal year 1955 the income to the fund amounted to $82,392,660, while expenses and losses amounted to $26,885,189, leaving $55,507,471 net income before adjustment of valuation reserves. After the valuation reserves had been increased $405,999, the net income for the year was $55,101,472.

The cumulative income of the Mutual Mortgage Insurance Fund from June 30, 1934, to June 30, 1955, amounted to $571,715,769 while cumulative expenses amounted to $268,457,422, leaving $303,258,347 net income before adjustment of valuation reserves. After $885,683 had been allocated to valuation reserves, the cumulative net income amounted to $302,372,664.

STATEMENT 13

Income and expenses, Mutual Mortgage Insurance Fund, through June 30, 1954, and June 30, 1955

	June 30, 1934, to June 30, 1954	July 1, 1954, to June 30, 1955	June 30, 1934, to June 30, 1955
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$42, 525, 950	$5, 927, 443	$48, 453, 393
Dividends on rental housing stock	286		286
	42, 526, 236	5, 927, 443	48, 453, 679
Insurance premiums and fees:			
Premiums	347, 281, 615	59, 452, 319	406, 733, 934
Fees	97, 678, 625	17, 012, 898	114, 691, 523
	444, 960, 240	76, 465, 217	521, 425, 457
Other income:			
Profit on sale of investments	1, 829, 815		1, 829, 815
Miscellaneous income	6, 818		6, 818
	1, 836, 633		1, 836, 633
Total income	489, 323, 109	82, 392, 660	571, 715, 769
Expenses:			
Interest expense:			
Interest on funds advanced by U. S. Treasury	17, 059, 847		17, 059, 847
Interest on debentures	680, 947	13, 592	694, 539
	17, 740, 794	13, 592	17, 754, 386
Administrative expenses: Operating costs	219, 942, 456	26, 552, 401	246, 313, 526
Other expenses:			
Depreciation on furniture and equipment	1, 192, 241	113, 742	1, 305, 983
Miscellaneous expenses	17, 709		17, 709
	1, 209, 950	113, 742	1, 323, 692
Losses and chargeoffs:			
Loss on sale of acquired properties	2, 883, 044	199, 136	3, 082, 180
Loss (or profit −) on equipment	−22, 680	6, 318	−16, 362
	2, 860, 364	205, 454	3, 065, 818
Total expenses	241, 753, 564	26, 885, 189	268, 457, 422
Net income before adjustment of valuation reserves	247, 569, 545	55, 507, 471	303, 258, 347
Increase (+) or decrease (−) in valuation reserves:			
Reserve for loss on loans receivable	−80, 593	−30, 788	−111, 381
Reserve for loss on real estate	−399, 091	−375, 211	−774, 302
Net adjustment of valuation reserves	−479, 684	−405, 999	−885, 683
Net income	247, 089, 861	55, 101, 472	302, 372, 664

STATEMENT 13—Continued

Income and expenses, Mutual Mortgage Insurance Fund, through June 30, 1954, and June 30, 1955—Continued

ANALYSIS OF EARNED SURPLUS

	June 30, 1934, to June 30, 1954	July 1, 1954, to June 30, 1955	June 30, 1934, to June 30, 1955
Distribution of net income:			
Statutory reserves:			
Balance at beginning of period		$127, 758, 732	
Adjustments during the period		−71, 371, 016	
Allocations from earnings	$181, 891, 498	−142, 592	$110, 377, 890
	181, 891, 498	56, 245, 124	110, 377, 890
Participations in mutual earnings distributed	−54, 132, 766	−7, 215, 530	−61, 348, 296
Balance at end of period	127, 758, 732	49, 029, 594	49, 029, 594
Earned surplus:			
Balance at beginning of period		64, 198, 363	
Adjustments during the period		71, 552, 347	
Allocations to Participating Reserve		142, 592	
Net income for the period	65, 198, 363	55, 101, 472	191, 994, 774
Total earned surplus	65, 198, 363	190, 994, 774	191, 994, 774
Capital contributions to other FHA insurance funds	−1, 000, 000		−1, 000, 000
Balance at end of period	64, 198, 363	190, 994, 774	190, 994, 774

Investments

Section 206 of the Act provides that excess moneys in the Mutual Mortgage Insurance Fund not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by the United States; or the Commissioner may, with the approval of the Secretary of the Treasury, purchase debentures issued under the fund, provided that such purchases are made at a price which will produce an investment yield of not less than the yield obtainable from other authorized investments.

During the fiscal year 1955, $294,500 of Series A 3 percent Mutual Mortgage Insurance Fund debentures matured and were paid and $3,450 were redeemed in payment of mortgage insurance premiums; $59,600 of Series E 2¾ percent were purchased from FNMA, $170,500 were redeemed in payment of mortgage insurance premiums, and $1,313,100 were called for redemption; $159,600 Series K 2½ percent were redeemed in payment of mortgage insurance premiums, $715,450 were purchased from FNMA, and $671,250 were called for redemption; $13,600 Series U 3 percent were purchased from FNMA, $21,300 were redeemed in payment of mortgage insurance premiums, and $41,800 were called for redemption.

Net purchases of United States Government securities made during the year increased the holdings of the fund by $56,827,550 (principal amount). These transactions increased the average annual yield from 2.49 percent to 2.52 percent. On June 30, 1955, the fund held United States Government securities in the amount of $269,494,550, principal amount, as follows:

Investments of the Mutual Mortgage Insurance Fund, June 30, 1955

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1958	2	$9,800,000	$9,800,000	$9,800,000
1959	2	6,200,000	6,200,000	6,200,000
1962–67	2½	5,000,000	5,000,000	5,000,000
1963–68	2½	26,303,234	26,700,000	26,310,529
1964 (HIF debentures)	2½	1,227,550	1,227,550	1,227,550
1964–69	2½	37,645,080	38,600,000	37,707,880
1965–70	2½	35,191,984	35,900,000	35,245,580
1966–71	2½	21,737,555	22,100,000	21,782,870
1967–72	2½	124,636,165	123,967,000	124,419,925
Average annual yield 2.52 percent		267,741,568	269,494,550	267,694,334

Properties Acquired under the Terms of Insurance

Four hundred and eighty-five homes insured under Section 203 were acquired by the Commissioner during the calendar year 1955 under the terms of insurance. During 1954, 427 foreclosed properties had been transferred to the Commissioner, and in 1953 there had been 263. Through 1955, a total of 6,197 small homes had been acquired under the Mutual Mortgage Insurance Fund at a total cost of $38,872,582. Statement 14 shows the turnover of Section 203 acquired properties since the acquisition of the first such property in 1936.

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STATEMENT 14

Turnover of properties acquired under Sec. 203 of Title II contracts of insurance by years, and cumulative through Dec. 31, 1955

Properties acquired		Properties sold by calendar years																			Properties on hand Dec. 31, 1955
Year	Number	1936–37	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	
1936	13	11	2																		
1937	98	13	67	7	5	6															
1938	324		139	99	50	28	6	2	−1	1											
1939	753			278	331	110	28	3	2	1											
1940	1,123				611	448	46	14	3	1											
1941	1,044					754	257	29	2	2											
1942	502						355	139	8												
1943	168							140	27	1											
1944	33								26	7											
1945	8									7	1										
1946	1										1										
1947																					
1948	4												2	2							
1949	37													17	19	1					
1950	225														65	102	25	11	8	7	7
1951	407															188	173	17	10	8	11
1952	282																142	86	13	20	21
1953	263																	88	84	49	42
1954	427																		162	174	91
1955	485																			109	286
Total	6,197	24	208	384	997	1,346	692	327	67	20	2		2	19	84	291	340	202	277	457	458

NOTE.—On the 5,739 properties sold, the average time between acquisition and sale by the Federal Housing Administration was 6.64 months. The number of properties sold has been reduced by 30 properties repossessed because of default on mortgage notes. Of these repossessions, 25 had been sold by Dec. 31, 1955.

Through December 31, 1955, 5,739 acquired properties insured under Section 203 had been sold at prices which left a net charge against the fund of $3,340,083, or an average of approximately $582 per case. One Section 207 rental housing project, insured under the Mutual Mortgage Insurance Fund before February 3, 1938, had been acquired and sold in 1941 at no loss to the fund.

STATEMENT 15

Statement of profits and loss on sale of acquired properties, Mutual Mortgage Insurance Fund, through Dec. 31, 1955

Item	Sec. 203 (5,739 properties)	Sec. 207 (1 property, 265 units)	Total MMI Fund (6,004 properties)
Proceeds of sales:			
Sales price [1]	$31,397,231	$1,000,000	$32,397,231
Less commission and other selling expenses	1,431,332		1,431,332
Net proceeds of sales	29,965,899	1,000,000	30,965,899
Income:			
Rental and other income (net)	662,977		662,977
Mortgage note income	3,491,129		3,491,129
Total income	4,154,106		4,154,106
Total proceeds of sold properties	34,120,005	1,000,000	35,120,005
Expenses:			
Debentures and cash adjustments	30,056,719	942,145	30,998,864
Interest on debentures	4,048,063	18,387	4,066,450
Taxes and insurance	620,088	5,012	625,100
Additions and improvement	85,138		85,138
Maintenance and operating expense	1,594,232		1,594,232
Miscellaneous expense	5,385	1,669	7,054
Total expenses	36,409,625	967,213	37,376,838
Net profit (or loss —) before distribution of liquidation profits	—2,289,620	32,787	—2,256,833
Less distribution of liquidation profits:			
Certificates of claim	675,114	31,532	706,646
Increment on certificates of claim	44,875	1,255	46,130
Refunds to mortgagors	330,474		330,474
Loss to Mutual Mortgage Insurance Fund	—3,340,083		—3,340,083
Average loss to Mutual Mortgage Insurance Fund	582		

[1] Analysis of terms of sales:

Terms of sales	Number of properties	Number of notes	Cash	Mortgage notes	Sales price
Properties sold for all cash	881		$5,446,486		$5,446,486
Properties sold for cash and notes (or contracts for deed)	4,841	4,786	2,786,663	$24,103,106	26,889,769
Properties sold for notes only	17	17		60,976	60,976
Total	5,739	4,803	8,233,149	24,164,082	32,397,231

On December 31, 1955, 458 properties insured under the Mutual Mortgage Insurance Fund were held by the Federal Housing Administration. The cost of these properties was:

Mutual Mortgage Insurance Fund, statements of properties on hand at Dec. 31, 1955

	Sec. 203 (458 properties)
Expenses:	
Acquisition costs	$3,772,027
Interest on debentures	183,919
Taxes and insurance	106,918
Additions and improvements	27,008
Maintenance and operating expenses	145,988
Miscellaneous expenses	70
Total expenses	4,235,930
Income: Rental and other income (net)	100,662
Net acquired security on hand	4,135,268

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 any excess remaining after paying the certificate of claim and increment thereon shall be refunded to the mortgagor.

Certificates of claim issued in connection with the 5,739 Section 203 properties which had been acquired and sold through 1955 totaled $2,459,970. The amount paid or to be paid on these certificates of claim totaled $675,114 (approximately 27 percent), while certificates of claim totaling $1,784,856 (approximately 73 percent), had been or will be canceled.

In addition, there were excess proceeds on approximately 17 percent (or 968) of the 5,739 sold properties amounting to $330,474, for refund to mortgagors. The refund to mortgagors on those 968 cases averaged $341.

Mutual Mortgage Participation Payments

The first participation payments in connection with insured loans prepaid in full were made as of January 1, 1944, and during the 11½ years following that date total payments of $61,348,296 were made or accrued on 477,604 insured loans.

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 the amendment to the National Housing Act approved February 3, 1938.

Section 213, which was added to the Act by an amendment approved April 20, 1950, authorizes the insurance of mortgages on cooperative housing projects. To be eligible for insurance under Section 213, the mortgagor must be a nonprofit cooperative ownership housing corporation, the permanent occupancy of the dwellings being restricted to members, or a nonprofit corporation organized for the purpose of building homes for members. In the latter instance provision is made for the release from the blanket mortgage of individual properties for sale to members and for the insurance of individual mortgages under Section 213 on such released properties.

Appraisal fees, insurance premiums, interest on investments, and income from projects acquired under the terms of insurance are deposited with the Treasurer of the United States to the credit of the Housing Insurance Fund. Foreclosure losses and general operating expenses of the Federal Housing Administration under Sections 207 and 210, since February 3, 1938, and under Section 213 are charged against the fund.

This is not a mutual insurance fund in the sense that any portion of the net income from operations will be shared by mortgagors in the form of participation payments. Any increase in the fund resulting from operations is retained as a general reserve to meet possible insurance losses and future expenses in connection with Sections 207, 210, and 213 insurance. In accordance with Section 207(h) of the Act, the excess proceeds, if any, from the sale of an acquired project, after deducting all costs incident to the acquisition, handling, and final disposition of such project, are applied to the mortgagee's certificate of claim and increment thereon, and any balance is credited to the Housing Insurance Fund, except that, with respect to individual mortgages insured under the provisions of Section 213(d), any excess remaining after payment of the certificate of claim and increment thereon is for refund to the mortgagor. Before enactment of the amendments of August 10, 1948, to the National Housing Act, any excess remaining after payment of the certificate of claim and increment thereon was refunded to the mortgagor.

Housing Insurance Fund Capital and Net Income

Assets of the Housing Insurance Fund as of June 30, 1955, totaled $11,857,348, against which there were outstanding liabilities of $5,243,987. The capital of the fund amounted to $6,613,361, represented by $5,400,000 capital contributions from other FHA insurance funds and earned surplus of $1,213,361.

In accordance with Public Law 94, 83d Congress, approved June 30, 1953, the amount of capital contributed to this fund by the United States Government for salaries and expenses, a total of $4,170,024 was established as a liability of the fund as of June 30, 1953. This amount, together with interest thereon in the amount of $1,386,666, was repaid during fiscal year 1954, the final payment being made on October 31, 1953.

STATEMENT 16

Comparative statement of financial condition, Housing Insurance Fund, as of June 30, 1954, and June 30, 1955

	June 30, 1954	June 30, 1955	Increase or Decrease (−)
ASSETS			
Cash with U. S. Treasury	$3, 172, 288	$1, 501, 227	−$1, 671, 061
Investments:			
U. S. Government securities (amortized)	3, 300, 951	3, 300, 891	−60
Other securities (stock in rental housing corporations)	43, 500	46, 700	3, 200
Total investments	3, 344, 451	3, 347, 591	3, 140
Loans receivable:			
Mortgage notes and contracts for deed	3, 999, 389	4, 052, 695	53, 306
Less reserve for losses	146, 656	149, 409	2, 753
Net loans receivable	3, 852, 733	3, 903, 286	50, 553
Accounts and notes receivable:			
Accounts receivable—insurance premiums	35, 428	35, 328	−100
Accounts receivable—interfund	7, 200	11, 102	3, 902
Total accounts and notes receivable	42, 628	46, 430	3, 802
Accrued assets: Interest on U. S. Government securities	3, 438	3, 437	−1
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	1, 699, 502	2, 169, 716	470, 214
Less reserve for losses	669, 290	846, 820	177, 530
Net real estate	1, 030, 212	1, 322, 896	292, 684
Mortgage notes acquired under terms of insurance (at cost plus expenses to date)	1, 471, 506	2, 848, 555	1, 377, 049
Less reserve for losses	577, 994	1, 116, 074	538, 080
Net mortgage notes acquired under terms of insurance	893, 512	1, 732, 481	838, 969
Net acquired security or collateral	1, 923, 724	3, 055, 377	1, 131, 653
Total assets	12, 339, 262	11, 857, 348	−481, 914
LIABILITIES			
Accounts payable: Bills payable to vendors and Government agencies	49	173	124
Accrued liabilities: Interest on debentures	44, 533	41, 601	−2, 932
Trust and deposit liabilities:			
Excess proceeds of sale	128, 606	132, 050	3, 444
Deposits held for mortgagors, lessees, and purchasers	172, 400	62, 735	−109, 665
Total trust and deposit liabilities	301, 006	194, 785	−106, 221
Deferred and undistributed credits:			
Unearned insurance premiums	1, 389, 783	1, 460, 576	70, 793
Unearned insurance fees	508, 110	221, 137	−286, 973
Total deferred and undistributed credits	1, 897, 893	1, 681, 713	−216, 180
Bonds, debentures, and notes payable: Debentures payable	2, 916, 250	3, 297, 950	381, 700
Other liabilities: Reserve for foreclosure costs—mortgage notes	13, 203	27, 765	14, 562
Total liabilities	5, 172, 934	5, 243, 987	71, 053
CAPITAL			
Capital contributions from other FHA insurance funds	6, 490, 000	5, 400, 000	−1, 090, 000
Earned surplus:			
Insurance reserve fund (cumulative earnings) available for future losses and related expenses	676, 328	1, 213, 361	537, 033
Total capital	7, 166, 328	6, 613, 361	−552, 967
Total liabilities and capital	12, 339, 262	11, 857, 348	−481, 914
Contingent liability for certificates of claim on properties on hand	58, 791	103, 345	44, 554

During the fiscal year 1955 the income of the fund amounted to $3,352,326, while expenses and losses amounted to $2,071,919, leaving $1,280,407 net income before adjustment of valuation reserves. After the valuation reserves had been increased by $718,363, there remained $562,044 as net income for the year.

STATEMENT 17

Income and expenses, Housing Insurance Fund, through June 30, 1954, and June 30, 1955

	Feb. 3, 1938, to June 30, 1954	July 1, 1954, to June 30, 1955	Feb. 3, 1938, to June 30, 1955
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$1, 011, 431	$82, 439	$1, 093, 870
Interest—other	133, 420	86, 748	220, 168
Dividends on rental housing stock	1, 781	198	1, 979
	1, 146, 632	169, 385	1, 316, 017
Insurance premiums and fees:			
Premiums	9, 850, 449	2, 542, 317	12, 392, 766
Fees	5, 899, 174	640, 624	6, 539, 798
	15, 749, 623	3, 182, 941	18, 932, 564
Other income: Profit on sale of investments	88, 568		88, 568
Total income	16, 984, 823	3, 352, 326	20, 337, 149
Expenses:			
Interest expenses: Interest on funds advanced by U. S. Treasury	1, 386, 666		1, 386, 666
Administrative expenses: Operating costs	13, 625, 897	2, 052, 581	15, 703, 489
Other expenses:			
Depreciation on furniture and equipment	80, 686	8, 801	89, 487
Miscellaneous expenses	100		100
	80, 786	8, 801	89, 587
Losses and chargeoffs:			
Loss (or profit −) on sale of acquired properties	−178, 035	10, 048	−167, 987
Loss (or profit −) on equipment	−759	489	−270
	−178, 794	10, 537	−168, 257
Total expenses	14, 914, 555	2, 071, 919	17, 011, 485
Net income before adjustment of valuation reserves	2, 070, 268	1, 280, 407	3, 325, 664
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−146, 656	−2, 753	−149, 409
Reserve for loss on real estate	−669, 290	−177, 530	−846, 820
Reserve for loss on mortgage notes acquired under terms of insurance	−577, 994	−538, 080	−1, 116, 074
Net adjustment of valuation reserves	−1, 393, 940	−718, 363	−2, 112, 303
Net income	676, 328	562, 044	1, 213, 361

ANALYSIS OF EARNED SURPLUS

Distribution of net income:			
Earned surplus:			
Balance at beginning of period		$676, 328	
Adjustments during the period		−25, 011	
Net income for the period	$676, 328	562, 044	$1, 213, 361
Balance at end of period	676, 328	1, 213, 361	1, 213, 361

Investments

Section 207(p) of the National Housing Act provides that excess moneys not needed for current operations under the Housing Insurance Fund shall be deposited with the Treasurer of the United States to the credit of the Housing Insurance Fund or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by the United States, or, with the approval of the Secretary of the Treasury, used for the purchase of debentures issued under Section 207 and Section 204. In the fiscal year 1955, $162,250 of Series M 2½ percent debentures were called for redemption and $40,000 were redeemed in payment of mortgage insurance premiums; and $9,050 of Series Q 2½ percent debentures were redeemed in payment of mortgage insurance premiums and $1,630,800 were called for redemption. During the fiscal year 1955, no sales or purchases of United States Government securities were made. On June 30, 1955, the fund held United States Government securities in the principal amount of $3,300,000, as follows:

Investments of the Housing Insurance Fund, June 30, 1955

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1962–67	2½	$1,500,000	$1,500,000	$1,500,000
1967–72	2½	1,801,438	1,800,000	1,800,891
Average annua yield 2.50 percent		3,301,438	3,300,000	3,300,891

Properties Acquired under the Terms of Insurance

During 1955, 4 project properties (448 units) and 6 mortgage notes (438 units) insured under Section 207 were acquired by the FHA Commissioner under the terms of insurance and there were no project properties or mortgages acquired under Section 213. During the year, 2 Section 207 project properties (44 units) and 7 units of Section 213 project properties were sold. Under Section 213, 14 home properties were acquired under the terms of insurance and 5 were sold during 1955. Through December 31, 1955, a cumulative total of 24 rental housing properties (3,561 units) and 8 project mortgage notes (1,588 units) insured under Sections 207–210 had been acquired under the terms of insurance; 1 project property (19 units), 2 project mortgage notes (192 units) and 17 home properties insured under Section 213 had been acquired. Eighteen projects (2,812 units) and 1 mortgage note (1,102 units) insured under Sections 207–210, 7 units on projects, 1 mortgage note (144 units) and 6 home properties under Section 213 had been sold. The acquired security on hand at December 31, 1955, in the Housing Insurance Fund is as follows:

Housing Insurance Fund, statement of properties on hand as of Dec. 31, 1955

	Sec. 207—Projects		Sec. 213			Total, 18 properties, 8 mortgage notes (1,306 units)
			Projects		Homes, 11 properties (11 units)	
	6 properties (749 units)	7 mortgage notes (486 units)	1 property (19 units)	1 mortgage note (41 units)		
Expenses:						
Acquisition costs	$4,374,724	$6,040,638	$143,327	$466,156	$91,082	$11,115,927
Interest on debentures	167,241	123,227	10,944	28,597	2,726	332,735
Taxes and insurance	68,694		3,098		879	72,671
Additions and improvements	1,698		60			1,758
Maintenance and operating expenses	97,034		675		2,669	100,378
Miscellaneous expenses	1,444	2,452	144	515		4,555
Total expenses	4,710,835	6,166,317	158,248	495,268	97,356	11,628,024
Income:						
Rental and other income (net)	279,232	86,634	3,798	38,420	12	408,096
Collections on mortgage notes				146,170		146,170
Total income and recoveries	279,232	86,634	3,798	184,590	12	554,266
Net acquired security on hand	4,431,603	6,079,683	154,450	310,678	97,344	11,073,758

In addition to the rental housing projects acquired under the Housing Insurance Fund, one Section 207 project insured under the Mutual Mortgage Insurance Fund had been acquired and sold at no loss to that fund.

STATEMENT 18

Statement of profit and loss on sale of acquired properties, Housing Insurance Fund, through Dec. 31, 1955

	Secs. 207–210 (18 projects and 1 mortgage note, 3,914 units)	Sec. 213		Total HI Fund, 24 properties, 2 mortgage notes (4,071 units)
		Projects (1 mortgage note, 151 units) [1]	Homes (6 properties, 6 units)	
Proceeds of sales:				
Sales price (or proceeds of mortgage note)[2]	$15,301,286	$1,588,650	$57,400	$16,947,336
Less commissions	4,555	1,360	2,870	8,785
Net proceeds of sales	15,296,731	1,587,290	54,530	16,938,551
Income:				
Rental and other income (net)	1,690,838	40,691	40	1,731,569
Mortgage note income	2,805,850	181,958	1,399	2,989,207
Total income	4,496,688	222,649	1,439	4,720,776
Total proceeds of sold properties	19,793,419	1,809,939	55,969	21,659,327
Expenses:				
Debentures and cash adjustments	14,963,742	1,548,991	53,742	16,566,475
Interest on debentures	2,782,352	153,242	2,180	2,937,774
Taxes and insurance	471,737	1,432	623	473,792
Additions and improvements	212,120	22		212,142
Maintenance and operating expenses	760,516	1,471	2,070	764,087
Miscellaneous expenses	33,321	49		33,370
Total expenses	19,223,818	1,705,207	58,615	20,987,640
Net profit (or loss —) before distribution of liquidation profits	569,601	104,732	−2,646	671,687
Less distribution of liquidation profits:				
Certificates of claim	212,500	30,242	616	243,358
Increment on certificates of claim	43,368	3,300	12	46,680
Refunds to mortgagors	172,289			172,289
Excess (net) credited to fund	141,444	71,190	−3,274	209,360

[1] Also includes 7 unit partial sale of 1 project.
[2] 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		$3,062,401		$3,062,401
Properties sold for cash and notes (or contracts for deed)	21	28	248,190	$10,448,183	10,696,373
Properties sold for mortgage notes or contracts for deed only	3	146		3,188,562	3,188,562
Total	26	174	3,310,591	13,636,745	16,947,336

The turnover of Section 207 and Section 213 properties acquired and sold, by calendar year, is given below:

STATEMENT 19

Turn-over of properties acquired and mortgage notes assigned under Sec. 207 of Title II, through Dec. 31, 1955

Properties and notes acquired		Properties and notes sold, by calendar years																Properties and notes on hand Dec. 31, 1955
Year	Number	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	
1940	6	1		2		2		1										
1941	9		4			3		1			1							
1942	3			1	1			1										
1943																		
1944																		
1945																		
1946																		
1947																		
1948																		
1949																		
1950																		
1951																		
1952																		
1953	2																	2
1954	3															2		1
1955	10																	10
Total	33	1	4	3	1	5		3			1					2		13

STATEMENT 20

Turnover of properties acquired and mortgage notes assigned under Sec. 213 of Title II, through Dec. 31, 1955

Properties and note acquired		Properties and note sold, by calendar years				Properties on hand Dec. 31, 1955
Year	Number	1952	1953	1954	1955	
1952	1			1		
1953	2					2
1954	3			1	1	1
1955	14				4	10
Total	20			2	5	13

Note.—The acquisition in the year 1952 represents the only mortgage note assigned through Dec. 31, 1955.

Certificates of Claim and Refunds to Mortgagors

Certificates of claim issued in connection with the 18 projects and one mortgage note insured under Sections 207–210, which had been sold through December 31, 1955, totaled $296,401. The amounts paid or to be paid on these certificates totaled $212,500, and the amounts canceled or to be canceled $83,901. 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 amendment of August 10, 1948.

As a result of insurance under Section 213, a certificate of claim in the amount of $32,690 had been issued in connection with one project acquired under terms of insurance and subsequently sold. Of this amount, $30,242 is to be paid and $2,448 canceled. In addition, certificates of claim in the amount of $2,391 were issued on six Section 213 homes. Of this total, $616 is to be paid and $1,775 is to be canceled.

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 II: SECTION 220 HOUSING INSURANCE FUND

The Section 220 Housing Insurance Fund was created by Section 220 of the National Housing Act, as amended August 2, 1954 (Housing Act of 1954, Public Law 560, 83d Cong.), which authorizes insurance by the FHA of mortgages on homes and rental properties located in an urban redevelopment area for which a Federal-aid contract was executed or approved before August 2, 1954, or in an urban renewal area which the Housing and Home Finance Administrator has determined to be appropriate for an urban renewal project and which is located in a city for which the Administrator has approved a workable program presented by the local authorities for preventing the spread of blight and eliminating and preventing slum conditions. Terms of insurance are similar to those under Sections 203 and 207, and in addition provide for the insurance of mortgages on dwellings with more than 4 units but fewer than 12. 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.

For the purposes of this fund, the Act authorized the Commissioner to transfer the sum of $1,000,000 from the War Housing Insurance Fund.

Capital and Net Income

At June 30, 1955, assets of the fund totaled $959,134. There were outstanding liabilities of $3,720 and contributed capital of $1,000,000, which left an operating deficit of $44,586.

STATEMENT 21

Comparative statement of financial condition, Sec. 220 Housing Insurance Fund, as of June 30, 1954, and June 30, 1955

	June 30, 1954	June 30, 1955	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury		$208,983	$208,983
Investments: U. S. Government securities		750,000	750,000
Accounts and notes receivable: Interfund		151	151
Total assets		959,134	959,134
LIABILITIES			
Deferred and undistributed credits: Unearned insurance fees		3,720	3,720
CAPITAL			
Capital contributions from other FHA insurance funds		1,000,000	1,000,000
Earned surplus (deficit −): Insurance reserve fund (cumulative earnings or deficit −) available for future losses and related expenses		−44,586	−44,586
Total capital		955,414	955,414
Total liabilities and capital		959,134	959,134

From August 2, 1954, through June 30, 1955, the income of the fund amounted to $38,496 while expenses and losses were $83,082, resulting in a net loss of $44,586.

STATEMENT 22

Income and expenses, Sec. 220 Housing Insurance Fund, from inception Aug. 2, 1954, through June 30, 1955

	Aug. 2, 1954, to June 30, 1955
Income:	
Interest and dividends: Interest on U. S. Government securities	$12,921
Insurance premiums and fees: Fees	25,575
Total income	38,496
Expenses:	
Administrative expenses: Operating costs	82,709
Other expenses: Depreciation on furniture and equipment	354
Losses and chargeoffs: Loss on equipment	19
Total expenses	83,082
Net income (or loss −)	−44,586

ANALYSIS OF EARNED SURPLUS (OR DEFICIT −)

Distribution of net income:	
Earned surplus (or deficit −):	
Balance at beginning of period	
Net income (or loss −) for the period	−$44,586
Balance at end of period	−44,586

Investments

Section 220(g) of the Act provides that moneys in the Section 220 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 by the United States; or the Commissioner may, with the approval of the Secretaary of the Treasury, purchase debentures issued under this fund, provided that such purchases are made at a price that will produce an investment yield of not less than the yield obtainable from other authorized investments. At June 30, 1955, the following United States Government securities were held by the fund:

Investments of Sec. 220 Housing Insurance Fund, June 30, 1955

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1959	2	$750,000	$750,000	$750,000
Average annual yield 2.00 percent.				

TITLE II: SECTION 221 HOUSING INSURANCE FUND

The Section 221 Housing Insurance Fund was created by Section 221 of the National Housing Act as amended August 2, 1954 (Housing Act of 1954, Public Law 560, 83d Cong.). Section 221 authorizes the insurance, in communities that have requested it, of mortgages on low-cost housing for families from urban renewal areas and families displaced because of governmental action. The city must have a workable program for the prevention and elimination of slums and blight, or must be one for which a redevelopment or urban renewal project has been approved.

The maximum mortgage for owner-occupant mortgagors is $6,700, or $8,600 in high-cost areas, and 95 percent of appraised value. Mortgages in amounts up to $6,800 ($7,650 in high-cost areas) or 85 percent of value may be insured on single-family homes built, or acquired and rehabilitated, for sale to owner-occupants. Insurance under this section may also cover mortgages up to $5 million in amount to finance the construction or rehabilitation of rental accommodations for 10 or more displaced families when the mortgagor is a private nonprofit organization subject to Government supervision. The Housing Administrator will certify to the FHA Commissioner the number of units needed to relocate displaced families, and the number of units financed under Section 221 may not exceed that number. 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.

For the purposes of the fund, the Act authorized the Commissioner to transfer the sum of $1,000,000 from the War Housing Insurance Fund.

Capital and Net Income

At June 30, 1955, assets of the fund amounted to $951,588. There were outstanding liabilities of $75 and contributed capital of $1,000,000, leaving a net operating deficit of $48,487.

STATEMENT 23

Comparative statement of financial condition, Sec. 221 Housing Insurance Fund, as of June 30, 1954, and June 30, 1955

	June 30, 1954	June 30, 1955	Increase or decrease (—)
ASSETS			
Cash with U. S. Treasury		$201, 476	$201, 476
Investments: U. S. Government securities		750, 000	750, 000
Accounts and notes receivable: Interfund		112	112
Total assets		951, 588	951, 588
LIABILITIES			
Trust and deposit liabilities: Fee deposits held for future disposition		75	75
CAPITAL			
Capital contributions from other FHA insurance funds		1, 000, 000	1, 000, 000
Earned surplus (deficit —): Insurance reserve fund (cumulative earnings or deficit —) available for future losses and related expenses		—48, 487	—48, 487
Total capital		951, 513	951, 513
Total liabilities and capital		951, 588	951, 588

From August 2, 1954, through June 30, 1955, the income of the fund was $12,921 while expenses and losses amounted to $61,408, resulting in a net loss of $48,487.

STATEMENT 24

Income and expenses, Sec. 221 Housing Insurance Fund, from inception, Aug. 2, 1954, through June 30, 1955

	Aug. 2, 1954 to June 30, 1955
Income: Interest and dividends: Interest on U. S. Government securities	$12, 921
Total Income	12, 921
Expenses:	
Administrative expenses: Operating costs	61, 132
Other expenses: Depreciation on furniture and equipment	262
Losses and chargeoffs: Loss on equipment	14
Total expenses	61, 408
Net income (or loss —)	—48, 487
ANALYSIS OF EARNED SURPLUS (OR DEFICIT —)	
Distribution of net income:	
Earned surplus (or deficit —):	
Balance at beginning of period	
Net income (or loss —) for the period	—$48, 487
Balance at end of period	—48, 487

Investments

Section 221 (h) of the Act provides that moneys in the Section 221 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 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. At June 30, 1955, the fund held United States Government securities as follows:

Investments of the Sec. 221 Housing Insurance Fund, June 30, 1955

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1959	2	$750,000	$750,000	$750,000
Average annual yield 2.00 percent.				

TITLE II: SERVICEMEN'S MORTGAGE INSURANCE FUND

The Servicemen's Mortgage Insurance Fund was created by Section 222 of the National Housing Act, as amended August 2, 1954 (Housing Act of 1954, Public Law 560, 83d Cong.). The purpose of this Section is to aid in the provision of housing accommodations for servicemen in the Armed Forces of the United States and in the Coast Guard of the United States, and their families. Section 222 provides for the insurance of mortgages which would be eligible for insurance under Section 203, except that when the mortgage is executed by a mortgagor who is a serviceman and who, at the time of insurance, is the owner-occupant of the property, the maximum ratio of loan to value may, in the discretion of the Commissioner, exceed the maximum ratio of loan to value prescribed in Section 203 but may not exceed in any event 95 per centum of the appraised value of the property, and the mortgage amount may not exceed $17,100.

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.

For the purposes of the fund, the Act authorized the Commissioner to transfer the sum of $1,000,000 from the War Housing Insurance Fund.

Capital and Net Income

As of June 30, 1955, the fund had assets of $1,036,331, outstanding liabilities of $47,300, and contributed capital of $1,000,000, leaving a net operating deficit of $10,969.

STATEMENT 25

Comparative statement of financial condition, Servicemen's Mortgage Insurance Fund, as of June 30, 1954, and June 30, 1955

	June 30, 1954	June 30, 1955	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury		$282, 427	$282, 427
Investments: U. S. Government securities		750, 000	750, 000
Accounts and notes receivable:			
Accounts receivable—insurance premiums		3, 753	3, 753
Accounts receivable—interfund		151	151
Total accounts and notes receivable		3, 904	3, 904
Total assets		1, 036, 331	1, 036, 331
LIABILITIES			
Trust and deposit liabilities: Fee deposits held for future disposition		14, 825	14, 825
Deferred and undistributed credits: Unearned insurance premiums		32, 475	32, 475
Total liabilities		47, 300	47, 300
CAPITAL			
Capital contributions from other FHA insurance funds		1, 000, 000	1, 000, 000
Earned surplus (deficit −): Insurance reserve fund (cumulative earnings or deficit −) available for future losses and related expenses		−10, 969	−10, 969
Total capital		989, 031	989, 031
Total liabilities and capital		1, 036, 331	1, 036, 331

From August 2, 1954, through June 30, 1955, the fund had income of $72,114 while expenses and losses were $83,083, resulting in a net loss of $10,969.

STATEMENT 26

Income and expenses, Servicemen's Mortgage Insurance Fund, from inception, Aug. 2, 1954, through June 30, 1955

	Aug. 2, 1954, to June 30, 1955
Income:	
Interest and dividends:	
Interest on U. S. Government securities	$12, 921
Insurance premiums and fees:	
Premiums	8, 356
Fees	50, 837
	59, 193
Total income	72, 114
Expenses:	
Administrative expenses: Operating costs	82, 708
Other expenses: Depreciation on furniture and equipment	355
Losses and chargeoffs: Loss on equipment	20
Total expenses	83, 083
Net income (or loss −)	−10, 969

ANALYSIS OF EARNED SURPLUS (OR DEFICIT −)

Distribution of net income:	
Earned surplus (or deficit −):	
Balance at beginning of period	
Net income (or loss −) for the period	−$10, 969
Balance at end of period	−10, 969

Investments

Section 222(f) of the Act provides that moneys in the Servicemen's 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 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. As of June 30, 1955, the fund held the following United States Government securities:

Investments of the Servicemen's Mortgage Insurance Fund, June 30, 1955

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1959 Average annual yield 2.00 percent.	2	$750,000	$750,000	$750,000

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 authorized the insurance of home mortgages (one- to four-family); Section 608, the insurance of mortgages on rental and group housing; Section 609, the insurance of loans to finance the manufacture of housing; Section 610, the insurance under Sections 603 and 608 of mortgages executed in connection with sales by the Government of specified types of permanent housing; and Section 611, the insurance of mortgages, including construction advances, on projects of 25 or more single-family dwellings.

The War Housing Insurance Fund was originally allocated the sum of $5,000,000 by the Federal Government. It has been credited with all income received in connection with insurance granted under Title VI, and has been charged with all expenses and losses relating to such insurance.

It is not a mutual fund in the sense that any portion of the net income from operations will be shared by mortgagors in the form of participation payments.

War Housing Insurance Fund Capital

Assets of the War Housing Insurance Fund as of June 30, 1955, totaled $170,020,659, against which there were outstanding liabilities of $60,160,975. The fund had capital of $109,859,684, consisting entirely of earned surplus.

In accordance with Public Law 94, 83d Congress, approved June 30, 1953, the amount of capital contributed by the United States Government to establish this fund, totaling $5,000,000 was established as a liability as of

June 30, 1953. This principal amount, together with interest thereon in the amount of $1,390,010, has been repaid, the final payment being made on September 30, 1953.

STATEMENT 27

Comparative statement of financial condition, War Housing Insurance Fund, as of June 30, 1954, and June 30, 1955

	June 30, 1954	June 30, 1955	Increase or decrease (—)
ASSETS			
Cash with U. S. Treasury	$71, 249, 220	$15, 680, 578	—$55, 568, 642
Investments:			
U. S. Government securities (amortized)	20, 773, 009	23, 361, 791	2, 588, 782
Other securities (stock in rental housing corporations)	401, 000	396, 460	—4, 540
Total investments	21, 174, 009	23, 758, 251	2, 584, 242
Loans receivable:			
Mortgage notes and contracts for deed	33, 810, 313	44, 069, 551	10, 259, 238
Less reserve for losses	910, 816	1, 397, 974	487, 158
Net loans receivable	32, 899, 497	42, 671, 577	9, 772, 080
Accounts and notes receivable:			
Accounts receivable—insurance premiums	492, 288	442, 275	—50, 013
Accounts receivable—other	7, 876	7, 631	—245
Total accounts and notes receivable	500, 164	449, 906	—50, 258
Accrued assets: Interest on U. S. Government securities	46, 458	46, 458	
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	61, 718, 843	68, 333, 149	6, 614, 306
Less reserve for losses	22, 419, 165	28, 809, 348	6, 390, 183
Net real estate	39, 299, 678	39, 523, 801	224, 123
Mortgage notes acquired under terms of insurance (at cost plus expenses to date)	62, 492, 451	79, 562, 371	17, 069, 920
Less reserve for losses	25, 418, 587	31, 811, 319	6, 392, 732
Net mortgage notes acquired under terms of insurance	37, 073, 864	47, 751, 052	10, 677, 188
Net acquired security or collateral	76, 373, 542	87, 274, 853	10, 901, 311
Other assets—held for account of mortgagors	52, 164	139, 036	86, 872
Total assets	202, 295, 054	170, 020, 659	—32, 274, 395
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies	3, 868	21, 745	17, 877
Interfund	14, 242	11, 007	—3, 235
Total accounts payable	18, 110	32, 752	14, 642
Accrued liabilities: Interest on debentures	981, 565	640, 200	—341, 365
Trust and deposit liabilities:			
Excess proceeds of sale	1, 324, 383	1, 595, 679	271, 296
Deposits held for mortgagors, lessees, and purchasers	1, 505, 144	1, 806, 505	301, 361
Total trust and deposit liabilities	2, 829, 527	3, 402, 184	572, 657
Deferred and undistributed credits:			
Unearned insurance premiums	12, 050, 152	11, 318, 866	—731, 286
Unearned insurance fees	24		—24
Total deferred and undistributed credits	12, 050, 176	11, 318, 866	—731, 310
Bonds, debentures, and notes payable: Debentures payable	79, 289, 600	43, 963, 550	—35, 326, 050
Other liabilities: Reserve for foreclosure costs—mortgage notes	628, 058	803, 423	175, 365
Total liabilities	95, 797, 036	60, 160, 975	—35, 636, 061
CAPITAL			
Earned surplus:			
Insurance reserve fund (cumulative earnings) available for future losses and related expenses	106, 498, 018	109, 859, 684	3, 361, 666
Total liabilities and capital	202, 295, 054	170, 020, 659	—32, 274, 395
Contingent liability for certificates of claim on properties on hand	2, 747, 970	3, 211, 793	463, 823

Income and Expenses

During the fiscal year 1955 the fund earned $28,303,015 and had expenses of $6,503,992, leaving $21,799,023 net income before adjustment of valuation reserves. After the valuation reserves had been increased by $13,270, 073, the net income for the year amounted to $8,528,950, which was credited to the insurance reserve fund.

The cumulative income of the War Housing Insurance Fund from its establishment March 28, 1941, to June 30, 1955, amounted to $272,190,285, while cumulative expenses were $82,001,960, leaving $190,188,325 net income before adjustment of reserves. Valuation reserves of $62,018,641 were established, leaving cumulative net income of $128,169,684.

STATEMENT 28

Income and expenses, War Housing Insurance Fund, through June 30, 1954, and June 30, 1955

	Mar. 28, 1941, to June 30, 1954	July 1, 1954, to June 30, 1955	Mar. 28, 1941, to June 30, 1955
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$10,241,305	$617,240	$10,858,545
Interest—other	5,475,296	3,523,601	8,998,897
Dividends on rental housing stock	9,896	1,913	11,809
	15,726,497	4,142,754	19,869,251
Insurance premiums and fees:			
Premiums	183,542,746	24,153,344	207,696,090
Fees	45,152,754	6,917	45,159,671
	228,695,500	24,160,261	252,855,761
Other income:			
Profit (or loss −) on sale of investments	−535,107		−535,107
Miscellaneous income	380		380
	−534,727		−534,727
Total income	243,887,270	28,303,015	272,190,285
Expenses:			
Interest expenses: Interest on funds advanced by U. S. Treasury	1,390,010		1,390,010
Administrative expenses: Operating costs	69,696,824	1,719,860	71,473,968
Other expenses: Depreciation on furniture and equipment	367,717	7,615	375,332
Losses and chargeoffs:			
Loss on sale of acquired properties	4,005,339	4,776,094	8,781,433
Loss (or profit −) on equipment	−19,206	423	−18,783
	3,986,133	4,776,517	8,762,650
Total expenses	75,440,684	6,503,992	82,001,960
Net income before adjustment of valuation reserves	168,446,586	21,799,023	190,188,325
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−910,816	−487,158	−1,397,974
Reserve for loss on real estate	−22,419,165	−6,390,183	−28,809,348
Reserve for loss on mortgage notes acquired under terms of insurance	−25,418,587	−6,392,732	−31,811,319
Net adjustment of valuation reserves	−48,748,568	−13,270,073	−62,018,641
Net income	119,698,018	8,528,950	128,169,684

ANALYSIS OF EARNED SURPLUS

Distribution of net income:			
Earned surplus:			
Balance at beginning of period		$106,498,018	
Adjustments during the period		−57,284	
Net income for the period	$119,698,018	8,528,950	$128,169,684
	119,698,018	114,969,684	128,169,684
Capital contributions to other FHA insurance funds	−13,200,000	−5,110,000	−18,310,000
Balance at end of period	106,498,018	109,859,684	109,859,684

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 1955 excess funds not needed for current operations were used to retire $75,806,400 Series H 2½ percent War Housing Insurance Fund debentures, of which $74,051,800 were called for redemption, $148,000 were purchased from FNMA and $1,606,600 were redeemed in payment of mortgage insurance premiums and $3,300 Series J 2½ percent debentures were called and redeemed.

During the fiscal year 1955, net purchases of $2,600,000 face amount increased the United States Government securities held by the fund as of June 30, 1955, to $23,200,000, principal amount. These transactions decreased the average annual yield from 2.43 to 2.38 percent.

Investments of the War Housing Insurance Fund, June 30, 1955

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1959	2	$2,600,000	$2,600,000	$2,600,000
1966–71	2½	4,000,000	4,000,000	4,000,000
1967–72	2½	16,867,853	16,600,000	16,761,791
Average annual yield 2.38 percent		23,467,853	23,200,000	23,361,791

Properties Acquired under the Terms of Insurance

The Federal Housing Administration acquired title in 1955, under the terms of insurance, to 717 properties (1,264 units) insured under Section 603 and sold 836 (1,371 units). Through December 31, 1955, a total of 11,274 Section 603 properties (15,425 units) had been acquired at a cost of $75,772,099, and 10,080 properties (13,488 units) had been sold at prices which left a net charge against the fund of $5,227,452, or an average of $519 per case. There remained on hand for future disposition 1,194 properties having 1,937 living units.

During 1955, 45 rental housing projects (2,475 units) and 31 mortgage notes (1,877 units) insured under Section 608 were acquired by the FHA Commissioner under the terms of insurance, and 38 projects (2,804 units) were sold by the Commissioner. Through December 31, 1955, a total of 247 projects (14,137 units) and 166 mortgage notes (12,193 units) had been acquired by the Commissioner. One hundred and ten projects (6,403 units) had been sold, and 1 mortgage note (42 units) had been settled, resulting in a net loss to the War Housing Insurance Fund of $9,251,009 leaving 137 projects (7,734 units) and 165 mortgage notes (12,151 units) still held by the FHA.

There were no additional purchasers' or manufacturers' notes, insured under Section 609, assigned to the FHA Commissioner during the calendar year 1955. Through December 31, 1955, 2 manufacturers' notes and 65 discounted purchasers' notes had been assigned. Sixty-four discounted purchasers' notes and 2 manufacturers' notes had been settled with a resultant loss to the fund of $784,934, leaving 1 purchaser's note on hand at December 31, 1955.

STATEMENT 29

Statement of profit and loss on sale of acquired properties, War Housing Insurance Fund, through Dec. 31, 1955

	Sec. 603, 10,080 properties (13,488 units)	Sec. 608, 110 projects and 1 mortgage note (6,445 units)	Sec. 609, 66 notes [2] (369 units)	Total WHI Fund (10,257 properties)
Proceeds of sales:				
Sales price (or proceeds of mortgage)[1]	$59, 864, 290	$29, 822, 724	$324, 878	$90, 011, 892
Less commissions and other selling expenses	2, 226, 443	13, 461		2, 239, 904
Net proceeds of sales	57, 637, 847	29, 809, 263	324, 878	87, 771, 988
Income:				
Rental and other income (net)	5, 229, 498	9, 948, 251		15, 177, 749
Mortgage note income	7, 152, 160	1, 462, 457	28, 260	8, 642, 877
Total income	12, 381, 658	11, 410, 708	28, 260	23, 820, 626
Total proceeds of sold properties	70, 019, 505	41, 219, 971	353, 138	111, 592, 614
Expenses:				
Debentures and cash adjustments	57, 891, 397	38, 565, 795	1, 115, 807	97, 572, 999
Purchase of land held under lease	66, 340			66, 340
Interest on debentures	7, 810, 496	4, 634, 442	22, 266	12, 467, 204
Taxes and insurance	1, 810, 010	2, 097, 097		3, 907, 107
Additions and improvements	526, 821	684, 511		1, 211, 332
Maintenance and operating expenses	4, 571, 066	4, 122, 878		8, 693, 944
Miscellaneous expenses	3, 423	133, 621		137, 044
Total expenses	72, 679, 553	50, 238, 344	1, 138, 073	124, 055, 970
Net profit (or loss −) before distribution of liquidation profits	−2, 660, 048	−9, 018, 373	−784, 935	−12, 463, 356
Less distribution of liquidation profits:				
Certificates of claim	904, 667	203, 599		1, 108, 266
Increment on certificates of claim	117, 948	29, 037		146, 985
Refunds to mortgagors	1, 544, 789			1, 544, 789
Loss to War Housing Insurance Fund	5, 227, 452	9, 251, 009	784, 935	15, 263, 396
Average loss to War Housing Insurance Fund	519			

[1] Analysis of terms of sales:

Terms of sales	Number of properties	Number of notes	Cash	Mortgage notes	Sales price
Properties sold for all cash	2, 196		$14, 409, 777		$14, 409, 777
Properties sold for cash and notes (or contracts for deed)	7, 927	5, 991	5, 772, 145	$68, 360, 175	74, 132, 320
Properties sold for notes only	134	9		1, 469, 795	1, 469, 795
Total	10, 257	6, 000	20, 181, 922	69, 829, 970	90, 011, 892

[2] Represents sixty-four (64) discounted purchasers' notes and two (2) manufacturers' notes settled in full.

STATEMENT 30

Statement of properties on hand, War Housing Insurance Fund, as of Dec. 31, 1955

	Sec. 603, 1,194 properties, 1,937 units	137 properties, 7,734 units	165 mortgage notes,[1] 12,151 units	Sec. 609, 1 purchaser's note,[1] 1 unit	Total, 1,331 properties, 166 notes, 21,823 units
Expenses:					
Acquisition costs	$9,873,824	$52,408,315	$87,141,960	$3,278	$149,427,377
Interest on debentures	618,314	4,470,677	5,385,692	131	10,474,814
Taxes and insurance	539,536	2,577,239	-----	-----	3,116,775
Additions and improvements	164,482	418,798	-----	-----	583,280
Maintenance and operating expenses	627,705	5,327,655	-----	-----	5,955,360
Miscellaneous expenses	987	109,782	27,874	-----	138,643
Total expenses	11,824,848	65,312,466	92,555,526	3,409	169,696,249
Income and recoveries:					
Rental and other income (net)	1,144,492	9,784,233	5,237,685	-----	16,166,410
Collections on mortgage notes	-----	-----	1,437,493	-----	1,437,493
Total income and recoveries	1,144,492	9,784,233	6,675,178	-----	17,603,903
Net acquired security on hand	10,680,356	55,528,233	85,880,348	3,409	152,092,346

[1] Acquired in exchange for debentures.

The turnover of Section 603 and 608 properties acquired and sold by calendar year, is given below:

STATEMENT 31

Turnover of properties acquired under Sec. 608 of Title VI, through Dec. 31, 1955

Properties acquired		Properties sold, by calendar years													Properties on hand Dec. 31, 1955
Year	Number	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	
1943	498	29	220	110	139	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
1944	2,542	-----	36	685	1,178	386	140	87	17	7	6	-----	-----	-----	-----
1945	2,062	-----	-----	187	1,050	317	350	139	6	8	5	-----	-----	-----	-----
1946	998	-----	-----	-----	431	302	210	43	11	1	-----	-----	-----	-----	-----
1947	16	-----	-----	-----	-----	5	9	1	-----	1	-----	-----	-----	-----	-----
1948	116	-----	-----	-----	-----	-----	23	21	65	1	4	2	-----	-----	-----
1949	507	-----	-----	-----	-----	-----	-----	93	243	75	28	9	18	8	33
1950	1,635	-----	-----	-----	-----	-----	-----	-----	421	460	246	103	80	144	181
1951	735	-----	-----	-----	-----	-----	-----	-----	-----	411	103	53	27	36	15
1952	609	-----	-----	-----	-----	-----	-----	-----	-----	-----	209	122	65	73	140
1953	412	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	56	58	125	173
1954	427	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	42	43	342
1955	717	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	407	310
Total	11,274	29	256	982	2,798	1,010	732	384	763	964	691	345	290	836	1,194

NOTES.—On the 10,080 properties sold, the average time between acquisition and sale by the Federal Housing Administration was 17.64 months.

The number of properties sold has been reduced by 45 properties repossessed because of default on mortgage notes of which 26 had been resold by Dec. 31, 1955.

STATEMENT 32

Turnover of properties acquired and mortgage notes assigned under Sec. 608 of Title VI, through Dec. 31, 1955

Properties and notes acquired		Properties and notes sold, by calendar years													Properties and notes on hand Dec. 31, 1955
Year	Number	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	
1943	1	1													
1944	1		1												
1945															
1946	1												1		
1947															
1948															
1949	16											11	1	1	3
1950	66									7	2	4	6	9	38
1951	82									1		2	21	9	49
1952	37												10	7	20
1953	63												4	6	53
1954	70												1	4	65
1955	76													2	74
Total	413	1	1							8	2	17	44	38	302

NOTE.—The number of properties and notes sold has been reduced by 4 properties repossessed because of default on mortgage notes of which none had been resold by Dec. 31, 1955.

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 $1,988,732 had been issued through 1955 in connection with the 10,080 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 $904,667, or approximately 46 percent. Certificates of claim canceled or to be canceled amounted to $1,084,065, or approximately 54 percent. In addition, the proceeds of sale were sufficient to pay refunds of $1,544,789 to 3,844 mortgagors, or an average of $402 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 $885,627 had been issued in connection with the 111 Section 608 acquisitions which had been disposed of by December 31, 1955. The proceeds of sale were sufficient to provide $203,599 for payment in full or in part on these certificates. Certificates of claim canceled or to be canceled amounted to $682,028. Excess proceeds of $569,911 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. 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.

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, 1955, no applications for insurance under Title VII had been submitted.

Housing Investment Insurance Fund Capital and Net Income

Assets of the Housing Investment Insurance Fund at June 30, 1955, totaled $845,516. There was contributed capital amounting to $910,000, which left an operating deficit of $64,484. The $1,000,000 which was transferred from the United States Treasury to establish the fund in accordance with Section 710 of the Act was established as a liability of the fund as of June 30, 1953, under the provisions of Public Law 94, 83d Congress. This amount, including interest thereon in the amount of $107,914, was repaid on July 31, 1953.

STATEMENT 33

Comparative statement of financial condition, Housing Investment Insurance Fund, as of June 30, 1954, and June 30, 1955

	June 30, 1954	June 30, 1955	Increase or decrease (—)
ASSETS			
Cash with U. S. Treasury	$29, 604	$42, 367	$12, 763
Investments: U. S. Government securities (amortized)	801, 774	801, 634	—140
Accounts and notes receivable: Accounts receivable—interfund	43	56	13
Accrued assets: Interest on U. S. Government securities	1, 459	1, 459	
Total assets	832, 880	845, 516	12, 636
CAPITAL			
Capital contributions from other FHA insurance funds	910, 000	910, 000	
Earned surplus (deficit —): Insurance reserve fund (cumulative earnings or deficit —) available for future losses and related expenses	—77, 120	—64, 484	12, 636
Total capital	832, 880	845, 516	12, 636

The total income for fiscal year 1955 was $19,860, consisting entirely of interest on United States Government securities, while expenses amounted to $7,224, resulting in a net income for the year of $12,636. The cumulative income of the Housing Investment Insurance Fund from August 10, 1948, to June 30, 1955, amounted to $90,123, while cumulative expenses amounted to $154,607, resulting in a net deficit to the fund of $64,484.

STATEMENT 34

Income and expenses, Housing Investment Insurance Fund, through June 30, 1954, and June 30, 1955

	Aug. 10, 1948, to June 30, 1954	July 1, 1954, to June 30, 1955	Aug. 10, 1948, to June 30, 1955
Income:			
Interest and dividends: Interest on U. S. Government securities	$70, 263	$19, 860	$90, 123
Total income	70, 263	19, 860	90, 123
Expenses:			
Interest expenses: Interest on funds advanced by U. S. Treasury	107, 914		107, 914
Administrative expenses: Operating costs	39, 294	7, 191	46, 485
Other expenses: Depreciation on furniture and equipment	180	31	211
Losses and chargeoffs: Loss (or profit —) on equipment	—5	2	—3
Total expenses	147, 383	7, 224	154, 607
Net income	—77, 120	12, 636	—64, 484

ANALYSIS OF EARNED SURPLUS (OR DEFICIT —)

Distribution of net income:			
Earned surplus (or deficit —):			
Balance at beginning of period		—$77, 120	
Net income for the period	—$77, 120	12, 636	—$64, 484
Balance at end of period	—77, 120	—64, 484	—64, 484

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 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 1955, no transactions in United States Government securities were made for the account of this fund. At June 30, 1955, the fund held $800,000, principal amount, of United States Government securities as follows:

Investments of the Housing Investment Insurance Fund, June 30, 1955

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized
1965–70	2½	$97,375	$100,000	$97,825
1967–72	2½	704,922	700,000	703,809
Average annual yield 2.48 percent		802,297	800,000	801,634

TITLE VIII: ARMED SERVICES HOUSING MORTGAGE 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. Public Law 345, 84th Congress, approved August 11, 1955, changed the title of the fund from Military Housing Insurance Fund to Armed Services Housing Mortgage Insurance Fund. 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 in the sense that any portion of the net income from operations will be shared by mortgagors in the form of participation payments.

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 1955, net purchases of $2,400,000 increased the United States Government securities held by the fund as of June 30, 1955, to $12,950,000 principal amount. These transactions resulted in a decrease in the average annual yield from 2.49 percent to 2.40 percent.

Investments of the Armed Services Housing Mortgage Insurance Fund, June 30, 1955

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1959	2	$2,400,000	$2,400,000	$2,400,000
1964–69	2½	1,511,820	1,550,000	1,518,446
1965–70	2½	288,391	300,000	289,868
1966–71	2½	1,063,141	1,100,000	1,067,996
1967–72	2½	7,701,281	7,600,000	7,672,260
Average annual yield 2.40 percent		12,964,633	12,950,000	12,948,570

Title VIII Mortgage Insurance Authorization

Section 803 (a) of the Act as amended by Public Law 345, 84th Congress, created a separate mortgage insurance authorization for all new insurance written under Title VIII pursuant to commitments issued on or after August 11, 1955, including both the new Armed Services Housing program and the extended Military Housing program. This new insurance authorization provides that the aggregate amount of principal obligations of all mortgages insured under this program shall not exceed $1,363,500,000 and that the limitation in Section 217 shall not apply to this program. The status of the Title VIII Insurance Authorization at December 31, 1955, is as follows:

Status of Armed Services Housing Mortgage Insurance Authority, as of Dec. 31, 1955

Insurance authority		$1,363,500,000
Charges against insurance authority:		
Mortgages insured	$3,570,000	
Commitments for insurance	[1] 15,054,600	
Total charges against authority		18,624,600
Unused insurance authority		1,344,875,400

[1] Includes statements of eligibility in the amount of $12,076,500.

Armed Services Housing Mortgage Insurance Fund Capital and Net Income

As of June 30, 1955, the assets of the Armed Services Housing Mortgage Insurance Fund totaled $14,184,085, against which there were outstanding liabilities of $2,419,354, leaving $11,764,731 capital. The capital consists entirely of earned surplus.

In accordance with Public Law 94, 83d Congress, approved June 30, 1953, the amount of capital contributed by the United States Government to establish the fund in the amount of $5,000,000 was established as a liability of the fund as of June 30, 1953. This amount was repaid during fiscal year 1954 together with interest thereon in the amount of $441,092, the final payment being made on November 30, 1953.

STATEMENT 35

Comparative statement of financial condition, Armed Services Housing Mortgage Insurance Fund, as of June 30, 1954, and June 30, 1955

	June 30, 1954	June 30, 1955	Increase or decrease (—)
ASSETS			
Cash with U. S. Treasury	$764, 461	$699, 949	—$64, 512
Investments:			
U. S. Government securities (amortized)	10, 549, 522	12, 948, 570	2, 399, 048
Other securities (stock in rental housing corporations)	20, 200	22, 900	2, 700
Total investments	10, 569, 722	12, 971, 470	2, 401, 748
Accounts and notes receivable: Accounts receivable—insurance premiums	73, 042	51, 907	—21, 135
Accrued assets: Interest on U. S. Government securities	19, 739	19, 740	1
Acquired security or collateral:			
Real estate (at cost plus expenses to date)		393, 396	393, 396
Less reserve for losses		158, 172	158, 172
Net real estate		235, 224	235, 224
Mortgage notes acquired under terms of insurance		339, 334	339, 334
Less reserve for losses		133, 539	133, 539
Net mortgage notes acquired under terms of insurance		205, 795	205, 795
Net acquired security or collateral		441, 019	441, 019
Total assets	11, 426, 964	14, 184, 085	2, 757, 121
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies		2, 847	2, 847
Interfund	1, 939	598	—1, 341
Total accounts payable	1, 939	3, 445	1, 506
Accrued liabilities: Interest on debentures		9, 062	9, 062
Trust and deposit liabilities: Deposits held for mortgagors, lessees, and purchasers		6, 851	6, 851
Deferred and undistributed credits:			
Unearned insurance premiums	1, 525, 508	1, 646, 087	120, 579
Unearned insurance fees	3, 599	25, 620	22, 021
Total deferred and undistributed credits	1, 529, 107	1, 671, 707	142, 600
Bonds, debentures, and notes payable: Debentures payable		724, 950	724, 950
Other liabilities: Reserve for foreclosure costs—mortgage notes		3, 339	3, 339
Total liabilities	1, 531, 046	2, 419, 354	888, 308
CAPITAL			
Capital contributions from other FHA insurance funds	700, 000		—700, 000
Earned surplus: Insurance reserve fund (cumulative earnings) available for future losses and related expenses	9, 195, 918	11, 764, 731	2, 568, 813
Total capital	9, 895, 918	11, 764, 731	1, 868, 813
Total liabilities and capital	11, 426, 964	14, 184, 085	2, 757, 121
Contingent liability for certificates of claim on properties on hand		14, 395	14, 395

Total income of the Armed Services Housing Mortgage Insurance Fund during the fiscal year 1955 amounted to $3,370,413, while expenses and losses amounted to $564,158, leaving a net income of $2,806,255 before adjustment of valuation reserves. After valuation reserves of $291,711 were provided there remained $2,514,544 net income for the year. The cumulative income of the fund from August 8, 1949, to June 30, 1955, amounted to $17,144,156, while cumulative expenses totaled $5,087,714, resulting in a cumulative net income of $12,056,442 before adjustment of valuation reserves. Valuation reserves of $291,711 were established, leaving cumulative net income of $11,764,731.

STATEMENT 36

Income and expenses, Armed Services Housing Mortgage Insurance Fund, through June 30, 1954, and June 30, 1955

	Aug. 8, 1949, to June 30, 1954	July 1, 1954, to June 30, 1955	Aug. 8, 1949, to June 30, 1955
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$919, 806	$281, 223	$1, 201, 029
Dividends on rental housing stock	265	120	385
	920, 071	281, 343	1, 201, 414
Insurance premiums and fees:			
Premiums	7, 435, 043	2, 961, 866	10, 396, 909
Fees	5, 418, 629	127, 204	5, 545, 833
	12, 853, 672	3, 089, 070	15, 942, 742
Total income	13, 773, 743	3, 370, 413	17, 144, 156
Expenses:			
Interest expenses: Interest on funds advanced by U. S. Treasury	441, 092		441, 092
Administrative expenses: Operating costs	4, 117, 131	561, 620	4, 624, 482
Other expenses: Depreciation on furniture and equipment	19, 998	2, 404	22, 402
Losses and chargeoffs: Loss (or profit −) on equipment	−396	134	−262
Total expenses	4, 577, 825	564, 158	5, 087, 714
Net income before adjustment of valuation reserves	9, 195, 918	2, 806, 255	12, 056, 442
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on real estate		−158, 172	−158, 172
Reserve for loss on mortgage notes acquired under terms of insurance		−133, 539	−133, 539
Net adjustment of valuation reserves		−291, 711	−291, 711
Net income	9, 195, 918	2, 514, 544	11, 764, 731

ANALYSIS OF EARNED SURPLUS

Distribution of net income:			
Earned surplus:			
Balance at beginning of period		$9, 195, 918	
Adjustments during the period		54, 269	
Net income for the period	$9, 195, 918	2, 514, 544	$11, 764, 731
Balance at end of period	9, 195, 918	11, 764, 731	11, 764, 731

Properties Acquired under Terms of Insurance

During the calendar year 1955, four mortgage notes (1,069 units) insured under Title VIII were assigned to the Commissioner under the terms of insurance and none were sold. The cost of the properties at December 31, 1955, was:

Armed Services Housing Mortgage Insurance Fund, statement of properties on hand at Dec. 31, 1955

	1 property (65 units)	4 mortgage notes (1,069 units)	Total 1 property and 4 mortgage notes (1,124 units)
Expenses:			
Acquisition costs	$395,430	$8,918,541	$9,313,971
Interest on debentures	14,827	146,481	161,308
Taxes and insurance	5,208		5,208
Additions and improvements	800		800
Maintenance and operating expenses	8,795		8,795
Miscellaneous expenses	242	976	1,218
Total expenses	425,302	9,065,998	9,491,300
Income: Rental and other income (net)	29,061	40,022	69,083
Net acquired security on hand	396,241	9,025,976	9,422,217

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 of the Act 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, all of which had been transferred by December 31, 1953. 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.

National Defense Housing Insurance Fund Capital and Net Income

As of June 30, 1955, the assets of the National Defense Housing Insurance Fund totaled $19,267,222, against which there were outstanding liabilities of $12,921,740, leaving $6,345,482 capital. Included in the capital is $10,000,000 transferred from other insurance funds in accordance with Section 219 of the Act and an operating deficit of $3,654,518.

STATEMENT 37

Comparative statement of financial condition, National Defense Housing Insurance Fund, as of June 30, 1954, and June 30, 1955

	June 30, 1954	June 30, 1955	Increase or decrease (—)
ASSETS			
Cash with U. S. Treasury	$1,014,619	$2,254,096	$1,239,477
Investments:			
U. S. Government securities (amortized)	8,070,840	5,074,843	−2,995,997
Other securities (stock in rental housing corporations)	8,500	9,200	700
Total investments	8,079,340	5,084,043	−2,995,297
Loans receivable:			
Mortgage notes and contracts for deed		191,567	191,567
Less reserve for losses		3,352	3,352
Net loans receivable		188,215	188,215
Accounts and notes receivable: Accounts receivable—insurance premiums	39,864	65,945	26,081
Accrued assets: Interest on U. S. Government securities	6,406	6,406	
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	891,871	16,032,414	15,140,543
Less reserve for losses	153,306	6,262,747	6,109,441
Net real estate	738,565	9,769,667	9,031,102
Mortgage notes acquired under terms of insurance (at cost plus expenses to date)	1,395,049	3,138,495	1,743,446
Less reserve for losses	551,644	1,239,645	688,001
Net mortgage notes acquired under terms of insurance	843,405	1,898,850	1,055,445
Net acquired security or collateral	1,581,970	11,668,517	10,086,547
Total assets	10,722,199	19,267,222	8,545,023
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies	1,437	25,351	23,914
Interfund	10,128	8,556	−1,572
Total accounts payable	11,565	33,907	22,342
Accrued liabilities: Interest on debentures	29,835	149,508	119,673
Trust and deposit liabilities:			
Excess proceeds of sale		1,566	1,566
Fee deposits held for future disposition	374,341	101,889	−272,452
Deposits held for mortgagors, lessees and purchasers	5,713	22,142	16,429
Total trust and deposit liabilities	380,054	125,597	−254,457
Deferred and undistributed credits: Unearned insurance premiums	1,244,209	1,379,807	135,598
Bonds, debentures, and notes payable: Debentures payable	2,203,500	11,201,900	8,998,400
Other liabilities: Reserve for foreclosure costs—mortgage notes	13,791	31,021	17,230
Total liabilities	3,882,954	12,921,740	9,038,786
CAPITAL			
Capital contributions from other FHA insurance funds	6,100,000	10,000,000	3,900,000
Earned surplus (deficit —): Insurance reserve fund (cumulative earnings or deficit —) available for future losses and related expenses	739,245	−3,654,518	−4,393,763
Total capital	6,839,245	6,345,482	−493,763
Total liabilities and capital	10,722,199	19,267,222	8,545,023
Contingent liability for certificates of claim on properties on hand	44,815	581,957	537,142

Income and Expenses

During fiscal year 1955 the income to the fund amounted to $2,925,057, while expenses and losses amounted to $605,999, leaving $2,319,058 net income before provision for valuation reserves. After $6,800,794 had been provided for valuation reserves, there remained $4,481,736 net deficit for the year.

The cumulative income of the National Defense Housing Insurance Fund from September 1, 1951, to June 30, 1955, amounted to $8,490,202, while cumulative expenses amounted to $4,638,976, leaving cumulative net income of $3,851,226 before adjustment of valuation reserves. Valuation reserves of $7,505,744 were established, leaving a cumulative net deficit of $3,654,518.

STATEMENT 38

Income and expenses, National Defense Housing Insurance Fund, through June 30, 1954, and June 30, 1955

	Sept. 1, 1951, to June 30, 1954	July 1, 1954, to June 30, 1955	Sept. 1, 1951, to June 30, 1955
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$346, 883	$166, 559	$513, 442
Interest—other	349	78, 001	78, 350
Dividends on rental housing stock	10	35	45
	347, 242	244, 595	591, 837
Insurance premiums and fees:			
Premiums	2, 578, 807	2, 592, 662	5, 171, 469
Fees	2, 584, 474	87, 800	2, 672, 274
	5, 163, 281	2, 680, 462	7, 843, 743
Other income: Profit on sale of investments	54, 622		54, 622
Total income	5, 565, 145	2, 925, 057	8, 490, 202
Expenses:			
Administrative expenses: Operating costs	4, 072, 307	590, 759	4, 575, 093
Other expenses:			
Depreciation on furniture and equipment	19, 297	2, 528	21, 825
Miscellaneous expenses	29, 207		29, 207
	48, 504	2, 528	51, 032
Losses and chargeoffs:			
Loss on sale of acquired properties		12, 571	12, 571
Loss on equipment	139	141	280
	139	12, 712	12, 851
Total expenses	4, 120, 950	605, 999	4, 638, 976
Net income before adjustment of valuation reserves	1, 444, 195	2, 319, 058	3, 851, 226
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable		−3, 352	−3, 352
Reserve for loss on real estate	−153, 306	−6, 109, 441	−6, 262, 747
Reserve for loss on mortgage notes acquired under terms of insurance	−551, 644	−688, 001	−1, 239, 645
Net adjustment of valuation reserves	−704, 950	−6, 800, 794	−7, 505, 744
Net income (or loss −)	739, 245	−4, 481, 736	−3, 654, 518

ANALYSIS OF EARNED SURPLUS (OR DEFICIT −)

Distribution of net income:			
Earned surplus (or deficit −):			
Balance at beginning of period		$739, 245	
Adjustments during the period		87, 973	
Net income (or loss −) for period	$739, 245	−4, 481, 736	−$3, 654, 518
Balance at end of period	739, 245	−3, 654, 518	−3, 654, 518

Investments

Section 905(a) of Title IX 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 fiscal year 1955, $6,624,800 of National Defense Housing Insurance Fund debentures were purchased from FNMA, $1,050 were redeemed in payment of mortgage insurance premiums, and $1,019,550 were called and redeemed.

During the fiscal year 1955, net sales of $3,000,000, principal amount, of United States Government securities were made. These transactions left the United States Government securities held by the fund as of June 30, 1955, at $5,100,000 yielding 2.35 percent.

Investments of the National Defense Housing Insurance Fund, June 30, 1955

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1958	2⅜	$2,790,813	$2,800,000	$2,794,839
1959	2	1,600,000	1,600,000	1,600,000
1956–59	2¼	288,375	300,000	291,926
1966–71	2½	193,562	200,000	194,295
1967–72	2½	193,063	200,000	193,783
Average annual yield 2.35 percent		5,065,813	5,100,000	5,074,843

Properties Acquired under Terms of Insurance

During 1955, 7 mortgage notes (465 units) and 1 property (128 units) insured under Section 908 were acquired by the FHA Commissioner, and titles to 2,535 home properties (2,932 units) insured under Section 903 were acquired under the terms of insurance. Through December 31, 1955, a cumulative total of 11 mortgage notes (718 units) and 1 property (128 units) insured under Section 908 and 3,228 home properties (3,735 units) insured under Section 903 had been acquired under the terms of insurance. Four hundred and seventy-six home properties (572 units) insured under Section 903 had been sold at December 31, 1955, resulting in a loss of $768,255 to the National Defense Housing Insurance Fund. Certificates of claim issued in connection with the 476 Section 903 properties sold through December 31, 1955, totaled $136,359 of which $27,153 will be paid and $109,206 canceled. At December 31, 1955, there remained on hand 2,752 properties (3,163 units) insured under Section 903 and 11 mortgage notes (718 units) and 1 property (128 units) insured under Section 908 as follows:

National Defense Housing Insurance Fund, statement of properties on hand as of Dec. 31, 1955

	Sec. 903, 2,752 properties (3,163 units)	Sec. 908		Total, 2,753 properties and 11 mortgage notes (4,009 units)
		1 property (128 units)	11 mortgage notes (718 units)	
Expenses:				
Acquisition costs	$22,722,905	$956,856	$5,414,905	$29,094,666
Interest on debentures	482,067	49,190	116,527	647,784
Taxes and insurance	263,489	6,169		269,658
Additions and improvements	11,779			11,779
Maintenance and operating expenses	136,248	2,296		138,544
Miscellaneous expenses	287	1,633	2,324	4,244
Total expenses	23,616,775	1,016,144	5,533,756	30,166,675
Income:				
Rental and other income (net)	323,798	6,961	61,512	392,271
Collections on mortgage notes			15,747	15,747
Total income	323,798	6,961	77,259	408,018
Net acquired security on hand	23,292,977	1,009,183	5,456,497	29,758,657

A summary of the 476 Section 903 acquired properties sold at December 31, 1955, is shown in Statement 39.

STATEMENT 39

Statement of profit and loss on sale of acquired properties, National Defense Housing Insurance Fund, through Dec. 31, 1955

Items	Total, NDHI Fund 476 properties (572 units)
Proceeds of sales:	
Sales price [1]	$3,571,871
Less commission and other selling expense	79,246
Net proceeds of sales	3,492,625
Income:	
Rental and other income (net)	55,080
Mortgage note income	21,355
Total income	76,435
Total proceeds of sold properties	3,569,060
Expenses:	
Debentures and cash adjustment	4,098,383
Interest on debentures	125,299
Taxes and insurance	33,313
Additions and improvements	21
Maintenance and operating expenses	53,105
Total expenses	4,310,121
Net profit (or loss −) before distribution of liquidation profits	−741,061
Less distribution of liquidation profits:	
Certificates of claim	27,153
Increment on certificates of claim	41
Loss to National Defense Housing Insurance Fund	768,255
Average loss to National Defense Housing Insurance Fund	1,614

[1] Analysis of terms of sales:

Terms of sales	Number of properties	Number of notes	Cash	Mortgage notes	Sales price
Properties sold for all cash	25		$66,400		$66,400
Properties sold for cash and notes (or contracts for deed)	451	313	132,971	$3,372,500	3,505,471
Total	476	313	199,371	3,372,500	3,571,871

Statement 40 shows the turnover of properties acquired under Section 903.

STATEMENT 40

Turnover of properties acquired under Sec. 903 of Title IX, through Dec. 31, 1955

Properties acquired		Properties sold, calendar years			Properties on hand Dec. 31, 1955
Year	Number	1953	1954	1955	
1953	3			3	
1954	690		2	113	575
1955	2,535			358	2,177
Total	3,228		2	474	2,752

NOTE.—On the 476 properties sold, the average time between acquisition and sale by the Federal Housing Administration was 8.54 months.

Administrative Expense Account

A separate account, entitled "Salaries and Expenses, Federal Housing Administration," is maintained for the purpose of handling all transactions with respect to the payment of salaries and other expenses involved in operating the FHA. Moneys for such expenses and for the purchase of furniture and equipment required in the operations of the Administration are allocated to this fund and all disbursements for these purposes are made from it. Until the income of the insurance funds was sufficient to cover salaries and expenses, allocations were made to this account from the United States Treasury through the RFC in accordance with provisions contained in the National Housing Act and subsequent appropriation acts. Since July 1, 1937, a portion of the allocations, and since July 1, 1940, all allocations to salaries and expenses have been made from the various FHA insurance funds.

STATEMENT 41

Comparative statement of financial condition, Administrative Expense Account (salaries and expenses), as of June 30, 1954, and June 30, 1955

	June 30, 1954	June 30, 1955	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$3, 151, 244	$5, 489, 753	$2, 338, 509
Accounts and notes receivable: Accounts receivable—other	78, 176	84, 743	6, 567
Land, structures, and equipment:			
Furniture and equipment	2, 124, 969	[1] 2, 295, 826	170, 857
Less reserve for depreciation	1, 230, 278	1, 331, 819	101, 541
Net furniture and equipment	894, 691	964, 007	69, 316
Total assets	4, 124, 111	6, 538, 503	2, 414, 392
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies	2, 397, 662	[2] 4, 494, 457	2, 096, 795
Interfund	894, 691	964, 007	69, 316
Total accounts payable	3, 292, 353	5, 458, 464	2, 166, 111
Trust and deposit liabilities:			
Undistributed receipts	2, 966	14, 321	11, 355
Due general fund of the U. S. Treasury	25		−25
Employees' payroll deductions for taxes, etc	828, 767	1, 065, 718	236, 951
Total trust and deposit liabilities	831, 758	1, 080, 039	248, 281
Total liabilities	4, 124, 111	6, 538, 503	2, 414, 392

[1] Excludes unfilled orders in the amount of $115,341.
[2] Excludes unfilled orders in the amount of $301,852.

Part III

PUBLIC HOUSING ADMINISTRATION

INTRODUCTORY STATEMENT

The Public Housing Administration is a constituent of the Housing and Home Finance Agency. Historically, it is the successor to the United States Housing Authority, created by the United States Housing Act of 1937 to administer the low-rent public housing program established by that Act.

In 1942 the responsibilities of USHA were assumed by the Federal Public Housing Authority which was established as a constituent unit of the National Housing Agency. On July 27, 1947, the President's Reorganization Plan No. 3 went into effect, creating the Public Housing Administration and transferring to it all of the powers and functions of the FPHA.

The basic statutory responsibility of the Public Housing Administration is to administer the federally aided low-rent public housing program, by providing financial assistance and development and management services to local housing authorities participating in the program. In addition the Public Housing Administration has responsibility for management and disposition services to the emergency housing program. This includes properties originally built to serve national defense needs.

SECTION 1

1955 IN REVIEW

On December 31, 1955, PHA was administering programs totaling 568,000 dwelling units. Of these, 490,000 were low-rent public housing, and 78,000 were emergency housing accommodations.

PHA Housing Programs as of Dec. 31, 1955

Program:	Dwelling units
Low-rent public housing	490, 340
Lanham Act housing	63, 937
Veterans reuse housing	2, 181
Subsistence homesteads and greentowns	7
Defense housing	11, 908
Total	568, 373

During the year, the inventory of emergency housing was reduced by 72,200, while low-rent public housing showed a net gain of 33,300 units. Substantial progress was made toward complete liquidation of emergency housing. At the end of the year, out of the peak total of 992,000 units marked for disposition, only 78,000 remained.

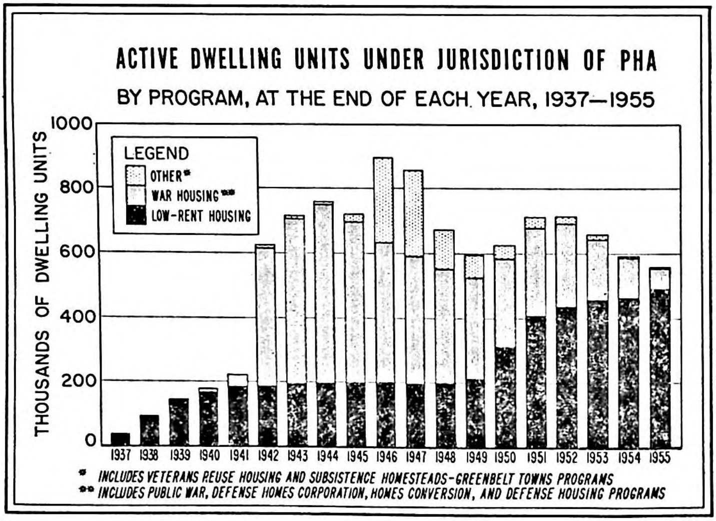

CHART III–1

A determined effort was made for greater economy in all activities. A business specialist was assigned to the San Francisco Field Office, and in 1956, similar appointments were to be made in other field offices. These specialists will apply the techniques of business and industrial management to reduce project operating costs.

PHA also conducted intensive statistical studies of the operating costs of federally aided low-rent public housing projects. The objective was to establish the best current management and operating practices, apply them throughout the program to achieve efficient and successful operations at the lowest cost, and hold annual contribution payments to the minimum consistent with sound operations.

Reductions in the operating costs of low-rent public housing were reflected in the annual contributions made to local housing authorities. PHA revised its policy covering operating reserves built up by local housing authorities. This change alone will reduce annual contributions payments by approximately $1.7 million during fiscal year 1956.

For the past 3 years, PHA was successful in reducing the capital participation of the Federal Government in the low-rent public housing program, by encouraging local housing authorities to obtain necessary capital through direct borrowings from private investors. As a result, outstanding Treasury borrowings for relending to local housing authorities were reduced from an alltime high of $940 million in January 1953 to only $50 million at the end of 1955, or less than 2 percent of the outstanding investment of housing authorities in their public housing projects.

Budget and Employment

PHA's budget for administrative expenses for the fiscal year ending June 30, 1955, totaled $10,955,908. This included $7,413,400 in appropriated funds, and $3,542,508 from receipts from the liquidating emergency housing program.

The budget for the fiscal year beginning July 1, 1955, was $12,104,500, including $9,636,500 in appropriated funds for use in the low-rent public housing program. The balance of $2,468,000 was to come from receipts from the emergency housing program.

On December 31, 1955, PHA had 2,420 full-time employees, a net decrease of 812 from the December 1954 level of 3,232. At the end of 1955, there were 791 administrative employees in the Central Office and 709 in the 7 field offices, located in New York City; Washington, D. C.; Atlanta, Ga.; Chicago, Ill.; Fort Worth, Tex.; San Francisco, Calif.; and Santurce, P. R. Most of the reduction in personnel resulted from the disposition of emergency housing, where project management employment fell from 1,514 at the beginning of the year to 821 at the end. The next heaviest reduction in administrative personnel occurred in the Central Office, which at the end of 1955 had 92 fewer employees than a year ago.

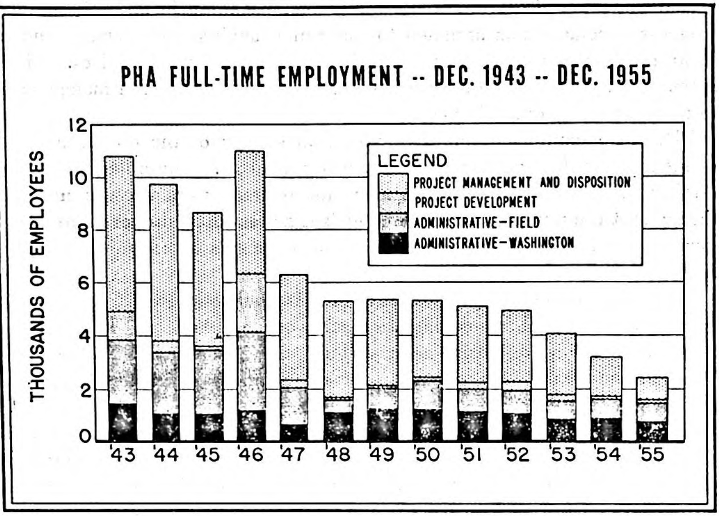

CHART III–2

Field Office Directors met in Washington three times during the year—in March, June, and September. At their first conference they reviewed new procedures for accelerating development programs and discussed the management maintenance clinics for local housing authority personnel sponsored jointly by PHA and the National Association of Housing and Redevelopment Officials. At the summer meetings the directors reviewed all phases of agency operations and discussed methods of reducing operating costs at low-rent public housing projects. At their September sessions they reviewed the criteria and procedures for allocating the 45,000 units authorized by the Housing Act of 1955, and budgetary matters in connection with the new authorization.

Housing Act of 1954

The Housing Act of 1954 (Public Law 560, 83d Cong.) authorized 35,000 low-rent units to be placed under annual contributions contract in fiscal year 1955. By June 30, 1955, the deadline, 29,509 units were placed under contract. By joint resolution, the Congress extended the date to August 1. Under the extension, 842 more units were placed under contract, increasing the total to 30,351 units.

Public Law 560 stipulated that Federal aid for low-rent public housing should be extended only to those localities where workable programs, for the elimination and prevention of slums and blight, had been approved by the Housing and Home Finance Administrator.

The law also required certification from the local governing body of the need for low-rent public housing to rehouse families displaced by Federal, state or local governmental action. Before PHA could enter into a financial aid contract with a local housing authority, it was necessary that the locality be carrying out slum clearance and urban redevelopment activities or an urban renewal program. The law also required certification by the HHFA Administrator of the number of low-rent public housing units needed to rehouse displaced families.

Housing Amendments of 1955

In August 1955, Congress passed the Housing Amendments of 1955 (Public Law 345, 84th Cong.). This law authorized PHA to enter into new annual contributions contracts for not more than 45,000 additional low-rent public housing units by July 31, 1956. It also eliminated the requirement of a workable program as a prerequisite for undertaking new public housing, and the previous requirements concerning slum clearance, urban redevelopment, urban renewal programs and certifications by the HHFA Administrator covering low-rent needs.

Accordingly, PHA issued new guide lines to local housing authorities. Early in October 1955, the agency released procedures to be used in allocating the 45,000 units authorized by Congress, and set up a system of priorities. These considered first the need for rehousing families displaced by urban renewal and redevelopment programs and made provisions for the localities which required additional public housing for minority groups. Second priority went to localities which had previously signed preliminary loan contracts with PHA, but whose planning had been curtailed because of limitations on the program. In many of these communities, funds for planning had already been spent by local housing authorities. Third priority went to communities which demonstrated a need for low-rent public housing, but had not previously participated in the program.

In order to insure current local approval, PHA required a housing authority to obtain from the local governing body an official resolution reaffirming the need for low-rent public housing in the locality. This was necessary before PHA (1) would enter into a new or amended preliminary loan contract, (2) release funds where no new contract was required, or (3) execute a new annual contributions contract with a housing authority.

In response to applications from local housing authorities for assistance under the 1955 Act, PHA took two kinds of action: New program reservations or allocations were issued for a specific number of units; or, where allocations and preliminary loan contracts had previously been made, the Commissioner authorized the resumption of planning and the release of funds. If new or additional planning funds were requested by local housing authorities, PHA submitted the requests for Presidential approval. The President designated the HHFA Administrator to act in his behalf.

By December 31, 1955, PHA had received requests from 74 localities for 15,789 units. More than 7,780 of these represented new applications, and the remaining 8,000 were those allocated before the enactment of the 1955 Act. In such instances, the local housing authorities were requesting PHA approval to resume preliminary planning. By the end of 1955, the agency had reserved or released planning funds for more than 8,370 units.

As in previous years, PHA, in accordance with the law, required approval by the local governing body of the community before financial aid for public housing could be extended to a housing authority. It was necessary for the local governing body to approve the authority's application for a preliminary planning loan, and for the housing authority and the local governing body to have entered into a cooperation agreement. This provided for municipal services to the project, payments in lieu of taxes by the housing authority not in excess of 10 percent of the shelter rents charged, and elimination of an equivalent number of substandard houses in the locality.

After the housing authority completed preliminary planning for a project, it submitted to PHA a development program for approval. Selection of satisfactory sites by the housing authority was a prime concern of the PHA. A prerequisite for an annual contributions contract was an approvable development program showing a well located site, acquirable at fair market value, capable of being developed satisfactorily and economically, with no material physical disadvantages. Simple diagrammatic sketches of proposed structures, and estimated development cost were also necessary. If a development program was found satisfactory, the Commissioner recommended to the HHFA Administrator that an annual contributions contract be approved.

Development

At the end of 1955 a total of 54,927 units not under construction were under annual contributions contracts. Housing authorities in 1955 placed more than 8,550 units under construction, and during the year completed approximately 21,000 low-rent dwellings. The total development cost for the average unit of 4.9 rooms was $10,615. This included site acquisition and improvement, dwelling and nondwelling construction and equipment, local housing authority overhead and interest during the construction period.

"Standards for Planning and Design of PHA-Aided Low-Rent Public Housing" were revised during 1955. The rules concerning density and building types were modified to permit densities more consistent with local custom, a modification especially important in small communities. Another change permitted the construction of detached dwellings of three or more bedrooms wherever such units could be built economically. This was a further step toward building housing projects more compatible with their surroundings. PHA also recognized that it had become increasingly diffi-

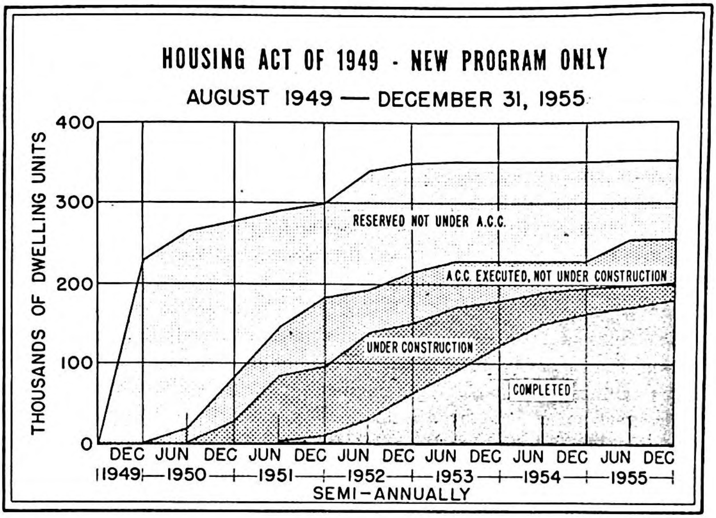

CHART III–3

cult to assemble large tracts of land in large cities. In view of this, the use of scattered sites for a single project was encouraged.

Economical Management

Consistent with the Commissioner's emphasis on economical management practices, the agency continued the management-maintenance clinics started in 1954, with the cooperation of the National Association of Housing and Redevelopment Officials. During 1955 local housing authority maintenance personnel participated in 41 two-day clinics held throughout the country. These featured do-it-yourself sessions on such items as grounds, utilities, painting and operating services, and stressed the importance of cutting maintenance costs at public housing projects.

The clinics in 1955 were also concerned with reducing project painting and utility costs. Since painting represents one of the largest items of operating expense, PHA started a pilot study of interior painting practices at an Illinois project. The objective was to find ways of reducing the need for frequent painting. It is hoped that similar studies ultimately will be undertaken in other localities.

Replacing domestic hot water tanks in public housing projects had become an increasingly large item of management expense. Several years ago PHA made a study of hot-water heaters at a Virginia housing project to determine which materials and devices would reduce or eliminate corrosion of tanks.

In 1955 new test installations were made at two additional sites where the water differed from that of the Virginia tests. The tanks in the latest tests will be opened for inspection early in 1957. As was the case in Virginia, PHA will utilize the new test findings to increase the usefulness and life expectancy of hot water tanks.

During 1955 PHA undertook new field studies of incinerators in buildings of five or more stories, underground steam and hot water distribution lines, and continued its older study of fuel consumption at projects with central heating plants. The findings of these will help to improve the design of new projects and the operation of existing ones.

Equivalent Elimination

The Housing Act of 1937, as amended, requires the elimination, by demolition, condemnation, closing or compulsory repair, of unsafe or insanitary dwellings in the locality in a number equal substantially to the number of low-rent homes built by a local housing authority. This requirement, however, does not apply to low-rent housing built in rural nonfarm areas, nor to housing developed on a slum site. The law also permits the deferment of equivalent elimination in areas where a short supply of housing exists for low-income families. Substantially all (98.1 percent) of the equivalent elimination required by Public Law 412 has been accomplished.

As of June 30, 1955, housing authorities had accomplished 58.4 percent of the equivalent elimination requirement under the Housing Act of 1949. The law allows 5 years after completion of the new housing in which to comply with this requirement.

Size of Low-Rent Program

As of December 31, 1955, there were 2,298 projects with 489,744 dwellings in the low-rent public housing program. Of these, 2,099 projects comprising 413,558 units (including farm labor camps) were under active management. The remaining 199 projects with 76,186 units were in preconstruction, planning or under construction.

The projects under active management fell into 5 general categories:

1. Low-rent public housing built by local housing authorities under the terms of the United States Housing Act of 1937 (Public Law 412) and its principal amendments.

2. Housing built under World War II legislation (Public Law 671) authorizing the use of low-rent funds for projects to be used initially by defense workers, but which were to be returned to low-rent use when no longer required for their original purpose. All but two such projects with 400 units are now in low-rent use.

3. Projects built by the Public Works Administration in the mid-1930's before passage of the 1937 Housing Act, but now part of the low-rent public housing program.

4. The farm labor camps were built originally by the Department of Agriculture to house persons engaged primarily in agricultural work. The Housing Act of 1950 (Public Law 475) transferred the camps from the Department of Agriculture to PHA. They are now administered as low-rent public housing.

5. Lanham Act (Public Law 849) permanent war housing projects originally built to house World War II essential workers, including servicemen and their families. The Housing Act of 1950 authorized the transfer of a number of such projects to local housing authorities for low-rent use.

Federal statutes also permit PHA to convey to local housing authorities ownership of farm labor camps and PWA-built projects. By the end of 1955, all but 14 of the 48 PWA projects had been transferred, and all but 2 of the 38 farm labor camps had been sold (35 conditionally).

Low-rent public housing under active management as of Dec. 31, 1955

Category	Projects	Units
Public Law 412	382	117,049
Public Law 671 [1]	193	49,356
PWA	48	21,360
Farm labor camps	38	9,037
Public Law 475	78	22,607
Public Law 171 [2]	1,360	194,149

[1] Includes 2 projects with 400 units still in war use.

[2] In accordance with the legislative history of the Housing Act of 1949, PHA is liquidating the rural farm housing program. During 1954, over 300 rural farm units were sold by local housing authorities to private owners. The remaining 63 rural units were transferred to PHA ownership. By the end of 1955, PHA had sold 29 of these units to private owners, leaving 34 units operated and offered for sale by the Central Office.

Families Housed

Local housing authorities select tenants for public housing. In general, (1) the applicant group must be a family, (2) the family's total net annual income, less $100 exemption a year for each minor member must not exceed the income limits set by the housing authority, and (3) the family must be (*a*) living under substandard housing conditions, (*b*) without housing, or (*c*) about to be without housing. Condition (*a*) under the Act is not applicable to servicemen.

The housing authority must give first preference to displaced families. Among these, as well as nondisplaced eligible families, first preference is given families of disabled veterans. Second preference must be given families of deceased veterans and servicemen, and third, families of other veterans and servicemen.

During 1954, the definition of "displaced family" was broadened to include not only families displaced by low-rent public housing, public slum clearance, or redevelopment projects, as formerly, but also those displaced by any other public action. This definition had the effect of making more families eligible as displaced with respect to housing need, and of qualifying a greater number for preference as displaced families.

Housing authorities may also establish requirements as to maximum assets an applicant may have, as well as length of residence in the community. No applicant may be discriminated against because any member of the family is receiving public assistance.

More than 20 percent of the families living in public housing during the first half of 1955 received some form of public assistance.

Families with children predominate in low-rent public housing. An analysis of family composition during the same period showed the following:

Number of minors:	Percent of families
None	19.2
1 or 2	39.8
3 or 4	28.3
5 or more	12.7

During the first half of 1955, 10.3 percent of heads of families in low-rent housing were 65 or over, as compared with 9.9 percent a year earlier.

Income Limits and Rents

Income limits for admission and continued occupancy in public housing are set by the local housing authorities, subject to PHA approval. These limits vary according to family size, and local economic conditions. As of December 31, 1955, the median income limit for eligibility (net income after statutory exemptions) for the average size family for admission was $2,600 a year. About 34 percent of all localities had limits of $2,400 or less, and only 10 percent had limits above $3,000. Under the law, the local housing authority may exempt service-connected death and disability benefits, and $100 for each minor member of the family.

Another set of somewhat higher limits establishes the highest income a family may have and remain eligible for continued occupancy. These limits are generally 25 percent higher than those for admission, permitting a moderate increase in income without requiring the family to move. In applying these limits, the housing authority may also exempt the income of minors.

Federal law requires that the financial status of each family be reviewed at least annually by the housing authority to determine eligibility for continued occupancy. During the first half of 1955, the incomes of 186,000 families were reexamined. Of these, 4 percent were found to be ineligible. The median income for eligibility of all families reexamined was $1,844 and that of eligible families $1,793.

During 1955 there was a slight drop in the proportion of tenants ineligible for continued occupancy. As of December 31, 1955, local housing authorities reported 4,511 families, or slightly over 1 percent of all tenants, ineligible for continued occupancy and required to move.

The gross rent (including heating and all utilities, whether supplied by the project or the family) is scaled to family size and income. The median monthly gross rent of families admitted during the first six months of 1955 was $34. The median monthly rent for the families whose incomes were reexamined during the same period was $35.

Annual Contributions

Under the 1937 Housing Act, as amended, PHA makes annual contributions to assist local housing authorities in maintaining the low-rent character of public housing projects. The annual contributions contracts entered into with housing authorities after approval of a development program establish the maximum annual contribution fixed by law. The amount of the contribution is limited to a percentage of the project's development cost.

When a project is substantially completed, the local housing authority sells its long-term bonds to private investors. The proceeds from the sale are used by the housing authority to repay all loans from the Federal Government, plus all accrued interest. Money thus obtained by the local authority is protected by PHA's agreement to pay annual contributions. Local housing authority long-term bonds mature in such a way that the debt service (amortization plus interest) will be about the same each year. The annual contribution is sufficient each year to pay the debt service, but is further reduced annually by the funds the authority has available from income after meeting operating expenses, exclusive of debt service.

Annual contributions due and paid during fiscal year 1955

Laws under which projects were developed	Maximum annual contributions payable	Annual contributions actually paid	Percentage of maximum annual contributions paid
Public Law 412	$18, 951, 630	$13, 098, 581	69. 1
Public Law 671	7, 906, 825	4, 448, 969	56. 3
Public Law 171	64, 275, 507	49, 045, 387	76. 3
Total	91, 133, 962	66, 592, 937	73. 1

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SECTION 2

CURRENT PROGRESS IN THE FINANCING OF LOW-RENT PUBLIC HOUSING

During 1955 PHA continued to use its available statutory authorizations to finance the capital cost of low-rent housing projects on the most favorable terms available. The two principal objectives of the financial program are to borrow capital funds at the lowest possible interest rate and to hold the Federal investment in low-rent housing to the lowest possible levels.

Three Principal Methods of Financing

In the early planning stages of low-rent projects, both under preliminary loan and annual contributions contracts, PHA makes direct loans to local housing authorities. To secure money for these loans PHA uses in part its own capital funds and, in part, funds borrowed from the Treasury.

When land acquisition is started for a project and capital requirements increase to a sizeable amount, the local authority sells its own short-term obligations to private investors. As soon as the first issue of these notes is sold, the advances by PHA are repaid. The amount of temporary notes sold to private investors is increased as construction advances. Temporary notes are also being used at the present time for several groups of completed projects which are to be refinanced, in whole or in part, through the sale of bonds.

When a project nears completion and annual contributions are about to begin, it is permanently financed and the temporary notes are paid off. Permanent financing is done through the sale by the local authority of its long-term serial bonds, generally running out to 40 years. The bonds sold are normally sufficient to cover the entire capital cost of the project. If subsequently there is a slight overrun in cost, the additional funds are loaned by PHA.

Temporary Notes

Short-term temporary notes sold by local authorities run from 3 to 12 months, depending on the time at which permanent financing is contemplated. Temporary notes are secured by an unconditional obligation on the part of PHA to advance, if necessary, the amount required to meet the principal and interest on the notes at their maturity. The interest on these notes, as in the case of all obligations of local governments, is exempt from Federal income tax and is also generally exempt from taxation in the respective States.

Because of their exceptional security and their tax exemption, these temporary notes have found a very ready market. In recent years, they have been increasingly purchased by corporations seeking a short-term investment for funds which they plan to use in the near future. To encourage such corporate purchases, PHA schedules as many temporary notes at feasible with maturities just prior to quarterly dates on which corporate income-tax payments are due.

Each month a group of temporary notes is offered for sale under competitive bidding pursuant to 2 weeks' prior advertisement. These sales are held on Tuesdays, and the interest rates obtained are closely related to the interest rates bid at the sale of Treasury bills on the preceding Monday. Because of their tax exemption, the interest rates on temporary notes generally run from 25 percent to 30 percent below the bill rate.

During 1955, 12 regular sales and 1 supplemental sale of temporary notes were held, with the results shown below. The steady increase in interest rates on temporary notes during the year paralleled the general increase in all money rates.

Sales of temporary notes, calendar year 1955

Date of sale	Number of issues	Total amount	Average maturity	Average interest rate	Percent below Treasury bill rate
			Months	*Percent*	
Jan. 4	65	$135, 817, 000	7. 8	0. 731	30. 3
Feb. 15	18	130, 955, 000	4. 5	0. 960	15. 0
Mar. 15	46	97, 344, 000	6. 9	1. 172	8. 9
Apr. 5	60	145, 116, 000	6. 8	1. 236	15. 7
May 17	52	96, 245, 000	9. 2	1. 058	25. 9
June 15	47	94, 129, 000	7. 8	1. 048	30. 8
July 6	63	192, 935, 000	6. 3	1. 209	21. 5
July 19	1	1, 617, 000	3. 0	1. 130	30. 3
Aug. 16	92	85, 965, 000	7. 2	1. 418	24. 9
Sept. 13	44	58, 502, 000	9. 0	1. 519	27. 8
Oct. 4	66	115, 781, 000	8. 7	1. 590	28. 2
Nov. 15	44	103, 650, 000	6. 9	1. 550	31. 1
Dec. 13	19	68, 985, 000	2. 8	1. 757	32. 2
	617	1, 327, 041, 000		1. 229	

Bidding on these notes was highly competitive. During the year, bids were received for an average of nearly three times the amount of notes offered. Fifty-three banks and bond dealers made successful bids for the purchase of temporary notes. The amounts obtained by the principal purchasers were:

Purchasers of temporary notes, calendar year 1955

Chemical Corn Exchange Bank	$562,493,000
Chase Manhattan Bank	141,867,000
Salomon Bros. and Hutzler	140,014,000
First Boston Corp	95,635,000
First National City Bank of New York	58,677,000
Bankers Trust Co	57,037,000
Guaranty Trust Co. of New York	46,200,000
J. P. Morgan & Co. Inc	40,698,000
Hanover Bank and C. J. Devine & Co	36,710,000
Bank of America NT & SA	25,655,000
The Hanover Bank	21,552,000
First National Bank of Chicago	15,000,000
41 other purchasers	85,503,000
	1,327,041,000

On December 31, 1955, a total of $753,301,000 of temporary notes was outstanding. This represented a decrease of $312,565,000 from the amount outstanding a year earlier. This decrease is primarily due to the progress of permanent financing through the sale of bonds.

New Housing Authority Bonds

Low-rent public housing projects are permanently financed by local housing authorities through the sale of their long-term obligations known as "New Housing Authority Bonds" to private investors. These are serial bonds, generally running out to 40 years, with maturities always so arranged that the sum of the interest and principal payments in each year is maintained at a level amount.

Local housing authority bonds are secured by the pledge of annual contributions which PHA contracts to pay. The maximum amount of annual contributions contracted for in respect to any project is equal to the level debt service on the bonds. The pledge of these contributions constitutes an unexcelled security which has been reaffirmed by an opinion of the United States Attorney General dated May 15, 1953, which reads in part:

> A contract to pay annual contributions entered into by the PHA in conformance with the provisions of the Act is valid and binding upon the United States, and the faith of the United States has been solemnly pledged to the payment of such contributions in the same terms its faith has been pledged to the payment of its interest-bearing obligations.

By statute the interest on New Housing Authority Bonds is exempt from Federal income tax. Each State also exempts the housing bonds issued in that State from taxation under its law. Because of their tax exemption and exceptional security, New Housing Authority Bonds have had an ever-increasing acceptance by private investors. Further substantial progress was made in this respect in 1955, when for the first time a number of large casualty insurance companies bought these Bonds. A strong secondary market for New Housing Authority Bonds has also been developed, and purchasers now are assured that they can resell their bonds at a fair price.

Bond Sales in 1955

During the year, four sales of New Housing Authority Bonds were held with a total of $473,810,000 bonds marketed. Of these, $369,286,000 covered the financing of newly constructed projects and had serial maturities running out to 35 to 40 years. Another $51,264,000 was sold to finance the acquisition by local authorities of low-rent housing projects, titles to which had been vested in PHA. These bonds also had maturities running out to 35 to 40 years.

The remaining $53,260,000 in bonds sold in 1955 was for refinancing projects which had been permanently financed at an earlier date, as explained below. The majority of these bonds had 10 serial maturities beginning in 1984 or 1985.

The results of bond sales in 1955 are shown in the following table. The interest rates secured at each of the sales were satisfactory in view of the market conditions at the time.

Sales of new housing authority bonds, calendar year 1955

Date of sale	Number of issues	Total amount	Average maturity (years)	Average interest rate (percent)
	All issues			
Jan. 11	8	$118,060,000	23.6	2.3401
Apr. 13	18	111,980,000	23.6	2.4183
July 20	20	121,465,000	25.9	2.5524
Oct. 26	15	122,305,000	24.8	2.4025
	Issues with 34–40 serial maturities			
Jan. 11	8	$118,060,000	23.6	2.3401
Apr. 13	18	111,980,000	23.6	2.4183
July 20	14	96,810,000	23.8	2.5139
Oct. 26	10	100,945,000	22.9	2.3796
	Issues with 10 serial maturities commencing in 1984 or 1985			
July 20	6	$24,655,000	33.6	2.7038
Oct. 26	5	21,360,000	33.6	2.5107

Two large competing syndicates—one composed entirely of bond dealers, the other with banking groups predominating—were organized for the specific purpose of bidding on New Housing Authority Bonds. Competitive bids were received from these groups at all of the sales in 1955, and a few bids on certain specific issues were also received from other groups. During the year the dealer group purchased bonds with a face value of $343,-225,000, while the bank group purchased bonds for $130,585,000.

PHA continued its policy of requiring local authorities to use the premiums received at their bond sales for the repurchase of their own bonds of longest maturity. In the 4 sales in 1955, premiums aggregating $3,652,-587 were used to purchase bonds with a somewhat larger face value. As a result of the immediate retirement of these longest maturities there will be a saving of the interest which would otherwise have been payable on them. The amount thus available each year from normal annual contributions will be applied to the repurchase of further long-term bonds. As a result of the original and subsequent repurchases there will be a cumulative saving of approximately $9,300,000 in debt service, an amount sufficient to wipe out two-thirds of the last annual contribution for these projects.

Refunding of Permanently Financing Projects

The original projects built under the Housing Act of 1937 were financed through the purchase by private investors of Series A Bonds for a relatively small portion of project cost and the purchase by PHA's predecessor of Series B Bonds for the bulk of the cost. In 1954, at the recommendation of Congress, PHA arranged with the local authorities owning most of these projects for the call and payment of these bonds. This operation permitted PHA to repay the Treasury $199 million it had borrowed for the purchase of Series B Bonds.

To secure funds for the retirement of these old Series A and B Bonds, the local authorities sold temporary notes in 1954 to private investors pending refunding with long-term bonds. A start on this refunding was made in 1955 when bonds for $7,245,000 were sold and substituted for temporary notes. A similar refunding of most of these old projects is contemplated, and will be carried forward in 1956 and subsequent years.

A second refunding operation is being carried out in connection with projects permanently financed in 1953. During most of that year the interest cost for bond money was unusually high. This was particularly true with respect to long-term money with maturities from 30 to 40 years. Accordingly, bonds sold in 1953 by local authorities were limited to maturities running out to only 30 years. These bonds served to finance approximately 70 percent of the total cost of the respective projects, while the remaining 30 percent was covered by the sale of temporary notes.

During 1955 the rates for long-term money were relatively satisfactory, and a start was therefore made on the sale of bonds with 10 maturities starting in 1984 to 1985 to replace the outstanding temporary notes. On July 20 bonds of these maturities were sold for a total of $24,655,000, and $21,-360,000 more sold on October 26.

The results were very satisfactory since the interest rates obtained for these long-term maturities were between 0.4 and 0.5 percent less than would have been obtained had similar bonds been sold in 1953. Moreover, because of the low interest rates obtained during temporary financing, savings of approximately $1,400,000 were used for advance amortization. This, together with the lower interest rates on the bonds sold in 1955, will result in a net interest saving over the life of these projects of approximately $8,350-000 or nearly 18 percent of the amount refinanced. The refunding of the long-term maturities of the projects permanently financed in 1953 will be continued in 1956 and subsequent years.

Status of Project Financing, and Reduction of PHA Borrowing From Treasury

The following table shows the outstanding capital investment of local authorities at the end of the calendar year 1955 and at the end of the three preceding years. It includes all the outstanding borrowings of local authorities, both for completed projects and for projects still under development. It does not, however, include direct investments by PHA in projects developed under the Housing Act which amounted to $18.4 million at the end of 1955, nor does it include the cost of low-rent housing developed under other acts with appropriated funds and transferred to the low-rent program.

Outstanding capital investment of local authorities in Federally aided low-rent housing

[Millions of dollars]

	Dec. 31, 1952	Dec. 31, 1953	Dec. 31, 1954	Dec. 31, 1955
Borrowings from private investors:				
Short-term temporary notes	$313.4	$813.6	$1,065.9	$753.3
Bonds and other long-term loans	753.9	1,119.4	1,575.7	2,020.7
Subtotal	1,067.3	1,933.0	2,641.6	2,774.0
Borrowings from PHA:				
Short-term loans	619.8	177.0	25.7	12.0
Series B Bonds and other long-term loans	279.6	327.6	85.8	78.0
Subtotal	899.4	504.6	111.5	90.0
Total loans outstanding	1,966.7	2,437.6	2,753.1	2,864.0
Percent from private investors	54.3	79.3	95.9	96.9

Over a 3-year period, the total loans outstanding have increased from $1,966.7 million to $2,864.0 million. This increase represents the additional amounts invested in the development of projects, less amounts repaid through the amortization of bonds and other obligations. The increase of $110.9 million in the last calendar year was relatively small because of the slow-down in the program due to earlier congressional limitations.

The most noteworthy development in recent years has been the increase in borrowings from private investors and the consequent decrease in the capital funds supplied by PHA. This has been accomplished through the increased use of temporary notes sold to private investors and through the long-term financing of projects through the sale of bonds.

During the year 1953 particular efforts were made to replace short-term construction loans from PHA by temporary notes sold to investors. As a result, in that year alone PHA short-term loans decreased by $442.8 million, while temporary notes outstanding in the hands of private investors increased by $500.2 million. At the end of 1955, the short-term loans of PHA had been reduced to only $12.0 million, while temporary notes outstanding in the hands of private investors totaled $753.3 million.

PHA's long-term loans to local authorities were sharply curtailed during the year 1954, having been reduced from $327.6 million at the beginning of the year to $85.8 million at the end of the year. Of this reduction, $199 million was achieved through the repayment to PHA of Series B Bonds which had been purchased by its predecessor agency in connection with projects developed under the original Act of 1937. The balance of the reduction in 1954 came about by the substitution of temporary notes for the permanent notes which PHA had taken to cover the long maturities on projects permanently financed during 1953.

The long-term obligations held by PHA at the end of 1955 totaled $78.0 million. Of this, $70.7 million represents old Series B Bonds still held by PHA. These are on projects where approximately $100 million of Series A Bonds are outstanding at such low interest rates that it would not be in the interest of the Government to have the bonds on these projects called for payment.

At the end of 1952, only a little over half—54.3 percent—of the investment in low-rent housing had come from private investors. This percentage has been increased each year until at the end of 1955, 96.9 percent of the outstanding obligations were in the hands of private investors. Only 3.1 percent of the total funds invested in local authority projects came from the Federal Government.

The capital funds which PHA uses in the low-rent program are obtained primarily by borrowing from the Federal Treasury. At the beginning of the calendar year 1955, these borrowings amounted to $90 million. Repayments to PHA by local authorities out of their increased borrowings from private investors made it possible for PHA to reduce its loan from the Treasury to $50 million on December 31, 1955. The repayment of $40 million in 1955 brought the total repayments of PHA to the Treasury from January 3, 1953, to December 31, 1955, to a grand total of $890 million. These net repayments of $890 million over the 3-year period became available to the Treasury for a like curtailment of the national debt.

SECTION 3

LIQUIDATING EMERGENCY HOUSING PROGRAM

By the end of 1955, PHA had virtually liquidated an inventory of almost one million emergency housing accommodations. This program included housing authorized by the Lanham Act (Public Law 849, 76th Cong., approved October 1940) and related statutes, and by Title III of the Defense Housing and Communities Facilities and Services Act of 1951 (Public Law 139, 82d Cong., approved September 1951). Lanham housing was built for World War II workers and military personnel, and Public Law 139 accommodations to meet housing needs in critical defense housing areas. Congress stipulated that this emergency housing be disposed of after the needs were met.

On December 31, 1955, PHA had left only 78,033 emergency units, or less than 8 percent of the total of 992,140 units for which it had been given disposition responsibility.

Emergency program disposition responsibility

Program	Units originally programed	Units on hand Dec. 31, 1955
Lanham Act	626,505	63,937
Veterans' reuse	266,926	2,181
Defense Public Law 139	15,702	11,908
Other [1]	83,007	7
Total	992,140	78,033

[1] Includes subsistence homesteads and greentowns, Defense Homes Corporation, Surplus Property Act and Homes Conversion Program.

Management

Statutory responsibility for the administration of this housing is vested in the HHFA Administrator. PHA operates in this field under authority delegated by the Administrator. It manages some of the housing, and a substantial amount is managed by local housing authorities under lease arrangements with PHA.

Preference for admission to any remaining Lanham Act housing is given distressed families of veterans and servicemen. When their needs have been met, however, other distressed families may be admitted to permanent projects. Occupancy in Public Law 139 defense housing is restricted to distressed inmigrant workers or military personnel at plants or installations in specified defense housing areas.

Management policies at Lanham and defense housing projects are designed to avoid competition with private enterprise. These accommodations are rented only to families who are unable to secure suitable private quarters at rents within their means. PHA has set specific income limits in certain areas to prevent competition with private housing. Studies are made annually in each locality to assure maintenance of comparable rents.

Annual payments by PHA in lieu of taxes on war and defense housing approximate full real property taxes that would be paid to local taxing jurisdictions if the property were not tax exempt. If the taxing bodies do not furnish the projects the same public services supplied other property owners, PHA makes appropriate deductions from its payments. The agency paid $8,428,600 in lieu of taxes for the last fiscal year.

Mortgage Servicing Activities

During 1955 PHA's mortgage inventory increased substantially as a result of disposition activities. Lien instruments on hand December 31, 1955, totaled 9,849 compared to 5,475 a year ago. The unpaid principal balance was $126 million as against $64 million a year ago. Payments on the principal were running at the rate of $6.25 million per year. At the end of 1955, the average interest rate had risen to 4.53 percent, and principal and interest payments were being received at a rate of about $12 million a year after deducting all administrative expenses. To date no mortgages have been written off as uncollectible.

Disaster Relief

During 1955 PHA used its emergency housing facilities three times to shelter families made homeless by disasters.

Late in May, a tornado virtually obliterated Udall, a community of 500 in south central Kansas. PHA ordered 300 vacant Lanham units at the Plainview housing project at nearby Wichita, Kan., opened immediately for tornado victims.

In August, when devastating floods destroyed thousands of homes in the East and in New England, about 400 homeless families were rehoused in PHA-owned war and defense housing or in low-rent public housing. Emergency housing facilities were tendered to communities in Pennsylvania, New Jersey, Connecticut, Massachusetts, and Rhode Island.

In compliance with Presidential directives to Federal agencies to assist distressed families in the disaster area, PHA ordered the reopening and reconditioning of temporary war housing facilities which had been slated for demolition in Connecticut. PHA transferred to the State at no cost 300 houses at Fort Hill Homes in Groton. The agency moved trailers in from

Ohio to house flood victims in several Massachusetts communities. Local housing authorities in the affected States were authorized to use all vacancies in low-rent and war housing for flood victims.

Shortly before Christmas when floods struck northern California, PHA was able to offer over 10,000 housing accommodations to flood victims, and more than 400 homeless persons were rehoused in public housing facilities.

Disposition Progress in 1955

Almost 627,000 units were in the Lanham-constructed war housing program at its peak. About 30 percent were permanent, suitable for long-term use, while the remainder were temporary. More than a quarter of a million emergency accommodations for World War II veterans and their families were provided under Title V of the Lanham Act. Other emergency programs accounted for the balance of about 99,000 units.

PHA has liquidated its emergency housing as rapidly as circumstances permitted, and in accordance with the expressed intent of the Congress. Several times, however, it was necessary temporarily to halt disposition to meet new emergency housing needs. Disposition was curtailed in the middle 1940's to meet the housing needs of World War II veterans, and again in mid-1950 at the outbreak of the Korean hostilities.

During 1955, PHA sold or otherwise disposed of 72,273 war and emergency units—almost half of those on hand at the beginning of the year. Disposition in 1955 compared favorably with 1954, when PHA broke all previous records by disposing of about 79,700 units of war, veterans reuse and defense housing.

Wherever possible, PHA subdivided permanent war housing projects to reach the greatest number of individual purchasers, with veteran occupants given first preference. Included in the permanent housing sold to individual owners during the year were 3,000 units at Linda Vista, San Diego, Calif., and 1,990 at Plainview, in Wichita, Kan.

PHA disposed of a record-breaking number of permanent Lanham units during the year—34,000 as compared with 18,000 in 1954. At the end of 1955, only 44,000 out of an original inventory of 182,000 were left for disposition.

If a permanent project could not be subdivided, PHA offered it for sale to veterans organized into a mutual or cooperative organization, with non-veteran occupants eligible for membership. If a project was not sold on this basis, it was put up for sale to private investors on a competitive bid basis.

Of the projects sold to mutual organizations during 1955, 12 with 2,587 homes were in Allegheny and Beaver Counties, Pa. These projects were sold for $10,400,000. Projects offered for sale to mutuals, but not purchased by them, were put up at competitive bidding to investors. Among such sales was that of St. Andrews Home, Charleston, S. C., which brought $1,020,100.

A unique transaction during 1955 was the sale of two Lanham Act permanent projects to the Regional Redevelopment and Housing Authority for Hampton and Warwick, Va. Passage of special legislation by Congress on June 16 permitted the sale of Ferguson Park and Copeland-Newsome Park with 1,196 and 2,099 units, respectively, to the authority. The sales price was $4,955,764. The Regional Authority will operate the housing at Copeland-Newsome Park until such time as the land is redeveloped for industrial purposes.

The Lanham Act, as amended, authorized PHA to convey permanent war housing to authorities for low-rent public housing use. As in the low-rent program, the authorities must show need for public housing in the community and obtain the approval and cooperation of the local governing body. After conveyance, these projects are subject to regulations similar to those governing housing built under the Housing Act of 1937, as amended. The principal differences are that Lanham housing does not receive annual contributions from the Federal Government, and that all net income for 40 years will be paid to the Government.

During 1955, PHA transferred over 3,000 Lanham units for low-rent use. This included Griffin Manor, Niagara Falls, N. Y., 750 units, and Lassiter Courts, Newport News, Va., 350 units.

Temporary war and veterans reuse housing were also reduced considerably during 1955. Laws governing disposition of this specified that it could be transferred to housing authorities or certain other local agencies; or, if a local governing body found that the housing was satisfactory for longterm use, it could be sold in the same manner as permanent housing. Unless disposed of in one of these two ways, it was to be removed within specified time limits without imposing severe hardships upon the tenants.

In 1955, PHA disposed of 30,400 out of the 50,400 temporary units available at the beginning of the year. Among the 12,300 relinquished to local housing authorities, almost 3,000 were in Alameda, and 1,900 in Oakland, Calif.

By the end of 1955, PHA's stock of Lanham temporary housing had dwindled from 444,400 to 20,200 units. At this time, there remained for disposition only 2,181 of the 267,000 veterans reuse units supplied by PHA to schools and local bodies under Title V of the Lanham Act.

The emergency housing program also included 15,700 mobile or portable units installed by PHA under the terms of Public Law 139 in defense areas with temporary housing needs. The law permits PHA to convey ownership of these units to the Department of Defense, declare them excess to the General Services Administration, or sell them to a public body for public purpose. If not disposed of in this manner, the units are offered for sale by competitive bidding, with veterans having first priority to buy for their own occupancy. As of December 31, 1955, PHA had disposed of 3,794 defense units.

During 1955, many Lanham projects were released from a disposition suspension order imposed by the HHFA Administrator shortly after the outbreak of Korean hostilities in July 1950. This was done to conserve housing vital to the national defense effort. After 1950 clearance from the military was required before PHA could dispose of these projects. By the end of 1955 only 2,380 units remained under the order.

SECTION 4

STATISTICAL AND FISCAL TABLES

Table III-20. Statement of sources and application of funds for the fiscal year ended June 30, 1955, liquidating emergency housing program.

Table III-21. Statement of income and expenses per unit month of availability, fully active projects for the fiscal year ended June 30, 1955, liquidating emergency housing program.

Table III-22. Statement of administrative expenses by object, distribution to programs and sources of funds for the fiscal year ended June 30, 1955.

TABLE III-1

Dwelling units[1] owned or supervised by the Public Housing Administration, by program as of Dec. 31, 1955

Program	Total		Federally owned	Locally owned
	Number	Net change since Dec. 31, 1954		
Total	567,777	−38,141	96,831	470,946
Active	556,380	−35,884	85,482	470,898
Veterans' reuse housing	2,133	−6,263	56	[2] 2,077
Defense housing	11,111	−1,077	11,111	
Public war housing (Lanham constructed)	53,385	−62,599	53,385	
Low-rent housing	489,744	+34,056	20,923	468,821
Under management	413,558	+23,493	20,923	392,635
Under construction	21,059	−12,353		21,059
Not under construction	55,127	+22,916		55,127
Public Law 171	270,335	+31,463		270,335
Public Law 412	117,049	−101	35	117,014
Public Law 671	49,356	−116	3,331	46,025
PWA	21,360	−211	8,788	12,572
Farm labor camps	9,037	−1	8,769	268
Public Law 475	22,607	+3,022		22,607
Subsistence homesteads and greentowns	7	−1	7	
Inactive	11,397	−2,257	11,349	48
Public war housing (Lanham constructed)	10,552	−1,581	10,552	
Defense housing	797	−724	797	
Veterans' reuse housing	48	+48		48

[1] Excludes units which have been sold to mutual housing associations, limited dividend corporations (PWA) and homesteads associations on which PHA has mortgages for collection.
[2] This veterans' housing is so classified even though title or income rights may not be formally transferred.

TABLE III–2

Active projects and dwelling units owned or supervised by the Public Housing Administration, by State and other areas as of Dec. 31, 1954

	Total program		Low-rent housing [1]		War housing		Defense housing		Veterans' reuse housing	
	Projects	Units	Projects	Units	Projects	Units	Projects	Units	Projects	Units
Total	[2] 2,558	[2] 556,380	2,298	489,744	184	53,385	62	11,111	11	2,133
Alabama	150	20,269	145	18,603	1	1,200	4	466	---	---
Arizona	24	3,231	18	2,751	2	180	4	300	---	---
Arkansas	26	2,474	26	2,474	---	---	---	---	---	---
California	202	44,342	159	29,924	30	12,292	12	2,123	1	3
Colorado	17	3,960	16	3,762	---	---	1	198	---	---
Connecticut	62	16,392	33	9,990	27	6,141	1	200	1	61
Delaware	6	1,402	5	1,160	1	242	---	---	---	---
District of Columbia	28	7,973	27	7,623	1	350	---	---	---	---
Florida	91	15,910	85	15,302	3	348	3	260	---	---
Georgia	283	23,655	281	23,282	1	115	1	258	---	---
Idaho	6	895	4	420	---	---	2	475	---	---
Illinois	127	32,917	124	32,692	3	225	---	---	---	---
Indiana	30	5,260	28	5,114	2	146	---	---	---	---
Iowa	4	301	---	---	4	301	---	---	---	---
Kansas	6	1,789	---	---	3	1,364	3	425	---	---
Kentucky	50	9,312	50	9,312	---	---	---	---	---	---
Louisiana	64	13,687	61	13,185	2	255	1	247	---	---
Maine	10	1,471	3	286	5	860	2	325	---	---
Maryland	43	15,840	31	11,136	11	4,594	1	110	---	---
Massachusetts	58	18,872	52	17,098	6	1,774	---	---	---	---
Michigan	31	14,103	29	13,903	1	80	1	120	---	---
Minnesota	12	3,164	12	3,164	---	---	---	---	---	---
Mississippi	50	3,129	49	3,128	---	---	---	---	---	---
Missouri	19	12,093	18	11,034	---	---	1	1,059	---	---
Montana	8	697	8	697	---	---	---	---	---	---
Nebraska	6	1,778	6	1,778	---	---	---	---	---	---
Nevada	3	275	1	100	1	125	1	50	---	---
New Hampshire	6	1,511	4	626	2	885	---	---	---	---
New Jersey	101	25,168	97	24,474	3	690	---	---	---	---
New Mexico	2	148	2	148	---	---	---	---	---	---
New York	81	58,089	76	57,531	4	502	---	---	1	56
North Carolina	68	11,552	64	9,877	---	---	4	1,675	---	---
North Dakota	---	---	---	---	---	---	---	---	---	---
Ohio	74	26,287	55	21,204	16	4,321	3	762	---	---
Oklahoma	3	634	2	434	---	---	---	---	1	200
Oregon	15	1,266	14	1,166	1	100	---	---	---	---
Pennsylvania	144	38,593	127	33,760	17	4,833	---	---	---	---
Rhode Island	17	4,942	13	4,008	1	538	2	327	1	69
South Carolina	86	6,233	85	5,941	1	292	---	---	---	---
South Dakota	---	---	---	---	---	---	---	---	---	---
Tennessee	93	15,997	92	15,995	---	---	---	---	---	---
Texas	224	30,115	213	28,731	4	410	7	974	---	---
Utah	2	598	---	---	2	598	---	---	---	---
Vermont	2	300	---	---	2	300	---	---	---	---
Virginia	55	18,914	40	10,881	9	7,496	6	537	---	---
Washington	40	9,581	28	7,732	9	1,587	2	220	1	42
West Virginia	14	2,115	14	2,115	---	---	---	---	---	---
Wisconsin	9	2,353	9	2,353	---	---	---	---	---	---
Wyoming	---	---	---	---	---	---	---	---	---	---
Alaska	13	566	4	325	9	241	---	---	---	---
Hawaii	11	3,111	6	1,409	---	---	---	---	5	1,702
Puerto Rico	79	22,656	79	22,656	---	---	---	---	---	---
Virgin Islands	3	460	3	460	---	---	---	---	---	---

[1] Comprises Public Laws 412, 671, 171, and 475, PWA and farm labor camp programs.
[2] Includes 3 projects and 7 units in the subsistence homesteads and greentowns program in Mississippi, New Jersey, and Tennessee, not shown separately by program.

TABLE III–3

Disposition responsibility of the Public Housing Administration: Total number of dwelling units and number disposed of, by program, type of housing, and method of disposition, as of Dec. 31, 1955

Program	Disposition responsibility	Number of dwelling units disposed of by method of disposition								
		Total	Conveyance for low-rent use	Relinquishment	Sale	Reuse for veterans' housing	Transfer to other Federal agency	Reuse for war housing	Lease termination	Other
Total	999, 986	920, 929	22, 643	297, 361	227, 663	105, 452	66, 413	59, 157	56, 734	85, 506
Public war housing (Lanham constructed)	626, 505	562, 568	22, 643	79, 610	194, 053	99, 655	63, 686	58, 757	6, 800	[1] 37, 364
Family dwelling	525, 886	462, 037	22, 643	78, 954	174, 776	57, 901	46, 801	48, 060	273	32, 629
Permanent	147, 849	104, 130	22, 643	------	65, 620	8	14, 099	843	273	644
Demountable	24, 876	24, 876	------	------	17, 490	598	2, 357	4, 051	------	380
Temporary and stopgap	353, 161	333, 031	------	78, 954	91, 666	57, 295	30, 345	43, 166	------	31, 605
Dormitory	100, 619	100, 531	------	656	19, 277	41, 754	16, 885	10, 697	6, 527	4, 735
Permanent	9, 404	9, 366	------	------	2, 051	------	764	------	6, 527	24
Temporary and stopgap	91, 215	91, 165	------	656	17, 226	41, 754	16, 121	10, 697	------	4, 711
Veterans' reuse housing	266, 926	264, 745	------	217, 751	765	------	615	------	------	[2] 45, 614
Defense housing	15, 702	3, 794	------	------	223	------	1, 368	------	------	2, 203
Subsistence homesteads and greentowns	5, 419	5, 412	------	------	5, 399	------	7	------	------	6
Low-rent housing	7, 846	6, 822	------	------	5, 894	------	209	400	------	319
Other [3]	77, 588	77, 588	------	------	21, 329	5, 797	528	------	49, 934	------

[1] Comprises units disposed of as follows:

Demolition	14, 404
Accident, fire, etc	8, 587
Deprogramed trailer park accommodations	8, 126
Termination of construction contracts for incomplete units	2, 051
Reuse for defense housing	1, 676
Use for experimental projects	493
Conversion to larger units and to nondwelling use, donation, reversion to owner, and deterioration	2, 027

[2] Consists mainly of units terminated due to lack of need; includes 820 units reused for defense housing and some units disposed of by miscellaneous methods such as conversion to larger units and to nondwelling use, donation, demolition, accident, fire, and deterioration.

[3] Comprises 11,489 Defense Homes Corporation units and 16,534 units assigned to PHA under the Surplus Property Act; and 49,565 Homes Conversion units which were disposed of by lease termination.

TABLE III–4

Housing Act of 1949:*[1] *Number of presently active dwelling units processed through stages, by State, as of Dec. 31, 1955

State [2]	Reserved [3]	Preliminary loan executed [3]	Tentative site approved [3]	Annual contributions contract executed	Placed under construction	Completed
Total	350,655	345,028	276,802	267,804	212,877	191,928
Alabama	13,820	13,764	11,910	10,299	8,388	8,388
Arizona	1,867	1,837	1,261	1,001	1,001	1,001
Arkansas	1,696	1,696	1,610	1,852	1,844	1,792
California	15,332	15,211	13,116	14,558	12,006	10,374
Colorado	3,125	3,125	2,724	2,724	2,724	2,580
Connecticut	4,396	4,064	3,883	3,733	3,393	3,393
Delaware	1,280	1,280	380	780	380	380
Florida	8,223	8,217	6,126	5,216	4,728	4,728
Georgia	17,205	17,147	14,592	12,390	12,260	11,750
Idaho	--------	--------	--------	75	75	75
Illinois	28,502	28,432	19,684	19,318	11,781	9,231
Indiana	2,143	2,143	2,085	1,957	1,317	1,317
Kentucky	5,782	5,782	4,866	4,961	4,837	4,837
Louisiana	9,549	8,993	7,312	7,341	7,341	5,481
Maine	86	86	86	86	86	86
Maryland	5,810	5,810	4,963	4,838	3,203	2,289
Massachusetts	10,871	10,421	9,367	9,086	8,619	8,247
Michigan	7,263	6,583	6,232	8,524	4,350	4,242
Minnesota	4,104	4,104	3,068	2,700	1,632	1,632
Mississippi	2,349	2,249	2,151	1,581	1,530	1,530
Missouri	9,200	9,200	8,270	9,715	6,040	3,996
Montana	164	164	164	164	164	164
Nebraska	700	700	700	700	700	700
Nevada	290	290	100	100	100	100
New Hampshire	727	528	626	626	626	626
New Jersey	16,882	16,768	16,007	14,500	12,660	11,794
New Mexico	70	70	70	148	148	148
New York	54,965	54,850	37,106	36,983	26,338	20,025
North Carolina	7,843	7,407	6,304	6,692	6,532	6,532
North Dakota	100	100	76	--------	--------	--------
Ohio	15,145	14,570	6,077	5,542	1,526	1,198
Oregon	240	240	186	186	186	186
Pennsylvania	24,341	23,640	16,809	16,127	12,162	11,615
Rhode Island	2,124	2,124	1,682	2,080	2,080	2,080
South Carolina	4,031	4,031	3,266	3,255	3,255	3,255
South Dakota	--------	--------	--------	--------	--------	--------
Tennessee	10,094	10,094	9,271	8,596	8,256	7,947
Texas	19,036	18,866	17,269	16,899	16,681	16,625
Virginia	8,354	8,354	6,979	7,392	6,692	6,526
Washington	1,145	1,145	826	608	608	608
West Virginia	1,208	500	500	560	360	360
Wisconsin	3,020	3,020	2,812	1,450	1,450	1,286
District of Columbia	4,000	4,000	4,399	4,000	1,361	1,361
Alaska	325	325	325	325	325	325
Hawaii	900	800	712	1,048	1,048	1,048
Puerto Rico	21,778	21,728	20,190	16,738	11,734	9,720
Virgin Islands	570	570	570	350	350	350

[1] Excludes 2,222 units reactivated under Public Law 301.
[2] Excludes 5 States with no enabling legislation (Iowa, Kansas, Oklahoma, Utah, and Wyoming).
[3] Reactivated units not included in these stages.

TABLE III–5

Housing Act of 1949:[1] *Reservations issued, places with approved preliminary plans, and projects processed through selected progress stages, by State, as of Dec. 31, 1955*

State [2]	Places with reservations [3]	Places with preliminary loan executed [3]	Projects: Tentative site approved [3]	Projects: Annual contributions contract executed	Projects: Placed under construction	Projects: Completed
Total	1,098	1,046	1,806	1,554	1,413	1,357
Alabama	96	94	153	119	109	109
Arizona	14	14	14	9	9	9
Arkansas	6	6	16	18	18	17
California	73	68	92	96	87	82
Colorado	2	2	10	10	10	9
Connecticut	19	16	18	16	13	13
Delaware	1	1	3	3	2	2
Florida	37	36	57	41	39	39
Georgia	165	157	322	237	236	235
Idaho	---	---	---	1	1	1
Illinois	71	69	108	92	76	71
Indiana	6	6	12	12	9	9
Kentucky	18	18	34	34	33	32
Louisiana	32	27	47	47	47	46
Maine	2	2	2	2	2	2
Maryland	5	5	16	15	12	9
Massachusetts	27	24	40	34	30	29
Michigan	15	14	18	19	17	16
Minnesota	9	9	15	11	8	8
Mississippi	27	27	53	31	31	29
Missouri	2	2	12	16	8	5
Montana	4	4	4	4	4	4
Nebraska	1	1	3	3	3	3
Nevada	2	2	1	1	1	1
New Hampshire	3	2	4	4	4	4
New Jersey	33	33	67	60	55	52
New Mexico	1	1	1	2	2	2
New York	20	19	55	50	40	32
North Carolina	23	22	45	48	47	47
North Dakota	2	2	1	---	---	---
Ohio	13	10	21	16	5	3
Oregon	9	9	8	8	8	8
Pennsylvania	48	42	72	68	57	54
Rhode Island	4	4	6	8	8	8
South Carolina	41	41	72	68	68	68
South Dakota	---	---	---	---	---	---
Tennessee	32	32	76	68	62	59
Texas	124	119	173	162	160	156
Vermont	---	---	---	---	---	---
Virginia	9	9	22	23	21	18
Washington	15	15	15	13	13	13
West Virginia	4	1	1	3	1	---
Wisconsin	4	4	9	6	6	5
District of Columbia	1	1	14	14	4	4
Alaska	4	4	4	4	4	4
Hawaii	2	1	4	4	4	4
Puerto Rico	70	69	82	52	37	34
Virgin Islands	2	2	4	2	2	2

[1] Excludes 2,222 units reactivated under Public Law 301.
[2] Excludes 5 States with no enabling legislation (Iowa, Kansas, Oklahoma, Utah, and Wyoming).
[3] Reactivated units not included in these stages.

TABLE III–6

Balance sheet, as of June 30, 1955, U. S. Housing Act program

ASSETS			
Cash:			
On hand and in transit		$246,278	
With U. S. Treasury [1]		25,470,942	
			$25,717,220
Accounts receivable:			
Local authorities:			
Technical service fees	$300,359		
Rents	413,509		
Reserves	56,745		
Other	106,252		
		876,865	
Returnable insurance premiums		27,287	
Tenants	$33,175		
Less allowance for losses	21,982		
		11,193	
Other		16,830	
			932,175
Advances:			
Local authorities:			
For development costs		91,646	
For working capital		31,292	
			122,938
Accrued interest receivable:			
Local authorities and other		1,624,006	
Less allowance for losses		33,000	
			1,591,006
Loans and investments:			
Local authorities and other		99,527,609	
Less allowance for losses		619,000	
			98,908,609
Conditional conveyance contracts		136,606,023	
Less allowance for amortization		4,618,916	
			[2] 131,987,107
Land, structures and equipment:			
Development costs		83,584,582	
Less allowance for depreciation		19,245,613	
			64,338,969
Prepaid insurance			15,925
Total			323,613,949
LIABILITIES, RESERVES, APPROPRIATIONS AND NET EQUITY			
Liabilities:			
Accounts payable:			
Government agencies		$2,500	
Other programs		[1] 112,983	
Local authorities:			
Annual contributions, locally owned projects	[3] $21,498,438		
Leased projects, deficits and other	208,544		
		21,706,982	
Other (equipment, utilities, supplies, etc)		58,698	
			21,881,163
Accrued liabilities:			
Interest on notes payable to U. S. Treasury		333,978	
Salaries and wages		80,912	
Payments in lieu of taxes		104,379	
			519,269
Trust and deposit liabilities			5,223
Deferred credits:			
Unearned technical service fees		[4] 192,012	
Other		209,060	
			401,072
Notes payable to U. S. Treasury			[5] 61,000,000
Total liabilities			83,806,727
Reserves:			
Project operations		1,893,168	
Technical services to be provided at project sites		[4] 194,952	
			2,088,120
Appropriations for annual contributions to local authorities:			
Appropriations available (net)		227,591,478	
Less payments and obligations		227,303,407	
			288,071

See footnotes at end of table.

TABLE III–6—Continued

Balance sheet, as of June 30, 1955, U. S. Housing Act program—Continued

LIABILITIES, RESERVES, APPROPRIATIONS AND NET EQUITY—continued			
Net equity:			
Capital stock issued to the Secretary of the Treasury	$1,000,000		
Assets transferred from other Government agencies (net)	160,702,864		
Assets transferred from other programs (PHA)	74,675,623		
Assets acquired by donations	571,103		
Assets transferred to other programs (PHA)	[6] 28,711		
Cash deposited into the general fund of the U. S. Treasury	[6] 128,771		
		$236,792,108	
Unexpended appropriations for administrative expenses		371,200	
Expended appropriations for administrative expenses	44,211,200		
Less deficit from operations (Table 7)	43,943,477		
		267,723	
Total net equity			$237,431,031
Total			323,613,949

FOOTNOTES

The footnotes on the supporting schedules to this balance sheet are an integral part of this statement.

The contingent liability for accrued annual leave applicable to this program at June 30, 1955, was $1,217,736.

At June 30, 1955, there were approximately $257,000 of contingent liabilities representing suits and claims against PHA. It is the opinion of PHA officials that these suits and claims will be settled for about 15 percent of the total amount involved.

This balance sheet does not include commitments for the retirement of local authorities bonds and long term notes held by private investors in the amount of $1,793,328,400; the payment of which is pledged by annual contributions. Nor does it include commitments for the payment of short term borrowings by local authorities from private investors amounting to $942,372,386 which will ultimately be permanently financed by borrowings from private investors and/or the PHA. Commitments not yet financed in the amount of $190,343,283, also are not included in this balance sheet.

[1] Does not include $356 cash applicable to this program, erroneously credited to the liquidating emergency housing program by the U. S. Treasury. The Treasury corrected its accounts ts of June 30, 1955, but advice of such correction was not received by PHA in time for inclusion in its reports.

[2] The amount of $131,987,107 represents a contingent asset, valued at cost less amortization. Prior to conveyance, the cost represented the book value of PWA projects, one Public Law 412 project, permanent war housing projects and farm labor camps which were transferred to local bodies under conditional sales contracts. These contracts stipulate that the local bodies are to return all net income derived from operations for a period of 40 years from date of transfer for the PWA, Public Law 412 and permanent war housing projects, and 20 years for the farm labor camps. The operation of these projects will continue under the budgetary control of PHA throughout the contract period.

[3] Under Public Law 171, annual contributions are permitted to be paid to local authorities in 2 installments. The amount represents second installments to be paid to local authorities during fiscal year 1956 for Public Law 171 projects, the first installments having been paid in the fiscal year 1955.

[4] Fees for technical services in connection with locally owned projects financed under the provisions of Public Law 171, are based on development costs and are accumulated for the payment of the costs of such services rendered and to be rendered to local authorities during the development and construction of projects.

[5] The Public Housing Administration may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed $1,500,000,000.

[6] Indicates negative item.

TABLE III–7

Statement of deficit, as of June 30, 1955, U. S. Housing Act program

Deficit, June 30, 1954		$36,894,452
Adjustments to beginning balance:		
Management	$53,892	
Disposition	70,469	
Administrative	[1] 29,500	
Special adjustments	[1 2] 591,309	
Net adjustments		[1] 496,448
Deficit, June 30, 1954, as adjusted		36,398,004
Net loss for the fiscal year ended June 30, 1955 (Table 8)		7,545,473
Deficit, June 30, 1955		43,943,477

[1] Indicates negative item.

[2] Decrease in depreciation for projects conveyed to public bodies.

TABLE III–8

Statement of income and expenses, U. S. Housing Act program, fiscal year ended June 30, 1955

MANAGEMENT			
Income:			
Total project income		$9,237,186	
Interest earned:			
On obligations of local authorities	$3,680,710		
On mortgage loan notes	84,540		
		3,765,250	
Other		15,889	
Total income			$13,018,325
Expenses:			
Project expenses:			
Operating expenses	$8,785,652		
Interest and depreciation	2,591,608		
Net adjustment of reserves	[1] 446,953		
		$10,930,307	
Interest on borrowings from U. S. Treasury—loaned to local authorities		[2] 1,218,432	
Cost of technical services	$776,608		
Less technical service fees	421,391		
	355,217		
Reduction of reserve for furnishing technical services at project sites	[1] 355,217		
Other expenses		4,368	
Collection losses:			
Local authority obligations	$569,496		
Judgments	[1] 35		
		569,461	
Provision for losses:			
Loans to local authorities	[1] 497,000		
Accrued interest receivable	[1] 17,000		
Accounts receivable	6,073		
		[1] 507,927	
			12,214,641
Net management income before administrative expenses			803,684
Administrative expenses			7,413,400
Net operating loss			6,609,716
Operating reserves reversed—on disposition of projects			[1,3] 1,775,617
Net management loss			4,834,099
PROPERTY DISPOSITIONS [4]			
Proceeds from sale of property			47,440,813
Costs—property dispositions:			
Book values:			
Property sold	$57,529,265		
Demolitions and abandonment	6,134		
Total	57,535,399		
Less allowance for depreciation	10,028,473		
		$47,506,926	
Amortization of conditional conveyance contracts:			
Farm labor camps	624,887		
Permanent war housing projects	1,373,284		
PWA projects	828,462		
Total	2,826,633		
Less residual receipts from conveyed projects	181,372		
		2,645,261	
			50,152,187
Net loss on property dispositions			2,711,374
Net loss for the fiscal year			7,545,473

[1] Indicates negative item.

[2] During the fiscal year ended June 30, 1955, total interest expense incurred on borrowings from the U. S. Treasury amounted to $1,639,103. Interest expense is first allocated to the operations of federally owned projects developed under Public Laws 412 and 671 and the remainder is considered to be the interest expense applicable to borrowings required in financing development programs of local authorities. During the current fiscal year, interest expense allocated to and included in operation of federally owned projects amounted to $420,671.

[3] Prior residual receipts had been reduced by provision for operating reserves aggregating $1,775,617. On disposition of the projects involved, the reserves are canceled and are thus reflected for the purposes of this report.

[4] During the fiscal year ended June 30, 1955, 13 federally owned projects and a portion of 2 others were sold to local authorities, 6 were conveyed to local authorities and 16 units were sold to individuals.

TABLE III–9

Statement of sources and application of funds, U. S. Housing Act program, fiscal year ended June 30, 1955

Funds provided:		
Decrease in loans and investments		$97, 526, 599
Appropriations:		
Annual contributions	$68, 050, 000	
Administrative expenses	7, 466, 000	
		75, 516, 000
Sale of property by local bodies under conditional conveyance contracts		4, 989
Sale of federally owned property		47, 228, 323
Decrease in working capital		3, 445, 349
Funds provided		223, 721, 260
Funds applied:		
Net acquisition of property		595, 462
Annual contributions		66, 588, 278
Reduction of assets transferred from other Government agencies		5, 679
Administrative expenses	$7, 413, 400	
Less operating income	5, 012, 597	
		2, 400, 803
Decrease in loans payable		154, 000, 000
Appropriations returned to U. S. Treasury		2, 441
Cash deposited into the general fund of the U. S. Treasury		128, 597
Funds applied		223, 721, 260

This statement includes as fiscal year 1955 activity, certain adjustments incorporated in the June 30, 1954, budget presentation and the certified balance sheet, as follows: Decrease in acquisition of assets—$47,883; decrease in cost of technical services—$228; decrease in administrative expenses—$959; decrease in accounts payable—$47,406; increase in reserve for providing PHA representative at project site—$228; decrease in adjustment of provision of reserve for providing PHA representative at project site—$228; increase in accounts receivable—$959; and increase in project operating expenses—$705.

TABLE III–10

Statement of development costs, financing and annual contribution commitments, locally owned projects, as of June 30, 1955, U. S. Housing Act program [1]

	Total	Public Law 412	Public Law 671	Public Law 171
Development costs:				
Approved costs for projects under:				
Permanent financing	$2, 546, 530, 174	$236, 325, 999	$6, 346, 490	$2, 303, 857, 685
Construction	594, 851, 426		48, 632, 896	546, 218, 530
Preconstruction	651, 053, 957	8, 380, 800	1, 564, 200	641, 108, 957
	3, 792, 435, 557	244, 706, 799	56, 543, 586	3, 491, 185, 172
Commitments for additional costs for projects under:				
Permanent financing	46, 076, 482	724, 350		45, 352, 132
Construction	18, 577, 235		3, 255, 204	15, 322, 031
	64, 653, 717	724, 350	3, 255, 204	60, 674, 163
Liquidation of development costs from operating funds	[2] 13, 055, 526		[2] 13, 055, 526	
Maximum development costs	3, 844, 033, 748	245, 431, 149	46, 743, 264	3, 551, 859, 335
PHA financing commitments:				
Commitments for projects under:				
Permanent financing:				
Maximum to be financed	2, 592, 606, 656	237, 050, 349	6, 346, 490	2, 349, 209, 817
Less:				
Bonds and notes sold to private investors:				
New housing authority bonds	1, 685, 771, 000			1, 685, 771, 000
Series "A" bonds	97, 746, 000	97, 746, 000		
Series "A" notes	9, 811, 400			9, 811, 400
	1, 793, 328, 400	97, 746, 000		1, 695, 582, 400
Capital donations	[2] 2, 082, 301	[2] 1, 981, 827		[2] 100, 474
Net PHA commitment—permanent financing	797, 195, 955	137, 322, 522	6, 346, 490	653, 526, 943
Construction	442, 440, 353		48, 632, 896	393, 807, 457
Preconstruction	124, 455, 710	3, 559, 663	1, 179, 000	119, 717, 047
Preliminary loan contracts	22, 202, 454			22, 202, 454
Liquidations from operating funds	[2] 156, 199, 997	[2] 42, 133, 708	[2] 13, 055, 526	[2] 101, 010, 763
Total PHA financing commitments	1, 230, 094, 475	98, 748, 477	43, 102, 860	1, 088, 243, 138

See footnotes at end of table.

TABLE III–10—Continued

Statement of development costs, financing and annual contribution commitments, locally owned projects, as of June 30, 1955, U. S. Housing Act program [1]—Con.

	Total	Public Law 412	Public Law 671	Public Law 171
PHA loans and guarantees:				
Loans made by PHA:				
Preliminary loan notes	$3,695,791			$3,695,791
Advance loan notes	15,774,077	$630,896	$79,000	15,064,181
Interim loan notes	53,227	53,227		
Permanent notes	6,676,534			6,676,534
Series "B" notes	308,177			308,177
Series "B" bonds	70,871,000	70,871,000		
	97,378,806	71,555,123	79,000	25,744,683
Loans made by private investors and guaranteed by PHA:				
Escrow advance loan notes	420,391,379		41,923,860	378,467,519
Escrow permanent notes	521,981,007	23,462,854		498,518,153
	942,372,386	23,462,854	41,923,860	876,985,672
Commitments not financed	190,343,283	3,730,500	1,100,000	185,512,783
Total PHA financing commitments	1,230,094,475	98,748,477	43,102,860	1,088,243,138
PHA annual contribution commitments:				
Commitments for projects under:				
Permanent financing	104,253,800	7,613,962	195,696	96,444,142
Construction	27,023,267		1,502,750	25,520,517
Preconstruction	30,232,465	257,927	49,770	29,924,768
Total PHA annual contribution commitments	161,509,532	7,871,889	1,748,216	151,889,427

Status of borrowing authority	June 30, 1955	June 30, 1954	Increase (decrease)
Borrowing authority (authorization to expend from public debt receipts)	$1,500,000,000	$1,500,000,000	
Charges against borrowing authority:			
Borrowings from U. S. Treasury outstanding	61,000,000	215,000,000	($154,000,000)
Undisbursed loan commitments	[3] 1,132,715,669	[3] 1,181,577,773	[3] (48,862,104)
Total charges against borrowing authority	1,193,715,669	1,396,577,773	(202,862,104)
Unused authority (authorization to expend from public debt receipts)	306,284,331	103,422,227	202,862,104

[1] Development costs and commitments are reflected herein according to the applicable public law under which loan and annual contribution contracts were in effect at June 30, 1955.
[2] Indicates negative item.
[3] Undisbursed loan commitments:

Balance PHA financing commitment	$1,230,094,475	$1,368,482,820	($138,388,345)
Less total loans made by PHA	97,378,806	186,905,047	(89,526,241)
Total	1,132,715,669	1,181,577,773	(48,862,104)

TABLE III–11

Statement of development costs and loans for locally owned projects, as of June 30, 1955, U. S. Housing Act program[1]

	Development costs	PHA loan commitments	Outstanding loans of local authorities			
			From PHA	Temporary from others	Permanent from others	Total outstanding loans
Total locally owned projects	[2] $3,792,435,557	[2] $1,207,892,021	[3] $93,683,015	$940,067,000	$1,793,328,400	$2,827,078,415
Public Law 412 projects	244,706,799	98,748,477	71,555,123	23,407,000	97,746,000	192,708,123
Public Law 671 projects	[4] 56,543,586	[4] 43,102,860	79,000	41,574,000		41,653,000
Public Law 171 projects	3,491,185,172	[5] 1,066,040,684	[5] 22,048,892	875,086,000	1,695,582,400	2,592,717,292
State:						
Alabama	119,862,879	39,512,213	113,478	31,639,000	58,028,000	89,780,478
Arizona	11,846,488	3,025,936	25,582	3,002,000	7,953,500	10,981,082
Arkansas	18,856,880	2,375,329	414,812	1,745,000	15,750,000	17,909,812
California	180,604,453	41,326,998	7,608,569	26,415,000	118,747,900	152,771,469
Colorado	29,403,713	11,517,189		10,331,000	16,276,000	26,607,000
Connecticut	69,732,949	25,243,378	5,212,001	17,805,000	37,314,000	60,331,001
Delaware	11,344,144	2,702,601	96,500	1,393,000	4,496,000	5,985,500
Florida	74,095,628	36,916,698	88,763	35,543,000	27,040,000	62,671,763
Georgia	152,431,072	70,775,072	8,430,402	60,165,000	69,545,500	138,140,902
Idaho	1,096,673	319,175	319,175		698,000	1,017,175
Illinois	301,807,169	84,298,486	6,906,784	61,045,000	91,981,000	159,932,784
Indiana	32,098,346	14,339,418	1,975,654	9,864,000	8,884,000	20,723,654
Kentucky	74,998,494	26,273,023	2,482,290	22,962,000	43,150,000	68,594,290
Louisiana	107,149,067	58,549,146	33,172	57,669,000	39,939,000	97,641,172
Maine	1,185,421	1,079,152	94,927	947,000	109,000	1,150,927
Maryland	85,218,170	36,804,164	6,959,060	27,103,000	33,370,000	67,432,060
Massachusetts	147,353,080	33,462,795	6,856,270	24,528,000	101,256,000	132,640,270
Michigan	128,795,274	13,652,818	2,987,501	6,693,000	60,877,500	70,558,001
Minnesota	31,663,633	2,875,282	187,370	1,358,000	16,285,000	17,830,370
Mississippi	19,571,877	10,721,104	73,410	10,051,000	7,667,000	17,791,410
Missouri	130,591,917	37,369,933	69,760	24,096,000	42,541,000	66,706,760
Montana	4,068,797	3,514,243		3,405,000	235,000	3,640,000
Nebraska	11,811,000	1,359,621	543,000	863,000	8,965,000	10,371,000
Nevada	1,037,000	[6] (8,257)			1,001,000	1,001,000

[1] Data are reflected herein according to the applicable public law under which loan and annual contribution contracts were in effect at June 30, 1955.

[2] Excludes unapplied development costs but includes unused loan commitments as follows:

	Development costs	Loan commitments
Public Law 412 projects	$724,350	$3,786,354
Public Law 671 projects	3,255,204	1,449,860
Public Law 171 projects	60,674,163	168,905,792
Total	64,653,717	174,142,006

The unapplied development costs represent, for projects in the construction stage, the difference between the maximum and the latest approved development costs. For permanently financed projects they represent the difference between the latest approved and the minimum development costs. Since maximum development costs provided for by the annual contribution contracts are shown for projects in the preconstruction stage, no unapplied development costs are reflected for these projects.

The unused PHA loan commitments represent, for permanently financed projects, the latest or actual development costs for these projects less the amount of bonds issued and the amount of any retirement of permanent or temporary notes from funds other than (*a*) the proceeds of any loan obtained by the local authority, and (*b*) amounts applied to the reduction of development costs pursuant to subsection (A) of Sec. 403 of the annual contribution contract, and less loans made or guaranteed by PHA. For nonpermanently financed projects, the unused PHA loan commitments represent the maximum loan commitments provided for in the annual contribution contracts, less loans made or guaranteed by PHA.

[3] Excludes administrative loans of $239,034 made to local authorities for operating purposes and $188,797 of miscellaneous mortgage notes.

[4] Includes $13,055,526 of development costs which have been liquidated from operating funds. The same amount has been excluded from PHA loan commitments.

[5] Excludes loan commitments of $22,202,454 and loans of $3,695,791 for preliminary surveys and planning.

[6] Represents excess financing to be deposited in the advance amortization fund as required by Sec. 405 of the annual contributions contract.

TABLE III–11—Continued

Statement of development costs and loans for locally owned projects, as of June 30, 1955, U. S. Housing Act program [1]—Continued

	Development costs	PHA loan commitments	Outstanding loans of local authorities			
			From PHA	Temporary from others	Permanent from others	Total outstanding loans
State—Continued						
New Hampshire	$7,980,117	$601,336	$28,398	$552,000	$7,061,000	$7,641,398
New Jersey	231,778,291	77,037,722	2,335,821	64,646,000	123,237,000	190,218,821
New Mexico	1,365,218	622,924	------------	557,000	768,000	1,325,000
New York	592,333,714	180,872,946	8,902,590	122,248,000	237,643,000	368,793,590
North Carolina	75,215,850	12,793,895	1,932,620	9,447,000	58,025,000	69,404,620
Ohio	119,585,820	37,782,423	854,142	30,239,000	35,002,000	66,095,142
Oregon	4,151,337	3,341,852	15,697	3,288,000	178,000	3,481,697
Pennsylvania	272,365,533	82,085,369	8,877,447	59,539,000	135,770,000	204,186,447
Rhode Island	32,185,279	8,949,089	1,583,000	6,729,000	22,590,000	30,902,000
South Carolina	36,728,957	14,919,156	2,015	13,690,000	20,697,000	34,389,015
Tennessee	114,515,386	27,540,755	3,454,217	21,845,000	77,277,000	102,576,217
Texas	193,957,365	62,812,651	6,861,781	51,365,000	123,554,200	181,780,981
Virginia	92,716,223	34,842,526	543,257	29,348,000	50,200,000	80,091,257
Washington	17,540,732	10,897,893	2,585,136	8,094,000	4,043,800	14,722,936
West Virginia	13,572,600	4,762,860	350,589	3,933,000	7,490,000	11,773,589
Wisconsin	21,295,985	6,261,769	400,691	4,999,000	13,449,000	18,848,691
District of Columbia	66,437,723	24,497,661	3,306,590	16,889,000	14,178,000	34,373,590
Alaska	5,344,007	1,773,790	------------	1,759,000	3,400,000	5,159,000
Hawaii	13,565,061	1,374,586	------------	1,377,000	11,441,000	12,818,000
Puerto Rico	128,796,648	54,447,671	170,544	49,461,000	32,423,000	82,054,544
Virgin Islands	4,379,587	1,667,630	------------	1,440,000	2,792,000	4,232,000

See footnote on page 335.

TABLE III–12

Statement of annual contributions by States for fiscal year ended June 30, 1955, and cumulative and maximum annual contributions payable under contracts as of June 30, 1955, U. S. Housing Act program

	Annual contributions		Maximum annual contributions payable in any 1 year under contracts as of June 30, 1955
	Fiscal year ended June 30, 1955	Cumulative to June 30, 1955	
Total locally owned projects	$66,592,937	[1] $227,303,407	[2] $161,509,532
States:			
Alabama	2,984,674	8,907,340	5,126,869
Arizona	337,497	935,889	470,997
Arkansas	665,815	1,849,765	770,506
California	2,463,314	6,753,288	7,438,491
Colorado	413,057	945,840	1,330,610
Connecticut	1,870,611	7,359,986	2,872,958
Delaware	215,751	311,444	540,477
Florida	1,739,863	6,478,173	3,282,304
Georgia	3,842,979	12,380,089	6,302,997
Idaho	31,212	187,919	38,395
Illinois	3,036,950	8,197,988	12,903,837
Indiana	583,278	2,139,731	1,348,075
Kentucky	2,063,918	9,207,213	2,970,503
Louisiana	2,514,649	12,800,038	4,505,930
Maine	43,029	65,652	50,308
Maryland	1,520,847	6,072,134	3,606,657
Massachusetts	3,159,356	11,219,289	6,043,298
Michigan	937,716	2,560,133	5,778,841
Minnesota	504,628	1,567,470	1,327,263
Mississippi	576,990	2,203,665	859,823
Missouri	712,462	2,256,759	5,823,786
Montana	118,158	480,613	183,895
Nebraska	320,364	2,063,529	452,168
Nevada	25,034	99,200	39,108
New Hampshire	274,737	801,776	328,157
New Jersey	4,632,501	15,621,672	10,200,637
New Mexico	51,415	95,902	57,332
New York	6,739,393	31,280,022	25,179,208
North Carolina	2,280,046	7,699,898	3,051,037
Ohio	418,853	625,929	5,412,966
Oregon	70,656	213,600	152,857
Pennsylvania	3,784,914	12,618,628	11,854,457
Rhode Island	850,158	2,001,127	1,359,252
South Carolina	1,421,112	4,541,312	1,582,875
Tennessee	3,590,412	10,943,904	4,740,196
Texas	5,987,198	15,643,144	7,789,866
Virginia	2,150,197	4,797,341	3,928,380
Washington	358,659	1,810,155	676,587
West Virginia	198,978	1,761,857	550,351
Wisconsin	450,076	1,229,891	940,965
Alaska	164,753	331,759	218,206
District of Columbia	677,814	1,707,337	3,004,704
Hawaii	317,647	989,767	537,893
Puerto Rico	1,358,094	5,245,246	5,683,417
Virgin Islands	133,172	299,963	192,093

[1] Includes adjustments of $4,659 reducing annual contributions for fiscal year ending June 30, 1954.
[2] The amounts included for projects in the preconstruction stage are based upon maximum development costs set forth in the annual contributions contracts for these projects. For other projects the amounts are those shown in the latest approved development cost budgets. The potential liability of the PHA for annual contributions, based upon the maximum development cost provided for in the annual contributions contracts for all projects, amounts to $179,633,332.

TABLE III–13

Statement of income and expenses per unit month of availability for fully active federally owned projects for the fiscal year ended June 30, 1955, U. S. Housing Act program [1]

	Total projects		PWA		Public Law 412	Public Law 671	Farm labor camps
			Continental United States	Puerto Rico			
Number of projects	23		16	1	1	3	2
Number of dwelling units	13,021		9,728	119	609	2,245	320
Number of dwelling unit months operation	156,252		116,736	1,428	7,308	26,940	3,840
	Amount	Per unit month	Per unit month	Per unit month	Per unit month	Per unit month	Per unit month
Income:							
Rental income	$6,368,340	$40.76	$40.34	$4.40	$31.77	$50.32	$17.05
Other	57,029	.36	.31		.58	.56	.40
Total income	6,425,369	41.12	40.65	4.40	32.35	50.88	17.45
Expenses:							
Operating expenses:							
Management	775,811	4.97	5.02	2.38	4.16	5.27	3.77
Operating services	563,391	3.61	3.91	.04	1.65	3.08	3.14
Utilities	1,795,742	11.49	11.52	.01	11.53	12.94	4.64
Repairs, maintenance, and replacements	2,156,862	13.80	12.47	.76	14.88	21.01	6.50
Payments in lieu of taxes	435,465	2.79	2.83		2.02	3.22	.80
Collection losses	26,483	.17	.13	.10	.12	.32	.46
Other	309,865	1.98	1.94	.10	1.92	2.53	.34
Total operating expenses	6,063,619	38.81	37.82	3.39	36.28	48.37	19.65
Net operating income (or loss [2]) before interest, depreciation, and adjustment of reserves	361,750	2.31	2.83	1.01	[1] 3.93	2.51	[2] 2.20
Interest, depreciation, and adjustment of reserves:							
Interest-portion allocated to federally owned projects	184,533	1.18			4.90	5.52	
Depreciation of structure and equipment	1,367,354	8.75	8.85	2.83	7.93	9.43	4.67
Adjustment of reserves (net)	[2] 505,968	[2] 3.24	[2] 1.11	[2] 31.26	[2] 13.59	[2] 8.56	[2] .57
Total interest, depreciation, and adjustment of reserves	1,045,919	6.69	7.74	[2] 28.43	[2] .76	6.39	4.10
Net operating income (or loss [2])	[2] 684,169	[2] 4.38	4.91	29.44	[2] 3.17	[2] 3.88	[2] 6.30
Expenditures for property acquisitions:							
Replacement of ranges and refrigerators	57,605	.37	.49				
Replacement of other equipment	14,373	.09	.10			.11	
Property betterments	134,226	.86	.42		.33	3.05	
Property additions	105,260	.67	.23		.94	2.68	
Reconstruction and restoration of damaged property	4						
Less property acquisitions capitalized	[2] 311,468	[2] 1.99	[2] 1.24		[2] 1.27	[2] 5.84	
Net income (or loss [2]) for the fiscal year ended June 30, 1955	[2] 684,169	[2] 4.38	[2] 4.91	29.44	[2] 3.17	[2] 3.88	[2] 6.30

[1] Excludes 37 projects which were not fully active at June 30, 1955.
[2] Indicates negative item.

TABLE III-14

Statement of annual contribution requirements for locally owned projects eligible for contributions in fiscal year ended June 30, 1955, U. S. Housing Act program

	Total projects	Projects developed under Public Law 412	Projects developed under Public Law 671	Projects developed under Public Law 171
Number of units	304,383	108,155	43,663	152,565
Fixed contribution for projects eligible for payment	$91,133,962	$18,951,630	$7,906,825	$64,275,507
Less excess of maximum over debt service for Public Law 671 projects in temporary financing	723,715		723,715	
Net fixed contribution	90,410,247	18,951,630	7,183,110	64,275,507
Less amounts available for reduction of annual contribution payments:				
Accrued interest	2,195,639	31,178	356,131	1,808,330
Capitalized interest	3,028,414			3,028,414
Residual receipts as of end of the initial operating period	1,389,151			1,389,151
Residual receipts	17,204,106	5,821,871	2,378,010	9,004,225
Total	23,817,310	5,853,049	2,734,141	15,230,120
Annual contribution requirements	66,592,937	13,098,581	4,448,969	49,045,387

TABLE III–15

Statement of receipts, expenditures, and residual receipts for locally owned projects eligible for annual contributions in fiscal year ended June 30, 1955, U. S. Housing Act program

	Total projects		Projects developed under Public Law 412		Projects developed under Public Law 671		Projects developed under Public Law 171	
	Amount	Per unit month	Amount	Per unit month	Amount	Per unit month	Amount	Per unit month
CONTINENTAL PROJECTS								
Operating receipts:								
Rental income	$96,647,310	$33.31	$40,775,654	$33.20	$18,700,959	$36.68	$37,170,697	$31.96
Other income	2,003,785	.69	979,744	.80	470,212	.92	553,829	.47
Total receipts	98,651,095	34.00	41,755,308	34.00	19,171,171	37.60	37,724,526	32.43
Operating expenditures:								
Management expenses	12,586,936	4.34	5,214,559	4.25	2,329,188	4.57	5,043,189	4.34
Operating services	4,407,232	1.52	2,243,472	1.82	883,372	1.74	1,280,388	1.10
Utilities	23,487,953	8.10	9,875,149	8.04	4,408,837	8.65	9,203,967	7.91
Repairs, maintenance, and replacements	21,864,687	7.54	11,269,569	9.18	5,706,389	11.19	4,888,729	4.20
Payments in lieu of taxes	7,132,813	2.46	3,043,114	2.48	1,413,090	2.77	2,676,609	2.30
Collection losses	537,531	.18	220,636	.18	144,239	.28	172,656	.15
Other operating expenses	5,222,250	1.80	2,518,348	2.05	1,000,865	1.96	1,703,037	1.46
Total	75,239,402	25.94	34,384,847	28.00	15,885,980	31.16	24,968,575	21.46
Provision for operating reserve	5,302,089	1.83	1,308,513	1.07	203,682	.40	3,789,894	3.26
Operating improvements	1,269,278	.43	911,413	.74	290,764	.57	67,101	.06
Nonoperating expenses	334,884	.11	92,732	.07	239,611	.47	2,541	----------
Total expenses	82,145,653	28.31	36,697,505	29.88	16,620,037	32.60	28,828,111	24.78
Residual receipts before adjustments	16,505,442	5.69	5,057,803	4.12	2,551,134	5.00	8,896,415	7.65
Plus prior year gain applied to current year deficit and other adjustments	1,178,075	.41	952,840	.78	311,708	.61	[1] 86,473	[1] .08
Less operating gain	675,815	.23	182,857	.15	493,383	.96	[1] 425	----------
Less excess of debt service over fixed contribution	190,983	.07	190,983	.16	----------	----------	----------	----------
Residual receipts, continental projects	16,816,719	5.80	5,636,893	4.59	2,369,459	4.65	8,810,367	7.57

NONCONTINENTAL PROJECTS								
Residual receipts before adjustments	387,387	----------	184,978	----------	8,551	----------	193,858	----------
Less operating gain	----------	----------	----------	----------	----------	----------	----------	----------
Residual receipts, noncontinental projects	387,387	----------	184,978	----------	8,551	----------	193,858	----------
TOTAL PROJECTS								
Residual receipts available for reduction of annual contributions	17,204,106	----------	5,821,871	----------	2,378,010	----------	9,004,225	----------
CONTINENTAL PROJECTS								
Number of projects	1,769		320		182		1,267	
Number of units	290,093		102,335		43,523		144,235	
Average number of units	241,763		102,347		42,483		96,933	
NONCONTINENTAL PROJECTS								
Number of projects	56		26		1		29	
Number of units	14,290		5,820		140		8,330	
TOTAL PROJECTS								
Number of projects	1,825		346		183		1,296	
Number of units	304,383		108,155		43,663		152,565	

[1] Indicates negative item.

TABLE III–16

Balance sheet as of June 30, 1955, liquidating emergency housing program

ASSETS			
Cash:			
On hand and in transit		$3,631,622	
With U. S. Treasury		25,749,512	
			[1,2] $29,381,134
Accounts receivable:			
Government agencies		657,770	
Other programs (PHA)		9,653	
Local authorities		2,374,313	
Other public bodies:			
Net income under contracts		312,331	
Retained operating reserves	$284,966		
Less allowance for loss of reserves	284,966		

Tenants		197,772	
Other		1,641,433	
		5,193,272	
Less allowance for losses:			
Tenants	$130,112		
Other	267,274		
		397,386	
			4,795,886
Advances:			
Government agencies		90,298	
Local authorities		766,950	
Construction contractors	$84,379		
Less allowance for losses	84,379		

			857,248
Accrued interest receivable		441,393	
Less allowance for losses		5,454	
			435,939
Mortgage notes		90,847,380	
Less allowance for losses		187,091	
			90,660,289
Investments			1,536
Land, structures and equipment			[3] 456,193,421
Prepaid expenses and other deferred charges			[4] 389,693
Total			582,715,146
LIABILITIES			
Accounts payable:			
Government agencies	$127,190		
Other programs (PHA)	[2] 38,425		
Local authorities—leased project deficits	89,085		
Contractors and vendors—development costs:			
Defense housing	155,594		
Veterans' reuse housing	50,000		
Other (equipment, utilities, supplies, etc.)	2,730,778		
		[5] $3,191,072	
Accrued liabilities:			
Salaries and wages	383,678		
Payments in lieu of taxes and land rental	516,370		
		900,048	
Trust and deposit liabilities:			
Sales contracts	162,835		
Lease and purchase contracts	20,110		
Taxes and insurance	841,589		
Payments in lieu of taxes	256,937		
Advance mortgage payments	62,992		
Other	76,605		
		1,421,068	
Deferred and undistributed credits:			
Prepaid rents	94,118		
Undistributed credits	[6] 496,403		
		590,521	
Total liabilities			6,102,709

See footnotes at end of table.

TABLE III-16—Continued

Balance sheet as of June 30, 1955, liquidating emergency housing program—Con.

EQUITY OF U. S. GOVERNMENT

Non-interest-bearing investment (Table 17)	$782,160,809	
Less deficit (Table 18)	205,548,372	
Net equity of the U. S. Government		$576,612,437
Total		582,715,146

The footnotes on the supporting schedules to this balance sheet are an integral part of this statement.

As of June 30, 1955, there were approximately $3,700,000 of contingent liabilities representing suits and claims against PHA. Included were claims totaling $1,400,000 arising out of the Columbia River flood damage at the Vanport, Oreg. and Vancouver, Wash. area. Originally, 711 suits were filed as a result of this flood. Of these, 659 cases have been finally decided in favor of the United States. There are 52 cases pending before the court which raise no new issues of law or fact and it is extremely unlikely that the plaintiffs will recover. It is the opinion of PHA officials that other suits and claims will be settled for less than 15 percent of the total amount involved. There may be additional claims of indeterminate amounts arising from contractual agreements to rehabilitate property upon termination of projects and leases.

The contingent liability for accrued annual leave was $1,192,717.

Uncompleted portions of development contracts for defense housing projects in the amount of $354,513 are not included in the balance sheet.

PHA has entered into agreements for the future conveyance to local authorities (for low-rent use) of 7 permanent war housing projects having a book value of $10,878,131.

Documents reporting a net loss on property dispositions of $92,755 were received too late to include such loss in the balance sheet and related statements.

1 Includes $18,461,275 of unobligated revenue receipts available for transfer to the Office of the Administrator, HHFA.

2 Includes $356 cash applicable to U. S. Housing Act program erroneously credited to this program by U. S. Treasury. Treasury corrected its accounts as of June 30, 1955, but advice of such correction was not received by PHA in time for inclusion in its reports.

3 No provision has been made for depreciation on structures or equipment. Does not include reduction of $46,573 based on 14 project reports of dispositions of equipment received after accounts were closed.

4 Includes prepayments of payments in lieu of taxes, land rentals, and insurance and obligations for equipment ordered but not received.

5 Includes $1,782,933 of unliquidated obligations for services and materials which had not been received.

6 Includes $234,634 undistributed cash in transit from field offices, and $261,769 paid by mortgagors and undistributed pending advice from mortgage servicing branch.

TABLE III-17

Non-interest-bearing investment of the U. S. Government as of June 30, 1955, and June 30, 1954, liquidating emergency housing program

	June 30, 1955	June 30, 1954	Increase (decrease)
Investment of the U. S. Government by:			
Appropriations for development of housing	$2,097,603,101	$2,097,603,101	
Assets transferred from other Government agencies	199,535,380	198,861,537	$673,843
Assets acquired through claims settlements paid by other Government agencies for PHA	469,523	469,523	
Assets transferred from other PHA programs	5,257,697	33,855,806	[1] (28,598,109)
Reserve for expenses of disposition of properties		25,000,000	[2] (25,000,000)
Total investment	2,302,865,701	2,355,789,967	(52,924,266)
Reduction of investment by:			
Assets transferred to other Government agencies	217,157,546	209,705,993	7,451,553
Assets transferred to other PHA programs	74,812,623	90,051,721	[1] (15,239,098)
Assets transferred to local bodies	708,400,926		[3] 708,400,926
Amount withheld for reserve for expenses of disposition of properties		25,000,000	[2] (25,000,000)
Cash deposited in general fund of U. S. Treasury	465,333,797	465,333,797	
Cash transferred to Office of the Administrator, HHFA	55,000,000		55,000,000
Total reduction	1,520,704,892	790,091,511	730,613,381
Net non-interest-bearing investment of the U. S. Government	782,160,809	1,565,698,456	783,537,647

1 Includes adjustment of $28,604,612 representing the elimination of intraprogram transfers between the former programs which were combined as the liquidating emergency housing program.

2 Reserve was determined to be unnecessary and was eliminated.

3 Includes $656,506,719 representing reclassification of cost of property relinquished and dedicated to public bodies which was charged to expense in prior years. Current year transactions were $51,894,207.

TABLE III–18

Statement of deficit as of June 30, 1955, liquidating emergency housing program

Deficit, June 30, 1954		$767, 562, 137
Adjustments to beginning balance:		
Management	[1] $198, 522	
Disposition	775, 448	
Administrative	[1] 12, 985	
Special adjustments	[1 2] 652, 579, 037	
Net adjustments		[1] 652, 015, 096
Deficit, June 30, 1954, as adjusted		115, 547, 041
Net loss for the fiscal year ended June 30, 1955 (Table 19)		90, 001, 331
Deficit, June 30, 1955		[3] 205, 548, 372

[1] Indicates negative item.

[2] Includes special adjustments as follows:

Cost of property relinquished and dedicated to public bodies, which was reclassified from expense to reduction of investment of the U. S. Government	$656, 506, 719
Less revaluation of projects conveyed for low-rent use	3, 927, 682
Total	652, 579, 037

[3] Does not include $603,460 (fiscal year 1955, $46,449; prior years, $557,011 of accumulated net income of projects operated by local bodies under contracts which provide for payment of such income at the termination of the contracts.

TABLE III–19

Statement of income and expenses for the fiscal year ended June 30, 1955, liquidating emergency housing program

MANAGEMENT			
Income:			
Total project income		$59,635,078	
Interest on mortgage notes		2,873,466	
Other income		26,396	
Total income			$62,534,940
Expenses:			
Total project expenses		$41,748,128	
Other expenses		59,145	
Collection losses:			
Reinstatement of accounts receivable previously written off (nontenants)	[1] $7,717		
Provision for losses:			
Accrued interest receivable	[1] 3,181		
Tenants accounts	[1] 21,101		
Other accounts	[1] 9,241		
		[1] 41,240	
			41,766,033
Net management income before administrative expenses			20,768,907
Administrative expenses			1,783,400
Net management income			18,985,507
PROPERTY DISPOSITIONS [2]			
Proceeds:			
Proceeds from sale of property		[3] $60,887,353	
Net income from properties transferred to public bodies under contracts		[4] 512,962	
Reduction of provision for retained operating reserves		84,040	
			61,484,355
Disposition expenses:			
Direct		2,519,635	
Administrative		1,697,207	
Nonadministrative		265,340	
			4,482,182
Net proceeds			57,002,173
Costs—property dispositions:			
Book values:			
Property sold	$142,592,014		
Less allowance for losses under offer and acceptance contracts	2,645,860		
		$139,946,154	
Demolition, fire losses and other dispositions without proceeds		22,513,402	
Net decrease in inventory of dwelling furniture and furnishings and other inventory adjustments		3,529,455	
Total			165,989,011
Net loss on property dispositions			108,986,838
Net loss for the fiscal year			90,001,331

[1] Indicates negative item.

[2] This statement does not include $61,900 of administrative expenses for development activities which was capitalized as land, structures and equipment.

[3] Does not include $234,634 cash on hand in field offices which is substantially all proceeds from sale of properties.

[4] Does not include $46,449 net income of projects operated by local bodies under contracts which provide for settlement, at the termination of the contract, of any cumulative net income.

TABLE III–20

Statement of sources and application of funds for the fiscal year ended June 30, 1955, liquidating emergency housing program

FUNDS PROVIDED			
By realization of assets:			
Sale of property		$19,780,592	
Net income from properties transferred to public bodies under contracts		512,962	
Repayment of principal of mortgage notes		4,975,351	
Total realization of assets			$25,268,905
By income:			
Rentals:			
Directly operated projects:			
War housing	$21,574,704		
Defense housing	5,294,609		
Veterans' housing	377,155		
		$27,246,468	
Leased projects:			
War housing	31,587,490		
Defense housing	708,217		
		32,295,707	
Rented projects and project property		68,467	
Subsistence homestead and greentown properties		24,436	
Total project income		59,635,078	
Interest		2,873,466	
Other		26,396	
Total income			62,534,940
By decrease in working capital			18,276,161
Total funds provided			106,080,006
FUNDS APPLIED			
To acquisition of assets:			
Development costs:			
Land, structures, and equipment	$1,993,288		
Administrative expenses	61,900		
		$2,055,188	
Notes exchanged for current assets		163,430	
Total acquisitions of assets			2,218,618
To expenses:			
Management:			
Directly operated projects:			
War housing	$13,122,203		
Defense housing	2,179,317		
Veterans' housing	371,887		
		$15,673,407	
Leased projects:			
War housing	25,300,212		
Defense housing	401,270		
		25,701,482	
Rented projects and project property		2,795	
Subsistence homestead and greentown properties		12,756	
Nonoperating expenses:			
Directly operated projects	$231,500		
Leased projects	126,188		
		357,688	
Total project expenses		41,748,128	
Administrative expenses		1,783,400	
Reinstatement of accounts receivable previously written off (nontenants)		[1] 7,717	
Other expenses		59,145	
Disposition:			
Direct	$2,519,635		
Administrative	1,697,207		
Nonadministrative	265,340		
		4,482,182	
Total expenses			48,065,138
To net loss applicable to prior years			563,941
To retirement of borrowings and capital:			
Cash transferred to Office of the Administrator, HHFA		$55,000,000	
Noncapitalized personal property transferred to other programs (PHA)		229,321	
Accounts receivable transferred to other Government agencies		2,988	
Total retirement of borrowings and capital			55,232,309
Total funds applied			106,080,006

[1] Indicates negative item.

This statement includes as fiscal year 1955 activity, certain adjustments incorporated in the June 30, 1954, budget presentation and the certified balance sheet, as follows: Decrease in acquisition of assets, $13,768; decrease in disposition expenses, $26,365; decrease in accounts payable, $28,574; increase in project expenses, $1,913; and increase in cash, $9,646.

TABLE III–21

Statement of income and expenses per unit month of availability, fully active projects, for the fiscal year ended June 30, 1955, liquidating emergency housing program

	Total projects		Directly operated projects		Leased projects	
			War housing	Defense housing	War housing	Defense housing
Number of projects	168		40	27	91	10
Number of dwelling units	[1] 50,741		13,030	4,974	31,290	1,447
Number of unit months of operation	608,367		156,780	59,040	379,213	13,334
	Amount	Per unit month	Per unit month	Per unit month	Per unit month	Per unit month
Income:						
Rental income	$26,354,779	$43.32	$41.70	$47.36	$43.19	$48.38
Other	494,155	.81	.40	.75	.95	1.84
Total income	26,848,934	44.13	42.10	48.11	44.14	50.22
Expenses:						
Operating expenses:						
Management	2,212,410	3.64	3.45	3.19	3.77	4.09
Operating services	887,594	1.46	.95	3.53	1.35	1.37
Utilities	4,685,522	7.70	7.06	4.12	8.49	8.64
Repairs, maintenance, and replacements	5,286,908	8.69	5.67	6.10	10.27	10.76
Payments in lieu of taxes	3,285,146	5.40	5.25	.79	6.30	1.80
Collection losses	38,976	.06	.05	.02	.08	.02
Other	684,194	1.13	.20	.12	1.69	.40
Total operating expenses	17,080,750	28.08	22.63	17.87	31.95	27.08
Nonoperating expenses: Casualty losses—restoration costs	81,890	.13	.29	.05	.09	--------
Total expenses	17,162,640	28.21	22.92	17.92	32.04	27.08
Net operating income	9,686,294	15.92	19.18	30.19	12.10	23.14
Expenditures for property acquisitions:						
Replacement of ranges and refrigerators	32,671	.05	.01	--------	.08	--------
Replacement of other equipment	8,815	.02	.01	--------	.02	.01
Property betterments	18,219	.03	--------	.02	.04	.22
Property additions	13,644	.02	--------	.02	.02	.27
Less property acquisitions capitalized	[2] 73,349	[2] .12	[2] .02	[2] .04	[2] .16	[2] .50
Net income for the fiscal year ended June 30, 1955	9,686,294	15.92	19.18	30.19	12.10	23.14

[1] Includes stopgap and family dwelling units for defense housing and family dwelling units only for war housing.
[2] Indicates negative item.

TABLE III–22

Statement of administrative expenses by object, distribution to programs and sources of funds, for the fiscal year ended June 30, 1955

ADMINISTRATIVE EXPENSES BY OBJECT	
Personal services:	
Personal services	$8,932,439
Terminal leave	40,903
Total personal services	8,973,342
Travel:	
Regular	689,487
Convention	4,389
Security	85
Total travel	693,961
Transportation of things	10,648
Communication services	234,332
Rents and utility services	688,254
Printing and binding	49,397
Other contractual services	149,780
Supplies and materials	77,123
Furniture, furnishings, and equipment	67,805
Refunds, awards, and indemnities	990
Taxes and assessments	10,276
Total obligations for administrative expenses	10,955,908
DISTRIBUTION OF EXPENSES TO PROGRAMS AND SOURCES OF FUNDS	
United States Housing Act program:	
Development	2,938,600
Management	4,474,800
Liquidating emergency housing program:	
Development	61,900
Management	1,783,400
Disposition	1,697,208
Total distribution of expenses by program	10,955,908
Unallotted funds	110,092
Total administrative expense limitation	11,066,000
United States Housing Act program	7,413,400
Defense housing	61,900
Total appropriated funds	7,475,300
Funds derived from operation of liquidating emergency housing program	3,480,608
Total funds contributed by programs	10,955,908

Part IV

HOUSING AND HOME FINANCE AGENCY

FEDERAL NATIONAL MORTGAGE ASSOCIATION

Organization and Function Chart of the Federal National Mortgage Association

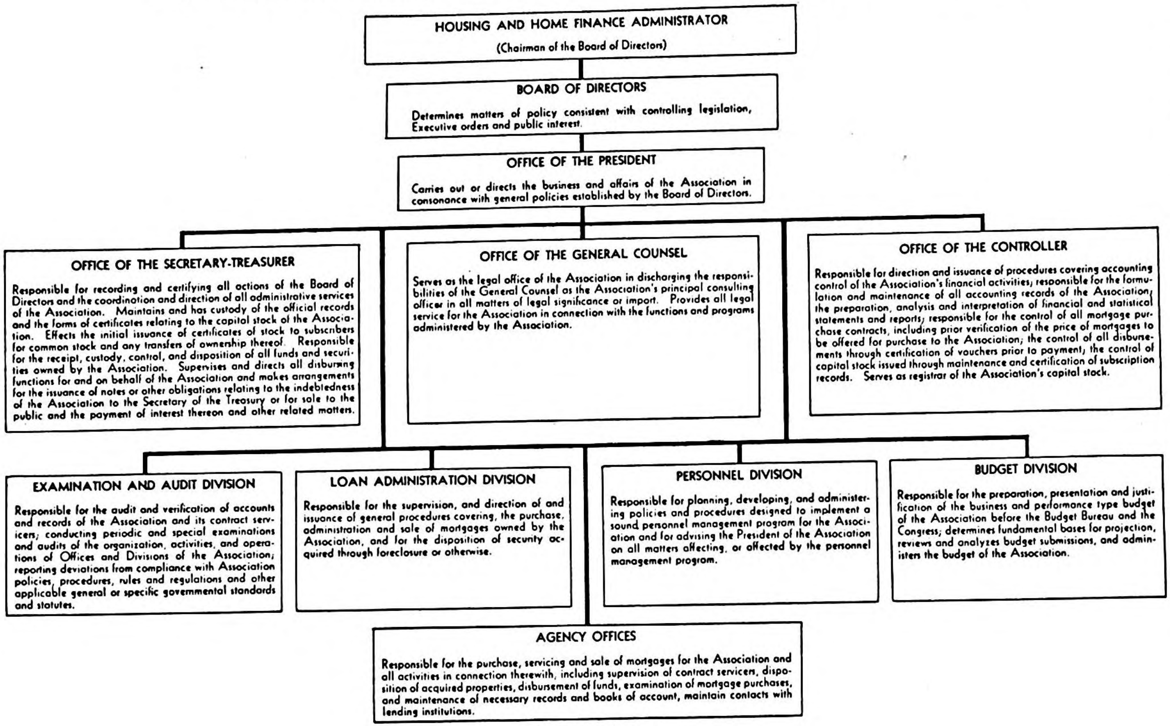

CHART IV–1

SECTION 1

OVERALL EXTENT AND CHARACTER OF FNMA'S OPERATIONS

In carrying out the objectives prescribed for it from time to time by controlling legislation, the Association has conducted operations which, measured in terms of dollars, have been sizable. Pursuant to the authority set forth in its legislation, FNMA from the date of its inception in 1938 through 1955 acquired 642,473 mortgages with unpaid principal balances of $5,013 million. These acquisitions include 15,039 mortgages of The RFC Mortgage Company and the Defense Homes Corporation, totaling $106 million, that were transferred from RFC to FNMA under Reorganization Plan No. 2 of 1954. The extent of the assistance rendered by FNMA in supporting the VA-guaranteed home loan program is indicated by the fact that between July 1, 1948, when FNMA was first authorized to purchase VA mortgages, and December 31, 1955, the Association acquired 407,889 VA-guaranteed mortgages totaling $3,074 million; these acquisitions represented about 72 percent of the number and 65 percent of the dollar volume of all mortgages that were purchased during this period; they also represented about 61 percent of the total dollar volume of the Association's overall purchases since February 1938, and approximately 12 percent of the total home mortgages that were guaranteed by VA since July 1, 1948. In helping to establish the acceptability to investors of certain types of FHA-insured mortgages FNMA, since February 1938, has purchased 234,568 of such mortgages in the aggregate amount of $1,896 million.

FNMA's cumulative purchases of FHA-insured and VA-guaranteed mortgages include 66,909 mortgages amounting to $838 million covering defense, military, and disaster housing. These mortgage purchases provided for a total of 106,464 units of defense, military, and disaster housing during the period of 4½ years that the Association has participated in the defense and disaster programs. At the end of 1955 commitment contracts totaling $32 million and providing for the purchase of 958 additional mortgages, involving 3,775 units of defense and disaster housing, were outstanding.

FNMA's cumulative sales through December 1955 numbered 239,212 mortgages and aggregated $1,630 million, or about 37 percent of the number and 33 percent of the dollar amount of the Association's total purchases. Repayments and other principal credits amounted to $728 million or 14 percent of the cumulative purchases. As the net result of all of these operations, FNMA's portfolio at the end of 1955 amounted to $2,655 million or 53 percent of the total portfolio acquired since February 1938 and almost 3 percent of the total residential mortgage debt outstanding at the end of 1955. Commitment and purchase contracts outstanding at year end totaled $76 million.

SECTION 2

1955 FNMA ACTIVITY

The Association is required to maintain separate accountability for each of the three operations or functions that it conducts under the authority contained in the FNMA Charter Act. This, as a consequence, means that under the general supervision and coordination of FNMA's Board of Directors the Association carries out its day-by-day activities in much the same manner and in much the same way as though each of its major functions comprised a separate organization or subsidiary operation. This principle of separate accountability will be followed in describing the Association's principal activities during 1955.

THE PURCHASING PROGRAM

1. Summary of Overall Activity

During the year 1955 the Association purchased 36,191 mortgages aggregating $411 million. These purchases consisted of 11,453 FHA-insured mortgages totaling $184 million, and 24,738 VA-guaranteed mortgages totaling $227 million. Of the total purchases, $325 million (79 percent) were made under the Management and Liquidating functions and $86 million (21 percent) were made under the Secondary Market Operations. Purchases during 1955 were about 38 percent less than the dollar amount of the 1954 acquisitions ($658 million) and 24 percent less than the 1953 volume ($542 million). Included among the 1955 purchases were 4,257 mortgages totaling $129 million relating to defense, military, and disaster housing, and representing about 31 percent of the year's total dollar acquisitions. The corresponding ratio during 1954 was 44 percent. The dollar volume of the VA mortgages acquired during 1955 comprised about 55 percent of the Association's total purchases, as compared with 40 percent in 1954 and a high of 95 percent in 1950. Purchases of 123 Alaska housing mortgages, in the amount of $4 million, accounted for 1 percent of the 1955 purchases.

Of the purchases during 1955, $137 million (33 percent) related to mortgages that were delivered for purchase under FNMA's regular commitments, $188 million (46 percent) under Advance Contracts to Purchase (1-for-1 commitments), and the remainder, $86 million (21 percent) represented mortgages that were delivered on an over-the-counter or immediate purchase basis.

As previously stated, outstanding undisbursed commitment and purchase contracts at the end of December 1955 aggregated $76 million. The Association's purchasing obligations outstanding at December 31, 1955, on a comparative basis with those outstanding at the end of 1954 ($476 million) and 1953 ($638 million) are shown in the following table:

[Dollars in millions]

	Dec. 31, 1955	Dec. 31, 1954	Dec. 31, 1953
Defense housing	12.7	82.6	257.8
Military housing	26.4	114.3	151.3
Disaster housing	0.1	0.7	0.6
Alaska housing	-------	11.3	23.1
Cooperative housing	3.3	12.9	29.7
FHA Sec. 608 housing	6.2	6.2	6.2
Advance Contracts to Purchase (1-for-1 Commitments)	1.2	247.6	169.2
Immediate Purchase Contracts (Secondary Market Operations)	26.5	0.1	-------
	76.4	475.7	637.9

2. Purchases in the Secondary Market Operations

The scope and nature of the activities undertaken by FNMA in its Secondary Market Operations under the 1954 charter are, in many respects, different from the Association's prior functions and can be utilized by a larger and more diversified group of sellers than was heretofore possible. Consequently, the Association has, since November 1, 1954, been conducting a broad educational program designed to acquaint the public with the objectives of the FNMA Secondary Market Operations and the extent to which they may be utilized by the various segments of the housing industry. More than 900 banks, mortgage companies, and other similar organizations have, thus far, indicated their intention to participate in these operations and have executed selling or servicing agreements.

The prices to be paid for mortgages in the Secondary Market Operations are established by the Association from time to time at the market price for the particular class of mortgages involved, as determined by FNMA; the volume of purchases and sales, and the establishment of purchase prices, sales prices, as well as charges or fees, will be determined by FNMA from time to time with the objective that purchases and sales will be effected at such prices as will reasonably prevent excessive use of the Secondary Market facilities and make such operations fully self-supporting. To defray the costs of purchasing and marketing mortgages in connection with its Secondary Market Operations, FNMA currently charges a Purchase and Marketing Fee of either one-half percent or 1 percent of the unpaid principal balances of the mortgages involved, dependent upon FNMA's estimate of the degree of marketability.

Purchases under the Secondary Market Operations are currently limited to mortgages which are insured by FHA or guaranteed by VA, as appropriate, on and after August 2, 1954, under Sections 8, 203(b), 203(i), 207, 213 (individual and project-management types), and 222 of the National Housing Act, as amended, and Section 501 of the Servicemen's Readjustment Act of 1944, as amended. In the Secondary Market Operations the Association, as required by its Charter, confines its purchases to mortgages that are of such quality, type, and class as meet, generally, the purchase standards imposed by private institutional mortgage investors. FNMA's Secondary Market activities are confined to mortgages which are already in existence; the Association issues no commitments to purchase mortgages and, in this respect, the FNMA Secondary Market Operations are in marked contrast with primary market operations which are concerned only with the origination of mortgages and their placement with mortgage investors. The language of the Charter Act establishes a criterion of marketability, and contemplates the eventual sale of the mortgages by FNMA to private investors.

FNMA discharges its obligations under the charter mandates to determine the market prices at which it will purchase mortgages in the Secondary Market Operations by requesting private buyers and sellers of mortgages at many locations throughout the Nation to disclose periodically the details of individual private sales. The information thus gathered shows that, at any particular time, such transactions occur within a range of prices. In order to be helpful in the establishment of FNMA's prices, the information obtained in the above-described manner must be analyzed by relating the purchase prices, which are applicable to individual transactions or groups of transactions, to sundry factors, such as the interest rate of the mortgage loan, the amount of the borrower's equity, the geographical location of the mortgaged property, and the remaining term of the loan. These continuing pricing surveys conducted by the Association show that while, under its pricing procedures, it is possible that FNMA's purchase prices may be slightly higher or slightly lower than for selected private individual transactions, nevertheless, they are closely akin to the average market prices within the price ranges disclosed by the sales transactions of private investors in the general secondary market.

During the 14 months period of FNMA's Secondary Market Operations through December 31, 1955, prospective sellers offered 16,538 mortgages to the Association. Of this number, 12,329 had been approved for purchase, 1,456 had been declined under conditions which would permit them to be reoffered when certain requirements had been met, 1,300 were determined to be unacceptable for purchase, and 1,453 were being considered for purchase. By the end of 1955, a total of 9,484 Government insured or guaranteed mortgages aggregating $86 million had been purchased. These were comprised of 2,623 FHA-insured mortgages totaling $20 million and 6,861 VA-guaranteed mortgages totaling $66 million. Outstanding purchase contracts at the end of 1955 aggregated $27 million. The mortgages that had been purchased covered properties located in 41 States, the District of Columbia, and Hawaii, and represented transactions involving 249 sellers.

A breakdown of the sellers that had sold mortgages to the Association in the Secondary Market Operations and the extent of these activities during the period November 1, 1954, to December 31, 1955, is shown in the following table:

Type of seller	Number of sellers	Percent of total sellers	Number of mortgages sold	Amount of mortgages sold	Percent (dollar) of total mortgages sold
Mortgage companies	200	80.3	8,621	$77,770,357	90.4
Savings and loan associations:					
State supervised	7	2.8	86	814,050	.9
Federally supervised	14	5.6	367	3,442,886	4.0
Banks and trust companys:					
State supervised	17	6.9	254	2,520,582	2.9
Federally supervised	7	2.8	149	1,457,778	1.7
Insurance companies	4	1.6	7	67,766	.1
Total	249	100.0	9,484	86,073,419	100.0

The trend of the Association's Secondary Market activities through December 31, 1955, as shown by the following table, reflects both the condition of the mortgage market and the fact that prospective participants have become better acquainted with the type of assistance that FNMA can render in aiding their operations.

Activities of the FNMA Secondary Market Operations:

Period	Mortgages approved for purchase	Mortgages purchased	Amount of purchases
1954			
November-December	19	2	$24,376
1955			
1st quarter	319	147	1,049,457
2d quarter	1,595	1,026	8,393,417
3d quarter	3,263	2,312	20,283,553
4th quarter	7,133	5,997	56,322,616
Total	12,329	9,484	86,073,419

About 70 percent of the mortgages purchased through December 1955 in the Secondary Market Operations related to new construction, 69 percent to properties located in areas having populations of more than 30,000, and 13 percent to housing for minority groups. FNMA's Secondary Market purchase prices within the continental United States at the end of 1955 currently range from a high of 99½ to a low of 95. The bottom of the range is one-half point lower for mortgages covering properties located in the Territories and possessions of the United States. The average price paid for the 9,484 mortgages purchased through year end 1955 was 97 and the average unpaid principal balance was $9,076. The largest volume (71.3 percent) of the purchases was in the 96–97 price range; 3.7 percent were purchased at prices averaging between 95 and 95½, and 25 percent averaged 97½ or above. Other characteristics of the mortgages that were purchased by the Association in its Secondary Market Operations through December 31, 1955, are shown in table IV–6.

The distribution of the mortgages purchased by the Association in its Secondary Market Operations through December 31, 1955, on a State basis is shown in the following table:

Distribution of mortgage purchases on a State basis

State	Number mortgages purchased	Amount of purchases	State	Number mortgages purchased	Amount of purchases
Alabama	154	$1,256,022	Nebraska	103	$712,748
Arizona	177	1,232,479	Nevada	219	2,262,503
Arkansas	203	1,775,557	New Jersey	17	167,252
California	707	7,365,864	New Mexico	133	1,161,450
Colorado	220	1,856,285	New York	132	1,530,006
Connecticut	1	5,616	North Carolina	99	926,632
Delaware	19	231,186	Ohio	152	1,511,639
District of Columbia	1	8,984	Oklahoma	262	2,042,433
Florida	229	1,674,091	Oregon	7	60,357
Georgia	382	3,597,651	Pennsylvania	65	490,483
Hawaii	25	288,341	South Carolina	102	794,746
Illinois	291	2,651,793	South Dakota	2	11,222
Indiana	265	2,521,718	Tennessee	166	1,424,762
Iowa	56	357,481	Texas	1,616	13,874,079
Kansas	509	4,956,700	Utah	56	519,868
Kentucky	33	273,452	Virginia	284	2,558,637
Louisiana	608	5,460,331	Washington	400	3,298,429
Maryland	26	252,396	West Virginia	43	294,228
Michigan	1,426	14,230,459	Wisconsin	13	76,413
Minnesota	19	187,496	Wyoming	16	99,717
Mississippi	53	377,378			
Missouri	192	1,682,714		9,484	86,073,419
Montana	1	11,821			

During the closing weeks of 1955 the Association was giving careful consideration to a procedure which could be operated administratively within the framework of existing legislation so as to permit mortgagees to sell mortgages to the Association in the Secondary Market Operations and thus obtain immediate cash and also to have a longer period of time in which they may subsequently seek to market the FNMA-owned mortgages elsewhere. This was accomplished by the inauguration early in January 1956 of a purchase option type of procedure. Under this new plan, FNMA will not only purchase acceptable mortgages from sellers at FNMA's current purchase prices in the usual manner, but will also, concurrently, permit the sellers to obtain a 9-month purchase option under which they can buy back the same mortgages at the same FNMA purchase price. The purchase prices at which FNMA acquires the mortgages are the same without regard to whether the seller obtains a purchase option as a part of the transaction. Sellers wishing to obtain such a purchase option are charged a fee equal to 1 percent of the unpaid principal amount of the mortgages involved and, in addition, pay the usual Purchase and Marketing Fee and comply with the usual requirement that they subscribe for FNMA common stock.

Under this new purchase option plan the housing industry can obtain needed funds, whether permanent or temporary. The plan should assist in effecting sales of FNMA's mortgages; the amount of the funds that will be made available to sellers under this plan will be larger than would be available under the customary type of borrowing arrangements; at the same time, the character and scope of the Association's purchase and sales functions will be maintained within the basic form contemplated by the existing Charter Act.

3. Purchases Under the Management and Liquidating Functions

Purchases of mortgages by the Association in its Management and Liquidating Functions are made only pursuant to commitment contracts that were entered into prior to November 1, 1954. Under these arrangements, 26,709 mortgages aggregating $325 million were purchased during 1955. These purchases, which made up 79 percent of the Association's total purchases during the year, consisted of 8,831 FHA-insured mortgages with unpaid principal balances of $164 million and 17,878 VA-guaranteed mortgages totaling $161 million. Outstanding commitment contracts were reduced from $476 million at December 31, 1954, to $43 million at the end of 1955. About 75 percent of the outstanding commitments at December 31 related to defense housing; the remaining 25 percent covered cooperative housing, FHA Section 608 housing, Alaska housing, and advance contracts to purchase mortgages relating to housing in Guam.

(a) PURCHASES OF DEFENSE, MILITARY, AND DISASTER HOUSING MORTGAGES.—During 1955 the Association purchased 4,257 mortgages aggregating $129 million covering defense, military, and disaster housing. These activities, which amounted to about 40 percent of the total purchases made during the year in the FNMA Management and Liquidating Functions, related only to mortgages purchased (1) on an over-the-counter basis prior to the approval of the Housing Act of 1954 on August 2, 1954, or (2) commitments executed on or before July 31, 1954, and hence have no relationship to the activities that are presently being conducted under the FNMA Special Assistance Functions.

During 1955 FNMA purchased, pursuant to previously executed commitment contracts, the following types of eligible FHA-insured and VA-guaranteed mortgages covering:

(1) Defense housing programed by the Housing and Home Finance Administrator in an area determined by the President of the United States or his designee to be a critical defense housing area;

(2) Military housing with respect to which the Federal Housing Commissioner had issued a commitment to insure pursuant to Title VIII of the National Housing Act, as amended; or

(3) Disaster housing intended to be made available primarily for families who are victims of a catastrophe which the President of the United States has determined to be a major disaster.

The extent of FNMA's overall participation in the defense program is shown by the following data: Cumulatively through December 1955, there were about 91,434 net units of defense housing programed by HHFA in 205 critical defense housing areas. At the end of December 1955 the Association had issued net commitment or purchase authorizations covering approximately 82,675 housing units in 198 critical defense areas. FNMA purchases of FHA-insured Section 903 and 908 mortgages have totaled $522 million or 91 percent of the total of such mortgages (95 percent of Sec. 903 and 62 percent of Sec. 908) that had been insured by FHA at the end of 1955. FNMA purchases of Title VIII, military housing mortgages at the end of 1955 amounted to 28 percent of the total insured by FHA.

Mortgages purchased by FNMA during 1955 provided financing for 15,625 units of defense, military, and disaster housing. Undisbursed commitment contracts of $32 million outstanding at December 31, 1955, will, if translated into new housing, provide for approximately 3,775 additional units of defense, military, and disaster housing.

A summary of FNMA's participation in the defense, military, and disaster housing programs during 1955 as a part of the Management and Liquidating Functions is shown in the following table:

[Dollars in millions]

Type of housing	Advance commitments outstanding Dec. 31, 1954	Commitments canceled during 1955	Purchases		Undisbursed commitments at Dec. 31, 1955
			Amount	Units	
Defense	$82.6	$15.1	$56.7	6,702	$10.9
Military	114.3	21.7	71.6	8,837	21.1
Disaster	.7	.1	.6	86	.1
Total	197.6	36.9	128.9	15,625	32.1

(b) PURCHASES OF NONDEFENSE HOUSING MORTGAGES.—Somewhat more than half (60 percent) of the Association's purchases during 1955 under its Management and Liquidating Functions related to mortgages covering nondefense and nondisaster housing. Included among these purchases were 487 cooperative housing mortgages totaling $4.8 million that were acquired under commitments entered into pursuant to Public Law 243, 82d Congress, as amended by Public Law 94, 83d Congress, and 123 mortgages totaling $4 million covering housing in Alaska.

By far, the largest volume of FNMA's nondefense and nondisaster mortgages purchased during 1955 ($188 million or 58 percent of the year's purchases) under the Management and Liquidating Functions were made under the Association's Advance Contracts to Purchase that were issued in connection with the Association's so-called 1-for-1 purchasing and sales program. This program, inaugurated on July 27, 1953, was made possible by Public Law 94, 83d Congress, under which FNMA was authorized to issue advance contracts (commitments) to purchase a specific dollar amount of mortgages corresponding to the dollar amount of mortgages purchased from the FNMA portfolio. Under the law, the 1-for-1 program expired on July 1, 1954, and the total of advance contracts that could be issued thereunder could not exceed $500 million. The total of the contracts that were issued under this program amounted to $499,812,000. Mortgages totaling $433.6 million had been purchased by the end of 1955 under these contracts, $65 million of the contracts had expired or had been canceled, leaving $1.2 million in 1-for-1 contracts, all issued in contemplation of the purchase of mortgages covering housing in Guam, outstanding at the end of 1955.

4. Special Assistance Functions and Activities

As previously stated, the activities that are conducted by the Association under its Special Assistance Functions are separate and distinct from the somewhat similar activities that were initiated by FNMA prior to the enactment of the FNMA Charter Act and now being conducted under the Management and Liquidating Functions.

The Special Assistance Functions, upon authorization by the President of the United States, or by the Congress, provide special assistance for financing selected types of home mortgages for which established financial facilities are inadequate. These functions may, when needed, also be utilized as a means of retarding or stopping a decline in mortgage-lending and home-building activities which threatens the stability of a high level national economy. Purchases under the Special Assistance Functions, unless otherwise announced in the announcement of the individual programs, are limited to FHA-insured section 203 (b), 203 (h), 203 (i), 207, 213, 220, 221, 222, and 803 mortgages, and VA-guaranteed section 501 mortgages.

Prices that will be paid by FNMA for mortgages purchased in its Special Assistance Functions will be established by the Association at the time of the announcement of the individual programs. FNMA's schedules of purchase prices in the Special Assistance Functions currently provide for the purchase of such mortgages at a uniform national price of 98 for whole mortgages (99½ in respect to Armed Services housing mortgages) and 99 for immediate 20 percent participations in mortgages. In the Special Assistance Functions, it is FNMA's objective to establish purchase prices that are not so high as to exclude private enterprise organizations as factors in providing financing for the programs and that are low enough to encourage sellers to negotiate the sale of the mortgages to organizations other than FNMA. In connection with purchases under these functions, FNMA is also required to impose charges or fees for its services with the objective that all costs and expenses relating to such functions will be within the income from the operations and that the operations will be fully self-supporting.

To effectuate the objectives of the Special Assistance Functions, the President of the United States is empowered to authorize the Association to make commitments to purchase and to purchase prescribed types, classes, and categories of home mortgages, including participations therein. The total amount of such purchases and commitments outstanding at any one time may not exceed $200 million for whole mortgages and may not exceed $100 million for 20 percent participations in mortgages.

The Special Assistance programs that have been authorized thus far by the President of the United States, or by the Congress, are described below.

On September 14, 1954, the President of the United States authorized the Association to purchase and to commit to purchase FHA-insured and VA-guaranteed mortgages covering housing intended to be made available primarily for families that were the victims of catastrophes determined by the President to be major disasters. Purchases and commitments under this program, which became effective November 1, 1954, were limited to $10 million outstanding at any one time.

FNMA was also authorized by the President to render special assistance in connection with the development of housing in the Territory of Guam. Under this program, which became effective November 4, 1954, FNMA was authorized to purchase and to commit to purchase, within a limitation of $15 million, mortgages relating to housing to be constructed on the Island of Guam.

The Special Assistance authorizations issued during 1954 with regard to the purchase of mortgages relating to housing for victims of major disasters and housing in Guam were incorporated in, and superseded by, the President's authorization dated January 26, 1955; under this authorization FNMA was authorized to expend Special Assistance funds aggregating $125 million for purchases and commitments to purchase whole mortgages; FNMA was also authorized to expend $50 million for commitments to purchase immediate 20 percent participations in mortgages (but excluding the amounts of any related deferred 80 percent participation agreements or purchases pursuant thereto) covering (*a*) housing intended primarily for families that were the victims of major disasters, such as hurricanes and floods, (*b*) housing in the Territory of Guam, and (*c*) housing constructed or rehabilitated under urban renewal programs. On July 1, 1955, the Association was authorized to inaugurate a special assistance program totaling $25 million for purchases and commitments to purchase mortgages covering defense and military housing and also a program totaling $10 million providing financing in connection with housing in Alaska.

In order to utilize the $50 million authorized to be expended for commitments to purchase immediate 20 percent participations in mortgages, it will be necessary that $200 million of private funds for 80 percent participations in such mortgages be invested by private mortgagees. The total of $210 million of FNMA funds plus $200 million of private funds ($410 million), if employed to the maximum extent authorized by the President, would constitute "special assistance" to mortgages in the 5-named categories, as follows:

	In millions
Housing for victims of major disasters	$10
Housing in the Territory of Guam	15
Housing constructed or rehabilitated under urban renewal programs	350
Housing in Alaska	10
Housing in connection with defense and military programs	25

In addition to the special programs that FNMA may undertake pursuant to specific authorization of the President of the United States, the Association was authorized, under the provisions of Public Law 345, 84th Congress, approved August 11, 1955, to undertake two additional special programs, and in connection therewith may—

(*a*) make commitments for the purchase of FHA-insured Section 213 cooperative housing mortgages not in excess of $50 million outstanding at any one time, but not more than $5 million of such authorization shall be made available in any one State, and

(*b*) make commitments to purchase and purchase mortgages insured by FHA under Title VIII of the National Housing Act, as amended by Public Law 345, 84th Congress, provided the total amount of the purchases and commitments so authorized do not exceed $200 million outstanding at any one time.

No mortgages had been purchased under any of the above-described FNMA Special Assistance programs by the end of 1955; however, commitments were then outstanding in the amount of $7 million providing for the purchase of 206 mortgages and providing for 824 units of defense, military, disaster, and Alaska housing.

THE MORTGAGE SALES PROGRAM

1. General Statement

All of the Association's mortgage sales during 1955 were made from the portfolio of the Management and Liquidating Functions. Cumulatively, about 33 percent of the dollar amount of FHA-insured and VA-guaranteed mortgages that had been acquired by the Association by the end of 1955 had been sold. The ratio of mortgage sales to purchases for FHA-insured mortgages during the period between February 1938 and December 1955 was 37 percent, while 31 percent of the VA-guaranteed mortgages purchased since midyear 1948 through 1955 have been sold. The following table shows the relationship between purchases and sales of FHA-insured mortgages and of VA-guaranteed mortgages for the period indicated:

FNMA purchases and sales—FHA-insured mortgages 1938–55—VA-guaranteed mortgages 1948–55

[Dollars in millions]

Agency and section of act	Mortgage purchases	Mortgage sales (gross)	Sales as percentage of purchases
Total	$4,969.6	$1,629.9	32.8
FHA	1,895.7	692.5	36.5
Sec. 8	54.0	3.1	5.7
Sec. 203	640.1	316.4	49.4
Sec. 207	36.4	3.4	9.3
Sec. 210	.3		
Sec. 213	44.6	1.1	2.5
Sec. 222	.6		
Sec. 603	339.6	216.3	63.7
Sec. 608	66.3	37.7	56.9
Sec. 803	191.7	74.2	38.7
Sec. 903	483.0	29.6	6.1
Sec. 908	39.1	10.7	27.4
VA	3,073.9	937.4	30.5
Sec. 501	3,049.7	922.3	30.2
Sec. 502	1.9	(1)	
Sec. 505 [1]	22.3	15.1	67.7

[1] Less than $0.05 million.

2. Changes in FNMA Sales Procedure During 1955

The prices at which FNMA offered to sell from its Management and Liquidating portfolio mortgages on 1- to 4-family dwellings were changed on July 30, 1955, from a range of 98 to 100, which had been in effect since January 29, 1954, to a range of 96 to 100. This action was one of a series of measures adopted by the Administration as a means of contributing to the retardation of inflationary tendencies. FNMA's offerings of certain of its 4-percent and 4¼-percent mortgages at these latter prices were calculated to permit yields approximately equivalent to the yields that would be received from similar types of mortgages bearing interest rates of 4½ percent and selling at 100. Mortgages covering multifamily housing were offered for sale on a negotiated basis.

Late in 1955 the Association suspended for the time being the sale of the mortgages held in the Management and Liquidating portfolio. This action by the Association was intended to relieve, in some degree, the tightness of the mortgage market. It is expected that selling operations will be resumed when it can be determined that selling operations will have no substantial adverse effect on the general secondary market. The suspension of mortgage sales was not made applicable to mortgages comprising the Secondary Market portfolio.

3. Summary of 1955 Sales

During 1955 FNMA sold a total of 8,430 mortgages with unpaid balances of $62 million. These sales consisted of 1,762 FHA-insured mortgages ($14 million), and 6,668 VA-guaranteed mortgages ($48 million). The major portion of the sales (93 percent) were made during the first half of the year principally because market conditions were then generally more favorable than during the latter half and also by reason of the suspension by FNMA of sales from the Management and Liquidating portfolio on October 25, 1955. Sales during 1955 were only 12 percent of the 1954 sales volume of $525 million, the major portion of which occurred as a consequence of the FNMA 1-for-1 purchasing and sales program made possible under Public Law 94, 83d Congress, between July 1, 1953, and June 30, 1954. In addition to the sales from the Management and Liquidating portfolio, the Association had, at year end, outstanding Mortgage Sales Agreements with closing dates fixed for the sale of mortgages totaling $877,000 from the Secondary Market portfolio. (Sales to the extent of $845,000 were consummated during January 1956 on the basis of those agreements.)

OTHER LIQUIDATION

The Association's overall total portfolio and purchasing liability at December 31, 1954, aggregated $2,952 million, consisting of mortgages with unpaid principal balances totaling $2,476 million and undisbursed purchase commitments of $476 million. A year later, the portfolio and purchasing liability had been reduced to $2,732 million—a reduction of $220 million or 7 percent.

Foreclosure proceedings were completed during 1955 on 3,250 mortgages with unpaid principal balances of $44 million. Repayments, including the final repayments on 8,079 mortgages, aggregated $127 million. Of FNMA's cumulative investment in its mortgage portfolio, 47 percent has been liquidated through sales, principal repayments, or by other means. The ratio of liquidation on FHA-insured mortgages from 1938 through 1955 was 52 percent; the ratio on VA-guaranteed mortgages from 1948 (when FNMA was authorized to purchase VA-guaranteed mortgages) through 1955 was 44 percent as compared with the ratio of 54 percent for FHA-insured mortgages during the same period. The VA ratio of liquidation at December 31, 1954, was 43 percent.

The Association's 1955 year-end portfolio consisting of 355,353 mortgages, with aggregate principal balances of $2,655 million, represented a net increase in portfolio holdings during the year of $179 million in dollar amount and 16,427 in the number of mortgages. The 1955 year-end portfolio consisted of 97,953 FHA-insured mortgages amounting to $901 million (34 percent) and 257,391 VA-guaranteed mortgages totaling $1,714 million (65 percent) as compared with 32 percent and 66 percent, respectively, at the end of 1954 and 25 percent and 75 percent, respectively, at the end of 1953. In addition to FHA and VA mortgages, the FNMA portfolio at the end of 1955 also included 9 direct loans of The RFC Mortgage Company and the Defense Homes Corporation, aggregating $40 million (1 percent). These nine loans were transferred to FNMA by Reorganization Plan No. 2 of 1954.

FINANCING AND PURCHASING AUTHORITY

The FNMA Charter Act, in requiring FNMA to establish separate accountability for each of its three functions or operations, established separate purchasing limitations and financing authority for each function, as follows:

(a) Secondary Market Operations.—Borrowing limitation of 10 times the sum of the Association's capital, capital surplus, general surplus, reserves, and undistributed earnings, but no portfolio limitation was imposed.

Funds for the conduct of the Secondary Market Operations are obtained from (1) the issuance of preferred and common stock and (2) the sale of debentures to private investors. Preferred stock of $92.8 million was issued as of November 1, 1954, to, and is held solely by, the Secretary of the Treasury. Sellers of mortgages to the Association in the Secondary Market Operations are required to subscribe to FNMA's common stock in an amount equal to not less than 3 percent of the amount of the mortgages they sell to the Association. At December 31, 1955, the amount of the common stock subscribed by these sellers amounted to $2.6 million.

Borrowings are limited to 10 times the Association's total capitalization and surplus. The sum of this capitalization and surplus and authority to borrow from private investors at December 31, 1955, aggregated $1,051 million.

The Secretary of the Treasury, prior to the complete retirement of the preferred stock, may, in his discretion, purchase FNMA's Secondary Market obligations in such volume as will not increase his holding thereof to an amount in excess of $500 million, plus an amount not in excess of $500 million represented by the reduction since October 31, 1954, in the outstanding dollar amount of the FNMA Management and Liquidating portfolio and purchasing authority.

Under arrangements made with the Secretary of the Treasury, FNMA borrows interim funds from the United States Treasury as they are needed to carry out its Secondary Market Operations. When these borrowings aggregate a sufficient size from time to time, FNMA plans to offer debentures to the investing public and to use the proceeds to repay the Treasury borrowings and to finance additional mortgage purchases. At December 31, 1955, the Secretary of the Treasury held $66.4 million of FNMA's obligations under this arrangement. Details were being completed at the end of the year to offer early in 1956 an issue of Secondary Market Operations debentures for sale to the public. (Note.—An issue of $100 million of 9-month, 3⅛ percent, Series SM 1956–A, FNMA Secondary Market Operations Debentures was offered for sale at 100 to the public on February 7, 1956, for delivery on February 20. The proceeds will be used to finance FNMA's Secondary Market Operations and to repay borrowings from the United States Treasury used for these operations.)

(b) Special Assistance Functions.—Purchase and commitment authority is limited to $550 million outstanding at any one time, including the purchase or the issuance of commitments to purchase not to exceed $100 million outstanding at any one time of immediate participations of a 20-percent undivided interest in mortgages, but excluding the amount of any related deferred 80 percent participation commitments or purchases pursuant thereto. In order to utilize the $100 million of FNMA funds authorized for the purchase of immediate 20-percent participations, private mortgagees would be required to invest $400 million of private funds for 80 percent participations. Hence the total of $550 million of FNMA funds, plus $400 million of private funds, if employed to the maximum extent authorized by the legislation, would provide "special assistance" for mortgages in the aggregate amount of $950 million.

Funds required for the operations of the Association's Special Assistance Functions are, within the statutory limitation of $550 million of purchases and commitments outstanding at any one time, obtained only by borrowing from the Secretary of the Treasury. The FNMA Special Assistance Functions are conducted only for the account of the Government. Sellers are not required or permitted to purchase FNMA's common stock in connection with sales of mortgages to the Association in the Special Assistance Functions.

(c) Management and Liquidating Functions.—The total of the mortgages held by FNMA and the aggregate of its commitments under the Management and Liquidating Functions may not exceed those outstanding at October 31, 1954, and in no event could they exceed $3,350 million; thereafter the outstanding mortgages and commitments will be progressively reduced by orderly liquidation until completely eliminated. The portfolio and purchasing liability in these functions at December 31, 1955, amounted to $2,613 million; the year-end balance represented an 11.5-percent reduction during the year and a reduction of 17 percent since the approval of the Housing Act of 1954 on August 2, 1954.

Funds required for the operation of the Association's Management and Liquidating Functions are obtained through (1) borrowing from the Secretary of the Treasury or (2) the sale of its obligations to private investors. A $500 million series of ML (Management and Liquidating) 2½-percent, 3-year notes, dated January 20, 1955, was offered for sale to private investors on behalf of FNMA by the Secretary of the Treasury through the facilities of the Federal Reserve System on January 11, 1955. The offering, open for 1 day's subscription only, was oversubscribed by almost 7 to 1 ($3,485,-915,000) and allotments of $570,374,000 were made to subscribers for payment on January 20. The proceeds of these notes were used to reduce the United States Treasury's investment in the FNMA Management and Liquidating portfolio. It was anticipated that one or more additional issues of ML notes would be offered for sale to the public during 1955, but because of market conditions this action was deferred.

The Management and Liquidating Functions are conducted solely for the account of the Government. Sellers of mortgages are not required or permitted to purchase FNMA common stock in connection with sales of mortgages to the Association in the Management and Liquidating Functions.

SECTION 3
ADMINISTRATION

1. Management

The statutory charter of FNMA provides for a five-member Board of Directors which determines the policies of the Association. The Administrator of the Housing and Home Finance Agency is Chairman of FNMA's Board of Directors and the other four members are appointed by the Administrator from among the officers and employees of the Association, or the immediate office of the Administrator, or (with the consent of such department or agency) of any other department or agency of the Federal Government. The business affairs of the Association are administered by its president as chief executive officer.

The FNMA Charter Act provides that as soon as practicable after all of the preferred stock held by the Secretary of the Treasury has been retired, the Housing and Home Finance Administrator shall transmit to the President of the United States for submission to the Congress recommendations for such legislation as may be necessary or desirable to effect the transfer to the owners of the then outstanding stock the assets and liabilities in connection with, and the management and control of, FNMA's Secondary Market Operations.

2. Operations

The Association's activities are administered through five field offices located throughout the country so as to best serve the needs of the organizations that do business with the Association. In addition to these field offices, FNMA maintains a Fiscal Agency office (established during 1955) and a Mortgage Sales office in New York City, and an administrative office in Washington, D. C. During 1955 the Association's personnel decreased from 581 to 560, a net decrease of 21. The December 1955 personnel, however, represented a net reduction of 394 or 41 percent from the 954 positions authorized at the time FNMA was transferred to HHFA in September 1950. This achievement is particularly significant in view of the fact that the Association's portfolio increased 235 percent dollarwise and 216 percent in number of mortgages since September 1950.

The Association is, within the meaning of the Government Corporation Control Act, a wholly owned agency of the Government; it is self-supporting and receives no direct appropriations for the payment of its administrative or other expenses, although it is limited by provisions contained in the Annual Independent Offices Appropriations Act as to the amount of its funds that may be expended for administrative expenses.

FNMA's consolidated net income during 1955 was $34.8 million and cumulatively through December 31, 1955, it aggregated $206 million. Since 1938 the Association had in all of its operations paid dividends of $164.5 million which were either paid or transferred into the Treasury, and includes $144,000 paid to the Secretary of the Treasury during 1955 on the FNMA preferred stock representing the investment of the Treasury in the FNMA Secondary Market Operations. In addition to these dividends, on December 31, 1955, the Association had a surplus reserve of $0.4 million which was established as an offset of the Association's liability for employees' accrued annual leave, reserves for losses and contingencies of $23.3 million, and an undistributed surplus of $17.7 million. FNMA has paid a total of $249.1 million in interest to the Treasury on its borrowings, including $44.3 million that was paid during 1955.

The Association's net earnings in its Secondary Market Operations between November 1, 1954, and December 31, 1955, after expenses and after the establishment of reserves for losses of $43,007 and provision for the payment to the United States Treasury of $323,361 as the equivalent of Federal income taxes, amounted to $319,641. From these earnings, provision has been made for the payment of $144,269 to the Secretary of the Treasury as the full amount of cumulative dividends on the preferred stock, leaving a general surplus of $175,372. Earnings have been sufficient to enable the Board of Directors beginning in January 1956 to declare a dividend on the common stock of $0.17 on each share of stock that was outstanding at the close of the dividend month. The payment of a regular monthly dividend, if sustained at that rate, is equivalent to an annual return of slightly over 2 percent.

SECTION 4

FNMA STATISTICAL DATA

The statistical data appearing in this section are presented for the purpose of describing selected activities of the Association for calendar year 1955 and for other periods as designated.

TABLE IV–1

FNMA home financing activity during 1955 and at end of 1955—consolidated activities

[In millions of dollars]

National Housing Act (FHA) and Servicemen's Readjustment Act (VA) by section of law	Advance commitments and purchase authorizations	Commitments and purchase contracts canceled	Purchases	Repayments	Sales (net)	Discounts	Other credits	At end of 1955: Commitments undisbursed and purchase contracts	At end of 1955: Mortgage portfolio
	During calendar year 1955								
Total	309.7	51.2	411.4	126.7	60.8	0.9	43.6	...	...
Total, FHA-insured mortgages	65.2	49.6	184.4	33.1	13.9	(1)	38.6	...	...
Sec. 8, NHA	5.5	.1	5.9	1.8	1.1	(1)	.2	...	...
Sec. 203, NHA	50.7	5.9	46.1	9.9	3.5	(1)	1.2	...	...
Sec. 207, NHA	.1	2.6	1.6	.3	...	...	5.3	...	...
Sec. 213, NHA	4.4	5.0	9.0	.8	...	...	.2	...	...
Sec. 222, NHA	.8	...	.6	...	...	...	...	...	...
Sec. 603, NHA	...	...	...	5.0	.9	(1)	.3	...	...
Sec. 608, NHA	...	...	...	.3	...	...	.9	...	...
Sec. 803, NHA	5.3	21.7	75.9	.9	1.2	...	8.6	...	...
Sec. 903, NHA	(1.6)	7.1	34.6	13.7	7.2	...	17.8	...	...
Sec. 908, NHA	...	7.2	10.7	.4	...	...	4.1	...	...

Total, VA-guaranteed mortgages	244.5	1.6	227.0	91.6	46.9	.9	5.0		
Sec. 501, SRA	244.5	1.6	227.0	91.1	46.9	.9	5.0		
Sec. 502, SRA				.1					
Sec. 505(a), SRA				.4		(1)			
Defense Homes Corporation loans				1.0					
RFC Mortgage Company direct loans				1.0					
	Cumulative (Feb. 10, 1938–Dec. 31, 1955)								
Total	5,982.1	893.6	5,013.3	622.3	1,611.7	18.2	105.0	75.2	2,655.5
Outstanding advance contracts								1.2	
Total								76.4	
Total, FHA-insured mortgages	2,501.9	554.2	1,895.7	221.6	690.8	1.7	80.6	52.0	901.0
Sec. 8, NHA	54.7	.7	54.0	4.3	3.0	.1	.3		46.4
Sec. 203, NHA	774.0	127.5	640.1	133.0	316.1	.3	6.0	6.4	184.7
Sec. 207, NHA	40.6	4.2	36.4	5.6	3.4	(1)	6.6		20.8
Sec. 210, NHA	.9	.6	.3	.2			(1)		
Sec. 213, NHA	61.5	13.6	44.6	1.6	1.1	(1)	.3	3.3	41.6
Sec. 222, NHA	.8		.6					.2	.6
Sec. 603, NHA	367.3	27.6	339.6	47.6	216.1	.2	15.7		60.0
Sec. 608, NHA	323.9	251.4	66.3	1.3	37.7	(1)	11.4	6.2	15.9
Sec. 803, NHA	293.7	75.7	191.7	1.6	73.3	.9	8.6	26.4	107.2
Sec. 903, NHA	519.1	28.1	483.0	25.8	29.5	.1	26.7	8.0	400.9
Sec. 908, NHA	65.4	24.8	39.1	.6	10.6	.1	5.0	1.5	22.9
Total, VA-guaranteed mortgages	3,436.5	339.4	3,073.9	397.4	920.9	16.5	25.0	23.2	1,714.1
Sec. 501, SRA	3,404.3	331.4	3,049.7	393.9	905.8	16.5	24.7	23.2	1,708.8
Sec. 502, SRA	2.0	.1	1.9	.6	(1)		(1)		1.3
Sec. 505(a), SRA	30.2	7.9	22.3	2.9	15.1	(1)	.3		4.0
Defense Homes Corporation loans	41.5		41.5	1.7					39.8
RFC Mortgage Company direct loans	2.2		2.2	1.6					.6

[1] Less than $0.05 million.

TABLE IV-2

FNMA home financing activity by month: 1955 consolidated activities

[In millions of dollars]

Month	Advance commitments and purchase authorizations	Commitments and purchase contracts canceled	Undisbursed commitments and purchase contracts at end of month	Purchases	Repayments	Sales (net)	Discounts	Other credits	Mortgage portfolio at end of month
Total	309.7	51.2	----------	411.4	126.7	60.8	0.9	43.6	----------
January	36.0	6.5	209.2	48.3	9.3	9.6	.2	1.1	2,504.3
February	31.1	5.0	187.7	47.6	9.9	7.8	.1	3.7	2,530.4
March	45.0	11.3	167.1	54.4	10.5	17.6	.2	2.7	2,553.7
April	44.6	5.2	148.4	58.0	10.9	11.1	.2	2.4	2,587.2
May	32.9	1.7	140.6	39.1	11.4	7.3	.1	3.5	2,603.9
June	12.6	8.4	123.7	21.0	13.1	3.0	(1)	.6	2,608.2
July	8.5	2.8	114.1	15.4	9.4	.9	(1)	5.2	2,608.0
August	11.6	4.8	102.4	18.5	11.4	.6	(1)	1.4	2,613.2
September	14.9	3.0	103.8	10.5	10.5	1.3	.1	6.8	2,605.0
October	20.7	1.2	81.6	41.7	10.3	1.0	(1)	8.3	2,627.2
November	24.3	.7	78.4	26.7	9.8	.6	(1)	7.1	2,636.4
December	27.5	.6	75.2	30.2	10.2	--------	--------	.8	2,655.5

[1] Less than $0.05 million.

TABLE IV–3

FNMA financing operations by calendar year 1938–55 consolidated activities

[In millions of dollars]

Year	Advance commitments and purchase contracts authorized	Commitments and purchase contracts canceled	Undisbursed commitments and purchase contracts (end of month)	Purchases	Sales (gross)	Repayments and other credits	Mortgage portfolio (end of year)
1938	102.2	2.5	17.5	82.2	----------	1.9	80.3
1939	69.9	5.5	7.8	74.1	0.4	7.2	146.8
1940	51.1	2.5	8.4	48.0	(1)	13.7	181.1
1941	42.3	2.1	6.3	42.3	(1)	16.6	206.8
1942	18.4	1.1	.4	23.2	----------	19.1	210.9
1943	1.2	.1	(1)	1.5	126.6	21.3	64.5
1944	.2	(1)	----------	.2	(1)	12.3	52.4
1945	.1	----------	(1)	.1	38.6	6.5	7.4
1946	.1	----------	(1)	(1)	(1)	1.8	5.6
1947	.8	(1)	.7	.1	----------	1.3	4.4
1948	431.9	8.0	226.7	197.9	----------	3.0	199.3
1949	1,356.1	86.5	824.1	672.2	19.8	23.3	828.4
1950	1,069.7	364.4	485.1	1,044.3	469.4	56.6	1,346.7
1951	684.1	252.8	239.1	677.3	111.1	63.4	1,849.5
1952	642.3	20.6	322.9	537.9	55.9	89.8	2,241.7
1953	733.3	45.0	468.7	542.5	221.1	101.4	2,461.6
1954	468.7	51.3	228.1	658.1	525.2	118.4	2,476.1
1955	309.7	51.2	75.2	411.4	61.8	170.3	2,655.5

[1] Less than $0.05 million.

TABLE IV-4

FNMA sales and purchases by month: 1954–55—consolidated activities

[Thousands of dollars]

Year and month	FNMA total	Defense Homes Corporation	RFC Mortgage Company direct loans	Federal Housing Administration: Total	Sec. 8	Sec. 203	Sec. 207	Sec. 213	Sec. 222	Sec. 603	Sec. 608	Sec. 803	Sec. 903	Sec. 908	Veterans' Administration: Total	Sec. 501	Sec. 502	Sec. 505 (a)
Purchases																		
1954																		
January	37,336			26,128	109	2,055	30					4,050	19,629	255	11,208	11,208		
February	47,369			36,852	124	2,203	419	345				5,014	26,313	2,434	10,517	10,517		
March	48,685			36,705	339	8,899	291	190				2,044	24,346	596	11,980	11,980		
April	50,118			37,096	315	3,427	1,311	2,058				11,285	17,601	1,099	13,022	13,022		
May	38,444			25,229	383	4,739	416	1,923				573	16,538	657	13,215	13,215		
June	50,427			34,179	725	2,633	98	2,257				9,534	18,850	82	16,248	16,248		
July	117,923	41,510	2,154	40,958	1,617	5,209	61	3,323		62		15,354	15,332		76,965	76,962		3
August	32,985			16,796	1,270	2,718	5,991	672					5,254	891	16,189	16,189		
September	37,767			19,984	1,710	1,521	97	1,307				5,722	6,008	3,619	17,783	17,783		
October	38,968			20,497	1,434	1,691	2,780	1,944					11,820	828	18,471	18,471		
November	50,038			26,018	6,177	2,192	10	2,648				4,355	8,455	2,181	24,020	24,020		
December	64,363			33,135	5,285	7,662	23	2,651				4,317	10,024	3,173	31,228	31,228		
1955																		
January	48,349			19,286	2,505	4,859	153	809				4,419	5,078	1,463	29,063	29,063		
February	47,583			21,786	978	3,142	37	2,135				9,853	3,478	2,163	25,797	25,797		
March	54,393			19,574	1,299	8,375	21	3,696					4,625	1,558	34,819	34,819		
April	58,034			21,611	937	5,563		758				8,525	3,683	2,145	36,423	36,423		
May	39,062			13,004	142	5,161	1,261	962				1,943	2,561	974	26,058	26,058		
June	21,029			11,480	46	1,763		158	87			7,036	2,390		9,549	9,549		
July	15,375			8,843	5	1,299		17	68			3,982	3,076	396	6,532	6,532		
August	18,503			12,321	6	1,927		111	83			2,973	6,756	465	6,182	6,182		
September	10,516			3,960		1,688	126	331	33				1,782		6,556	6,556		
October	41,672			30,967		2,841	21		36			25,794	789	1,486	10,705	10,705		
November	26,752			13,863	6	3,134			104			10,270	349		12,869	12,869		
December	30,166			7,770	(6)	6,368		11	198			1,134	65		22,396	22,396		

	Sales (gross)																	
1954																		
January	56,868			19,559		2,412				199		14,777	1,031	1,140	37,309	37,304		5
February	50,339			20,043		2,555	3,000			620	325	12,252	[1] (5)	1,296	30,296	30,296		
March	98,283			22,262		5,444		96		151		11,860	3,216	1,489	76,021	76,003		18
April	108,362			20,546	77	8,461				931		4,729	5,194	1,154	87,816	87,750		66
May	30,158			9,655	532	4,433						2,042	2,648		20,503	20,481	9	13
June	37,321			9,706	990	1,595				6		[1] (1)	5,209	1,907	27,615	27,592		23
July	36,508			12,303	1	1,319		1,036		1,378		7,657	824	88	24,205	24,184		21
August	39,061			4,937	39	471				727		442	3,258		34,124	34,114		10
September	18,909			4,815	4	345				106		4,352	8		14,094	14,093		1
October	23,412			9,312		473				786		4,460	449	3,144	14,100	14,084		16
November	11,323			1,714	13	533				700				468	9,609	9,602	7	
December	14,688			717	4	713									13,971	13,969		2
1955																		
January	9,741			717	341	357				19					9,024	9,023		1
February	7,919			872	67	736				69					7,047	7,032		15
March	17,783			7,950		69				690			7,191		9,833	9,832		1
April	11,246			803	102	592				49					10,443	10,439		4
May	7,448			1,469	258	1,168				43					5,979	5,978		1
June	3,059			1,364		149				14		1,201			1,695	1,692		3
July	942			434	223	211									508	508		
August	603			48		36				12					555	554		1
September	1,335			92		87				5					1,243	1,243		
October	905			38		38									957	955		2
November	631			89	58	31									542	542		
December																		

[1] Represents adjustment from prior year.

TABLE IV–5

FNMA participation in defense, military, and disaster housing program during 1955 and at end of 1955—management and liquidating functions

[In millions of dollars]

National Housing Act (FHA) and Servicemen's Readjustment Act (VA) by section of law	Advance commitments and purchase authorizations	Commitments canceled	Purchases	Sales (net)	Sales discounts	Repayments	Other credits	At end of 1955	
								Undisbursed commitments	Mortgage portfolio
	During calendar year 1955								
Total	0.3	36.9	128.9	9.7	(1)	17.8	31.2		
Total, defense	.2	15.2	56.7	8.3	(1)	16.5	22.4		
Sec. 8, NHA						(1)	(1)		
Sec. 203, NHA	.7	.2	.2	(1)		.5			
Sec. 207, NHA			(1)			.1			
Sec. 803, NHA			4.4			.1			
Sec. 903, NHA	(3.4)	7.1	34.6	7.2		13.7	17.8		
Sec. 908, NHA		7.4	10.7		(1)	(1)	4.0		
Sec. 501, SRA	2.9	.5	6.9	1.1	(1)	2.1	.6		
Total, disaster	.1	.1	.6	.2	(1)	.4	.2		
Sec. 8, NHA		.1	.5	.2	(1)	.3	.2		
Sec. 203, NHA						(1)			
Sec. 501, SRA	.1		.1	(1)		.1	(1)		
Total, military		21.6	71.6	1.2		.9	8.6		
Sec. 207, NHA						(1)			
Sec. 803, NHA		21.6	71.6	1.2		.8	8.6		

	Cumulative (July 16, 1951—Dec. 31, 1955)								
Total	1,008.3	138.1	838.1	133.0	1.3	36.0	41.8	32.1	625.9
Total, defense	719.3	65.8	642.6	59.1	.4	33.3	32.9	10.9	516.9
Sec. 8, NHA	(1)		(1)			(1)			(1)
Sec. 203, NHA	19.0	1.6	16.9	4.3	(1)	1.5	(1)	.3	11.1
Sec. 207, NHA	11.9	.5	11.3	3.0	(1)	.2	.6		7.6
Sec. 803, NHA	16.8	4.1	12.8		(1)	.1			12.6
Sec. 903, NHA	517.3	28.1	483.0	20.5	.1	25.8	26.7	6.2	400.9
Sec. 908, NHA	65.4	24.9	30.1	10.6	.1	.6	4.9	1.5	22.9
Sec. 501, SRA	88.9	6.6	79.5	11.7	.2	5.1	.7	2.0	61.8
Total, disaster	17.3	.7	16.5	.6	(1)	1.2	.3	.1	14.3
Sec. 8, NHA	12.4	.7	11.8	.3	(1)	.7	.2		10.5
Sec. 203, NHA	.7	(1)	.6			.1		.1	.5
Sec. 501, SRA	4.2	(1)	4.1	.3	(1)	.4	.1	(1)	3.3
Total, military	271.7	71.6	179.0	73.3	.9	1.5	8.6	21.1	94.7
Sec. 207, NHA	.1		.1			(1)			.1
Sec. 803, NHA	271.6	71.6	178.9	73.3	.9	1.5	8.6	21.1	94.6

[1] Less than $0.05 million.

TABLE IV–6

Federal National Mortgage Association secondary market operations—selected data on the 9,484 mortgages purchased through Dec. 31, 1955

	Age categories of underlying security						
	New construction under 2 years	2–5 years	5–10 years	10–20 years	20–30 years	30–40 years	Over 40 years
Number of mortgages	6,612	682	917	673	310	170	120
Percent	69.7	7.2	9.6	7.1	3.3	1.8	1.3

	Location of property by population area							
	Under 1,000	1,000 to 5,000	5,000 to 10,000	10,000 to 20,000	20,000 to 30,000	30,000 to 50,000	50,000 to 75,000	Over 75,000
Number of mortgages	154	640	782	833	570	455	383	5,667
Percent	1.6	6.7	8.2	8.9	6.0	4.8	4.0	59.8

	Room count									
	Total rooms					Bedrooms				
	3	4	5	6	Over 6	1	2	3	4	Over 4
Number of mortgages	4	2,505	4,678	1,953	344	7	4,419	4,766	242	50
Percent	0.1	26.4	49.3	20.6	3.6	0.1	46.6	50.2	2.6	0.5

	Actual living area—square feet							
	500 to 600	600 to 700	700 to 800	800 to 900	900 to 1,000	1,000 to 1,200	1,200 to 1,400	Over 1,400
Number of mortgages	6	420	1,928	2,419	2,415	1,673	380	243
Percent	0.1	4.4	20.3	25.5	25.5	17.6	4.0	2.6

	Exterior wall construction					Other factors				
	Masonry	Brick	Stucco	Frame	Other	Garage or carport	Prefabricated construction	1 family	2 or more families	Minority housing
Number of mortgages	314	1,211	716	6,420	823	4,484	960	9,388	96	1,262
Percent	3.3	12.8	7.5	67.7	8.7	47.3	10.1	99.0	1.0	13.3

	Base purchase price paid by FNMA for mortgages										
	Average	99½	99	98½	98	97½	97	96½	96	95½	95
Number of mortgages	....	59	253	557	743	757	2,249	2,421	2,095	341	9
Percent	96.9	0.6	2.7	5.9	7.8	8.0	23.7	25.5	22.1	3.6	0.1

	Term of mortgages				P. and M. fee			Equity groups		
	Under 20 years	20-25 years	25-30 years	Over 30 years	½ percent	1 percent	10 percent or more	5 to 10 percent	0 to 5 percent	No down payment
Number of mortgages	214	3,264	6,006	....	7,359	2,125	939	2,276	2,001	4,208
Percent	2.3	34.4	63.3	....	77.0	22.4	9.9	24.0	21.7	44.4

Part V

COMMUNITY FACILITIES ADMINISTRATION

SECTION 1

REVIEW OF COMMUNITY FACILITIES PROGRAM

The Community Facilities Administration, a constituent of the Housing and Home Finance Agency, is so named because it administers the Agency programs of financial assistance to communities for the advance planning and construction of essential public facilities and installations. Its functions, however, are more varied than its name suggests; its responsibilities include additional programs which complement and support the Agency's other housing and community assistance responsibilities. These additional responsibilities include the program of loans to educational institutions for student and faculty housing and related facilities and a number of important emergency programs of the war and postwar years which are now under liquidation. In addition, its staff resources which work directly with local communities through the HHFA Regional Offices, are utilized for other community-related Government operations, such as the school construction program of the Office of Education and emergency activities in the community facilities field resulting from defense or disaster needs. These programs are administered in the field through the six Regional Administrators of the Housing and Home Finance Agency. An important development during 1955 was the establishment in each Region of the position of Regional Director of Community Facilities Activities. The Regional Director will take lead responsibility for all CFA programs and activities within the Region and will be responsible to the Regional Administrator for the successful accomplishment of these programs and activities.

While no new program was established during 1955, the Housing Amendments of 1955 so altered the statutory bases of several programs as to require important revisions of policies and procedures for these programs.

The College Housing Program provides for direct Federal loans at low interest rates to assist institutions for higher education in the development of housing and related service facilities for students and faculty where such assistance is not otherwise available on equally favorable terms. The Housing Amendments of 1955 made several major changes in this program. The interest rate for loans was made subject to a statutory formula which resulted in a lowering of the interest rate to 2.75 percent for loans made during fiscal year 1956. The 2.75 interest rate was also made retroactive to all loans which had not been fully disbursed upon enactment of the Amendments. The maximum loan period was increased from 40 to 50 years. The new legislation also increased the authorization for borrowing from the Treasury for the program from $300 million to $500 million and broadened the program to include cafeterias, student centers and student unions, infirmaries, and other essential service facilities. The reduction of the interest rate resulted immediately in a huge increase in applications. In the first 8 months of 1955, there were 94 applications filed for $89.8 million, while in the last 4 months of 1955, there were 216 applications filed for $235.1 million. The increase in the average loan requested, though partly due to construction cost increases, resulted primarily from the large requests made by tax-supported institutions.

The Public Facility Loans Program provides interest-bearing loans to communities and other public agencies to finance construction of needed public works. The Housing Amendments of 1955 authorized a revolving fund of $100 million to be funded by loans from the Treasury Department to the Administrator and provided that no further loans be made under previous legislation except pursuant to applications filed prior to the enactment of the new legislation. Pursuant to this legislation, a survey was made of private industry practices and current interest rates. This resulted in the establishment of basic interest rates of 3¾ percent for loans secured by general obligation bonds and 4¼ percent for loans secured by revenue bonds. These basic rates apply to loans maturing in 30 years. The rates are increased for longer, and reduced for shorter amortization periods. Policies and procedures for the revised program were not published until late October. However, at the close of the year, considerable interest had been shown in the program.

Under the Program of Advances for Public Works Planning, funds may be advanced to States, municipalities, and other public agencies to help finance the cost of the planning of various public works. The Housing Amendments of 1955 made two major changes in previous legislation. It authorized a continuing program without time limitation in place of the original 3-year program and provided for a revolving fund of $48 million as compared with the previous appropriation authorization of $10 million. Last year, prior to enactment of the new legislation, available funds were limited to $1.5 million. It was therefore necessary to establish strict preference criteria under which few applications were filed with only 9 advances approved as of June 30, 1955. Appropriation of an additional $3 million for fiscal 1956 permitted removal of these restrictions. By the end of December 1955, 153 applications for advances had been filed of which 37 had been withdrawn or canceled and 27 approved for $269,462 representing estimated construction costs of $36.9 million.

Responsibility for the administration of the School Construction Program rests with the Office of Education, Department of Health, Education, and Welfare. Under the provisions of a working agreement between the Office of Education and the Housing and Home Finance Agency, the Community Facilities Administration performs the necessary engineering, legal, and financial services for the Office of Education. There are two types of projects under this program—the Federal project and the non-Federal project. In the Federal projects, the Community Facilities Administration has full responsibility for all planning and construction operations. In the non-Federal projects, the local school districts are the builders and the Community Facilities Administration provides engineering supervision and inspection at the construction site. During 1955, work was begun on 639 non-Federal projects and 17 Federal projects. Nonfederally constructed projects completed during the year totaled 408, while 28 Federal projects were completed in the same period.

In connection with the Disaster Relief Program, at the close of calendar year 1955, there remained only two final reports uncompleted. Under the Revolving Fund (Liquidating Programs), considerable progress has been made in the disposition of projects and assets for which the Community Facilities Administration is responsible. Assets of the fund are being converted as quickly as possible. However, progressive liquidation has left the Revolving Fund with residual assets that are becoming increasingly difficult to dispose of on any terms.

A more detailed report of operations under CFA programs for the calendar year 1955 follows.

SECTION 2

ACTIVE OPERATING PROGRAMS

COLLEGE HOUSING LOANS

In 1955, its fifth year of operation, the College Housing Program underwent considerable change as a result of the Housing Amendments of 1955, which became law on August 11, 1955. Under the original legislation, Title IV of the Housing Act of 1950, direct Federal loans were authorized to be made by the Housing and Home Finance Administrator to aid institutions of higher learning in meeting their needs for additional housing for students and faculty. Since the end of World War II this housing need has been acute, reflecting the record level enrollments in the Nation's colleges and universities.

At the time the law was enacted, higher education enrollment was about 2.3 million, including nearly a million veterans. Since then, after a slight decline, enrollments have risen continually, reaching 2.5 million in 1954 and 2.7 million in 1955, contrary to an expectation in some quarters that enrollments would decrease appreciably following the drop in veteran enrollment. It is now conservatively estimated that college and university enrollment will increase to about 3 million by 1960 and 4 million in 1965, to reflect the increased birth rate during the 1940's. The problem of housing these record numbers of students and faculty has been accentuated by the deterioration of the temporary housing, pressed into service after the war, by the tight off-campus residential housing picture and by the demolition of the older type boarding houses.

Under the original 1950 Act the Administrator of HHFA was authorized to borrow from the Treasury to finance loans under the program, the aggregate of such borrowings at any one time not to exceed $300 million. The 1955 Amendments increased this aggregate ceiling to $500 million. Releases of borrowing authority by the President totaled $200 million at June 30, 1955, and in early November 1955, the balance of the $500 million authority was released. According to the original Act, loans are to be repaid by the colleges within a period of not more than 40 years. The 1955 legislation increased the maximum loan period to 50 years; however, to maintain its standards for sound loans, the Agency has confined loans to a period not exceeding 40 years.

Perhaps the most significant change in the program brought about by the 1955 Amendments was the revision of the basis for determining the interest rate for College Housing loans. Hitherto, as provided by the Housing Amendments of 1953, the interest rate was established by the Administrator, the rate being related to the yields on long-term Government bonds. From August 1, 1953, through June 30, 1954, the rate established was $3\frac{1}{2}$ percent and from July 1, 1954, through August 11, 1955, the rate was $3\frac{1}{4}$ percent. Pursuant to the 1955 Amendments the interest rate is to reflect the higher of a statutory minimum of $2\frac{3}{4}$ percent or the average interest rate on all Treasury interest-hearing obligations at the end of the preceding fiscal year. For the fiscal year ending June 30, 1956, the Administrator, on the basis of the above formula, determined the College Housing loan rate at $2\frac{3}{4}$ percent. The new legislation also provided that a loan could be made only where the applicant shows that it is unable to secure the necessary funds from other sources upon terms and conditions equally as favorable as those applicable under the law. Previously, the law provided that before an institution could obtain a loan, it must demonstrate that private financing is not available on comparable terms and conditions. For the period July 1, 1954, through August 11, 1955, comparable terms were considered to be a bid at an interest rate not more than one-fourth of 1 percent above the College Housing interest rate.

As a result of the more liberalized terms provided by the 1955 College Housing Amendments, the volume and value of applications for loans, particularly by public institutions of higher learning, increased tremendously. For the first 5 years of the program ending August 31, 1955, there were a total of 492 applications having an aggregate value of $358 million, of which $148 million was for public institutions and $210 million for private institutions. From September 1, 1955, through the end of February 1956, a period of 6 months, there were a total of 275 applications having an aggregate value of $293 million, of which $184 million was for public institutions and $109 million for private institutions.

Another effect of the 1955 Amendments has been the curtailment of private investment participation in the program. It has been the policy of the Agency to encourage such private participation at all stages. During the 5 years of the program's operations, 90 applications totaling about $85 million were withdrawn or rescinded at some stage in the processing because the institutions had been able to secure private financing. Of this volume, 2 loans involving some $2.7 million were withdrawn or rescinded during September 1–December 31, 1955.

The 1955 legislation also broadened the College Housing Program by authorizing loans, the aggregate of which may not exceed $100 million of the $500 million program at any one time, for service facilities such as cafeterias or dining halls, student centers or student unions, infirmaries or other inpatient or outpatient facilities, and other essential service facilities.

During the calendar year 1955, 310 applications totaling $324.9 million were filed by colleges and universities, and 55 applications totaling $35,-758,000 were approved. The following table shows the applications received and approved during the 5 years of the program's operation. It also shows the number of accommodations to be provided.

TABLE V–1

Applications received and approved under the college housing program

Calendar year	Number[1]	Amount[1]	Accommodations to be provided student			
			Men	Women	Families	Faculty
Applications received:						
1951	56	$42,336,000	9,888	2,106	----------	153
1952	102	92,691,000	17,912	6,017	411	389
1953	128	90,676,000	17,051	10,370	443	341
1954	106	66,336,000	7,516	9,233	410	268
1955	310	324,909,000	38,031	26,646	4,225	941
Total	702	616,348,000	90,398	54,372	5,489	2,092
Applications approved:						
1951	17	16,895,000	4,073	855	----------	87
1952	26	24,213,000	6,005	1,499	68	56
1953	61	52,177,000	12,829	3,004	234	148
1954	54	31,160,000	2,335	6,737	----------	198
1955	55	35,758,000	5,215	4,923	548	161
Total	213	160,203,000	30,457	17,018	850	650

[1] Revised October 1, 1956.

Source: Community Facilities Administration, HHFA.

In addition to the approvals shown in the above table, as of December 31, 1955, another 103 applications totaling $99,972,000 had been given preliminary approval and funds had been reserved, thus bringing the total of commitments through approvals and preliminary reservations to $260,175,-000 against the $500 million authorization. Of the total amount committed, $7,238,339 was for service facilities.

The enabling legislation authorizes the Administrator to consult with and secure the advice of the Office of Education in the Department of Health, Education, and Welfare. In accordance with an interagency agreement, that office renders assistance through its advice on eligibility, need, and the educational aspects of the program.

PUBLIC FACILITY LOANS

The Housing Amendments of 1955 authorized the Housing Administrator, acting through the Community Facilities Administration, to purchase the securities and obligations of, or make loans to, States, municipalities, and other political subdivisions of States, public agencies, and instrumentalities of one or more States, municipalities, and political subdivisions of States, and public corporations, boards, and commissions established under the laws of any State to finance specific public projects under State or municipal law. This program supersedes the Public Facility Loans Program provided for in the Reconstruction Finance Corporation Liquidation Act (Public Law 163), as amended by the Housing Act of 1954, which designated the HHFA Administrator as the officer responsible for carrying out the program. The earlier program was a continuation of the activities of the Reconstruction Finance Corporation which since 1932 had administered a public agency loan program.

The Act provides that financial assistance may not be extended unless credit is not otherwise available on reasonable terms and that the loan be of such sound value or so secured as to reasonably assure repayment. Priority is to be given to smaller municipalities for assistance in the construction of basic public works, including storage, treatment, purification, and distribution of water; sewage, sewage treatment, and sewer facilities; and gas distribution systems, for which there is an urgent and vital public need.

A "smaller municipality" is defined by the Act as a town or other political subdivision having under 10,000 inhabitants. A revolving fund of $100 million has been provided.

The Act sets the general framework for establishing the interest rates under this program. After taking into consideration present market conditions and the differences in risks under the municipal obligations which will be purchased, the Administrator established the basic average net interest rate at 3¾ percent for long-term general obligation bonds and 4¼ percent for revenue bonds having a maximum maturity period of 30 years. The rate will be adjusted upward or downward for each full 5-year shortening or lengthening of the 30-year maturity period. Although the law permits 40-year loans, it has been considered desirable to encourage the establishment of loan periods involving the least number of years consistent with the applicant's financial ability to repay. The basic interest rate established is subject to revision upward or downward as changes warranting such action occur in the general level of rates for municipal and long-term bonds.

In order to properly evaluate the needs under this program, a field survey was conducted by this Agency. Organizations of municipal officials, municipal credit rating agencies, investment banks, firms and individuals familiar with municipalities and their problems were consulted. This survey disclosed that the need for this program exists predominantly in those States somewhat removed from the money markets and to municipalities and taxing districts of less than 2,500 to 5,000 population. A recent survey of over 2,000 municipalities conducted by the United States Public Health Service revealed that approximately 815 water systems were not providing reasonably adequate service. The survey disclosed that 28.5 percent or 232 communities were unable to provide improvements because of financial difficulty.

The United States Public Health Service estimates that some $250 million per year is needed for construction of municipal sewage treatment plants in order to keep pace with population increases and plant obsolescence. It is reported that a backlog of $2 billion for needed plant construction exists.

In addition, public agencies will be required to construct numerous plants if the stream pollution problem is to be solved.

The procedures and regulations were not formalized until late October 1955. However, at the close of that year, considerable interest had been shown in the program, particularly by communities with a population of less than 1,000 inhabitants.

ADVANCES FOR PUBLIC WORKS PLANNING

Section 702 of the Housing Act of 1954 authorized a 3-year, $10 million program of interest-free advances to provide a shelf of planned public works which might be placed under construction quickly should the economic situation make such action desirable. Of this authorization, $1.5 million only was appropriated which made necessary the establishment of strict preference criteria on the types of public works for which applications would be accepted and a limit on the amount of advance per application. Under these conditions, few applications were filed and only 9 advances were approved in the fiscal year ending June 30, 1955.

On August 11, 1955, Public Law 345, generally referred to as the Housing Amendments of 1955, was passed. This law provided two major changes in the previous law. First, it removed the 3-year time limitation that applied to the 1954 program and provided a program without time limitation. Second, the original authorization of $10 million was used to establish a revolving fund. The fund can be augmented until the total $48 million authorization has been made available. Repayments of advances are deposited into the revolving fund and are available for additional advances for public works planning. The program is directed at (1) encouraging States and local public agencies to maintain at all times a current and adequate reserve of planned public works which can readily be placed under construction and (2) attaining maximum economy and efficiency in the planning and construction of public works. Communities faced with a wide range of developmental problems are growing increasingly aware of the necessity of public works planning to housing, urban renewal, economic and industrial growth.

Normally, a community may not contract to expend funds for the planning of specific projects until the money necessary for construction has been authorized by the local government. Consequently, communities are prone to provide only the barest of currently existing requirements. The program is designed to bridge the gap between planning and actual construction and provides a method whereby a community may progress in an orderly manner toward the solution of its problems.

With the establishment of the revolving fund and the appropriation of an additional $3 million of program funds for fiscal 1956, the administrative restrictions necessary last year were removed. Preliminary planning is still encouraged in order to assist a maximum number of projects at minimum cost. Advances for complete or final planning are approved when the applicant is determined to construct immediately but is delayed by minor matters which prevent the immediate sale of bonds or use of other available planning funds; where the type of public work being planned makes complete planning more practicable; or for the replacement of public facilities destroyed by disaster.

The law limits advances outstanding to public agencies in any State to 10 percent of the aggregate authorized to be appropriated to the revolving fund. No elaborate, long-range, planning project is considered and each application is confined to a single specific public works project. Advances become due and repayable without interest when the public works contemplated by the approved plans is placed under construction. However, if the public agency undertakes to construct only a portion of a planned public work it is required to repay such proportionate amount as is determined to be equitable.

As of December 31, 1955, 153 applications for advances had been filed, of which 37 had been withdrawn or canceled and 27 advances approved for $269,462 representing estimated construction costs of $36.9 million.

A further breakdown of the approved advances by type of work follows:

	Number	Amount of advance	Estimated total cost
Sewer and water facilities	17	$117,528	$17,147,831
Schools and other educational facilities	4	43,557	4,685,355
Public buildings	2	23,500	2,250,000
Streets	2	32,377	4,948,680
Flood relief	1	27,500	5,100,000
Dock facilities	1	25,000	2,766,500
Total	27	269,462	36,898,366

SCHOOL CONSTRUCTION

On September 23, 1950, the school construction program came into being under Public Law 815. The purpose of this law was to provide schools in areas where Federal activities had caused an increase in school population. Under the law it is possible to (a) make Federal grants to assist local school districts in the expansion of their school facilities to meet the increased needs arising out of Federal activities in the area; (b) construct a limited amount of temporary or permanent school facilities primarily in those areas where local school districts are unable to provide facilities for children living on Federal property because State laws preclude the extension of the State's educational activities to such children; and (c) assist those local school districts which can undertake to provide for the education of children living on Federal property, most of whom are Indian children living on tax-exempt land.

The original law creating the program, Public Law 815, 81st Congress, was amended by Public Law 246, 83d Congress, which extended the original law and created Titles III and IV. Public Law 357, 83d Congress, provided funds for districts which qualified for assistance under the original law but failed to receive such assistance because of lack of funds. Public Laws 731, 83d Congress, and 382, 84th Congress, extended Titles III and IV.

Responsibility for administration of the school construction program rests with the Office of Education, Department of Health, Education, and Welfare. However, pursuant to a working agreement between the Office of Education and the Housing and Home Finance Agency, the Community Facilities Administration performs the necessary engineering, legal, and financial services for the Office of Education. These services are financed by advances of funds from those appropriated to the Department of Health, Education, and Welfare.

There are two types of projects under this program, the Federal project and the non-Federal project. In the Federal projects, the Community Facilities Administration through the Regional Offices of the Housing and Home Finance Agency has full responsibility for all planning and construction operations. It prepares cost estimates and preliminary design data, and upon approval of the project by the Office of Education, it secures architectural services, approves plans and specifications, awards construction and equipment contracts, inspects construction and equipment, makes payments to architects, contractors, and suppliers, and transfers completed schools to the Office of Education. The completed facility is the property of the Federal Government.

In the non-Federal projects, the local school districts are the builders and Community Facilities Administration gives advice, approves plans and specifications, supervises construction, recommends payment of Federal funds, and otherwise acts in a helping and supervisory capacity. The completed facility becomes the property of the local school district.

At the end of 1955, fund reservations had been made for a total of 2,938 projects under the program as may be seen in Table V–2. Of this number, 1,490 had been completed, 676 were under construction, 326 were in the planning stage prior to going under construction, and 101 were expected to be approved during the next few months. In addition, there were 345 reimbursement projects in which the school district constructed the project itself to later receive Federal assistance by reimbursement from Federal funds. The Department of Health, Education, and Welfare has approved a total of 2,483 projects, as shown in Table V–3.

During 1955, work was begun on 639 non-Federal projects and 17 Federal projects. Nonfederally constructed projects completed during the year totaled 408, while 28 Federal projects were completed in the same period.

TABLE V–2

School construction program

	Number of projects [1]					
	Calendar year 1955					Cumulative total as of Dec. 31, 1955
	Public Law 815	Public Law 246	Unpaid entitlements		Total	
			Reimbursement	Construction		
All types of projects:						
Fund reservations	1	502			503	2,938
HHFA reports	2	496	112	66	676	2,837
Construction starts	8	546		102	656	2,166
Completions	224	191		21	436	1,490
Non-Federal construction:						
Fund reservations	1	469			470	2,756
HHFA reports	2	462	112	66	642	2,655
Construction starts	7	530		102	639	2,016
Completions	202	185		21	408	1,392
Federal construction:						
Fund reservations		33			33	182
HHFA reports		34			34	182
Construction starts	1	16			17	150
Completions	22	6			28	98

[1] Net after combinations, cancellations, and disapprovals.

TABLE V–3

Number of projects under Titles II, III, IV of the school construction program

Cumulative data from September 1950 through—	Approved by Department of Health, Education, and Welfare [1]			Placed under construction		
	Total	Non-Federal construction, secs. 202, 305, 401, Public Law 357	Federal construction, sec. 204/310, sec. 203/309	Total	Not yet completed	Completed
1951, December	302	238	64	153	150	3
1952, December	958	865	93	475	396	79
1953, December	1,328	1,214	114	1,221	802	419
1954, December	1,891	1,745	146	1,510	456	1,054
1955, December	2,483	2,301	182	2,166	676	1,490
1955:						
January	1,989	1,842	147	1,551	453	1,098
February	2,046	1,898	148	1,605	475	1,130
March	2,081	1,933	148	1,684	496	1,188
April	2,104	1,956	148	1,762	546	1,216
May	2,111	1,962	149	1,825	574	1,251
June	2,196	2,035	161	1,891	599	1,290
July	2,264	2,097	167	1,929	613	1,306
August	2,366	2,184	172	1,981	632	1,349
September	2,421	2,243	178	2,017	630	1,387
October	2,456	2,276	180	2,065	647	1,418
November	2,469	2,288	181	2,111	660	1,451
December	2,483	2,301	182	2,166	676	1,490

[1] Net after combinations and cancellations.

SECTION 3

PROGRAMS IN LIQUIDATION

REVOLVING FUND (LIQUIDATING PROGRAMS)

The Revolving Fund for Liquidating Programs of the Housing and Home Finance Agency was established by the Independent Offices Appropriation Act of 1955.

The Public Housing Administration, under a delegation of authority from the Administrator, is responsible for conducting liquidating activities for war and emergency housing programs (see page 319). The Community Facilities Administration, pursuant to the terms of the Administrator's Reorganization Order No. 1, is responsible for liquidation activities for the following programs:

(1) Alaska Housing Program.
(2) Prefabricated Housing Loans Program.
(3) War Public Works Program.
(4) Defense Community Facilities Program.
(5) First and Second Advance Planning Programs.

The following table shows the status of the CFA portion of the Revolving Fund as of June 30, 1955:

Community Facilities Administration liquidating programs—financial statement as of June 30, 1955

[Dollars in thousands]

Net book value of principal assets:	
Cash	$5,333
Current receivables	1,926
Loans and mortgages	18,743
Real property	15,944
Contingent planning advances, installment sales contracts, etc	28,079
Total	70,025
Liabilities	46
Remaining Government costs to be liquidated	69,979
Total liabilities and remaining costs	70,025
The original cost to the Government was	249,718
Less:	
Assets transferred to other agencies for continued use	−80,126
Grants and donations to local governments	−33,757
Repayments to the U. S. Treasury	−40,004
Realized losses	−25,852

Summary statements on activities during calendar year 1955 on the individual programs included in the Revolving Fund are presented in the following pages.

Alaska Housing Program

The Alaska Housing Act, enacted in 1949 and amended by the Housing Act of 1952, was designed to alleviate the acute shortage of moderate-priced housing in Alaska by providing needed capital which was unavailable from private sources. The Act authorized a revolving fund of $20 million for loans by the Housing and Home Finance Administrator to the Alaska Housing Authority. From the proceeds of loans from the Administrator and other funds at its disposal, the Alaska Housing Authority was authorized to:

(1) Make loans for housing projects to public agencies, private nonprofit or limited-dividend corporations, or private corporations which were regulated so as to provide both reasonable rents and a reasonable return on investment. Such loans were to be made only if adequate financing on reasonable terms and conditions was not otherwise available.

(2) Use $1 million for character loans of not more than $500 each to Eskimos and other natives in remote areas for dwelling improvement or construction.

Appropriations for this fund totaled $19 million but this amount was reduced to $14 million on July 31, 1953, by Public Law 176, 83d Congress, which also prohibited the making of new loans under the basic authority.

Under this program, for which the Community Facilities Commissioner has liquidating responsibility, the Alaska Housing Authority borrowed in excess of $17 million to finance construction of 1,297 units secured by first mortgages, approximately $350,000 for second mortage financing to assure completion of 268 units, and approximately $328,000 to assist in the improvement or construction of approximately 700 native dwellings in remote areas. Loans to the natives were limited to $500 each.

Of the more than $17 million loaned under the program, $8.7 million had been repaid at the end of 1955.

Status of Alaska housing program

	Disbursed (000)	December 1955 balance (000)
1st mortgage	$17,041	$8,607
2d mortgage	394	252
Remote dwelling loans	295	151
	17,730	9,010

During the last 3 months of 1954 and the first 9 months of 1955, housing in Alaska exceeded the demand with the result that two of the loans are in default and the Administrator has instituted foreclosure proceedings.

Prefabricated Housing Loans Program

Authority for this program was provided for in the Veterans Emergency Housing Act of 1946 and Section 102 of the Housing Act of 1948. The legislation authorized the Reconstruction Finance Corporation to make loans to business enterprises for production and distribution of prefabricated houses and housing components and for large-scale modernized site construction where credit was not available from private sources on reasonable terms. The President's Reorganization Plan No. 23 of 1950 transferred this function to the Housing and Home Finance Administrator. In September 1951, Section 102(a) was added to the Housing Act of 1948 in order to permit loans to maintain production of fabricated houses and components so that they would be available for national defense. In June 1954, authority to borrow from the Treasury to make loans under these statutes was withdrawn.

The Community Facilities Commissioner is responsible for the liquidation of the outstanding loans under this program. Loans in excess of $62 million were authorized of which almost $53 million have been disbursed. Repayments to date amount to over $39 million and $8,275,000 has been written off. A balance of $5,496,000 representing 9 loans remains. Except for 2 loans, with 10-year terms at favorable interest rates and 1 loan which is in litigation, it is expected that the remaining loans will be repaid during 1956, or the early part of 1957. The following table summarizes the high points of this program:

Loan commitments	$62, 608, 000
Loan disbursements	52, 999, 000
Loan repayments	39, 220, 000
Chargeoff and judgment receivable	8, 275, 000
Loan balance	5, 496, 000

War Public Works Program

Under the Lanham Act, approved in October 1940, the Federal Government aided in providing urgently needed public works in war-congested areas where local governments were unable to meet such needs. Federal aid consisted of direct Federal construction (principally of water and sewer facilities, schools, hospitals, health centers, and recreation facilities for military personnel) and of grants and loans to local communities. The program was transferred from the General Services Administration to HHFA in 1950 under Reorganization Plan No. 17, and it is now administered by the Community Facilities Administration.

HHFA is now concerned with servicing outstanding loans and with the disposition of the few remaining Federal projects. Public Law 815, 81st Congress, directed that schools constructed under the Lanham Act be transferred to local educational agencies. Public Law 176, 83d Congress, authorized the transfer of projects to other Federal agencies.

During 1955, HHFA disposed of 20 properties leaving 50 properties, 6 sales contracts, and 11 loans (represented by bond issues with no defaults in debt payment) on hand at the end of the year. The disposals consisted of 8 projects transferred to the Military under Public Law 176, 83d Congress; 4 projects transferred to local school authorities under Public Law 815, 81st Congress; and 8 properties sold to local public agencies. Of the 50 properties on hand as of the end of the year, only 11 were available for disposition. These available facilities consist mostly of sewer lines constructed to serve temporary housing projects and will be of value to the local public agencies only if the territory served is developed with permanent housing. However, efforts are continuing to dispose of these projects under equitable arrangements.

Status of property on hand Dec. 31, 1955	Number of projects	Cost (000)
Properties on hand:		
Leased with option to purchase	27	$4,752
Under maintenance and operating agreement	1	2,384
Declared excess to GSA	3	207
Disposal agreements arranged—in process of transfer	8	2,658
Available for disposition	11	4,069
Total	50	14,070
Sales contracts	6	[1] 2,596
Loans	11	[1] 903

[1] Principal balance outstanding as of Dec. 31, 1955.

Defense Community Facilities Program

Under Public Law 139, 82d Congress, the Defense Community Facilities Program was set up for Federal assistance in the form of loans or grants or both in the provision or expansion of vital community facilities in critical defense housing areas. These facilities included waterworks, sewerage systems, street improvements, and fire and police protection facilities.

This program was operated jointly with the United States Public Health Service of the Department of Health, Education, and Welfare, to which Agency was delegated the authority for the provision of water and sewage treatment facilities.

Public Law 139, 82d Congress, approved September 1, 1951, authorized up to $60 million for community facilities in critical defense housing areas. This authorization was increased to $100 million on July 14, 1952. $11,250,000 was made available to this Agency on November 1, 1951, which was increased by $9,375,000 on June 2, 1952, for a total HHFA portion of $20,625,000. A total amount of $8,000,000 was appropriated to be used by HEW. The Act was extended to June 30, 1954, by Public Law 94, 83d Congress, without additional appropriation. The program was covered into the Revolving Fund (Liquidating Programs) on June 30, 1954, for liquidation.

Section 129 of the Housing Act of 1954 provided for an extension of the basic authority for the making of loans and grants to June 30, 1955. This amendment provided that the President could designate certain new projects for approval within the limitation of the small amount of unallocated funds remaining. By Executive Order 10593, dated January 27, 1955, the President designated and empowered the Director of the Office of Defense Mobilization to perform the functions vested in the President under the Act as amended. In 1955, 9 final applications were presented to and approved by the Office of Defense Mobilization under this delegation of authority. One project was canceled, because of nonacceptance of the offer by the local governing body, making a total of 8 new projects. The total estimated project cost of the 8 new projects was $1,849,800, which included a total of $1,007,000 in grants, $49,000 in loans, and $793,800 applicants' participation.

The 97 projects which had been approved as of December 31, 1954, were increased to 105 during the current year. The total estimated cost of the 105 projects approved by this Agency was $35,128,876.19, which included a total of $16,241,653.52 in grants and $3,654,587.25 in loans, to be supplemented by $15,232,635.42 applicants' funds. Of these projects, 83 were the sole responsibility of this Agency, while the responsibility for 22 was shared jointly with USPHS of the Department of Health, Education, and Welfare, which Agency approved separate loans and grants for treatment facilities. Of the 105 projects approved, one was under construction, 96 were completed, and 8 had not yet reached the construction stage at the close of 1955.

Of the 97 projects completed or under construction, 35 were for water facilities, 40 for sewer facilities, 11 for water and sewer, and 11 for other types of facilities. The 8 additional projects which were approved during 1955 and which have not reached the construction stage, consist of 3 for water, 4 for sewers, and 1 for water and sewer.

During the year of 1955, 40 final project reports were received and approved making a total of 88 projects for which final construction records had been completed.

First and Second Advance Planning Programs

The First Advance Planning Program was authorized by Title V of the War Mobilization and Reconversion Act of 1944 (Public Law 458, 78th Cong.), approved October 3, 1944. The Act authorized interest-free advances to State and local jurisdictions to assist them in preparing a shelf of planned public works which could be placed under construction immediately whenever the national or local economy required, or when the need for a particular planned facility became particularly acute. Program authority expired on June 30, 1947. A total of $65 million was appropriated and the program is in liquidation.

The Second Advance Planning Program was authorized by Public Law 352, 81st Congress, approved October 13, 1949. The authorizations were essentially the same as for the first program, but repayment liability was stated in more detail. The law required that if construction of a planned public work was not undertaken or started within 3 years after making the advance, the Administrator shall determine that the public agency had or had not acted in good faith in either obtaining the advance or in failing to undertake construction of the public work planned with the advance. In October 1950, as part of the defense effort, this program was redirected to projects serving national defense and urgent civilian requirements intended for early construction. Program authority expired October 13, 1951. A total of $28 million of the statutory authorization of $100 million was appropriated and the program is in liquidation.

Through December 31, 1955, a total of $62.3 million of planning advances had been approved under these programs for 7,703 projects, with an estimated construction cost of $3.6 billion. About half of all approved projects are for sewer, water, and sanitary facilities; slightly less than one-third are for schools, other educational facilities, hospitals, and health facilities; and the remainder include other public buildings, highways, roads, bridges, etc. As of December 31, 1955, construction had started on 3,916 projects with an estimated cost of more than $1.8 billion, and repayments amounted to $29.3 million, or more than 47 percent of the total of $62.3 million of advances actually disbursed.

As a result of these 2 advance planning programs, State and local authorities had available on December 31, 1955, a reserve or shelf of non-Federal public works consisting of 2,444 projects, with an estimated cost of more than $1.4 billion. Planning had been completed on all but 5 projects in the reserve.

The following table summarizes the status of the 2 advance-planning programs as of December 31, 1955:

Status of activity	Number of projects	Estimated construction cost (millions)	Amount of advances (millions)
	First and second advance planning programs		
Total approved	7,703	$3,596.6	$62.3
Plans incomplete	84	3.0	.5
In process	5	3.0	.1
Uncollected GAO claims	79		.4
Plans completed	7,619	3,593.6	61.8
Construction started	3,916	1,833.8	29.3
Active, awaiting contract	2,439	1,409.0	24.7
Abandoned	1,165	319.0	7.1
Uncollected GAO claims	99	31.8	.7
Potential reserve (construction not started)	2,444	1,412.0	24.7
	First advance planning program		
Total approved	6,525	$2,586.5	$46.1
Plans incomplete	71		.4
In process			
Uncollected GAO claims	71		.4
Plans completed	6,454	2,586.5	45.7
Construction started	3,199	1,265.1	21.1
Active, awaiting contract	2,026	982.2	17.1
Abandoned	1,136	311.1	6.9
Uncollected GAO claims	93	28.1	.6
Potential reserve (construction not started)	2,026	982.2	17.1
	Second advance planning program		
Total approved	1,178	$1,010.0	$16.2
Plans incomplete	13	3.0	.1
In process	5	3.0	.1
Uncollected GAO claims	8		(1)
Plans completed	1,165	1,007.0	16.1
Construction started	717	568.7	8.2
Active, awaiting contract	413	426.7	7.6
Abandoned	29	7.9	.2
Uncollected GAO claims	6	3.7	.1
Potential reserve (construction not started)	418	429.7	7.7

[1] Less than $50,000.

DISASTER RELIEF

Public Law 875, 81st Congress, as amended by Public Law 107, 82d Congress, authorized the President to declare "major disaster" areas in any area which had suffered sufficient hardship as a result of disasters from natural causes, such as floods, fires, hurricanes, drought, etc., and thereby provide Federal assistance as a supplement to State and local efforts in alleviating hardships resulting from such catastrophe.

Executive Order 10221, dated March 2, 1951, delegated to the Housing Administrator the functions of administering disaster relief. By Executive Order 10427, dated January 16, 1953, the responsibility for disaster operations was transferred from HHFA to the Federal Civil Defense Administration. The Executive Order provided that the HHFA was to carry out and complete all activities, including reports thereon, in connection with any disaster which occurred prior to January 16, 1953. Consequently, at the close of 1955 final reports had been prepared on 50 of the disasters leaving only 2 yet due, which are being held on account of small claims against a school district and freight bills being audited by the General Accounting Office.

The 50 completed projects represent Federal assistance to disaster areas of almost $21 million.

Part VI

URBAN RENEWAL ADMINISTRATION

SECTION 1

REVIEW OF THE URBAN RENEWAL PROGRAM

An increased tempo of urban renewal activity in communities throughout the Nation highlighted 1955, the first full year of operations under the Housing Act of 1954, which had sharply expanded Title I of the Housing Act of 1949.

Outstanding among the evidences of stepped-up local activities were these developments:

> More than 6 times as much Federal capital grant funds—$176.5 million—were reserved for specific local urban renewal projects in 1955 as had been set aside in 1954; about 9 times more as in 1953.
>
> More than one-third again as many initial applications from local communities for Federal funds for the planning of projects were approved as in either 1954 or 1953.
>
> The half-billion dollars in capital grant funds originally authorized by the Housing Act of 1949 were exhausted by commitment to local projects by the end of July. (An additional half-billion dollars were authorized by the Housing Amendments of 1955.)

Demonstrating the broad-scale approach to urban renewal embodied in the 1954 Act, 9 projects involving rehabilitation received approval of Federal planning advances, while many other applications were in preparation at the end of the year.

URBAN RENEWAL AIDS

There is no question that this stepping up of local urban renewal programs was directly due to passage of the Housing Act of 1954. This Act, essentially, assists communities not only to eradicate but also to prevent slums and blight. In passing the Act, the Congress indicated that clearance of wornout structures alone was not enough, but strong measures for the prevention of slums and removal of the causes of blight are necessary if American communities are to renew themselves.

In this expanded approach to urban renewal, the 1954 Act continued the types of financial aid made available to communities by Title I of the Housing Act of 1949—planning advances, loans, and grants—and added the following types of assistance:

The Urban Renewal Service.

Special Demonstration Grants.

Special Grants for Urban Planning Assistance.

Special Provisions for FHA Mortgage Insurance under Section 220 for new building or rehabilitation of homes in urban renewal areas. Special Provisions for FHA Mortgage Insurance under Section 221 to provide low-cost housing for families displaced from urban renewal areas.

Provisions for additional Public Housing.

With the exception of mortgage insurance and public housing aids, urban renewal assistance is administered by the Urban Renewal Administration, a constituent unit of the Housing and Home Finance Agency, headed by Commissioner J. W. Follin. The above mentioned aids are described on page xxiii.

DECENTRALIZATION

The expanded urban renewal program contained in the Housing Act of 1954 increased the need for close coordination of the activities and programs of the HHFA. To accomplish this, as well as to afford quicker and better service to communities participating in the program, the slum-clearance and urban renewal program was decentralized to the HHFA regional offices.

The URA, in January, transferred many of its personnel from Washington to the six Regional Offices of the Housing and Home Finance Agency (see p. 25) distributed throughout the Nation along geographic lines and to the Puerto Rico Field Office. Transferred personnel included, primarily, members of the four deactivated "Area Offices," which had functioned from Washington as a base. Additional personnel were recruited to supplement the staffs of the decentralized offices, which opened for business in the various cities on January 17, headed by "Regional Directors of Urban Renewal."

SECTION 2

ACTIVITY

OPERATIONS

Project Progress

The end of 1955 found a total of 340 urban renewal projects approved for Federal assistance, as compared to 279 a year earlier. These projects are located in 218 communities, an increase of 30 over the end of 1954. The 218 communities are in 29 States, the District of Columbia, Alaska, Hawaii, and Puerto Rico.

URA approved 23 project execution activities during 1955, bringing to 110 the total number of projects for which cities had been authorized to start the assembly and clearance of land and other activities—the execution stage. Another 106 projects were in final planning at year's end, making a total of 216 projects categorized "well-advanced." An additional 124 projects were in preliminary planning.

Capital grants approved and reserved for the 340 projects totaled almost $554 million, an increase of some $176.5 million over the 1954 total. Grants totaling about $185 million had been approved for 105 of the 110 projects in execution. Of the remaining 5 projects, 4 had been approved for site operations pending approval of a grant contract and one—consisting entirely of open land—was not eligible for a Federal grant.

Temporary loans totaling $185 million had been approved for 82 of the 110 projects approved for execution. The remaining 28 projects are being financed with State and local funds and the localities have not asked for Federal loans. Funds for project expenditures had been borrowed under Title I loan contracts by 65 projects as of the close of 1955. For 26 of the projects, however, the Federal loan commitment was used as collateral to borrow in the private market at lower interest rates, as against 39 projects using funds borrowed from the Federal Government.

URA had also approved planning advances totaling $21 million, an increase of almost 45 percent over the total at the end of 1954.

OLD-LAW AND NEW-LAW PROJECTS

Of the 340 projects, 266 were initiated and were being carried out under Title I of the Housing Act of 1949. The other 74 were new-law projects, proceeding under the 1954 Housing Act. Sixty of these were initiated after August 2, 1954, the effective date of the 1954 Act. The other 14 were initiated under the old law but had subsequently been converted to provisions of the new.

WORKABLE PROGRAM

To be eligible for loan-and-grant assistance and Sections 220 and 221 FHA mortgage insurance for new-law projects, a community must have an HHFA-approved "workable program" (see p. 3) for dealing with slums and blight on a comprehensive basis. At the end of 1955, the Housing and Home Finance Administrator had approved workable programs for 80 communities. Nearly all of the cities with new-law projects have approved workable programs and the others will have such programs approved before applying for loan and grant contracts. Workable programs for another 86 cities were either being prepared or were in process of getting Federal approval.

SECTIONS 220 AND 221 FHA MORTGAGE INSURANCE

At the end of 1955, HHFA Administrator Cole had certified 35 of the total 340 projects to the Federal Housing Administration as eligible for Section 220 FHA mortgage insurance to aid private industry in the construction and redeveloping or rehabilitating of residential structures within project areas. In addition, 12 cities had been certified for Section 221 mortgage insurance to aid builders in rehabilitating existing dwellings or constructing new dwellings to rehouse at low cost families displaced by slum-clearance operations or other official actions.

Characteristics of the 216 Well-Advanced Projects

The 216 well-advanced projects are mostly clearance projects and include some 8,000 blighted acres—an area equivalent to Jersey City, N. J. These 8,000 acres involve more than 100,000 families and approximately 108,000 dwelling units, over 80 percent of which were classified substandard. As required by Federal law, these families will be offered relocation in decent, safe, and sanitary dwelling units at prices and rents within their means.

Of the 216 projects, 194 originally were residential slums while 8 were blighted areas of other types. Twelve were predominantly open and two were completely open.

Major reuse in 123 projects will be private residential, with 21 other projects scheduled for some private residential new use. Six projects will be devoted primarily to public housing use; nine will have some public housing. Most of these areas tabbed for residential reuse will show some nonresidential reuse, primarily supporting installations such as shopping centers, playgrounds, schools, parks, and public buildings.

In 33 projects the major new use will be commercial, while the same type reuse will be secondary in 107 other projects. New industrial use will be the major factor in 34 projects; the secondary in 39.

Some type of new public use will be primary in 18 projects, secondary in 70. Data for two projects was incomplete.

Communities carrying out the 209 projects (of the 216) for which financial data was available will contribute about $161 million in local grants-in-aid as their share of net project costs, or losses. This amount is actually more than their required one-third of net project costs, estimated at almost $452 million. Federal capital grants, estimated at about $291 million, will make up the remainder of the net losses. Net project costs are the difference between the gross costs of carrying out the 209 projects—estimated at $676 million—and the proceeds from disposition of project land—estimated at $224 million.

Local grants-in-aid will be furnished largely through demolition work, donations of land, construction of site improvements and supporting facilities, and supplemented, where needed, by cash.

Data on Projects in Execution

Data in the following categories refers to the 110 projects which have reached actual execution. (Information was not available for all projects in all categories.)

LAND ACQUISITION.—Acquisition of land has begun in 88 projects and is complete in 38. Gross project costs of 105 projects authorized for Federal loan and grant contracts amount to about $398 million. Acquisition and disposition costs—estimated at $266.6 million—account for by far the largest part of gross project costs, about 67 percent.

RELOCATION.—Relocation of families has begun in 87 projects and is complete in 25. More than 58,000 families will be displaced from 106 reporting projects. The cost of relocation for families in 105 projects reporting is estimated at $3.6 million, less than 1 percent of gross project costs.

SITE IMPROVEMENTS.—Ninety projects were reported to involve site improvements. Of these, work has started in 19 and is complete in 9. All told, site improvements are expected to cost $31.6 million, about 8 percent of gross project costs.

SUPPORTING FACILITIES.—These are planned for 76 projects. Work has begun in connection with 21 projects and is complete for 8. Costs of supporting facilities are expected to run to $34 million, 8½ percent of gross project costs.

LAND DISPOSITION.—Twenty-six projects show land disposition activity, with 14 complete. Disposition proceeds are expected to amount to $114 million for 105 projects reporting. Subtracting this figure from the gross project costs of $398 million leaves an estimated balance of $284 million as the total loss from project operations. This loss will be covered, in the 105 projects, by the local grants-in-aid of about $99 million and the Federal capital grants amounting to about $185 million.

CONSTRUCTION.—Redevelopers had begun or completed new construction in 17 project areas in the following nine cities: Little Rock, Ark.; Chicago and Robbins, Ill.; Baltimore, Md.; Detroit, Mich.; Perth Amboy, N. J.; New York, N. Y.; Philadelphia, Pa., and Norfolk, Va.

Demonstration Grants

The Housing Act of 1954 provided for a program of special demonstration grants for the developing, testing, and reporting of slum prevention and elimination techniques. URA approved six such grants during 1955, totaling $127,775. Results of the demonstrations will be published by the participating project sponsors and given wide distribution.

Following is a brief description of each of the projects approved for Federal assistance during 1955:

St. Louis, Mo.—Grant of $17,333 to help develop acceptable standards for measuring obsolescence and inadequacy of commercial and industrial structures in potential urban renewal areas.

Massachusetts Department of Commerce.—Grant of $33,000 to help make a report, using the experience in Greater Boston, of all factors involved in enlisting citizen participation in urban renewal undertakings.

New Orleans, La.—Allocation of $41,690 to help the city establish methods for recording the effect of housing code enforcement and other aspects of the city's housing program on residents and other individuals and groups.

New Orleans, La.—Grant of $2,086 to help the city set up a contractor-owner-tenant mediation board to expedite the work of urban renewal through its code enforcement program.

Tennessee State Planning Commission.—Grant of $13,066 to help the city of Dyersburg, Tenn., using the technical services of the City Commission, establish methods of enlisting full-fledged citizen participation in urban renewal planning in a small city.

Douglas, Ga.—Grant of $20,600 to help the city implement the 7 elements of the citywide workable program and document and analyze its experience as a guide to a small community.

At year's end, URA approval was pending on eight additional demonstration grants.

Urban Planning Assistance Grants

Since many small localities lack funds to carry out the creation of effective overall community plans, the Housing Act of 1954 authorized matching grants to State planning agencies for the provision of assistance in general planning work to localities with populations less than 25,000. Similar grants are available to official State, metropolitan, and regional planning agencies for work on a broad area basis.

During the first full year of operation of the Urban Planning Assistance program, a total of $474,946 in Federal grants was approved to aid urban planning in 76 small towns, 6 metropolitan areas, and 3 regional areas. Fifteen grants were made to State, regional, and metropolitan planning agencies in 11 different States.

Most of the proposals for which Federal grants have been made include studies and plans of the basic features of urban structure, including highway patterns, utilities, general land-use plans, and plans for the location of schools and shopping centers. Many of them provide for preparation of codes and for the control of land subdivision, zoning ordinances, and other measures designed to assure reasonable conformity of the general plan. In some cases, the Federally assisted planning will become part of the community's workable program for the prevention and elimination of slums and urban blight.

A highlight of 1955 was the rapid approval of planning assistance grants for flood-stricken Connecticut. One grant has helped the Connecticut Development Commission extend planning assistance to 14 of the State's hardest hit small communities. Another grant is helping the State develop broad urban development and redevelopment plans for the Naugatuck and Farmington River Valleys.

The following grants had been approved by URA at the end of 1955:

To State planning agencies for planning assistance to small communities:

- Alabama, 33 cities.
- Arkansas, 4 cities.
- Connecticut, 14 cities.
- Massachusetts, 5 cities.
- New Hampshire, 6 cities.
- Rhode Island, 7 cities.
- Tennessee, 7 cities.

  Total grants (7)—$220,186.

To State planning agencies for metropolitan and regional planning:

- Rhode Island, 1 regional area.
- Connecticut, 2 regional areas.

  Total grants (2)—$84,200.

To official regional and metropolitan planning agencies:

- Atlanta, Ga. (Metropolitan Planning Commission).
- Baton Rouge, La. (Baton Rouge-East Baton Rouge Parish Planning Commission).
- Cleveland, Ohio (Cuyahoga County Regional Planning Commission).
- Detroit, Mich. (Detroit Metropolitan Area Regional Planning Commission).
- Little Rock, Ark. (Metropolitan Planning Commission of Pulaski County).
- Springfield, Ohio (Clark County-Springfield Regional Planning Commission).

  Total grants (6)—$170,560.

STATE LEGISLATION AND LITIGATION

At the end of 1955 a total of 35 States, together with the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands, had enabling legislation authorizing local public agencies to undertake and carry out slum-clearance and redevelopment programs under the Housing Act of 1949 prior to the 1954 amendments.[7]

During 1955, legislation was enacted in 13 States and in Alaska, Hawaii, and Puerto Rico specifically authorizing local public agencies to undertake the rehabilitation type of project referred to in the Housing Act of 1954.[8] Enabling legislation for the District of Columbia was contained in the Housing Act of 1954.

The electorate in Rhode Island approved on July 12, 1955, an amendment to the State Constitution declaring urban redevelopment and rehabilitation to be a public use and a public purpose and specifically authorizing the acquisition and disposition of project land.

At the year's end, the Supreme Court of Kansas, which had previously held unconstitutional, as special legislation, two former slum-clearance and urban-redevelopment laws of the State had before it for decision the constitutionality of the recently enacted Urban Renewal Law of 1955.[9]

Some 20 States have enacted new or amended existing planning legislation for the purpose of participating in the Urban Planning Assistance Program authorized by Section 701 of the Housing Act of 1954. Existing legislation in a number of other States has been found adequate to qualify some planning bodies for Federal financial assistance under the Section without modification.

TABLES

Table VI–1 summarizes urban renewal project approvals by period. Net changes in outstanding project approvals and in outstanding reservations also are summarized.

Table VI–2 summarizes by periods: (a) Title I loan and advance contracts authorized, disbursed, repaid, or refunded, and outstanding; and (b) Title I capital grant contracts authorized and disbursed.

Tables VI–3 identifies each project for which approval under Title I was outstanding on December 31, 1955.

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[7] The States are: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Georgia, Illinois, Indiana, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Virginia, West Virginia, and Wisconsin.

[8] Nine States, including Alabama, Connecticut, Illinois, also passed other urban renewal legislation in 1954; Maine, Massachusetts, Minnesota, Missouri, Tennessee, and Wisconsin amended existing legislation; while four States (Georgia, Kansas, North Dakota, and Okahoma) enacted new urban renewal legislation.

[9] This law was upheld as constitutional by the Kansas Supreme Court on April 28, 1956, in *State of Kansas ex rel. Fatzer et al. v. Urban Renewal Agency of Kansas City et al.*, No. 40184.

TABLE VI-1

Project approvals under Title I, Housing Act of 1949, as amended

Period	Total approvals for project activities			Net change in outstanding project approvals			Net change in outstanding project reservations
	Preliminary planning	Final planning	Project execution	Preliminary planning	Final planning	Project execution	
Cumulative data from July 15, 1949, through—1955, December	372	212	112	124	106	110	$553,665,661
1950 [1]	103	13	8	103	13	8	198,774,275
1951	72	32	1	44	32	1	83,950,252
1952	60	58	18	−2	42	18	46,504,074
1953	39	47	36	−40	7	34	19,311,807
1954	37	30	26	−11	4	26	28,630,580
1955	61	32	23	30	8	23	176,494,673
Semiannual data:							
1950:							
First half	35	10	6	35	10	6	88,177,500
Second half	68	3	2	68	3	2	110,596,775
1951:							
First half	46	11	0	37	11	0	36,156,208
Second half	26	21	1	7	21	1	47,794,044
1952:							
First half	29	32	9	−5	24	9	27,059,732
Second half	31	26	9	3	18	9	19,444,342
1953:							
First half	19	22	19	−20	−2	17	14,966,214
Second half	20	25	17	−20	9	17	4,345,593
1954:							
First half	26	20	12	−3	9	12	24,825,983
Second half	11	10	14	−8	−5	14	3,804,597
1955:							
First half	19	19	12	0	6	12	68,143,447
Second half	42	13	11	30	2	11	108,351,226

[1] First project approved under this program took place in March 1950.

TABLE VI–2

Financial assistance under Title I, Housing Act of 1949, as amended

Period	Contracts authorized		Advances and loans (000)												Capital grants (000)	
			Activity													
			Advances				Loans—Federal				Loans—Non-Federal					
	Advances	Loans	Disbursed	Repaid	Written off	Outstanding	Disbursed	Repaid	Refunded	Outstanding	Guaranteed	Repaid	Refunded	Outstanding	Contracts authorized	Disbursed
Cumulative data from July 15, 1954, through— 1955, December	$20,707	$185,057	$12,433	$4,502	$363	$7,568	$73,793	$25,015	$29,243	$27,359	$56,791	$7,824	$12,915	$36,052	$185,036	$58,829
Annual data:																
1950 [1]	3,066		889			889										
1951	2,758	282	2,581			2,581									402	
1952	3,584	33,608	3,041	604		2,437	9,714	140		9,574					53,696	
1953	2,076	70,178	1,954	1,488		465	21,043	2,205	6,512	12,327	10,933			10,933	51,108	8,673
1954	2,951	28,007	1,562	1,247	364	−49	24,832	1,900	6,990	15,934	11,817		6,920	4,897	41,392	12,597
1955	6,272	52,982	2,406	1,163	−1	1,243	18,203	20,770	15,733	−10,475	34,041	7,824	5,995	20,222	38,438	37,559
Semiannual data:																
1950: First half	1,098		16			16										
Second half	1,968		873			873										
1951: First half	1,148		1,222			1,222									275	
Second half	1,610	282	1,359			1,359									127	
1952: First half	1,845	18,541	1,346	339		1,007	4,063			4,063					43,097	
Second half	1,739	15,067	1,695	265		1,430	5,652	140		5,512					10,598	
1953: First half	901	55,487	1,288	1,038		250	7,901	1,598		6,304					44,174	7,818
Second half	1,175	14,691	666	451		215	13,142	607	6,512	6,023	10,933			10,933	6,934	855
1954: First half	1,290	13,542	842	489	364	−10	9,740	553	5,349	3,839	5,881			5,881	12,291	10,728
Second half	1,661	14,465	719	758		−39	15,092	1,347	1,650	12,095	5,936		6,920	−984	29,101	1,869
1955: First half	2,729	21,090	1,040	521	−1	520	13,359	10,939	10,079	−7,659	21,530		5,995	15,535	21,964	31,647
Second half	3,543	31,892	1,365	642		723	4,844	9,830	5,654	−2,816	12,511	7,824		4,687	16,473	5,912

[1] First approvals under this program took place in March 1950.

TABLE VI–3

Urban renewal project directory

The letters in the final column of the following table represent the approval outstanding:
PP—Preliminary planning.
FP—Final planning.
E—Execution.
The symbol "s" after an entry under "approval outstanding" signifies that the project was suspended on Dec. 31, 1955.

State	City	Project name	Approval outstanding Dec. 31, 1955
Alabama	Auburn	Hare Project	FP
	Birmingham	Avondale Site C	FP
		Medical Center	E
	Cullman	Logan Road	FP
	Decatur	Church Street-8th Avenue	FP
	Elba	Claxton Street	PP
	Eufaula	Flake Hill	FP
	Florence	Handy Heights	E
	Gadsden	Birmingham Street	FP
		North Fifth Street	FP
	Huntsville	West Clinton Street	FP
	Mobile	Broad Street-Beauregard	E
	Montgomery	Houston Hill	FP
		North Montgomery	E
	Phenix City	Municipal Center	FP
	Sheffield	West Haven Project	PP
Arkansas	Little Rock	Central Area (Dunbar)	E
		Granite Mountain	E
		Philander Smith Area	FP
California	Calexico	Project No. 1	FP
	Los Angeles	Bunker Hill	PP
	Richmond	Eastshore Park	PP
		Galvin Industrial Park	FP
	Sacramento	Capitol Mall	FP
	San Bernardino	Project No. 1	PP
		Project No. 2	PP
	San Francisco	Diamond Heights	E
		South of Market	PP
		Western Addition Project	E
Colorado	Denver	West Colfax	PPs
Connecticut	East Haven	Bradford Cove	PP
	Hartford	Front Street	FP
	Middletown	Center Street	FP
	Naugatuck	North Main Street	PP
		South Main Street	PP
	New Haven	East Central Area (Wooster Square)	PP
		Oak Street	FP
	Norwalk	Harbor Avenue-Isaac Street	PP
		Wall-Main Renewal Area	PP
	Norwich	West Main Street	PP
	Shelton	Central Project	FP
	Stamford	East Meadow	E
	Torrington	South Central Area	PP
	Waterbury	Flood Renewal Area	PP
		Project B-2	FP
	Willimantic	Project A	PP
Delaware	Wilmington	Project A (Poplar Street)	FP
Dist. of Columbia	Washington	Northwest	PP
		Southwest Project Area B	E
		Southwest Project Area C	FP
Georgia	Augusta	Walton-Way-Calhoun Street	PP
	Bainbridge	Municipal Center Area	PP
	Columbus	The Bottoms Area	PP
	Douglas	Southeastern Renewal Area	PP
	Moultrie	Third Avenue Area	PP
	Savannah	Broad Street Canal	PP
	Waynesboro	Sixth Street Redevelopment Area	PP
Illinois	Cairo	Area No. 1	E
	Chicago	Area 6A	E
		79th and Western	E
		Harrison-Halsted	PP
		Hyde Park Project A	E
		Hyde Park Project B	E
		Hyde Park Kenwood Area	PP
		Lake Meadows	E
		Michael Reese Hospital	E
		North Avenue-La Salle	PP
		Roosevelt Road-Clinton	PP
		6B South Central	PP
		6C South Central	PP
		35th South Parkway	PP
		West Central Industrial Project	E

TABLE VI-3—Continued

Urban renewal project directory—Continued

State	City	Project name	Approval outstanding Dec. 31, 1955
Illinois—Continued	Chicago Heights	East Side	FP
	Danville	Project No. 2	FP
	Galesburg	Area A	FPs
		Area B	FP
	Granite City		PPs
	Kankakee	Redevelopment Area No. 1	FPs
	Peoria	Northside	PP
	Robbins	Project No. 1	E
	Rock Falls	Sand Hill	FP
	Rockford		PPs
	Villa Grove		PPs
	Waukegan	Project No. 1	FPs
Indiana	Evansville	High Street	FP
Kentucky	Frankfort	North Frankfort Area	PP
	Louisville	Redevelopment Project No. 1	PPs
	Middlesborough	Bell Lumber	FPs
	Newport	Project No. 1	FP
	Owensboro	Riverfront	FPs
	Paducah	B-1	PP
	Paris	New Acres Area	PP
Louisiana	New Orleans	St. Monica	FP
	Shreveport	Project No. 1	FPs
Maine	Portland	Bayside Park	PP
		Vine-Deer-Chatham	E
Maryland	Baltimore	Redevelopment Area No. 12	FP
		Broadway	E
		Waverly	E
Massachusetts	Boston	Mattapan	PP
		New York Streets	E
		West End	FP
	Brookline	The Farm	PP
	Cambridge	Riverview	FP
		Rogers Block	FP
	Chelsea	Area No. 1	PP
		Area No. 4	PP
	Fall River	Eastern Avenue South	PPs
		Redevelopment Area 3	PP
	Lawrence	Common, Valley and Concord Streets Area Project.	PP
	Lowell	South End	PP
	Medford	Union Swan	PP
	North Adams	Center Street	PP
	Revere	Ocean Avenue	FP
	Somerville	Linwood Joy	E
	Woburn	Park-Center	FPs
	Worcester	New Salem Street	E
Michigan	Albion	Gadsden Court	PP
	Battle Creek	Jewell Street	PP
	Detroit	Westside Industrial Project	PP
		Gratiot	E
		Lafayette	PP
		Mack-Concord-Conservation Project No. 1	PP
	Port Huron	Fort Street	E
	Ypsilanti	Southwest Ypsilanti	PPs
Minnesota	Duluth	Garfield Avenue	FP
		St. Croix Redevelopment Project	E
	Minneapolis	Glenwood	E
	St. Paul	Eastern	E
		Western	E
Missouri	Kansas City	Attucks	E
		Northside	E
		South Humboldt	FP
	St. Charles	Olive-Pine Streets	PP
	St. Louis	Memorial Plaza	E
		Mill Creek Valley	PP
New Hampshire	Dover	Project No. II	FP
	Manchester	Concord-Lowell Streets	E
		Pearl Street	PP
		Spruce Street	FPs
	Nashua	High Street	FP
	Portsmouth	Marcy-Washington Streets	FP
New Jersey	Asbury Park	Springwood Avenue	PP
	Atlantic City	Northside	PP
	Bayonne	Bergen Point	FP
	Camden	Broadway-Kaighns	PP
	Elizabeth	Washington Avenue	FP
	Hoboken	Harrison Street Project	PP

TABLE VI-3—Continued

Urban renewal project directory—Continued

State	City	Project name	Approval outstanding Dec. 31, 1955
New Jersey—Con.	Jersey City	Gregory	E
		St. John's	E
	Long Branch	Shrewsbury-Riverfront	FP
	Morristown	Hollow	FP
	Newark	Branch Brook Park	E
		Broad Street	E
	Brunswick	Bishop Street	PP
		Burnett Street	FP
	Passaic	Pulaski Park	E
	Paterson	Paterson Redevelopment Project	PP
	Perth Amboy	Forbesdale	E
		Willocks	E
	Phillipsburg	Fayette Street	PP
	Plainfield	South Second Street	FP
	Princeton	John Street Project	PP
	Trenton	Sec. 1 Area B (Coalport Area)	E
		John Fitch Way Area	PP
	Union City	Washington Park	PP
New York	Albany	Project A	FP
	Binghamton	Stowe-Chenango	FP
	Buffalo	Ellicott District	PP
	New Rochelle	Redevelopment Area	PP
	New York	Columbus Circle	E
		Corlears Hook	E
		Harlem	E
		Morningside	E
		North Harlem	E
		Delancey Street	PP
		Fort Greene	E
		Hammels	PP
		Lincoln Square	PP
		New York University-Bellevue	E
		Park Row	PP
		Pratt Institute	E
		Rockaway	PP
		Seward Park	PP
		Washington Square	E
		West Park	E
	North Tarrytown		FP
	Port Chester	Project No. 1	E
	Rochester	Baden-Ormond	PP
	Schenectady	Project No. 1	E
	Syracuse	Project A	PP
	Tarrytown	Depot Plaza	E
	Troy	Burden Avenue	FP
	Utica		PP
	Yonkers	Jefferson-Riverdale	FP
Ohio	Cincinnati	Laurel-3, Richmond	E
	Cleveland	Charity Hospital	PP
		Dike	FP
		Garden Valley	FP
		Longwood Project	E
	Columbus	Goodale	FP
		Market-Mohawk	PP
	Dayton	East Side Urban Renewal Area	FP
	Hamilton	Second Ward and Peck's Addition	FP
	Steubenville	Seminary Survey Area	PPs
	Toledo	Canton Street	FP
	Youngstown	Hazelton	PP
		Poland	PP
		River Bend	PP
		West Federal	PP
Pennsylvania	Beaver Falls	Southend Project	FP
	Bethlehem	Areas No. 1, 2, and 3	PP
	Braddock	General Braddock Plaza	FP
	Chester	Bethel Court	E
	Clairton	Blair Redevelopment	FP
	Darby	Hook Road	E
	Duquesne	Project No. 1	PP
	Easton	Project Area No. 1	PP
	Erie	Peach-Sassafras	PP
	Harrisburg	Project I-A	FP
	Johnstown	Area B	FP
	McKeesport	First Ward	FP
	McKees Rocks	McKees Rocks Plaza	FP

TABLE VI–3—Continued

Urban renewal project directory—Continued

State	City	Project name	Approval outstanding Dec. 31, 1955
Pennsylvania—Con.	Philadelphia	Eastwick	PP
		East Poplar Nos. 1, 4, 5, 6	E
		East Poplar No. 2	E
		East Poplar No. 3	E
		Mill Creek Project	FP
		North Allen (West Poplar)	E
		Southwest Temple	E
		University	FP
	Pittsburgh	Lower Hill	E
	Rankin	Palisades Plaza	FP
	Reading	Walnut Site	PPs
	Scranton	Central City Redevelopment Area	PP
		Petersburg Area	PP
		Southside Flats	PP
	Sharon	North Flats	FP
	Tarentum	Riverview Plaza	PP
	Turtle Creek	Valley Center	FP
	Uniontown	Hollow Area	PP
	York	Project Area No. 1 (Wellington)	FP
Rhode Island	Newport	Project No. 1	FP
	Providence	Constitution Hill	PP
		Lippitt Hill	PP
		Point Street	E
		Willard Center No. 1	E
		Willard Center No. 2	E
		West River	FP
South Carolina	Columbia	Assembly-Main Street	PP
Tennessee	Clarksville	Gallows Hollow	PP
		Riverview	E
	Gallatin	Town Creek	FP
	Johnson City	Fall Street	E
	Knoxville	Riverfront-Willow Street	E
	Lebanon	Blue Bird Road Area	PP
	Lewisburg	Foundry Hill	PP
		Kinney Town	FP
	Memphis	Jackson Avenue	PP
		Railroad Avenue	FPs
		Thomas Street	FPs
	Murfreesboro	Broad Street Development	E
	Nashville	Capitol Hill	E
	Pulaski	Belleview	PP
	Tullahoma	Grundy Street	FPs
	Union City	Florida Avenue Development Project	E
	Waverly	Newton	PP
Texas	San Antonio	Edgewood (No. 20)	PPs
Virginia	Alexandria	Prince Street-Shopping Center	FP
	Bristol	Sullins Street	E
	Danville	Industrial Avenue	PP
		Ridge Street	E
	Newport News	Project A	FP
		Project B	FP
	Norfolk	Redevelopment Project No. 1	E
		Redevelopment Project No. 2	FP
	Portsmouth	Redevelopment Project No. 1	FPs
	Richmond	Carver	FP
	Roanoke	Commonwealth	E
	South Norfolk	Redevelopment Project No. 1	PP
West Virginia	Charleston	Project Area No. 1	PPs
	Wheeling	Center Wheeling	PP
Wisconsin	Madison	Brittingham Project Area	FP
	Milwaukee	Brady-Humboldt	PP
		Convent Hill	PP
		Lower Third Ward	E
		Hillside	FP
Alaska	Fairbanks	Central Downtown Area	PP
Hawaii	Honolulu	Joseph Farrington	FP
		Samuel Wilder King	FP
		John H. Wilson	E
Puerto Rico	Aibonito	Coqui	E
	Anasco	Pueblo Nuevo	E
	Arecibo	La Playa I	E
		La Playa II	FP
		La Playa III	FP
		Open Land Project	PP
	Arroyo	Brooklyn	E

TABLE VI-3—Continued

Urban renewal project directory—Continued

State	City	Project name	Approval outstanding Dec. 31, 1955
Puerto Rico—Con.	Bayamon	Condadito	FP
		La Machina	E
		Tortuguero	E
		Vista Alegre	E
		Open Land Project	PP
	Cabo Rojo	El Cibao	E
	Caguas	Borinquen	PP
		La Placita	E
	Carolina	Catanito	E
	Cayey	Barriada Sanchez	PP
		El Hoyo	FP
	Guayama	Carioca	FP
	Guaynabo	Sabana	E
	Humacao	El Placer	PP
		San Ciriaco	FP
	Juncos	El Ensanche	FP
	Loiza	Sunoco	E
	Mayaguez	Columbia	E
		Malecon	E
		Marina Septentrional	PP
		North Concordia	E
		Cristy (Open Land)	FP
	Naguabo	El Duque	E
	Ponce	Cantera Survey Area	FP
		El Bosque	E
		Machuelito	E
		Palo de Pan	E
	Rio Piedras	El Monte	E
		San Jose (Open Land)	E
	Sabana Grande	Varsovia	E
	San German	Santa Rosa	FP
	San Juan	Buenos Aires	FP
		The Hoare	E
		Los Ranchos	FPs
		Minillas	E
	San Sebastian	El Guayabal	FP
	Toa Baja	Jalisco	E
	Utuado	Catano	E
	Vega Alta	Alto de Cuba	E
	Vega Baja	La Pica	E
		Open Land Project	PP
	Yabucoa	El Sapo	E

APPENDIXES

APPENDIX A

STATISTICAL SUPPLEMENT

I. Housing Production and Costs

II. Home Financing

Residential Nonfarm Mortgage Debt

Foreclosures and Defaults

Mortgage Insurance under FHA

Home Loan Guaranty under VA

Federal National Mortgage Association

Voluntary Home Mortgage Credit Program

Federal Home Loan Bank Board

III. Urban Renewal, Housing and Community Facilities

Urban Renewal

385766—56——29

TABLE A-1.—*Total permanent nonfarm dwelling units started*

Year	Total starts	Type of ownership and location [a]						Type of structure		
		Private			Public					
		Total	Urban	Rural nonfarm	Total	Urban	Rural nonfarm	1-family	2-family [b]	Multifamily [c]
1935	221,000	215,700	112,600	103,100	5,300	4,400	900	183,000	8,000	30,000
1936	319,000	304,200	197,600	106,600	14,800	13,400	1,400	244,000	14,000	61,000
1937	336,000	332,400	214,400	118,000	3,600	3,600	0	267,000	16,000	53,000
1938	406,000	399,300	255,300	144,000	6,700	6,700	0	317,000	18,000	71,000
1939	515,000	458,400	303,500	154,900	56,600	55,500	1,100	399,000	29,000	87,000
1940	602,600	529,600	333,200	196,400	73,000	63,400	9,600	485,700	37,300	79,600
1941	706,100	619,500	369,500	250,000	*86,600	*64,800	*21,800	603,500	34,300	68,300
1942	356,000	301,200	184,900	116,300	54,800	42,500	12,300	292,800	20,100	43,100
1943	191,000	183,700	119,700	64,000	7,300	4,700	2,600	143,600	17,800	29,600
1944	141,800	138,700	93,200	45,500	3,100	3,000	100	117,700	10,600	13,500
1945	209,300	208,100	132,700	75,400	1,200	1,200	0	184,600	8,800	15,900
1946	670,500	662,500	395,700	266,800	8,000	8,000	0	590,000	24,300	56,200
1947	849,000	845,600	476,400	369,200	3,400	3,400	0	740,200	33,900	74,900
1948	931,600	913,500	510,000	403,500	18,100	14,900	3,200	766,600	46,900	118,100
1949	1,025,100	988,800	556,600	432,200	36,300	32,200	4,100	794,300	36,500	194,300
1950	*1,396,000	*1,352,200	*785,600	*566,600	43,800	42,200	1,600	1,154,100	44,800	197,100
1951	1,091,300	1,020,100	531,300	488,800	71,200	64,000	7,200	900,100	40,400	150,800
1952	1,127,000	1,068,500	554,600	513,900	58,500	55,000	3,500	942,100	45,900	138,600
1953	1,103,800	1,068,300	533,200	535,100	35,500	31,800	3,700	937,100	41,500	124,500
		Total	Metropolitan	Nonmetropolitan	Total	Metropolitan	Nonmetropolitan			
1950	*1,396,000	*1,352,200	*987,000	*365,200	43,800	34,600	9,200	1,154,100	44,800	197,100
1951	1,091,300	1,020,100	723,100	297,000	71,200	53,700	17,500	900,100	40,400	150,800
1952	1,127,000	1,068,500	750,600	317,900	58,500	44,300	14,200	942,500	45,900	138,600
1953	1,103,800	1,068,300	776,900	291,400	35,500	26,600	8,900	937,800	41,500	124,500
1954	1,220,400	1,201,700	879,400	322,300	18,700	17,500	1,200	1,077,900	34,200	108,300
1955	1,328,900	1,309,500	960,100	349,400	19,400	15,700	3,700	*1,194,400	32,800	101,700
Percent change 1955 from 1954	+8.9	+9.0	+9.2	+8.4	+3.7	−10.3	+208.3	+10.8	−4.1	−6.1

* All-time high.

[a] Data for urban and rural nonfarm locations are available only through 1953, while data for metropolitan and nonmetropolitan locations are available only beginning 1950.

[b] All-time high was 175,000 units in 1923. [c] All-time high was 257,000 units in 1927.

Source: United States Department of Labor.

TABLE A-2.—*Privately owned permanent nonfarm dwelling units started, by type of structure*

[In thousands of dwelling units]

Year	Total private nonfarm starts	Number of starts in—			Percentage of private starts in—			
		1-family structures	2-family structures	Multi-family structures	Sales-type structures (1-family)	Rental-type structures		
						Total	2-family	Multi-family
1900	189	123	31	35	65	35	16	19
1901	275	177	32	66	64	36	12	24
1902	240	171	32	37	72	28	13	15
1903	253	174	30	48	69	31	12	19
1904	315	207	45	63	66	34	14	20
1905	507	336	64	107	66	34	13	21
1906	487	316	69	103	65	35	14	21
1907	432	291	59	82	67	33	14	19
1908	416	286	65	65	69	31	15	16
1909	492	328	73	91	67	33	15	18
1910	387	251	58	79	65	35	15	20
1911	395	249	62	84	63	37	16	21
1912	426	259	71	97	60	40	17	23
1913	421	263	72	85	63	37	17	20
1914	421	263	72	87	62	38	17	21
1915	433	262	73	97	61	39	17	22
1916	437	267	69	101	61	39	16	23
1917	240	166	32	43	69	31	13	18
1918	118	91	13	15	77	23	11	12
1919	315	239	36	40	76	24	11	13
1920	247	202	24	21	82	18	10	8
1921	449	316	70	63	70	30	16	14
1922	716	437	146	133	61	39	20	19
1923	871	513	*175	183	59	41	*20	21
1924	893	534	173	186	60	40	19	21
1925	937	572	157	208	61	39	17	22
1926	849	491	117	241	58	42	14	28
1927	810	454	99	*257	56	*44	12	32
1928	753	430	78	239	58	42	10	*32
1929	509	316	51	142	62	38	10	28
1930	330	227	29	74	69	31	9	22
1931	254	187	22	45	73	27	9	18
1932	134	118	7	9	88	12	5	7
1933	93	76	5	12	82	18	5	13
1934	126	109	5	12	86	14	4	10
1935	216	182	8	26	84	16	4	12
1936	304	239	13	52	79	21	4	17
1937	332	266	15	51	80	20	5	15
1938	399	316	18	65	79	21	5	16
1939	458	373	20	66	81	19	4	15
1940	530	448	26	56	85	15	5	10
1941	620	533	29	58	86	14	5	9
1942	301	252	18	31	84	16	6	10
1943	184	136	18	30	74	26	10	16
1944	139	115	11	13	83	17	8	9
1945	208	184	0	15	89	11	4	7
1946	662	590	24	48	89	11	4	7
1947	846	740	34	72	87	13	4	9
1948	914	763	46	104	84	16	5	11
1949	989	792	35	162	80	20	4	16
1950	*1,352	1,151	42	159	85	15	3	12
1951	1,020	892	40	88	87	13	4	9
1952	1,069	939	46	84	88	12	4	8
1953	1,068	933	41	94	87	13	4	9
1954	1,202	1,077	34	90	90	10	3	7
1955	1,310	*1,190	33	87	*91	9	2	7

*All-time high.

Sources: 1900–1919 data from Technical Paper 9 of the National Bureau of Economic Research, Inc. 1920–55 data from United States Department of Labor.

Table A-3.—*Estimated construction cost of privately owned permanent nonfarm dwelling units started*

Year	Estimated construction cost—total units (in millions of dollars)	Average construction cost per unit—total units	Average construction cost per unit—1-family units
1900	$433	$2,300	(a)
1901	610	2,225	(a)
1902	572	2,375	(a)
1903	607	2,400	(a)
1904	690	2,200	(a)
1905	1,154	2,275	(a)
1906	1,170	2,400	(a)
1907	1,037	2,400	(a)
1908	1,034	2,475	(a)
1909	1,272	2,575	(a)
1910	1,028	2,650	(a)
1911	1,000	2,525	(a)
1912	1,113	2,625	(a)
1913	1,108	2,625	(a)
1914	1,081	2,575	(a)
1915	1,192	2,750	(a)
1916	1,255	2,875	(a)
1917	769	3,200	(a)
1918	391	3,325	(a)
1919	1,258	4,000	(a)
1920	1,068	4,325	(a)
1921	1,771	3,950	(a)
1922	2,957	4,125	(a)
1923	3,775	4,325	(a)
1924	4,065	4,550	(a)
1925	4,475	4,775	(a)
1926	4,112	4,850	(a)
1927	3,910	4,825	(a)
1928	3,613	4,800	(a)
1929	2,453	4,825	(a)
1930	1,494	4,525	(a)
1931	1,105	4,350	(a)
1932	407	3,050	(a)
1933	285	3,075	(a)
1934	368	2,925	(a)
1935	733	3,400	(a)
1936	1,194	3,925	(a)
1937	1,366	4,100	(a)
1938	1,562	3,900	(a)
1939	1,764	3,850	(a)
1940	2,072	3,925	$4,075
1941	2,531	4,075	4,250
1942	1,134	3,775	3,900
1943	660	3,600	3,675
1944	483	3,475	3,450
1945	959	4,625	4,650
1946	3,714	5,600	5,525
1947	5,617	6,650	6,750
1948	7,029	7,700	7,850
1949	7,374	7,450	7,625
1950	11,418	8,450	8,675
1951	9,186	9,000	9,300
1952	9,706	9,075	9,475
1953	10,181	9,525	9,950
1954	12,309	10,250	10,625
1955	*14,346	*10,950	*11,350

*All-time high.

a Not available.

Sources: 1900–19 data from Technical Paper 9 of the National Bureau of Economic Research, Inc.: 1920–55 data from United States Department of Labor.

TABLE A–4.—*FHA and VA starts compared with total privately owned permanent nonfarm starts*

Year	Units in FHA starts [a]			Units in VA starts [c] (family homes)	Units in BLS private starts				As a percent of BLS total private starts	
	Total	1- to 4-family homes	Project housing [b]		Total	1-family	2-family	Multifamily	FHA starts	VA starts
Cumulated data from January 1935 through December 1955	4,034,925	3,367,825	667,100	--------	14,121,500	12,112,400	559,000	1,450,100	29	------
Annual data										
1935	13,964	13,226	738	--------	215,700	182,200	7,700	25,800	6	------
1936	49,376	48,752	624	--------	304,200	238,500	13,300	52,400	16	------
1937	60,003	56,980	3,023	--------	332,400	265,800	15,300	51,300	18	------
1938	118,741	106,811	11,930	--------	399,300	316,400	18,000	64,900	30	------
1939	158,119	144,657	13,462	--------	458,400	373,000	19,700	65,700	34	------
1940	180,091	176,645	3,446	--------	529,600	447,600	25,600	56,400	34	------
1941	220,387	217,091	3,296	--------	619,500	533,200	28,400	57,900	36	------
1942	165,662	160,204	5,458	--------	301,200	252,300	17,500	31,400	55	------
1943	146,154	126,119	20,035	--------	183,700	136,300	17,800	29,600	*80	------
1944	93,259	83,604	9,655	--------	138,700	114,600	10,600	13,500	67	------
1945	41,159	38,807	2,262	([d])	208,100	184,600	8,800	14,700	20	([d])
1946	69,033	67,122	1,911	([d])	662,500	590,000	24,300	48,200	10	([d])
1947	229,035	178,269	50,766	([d])	845,600	740,200	33,900	71,500	27	([d])
1948	294,059	216,440	77,610	([d])	913,500	763,200	*46,300	104,000	32	([d])
1949	363,802	252,626	111,176	([d])	988,800	792,400	34,700	*161,700	37	([d])
1950	*486,681	*328,245	*158,436	[e]200,000	*1,352,200	1,150,700	42,300	159,200	36	15
1951	263,523	186,924	76,599	148,679	1,020,100	892,200	40,400	87,500	26	15
1952	279,901	229,085	50,816	141,274	1,068,500	939,100	45,900	83,500	26	13
1953	251,969	216,509	35,460	156,616	1,068,300	932,800	41,500	94,000	24	15
1954	276,307	250,910	25,397	307,018	1,201,700	1,077,300	34,200	90,200	23	26
1955	276,700	268,700	8,000	*392,800	1,309,500	*1,190,000	32,800	86,700	21	*30
Percent change 1955 from 1954	+0.1	+7.1	−68.5	+27.9	+9.0	+10.5	−4.1	−3.9	------	------

*All-time high.
[a] Based on FHA 1st compliance inspection.
[b] Includes single-family and multifamily units under projects financed through sections 207, 213, 608, 611, 803 and 908.
[c] Based on VA 1st compliance inspection.
[d] Not available.
[e] Estimated by HHFA.

Sources: Federal Housing Administration (HHFA), Veterans Administration and United States Department of Labor.

TABLE A–5.—*Estimated dollar volume of new construction put in place*

[Millions of dollars]

Year	Total	New construction put in place					
		Residential nonfarm		Nonresidential building		Other	
		Private [a]	Public	Private	Public	Private	Public
1915	3,262	1,220	----------	478	217	845	502
1916	3,849	1,375	----------	716	207	1,050	501
1917	4,569	1,190	----------	800	192	1,300	1,087
1918	5,118	915	28	731	199	1,234	2,011
1919	6,296	1,850	14	1,082	246	1,388	1,716
1920	6,749	2,015	----------	1,964	283	1,418	1,069
1921	6,004	2,105	----------	1,434	387	901	1,177
1922	7,647	3,360	----------	1,457	481	1,146	1,203
1923	9,332	4,400	----------	1,697	481	1,613	1,141
1924	10,407	5,060	----------	1,675	494	1,771	1,407
1925	11,439	5,515	----------	2,060	573	1,726	1,565
1926	12,082	5,600	----------	2,513	603	1,825	1,541
1927	12,034	5,160	----------	2,534	596	1,931	1,813
1928	11,641	4,770	----------	2,573	638	1,813	1,847
1929	10,793	3,625	----------	2,694	659	1,988	1,827
1930	8,741	2,075	----------	2,003	660	1,805	2,198
1931	6,427	1,565	----------	1,099	612	1,104	2,047
1932	3,538	630	----------	502	415	544	1,447
1933	2,879	470	----------	406	230	355	1,418
1934	3,720	625	1	456	363	428	1,847
1935	4,232	1,010	9	472	328	517	1,896
1936	6,497	1,565	61	713	701	703	2,754
1937	6,999	1,875	93	1,085	550	943	2,453
1938	6,980	1,990	35	764	672	806	2,713
1939	8,198	2,680	65	786	970	923	2,774
1940	8,682	2,985	200	1,025	615	1,044	2,813
1941	11,957	3,510	430	1,482	1,646	1,214	3,675
1942	14,075	1,715	545	635	3,685	1,065	6,430
1943	8,301	885	*739	233	2,010	861	3,573
1944	5,259	815	211	351	1,361	1,020	1,501
1945	5,633	1,100	80	1,020	937	1,115	1,381
1946	12,000	4,015	374	3,341	354	2,282	1,634
1947	16,689	6,310	200	3,142	599	3,804	2,634
1948	21,678	8,580	156	3,621	1,301	4,652	3,368
1949	22,789	8,267	359	3,228	2,068	4,889	3,978
1950	28,454	12,600	345	3,777	2,384	5,077	4,271
1951	31,182	10,973	595	5,152	3,497	5,639	5,326
1952	33,008	11,100	654	5,014	4,136	5,993	6,111
1953	35,256	11,930	556	5,680	4,352	6,267	6,471
1954	37,782	13,496	336	6,250	*4,641	6,107	6,952
1955	*42,991	*16,595	263	*7,612	4,227	*6,365	*7,929

*All-time high.

[a] Includes: (1) new dwelling units; (2) additions and alterations; and (3) nonhousekeeping units such as hotels, etc.

Sources: United States Departments of Commerce and Labor.

TABLE A-6.—*New construction put in place compared with gross national product or expenditure*

[Dollar amounts are in billions]

Year	Gross national product: Total	Gross national product: New construction put in place: Total	Gross national product: New construction put in place: Residential [a]	Gross national product: New construction put in place: Other	Gross national product: All other	Percentage distribution: New construction put in place: Total	Percentage distribution: New construction put in place: Residential [a]	Percentage distribution: New construction put in place: Other	Percentage distribution: All other
1929	$104.4	$10.8	$3.6	$7.2	$93.6	10.3	3.4	6.9	89.7
1930	91.1	8.7	2.1	6.6	82.4	9.5	2.3	7.2	90.5
1931	76.3	6.4	1.6	4.8	69.9	8.4	2.1	6.3	91.6
1932	58.5	3.5	0.6	2.9	55.0	6.0	1.0	5.0	94.0
1933	56.0	2.9	0.5	2.4	53.1	5.2	0.9	4.3	94.8
1934	65.0	3.7	0.6	3.1	61.3	5.7	0.9	4.8	94.3
1935	72.5	4.2	1.0	3.2	68.3	5.8	1.4	4.4	94.2
1936	82.7	6.5	1.6	4.9	76.2	7.9	1.9	6.0	92.1
1937	90.8	7.0	2.0	5.0	83.8	7.7	2.2	5.5	92.3
1938	85.2	7.0	2.0	5.0	78.2	8.2	2.3	5.9	91.8
1939	91.1	8.2	2.7	5.5	82.9	9.0	3.0	6.0	91.0
1940	100.6	8.7	3.2	5.5	91.9	8.6	3.2	5.4	91.4
1941	125.8	12.0	3.9	8.1	113.8	9.5	3.1	6.4	90.5
1942	159.1	14.1	2.3	11.8	145.0	8.9	1.5	*7.4	91.1
1943	192.5	8.3	1.6	6.7	184.2	4.3	0.8	3.5	95.7
1944	211.4	5.3	1.0	4.3	206.1	2.5	0.5	2.0	*97.5
1945	213.6	5.6	1.2	4.4	208.0	2.6	0.6	2.0	97.4
1946	209.2	12.0	4.4	7.6	197.2	5.7	2.1	3.6	94.3
1947	232.2	16.7	6.5	10.2	215.5	7.2	2.8	4.4	92.8
1948	257.3	21.7	8.7	13.0	235.6	8.4	3.4	5.0	91.6
1949	257.3	22.8	8.6	14.2	234.5	8.9	3.4	5.5	91.1
1950	285.1	28.5	12.9	15.6	256.6	10.0	*4.5	5.5	90.0
1951	328.2	31.2	11.6	19.6	297.0	9.5	3.5	6.0	90.5
1952	345.2	33.0	11.8	21.2	312.2	9.6	3.4	6.2	90.4
1953	364.5	35.3	12.5	22.8	329.2	9.7	3.4	6.3	90.3
1954	360.5	37.8	13.8	24.0	322.7	10.5	3.8	6.7	89.5
1955	*387.2	*43.0	*16.9	*26.1	*344.2	*11.1	4.4	6.7	88.9

*All-time high.

[a] Includes both private and public nonfarm.

Sources: United States Departments of Commerce and Labor.

TABLE A-7.—*Privately owned new construction compared with private domestic investment*

[Dollar amounts are in billions]

Year	Private domestic investment					Percentage distribution			
	Total	Private new construction			All other [b]	Private new construction			All other
		Total [a]	Residential nonfarm	Other		Total	Residential nonfarm	Other	
1929	$16.2	$8.7	$3.6	$5.1	$7.5	53.7	22.2	31.5	46.3
1930	10.3	6.2	2.1	4.1	4.1	60.2	20.4	39.8	39.8
1931	5.5	4.0	1.6	2.4	1.5	*72.7	20.1	*43.6	27.3
1932	0.9	1.9	0.6	1.3	[c]−1.0				
1933	1.4	1.4	0.5	0.9	0.0				
1934	2.9	1.7	0.6	1.1	1.2	58.6	20.7	37.9	41.4
1935	6.3	2.3	1.0	1.3	4.0	36.5	15.9	20.6	*63.5
1936	8.4	3.3	1.6	1.7	5.1	39.3	19.1	20.2	60.7
1937	11.7	4.4	1.9	2.5	7.3	37.6	16.2	21.4	62.4
1938	6.7	4.0	2.0	2.0	2.7	59.7	*29.9	29.9	40.3
1939	9.3	4.8	2.7	2.1	4.5	51.6	29.0	22.6	48.4
1940	13.2	5.5	3.0	2.5	7.7	41.7	22.7	19.0	58.3
1941	18.1	6.6	3.5	3.1	11.5	36.5	19.3	17.2	*63.5
1942	9.9	3.7	1.7	2.0	6.2	37.4	17.2	20.2	62.6
1943	5.6	2.3	0.9	1.4	3.3	41.1	16.1	25.0	58.9
1944	7.1	2.7	0.8	1.9	4.4	38.0	11.3	26.7	62.0
1945	10.4	3.8	1.1	2.7	6.6	36.5	10.6	25.9	*63.5
1946	27.1	10.3	4.0	6.3	16.8	38.0	14.8	23.2	62.0
1947	29.7	14.0	6.3	7.7	15.7	47.1	21.2	25.9	52.9
1948	41.2	17.9	8.6	9.3	23.3	43.4	20.9	22.5	56.6
1949	32.5	17.5	8.3	9.2	15.0	53.8	25.5	28.3	46.2
1950	51.2	22.7	12.6	10.1	28.5	44.3	24.6	19.7	55.7
1951	56.9	23.3	11.0	12.3	*33.6	40.9	19.3	21.6	59.1
1952	49.6	23.7	11.1	12.6	25.9	47.8	22.4	25.4	52.2
1953	51.4	25.8	11.9	13.9	25.6	50.2	23.2	27.0	49.8
1954	47.2	27.8	13.5	14.3	19.4	58.9	28.6	30.3	41.1
1955	*59.3	*32.4	*16.6	*15.8	26.9	54.6	28.0	26.6	45.4

*All-time high.
[a] Includes oil and gas well drilling in addition to new construction put in place.
[b] Producers' durable equipment and change in business inventories.
[c] Due to $2.6 billion decrease in business inventories.

Sources: United States Departments of Commerce and Labor.

TABLE A-8.—*Boeckh indexes of dwelling unit construction cost*

[1947-49=100]

Year	Indexes		Percent change: Given year from previous year	
	Residences	Apartments, hotels and office buildings	Residences	Apartments, hotels and office buildings
1915	26.7	27.6		
1916	28.4	30.9	+6.4	+12.0
1917	33.2	37.1	+16.9	+20.1
1918	39.6	42.2	+19.3	+13.7
1919	46.0	47.9	+16.2	+13.5
1920	59.3	61.3	*+28.9	*+28.0
1921	47.6	49.2	−19.7	−19.7
1922	43.8	46.2	−8.0	−6.1
1923	49.1	51.1	+12.1	+10.6
1924	48.4	50.2	−1.4	−1.8
1925	47.9	50.6	−1.0	+0.8
1926	48.4	51.0	+1.0	+0.8
1927	47.7	50.3	−1.4	−1.4
1928	47.9	50.5	+0.4	+0.4
1929	50.0	51.7	+4.4	+2.4
1930	48.7	50.9	−2.6	−1.5
1931	44.9	46.9	−7.8	−7.9
1932	38.0	40.0	−15.4	−14.7
1933	38.0	41.1	0.0	+2.8
1934	41.3	45.2	+8.7	+10.0
1935	40.3	44.5	−2.4	−1.5
1936	41.7	45.8	+3.5	+2.9
1937	46.6	51.1	+11.8	+11.6
1938	48.0	53.2	+3.0	+4.1
1939	48.9	53.9	+1.9	+1.3
1940	50.5	54.8	+3.3	+1.7
1941	54.6	57.3	+8.0	+4.6
1942	57.6	60.4	+5.5	+5.4
1943	60.2	62.8	+4.5	+4.0
1944	65.4	67.0	+8.6	+6.7
1945	70.1	71.3	+7.2	+6.4
1946	77.0	78.0	+9.8	+9.4
1947	93.2	91.7	+21.0	+17.6
1948	104.8	103.5	+12.4	+12.9
1949	102.1	104.8	−2.6	+1.3
1950	107.7	109.6	+5.5	+4.6
1951	116.0	118.0	+7.7	+7.7
1952	119.1	122.0	+2.7	+3.4
1953	121.2	125.8	+1.8	+3.1
1954	120.3	126.8	−0.7	+0.8
1955	*123.9	*130.6	+3.0	+3.0

*All-time high.

Source: United States Department of Commerce.

TABLE A-9.—*Indexes of consumers price, housing and residential rent*

[1947-49=100]

Year	Indexes			Percent change given year from previous year		
	Consumers price [a]	Housing [b]		Consumers price	Housing	
		Total	Rent		Total	Rent
1913	42.3	([c])	76.6	...	...	...
1914	42.9	([c])	76.6	+1.5	...	0.0
1915	43.4	([c])	77.2	+1.2	...	+0.8
1916	46.6	([c])	78.1	+7.4	...	+1.2
1917	54.8	([c])	77.4	*+17.6	...	−0.9
1918	64.3	([c])	78.8	+17.3	...	+1.8
1919	74.0	([c])	85.3	+15.1	...	+8.2
1920	85.7	([c])	100.2	+15.8	...	*+17.5
1921	76.4	([c])	115.1	−10.9	...	+14.9
1922	71.6	([c])	118.5	−6.3	...	+3.0
1923	72.9	([c])	121.6	+1.8	...	+2.6
1924	73.1	([c])	125.9	+0.3	...	+3.5
1925	75.0	([c])	126.4	+2.6	...	+0.4
1926	75.6	([c])	125.2	+0.8	...	−1.0
1927	74.2	([c])	123.2	−1.9	...	−1.6
1928	73.3	([c])	120.3	−1.2	...	−2.4
1929	73.3	([c])	117.4	0.0	...	−2.4
1930	71.4	([c])	114.2	−2.6	...	−2.7
1931	65.0	([c])	108.2	−9.0	...	−5.3
1932	58.4	([c])	97.1	−10.2	...	−10.3
1933	55.3	([c])	83.6	−5.3	...	−13.9
1934	57.2	([c])	78.4	+3.4	...	−6.2
1935	58.7	([c])	78.2	+2.6	...	−0.3
1936	59.3	([c])	80.1	+1.0	...	+2.4
1937	61.4	([c])	83.8	+3.5	...	+4.6
1938	60.3	([c])	86.5	−1.8	...	+3.2
1939	59.4	([c])	86.6	−1.5	...	+0.1
1940	59.9	([c])	86.9	+0.8	...	+0.3
1941	62.9	([c])	88.4	+5.0	...	+1.7
1942	69.7	([c])	90.4	+10.8	...	+2.3
1943	74.0	([c])	90.3	+6.2	...	−0.1
1944	75.2	([c])	90.6	+1.6	...	+0.3
1945	76.9	([c])	90.9	+2.3	...	+0.3
1946	83.4	([c])	91.4	+8.5	...	+0.6
1947	95.5	95.0	94.4	+14.5	...	+3.3
1948	102.8	101.7	100.7	+7.6	*+7.1	+6.7
1949	101.8	103.3	105.0	−1.0	+1.6	+4.3
1950	102.8	106.1	108.8	+1.0	+2.7	+3.6
1951	111.0	112.4	113.1	+8.0	+5.9	+4.0
1952	113.5	114.6	117.9	+2.3	+2.0	+4.2
1953	114.4	117.7	124.1	+0.8	+2.7	+5.3
1954	*114.8	119.1	128.5	+0.3	+1.2	+3.5
1955	114.5	*120.0	*130.3	−0.3	+0.8	+1.4

*All-time high.

[a] The Consumers Price Index includes food, housing, apparel, transportation, medical care, personal care, reading and recreation, and other goods and services.

[b] The housing index includes rents, gas and electricity, solid fuels and fuel oil, housefurnishings, household operation and other costs. Beginning January 1953, the housing index includes the purchase price of homes.

[c] Not available.

Source: United States Department of Labor.

TABLE A–10.—*Construction materials: Indexes of output*

[1947–49 monthly average=100]

Year	Lumber and wood products	Mill-work	Paint, varnish, and lacquer	Port-land cement	Asphalt prod-ucts	Heating and plumb-ing equip-ment	Iron and steel prod-ucts	Clay con-struc-tion prod-ucts	Gypsum prod-ucts	Plumbing fixtures
1947	98.1	92.8	102.8	93.0	*114.4	124.0	96.9	96.8	85.8	94.5
1948	105.0	109.4	102.1	102.4	98.2	90.8	102.5	103.1	112.9	112.3
1949	96.9	97.8	95.1	104.6	87.3	84.9	100.8	99.9	101.1	93.4
1950	116.2	126.5	113.3	112.7	107.5	130.5	119.9	113.7	127.5	125.2
1951	114.2	100.7	101.5	122.7	101.5	105.8	122.8	122.7	135.5	119.8
1952	115.0	103.8	103.1	124.2	99.8	103.8	113.0	110.5	129.2	94.7
1953	120.1	106.5	108.0	131.6	100.3	115.6	127.8	112.2	138.5	101.0
1954	118.3	116.8	106.1	135.2	103.1	117.6	120.5	115.9	151.6	107.2
1955	*130.2	*131.9	*114.2	*147.9	112.8	*139.0	*133.0	*136.6	*177.1	*136.9
	Percent change 1955 from 1954									
	+10.1	+12.9	+7.6	+9.4	+9.4	+18.2	+10.4	+17.9	+16.8	+27.7

*All-time high.

Source: United States Department of Commerce.

TABLE A–11.—*Production or shipments of selected building materials*

Material	Unit	1954	1955	Percent change 1955 from 1954
Lumber and wood products:				
Softwood lumber	Million board-feet	29,296	31,563	+8
Hardwood flooring	Million board-feet	1,145	1,268	+11
Douglas fir plywood	Million square feet	3,825	4,901	+28
Insulating boards and hardboard	Thousand tons	1,507	1,656	+10
Millwork products:				
Doors, hardwood	Thousand units	5,940	6,786	+14
Doors, ponderosa pine	Thousand units	2,285	2,253	−1
Sash	Thousand units	11,054	12,733	+15
Exterior frames	Thousand units	5,791	7,259	+30
Paint, varnish, and lacquer	Thousand gallons	282,979	304,476	+8
Portland cement	Thousand barrels	271,277	296,829	+9
Asphalt prepared roofing [a]	Thousand squares	58,648	62,930	+7
Gypsum board and lath [a]	Million square feet	6,701	7,837	+17
Iron and steel products:				
Concrete reinforcing bars [a]	Thousand tons	1,751	2,163	+24
Nails [a]	Thousand tons	567	651	+15
Cast-iron soil pipe [a]	Thousand tons	744	868	+17
Clay construction products:				
Brick, common and face	Million brick	6,153	7,148	+16
Structural clay tile	Thousand tons	953	839	−12
Vitrified clay sewer pipe	Thousand tons	1,702	1,925	+13
Hollow facing tile	Million brick	457	493	+8
Floor and wall tile glazed and unglazed	Thousand square feet	141,066	187,991	+33
Heating and plumbing equipment:				
Gas water heaters [a]	Thousand units	2,236	2,598	+16
Cast-iron convectors and radiators [a]	Thousand square feet	28,386	28,512	([b])
Warm air furnaces [a]	Thousand units	1,132	1,348	+19
Residential oil burners [a]	Thousand units	494	537	+9
Floor and wall furnaces [a]	Thousand units	550	558	+1
Lavatories	Thousand units	3,067	4,107	+34
Water closets	Thousand units	3,349	4,587	+37

[a] Shipments. [b] Less than +0.5.

Source: United States Department of Commerce.

TABLE A-12.—*Indexes of wholesale prices of building materials, by selected classes*

[1947-49=100]

Commodity	Annual data									Percent change 1955 from 1954
	1947	1948	1949	1950	1951	1952	1953	1954	1955	
All building materials •	94.0	104.0	102.0	109.5	119.6	118.2	119.9	120.2	•125.5	+4.4
Lumber and wood products:										
Lumber	94.5	107.3	98.2	114.5	123.6	120.5	119.3	117.3	•124.4	+6.1
Douglas fir	95.6	109.1	95.3	117.6	128.6	127.3	117.2	119.4	•130.5	+9.3
Southern pine	97.2	106.6	96.3	108.0	115.7	•116.9	115.8	101.7	115.2	+4.1
Other softwoods	88.2	106.7	105.1	118.9	130.0	128.2	132.6	130.4	•136.8	+4.9
Hardwoods	95.5	107.0	97.4	114.8	•122.4	112.5	114.8	112.4	118.4	+5.3
Millwork	87.3	105.1	107.6	114.6	130.1	127.0	•131.5	130.6	128.8	−1.4
Plywood	95.9	109.0	95.2	106.5	•115.1	105.0	109.3	103.1	105.5	+2.3
Softwood	88.1	113.5	98.4	113.8	•121.1	110.3	110.7	107.2	•110.3	+2.9
Hardwood	101.3	105.8	92.9	101.4	•110.8	101.3	108.4	100.3	102.6	+2.3
Paint and paint materials:										
Prepared paint	98.5	100.3	101.2	99.3	109.0	110.4	111.1	112.8	•114.5	+1.5
Paint materials	100.6	102.7	96.7	90.9	•108.8	100.3	96.2	96.3	96.8	+0.5
Metal products:										
Structural shapes	84.4	102.9	112.7	121.1	128.4	131.1	138.2	143.4	•151.9	+5.9
Hardware (finish)	97.2	101.0	101.9	111.0	127.7	125.5	130.8	137.1	•140.7	+2.6
Plumbing equipment	94.7	102.7	102.7	108.2	122.5	117.4	116.0	118.4	•125.4	+5.9
Enameled iron fixtures	88.3	104.0	107.7	115.5	130.0	122.4	126.1	129.2	•130.4	+0.9
Vitreous china fixtures	89.8	103.1	107.1	114.1	•128.3	122.0	107.1	111.7	118.9	+6.4
Enameled steel fixtures	94.3	101.3	104.4	109.5	•122.5	116.8	113.7	113.7	116.0	+2.0
Brass fittings	101.3	102.0	96.8	100.5	114.8	112.2	114.7	116.4	•126.5	+8.7
Heating equipment	95.3	101.2	103.6	105.1	114.6	113.8	114.8	114.3	•115.0	+0.6
Furnaces	95.4	102.1	102.4	107.0	118.7	117.0	118.7	120.7	•121.3	+0.5
Water heaters	92.8	100.2	107.1	105.8	•115.0	113.5	111.6	108.4	109.0	+0.6
Metal sash	96.5	100.7	102.8	110.0	121.0	117.7	122.6	129.4	•139.4	+7.7
Nonmetallic mineral products:										
Glass, plate	95.2	100.4	104.4	113.4	120.9	120.9	126.9	132.0	•134.8	+2.1
Glass, window	95.6	100.3	104.1	109.7	118.0	118.0	125.7	131.3	•136.7	+4.1
Concrete ingredients	93.0	101.8	105.2	106.8	113.0	113.0	117.4	121.0	•124.9	+3.2
Portland cement	91.3	103.0	105.8	108.0	116.4	116.4	122.2	126.6	•131.4	+3.8
Concrete products	96.1	100.8	103.1	105.5	112.3	112.5	115.4	117.5	•118.7	+1.0
Structural clay products	93.3	101.4	105.3	112.6	121.4	122.0	128.1	133.1	•141.1	+6.0
Gypsum products	94.5	103.2	102.3	104.6	117.4	117.7	121.0	122.1	•122.1	0.0
Asphalt roofing	94.1	103.1	102.8	101.3	104.8	102.9	•107.3	104.0	106.1	+2.0
Insulation materials	97.4	102.6	100.0	101.1	104.1	105.4	107.9	•109.6	106.6	−2.7
Miscellaneous products:										
Building board	93.0	102.8	104.2	107.6	113.4	115.5	121.4	127.7	•130.9	+2.5
Kitchen cabinets, metal	93.2	101.3	105.6	112.4	106.0	103.3	102.7	127.7	•131.7	+3.1

•All-time high. • Includes commodities not shown separately.

Source: United States Department of Labor.

TABLE A–13.—*Average hourly earnings in building construction*

Year	All	General contractors [a]	Special trade contractors [b]				
			All	Plumbing and heating	Painting and decorating	Electrical work	Other special trades
1934	$0.80	(c)	(c)	(c)	(c)	(c)	(c)
1935	0.82	(c)	(c)	(c)	(c)	(c)	(c)
1936	0.82	(c)	(c)	(c)	(c)	(c)	(c)
1937	0.90	(c)	(c)	(c)	(c)	(c)	(c)
1938	0.91	(c)	(c)	(c)	(c)	(c)	(c)
1939	0.93	(c)	(c)	(c)	(c)	(c)	(c)
1940	0.96	$0.92	$1.01	$0.95	$1.02	$1.20	(c)
1941	1.01	0.96	1.05	1.00	1.08	1.21	(c)
1942	1.15	1.10	1.19	1.13	1.18	1.41	(c)
1943	1.25	1.21	1.28	1.24	1.30	1.52	(c)
1944	1.32	1.26	1.36	1.31	1.37	1.52	(c)
1945	1.38	1.32	1.42	1.38	1.45	1.56	(c)
1946	1.48	1.42	1.54	1.54	1.56	1.68	$1.48
1947	1.68	1.60	1.77	1.78	1.72	1.93	1.70
1948	1.85	1.77	1.95	1.96	1.92	2.08	1.89
1949	1.94	1.86	2.03	2.04	1.98	2.21	1.99
1950	2.03	1.92	2.12	2.13	2.01	2.32	2.09
1951	2.19	2.05	2.31	2.33	2.20	2.55	2.26
1952	2.31	2.15	2.44	2.44	2.35	2.71	2.39
1953	2.48	2.34	2.59	2.58	2.51	2.84	2.55
1954	2.60	2.47	2.69	2.71	2.62	2.92	2.64
1955	•2.67	•2.52	•2.77	•2.80	•2.72	•2.98	•2.71

•All-time high.

[a] General contractors primarily engaged in the construction of buildings such as private residences, apartment buildings, farm buildings, industrial and commercial structures, public buildings, and building alterations and repairs.

[b] Includes subcontractors engaged in special trades in construction such as plumbing, painting, plastering, and carpentering.

[c] Not available.

Source: United States Department of Labor.

TABLE A-14.—*Average weekly hours in building construction*

Year	All	General contractors [a]	Special trade contractors [b]				
			All	Plumbing and heating	Painting and decorating	Electrical work	Other special trades
1934	28.9	(c)	(c)	(c)	(c)	(c)	(c)
1935	30.1	(c)	(c)	(c)	(c)	(c)	(c)
1936	32.8	(c)	(c)	(c)	(c)	(c)	(c)
1937	33.4	(c)	(c)	(c)	(c)	(c)	(c)
1938	32.1	(c)	(c)	(c)	(c)	(c)	(c)
1939	32.6	(c)	(c)	(c)	(c)	(c)	(c)
1940	33.1	33.3	32.7	34.6	32.5	34.5	(c)
1941	34.8	34.4	35.2	37.2	34.2	38.1	(c)
1942	36.4	35.8	37.0	38.9	35.6	41.1	(c)
1943	38.4	37.9	38.8	40.1	37.7	41.5	(c)
1944	*39.6	*39.1	*39.9	*41.0	39.1	*42.2	(c)
1945	39.0	38.3	39.5	40.8	*39.2	41.9	(c)
1946	38.1	37.6	38.6	39.6	37.5	40.7	37.4
1947	37.6	37.0	38.4	39.2	36.7	40.3	*37.4
1948	37.3	36.6	38.0	39.2	36.3	39.8	36.9
1949	36.7	36.2	37.2	38.6	35.7	39.2	36.1
1950	36.3	35.8	36.7	38.4	35.4	38.4	35.8
1951	37.2	36.6	37.8	39.2	35.8	40.1	37.0
1952	38.1	38.5	37.7	38.9	35.2	40.7	37.0
1953	37.0	37.5	36.6	38.1	34.7	39.3	35.7
1954	36.2	36.2	36.2	37.9	34.5	38.6	35.3
1955	36.1	35.8	36.4	38.1	34.7	39.2	35.5

*All-time high.
[a] General contractors primarily engaged in the construction of buildings such as private residences, apartment buildings, farm buildings, industrial and commercial structures, public buildings, and building alterations and repairs.
[b] Includes subcontractors engaged in special trades in construction such as plumbing, painting, plastering, and carpentering.
[c] Not available.

Source: United States Department of Labor.

TABLE A-15.—*Employment by building construction contractors*

[In thousands of persons]

Year	All	General contractors [a]	Special trade contractors [b]				
			All	Plumbing and heating	Painting and decorating	Electrical work	Other special trades
1945 [c]	894	379	515	124	85	76	230
1946	1,358	641	717	176	112	94	335
1947	1,595	735	860	218	120	117	406
1948	1,753	807	946	238	125	123	460
1949	1,736	779	957	242	123	122	470
1950	1,885	844	1,041	263	131	123	524
1951	2,109	*958	1,152	287	156	140	569
1952	*2,119	948	1,171	288	156	156	571
1953	2,109	934	1,175	289	148	160	578
1954	2,090	886	1,204	296	144	164	600
1955	2,279	938	*1,342	*318	*166	*169	*689
Percent change 1955 from 1954							
	+9.0	+5.9	+11.5	+7.4	+15.3	+3.0	+14.8

*All-time high.
[a] General contractors primarily engaged in the construction of buildings such as private residences, apartment buildings, farm buildings, industrial and commercial structures, public buildings, and building alterations and repairs.
[b] Includes subcontractors engaged in special trades in construction such as plumbing, painting, plastering, and carpentering.
[c] Data not available prior to 1945.

Source: United States Department of Labor.

TABLE A-16.—*Civilian labor force*

[Thousands of persons 14 years of age and over]

Year	Total	Employment			Unemployment	Unemployment as percent of civilian labor force
		Total	Agricultural	Nonagricultural		
1929	49,180	47,630	*10,450	37,180	1,550	3.2
1930	49,820	45,480	10,340	35,140	4,340	8.7
1931	50,420	42,400	10,290	32,110	8,020	15.9
1932	51,000	38,940	10,170	28,770	12,060	23.6
1933	51,590	38,760	10,090	28,670	*12,830	*24.9
1934	52,230	40,890	9,900	30,990	11,340	21.7
1935	52,870	42,260	10,110	32,150	10,610	20.1
1936	53,440	44,410	10,000	34,410	9,030	16.9
1937	54,000	46,300	9,820	36,480	7,700	14.3
1938	54,610	44,220	9,690	34,530	10,390	19.0
1939	55,230	45,750	9,610	36,140	9,480	17.2
1940	55,640	47,520	9,540	37,980	8,120	14.6
1941	55,910	50,350	9,100	41,250	5,560	9.9
1942	56,410	53,750	9,250	44,500	2,660	4.7
1943	55,540	54,470	9,080	45,390	1,070	1.9
1944	54,630	53,960	8,950	45,010	670	1.2
1945	53,860	52,820	8,580	44,240	1,040	1.9
1946	57,520	55,250	8,320	46,930	2,270	3.9
1947	60,168	58,027	8,266	49,761	2,142	3.6
1948	61,442	59,378	7,973	51,405	2,064	3.4
1949	62,105	58,710	8,026	50,684	3,395	5.5
1950	63,099	59,957	7,507	52,450	3,142	5.0
1951	62,884	61,005	7,054	53,951	1,879	3.0
1952	62,966	61,293	6,805	54,488	1,673	2.7
1953	63,815	62,213	6,562	55,651	1,602	2.5
1954	64,468	61,238	6,505	54,734	3,230	5.0
1955	*65,847	*63,193	6,730	*56,464	2,654	4.0
	Percent change 1955 from 1954					
	+2.1	+3.2	+3.5	+3.2	−17.8	----------

*All-time high.

Source: 1929-1939 data from United States Department of Labor. 1940-1955 data from United States Department of Commerce.

TABLE A-17.—*Personal income by source and type of disposition*

[In billions of dollars]

Year	Total personal income	Source: Wage and salary disbursements	Source: Proprietors' and rental income	Source: Other	Disposition: Personal consumption expenditures	Disposition: Personal tax and nontax payments	Disposition: Personal savings
1929	85.8	50.4	20.2	15.2	79.0	2.6	4.2
1930	76.9	46.2	16.3	14.4	71.0	2.5	3.4
1931	65.7	39.1	12.5	14.1	61.3	1.9	2.5
1932	50.1	30.5	8.0	11.6	49.3	1.5	−0.6
1933	47.2	29.0	7.6	10.6	46.4	1.5	−0.6
1934	53.6	33.7	8.7	11.2	51.9	1.6	0.1
1935	60.2	36.7	12.0	11.5	56.3	1.9	2.0
1936	68.5	41.9	12.3	14.3	62.6	2.3	3.6
1937	73.9	46.1	14.8	13.0	67.3	2.9	3.7
1938	68.6	43.0	13.7	11.9	64.6	2.9	1.1
1939	72.9	45.9	14.4	12.6	67.6	2.4	2.9
1940	78.7	49.8	15.9	13.0	71.9	2.6	4.2
1941	96.3	62.1	20.9	13.3	81.9	3.3	11.1
1942	123.5	82.1	28.5	12.9	89.7	6.0	27.8
1943	151.4	105.8	33.3	12.3	100.5	17.8	33.0
1944	165.7	116.8	35.0	13.9	109.8	18.9	*36.9
1945	171.2	117.6	36.5	17.1	121.7	20.9	28.7
1946	178.0	111.8	41.5	24.7	146.6	18.8	12.6
1947	190.5	122.9	40.9	26.7	165.0	21.5	4.0
1948	208.7	135.2	45.6	27.9	177.6	21.1	10.0
1949	206.8	134.3	42.0	30.5	180.6	18.7	7.6
1950	227.1	146.5	44.6	36.0	194.0	20.9	12.1
1951	255.3	170.9	*49.9	34.5	208.3	29.3	17.7
1952	271.1	185.1	*49.9	36.1	218.3	34.4	18.4
1953	286.2	198.5	48.4	39.3	230.6	*35.8	19.8
1954	287.6	196.2	48.4	43.0	236.5	32.8	18.3
1955	*303.2	*208.5	48.9	*45.8	*252.3	33.9	17.1
Percent change 1955 from 1954	+5.4	+6.3	+1.0	+6.5	+6.7	+3.4	−6.6

*All-time high.

Source: United States Department of Commerce.

TABLE A-18.—*Nonfarm mortgage recordings of $20,000 or less, by type of mortgagee*

Year	All mortgages			Type of mortgagee					
	Total number	Average dollar amount	Total amount (000)	Savings and loan associations (000)	Insurance companies (000)	Commercial banks (000)	Mutual savings banks (000)	Individuals (000)	All other mortgagees (000)
1939	1,288,032	$2,722	$3,506,563	$1,058,206	$287,204	$890,590	$142,849	$588,430	$539,284
1940	1,455,865	2,769	4,031,368	1,283,068	333,724	1,005,893	169,907	640,350	597,866
1941	1,628,407	2,906	4,731,960	1,489,909	403,684	1,165,501	218,428	783,177	671,261
1942	1,351,290	2,918	3,942,613	1,170,546	361,743	885,803	165,581	732,697	626,243
1943	1,273,993	3,031	3,861,401	1,237,505	279,866	752,543	152,054	857,681	581,752
1944	1,445,616	3,186	4,605,931	1,559,850	257,070	878,272	165,065	1,130,718	614,956
1945	1,638,557	3,448	5,649,819	2,017,066	249,849	1,097,039	216,981	1,402,487	666,397
1946	2,497,122	4,241	10,589,168	3,483,173	502,746	2,711,888	547,870	2,043,791	1,299,700
1947	2,566,632	4,570	11,728,677	3,650,249	847,129	3,003,794	596,481	2,008,208	1,622,816
1948	2,534,702	4,688	11,882,114	3,628,818	1,016,211	2,663,560	744,769	2,149,477	1,679,279
1949	2,487,521	4,755	11,828,001	3,646,196	1,046,068	2,445,722	749,697	2,038,593	1,901,725
1950	3,032,452	5,335	16,179,196	5,059,612	1,618,020	3,364,889	1,064,141	2,298,962	2,773,572
1951	2,877,860	5,701	16,405,367	5,294,689	1,615,173	3,370,407	1,013,366	2,539,452	2,572,280
1952	3,028,157	5,950	18,017,677	6,452,357	1,420,246	3,599,856	1,136,621	2,757,931	2,650,666
1953	3,163,993	6,241	19,747,408	7,365,276	1,479,985	3,679,676	1,327,278	2,840,574	3,054,619
1954	3,457,935	6,644	22,973,853	8,311,993	1,767,591	4,239,266	1,501,061	2,881,547	4,272,395
1955	•3,913,402	•7,279	•28,484,179	•10,451,684	•1,932,309	•5,616,558	•1,857,529	•3,361,538	•5,261,561
	Percent change 1955 from 1954								
	+13.2	+9.6	+24.0	+25.7	+9.3	+32.5	+23.7	+16.6	+23.2

•All-time high.
Source: Federal Home Loan Bank Board.

TABLE A-19.—*Percentage distribution of nonfarm mortgage recordings of $20,000 or less by type of mortgagee*

Year	Total amount recordings (In thousands)	Percentage distribution					
		Savings and loan associations	Insurance companies	Commercial banks	Mutual savings bank	Individuals	All other mortgagees
1939	$3,506,563	30.2	8.2	25.4	4.1	16.8	15.4
1940	4,031,368	31.8	8.3	25.0	4.2	15.9	14.8
1941	4,731,960	31.5	8.5	24.6	4.6	16.6	14.2
1942	3,942,613	29.7	9.2	22.5	4.2	18.6	15.9
1943	3,861,401	32.0	7.2	19.5	3.9	22.2	15.1
1944	4,605,931	33.9	5.6	19.1	3.6	24.5	13.4
1945	5,649,819	35.7	4.4	19.4	3.8	•24.8	11.8
1946	10,589,168	32.9	4.7	•25.6	5.2	19.3	12.3
1947	11,728,677	31.1	7.2	•25.6	5.1	17.1	13.8
1948	11,882,114	30.5	8.6	22.4	6.3	18.1	14.1
1949	11,828,001	30.8	8.8	20.7	6.3	17.2	16.1
1950	16,179,196	31.3	•10.0	20.8	6.6	14.2	17.1
1951	16,405,367	32.3	9.8	20.5	6.2	15.5	15.7
1952	18,017,677	35.8	7.9	20.0	6.3	15.3	14.7
1953	19,747,408	•37.3	7.5	18.6	•6.7	14.4	15.5
1954	22,973,853	36.2	7.7	18.5	6.5	12.5	•18.6
1955	•28,484,179	36.7	6.8	19.7	6.5	11.8	18.5

•All-time high.
Source: Federal Home Loan Bank Board.

TABLE A–20.—*FHA and VA home loan amounts compared with total recordings of $20,000 or less*

[In thousands of dollars]

Year	Estimated amount nonfarm mortgage recordings of $20,000 or less	Federal Housing Administration and Veterans Administration			Other recordings of $20,000 or less
		Total home loans insured and guaranteed	FHA home loans insured face	VA home loans guaranteed principal	
1939	3,506,563	694,764	694,764		2,811,799
1940	4,031,368	762,084	762,084		3,269,284
1941	4,731,960	910,770	910,770		3,821,190
1942	3,942,613	973,271	973,271		2,969,342
1943	3,861,401	763,097	763,097		3,098,304
1944	4,605,931	707,363	707,363		3,898,568
1945	5,649,819	659,037	474,245	[a] 184,792	4,990,782
1946	10,589,168	2,724,256	421,949	2,302,307	7,864,912
1947	11,728,677	4,177,196	894,675	3,282,521	7,551,481
1948	11,882,114	3,992,951	2,116,043	1,876,908	7,889,163
1949	11,828,001	3,633,431	2,209,842	1,423,589	8,194,570
1950	16,179,196	5,565,795	2,492,367	3,073,428	10,613,401
1951	16,405,367	5,542,913	1,928,433	3,614,480	10,862,454
1952	18,017,677	4,660,225	1,942,307	2,717,918	13,357,452
1953	19,747,408	5,349,544	2,288,627	3,060,917	14,397,864
1954	22,973,853	6,198,563	1,942,266	4,256,297	16,775,290
1955	*28,484,179	*10,239,003	*3,084,767	*7,154,236	*18,245,176
	Percent change 1955 from 1954				
	+24.0	+65.2	+59.8	+68.1	+8.8

*All-time high. [a] Includes 1944 activity.

Sources: Federal Home Loan Bank Board, Federal Housing Administration (HHFA), and Veterans Administration.

TABLE A–21.—*Percentage distribution of FHA and VA home loan amounts compared with total recordings of $20,000 or less*

Year	Estimated amount nonfarm mortgage recordings of $20,000 or less (In thousands of dollars)	Percentage distribution			
		Federal Housing Administration and Veterans Administration			Other recordings of $20,000 or less
		Total home loans insured and guaranteed	FHA home loans insured	VA home loans guaranteed	
1939	3,506,563	19.8	19.8		80.2
1940	4,031,368	18.9	18.9		81.1
1941	4,731,960	19.2	19.2		80.8
1942	3,942,613	24.7	*24.7		75.3
1943	3,861,401	19.8	19.8		80.2
1944	4,605,931	15.4	15.4		84.6
1945	5,649,819	11.7	8.4	[a] 3.3	*88.3
1946	10,589,168	25.7	4.0	21.7	74.3
1947	11,728,677	35.6	7.6	*28.0	64.4
1948	11,882,114	33.6	17.8	15.8	66.4
1949	11,828,001	30.7	18.7	12.0	69.3
1950	16,179,196	34.4	15.4	19.0	65.6
1951	16,405,367	33.8	11.8	22.0	66.2
1952	18,017,677	25.9	10.8	15.1	74.1
1953	19,747,408	27.1	11.6	15.5	72.9
1954	22,973,853	27.0	8.5	18.5	73.0
1955	*28,484,179	*35.9	10.8	25.1	64.1

*All-time high. [a] Includes 1944 activity.

Sources: Federal Home Loan Bank Board, Federal Housing Administration (HHFA), and Veterans Administration.

TABLE A–22.—*Estimated amount of residential nonfarm mortgage debt, by type of mortgagee and by FHA and VA*

[In billions of dollars]

Year and type of holder	Nonfarm residential [a]				1- to 4-family [a]				5 or more family [a]		
	Total debt	VA insured	VA guaranteed	Conventional	Total debt	FHA insured	VA guaranteed	Conventional	Total debt	FHA insured	Conventional
Total at end of 1950	53.6	11.8	10.3	31.5	45.2	8.6	10.3	26.2	8.5	3.2	5.3
Savings and loan associations	13.6	0.7	3.0	9.9	13.1	0.7	3.0	9.4	0.5	(b)	0.5
Life insurance companies	11.0	4.9	1.9	4.2	8.5	3.7	1.9	2.8	2.6	1.2	1.4
Commercial banks	10.4	3.4	[c] 2.8	4.2	9.5	2.5	[c] 2.8	4.2	0.9	0.9	(b)
Mutual savings banks	7.1	1.7	[c] 1.4	4.0	4.3	1.0	[c] 1.4	1.9	2.8	0.7	2.1
FNMA	1.3	0.2	1.2	------	1.3	0.2	1.2	------	(b)	(b)	------
Individuals and others	10.1	0.8	(b)	9.4	8.5	0.5	(b)	8.0	[c] 1.7	0.3	1.4
Total at end of 1954	87.5	16.9	19.3	51.3	75.7	12.8	19.3	43.6	11.8	4.1	7.7
Savings and loan associations	26.1	1.1	4.7	20.2	25.0	1.1	4.7	19.2	1.1	(b)	1.0
Life insurance companies	18.6	6.5	4.6	7.5	15.2	5.1	4.6	5.5	3.4	1.4	2.0
Commercial banks	14.2	4.0	3.4	6.8	13.3	3.6	3.4	6.3	0.9	0.4	0.5
Mutual savings banks	13.2	3.5	4.3	5.4	9.0	2.0	4.3	2.7	4.2	1.5	2.7
FNMA	2.4	0.7	1.6	------	2.3	0.6	1.6	------	0.2	0.2	------
Individuals and others	13.0	1.0	0.7	11.3	10.9	0.4	0.7	9.8	[c] 2.1	0.6	1.5
Total at end of 1955 [p]	101.1	18.3	24.3	58.5	88.5	14.3	24.3	49.9	12.6	4.0	8.6
Savings and loan associations	31.6	1.2	5.9	24.5	30.2	[c] 1.2	5.9	23.1	1.4	(b)	1.4
Life insurance companies	21.2	7.0	6.0	8.2	17.7	[c] 5.6	6.0	6.1	3.5	[c] 1.4	2.1
Commercial banks	16.0	4.5	3.7	7.8	15.2	[c] 4.1	3.7	7.4	0.8	[c] 0.4	0.4
Mutual savings banks	15.6	3.8	5.8	6.0	11.0	[c] 2.3	5.8	2.9	4.6	[c] 1.5	3.1
FNMA	2.7	0.9	1.7	(b)	2.5	[c] 0.7	1.7	(b)	0.2	[c] 0.2	(b)
Individuals and others	14.1	1.0	1.2	11.9	11.9	[c] 0.4	1.2	10.3	[c] 2.2	[c] 0.6	1.6

[a] Due to rounding, the various components of totals shown in this table do not necessarily add to the totals.
[b] Less than 0.05 billion. [c] Estimated by HHFA. [p] Preliminary.

Sources: Federal Home Loan Bank Board, Federal Housing Administration (HHFA), Veterans Administration, and Board of Governors of the Federal Reserve System.

Table A–23.—*Estimated amount of mortgage debt on 1- to 4-family nonfarm homes, by type of mortgagee*

[In billions of dollars]

At end of December	Total all mortgagees	Savings and loan associations	Life insurance companies	Mutual savings banks	Commercial banks	Home Owners' Loan Corporation	Federal National Mortgage Association	Veterans Administration	Individuals and others
1925	13.0	4.0	0.8	1.5	1.4				5.3
1926	14.8	4.6	1.1	1.7	1.8				5.6
1927	16.4	5.2	1.3	1.9	1.9				6.1
1928	17.9	5.8	1.4	2.1	2.1				6.5
1929	18.9	6.2	1.6	2.3	2.2				6.6
1930	18.9	6.1	1.7	2.3	2.2				6.6
1931	18.1	5.6	1.8	2.4	2.1				6.2
1932	16.7	4.9	1.7	2.4	1.9				5.8
1933	15.4	4.2	1.6	2.4	1.7	0.1			5.4
1934	15.6	3.5	1.4	2.2	1.4	2.4			4.7
1935	15.4	3.1	1.3	2.1	1.5	•2.9			4.5
1936	15.4	3.1	1.2	2.1	1.6	2.8			4.6
1937	15.5	3.3	1.2	2.1	1.8	2.4			4.7
1938	15.8	3.4	1.3	2.1	1.9	2.2	0.1		4.8
1939	16.3	3.6	1.5	2.1	2.1	2.0	0.1		4.9
1940	17.4	3.9	1.8	2.2	2.4	2.0	0.2		4.9
1941	18.4	4.3	2.0	2.2	2.7	1.8	0.2		5.2
1942	18.2	4.3	2.2	2.1	2.8	1.6	0.2		5.0
1943	17.8	4.4	2.4	2.0	2.7	1.3	0.1		4.9
1944	17.9	4.6	2.4	1.9	2.7	1.1	0.1		5.1
1945	18.6	5.2	2.3	1.9	2.9	0.9	([a])		5.4
1946	23.0	6.8	2.5	2.0	4.6	0.6	([a])		6.5
1947	28.2	8.5	3.5	2.3	6.3	0.5	([a])		7.1
1948	33.3	9.8	4.9	2.8	7.4	0.4	0.2	([a])	7.8
1949	37.6	11.1	6.1	3.4	8.0	0.2	0.8	([a])	8.0
1950	45.2	13.1	8.5	4.3	9.5	([a])	1.3	([a])	8.5
1951	51.7	14.8	10.6	5.3	10.3	0	1.8	0.1	8.8
1952	58.5	17.6	11.8	6.2	11.2	0	2.2	0.2	9.3
1953	66.1	21.0	13.2	7.4	12.0	0	2.4	0.3	9.8
1954	75.7	25.0	15.2	9.0	13.3	0	2.3	0.4	10.5
1955 [p]	•88.5	•30.2	•17.7	•11.0	•15.2	0	•2.5	•0.5	•11.4

•All-time high.
[p] Preliminary.
[a] Less than $0.05 billion.

Sources: Federal Home Loan Bank Board and Board of Governors of the Federal Reserve System.

TABLE A–24.—*Percentage distribution of mortgage debt on 1- to 4-family nonfarm homes, by type of mortgagee*

At end of December	Total debt all mortgagees (in billions of dollars)	Savings and loan associations	Life insurance companies	Mutual savings banks	Commercial banks	Home Owners' Loan Corporation	Federal National Mortgage Association	Veterans Administration	Individuals and others
		Percentage distribution							
1925	13.0	30.8	6.2	11.5	10.8	--------	--------	--------	*40.8
1926	14.8	31.1	7.4	11.5	12.2	--------	--------	--------	37.8
1927	16.4	31.7	7.9	11.6	11.6	--------	--------	--------	37.2
1928	17.9	32.4	7.8	11.7	11.7	--------	--------	--------	36.3
1929	18.9	32.8	8.5	12.2	11.6	--------	--------	--------	34.9
1930	18.9	32.3	9.0	12.2	11.6	--------	--------	--------	34.9
1931	18.1	30.9	9.9	13.3	11.6	--------	--------	--------	34.3
1932	16.7	29.3	10.2	14.4	11.4	--------	--------	--------	34.7
1933	15.4	27.3	10.4	*15.6	11.0	0.6	--------	--------	35.1
1934	15.6	22.4	9.0	14.1	9.0	15.4	--------	--------	30.1
1935	15.4	20.1	8.4	13.6	9.7	*18.8	--------	--------	29.2
1936	15.4	20.1	7.8	13.6	10.4	18.2	--------	--------	29.9
1937	15.5	21.3	7.7	13.5	11.6	15.5	--------	--------	30.3
1938	15.8	21.5	8.2	13.3	12.0	13.9	0.6	--------	30.4
1939	16.3	22.1	9.2	12.9	12.9	12.3	0.6	--------	30.1
1940	17.4	22.4	10.3	12.6	13.8	11.5	1.1	--------	28.2
1941	18.4	23.4	10.9	12.0	14.7	9.8	1.1	--------	28.3
1942	18.2	23.6	12.1	11.5	15.4	8.8	1.1	--------	27.5
1943	17.8	24.7	13.5	11.2	15.2	7.3	0.6	--------	27.5
1944	17.9	25.7	13.4	10.6	15.1	6.1	0.6	--------	28.5
1945	18.6	28.0	12.4	10.2	15.6	4.8	(a)	--------	29.0
1946	23.0	29.6	10.9	8.7	20.0	2.6	(a)	--------	28.3
1947	28.2	30.1	12.4	8.2	*22.3	1.8	(a)	--------	25.2
1948	33.3	29.4	14.7	8.4	22.2	1.2	0.6	(a)	23.4
1949	37.6	29.5	16.2	9.0	21.3	0.5	2.1	(a)	21.3
1950	45.2	29.0	18.8	9.5	21.0	(a)	2.9	(a)	18.8
1951	51.7	28.6	*20.5	10.3	19.9	0.0	3.5	0.2	17.0
1952	58.5	30.1	20.2	10.6	19.1	0.0	*3.8	0.3	15.9
1953	66.1	31.8	20.0	11.2	18.2	0.0	3.6	0.5	14.8
1954	75.7	33.0	20.1	11.9	17.6	0.0	2.9	0.5	14.0
1955 p	*88.5	*34.1	20.0	12.4	17.2	0.0	2.8	*0.6	12.9

* All-time high.

(a) Less than 0.05 percent. p Preliminary.

Sources: Federal Home Loan Bank Board and Board of Governors of the Federal Reserve System.

TABLE A–25.—*Net change annual data for mortgage debt on 1- to 4-family nonfarm homes, by type of mortgagee*

Year	Total all mortgages	Savings and loan associations	Life insurance companies	Mutual savings banks	Commercial banks	Home Owners' Loan Corporation	Federal National Mortgage Association	Veterans Administration	Individuals and others
1925 [a]	13.0	4.0	0.8	1.5	1.4	--------	--------	--------	5.3
1926	+1.8	+0.6	+0.3	+0.2	+0.4	--------	--------	--------	+0.3
1927	+1.6	+0.6	+0.2	+0.2	+0.1	--------	--------	--------	+0.5
1928	+1.5	+0.6	+0.1	+0.2	+0.2	--------	--------	--------	+0.4
1929	+1.0	+0.4	+0.2	+0.2	+0.1	--------	--------	--------	+0.1
1930	0.0	−0.1	+0.1	0.0	0.0	--------	--------	--------	0.0
1931	−0.8	−0.5	+0.1	+0.1	−0.1	--------	--------	--------	−0.4
1932	−1.4	−0.7	−0.1	0.0	−0.2	--------	--------	--------	−0.4
1933	−1.3	−0.7	−0.1	0.0	−0.2	0.1	--------	--------	−0.4
1934	+0.2	−0.7	−0.2	−0.2	−0.3	*+2.3	--------	--------	−0.7
1935	−0.2	−0.4	−0.1	−0.1	+0.1	+0.5	--------	--------	−0.2
1936	0.0	0.0	−0.1	0.0	+0.1	−0.1	--------	--------	+0.1
1937	+0.1	+0.2	0.0	0.0	+0.2	−0.4	--------	--------	+0.1
1938	+0.3	+0.1	+0.1	0.0	+0.1	−0.2	0.1	--------	+0.1
1939	+0.5	+0.2	+0.2	0.0	+0.2	−0.2	0.0	--------	+0.1
1940	+1.1	+0.3	+0.3	+0.1	+0.3	0.0	+0.1	--------	0.0
1941	+1.0	+0.4	+0.2	0.0	+0.3	−0.2	0.0	--------	+0.3
1942	−0.2	0.0	+0.2	−0.1	+0.1	−0.2	0.0	--------	−0.2
1943	−0.4	+0.1	+0.2	−0.1	−0.1	−0.3	−0.1	--------	−0.1
1944	+0.1	+0.2	0.0	−0.1	0.0	−0.2	0.0	--------	+0.2
1945	+0.7	+0.6	−0.1	0.0	+0.2	−0.2	−0.1	--------	+0.3
1946	+4.4	+1.6	+0.2	+0.1	+1.7	−0.3	0.0	--------	*+1.1
1947	+5.2	+1.7	+1.0	+0.3	+1.7	−0.1	0.0	--------	+0.6
1948	+5.1	+1.3	+1.4	+0.5	+1.1	−0.1	+0.2	0.0	+0.7
1949	+4.3	+1.3	+1.2	+0.6	+0.6	−0.2	*+0.6	0.0	+0.2
1950	+7.6	+2.0	+2.4	+0.9	+1.5	−0.2	+0.5	0.0	+0.5
1951	+6.5	+1.7	+2.1	+1.0	+0.8	0.0	+0.5	0.1	+0.3
1952	+6.8	+2.8	+1.2	+0.9	+0.9	0.0	+0.4	+0.1	+0.5
1953	+7.6	+3.4	+1.4	+1.2	+0.8	0.0	+0.2	+0.1	+0.5
1954	+9.6	+4.0	+2.0	+1.6	+1.3	0.0	−0.2	+0.1	+0.8
1955 [p]	*+12.8	*+5.2	*+2.5	*+2.0	*+1.9	0.0	+0.2	+0.1	+0.9
Percent change 1955 from 1954	+33.3	+30.0	+25.0	+20.0	+46.2	0.0	--------	0.0	+12.5

*All time high.
[a] Includes all net change annual data of all previous years.
[p] Preliminary.

Sources: Federal Home Loan Bank Board and Board of Governors of the Federal Reserve System.

TABLE A-26.—*Estimated amount of mortgage debt on 1- to 4-family nonfarm homes, showing FHA and VA components*

[In billions of dollars]

At end of December	Total outstanding	Government underwritten			Conventional
		Total	FHA insured	VA guaranteed	
1925	13.0				13.0
1926	14.8				14.8
1927	16.4				16.4
1928	17.9				17.9
1929	18.9				18.9
1930	18.9				18.9
1931	18.1				18.1
1932	16.7				16.7
1933	15.4				15.4
1934	15.6				15.6
1935	15.4	0.1	• 0.1		15.3
1936	15.4	0.3	• 0.3		15.1
1937	15.5	0.7	• 0.7		14.8
1938	15.8	1.1	• 1.1		14.7
1939	16.3	1.8	1.8		14.5
1940	17.4	2.3	2.3		15.1
1941	18.4	3.0	3.0		15.4
1942	18.2	3.7	3.7		14.5
1943	17.8	4.1	4.1		13.7
1944	17.9	4.2	4.2		13.7
1945	18.6	4.3	4.1	0.2	14.3
1946	23.0	6.1	3.7	2.4	16.9
1947	28.2	9.3	3.8	5.5	18.9
1948	33.3	12.5	5.3	7.2	20.8
1949	37.6	15.0	6.9	8.1	22.6
1950	45.2	18.9	8.6	10.3	26.3
1951	51.7	22.9	9.7	13.2	28.8
1952	58.5	25.4	10.8	14.6	33.1
1953	66.1	28.1	12.0	16.1	38.0
1954	75.7	32.1	12.8	19.3	43.6
1955 »	•88.5	•38.9	•14.3	•24.6	•49.5
Percent change end of December 1955 from 1954	+16.9	+21.2	+11.7	+27.5	+13.5

•All time high.
• Estimated.
» Preliminary.

Sources: Federal Home Loan Bank Board, Federal Housing Administration (HHFA), Veterans Administration, and Board of Governors of the Federal Reserve System.

TABLE A–27.—*Percentage distribution mortgage debt on 1- to 4-family nonfarm homes, showing FHA and VA components*

At end of December	Total outstanding (in billions of dollars)	Government underwritten			Conventional
		Total	FHA insured	VA-guaranteed	
		Percentage distribution			
1925	13.0				100.0
1926	14.8				100.0
1927	16.4				100.0
1928	17.9				100.0
1929	18.9				100.0
1930	18.9				100.0
1931	18.9				100.0
1932	16.7				100.0
1933	15.4				100.0
1934	15.6				100.0
1935	15.4	0.6	0.6		99.4
1936	15.4	1.9	1.9		98.1
1937	15.5	4.5	4.5		95.5
1938	15.8	7.0	7.0		93.0
1939	16.3	11.0	11.0		89.0
1940	17.4	13.2	13.2		86.8
1941	18.4	16.3	16.3		83.7
1942	18.2	20.3	20.3		79.7
1943	17.8	23.0	23.0		77.0
1944	17.9	23.5	23.5		76.5
1945	18.6	23.1	22.0	1.1	76.9
1946	23.0	26.5	16.1	10.4	73.5
1947	28.2	33.0	13.5	19.5	67.0
1948	33.3	37.5	15.9	21.6	62.5
1949	37.6	39.9	18.4	21.5	60.1
1950	45.2	41.8	19.0	22.8	58.2
1951	51.7	•44.3	18.8	25.5	55.7
1952	58.5	43.4	18.5	24.9	56.6
1953	66.1	42.5	18.2	24.3	57.5
1954	75.7	42.4	16.9	25.5	57.6
1955 ᵖ	•88.5	44.0	16.2	•27.8	56.0

•All-time high.
ᵖ Preliminary.

Sources: Federal Home Loan Bank Board, Federal Housing Administration (HHFA), Veterans Administration, and Board of Governors of the Federal Reserve System.

TABLE A–28.—*Net change annual data for mortgage debt on 1- to 4-family nonfarm homes, showing FHA and VA components*

[In billions of dollars]

Year	Total outstanding	Government-underwritten			Conventional
		Total	FHA-insured	VA-guaranteed	
1925	[a]$13.0				$13.0
1926	+1.8				+1.8
1927	+1.6				+1.6
1928	+1.5				+1.5
1929	+1.0				+1.0
1930	0.0				0.0
1931	−0.8				−0.8
1932	−1.4				−1.4
1933	−1.3				−1.3
1934	+0.2				+0.2
1935	−0.2	+0.1	+0.1		−0.3
1936	0.0	+0.2	+0.2		−0.2
1937	+0.1	+0.4	+0.4		−0.3
1938	+0.3	+0.4	+0.4		−0.1
1939	+0.5	+0.7	+0.7		−0.2
1940	+1.1	+0.5	+0.5		+0.6
1941	+1.0	+0.7	+0.7		+0.3
1942	−0.2	+0.7	+0.7		−0.9
1943	−0.4	+0.4	+0.4		−0.8
1944	+0.1	+0.1	+0.1		0.0
1945	+0.7	+0.1	−0.1	+0.2	+0.6
1946	+4.4	+1.8	−0.4	+2.2	+2.6
1947	+5.2	+3.2	+0.1	+3.1	+2.0
1948	+5.1	+3.2	+1.5	+1.7	+1.9
1949	+4.3	+2.5	+1.6	+0.9	+1.8
1950	+7.6	+3.9	*+1.7	+2.2	+3.7
1951	+6.5	+4.0	+1.1	+2.9	+2.5
1952	+6.8	+2.5	+1.1	+1.4	+4.3
1953	+7.6	+2.7	+1.2	+1.5	+4.9
1954	+9.6	+4.0	+0.8	+3.2	+5.6
1955 [p]	*+12.8	*+6.8	+1.5	*+5.3	*+5.9
Percent change 1955 from 1954	+33.3	+70.0	+87.5	+65.6	+5.4

*All-time high.
[a] Includes all net change annual data of all previous years
[p] Preliminary.

Source: Federal Home Loan Bank Board, Federal Housing Administration (HHFA), Veterans' Administration, and Board of Governors of the Federal Reserve System.

TABLE A–29.—*Estimated number of nonfarm real estate foreclosures*

Year	Number	Year	Number	Year	Number	Year	Number
1926	68,100	1934	230,350	1942	41,997	1950	21,537
1927	91,000	1935	228,713	1943	25,281	1951	18,141
1928	116,000	1936	185,439	1944	17,153	1952	18,135
1929	134,900	1937	151,366	1945	12,706	1953	21,473
1930	150,000	1938	118,357	1946	•10,453	1954	26,211
1931	193,800	1939	106,410	1947	10,559	1955	28,529
1932	248,700	1940	75,556	1948	13,052		
1933	*252,400	1941	58,559	1949	17,635		

*All-time high. • All-time low.

Source: Federal Home Loan Bank Board.

TABLE A-30.—*Default status of FHA home mortgages with insurance in force*

Year	Insured mortgages in force			Percent of insured mortgages in force	
	Total	In default			
		Total ᵃ	In serious default	In default ᵃ	In serious default
Cumulated data from June 1934 through December 1938	296, 590	8, 545	2, 334	2. 88	0. 79
1939	437, 472	8, 617	2, 926	1. 97	0. 67
1940	582, 936	10, 949	3, 164	1. 88	0. 54
1941	755, 480	9, 405	3, 378	1. 24	0. 45
1942	935, 669	8, 105	1, 798	0. 87	0. 19
1943	1, 022, 877	7, 301	695	0. 71	0. 07
1944	1, 058, 072	10, 725	421	1. 01	0. 04
1945	1, 037, 030	10, 500	532	1. 01	0. 05
1946	940, 014	6, 132	428	0. 65	0. 05
1947	911, 905	4, 443	544	0. 49	0. 06
1948	1, 088, 243	5, 380	577	0. 49	0. 05
1949	1, 302, 203	12, 461	1, 245	0. 96	0. 10
1950	1, 511, 402	17, 058	4, 633	1. 13	0. 31
1951	1, 654, 276	*18, 007	3, 828	1. 09	0. 23
1952	1, 787, 568	10, 562	2, 846	0. 59	0. 16
1953	1, 925, 485	10, 778	3, 581	0. 56	0. 19
1954	2, 007, 812	16, 231	5, 574	0. 81	0. 28
1955	*2, 140, 948	14, 988	*6, 839	0. 70	0. 32

*All-time high.
ᵃ Includes also mortgages on which the title is held by mortgagees.

Source: Federal Housing Administration (HHFA).

TABLE A-31.—*Applications for FHA home mortgage insurance*

Year	Dwelling units in home mortgage applications		
	Total	New and proposed construction	Existing construction
1935	74, 879	20, 605	54, 274
1936	142, 986	47, 832	95, 154
1937	149, 523	49, 785	99, 738
1938	243, 204	131, 090	112, 114
1939	270, 173	179, 824	90, 349
1940	305, 246	231, 214	74, 032
1941	361, 065	288, 491	72, 574
1942	305, 780	238, 523	67, 257
1943	209, 433	144, 411	65, 022
1944	137, 290	62, 872	74, 418
1945	143, 978	56, 572	87, 406
1946	230, 225	121, 701	108, 524
1947	448, 082	286, 359	161, 723
1948	505, 470	293, 170	212, 300
1949	539, 723	327, 008	212, 715
1950	577, 863	*397, 696	180, 167
1951	340, 562	192, 759	147, 803
1952	473, 171	267, 915	205, 256
1953	433, 957	253, 726	180, 231
1954	578, 051	338, 581	239, 470
1955	*618, 638	306, 206	*312, 432
Percent change 1955 from 1954	+7.0	−9. 6	+30. 5

*All-time high.

Source: Federal Housing Administration (HHFA).

TABLE A–32.—*Applications for FHA project mortgage insurance*

Year	Dwelling units in project mortgage applications		
	Total	New and proposed construction	Refinanced or existing construction
1935–39	(a)	(a)	(a)
1940	5,820	5,707	[b] 113
1941	5,844	5,399	[b] 445
1942	11,113	10,729	[b] 384
1943	31,821	31,677	[b] 144
1944	9,251	6,476	[c] *2,775
1945	3,300	2,379	921
1946	13,480	12,827	653
1947	138,909	138,751	158
1948	81,218	81,208	10
1949	*243,508	*242,015	1,493
1950	228,635	227,647	988
1951	75,264	74,368	896
1952	55,838	55,838	0
1953	73,605	73,597	8
1954	44,823	44,753	70
1955	9,395	8,682	713
Percent change 1955 from 1954	−79.0	−80.6	+918.6

*All-time high.
[a] Not available.
[b] Estimated on basis of loans insured.
[c] Includes an estimated 2,181 Section 207 units, based on loans insured.

Source: Federal Housing Administration (HHFA).

TABLE A–33.—*Commitments issued for FHA home mortgage insurance*

Year	Dwelling units in home commitments issued		
	Total	New construction	Existing or refinanced construction
1935	47,458	18,815	32,643
1936	126,646	43,592	83,054
1937	128,393	44,491	83,902
1938	186,840	104,224	82,616
1939	206,818	144,551	62,267
1940	243,154	189,707	53,447
1941	298,979	244,663	54,316
1942	260,393	205,308	55,085
1943	188,761	134,121	54,640
1944	129,285	66,525	62,760
1945	119,981	50,066	69,915
1946	194,985	106,428	88,557
1947	378,669	249,152	129,517
1948	427,316	249,878	177,438
1949	467,442	286,277	181,165
1950	527,861	*370,502	157,359
1951	302,708	172,708	130,000
1952	416,646	235,355	181,291
1953	399,243	233,261	165,982
1954	471,631	280,175	191,456
1955	*587,958	297,811	*290,147
Percent change 1955 from 1954	+24.7	+6.3	+51.5

*All-time high.

Source: Federal Housing Administration (HHFA).

TABLE A-34.—*Commitments issued for FHA project mortgage insurance*

Year	Dwelling units in project commitments issued		
	Total	New construction	Existing or refinanced construction
1935	1,067	1,067	0
1936	942	942	0
1937	4,456	4,456	0
1938	17,575	17,575	0
1939	19,898	19,898	0
1940	5,272	5,159	113
1941	5,523	5,078	445
1942	7,243	6,859	384
1943	23,377	23,233	144
1944	12,652	9,877	2,775
1945	3,682	2,561	1,121
1946	7,509	6,856	[a] 653
1947	97,609	97,451	[a] 158
1948	77,392	76,016	1,376
1949	*169,137	*167,624	*1,513
1950	156,868	155,730	1,138
1951	57,259	56,387	872
1952	39,334	39,334	0
1953	43,532	43,532	0
1954	24,105	24,093	12
1955	9,702	8,922	780
Percent change 1955 from 1954	−59.8	−63.0	----------------

*All-time high.
[a] Estimated.

Source: Federal Housing Administration (HHFA).

TABLE A-35.—*FHA mortgage insurance written and loans insured: Dwelling units*

Year	Dwelling units in mortgage insurance written								Manufactured housing loans, number	Property improvement loans, number
	Total homes and projects	Homes					Projects			
		Total	New construction		Existing construction		Total	Section 207		
			Total	Section 203	Total	Section 203				
Cumulated data from June 1934 through December 1955	4,824,525	4,146,752	2,428,284	1,612,348	1,718,468	1,671,647	677,773	80,560	756	19,096,577
Net change annual data										
1934	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)		72,658
1935	26,191	25,453	5,091	5,091	20,362	20,362	738	738		635,747
1936	84,544	83,920	21,415	21,415	62,505	62,505	624	624		617,697
1937	113,873	110,850	38,479	38,479	72,371	72,371	3,023	3,023		124,758
1938	134,090	122,160	56,437	50,592	65,723	65,723	11,930	11,930		376,480
1939	184,694	171,232	113,969	103,186	57,263	57,263	13,462	*13,462		502,308
1940	186,533	182,974	136,562	127,455	46,412	46,412	3,559	3,559		653,841
1941	219,518	215,777	169,242	157,541	46,535	46,535	3,741	3,741		680,104
1942	241,608	235,766	185,184	104,958	50,582	49,170	5,842	1,547		427,534
1943	209,912	189,733	140,767	9,186	48,966	46,043	20,179	185		307,820
1944	169,568	157,138	106,296	327	50,842	48,568	12,430	2,181		389,615
1945	107,436	103,378	54,789	1,585	48,589	47,284	4,058	891		501,441
1946	87,983	85,751	22,503	11,143	63,248	58,952	2,232	694		709,304
1947	106,695	150,091	71,361	10,643	78,730	70,603	46,604	0		1,247,613
1948	399,909	320,725	206,368	29,318	114,357	110,297	79,184	0	3	1,357,386
1949	452,641	319,506	185,375	134,283	134,131	132,058	133,135	813	4	1,246,254
1950	*506,125	*351,528	*225,269	*221,381	126,259	125,186	*154,597	2,514	367	1,447,101
1951	335,438	261,231	161,673	155,416	99,558	97,991	74,207	4,890	131	1,437,764
1952	285,918	246,109	122,764	102,695	123,345	119,673	39,839	6,043	85	1,495,741
1953	303,000	272,299	151,777	121,981	120,522	117,269	30,701	7,175	40	*2,244,227
1954	250,922	222,665	121,847	85,184	100,818	96,125	28,257	11,442	115	1,506,480
1955	327,897	318,466	131,116	120,459	*187,350	*181,248	9,431	5,108	11	1,024,698
Percent change 1955 from 1954	+30.7	+43.0	+7.6	+41.4	+85.8	+88.6	−66.6	−55.4	−90.4	−32.0

*All-time high.

(a) Included in data reported for 1935.

Source: Federal Housing Administration (HHFA).

TABLE A-36.—*FHA mortgage insurance written and loans insured: Dollar amount*

[In thousands of dollars]

Year	Total all homes, projects, and loans	Mortgage insurance written								Manufactured housing loans	Property improvement loans, net proceeds
		Total homes and projects	Homes						Projects		
			Total	New construction		Existing construction			Total		
				Total	Section 203	Total	Section 203				
Cumulated data from June 1934 through December 1955	39,828,037	30,877,704	25,919,881	15,117,316	10,727,587	10,802,565	10,493,721	4,957,824	5,316	8,945,017
Net change annual data										
1934	27,406	(a)	(a)	(a)	(a)	(a)	(a)	(a)		27,406
1935	207,495	96,237	93,882	22,331	22,331	71,551	71,551	2,355		201,258
1936	532,581	311,046	308,945	95,060	95,060	213,885	213,885	2,101		221,535
1937	489,200	434,856	424,373	168,867	168,867	255,506	255,506	10,483		54,344
1938	671,593	533,450	485,812	239,965	227,399	245,847	245,847	47,638		138,143
1939	925,262	746,615	694,764	486,366	461,018	208,398	208,398	51,851		178,647
1940	991,174	775,033	762,084	587,136	561,542	174,948	174,948	12,949		216,142
1941	1,152,342	924,335	910,770	727,758	693,695	183,012	183,012	13,565		228,007
1942	1,120,839	994,486	973,271	765,639	490,044	207,632	201,401	21,215		126,354
1943	933,986	847,719	763,097	553,145	45,184	209,952	199,330	84,622		86,207
1944	877,472	763,459	707,363	483,666	1,758	223,697	214,610	56,096		114,013
1945	664,985	494,062	474,245	257,144	7,600	217,101	211,700	19,817		170,923
1946	755,778	435,124	421,949	120,088	62,969	301,861	284,388	13,175		320,654
1947	1,788,264	1,254,619	894,675	476,886	69,701	417,789	375,966	359,944		533,645
1948	3,340,865	2,724,754	2,116,043	1,431,987	215,413	684,056	664,940	608,711	*1,872	614,239
1949	3,826,283	3,231,073	2,209,842	1,317,346	968,499	892,496	886,065	1,021,231	1,466	593,744
1950	*4,343,378	*3,649,048	2,492,367	*1,636,677	*1,613,725	855,690	852,330	*1,156,681	569	693,761
1951	3,219,836	2,512,207	1,928,433	1,215,535	1,187,402	712,898	706,196	583,774	560	707,070
1952	3,112,782	2,264,218	1,942,307	968,613	831,748	973,694	940,724	321,911	237	848,327
1953	3,882,328	2,547,821	2,288,627	1,258,561	1,038,234	1,030,065	998,977	259,194	221	*1,334,287
1954	3,067,250	2,176,287	1,942,266	1,035,366	777,067	906,899	863,325	234,022	356	890,606
1955	3,806,937	3,161,256	*3,084,767	1,269,180	1,188,329	*1,815,587	*1,740,624	76,490	36	645,645
Percent change 1955 from 1954	+24.1	+45.3	+58.8	+22.6	+52.9	+100.2	+101.6	−67.3	−89.9	−27.5

*All-time high.

a Included in data reported for 1935.

Source: Federal Housing Administration (HHFA).

TABLE A–37.—*FHA mortgage insurance written, terminated and outstanding, by homes and projects*

[In millions of dollars]

Year	Gross insurance written [a]			Insurance terminated and/or amortized [a] [b]			Estimated insurance outstanding [a]		
	Total	Homes	Projects	Total	Homes	Projects	Total	Homes	Projects
Cumulated data from June 1934 through end of December									
1939	2,122	2,008	114	262	253	9	1,860	1,755	105
1940	2,897	2,770	127	444	421	23	2,453	2,349	104
1941	3,822	3,681	141	685	651	34	3,137	3,030	107
1942	4,816	4,654	162	948	912	36	3,868	3,742	126
1943	5,664	5,417	247	1,402	1,357	45	4,262	4,060	202
1944	6,427	6,124	303	1,996	1,934	62	4,431	4,190	241
1945	6,922	6,599	323	2,607	2 521	86	4,315	4,078	237
1946	7,357	7,021	336	3,452	3,329	123	3,905	3,692	213
1947	8,611	7,915	696	4,281	4,134	147	4,330	3,781	549
1948	11,336	10,031	1,305	4,925	4,762	163	6,411	5,269	1,142
1949	14,567	12,241	2,326	5,527	5,335	192	9,040	6,906	2,134
1950	18,215	14.733	3,482	6,433	6,170	263	11,782	8,563	3,219
1951	20,728	16,662	4,066	7,345	6,985	360	13,383	9,677	3,706
1952	22,992	18,604	4,388	8,302	7,834	468	14,690	10,770	3,920
1953	25,540	20,893	4,647	9,522	8,903	619	16,018	11,990	4,028
1954	27,716	22,835	4,881	10,826	10,056	770	16,890	12,770	4,111
1955	30,878	25,920	4,958	12,546	11,582	964	18,332	14,338	3,994

[a] Data exclude title I, Classes 1 and 2 (property improvement); and title VI, section 609 (manufactured houses).
[b] Amount amortized was estimated.

Source: Federal Housing Administration (HHFA).

TABLE A-38.—*VA home loan guaranty operations*

Year	Number of home loan applications received		Units in appraisal requests: proposed new homes [b]	Units in appraisal assignments: existing homes	Home loans closed					Estimated outstanding principal amount at end of period (000)
					Number		Principal amount		Amount guaranty or insurance (000) [e]	
	Total [a]	New and proposed homes			Total [c]	First mortgages [d]	Total [c] (000)	First mortgages [d] (000)		
Cumulated data from June 1944 through December 1955	4, 637, 157	2, 959, 000	([f])	([f])	4, 256, 513	3, 843, 603	$32, 954, 841	$32, 377, 372	$17, 999, 530	$24, 500, 000
Net change annual data										
1945 [g]	51, 035	[b] 8, 200	([f])	([f])	43, 256	37, 359	192, 240	184, 426	72, 749	500, 000
1946	519, 848	[b] 83, 700	([f])	([f])	412, 037	402, 044	2, 302, 307	2, 285, 832	1, 092, 892	2, 600, 000
1947	557, 915	[b] 230, 400	([f])	([f])	541, 217	494, 423	3, 282, 521	3, 228, 053	1, 557, 483	5, 800, 000
1948	330, 336	[b] 165, 800	([f])	([f])	349, 565	256, 266	1, 876, 908	1, 743, 102	926, 397	7, 200, 000
1949	344, 954	[b] 203, 900	([f])	([f])	276, 792	177, 888	1, 423, 589	1, 275, 881	726, 043	8, 100, 000
1950	622, 924	•432, 330	([f])	([f])	497, 596	373, 906	3, 073, 428	2, 903, 163	1, 663, 774	10, 300, 000
1951	377, 530	259, 174	164, 365	225, 694	447, 373	413, 888	3, 614, 480	3, 569, 129	2, 124, 245	13, 200, 000
1952	312, 908	197, 125	226, 299	224, 194	306, 466	305, 763	2, 717, 918	2, 716, 883	1, 588, 886	14, 600, 000
1953	322, 780	207, 815	251, 437	223, 239	322, 053	321, 999	3, 060, 917	3, 060, 843	1, 781, 449	16, 100, 000
1954	527, 869	326, 825	535, 412	383, 351	410, 746	410, 708	4, 256, 297	4, 256, 217	2, 441, 403	19, 300, 000
1955	•669, 058	411, 352	•620, 776	•392, 895	•649, 412	•649, 359	•7, 154, 236	•7, 153, 843	•4, 024, 209	•24, 500, 000
Percent change 1955 from 1954	+26. 7	+25. 9	+15. 9	+2. 5	+58. 1	+58. 1	+68. 1	+68. 1	+64. 8	+26. 9

•All-time high. [a] Includes applications for existing home loans and for alteration and repair, not shown separately in this table. [b] Partially estimated. [c] Includes second mortgage loans, not shown separately in this table; applications for second mortgage loans were terminated Oct. 30, 1950. [d] Include all sec. 501 and sec. 507 loans. [e] Under sec. 501b of Public Law 475, approved Apr. 20, 1950, maximum loan guaranty was increased from $4,000 or 50 percent of the loan to $7,500 or 60 percent of the loan. [f] Not available [g] All 1945 data are estimates, program authorized in June 1944; 1944 activity included in 1945.

Source: Veterans Administration.

TABLE A-39(a).—*Characteristics of VA primary home loans closed under section 501*

Year	Section 501 primary loans [a]	Percent of section 501 primary loans with— New and proposed construction	Existing onstruction	Less than 26 year maturity	26-30 year maturity	Down payment	No down payment	Sales price less than $10,000	Sales price $10,000 and over	Percent of total New and proposed $10,000 and over	Existing $10,000 and over
1948	250,000	42	•58	(b)	(b)	76	24	(b)	(b)	35	(b)
1949	174,000	47	53	(b)	(b)	66	34	•76	24	30	22
1950	369,000	56	44	(b)	(b)	56	•44	75	25	23	27
1951	409,000	•69	31	(b)	(b)	79	21	57	43	45	39
1952	302,000	64	36	•95	5	•95	5	45	55	60	48
1953	318,000	64	36	95	5	92	8	35	65	70	55
1954	407,000	60	40	75	25	72	28	31	69	77	57
1955	•643,226	60	40	56	•44	60	40	26	•74	•83	•61

•All-time high

[a] Exclude negligible number of alteration and repair loans; data for 1948-1952 include estimates.

[b] Not available.

Source: Veterans Administration.

TABLE A-39(b).—*Comparison of average purchase price and loan amount for VA section 501 home loans closed*

Item and year	Total	New and proposed	Existing	Alteration and repair	Item and year	Total	New and proposed	Existing	Alteration and repair
Average dollar amount of purchase price:					Average loan amount as a percent of purchase price:	*Percent*	*Percent*	*Percent*	*Percent*
1952	$10,496	$10,015	$10,125	$1,533	1952	84.7	87.0	80.3	87.5
1953	11,007	11,345	10,715	1,691	1953	86.4	88.8	82.1	90.2
1954	11,464	11,924	10,989	1,540	1954	90.4	92.6	86.8	91.6
1955	11,926	12,476	13,343	1,630	1955	92.4	94.7	88.4	92.8

Source: Veterans Administrations.

TABLE A-40.—*FNMA home financing, by type of operation*

[In millions of dollars]

Year	Authorizations and commitments			Purchases			Cancellations			Sales			Repayments, other credits, and sales discounts		
	Total	FHA	VA	Total	FHA	VA	Total	FHA	VA	Total	FHA	VA	Total	FHA	VA
Cumulated data from February 1938 through December 1955	5,938.4	2,501.9	3,436.5	4,960.6	1,805.7	3,073.9	893.6	554.2	339.4	1,611.7	600.8	920.9	742.8	303.9	438.9
Annual data															
1938	102.2	102.2	------	82.2	82.2	------	2.5	2.5	------	------	------	------	1.9	1.9	------
1939	69.9	69.9	------	74.1	74.1	------	5.5	5.5	------	0.4	0.4	------	7.2	7.2	------
1940	51.1	51.1	------	48.0	48.0	------	2.5	2.5	------	(a)	(a)	------	13.7	13.7	------
1941	42.3	42.3	------	42.3	42.3	------	2.1	2.1	------	(a)	(a)	------	16.6	16.6	------
1942	18.4	18.4	------	23.2	23.2	------	1.1	1.1	------	------	------	------	19.1	19.1	------
1943	1.2	1.2	------	1.5	1.5	------	0.1	0.1	------	126.6	126.6	------	21.3	21.3	------
1944	0.2	0.2	------	0.2	0.2	------	(a)	(a)	------	(a)	(a)	------	12.3	12.3	------
1945	0.1	0.1	------	0.1	0.1	------	------	------	------	38.6	38.6	------	6.4	6.4	------
1946	0.1	0.1	------	(a)	(a)	------	------	------	------	(a)	(a)	------	1.9	1.9	------
1947	0.8	0.8	------	0.1	0.1	------	(a)	(a)	------	------	------	------	1.2	1.2	------
1948	431.9	391.2	40.6	197.9	186.8	11.1	8.0	8.0	0.1	------	------	------	3.1	3.0	(a)
1949	*1,356.1	472.6	883.5	672.2	252.7	419.5	86.5	70.3	16.2	19.8	19.4	0.4	23.4	18.2	5.2
1950	1,069.7	43.1	*1,026.6	*1,044.3	49.3	*995.0	*364.4	*215.9	148.5	469.4	*261.4	208.0	56.6	21.9	34.7
1951	684.1	256.4	427.7	677.1	74.3	602.8	253.0	86.3	*166.7	111.0	28.2	82.8	63.3	11.6	51.7
1952	642.3	271.3	371.0	537.9	167.8	370.1	20.6	20.2	0.4	55.9	35.7	20.2	89.8	16.0	73.8
1953	733.3	*549.1	184.2	542.5	*355.1	187.4	45.0	40.3	4.7	213.7	32.3	181.4	108.8	21.5	87.3
1954	425.0	166.8	258.2	614.4	353.6	260.8	51.1	50.0	1.1	*515.4	134.3	*381.1	126.9	38.1	88.8
1955	309.7	65.3	244.5	411.4	184.5	227.0	51.3	49.5	1.7	60.8	13.9	46.9	*169.3	*71.8	*97.5
Percent change 1955 from 1954	−27.1	−60.9	−5.3	−33.0	−47.8	−13.0	+0.4	−1.0	+54.5	−88.2	−89.7	−87.7	+33.4	+88.5	+9.8

*All-time high.

a Less than $50,000.

Source: Federal National Mortgage Association (HHFA).

TABLE A-41.—*FNMA home financing portfolio*

[In millions of dollars]

Item	Cumulated data from February 10, 1938 through December—						
	([a])	1950	1951	1952	1953	1954	1955
Undisbursed commitments plus mortgage portfolio	2,018	1,832	2,089	2,565	3,100	2,910	2,692
Undisbursed commitments	888	485	239	323	[b] 638	[b] 476	[b] 77
Mortgage portfolio	1,130	1,347	1,850	2,242	2,462	2,434	2,615
FHA	206	169	204	320	621	802	901
VA	924	1,178	1,646	1,922	1,841	1,632	1,714

[a] At September 7, 1950, when FNMA was transferred from RFC to HHFA.
[b] Includes outstanding advance contracts.

Source: Federal National Mortgage Association (HHFA).

TABLE A-42.—*FNMA purchases in secondary market operations*

Period	Number of purchases			Amount of purchases (in thousands of dollars)		
	Total	FHA insured	VA guaranteed	Total	FHA insured	VA guaranteed
Cumulated from November 1954 through December 1955	9,484	2,623	6,861	86,074	19,945	66,129
Quarterly data						
1954, November-December	2	1	1	24	11	13
1955:						
First quarter	147	86	61	1,049	504	545
Second quarter	1,026	414	612	8,394	2,642	5,752
Third quarter	2,312	609	1,703	20,284	4,521	15,763
Fourth quarter	5,997	1,513	4,484	56,323	12,267	44,056

Source: Federal National Mortgage Association (HHFA).

TABLE A-43.—*Progress of the voluntary home mortgage credit program*

At end of December 1955	Participants			
	Total	Owner-occupant	Builder	Lender
	Number			
Applications received	28,256	28,040	[a] 167	49
Referrals made	43,575	43,174	[b] 355	46
Loans in process	5,170			
Placed	[c] 8,630	7,410	[d] 1,205	15
	Dollar amount (000)			
Loans placed	$92,140	$78,107	$13,753	$280
	Average dollar amount			
Loans placed	$8,332	$8,107	$9,838	$11,216

[a] An application may cover several separate houses.
[b] A referral may cover several separate houses.
[c] Includes 8,112 loans for which price taken was reported. The 8,112 loans, by price taken, were distributed as follows: 33 percent at 100 or par, 56 percent at 98 to 99.1, 6 percent at 96.1 to 97.9, and 5 percent at less than 96.
[d] Each loan represents only one house.

Source: Voluntary Home Mortgage Credit Program (HHFA).

Table A-46.—*Estimated flow of savings in savings and loan associations*

[In thousands of dollars]

Year	All associations			Insured associations		
	New invest-ments	Withdrawals	Net inflow (savings)	New invest-ments	Withdrawals	Net inflow (savings)
1937	(a)	(a)	(a)	279, 200	196, 700	82, 500
1938	(a)	(a)	(a)	389, 800	248, 200	141, 600
1939	(a)	(a)	(a)	557, 200	311, 300	245, 900
1940	(a)	(a)	(a)	708, 700	406, 600	302, 100
1941	(a)	(a)	(a)	873, 100	543, 600	329, 500
1942	(a)	(a)	(a)	871, 700	578, 400	293, 300
1943	1, 524, 100	909, 000	615, 100	1, 150, 700	623, 700	527, 000
1944	1, 896, 300	1, 021, 600	874, 700	1, 484, 400	754, 900	729, 500
1945	2, 337, 558	1, 296, 953	1, 040, 605	1, 876, 969	1, 005, 719	871, 250
1946	3, 143, 821	2, 004, 878	1, 138, 943	2, 568, 992	1, 612, 645	956, 347
1947	3, 399, 048	2, 240, 131	1, 158, 917	2, 787, 083	1, 816, 301	970, 782
1948	3, 878, 294	2, 731, 368	1, 146, 926	3, 217, 141	2, 241, 614	975, 527
1949	4, 433, 459	2, 987, 411	1, 446, 048	3, 687, 942	2, 424, 639	1, 263, 303
1950	5, 306, 818	3, 819, 787	1, 487, 031	4, 543, 291	3, 210, 867	1, 332, 424
1951	6, 406, 496	4, 326, 897	2, 079, 599	5, 666, 877	3, 769, 836	1, 897, 041
1952	7, 842, 803	4, 759, 306	3, 083, 497	7, 102, 680	4, 266, 963	2, 835, 717
1953	9, 425, 151	5, 782, 576	3, 642, 575	8, 662, 333	5, 278, 189	3, 384, 144
1954	11, 073, 179	6, 657, 145	4, 416, 034	10, 371, 540	6, 219, 737	4, 151, 803
1955	*13, 694, 022	*8, 728, 340	*4, 965, 676	*12, 520, 938	*7, 971, 643	*4, 549, 295
Percent change 1955 from 1954	+23.7	+31.1	+12.4	+20.7	+28.2	+9.6

*All-time high.
a Not available.

Source: Federal Home Loan Bank Board.

TABLE A-47.—*Slum clearance and urban renewal program approvals under Title I of Public Law 171 (1949) and Title III of Public Law 560 (1954)*

Item	Cumulated data from July 15, 1949 through December 1955	Net change annual data						Percent change 1955 from 1954
		1950 [a]	1951	1952	1953	1954	1955	
	Number of project approvals							
Total	412	+124	+77	+62	+45	+42	+62	+48
Outstanding	340	+124	+77	+58	+1	+19	+61	+221
Project executions	110	+8	+1	+18	+34	+26	+23	−12
Final planning	106	+13	+32	+42	+7	+4	+8	+100
Preliminary planning	124	+103	+44	−2	−40	−11	+30	------
Terminated	72	0	0	+4	+44	+23	+1	−96
	Aggregate financial assistance, dollar amount, in thousands of dollars							
Capital grants								
Contracts authorized	185,036	0	402	53,696	51,108	41,392	38,437	−7
Disbursed	58,829	0	0	0	8,673	12,597	37,559	+198
Project loans								
Contracts authorized	185,057	0	282	33,608	70,178	28,007	52,982	+89
Disbursed or guaranteed	88,426	0	0	9,714	25,405	22,731	30,516	+34
Planning advances								
Contracts authorized	20,707	3,066	2,758	3,584	2,076	2,951	6,272	+113
Disbursed	12,433	889	2,581	3,041	1,954	1,562	2,406	+54

[a] First approvals were made in 1950.

Source: Urban Renewal Administration (HHFA).

TABLE A–48.—*Public housing units completed for occupancy*

Year	All public housing	Low-rent			War and defense housing [e]	Veterans' reuse housing
		Total	United States Housing Act [a]	All other [b]		
Cumulated data from 1935 through 1955	1,398,969	393,613	363,250	30,363	739,704	265,652
Annual data						
1935	3,982	3,982	----	[d] 3,982	----	----
1936	1,213	1,213	----	1,213	----	----
1937	7,849	7,849	----	7,849	----	----
1938	17,319	17,319	----	17,319	----	----
1939	3,858	3,858	3,858	----	----	----
1940	31,940	31,940	31,940	----	----	----
1941	119,634	59,848	59,848	----	59,786	----
1942	158,266	37,537	37,537	----	120,729	----
1943	374,729	27,325	27,325	----	347,404	----
1944	153,158	2,831	2,831	----	150,327	----
1945	45,026	2,949	2,949	----	40,171	1,906
1946	134,726	1,804	1,804	----	4,051	128,871
1947	107,097	466	466	----	----	106,631
1948	30,054	1,336	1,336	----	[e] 1,550	27,168
1949	1,242	547	547	----	----	695
1950	1,582	1,201	1,201	----	----	381
1951	10,246	10,246	10,246	----	----	----
1952	63,533	57,956	57,956	----	[f] 5,577	----
1953	64,773	58,214	58,214	----	[f] 6,559	----
1954	47,734	44,293	44,293	----	[f] 3,441	----
1955	21,008	20,899	20,899	----	[f] 109	----

[a] Includes 60,489 units diverted to war housing of which all but 400 units have been returned to low-rent use.
[b] Includes the PWA and the Subsistence Homesteads and Greentowns programs.
[c] 22,643 permanent family war housing dwelling units have since been conveyed to local authorities for low-rent use under Public Law 475.
[d] Includes 50 PWA units completed in 1934.
[e] Units completed for emergency flood projects in Portland-Vancouver area.
[f] Defense housing.

Source: Public Housing Administration (HHFA).

TABLE A–49.—*PHA urban and rural nonfarm low-rent housing under Public Law 171*

Year	Newly initiated									Reactivated dwelling units	
	Localities from which applications were received	Dwelling units									
		Requested	With reservations		Cooperation agreement approved	Annual contrib. contract approved	Placed under construction	Completed		Placed under construction	Completed
			Total	Preliminary loan approved							
Cumulated data from July 15, 1949, through December 1955	[a] 1,135	538,371	350,655	345,028	340,940	255,725	201,993	181,444		10,884	10,484
Annual data											
1949 [b]	*381	*348,765	*228,810	*205,120	920	0	0	0		684	0
1950	365	70,544	46,352	63,577	*251,819	80,403	25,821	0		*4,925	270
1951	241	55,864	24,021	22,466	26,859	*102,904	*67,420	6,874		1,847	*3,120
1952	127	52,083	48,153	50,557	63,807	31,552	53,701	55,164		1,562	3,094
1953	0	0	1,657	1,840	1,811	10,515	30,629	*56,362		1,466	1,852
1954	0	0	0	0	0	0	16,096	43,853		150	440
1955	21	5,115	1,653	1,468	1,718	30,351	8,326	10,101		250	1,708

*All-time high.
[a] Includes 1,098 localities with reservations for 350,655 units.
[b] Data for 1949 cover only July 15, through December 31.

Source: Public Housing Administration (HHFA).

TABLE A–50.—*Status of defense housing programed for private construction under Public Law 139*

Year	Programed			Started			Completed		
	Total	Rental	Sales	Total	Rental	Sales	Total	Rental	Sales
Cumulative from September 1951 through end of September 1955	[a] 91,434	69,840	21,594	91,095	69,510	21,585	89,022	68,290	20,732
Annual data, net change									
1951	+65,475	+40,860	+18,606	+3,170	+1,360	+1,810	+298	+186	+112
1952	+32,740	+27,226	+5,523	+41,306	+30,544	+10,762	+27,519	+10,040	+8,479
1953	−1,730	−138	−1,601	+36,892	+30,682	+6,210	+36,544	+28,376	+8,168
1954	−4,808	−3,807	−1,001	+8,748	+6,555	+2,193	+18,992	+15,948	+3,044
First 9 months, 1955	−243	−310	+67	+979	+369	+610	+5,669	+4,740	+929

[a] In 205 critical defense housing areas, last report in 1955 was at end of September.
Sources: Office of the Administrator (HHFA) and Federal Housing Administration (HHFA).

TABLE A–51.—*Status of defense housing assigned to PHA for Federal construction under Public Law 139*

Year	Number of dwelling units					Number of projects				
	Assigned	Not yet under construction	Put under construction, including rehabilitated			Assigned	Not yet under construction	Put under construction, including rehabilitated		
			Total	Under construction	Completed			Total	Under construction	Completed
Cumulated from September 1, 1951, through December 1955	[a] 11,908	0	[a] 11,908	0	[a] 11,908	[a] 66	0	[a] 66	0	[a] 66
Annual data, net change										
1951	+4,325	0	0	0	0	+21	0	0	0	0
1952	+11,665	+8,011	+7,979	+2,331	[b] +5,648	+64	+40	+45	+16	+29
1953	−1,550	−7,299	+5,749	−736	+6,485	−5	−35	+30	−5	+35
1954	−731	−462	−267	−1,595	+1,328	−4	−4	0	−11	+11
1955	−1,801	−250	−1,551	0	−1,551	−10	−1	−9	0	−9

[a] Includes 4 terminated projects containing 797 units; excludes 3,794 units removed from workload.
[b] Includes 2 units destroyed by fire which are not included in the cumulated total.
Source: Public Housing Administration (HHFA).

TABLE A-52.—*Applications and construction activity under the college housing loan program*

Year	Dwelling units in applications						Dwelling units put under construction		
	Received	Approved	With reservation of funds	Under review no funds reserved	Deferred	Withdrawn or rescinded	Total [a]	Started but not yet completed	Completed
Cumulated data from April 1950 through December 1955	152,351	48,933	25,755	32,152	11,579	33,932	39,728	13,287	26,441
Net change annual data									
1951 [b]	+12,146	+5,015	+805	+3,512	+2,491	+323	+910	+910	0
1952	+24,730	+7,628	+11,303	+4,319	+263	+1,217	+5,064	+5,064	0
1953	+28,205	+16,215	+125	+1,345	+1,382	+9,138	+12,483	+11,485	+998
1954	+17,427	+9,228	−4,233	−3,805	+2,259	+13,978	+10,363	−1,390	+11,753
1955	+69,843	+10,847	+17,755	+20,781	+5,184	+9,276	+10,908	−2,782	+13,690

[a] Includes all units covered by contracts on which construction has ever been started.
[b] Includes all activity from April 1950 through December 1951.

Source: Community Facilities Administration (HHFA).

TABLE A-53.—*Status of funds and lending activity under the college housing loan program*

[In thousands of dollars]

Year	Status of $500 million authorization				Status of loan activity			
	Released by the President [a]	Loans approved (net)	Funds reserved	Balance available [b]	Undisbursed commitments	Loans and advances disbursed	Loans repaid	Loans outstanding
Inventory or cumulated data from April 1950 through December 1951 [c]	400,000	160,133	99,972	139,895	68,000	92,073	1,135	90,938
Inventory or net change data for calendar year:								
1951 [c]	[d] 40,000	[e] +766	[d] 11,789	[d] 27,445	[d] 681	[e] +85	[e] 0	[d] 85
1952	[d] 100,000	[e] +30,969	[d] 8,930	[d] 59,335	[d] 26,311	[e] +5,339	[e] +10	[d] 5,414
1953	[d] 150,000	[e] +61,070	[d] 38,868	[d] 18,328	[d] 63,883	[e] +23,498	[e] +25	[d] 28,887
1954	[d] 200,000	[e] +31,640	[d] 31,306	[d] 44,249	[d] 58,918	[e] +36,605	[e] +610	[d] 64,882
1955	[d] 400,000	[e] +35,688	[d] 99,972	[d] 139,895	[d] 68,000	[e] +26,546	[e] +490	[d] 90,938

[*] All-time high.

[a] Loan program approved April 20, 1950 under Public Law 475. Program was suspended by Presidental request on July 18, 1950 and was reactivated in January 1951. Of the $300 million authorized for loans under Public Law 475, plus $200 million authorized under Public Law 345 (8-11-55), the President released $40 million for use during fiscal 1952; $60 million for fiscal 1953; $50 million for fiscal 1954; and $50 million for fiscal 1955; $25 million for fiscal 1956; an additional $175 million was released in November 1955.

[b] This column excludes funds available through loan repayments and retained earnings.

[c] Includes all activity from April 1950 through December 1951.

[d] Inventory, at end of year

[e] Net change, during year.

Source: Community Facilities Administration (HHFA).

TABLE A-54.—*Project activity under titles II, III, and IV of the school construction program*

Year	Projects recommended by Office of Administrator HHFA [a]	Projects approved by the Department of Health, Education, and Welfare				Projects placed under construction		
		Total	Non-Federal construction	Federal construction		Total	Not yet completed	Completed
				Permanent	Temporary			
Title II, total	1,329	1,446	1,326	100	20	1,435	83	1,352
	Net change annual data for title II, beginning September 23, 1950							
1951 [b]	+397	+302	+238	+49	+15	+153	+150	+3
1952	+643	+656	+627	+24	+5	+322	+246	+76
1953	+301	+373	+352	+21	0	+929	+387	+542
1954	+10	+10	+4	+6	0	+82	−520	+602
1955	−22	+105	+105	0	0	−51	−180	+129
Titles III and IV, total	969	960	903	51	6	720	410	[d] 301
	Net change annual data for titles III and IV, beginning August 8, 1953							
1954 [c]	+516	+509	+483	+20	+6	+186	+174	+12
1955	+453	+451	+420	+31	0	+534	+236	+208

[a] The Department of Health, Education, and Welfare is authorized to direct the program with the cooperation of HHFA, to which certain functions are delegated under the Act. Recommended for approval based on HHFA's review of the legal, financial, and engineering status; the DHEW is responsible for determining eligibility and for project approval.

[b] Includes 1950 activity.

[c] Includes 1953 activity.

[d] Includes 101 projects ready for occupancy for which final project report is not completed.

Source: Community Facilities Administration (HHFA).

TABLE A-55.—*Program of advances for public works planning under Public Law 560, as amended*

End of year	Projects approved: All types	Sanitation and water facilities	Schools and other educational facilities	Public buildings other than educational	Highways, roads and streets	All other
	Number					
1955	24	14	4	2	2	2
	Amount of advance (in thousands of *dollars*)					
1955	239.5	87.5	43.6	23.5	32.4	52.5
	Estimated total cost (in thousands of *dollars*)					
1955	29,898.4	10,147.8	4,685.4	2,250.0	4,948.7	7,866.5

Source: Community Facilities Administration (HHFA).

TABLE A-56.—*Status of defense community facilities under Public Law 139*

Year	Number of projects			Estimated construction cost of projects			Total grants disbursed (000)	Loan disbursements (000)	Repayments (000)	Outstanding principal balance (000)
	Approved	Started	Completed	Approved (000)	Started (000)	Completed (000)				
Cumulative data from September 1950 through December 1952	59	(a)	(a)	$37,114	(a)	(a)	$443	$663	0	$663
1953	100	80	13	47,492	$33,040	$1,850	6,534	2,719	0	2,719
1954	97	96	50	45,089	35,047	8,429	12,809	3,532	$16	3,516
1955	105	97	89	46,471	44,625	31,574	13,772	3,605	36	3,569
Percent change end of 1955 from end of 1954	+8.2	+1.0	+78.0	+3.1	+27.3	+274.6	+7.5	+2.1	+125.0	+1.5

[a] Not available.

Source: Community Facilities Administration (HHFA).

TABLE A-57.—*Status of property disposition, World War II public works program* [a]

Status	Cumulated data from 1940 through December—					
	1950	1951	1952	1953	1954	1955
	Number of projects					
Total	1,572	1,572	1,572	1,572	1,572	1,572
Removed from HHFA workload	1,433	1,475	1,484	1,535	1,555	1,561
By sales [b]	792	831	855	881	889	897
By termination of lease	80	81	81	80	80	80
Leased with option to purchase [c]	110	79	57	43	36	27
Transferred to local educational agencies under Public Law 815	129	158	163	166	166	170
Transferred to other Federal agencies	88	92	94	131	150	153
Rescinded before completion	234	234	234	234	234	234
Remaining in HHFA workload	139	97	88	37	17	11
Disposal deferred:						
Reserved for other Federal agencies	43	44	46	24	3	0
Pending disposition of housing units	44	22	20	0	0	0
Balance available for disposal	52	31	22	13	14	11
	Construction cost (in thousands of dollars)					
Total	179,181	179,181	179,181	179,181	179,181	179,278
Removed from HHFA workload	154,856	164,649	165,854	171,677	173,429	175,173
By sale [b]	111,275	116,142	118,292	124,098	125,083	127,274
By termination of lease	4,034	4,987	4,987	4,987	4,987	4,987
Leased with option to purchase [c]	15,480	12,807	11,019	7,813	6,862	4,752
Transferred to local educational agencies under Public Law 815	13,862	20,573	21,045	21,413	21,413	22,879
Transferred to other Federal agencies	8,007	8,512	8,883	11,730	13,448	13,645
Rescinded before completion	1,298	1,628	1,628	1,636	1,636	1,636
Remaining in HHFA workload	24,325	14,532	13,327	7,504	5,752	4,105
Disposal deferred:						
Reserved for other Federal agencies	3,701	3,849	3,800	2,013	174	0
Pending disposition of housing units	7,941	1,775	1,559	0	0	0
Balance available for disposal	12,593	8,908	7,968	5,491	5,578	4,105
Loans secured by bond issues held for HHFA	1,681	1,319	1,268	1,022	959	903

[a] Authorized under Lanham Act, approved October 1940. Program was originally administered by the Federal Works Agency. Under Reorganization Plan No. 17 of 1950, disposition responsibility was transferred to the Housing and Home Finance Agency. Under HHFA Reorganization Order No. 1, December 23, 1954, this disposition responsibility was transferred to CFS.

[b] Includes 6 sales made under deferred payment contracts on which the unpaid balances aggregated $2,596,167, as of December 31, 1955.

[c] Title remains with Federal Government until option to purchase is exercised.

Source: Community Facilities Administration (HHFA).

TABLE A-58.—*Status of first and second advance planning programs*

[Dollar amounts in thousands]

Year	Advances approved		Advances for plans completed			Advances repaid			Government investment outstanding at end of year	
	Number of projects	Amount of advances [a]	Number of projects	Amount of advances	Estimated construction cost	Number of projects	Amount of advances	Estimated construction cost	Number of projects	Amount of advances
	First Advance Planning Program									
Cumulated data 1945 through December 1955	6,525	$46,072	6,454	$45,692	$2,586,544	3,109	$21,054	$1,265,112	3,326	$25,018
Net change annual data										
1946 [b]	*+5,563	*+46,607	+883	+3,184	+130,319	(c)	+270	(c)	(c)	46,336
1947	+1,640	+13,641	*+2,216	+10,923	+552,840	+491	+1,482	+109,888	*6,712	*58,495
1948	−234	−4,576	+1,777	*+13,624	*+787,961	*+759	+3,776	+227,420	5,719	50,142
1949	−205	−3,698	+1,141	+12,806	+758,700	+630	+3,343	+219,859	4,884	43,101
1950	−109	−2,138	+257	+2,074	+164,896	+532	*+4,022	*+264,585	4,243	36,940
1951	−89	−2,217	+120	+1,994	+105,147	+314	+2,631	+151,265	3,840	32,093
1952	−14	−343	+31	+543	+42,160	+167	+1,469	+83,692	3,659	30,281
1953	−23	−1,170	+29	+550	+44,600	+91	+1,638	+83,050	3,545	27,472
1954	−3	−26	0	−2	−79	+105	+1,561	+83,367	3,437	25,885
1955	−1	−7	0	−4	0	+110	+860	+41,986	3,326	25,018
	Second Advance Planning Program									
Cumulated data 1950 through December 1955	1,178	$16,221	$1,165	$16,120	$1,007,035	717	$8,252	$568,705	461	$7,969
Net change annual data										
1950	*+1,083	*+18,938	+100	+741	+30,920	+24	+98	+6,916	1,059	18,840
1951	+234	+5,396	*+534	*+5,663	*+297,510	*+206	+1,302	+96,536	*1,087	*22,033
1952	−34	−2,677	+314	+5,150	+281,165	+200	*+2,242	+147,795	853	18,014
1953	−85	−3,244	+167	+3,011	+172,719	+158	+1,939	+118,732	610	12,832
1954	−17	−1,553	+46	+1,319	+160,694	+91	+1,613	*+158,744	502	9,665
1955	−3	−638	+4	+235	+64,027	+38	+1,058	+39,982	461	7,969

*All-time high. [a] Amounts are adjusted for cancellations and revisions. [b] Includes all activity in 1945. [c] Not available.

Source: Community Facilities Administration (HHFA).

TABLE A-59.—*Status of lending activity of the Alaska Housing Authority under Public Law 52*

[In thousands of dollars]

Year	At end of year		Net change annual data		
	Loans outstanding	Undisbursed commitments	Commitments made	Loan disbursements	Loan repayments
1950 [a]	1,594	2,972	+4,566	+1,594	0
1951	5,274	1,065	+1,834	+3,721	+89
1952	10,748	844	+6,359	+6,598	+1,076
1953	11,863	32	+5,025	+5,840	+4,725
1954	9,126	2	−30	0	+2,736
1955	9,027	2	0	0	+99

[a] Includes all activity from April 1949 through December 1950.

Source: Community Facilities Administration (HHFA).

TABLE A-60.—*FHA insurance written in Alaska under Public Law 52*

Year	Dwelling units in FHA mortgages insured					FHA insurance written (In thousands)
	Total	1- to 4-family type [a]			Project type	
		Total	New	Existing		
Cumulated data from April 1949 through December 1955	6,582	2,729	1,628	1,101	3,853	$84,309
Net change annual data						
1949	792	43	8	35	749	8,830
1950	1,559	128	28	100	1,431	17,672
1951	1,255	238	117	121	1,017	13,785
1952	588	202	71	131	386	8,600
1953	1,267	997	678	319	270	17,917
1954	825	825	581	244	0	12,882
1955	296	296	145	151	0	4,623

[a] Data exclude 553 home units with mortgage insurance of $2,308,000 insured prior to Public Law 52.

Source: Federal Housing Administration (HHFA).

TABLE A-61.—*FNMA Authorizations in Alaska under Public Law 52*

Year	Number dwelling units	Number mortgages	Amount (in thousands)
Cumulated data from April 1949 through December 1955	5,660	2,323	$73,670
Net change annual data			
1949	1,248	138	11,142
1950	561	22	6,563
1951	886	60	10,128
1952	1,054	635	15,904
1953	1,590	1,147	23,574
1954 [a]	321	321	6,296
1955	0	0	63

[a] Authority to make new authorizations under this program expired Aug. 2, 1954.

Source: Federal National Mortgage Association (HHFA).

TABLE A-62.—*Status of loans under the prefabricated housing lending program*

[In thousands of dollars]

Year	At end of year		Net change annual data		
	Loans outstanding	Undisbursed commitments	Commitments made	Loan disbursements	Loan repayments
1950	21,917	11,795	([a])	([a])	([a])
1951	30,425	4,680	+4,275	+11,390	+2,881
1952	13,893	3,031	+3,334	+4,983	+21,516
1953	12,908	6,872	+12,768	+8,837	+9,821
1954 [b]	5,845	110	−5,479	+1,283	+8,347
1955	5,505	38	0	+72	+412

[a] Transferred from RFC to HHFA as of September 7, 1950; during the year data are not available prior to 1951.
[b] Authority to make new commitments under this program expired August 2, 1954.
Source: Community Facilities Administration (HHFA).

TABLE A-63.—*Occupied dwelling units, by location and tenure*

[Units in thousands]

Year and area	Occupied dwelling units or families					
	Total	Reporting tenure				
		Total	Owner occupied		Renter occupied	
			Number	Percent	Number	Percent
All areas:						
1890	12,690	12,690	6,066	47.8	6,624	52.2
1900	15,964	15,429	7,205	46.7	8,224	53.3
1910	20,256	19,782	9,084	45.9	10,698	54.1
1920	24,352	23,811	10,867	45.6	12,944	54.4
1930	29,905	29,322	14,002	47.8	15,320	52.2
1940	34,855	34,855	15,196	43.6	19,659	56.4
1950	42,826	42,826	23,560	55.0	19,266	45.0
Nonfarm: [a]						
1890	7,923	7,923	2,924	36.9	4,999	63.1
1900	10,274	9,780	3,567	36.5	6,213	63.5
1910	14,132	13,672	5,245	38.4	8,427	61.6
1920	17,600	17,229	7,041	40.9	10,188	59.1
1930	23,300	22,917	10,550	46.0	12,367	54.0
1940	27,748	27,748	11,413	41.1	16,335	58.9
1950	37,105	37,105	19,802	53.4	17,304	46.6
Farm: [a]						
1890	4,767	4,767	3,143	65.9	1,624	34.1
1900	5,690	5,649	3,638	64.4	2,011	35.6
1910	6,124	6,110	3,838	62.8	2,271	37.2
1920	6,751	6,581	3,826	58.1	2,756	41.9
1930	6,605	6,405	3,452	53.9	2,953	46.1
1940	7,107	7,107	3,783	53.2	3,324	46.8
1950	5,721	5,721	3,758	65.7	1,963	34.3

[a] Prior to 1930, urban farm units are included in the "farm" category.

Source: United States Bureau of the Census: data for 1890–1930 are from Population Census; 1940–50, from the Census of Housing.

TABLE A-64.—*Household formation trend*

[Units in thousands]

Year	Number of households: As of April 1st: Total	Nonfarm	Farm	Net change annual data: Total	Nonfarm	Farm
1890	[a] 12,690	7,923	4,767			
1900	[a] 15,964	10,274	5,690	[b] 327	235	92
1910	20,256	14,132	6,124	[b] 429	386	43
1920	[c] 24,352	17,600	6,751	[b] 410	347	63
1930	29,905	23,300	6,605	[b] 555	570	−15
1940	34,855	27,748	7,107	[b] 495	445	50
1947	39,107	32,673	6,434	[d] 607	704	−96
1948	40,532	34,116	6,416	1,425	1,443	−18
1949	42,182	35,687	6,495	1,650	1,571	79
1950	[e] 43,554	37,279	6,275	1,372	1,592	−220
1951	44,656	38,587	6,069	1,102	1,308	−206
1952	45,504	39,554	5,950	848	967	−119
1953	46,334	40,503	5,831	830	949	−119
1954	46,893	41,399	5,493	559	896	−338
1955	47,788	42,243	5,545	895	844	+52

[a] June data.
[b] Annual average for preceding 10-year period.
[c] January data.
[d] Annual average for preceding 7-year period.
[e] March data.

Source: United States Bureau of the Census: data for 1890–1930 are from the Population Census; 1940, the Census of Housing; 1947–54, current Population Survey.

TABLE A-65.—*Estimated number of married couples with and without own household*

Date	All married couples	With own household	Without own household	Percent without own household
April 1910	17,175,000	16,250,000	925,000	5.4
April 1930	25,174,000	23,649,000	1,525,000	6.1
April 1940	28,517,000	26,571,000	1,946,000	6.8
September 1945	28,200,000	26,835,000	1,365,000	4.8
June 1946	31,550,000	28,850,000	2,700,000	8.6
April 1947	33,543,000	30,612,000	2,931,000	8.7
April 1948	34,364,000	31,900,000	2,464,000	7.2
April 1949	35,425,000	33,257,000	2,168,000	6.1
March 1950	36,091,000	34,075,000	2,016,000	5.6
April 1951	36,136,000	34,378,000	1,758,000	4.9
April 1952	36,696,000	35,138,000	1,558,000	4.2
April 1953	37,106,000	35,560,000	1,546,000	4.2
April 1954	37,346,000	35,875,000	1,471,000	3.9
April 1955	37,570,000	36,266,000	1,304,000	3.5

Source: United States Bureau of the Census, Series P-20.

TABLE A-66.—*Mobility of civilian population*

[Thousand persons]

Year ended April—	Total civilian population	Did not move during year	Did move during year: Total	Did move during year: Same county	Did move during year: Different county	Percent moved during year
1948	141, 698	113, 026	28, 210	19, 202	9, 008	19. 9
1949	144, 101	116, 498	27, 127	18, 792	8, 335	18. 8
1950	146, 864	118, 849	27, 526	19, 276	8, 250	18. 7
1951	148, 400	116, 936	31, 158	20, 694	10, 464	21. 0
1952	150, 494	120, 016	29, 840	19, 874	9, 966	19. 8
1953	153, 038	121, 512	30, 786	20, 638	10, 148	20. 1
1954	155, 679	125, 654	29, 027	19, 046	9, 981	18. 6
1955	158, 609	126, 190	31, 429	21, 086	10, 406	19. 8

Source: United States Bureau of the Census, Series P-20.

TABLE A-67.—*Number of new dwelling units in building permits, selected metropolitan areas*

Metropolitan area	1954	1955	Percent change, 1955 from 1954
Atlanta, Ga	12, 539	11, 521	−8. 1
Baltimore, Md	15, 464	15, 340	−0. 8
Birmingham, Ala	4, 752	5, 314	11. 8
Boston, Mass	10, 745	11, 444	6. 5
Buffalo, N. Y	8, 864	10, 902	23. 0
Chicago, Ill	49, 005	60, 062	22. 6
Cleveland, Ohio	13, 379	15, 718	17. 5
Columbus, Ohio	7, 291	7, 642	4. 8
Denver, Colo	12, 704	13, 091	3. 0
Detroit, Mich	40, 966	40, 511	−1. 1
Indianapolis, Ind	6, 693	6, 134	−8. 4
Los Angeles, Calif	104, 082	103, 720	−0. 4
Memphis, Tenn	6, 962	6, 854	−1. 6
Miami, Fla	16, 175	16, 362	1. 2
Milwaukee, Wis	9, 522	8, 358	−12. 2
New York-Northeastern N. J	94, 346	96, 367	2. 1
Norfolk-Portsmouth, Va	6, 576	5, 803	−11. 8
Phoenix, Ariz	8, 918	10, 130	13. 6
Rochester, N. Y	4, 121	4, 683	13. 6
Salt Lake City, Utah	4, 093	4, 061	−0. 8
San Diego, Calif	10, 207	11, 429	12. 0
San Francisco-Oakland, Calif	28, 388	32, 058	12. 9
Seattle, Wash	9, 937	9, 874	−0. 6
Washington, D. C	23, 909	22, 215	−7. 1

Source: United States Department of Labor, *Construction Review.*

TABLE A-68.—*Selected characteristics of new nonfarm 1-family homes started*

Item	First quarter 1955	First quarter 1954
Number started	256,900	202,200
Median selling price	$13,700	$12,300
Average floor area (sq. ft)	1,170	1,140
	Percent distribution	
Selling price	100	100
Less than $7,000	7	11
$7,000–$9,999	11	15
$10,000–$11,999	16	20
$12,000–$14,999	29	24
$15,000–$19,999	23	16
$20,000 and over	10	10
Unknown	4	4
Floor area (sq. ft.)	100	100
Less than 700	3	10
700–799	4	8
800–999	21	20
1,000–1,199	30	24
1,200–1,499	26	19
1,500–1,799	7	10
1,800 and over	5	7
Unknown	3	2
Number of bedrooms	100	100
1 bedroom	1	2
2 bedrooms	22	32
3 bedrooms	68	58
4 or more	6	5
Unknown	3	3

Item	First quarter 1955	First quarter 1954
Basement	100	100
No basement	56	58
One slab	16	
With crawl space	39	
With basement	41	41
Full		36
Partial		5
Unknown	3	1
Exterior wall construction	100	100
Masonry construction	20	13
Solid brick	3	2
Brick facing	12	7
Concrete block	4	3
Other	1	1
Frame construction	77	82
Brick facing	18	20
Brick and wood facing	8	5
Wood facing	29	31
Asbestos shingle facing	8	14
Other (mainly stucco)	14	12
All other construction	1	3
Unknown	2	2

NOTE.—These estimates are based on sample data and hence are subject to sampling variability. Distributions may not always add to 100 due to rounding.

Source: United States Department of Labor.

TABLE A-69.—*Vacant dwelling units by condition and status, for the United States*

[Percent distribution]

Condition and status	April 1950	1955 1st quarter	1955 2d quarter	1955 3d quarter	1955 4th quarter
All dwelling units	100.0		100.0	100.0	100.0
Year-round vacant:					
Not dilapidated	3.3	([a])	4.3	4.4	5.1
For rent or for sale (available)	1.6	([a])	2.3	2.3	2.7
For rent	1.1	([a])	1.8	1.8	2.2
For sale only	0.5	([a])	0.5	0.5	0.5
Rented or sold awaiting occupancy } Held off market [b] }	1.7	([a])	0.5	0.5	0.4
			1.5	1.6	2.0
Dilapidated [b]	1.1	([a])	1.2	1.1	1.2
Seasonal [b]	2.5	([a])	2.6	2.6	2.4
Occupied	93.1	([a])	91.9	91.9	91.3

[a] Not available.
[b] Comprises unoccupied units and units temporarily occupied by nonresidents, that is, persons with usual residence elsewhere.

Source: United States Bureau of the Census, Series H-111.

Table A–70.—*Number of dwelling units by nonfarm and rural farm location, by region, and by occupancy*

[Dwelling units are in thousands] [a]

Region and occupancy	Nonfarm and rural farm			Nonfarm			Rural farm		
	Dwelling units		Percent change 1950/1940	Dwelling units		Percent change 1950/1940	Dwelling units		Percent change 1950/1940
	1940	1950		1940	1950		1940	1950	
United States	37,325	45,983	+23	29,683	39,625	+34	7,642	6,358	−17
Region:									
Northeastern	10,313	12,051	+17	9,702	11,527	+19	611	524	−14
North Central	11,597	13,746	+19	9,140	11,594	+27	2,457	2,152	−12
South	10,876	13,653	+26	6,990	10,581	+51	3,886	3,072	−21
West	4,539	6,533	+44	4,852	5,923	+54	687	610	−11
Occupancy:									
Occupied	34,855	42,826	+23	27,748	37,105	+34	7,107	5,721	−20
White	31,561	39,043	+24	25,459	33,982	+34	6,102	5,061	−17
Nonwhite	3,293	3,783	+14	2,289	3,123	+36	1,005	660	−34
Vacant	2,470	3,157	+28	1,935	2,520	+30	535	637	+19

[a] Due to rounding the components may not add precisely to the totals.

Source: United States Bureau of the Census, Census of Housing.

Table A–71.—*Number of persons per room: Occupied nonfarm and farm dwelling units; nonfarm dwelling units by color of occupants*

[Units in thousands]

Area, race, and number of persons per room	All occupied dwelling units reporting			
	1950		1940	
	Number	Percent	Number	Percent
United States—Total	42,154	100.0	34,447	100.0
0.75 or less	25,357	60.2	27,482	79.8
0.76 to 1.00	10,170	24.1		
1.01 to 1.50	4,020	9.5	3,879	11.3
1.51 or more	2,608	6.2	3,086	9.0
United States—Nonfarm	36,549	100.0	27,430	100.0
0.75 or less	22,140	60.6	22,598	82.4
0.76 to 1.00	9,031	24.7		
1.01 to 1.50	3,342	9.1	2,875	10.5
1.51 or more	2,036	5.6	1,957	7.1
Nonfarm—White	(a)	(a)	25,171	100.0
0.75 or less	(a)	(a)	21,003	83.8
0.76 to 1.00	(a)	(a)		
1.01 to 1.50	(a)	(a)	2,526	10.0
1.51 or more	(a)	(a)	1,542	6.1
Nonfarm—Nonwhite	(a)	(a)	2,259	100.0
0.75 or less	(a)	(a)	1,495	66.2
0.76 to 1.00	(a)	(a)		
1.01 to 1.50	(a)	(a)	348	15.4
1.51 or more	(a)	(a)	416	18.4
United States—Farm	5,606	100.0	7,017	100.0
0.75 or less	3,216	57.4	4,885	69.6
0.76 to 1.00	1,140	20.3		
1.01 to 1.50	678	12.1	1,004	14.3
1.51 or more	572	10.2	1,128	16.1

[a] Not available.

Source: United States Bureau of the Census.

TABLE A–72.—*Condition, plumbing facilities, and age of dwelling units in 1950*

Item	Thousands of units			Percent distribution		
	Total nonfarm	Urban	Rural nonfarm	Total nonfarm	Urban	Rural nonfarm
Total dwelling units	39,625	29,569	10,056			
Condition and plumbing facilities						
Number reporting	38,368	28,763	9,605	100.0	100.0	100.0
Not dilapidated:						
With private toilet and bath and hot running water	26,672	22,371	4,301	69.5	77.8	44.8
With private toilet and bath and only cold water	1,307	935	373	3.4	3.2	3.9
With running water, lacking private toilet or bath	4,571	3,034	1,537	11.9	10.5	16.0
No running water	2,673	569	2,104	7.0	2.0	21.9
Dilapidated	3,145	1,854	1,291	8.2	6.5	13.4
Age						
Number reporting	38,082	28,547	9,535	100.0	100.0	100.0
Year built:						
1945 or later	5,320	3,366	1,954	14.0	11.8	20.5
1940 to 1944	2,911	2,154	757	7.6	7.5	7.9
1930 to 1939	4,980	3,303	1,676	13.1	11.6	17.6
1920 to 1929	7,893	6,464	1,429	20.7	22.6	15.0
1919 or earlier	16,978	13,259	3,719	44.6	46.4	39.0

Source: United States Bureau of the Census, 1950 Census of Housing.

TABLE A–73.—*Housing and Home Finance Agency—housing and community facilities programs: Analysis of receipts and expenditures and effect on Federal budget—1955 fiscal year*

[Federal budgetary expenditures for fiscal 1955 totaled $64.6 billion, of which $153.2 million was attributable to HHFA programs. The gross disbursements and receipts are classified below and the complementary financing transactions affecting the Treasury]

[Thousands of dollars]

Net use of funds for programs	Disbursements	Receipts	Net disbursement or receipt (—)
Acquisition and Realization of Assets:			
Mortgages purchased versus sales and repayments	539,027	354,231	184,796
Loans made to local governments versus repayments:			
Urban renewal and community facilities	30,591	26,867	3,724
Low-rent housing	215,419	307,096	−91,677
Loans for college and other housing versus repayments	32,723	1,812	30,911
Collateral acquired on insurance claims versus sales and recoveries	87,872	11,729	76,143
Construction and improvement of public housing and community facilities versus sales	2,647	67,935	−65,288
Other	313	81	232
Total acquisition and realization of assets	908,592	769,751	138,841
Expenses and Income:			
Administrative expenses	25,208		25,208
Nonadministrative expenses	31,785		31,785
Interest and dividends paid versus receipts on loans and investments	63,575	124,332	−60,757
Operation and maintenance of housing versus rental income	16,649	35,100	−18,451
Fees paid for services versus receipts for services rendered	11,620	134,782	−123,162
Other	3,538	374	3,164
Total expenses and income	152,375	294,588	−142,213
Grants-in-aid to local governments	[a] 102,546		102,546
Transfer of capital to FNMA Secondary Market Operations	92,820		92,820
Decrease in selected working capital		38,804	−38,804
Total use of funds for programs (gross budgetary expenditures versus receipts)	1,256,333	1,103,143	153,190
FUNDS PROVIDED BY AND TO THE TREASURY	By	To	By minus To
Appropriations versus repayment of appropriations	123,488	64,707	58,781
Borrowings versus repayments:			
Direct with Treasury	532,790	988,671	−455,881
Private (backed by Treasury)	622,142	88,926	533,216
Decrease in Treasury cash balances	117,919		117,919
Investment in United States bonds [b]		100,845	−100,845
Total funds provided by and to the Treasury	1,396,339	1,243,149	153,190

[a] Principal components are $66.6 million annual contributions for low-rent housing and $33.5 million capital grants for slum clearance and urban redevelopment.
[b] FHA insurance reserves are the principal item.

Source: Office of the Administrator (HHFA).

APPENDIX B

EXECUTIVE MESSAGES AND FEDERAL LEGISLATION AFFECTING HOUSING IN 1955

A. EXECUTIVE MESSAGES

The Housing Act of 1954 was listed by the President in his State of the Union Message [10] as having brought "impressive progress in an area fundamental to the economic strength of the country." The tremendous scope of the Nation's public works activities was also given as an important factor in the economic vigor and expansion of the country. The President stated that he would request the Congress to appropriate funds for the support of an Office of Coordinator of Public Works in the Executive Office of the President. The President referred to the Government's broad program to bring good homes within the reach of the great majority of the Nation's people and said that it came within one of the great purposes of the Federal Government—its concern for the health, productivity and well-being of all of its people. The Government's efforts to provide decent, safe and sanitary housing for low-income families must be carried forward, he said. He requested contracts for 35,000 additional public housing units in each of the next 2 fiscal years, stating that this would give the private building industry an opportunity to assume its full role in providing adequate housing for low-income families.

In his message to the Congress presenting his Economic Report, the President referred to the year of 1954 as a year of transition from contraction to recovery and said, in predicting a further expansion of consumer spending, that State and local expenditures would probably continue to expand and that the outlook for housing and commercial construction continued to be good. For the Federal Government to achieve its goals of increases in productivity and economic expansion, the President said it should widen opportunities for less fortunate citizens and help individuals to cope with the hazards of unemployment, illness, old age, and blighted neighborhoods. He urged that measures be considered to increase the President's discretionary authority to vary the terms of insured mortgage loans, that action be taken to help meet the nationwide needs for school construction, that support should be provided for an office of a Coordinator of Public Works Planning and that a revolving fund should be provided for advances to the States and municipalities for public works planning.

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[10] H. Doc. No. 1, 84th Cong.

The President's Economic Report included residential, commercial and State and local construction as important factors in stabilizing the economy during 1954, and stated that the increase of housing starts and the rush of applications to Federal agencies for mortgage insurance or guarantees promised that home building would continue to mount for some time. The report recommended more Federal funds for urban renewal, authority for 35,000 units of additional public housing in each of the next 2 fiscal years, an increase in the insurance authorization of the Federal Housing Administration, authority for national banks to make amortized real estate mortgage loans with maturities up to 20 years and that the President be given greater latitude in the exercise of his power to vary the terms under which home mortgages are underwritten.

State legislatures were urged to find means of financing and removing debt limits and other barriers which might prevent the provision of State and local public works, such as schools, hospitals, waterworks, etc.

A survey of State and local plans for public works which was carried out in cooperation with the Housing and Home Finance Agency and with the Bureau of Census was referred to and it was recommended that the Congress should enlarge substantially the appropriations for planning advances and that a revolving fund be established for this purpose. The report also recommended that the Area Development Program of the Department of Commerce, which is designed to help depressed communities, should be strengthened. It was urged that the problems of metropolitan areas should be studied by the States so that areawide transit systems, sanitation systems, water supplied or educational facilities may be provided with maximum returns from the expenditures of public funds.

The President's budget message [11] recommended legislation to provide an additional capital grant authority for urban renewal, an additional $5 billion in insurance authority for the Federal Housing Administration for the remainder of fiscal 1955 and for fiscal 1956, a 2-year authorization for an additional 70,000 low-rent public housing units, and that Congress approve legislation to allow the residents of Oak Ridge, Tenn., and Richland, Wash., to purchase their homes from the Atomic Energy Commission and establish self-government.

The Housing and Home Finance Administrator was named a member of the Civilian Defense Coordinating Board established by Executive Order 10611 issued by the President on May 11, 1955.

On January 1, 1955, the President issued Proclamation 3080 which fixed January 31, 1955, as the terminal date governing eligibility of personnel in the Armed Forces for various veterans' wartime benefits, including preferences in occupany of low-rent public housing and Lanham Act housing and more liberal mortgage terms under the cooperative provisions of the National Housing Act.

[11] H. Doc. No. 16, 84th Cong.

B. THE CONGRESS AND FEDERAL LEGISLATION

1. The Housing Amendments of 1955.

The Housing Amendments of 1955, Public Law 345, 84th Congress, approved August 11, 1955, continued and amended laws relating to the provision and improvement of housing, the elimination and prevention of slums and the conservation and development of urban communities. A new FHA mortgage insurance program was authorized to assist in the provision of housing for military personnel. The Home Loan Bank Board was removed from the Housing and Home Finance Agency and made an independent agency in the Executive Branch of the Government. In addition, the public works advance planning program was amended and a new public facilities loan program was authorized. These and other provisions are summarized below.

Federal Housing Administration

INCREASE IN FHA MORTGAGE INSURANCE AUTHORIZATION.—The FHA general mortgage insurance authorization in Section 217 of the National Housing Act was increased to authorize FHA mortgage insurance up to the aggregate of outstanding insurance liability and commitments on July 1, 1955, plus $4 billion. This increase was estimated to be sufficient to take care of housing construction which will be assisted by FHA mortgage insurance during fiscal year 1956.

EXTENSION OF FHA TITLE I HOME REPAIR AND MODERNIZATION PROGRAM.—The FHA Title I home repair and modernization program was continued to September 30, 1956. Under this program the FHA insures lending institutions against loss on home repair and modernization loans. FHA liability is limited to 90 percent of loss on individual loans and to 10 percent of all Title I loans held by a lending institution.

REVISION OF FHA MORTGAGE LIMITATIONS FOR MULTIFAMILY HOUSING PROJECTS.—The statutory limit on the dollar amount of a multifamily housing project mortgage, where the mortgagor is a private corporation, was increased from $5 million to $12.5 million. This limit applies to multifamily housing mortgages insured under Sections 207 (the major FHA rental housing program), 213 (cooperative housing), 221 (low-cost housing for families in urban renewal areas or displaced by governmental action), 220 (new or rehabilitated housing in slum clearance or urban renewal areas) and 803 as in effect prior to the Housing Amendments of 1955 (military housing certified by the Secretary of Defense prior to June 30, 1955, as necessary and Atomic Energy Commission housing certified by the Commission prior to June 30, 1956, as necessary).

Provisions were added to the National Housing Act to authorize insurance of mortgages under the multifamily mortgage insurance provisions of Sections 207 (the regular rental housing program) and 213 (cooperatives) where the properties consist of only 8 or more family units. Prior to this amendment properties were required by FHA regulations to have 12 or more family units in order to be considered multifamily projects.

COOPERATIVE HOUSING.—The Federal Housing Commissioner was directed to appoint a Special Assistant for Cooperative Housing and provide the Special Assistant with adequate staff. The sole responsibility of the Special Assistant and his staff will be to expedite and facilitate operations of the FHA cooperative housing program.

The Federal National Mortgage Association was authorized (by amendment of Sec. 305 of the National Housing Act) to enter into advance commitments to purchase FHA cooperative housing mortgages. Such commitment contracts shall total not more than $50 million outstanding at any one time and not more than $5 million in any one State.

Section 213 of the National Housing Act authorizing insurance of mortgages financing cooperative housing was amended to provide that the maximum amount of a mortgage insured by FHA under that section will be determined on the basis of "replacement cost" of the project rather than "estimated value."

The insurance under Section 213 of cooperative housing mortgages was also made available to assist cooperatives in the purchase of housing being disposed of by the Government.

As previously stated, the statutory dollar limit on multifamily cooperative housing under Section 213 of the National Housing Act was increased from $5 million to $12.5 million. In addition, cooperative housing consisting of 8 or more family units (instead of 12 or more as previously required) can be financed with mortgages insured by FHA under the multifamily housing provisions of Section 213.

SECTION 220 HOUSING IN SLUM CLEARANCE OR URBAN RENEWAL AREAS.—Section 220 of the National Housing Act, which authorizes FHA insurance of mortgages financing the construction or rehabilitation of housing in slum clearance or urban renewal areas, was amended to provide that the maximum amount of a mortgage insured by FHA under that section will be determined on the basis of estimated "replacement cost" of the housing rather than "estimated value" where the housing is newly constructed housing. In the case of rehabilitated housing the maximum amount of the mortgage will continue to be based on "value." The statutory dollar limit of a Section 220 multifamily housing mortgage was increased (as noted above) from $5 million to $12.5 million, where the mortgagor is a private corporation.

SECTION 221 HOUSING FOR DISPLACED FAMILIES.—Section 227 of the National Housing Act was amended by removing from that section the requirement that cost certifications must be provided by builders of single-family homes with mortgages insured under Section 221. Section 221 provides FHA mortgage insurance for low-cost housing for families displaced by slum clearance or urban renewal activities or by other governmental action.

Provisions were also added to Section 221 to clarify eligibility for Section 221 housing.

FHA MORTGAGE INSURANCE FOR TRAILER COURTS.—New provisions were added to the National Housing Act which authorize the FHA to insure under Section 207 mortgages on trailer courts (excluding the trailers themselves). Such mortgages may not exceed $1,000 per trailer space or $300,000 per mortgage. The project covered by the mortgage must be economically sound.

SETTLEMENT OF CLAIMS.—Provisions of Sections 204 (f) and 604 (f) of the National Housing Act with respect to properties acquired by the FHA under foreclosed mortgages were amended to enable the FHA to make final settlement of certificates of claim held by mortgagees and refunds to mortgagors at any time after the sale or transfer of title by the FHA to the property acquired. Previously such final settlement and refunds could not be made until the housing which has been sold by FHA had been completely paid for, which often involved long delays as when 20-year mortgages were taken by FHA in payment for the property.

TITLE IX DEFENSE HOUSING.—Section 104 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, was amended to continue Title IX FHA defense housing mortgage insurance available for any commitments by FHA outstanding on August 1, 1955, to insure mortgages financing defense housing. The housing project must have been designated by the President as defense housing eligible for Title IX mortgage insurance.

MILITARY HOUSING.—Title IV of the Housing Amendments of 1955 amended Title VIII of the National Housing Act to provide a new FHA mortgage insurance program for housing for military personnel, including the Coast Guard. Section 408 of Title IV provided also, however, that the FHA Title VIII military housing program in effect prior to the Housing Amendments of 1955 ("Wherry Act housing") was continued with respect to (1) mortgages for which FHA insurance commitments were outstanding; (2) mortgages insured pursuant to a certification made on or before June 30, 1955, by the Secretary of Defense that the housing to be financed by the mortgages is necessary, and a commitment to insure issued by FHA on or before June 30, 1956; and (3) mortgages insured pursuant to a certification of necessity by the Atomic Energy Commission made on or before June 30, 1956. The statutory dollar limit on mortgages insured by FHA under the old Wherry housing program was increased from $5 million to $12.5 million, as stated above.

As added by the Housing Amendments of 1955, the new FHA Title VIII military housing program is available until September 30, 1956. A separate insurance authorization of $1,363,500,000 was established for this program.

Under this new program the Secretary of Defense, or the Secretary of the Treasury if the housing is for the Coast Guard, is authorized to enter into contracts with builders for the construction of housing on lands owned or leased by the United States at or near military installations to provide housing for military personnel. Contracts are entered into with the lowest bidder for construction of the housing. Before entering into any contract with any builder the Secretary of Defense (or Treasury) is required to advertise for bids in accordance with the provisions of Section 3 of the Armed Services Procurement Act of 1947.

Construction of the housing is financed with mortgages insured by the FHA under the provisions of Title VIII of the National Housing Act as amended by the Housing Amendments of 1955. The housing shall comply with such standards as the Federal Housing Commissioner may prescribe to establish the acceptability of the property for mortgage insurance. However, the certification of the Secretary of Defense (or Treasury) shall be conclusive evidence to the Commissioner of the need for the housing. If the Commissioner does not concur in the need for the housing the Commissioner may require the Secretary to guarantee the FHA against loss with respect to the mortgage covering such housing. A mortgage may not exceed the replacement cost of the project (including the cost of land, physical improvements, and on-site utilities), nor an average of $13,500 per family unit, shall have a maturity not to exceed 25 years, and bear interest at not more than 4 percent per annum. The cost certification required from builders (for the purpose of relating the maximum mortgage amount to actual cost) with respect to housing financed under the old Title VIII program is not required under the new Title VIII.

Contracts of the Secretary of Defense (or Treasury) with builders provide that the Secretary will acquire control of each housing unit as soon as the unit is available for occupancy. Contracts also provide that the capital stock of the builder shall be transferred to the Secretary when the housing has been completed. The Secretary will maintain and operate the housing, and assign the housing to military and civilian personnel and their dependents. Appropriations for quarters allowances and rental charges to civilian personnel are utilized by the Secretary for the payment of principal, interest and other obligations (except those of maintenance and operation) of the corporation with respect to the housing. Such payments shall not exceed $90 a month per housing unit and total payments for all housing so acquired shall not exceed $9 million per month. Total payments for housing for the Coast Guard shall not exceed $90,000 per month.

The Secretary of Defense (or Treasury) was also authorized to acquire by purchase or condemnation unimproved land, or (with the approval of the Federal Housing Commissioner) any housing financed with mortgages insured under Title VIII of the National Housing Act as in effect prior to the enactment of the Housing Amendments of 1955 (Wherry Act housing). The price paid for the land or housing shall be the fair market value as determined by independent appraisals.

The Federal Housing Commissioner was required to appoint a Special Assistant for Armed Services Housing for Mortgage Insurance. The whole responsibility of the Special Assistant and his staff will be to expedite operations of the new military housing program.

The Federal National Mortgage Association was authorized to make commitments to purchase the new Title VIII military housing mortgages up to a total amount of purchases and commitments outstanding at any one time not to exceed $200 million.

Slum Clearance and Urban Renewal

INCREASE IN CAPITAL GRANT AUTHORIZATION FOR SLUM CLEARANCE AND URBAN RENEWAL.—The capital grant authorization in Title I of the Housing Act of 1949, as amended, for Federal assistance to slum clearance and urban renewal was increased by $200 million as of July 1, 1955, and an additional $200 million after June 30, 1956. The President was also authorized to provide an additional $100 million of authorization. Prior to the Housing Amendments of 1955, Section 106(e) of the Housing Act of 1949 provided that not more than 10 percent of the capital grant authorization might be expended in any one State except that an additional $35 million might be allocated to local public agencies in States in which more than two-thirds of the maximum capital grants permitted in those States had been obligated. The $35 million limit was increased by the new law to $70 million.

REDEVELOPMENT OF OPEN LAND FOR NONRESIDENTIAL USES.—A new provision was added to Section 110(c) of the Housing Act of 1949 which authorizes Federal loans and advances (but not grants) to assist in the redevelopment of either predominantly open land or open land for industrial or other nonresidential uses. The local governing body is required to determine that such redevelopment is necessary and appropriate. The loans and outstanding advances to any local public agency for this purpose will not be permitted to exceed 2½ percent of the estimated gross project costs of all the other urban renewal or redevelopment projects undertaken by that Agency.

TERRITORIAL ENABLING ACT AMENDED TO AUTHORIZE URBAN RENEWAL LEGISLATION.—Amendments were made in the Territorial Enabling Act of 1950 to broaden the authority of the governments of the Territories to enact laws for urban renewal activities. Under the 1950 Act they were authorized to enact urban redevelopment laws. Since urban renewal activities are broader than urban redevelopment activities authority was needed to enact the broader urban renewal laws.

Public Housing

45,000 ADDITIONAL LOW-RENT PUBLIC HOUSING UNITS AUTHORIZED.—Subsection 10(i) of the United States Housing Act of 1937, as amended, was amended to authorize the Public Housing Administration to enter into new contracts with communities for Federal loans and annual contributions for the assistance of not more than 45,000 additional low-rent public housing units. This authorization to enter contracts expired July 31, 1956. The revised subsection also provides that only such new contracts for preliminary loans in respect to public housing may be entered into as are consistent with the number of dwelling units for which contracts for annual contributions may be entered into.

HOUSING ACT OF 1954 REQUIREMENTS REMOVED.—Subsection 10(i) of the United States Housing Act of 1937 was also amended by removing certain requirements (enacted by the Housing Act of 1954) which had to be met by local communities before a contract for Federal aid to low-rent public housing could be entered into. Under these previous requirements of subsection 10(i) before a community could enter into a new contract for public housing (1) it had to be carrying out an urban redevelopment or urban renewal project with Federal assistance under Title I of the Housing Act of 1949 (2) the local governing body had to certify that the housing was needed to assist in meeting the family relocation requirements of an urban redevelopment or urban renewal project, and (3) the Housing and Home Finance Administrator must have determined that the number of units covered by the contract did not exceed the number needed to house families being displaced by governmental action in the community.

In addition, a requirement added to Section 101(c) of the Housing Act of 1949 by the Housing Act of 1954 was also removed which required a community to have a "workable program" for the prevention and elimination of slums and blight in order to enter into a new contract for additional public housing units.

WELLES VILLAGE.—Section 605(a) of the Lanham Act was amended to authorize the Housing and Home Finance Administrator to sell Welles Village, a war housing project built under the provisions of that Act, to the Glastonbury (Conn.) Housing Authority, subject to the approval of the legislative body of the town, for use in providing moderate rental housing. The sale shall be at fair market value with payment to be made within not less than 30 years and with interest on the unpaid balance at not more than 5 percent per annum.

ACQUISITION AND SALE OF LAND IN RICHMOND, CALIFORNIA.—Under a provision of Section 605(a) of the Lanham Act which was added to that section by the Housing Act of 1954, the Housing Administrator was authorized to acquire by purchase or condemnation fee simple title to certain lands, located in Richmond, Calif., in which he holds a leasehold interest and to sell the land at fair market value to the city or to a local public agency of the city. The 1954 law, in practical effect, requires the local public agency or city to find a developer for each and every parcel before acquisition because it must guarantee full payment before acquisition by the Federal Government. The Housing Amendments of 1955, modifies previous requirements of law in order to make it feasible for the Federal Government to acquire the land before a private developer was found for each parcel to be acquired. As amended by the 1955 Act, the section also requires that the city or public body must pay in cash at least one-third of the price of the land upon its purchase from the Federal Government and the entire price within 1 year after such purchase. Any of the land which is not sold to the city or local public agency within 5 years shall be disposed of as promptly as possible by the Housing Administrator under other provisions of law. No payments in lieu of taxes shall be made with respect to the land during the time title is held by the Administrator.

Home Loan Bank Board

SEPARATION OF HOME LOAN BANK BOARD FROM THE HOUSING AND HOME FINANCE AGENCY.—Effective as of the date of enactment of the Housing Amendments of 1955, August 11, 1955, the Home Loan Bank Board, including the Federal Savings and Loan Insurance Corporation, ceased to be a constituent agency of the Housing and Home Finance Agency and was established as an independent agency in the Executive Branch of the Government. The name of the Board was changed to be the Federal Home Loan Bank Board.

The Federal Home Loan Bank Board is required to make a report of its operations (including those of the Federal Savings and Loan Insurance Corporation) to the Congress as soon as practicable after January 1 of each year.

TERMINATION OF FEDERAL HOME LOAN BANK MEMBERSHIP AND ADVANCES.—Section 6(i) of the Federal Home Loan Bank Act was amended to permit the Federal Home Loan Bank Board, after hearing, to terminate membership of a lending institution in a Federal home loan bank, or the making of advances to nonmember borrowers if, in the opinion of the Board, such member or nonmember borrower has a management or home-financing policy of a character inconsistent with sound and economical home-financing or with the purposes of the Federal Home Loan Bank Act. Formerly the sole basis for such action was that the Board find failure to comply with provisions of the law or regulations of the Board, or insolvency. Provisions were also added to Section 6(i) that a member which is a buliding and loan or savings and loan association, cooperative bank or homestead association shall be deemed insolvent if the assets of such member are less than its obligations to its creditors and others, including the holders of its withdrawable accounts. The addition of these provisions assures that the standards for termination of membership and advances by a Federal home loan bank are the same as the standards of the Federail Savings and Loan Insurance Corporation for termination of insurance of accounts of an institution so that institutions whose insurance has been terminated will not continue as members of a Federal home loan bank and to receive advances.

INCREASE IN THE NUMBER OF ELECTED DIRECTORS IN CERTAIN FEDERAL HOME LOAN BANKS.—Section 7(a) of the Federal Home Loan Bank Act was amended to authorize the Federal Home Loan Bank Board to increase the number of elective directors of any Federal home loan bank having a district which includes five or more States so that there can be as many as, but not more than, twice as many elective directors as there are States. There shall be not less than one elective director from any of the States nor more than three elective directors from any of the States and in no event shall the total number of elective directors in any one district exceed 11.

REMOVAL OF $2,500 LIMIT ON FHA AND VA IMPROVEMENT LOANS BY FEDERALS.—Section 5(c) of the Home Owners' Loan Act of 1933 was amended to permit Federal savings and loan associations to make FHA or VA insured or guaranteed repair loans without regard to the $2,500 limit placed on repair loans which are not insured or guaranteed by FHA or VA. The limit on FHA or VA loans is that provided in the National Housing Act or Servicemen's Readjustment Act.

Prior to the Housing Act of 1954, FHA or VA insured or guaranteed repair loans made by a Federal savings and loan association were not subject to a special dollar limitation. The applicable limitations were thus the ones provided for all lenders in the National Housing Act or the Servicemen's Readjustment Act. However, in enacting an amendment increasing from $1,500 to $2,500 the maximum amount of an eligible Federal association loan not insured or guaranteed, the Congress also imposed the $2,500 restriction on an insured or guaranteed loan (thus prohibiting a Federal association from making, for example, a $3,000 FHA Title I loan for construction of a new structure). This was apparently done inadvertently. The Housing Amendments of 1955 therefore restored this provision of Section 5(c) to its status prior to the Housing Act of 1954.

FSLIC ADMISSION FEE.—The admission fee paid to the Federal Savings and Loan Insurance Corporation by lending institutions applying for insurance of their accounts was changed by an amendment of Section 403(d) of the National Housing Act to be in an amount determined by FSLIC taking into consideration the cost of processing the applications. Prior to the Housing Amendments of 1955 the Federal Savings and Loan Insurance Corporation charged lending institutions (in addition to premiums) an admission fee as an initial payment for obtaining insurance coverage. That admission fee was required to be based upon the reserve fund of FSLIC and to constitute an equitable contribution to that fund.

Community Facilities Administration

ADVANCES FOR PLANNING PUBLIC WORKS.—The July 1, 1957, expiration date for the third advance planning program under Section 702 of the Housing Act of 1954 was eliminated and the Housing and Home Finance Administrator was authorized to establish a revolving fund for the making of planning advances to local agencies for the preparation of a "reservoir" rather than a "shelf" of planned public works. In addition to the $10 million authorized to be appropriated by the original provisions of Section 702 of the 1954 Act, there was authorized to be appropriated to the revolving fund additional amounts of $12, $12, and $14 million to be made available on or after July 1, 1956, 1957, and 1958, respectively. In addition, such appropriations were authorized from year to year thereafter as may be estimated to be necessary to maintain not to exceed a total of $48 million in outstanding advances and any undisbursed balances in the fund for plans of projects which can be expected to be undertaken within a reasonable period of time. Under Section 702 of the 1954 Act as amended by the Housing Amendments of 1955, advances outstanding to public agencies in any one State were limited to not more than 10 percent of the aggregate then authorized to be appropriated to the revolving fund. Prior to the 1955 Act, not more than 5 percent of appropriations could be expended in any one State. As under the previous law, local public agencies must agree to complete the plan preparation promptly and to repay advances when construction is started. The 1955 law added a new provision under which the public agency would be required to repay only proportionate amounts of advances when only a portion of a planned project is undertaken.

PUBLIC FACILITY LOANS.—Title II of the Housing Amendments of 1955 provided a new public facility loan program and provided that no loans shall be made under the Reconstruction Finance Corporation Liquidation Act (which governed the program prior to the new law) after the effective date of the Housing Amendments of 1955, August 11, 1955, except pursuant to an application for a public facility loan filed prior to that date.

Section 201 of the 1955 Act stated that the Congress finds that in many instances municipalities, and other political subdivisions of States are unable to raise the necessary funds at reasonable interest rates to provide essential public works or facilities and that it is the purpose of Title II to authorize the extension of credit to assist in the provisions of such public works or facilities where credit is not otherwise available on reasonable terms and conditions.

Under Title II of the 1955 Act the Housing and Home Finance Administrator acting through the Community Facilities Administration, was authorized to purchase obligations of, and make loans to States, municipalities, and other political subdivisions of States, public agencies, and instrumentalities of one or more States, municipalities and political subdivisions of States, and public corporations, boards, and commissions established under State laws, to finance specific public projects under States or municipal law. No financial assistance shall be extended under Title II unless the assistance applied for is not otherwise available on reasonable terms, and all securities and obligations purchased shall be of such sound value or so secured as to assure retirement or repayment. Loans may be made either directly or in cooperation with banks or other lending institutions, or through agreements to participate, or by the purchase of participations, or otherwise. No securities or obligations purchased, and no loans made shall have maturities in excess of 40 years.

Priority in processing applications for financial assistance under Title II was required to be given to municipalities with a population of less than 10,000, for assistance in the construction of "basic public works" for which there is an urgent and vital public need. Basic public works includes works for the storage, treatment, purification, or distribution of water; sewage, sewage treatment, and sewer facilities; and gas distribution systems.

The Housing and Home Finance Administrator was authorized to obtain funds for the financial assistance authorized by Title II through borrowings from the Treasury. Obligations outstanding at any one time issued to the Treasury by the Administrator may not exceed $100,000,000. Interest on the borrowings is at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States of comparable maturities. The funds borrowed from the Treasury constitute a revolving fund for the purposes of Title II.

COLLEGE HOUSING LOANS.—The college housing loan program authorized by Title IV of the Housing Act of 1950 was amended by Title III to broaden the purposes for which college housing loans can be made, and to authorize the loans to be made on more liberal terms. Under these new provisions loans are made not only for housing but also for "other educational facilities," which include cafeterias, student centers or student unions, infirmaries or other health facilities, and other essential service facilities. Provisions were also added to Title IV that loans may be made to junior colleges and nonprofit corporations established by a college for the sole purpose of providing housing or educational facilities for the students or faculty.

Title IV was also amended to provide that a loan may not be made if the educational institution can obtain funds from private lending sources upon terms "equally as favorable" as the terms of the Government loan. Prior to this amendment by the Housing Amendments of 1955, educational institutions were required to show that they could not secure the funds from private sources upon terms and conditions "generally comparable" to the terms and conditions applied to Government loans.

The maximum term of the loans to educational institutions was increased from 40 years to 50 years, and a new formula was provided for determining the interest rate on the loans which would result in making the interest rate lower than under the previous provisions governing the interest rate. The lower interest rate applies with respect to all loan contracts (including existing contracts) where the loan funds have not been fully disbursed prior to August 11, 1955, the date of enactment of the Housing Amendments of 1955.

Under the amended provisions of Title IV, loans shall bear interest at a rate which shall be not more than the higher of (1) 2¾ percent per annum, or (2) the total of one-quarter of 1 percent per annum added to the rate of interest paid by the Administrator on funds obtained from the Treasury. The interest rate paid to the Treasury is at a rate of not more than the higher of (1) 2½ percent per annum, or (2) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the issuance of obligations by the Administrator and adjusted to the nearest one-eighth of 1 percent.

The limit on the authorization to borrow from the Treasury to provide funds for the loans was increased from $300 million to $500 million in obligations of the Housing Administrator outstanding at any one time. Not more than $100 million of these borrowings can be used for "other educational facilities."

SALARY OF COMMUNITY FACILITIES COMMISSIONER.—A new provision of law was enacted to make the salary of the Community Facilities Commissioner of the Housing and Home Finance Agency the same as that of the heads of the constituent agencies of the Housing Agency, which under the Housing Act of 1948, is $15,000 per annum.

Farm Housing

Additional authorization was provided by Title V for Federal loans and subsidies to farm housing by the Farmers Home Administration in the Department of Agriculture pursuant to Title V of the Housing Act of 1949, as amended. Title V of the 1949 Act authorizes the Secretary of Agriculture to make (1) long-term loans to farmers having adequate farms who are nevertheless unable to obtain private credit on reasonable terms; (2) similar loans supplemented by modest contributions for 5 years, where the farmer is unable to undertake to repay the loan in full and the farm is not adequate but capable of being improved to the point where it is self-sustaining; and (3) modest loans and grants to help farm families on very poor farms to undertake minor improvements or minimum repairs to farm dwellings where necessary to remove hazards to the health or safety of the occupants.

2. Interim Increase in FHA General Mortgage Insurance Authorization

Public Law 10, approved March 11, 1955, amended the National Housing Act in order to increase by $1.5 billion the mortgage-insurance authorization for all FHA insurance programs with the exception of the Title I home repair and improvement program. This sum was authorized to enable new FHA mortgage activity to continue through June 30, 1955. (For further authorization, see Housing Amendments of 1955.)

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3. *One-Month Extension of Certain Housing Programs*

Public Law 119, approved June 30, 1955 extended for 1 month four housing programs, the Small Business Act of 1953 and the Defense Production Act of 1950. The four housing programs that were extended are the FHA home improvement and modernization program under Title I of the National Housinging Act, which was extended from July 1, 1955, to August 1, 1955; the FHA military housing insurance program under Title VIII of the National Housing Act, which was extended from June 30, 1955, to July 31, 1955; the defense housing and community facilities program authorized by the Defense Housing and Community Facilities and Services Act of 1951, which was extended from July 1, 1955, to August 1, 1955; and the authority to enter into contracts to assist low-rent public housing program under the United States Housing Act of 1937, which was extended from June 30, 1955, to August 1, 1955. (For further provisions concerning these four programs, see the Housing Amendments of 1955.)

Section 1 of the law extended the Small Business Act of 1953 for 1 month until July 31, 1955.

Section 5 of the law extended the Defense Production Act of 1950 for 1 month until July 31, 1955.

4. *War Housing Conveyances*

Public Law 80, approved June 16, 1955, authorized the Housing and Home Finance Administrator to sell and convey at fair market value two War Housing Projects VA–44061 and VA–44067 to the cities of Warwick and Hampton, Va., or to a public Housing Authority established by either or both of the cities.

Public Law 217, approved August 3, 1955, directed the Housing and Home Finance Administrator to sell and convey at fair market value War Housing Project MASS. 19051 to the Boston Housing Authority for use as a relocation project.

Public Law 235, approved August 4, 1955, directed the Housing and Home Finance Administrator to sell and convey for the consideration of $300,000 two projects identified as LA–16011 and LA–16012 to the State of Louisiana. The law was to be effective only if one-third of the conveyance price was paid within 6 months after enactment of Public Law 235.

Public Law 284, approved August 9, 1955, authorized the Housing and Home Finance Administrator to sell and convey, at fair market value, two projects known as VA–44075 and VA–44184 to the city of Norfolk, Va., or to the Norfolk Redevelopment and Housing Authority or any agency or corporation established in the public interest by the city.

Public Law 326, approved August 9, 1955, authorized the Housing and Home Finance Administrator to sell and convey at fair market value seven projects identified as PA–36053, PA–36055, PA–36057, PA–36058, PA–36059, PA–36301, and PA–36449 to the Housing Authority of Beaver County, Pa., for use in providing rental housing for persons of limited income. The Housing Administrator was required to give cooperators 120 days within which to purchase the project before sale could be made to the Beaver County Housing Authority.

Public Law 345 (Housing Amendments of 1955), approved August 11, 1955, authorized the Housing and Home Finance Administrator to sell and convey War Housing Project CONN. 6028 to the Housing Authority of the town of Glastonbury for use in providing moderate rental housing.

Public Law 349, approved August 11, 1955, authorized the Housing and Home Finance Administrator to sell any personal property held under the Lanham Act (and not sold with a project or building) at fair value to any agency organized for slum clearance or to provide subsidized housing for persons of low income.

5. Disaster Housing Loans—Small Business Administration

Public Law 268, approved August 9, 1955, amended the Small Business Act of 1953 to provide, among other things, that where disaster loans are made by the Small Business Administration for acquisition or construction (including acquisition of a site therefor) of housing for personal occupancy of the borrower, such loans may be made for a period not to exceed 20 years and at an interest rate not to exceed 3 percent per annum.

6. Farm Home Mortgage Insurance

Public Law 273, approved August 9, 1955, amended the Bankhead-Jones Farm Tenant Act, as amended, to clarify and simplify administration of the loan insurance program of the Secretary of Agriculture.

7. Federal Aid to Education—School Construction—Maintenance and Operation

Public Law 382, approved August 12, 1955, amended Public Laws 815 and 874, 81st Congress. These laws provide Federal financial assistance to local educational agencies for school construction and maintenance and operation of schools in areas affected by Federal activities. The amendments to Public Law 815, the "School Construction Act" provided, among other things, for the transfer of temporary school facilities made available under Public Law 815; changed the provisions for determining the number of "unhoused" children; changed the conditions for obtaining assistance for school construction for children residing on Indian land outside school districts, and changed the conditions for qualifying for payments to districts unable to finance the non-Federal share of school projects.

8. Veterans' Housing

Public Law 88, approved June 21, 1955, extended veterans' direct home loan program for 2 years, to June 30, 1957, increased the scope of the program, and provided an additional $150,000,000 in direct loan funds.

Public Law 84, approved June 16, 1955, amended the Servicemen's Readjustment Act of 1944, as amended, by adding a new subsection which increased the maximum guaranty on veterans' farm realty loans from $4,000 to $7,500. This increased maximum applies to loans (1) to purchase a farm on which there is a residence, (2) to construct a farm residence, and (3) to repair, alter, or improve a farm residence.

9. *Authorization to National Banks to Make 20-Year Real Estate Loans and 9-Month Construction Loans*

Public Law 343, approved August 11, 1955, increased from 10 to 20 years the maximum term of residential real estate loans made by national banks and also increased from 6 to 9 months the maximum term for construction loans for financing residential or farm buildings.

10. *Oak Ridge, Tenn., and Richland, Wash.: Disposal of Federal Property*

Public Law 221, approved August 4, 1955, provided for the establishment of local self-government at Oak Ridge, Tenn., and Richland, Wash.; provided for the disposal of federally owned (Atomic Energy Commission) properties of such communities and authorized FHA insurance of mortgages for the purchase of housing in the communities.

11. *Military Family Housing—FHA Title VI and Title IX Housing*

Public Law 161, approved July 15, 1955, provided, among other things, that during the fiscal years 1956 and 1957 the Secretaries of the Army, Navy, and Air Force are authorized to lease up to 1,000 housing units at or near military tactical installations for assignment as public quarters to military personnel and their dependents without rental charge upon a determination by the Secretary of Defense or his designee that there is a lack of adequate housing facilities at or near such military installations.

The Secretaries were also authorized to purchase FHA Title VI (War) or Title X (National Defense) housing which is located near military installations and assume payment of the mortgages from public works appropriations.

12. *Defense Production Act of 1950—Amendments*

Public Law 295, approved August 9, 1955, continued most of the powers contained in the Defense Production Act for 2 additional years.

13. *Federal Classified Personnel—Pay Increase—Certain FHA Positions*

Public Law 94, approved June 28, 1955, provided 7.5 percent pay increase to Federal classified personnel, and repealed section 228 of National Housing Act which authorized FHA Commissioner to establish and place 13 positions in supergrade category (G. S. 16–18).

14. *Fiscal Year Appropriations*

Public Law 112, approved June 30, 1955 (Independent Offices Appropriation Act, 1956), contained the fiscal year 1956 appropriations for the Agency. The Act provides, among other things, that expenses of inspection and of providing representatives at the sites of projects being planned or undertaken by local public agencies shall be compensated by such agencies by the payment of fixed fees, and expenses for such purpose shall be considered nonadministrative. This provision relates to urban renewal projects, college housing, and facilities financed by public facility loans.

15. *General Administrative Provisions*

Public Law 110, approved June 29, 1955 (General Government Matters Appropriation Act, 1956), contained general administrative provisions affecting operations of the Housing Agency.

16. *Funds to Carry Out Housing Amendments of 1955*

Public Law 219, approved August 4, 1955 (Supplemental Appropriation Act, 1956). Requests were made by the Agency for supplemental appropriations to carry out the provisions of the Housing Amendments of 1955, during consideration of Public Law 219 by the Congress. No appropriations for this purpose were included in the law. However, the conferees stated in the Conference Report [12] that the Bureau of the Budget might accelerate apportionment of available funds to HHFA if additional funds were needed by HHFA to carry out the Housing Amendments of 1955.

[12] H. Rept. 1586, 84th Cong.

APPENDIX C

PUBLICATIONS OF THE HHFA, 1955

The following lists include new and revised publications issued by the Office of the Administrator and the constituents of the Housing and Home Finance Agency in 1955. A complete list of publications, for 1955 and the preceding years, may be found in "Publications of the Housing and Home Finance Agency."

Publications are available free from the issuing agencies unless indicated otherwise.

Office of the Administrator

Housing and Home Finance Agency—Organizations and Functions.

Publications of the Housing and Home Finance Agency.

Annual Report—Eighth Annual Report of the HHFA covering calendar year 1954. $1.25.*

The Workable Program—What It Is. 10¢.*

What Is A Substandard House?

Selected Publications on House Planning, Construction, Maintenance, and Repair.

Brief Summary of the Housing Amendments of 1955.

Detailed Summary of the Housing Amendments of 1955.

Urban Renewal Provisions of the Housing Act of 1949, as Amended Through August 1955 and Excerpts From Other Federal Laws Authorizing Assistance to Slum Clearance and Urban Redevelopment and Urban Renewal.

Know Your Local Housing Market.

Housing Statistics (issued monthly).

Federal Housing Administration

Administrative Rules and Regulations for Military Housing Insurance under Title VIII of the National Housing Act; FHA Form No. 3300, revised August 15, 1955.

Administrative Rules and Regulations for Rehabilitation and Neighborhood Conservation Housing Insurance under Sections 220 and 221 of the National Housing Act; FHA Form No. 3500, revised August 15, 1955.

Annual Report.—Twenty-first annual report of the Federal Housing Administration; year ending December 31, 1954. 75¢.*

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* Available at price shown from Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

Digest of Insurable Loans—FHA Form No. 2575, revised December 6, 1955. 10¢.*

FHA Facts for Home Buyers—FHA Form No. 2098. 15¢.*

Information for the Home-Buying Serviceman—FHA Form No. 895. 10¢.*

Mortgagees' Handbook—FHA Form No. 2534, revised August 1955. 60¢

National Housing Act as Amended—FHA Form No. 107, revised August 1955. $1.50.*

Remodel, Repair, Repay with FHA—FH Form No. 38. 15¢.*

Underwriting Manual—FHA Form No. 2049, revised March 15, 1955. $2.25.*

Public Housing Administration

Annual Report. Eighth Annual Report of the PHA Covering Calendar Year 1954.

Current Work of the Public Housing Administration.

The Organization of a Local Housing Authority.

Bibliography on Greenbelt Towns.

Federal National Mortgage Association

Semi-Annual Report of the Federal National Mortgage Association—summary of activities of the FNMA issued semiannually.

Government Guaranteed Real Estate Mortgage Loans Covering Individually Owned Homes and Rental Housing Developments—mortgages insured by the FHA or guaranteed by the VA and owned by the Federal National Mortgage Association, available for sale, on a State basis by sections of Acts.

Background and History of the Federal National Mortgage Association.

Information Circular Regarding the Activities of the Federal National Mortgage Association—summary of procedures and requirements that apply to the purchasing, servicing, and sale of mortgages by FNMA.

Secondary Market Operations—a summary of the essential features relating to FNMA Secondary Market Operations.

Information Concerning Special Assistance Program Covering Urban Renewal Housing Mortgages.

Urban Renewal Administration

Urban Renewal—What It Is. 10¢.*

Slums and Blight—A Disease of Urban Life. 15¢.*

Replacing Blight With Good Homes: FHA's Section 220 Mortgage Insurance for Urban Renewal. 10¢.*

A Guide to Urban Planning Assistance Grants.

A Guide to Demonstration Grants.

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* Available at price shown from Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

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US Dept of Housing and Urban
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Annual report.

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EDGE INDEX