

## SUMMARY OF FINDINGS

### MORTGAGED, RESIDENTIAL, NONFARM PROPERTIES

**Tenure and size of properties.**--There were approximately 9,443,000 mortgaged, residential, nonfarm properties in the United States in August 1950. Owner-occupied properties constituted 88 percent of the total, and rental properties, 12 percent. One-dwelling-unit properties were the largest category, accounting for 81 percent of all properties. Properties with 50 dwelling units or more accounted for less than one percent of all properties.

Table AA.--NUMBER OF PROPERTIES AND TOTAL OUTSTANDING DEBT, BY TENURE AND SIZE OF PROPERTY, FOR THE UNITED STATES: 1950

Tenure and size of property	Properties		Total outstanding debt	
	Number (thousands)	Percent	Amount (millions of dollars)	Percent
Total properties.....	9,443	100	44,485	100
Owner-occupied properties.....	8,288	88	33,754	76
1 dwelling unit.....	7,052	75	28,566	64
2 to 4 dwelling units.....	1,236	13	5,188	12
Rental properties.....	1,155	12	10,731	24
1 dwelling unit.....	560	6	1,858	4
2 to 4 dwelling units.....	324	3	1,474	3
5 to 49 dwelling units.....	260	3	4,222	9
50 dwelling units or more.....	11	...	3,177	7

The Northeast and North Central Regions each had about 30 percent of the mortgaged properties; the South had 24 percent; and the West had fewest with 17 percent. These percentages do not differ substantially from the regional distribution of total dwelling units. Over 6,500,000, or 70 percent, of the properties were located inside standard metropolitan areas, and the remaining 30 percent were outside standard metropolitan areas.

**Outstanding debt on property.**--The total outstanding debt on all mortgages on residential nonfarm properties in August 1950 amounted to \$44.5 billion. Excluded from this total is the mortgage debt for properties on which construction was completed after April 1950. Debt on owner-occupied properties accounted for 76 percent of the total, and debt on rental properties for the remaining 24 percent. Debt on 1-dwelling-unit properties accounted for the largest portion of the outstanding debt, 68 percent. Properties with 5 dwelling units or more, which comprised 3 percent of all properties and 25 percent of all dwelling units, accounted for 17 percent of all outstanding debt.

The average outstanding mortgage debt on an owner-occupied property was \$4,100. Average debt on owner-occupied properties with one dwelling unit and average debt on such properties with 2 to 4 dwelling units were about the same, \$4,100 and \$4,200 respectively. The average debt on rental properties with one dwelling unit, amounting to \$3,300, was lower than on owner-occupied properties of the corresponding size, while average debt on rental properties with 2 to 4 dwelling units, amounting to \$4,500, was higher than for owner-occupied properties of the corresponding size. Average debt on properties with 5 to 49 dwelling units was \$16,300, and average debt on properties with 50 dwelling units or more was \$285,600.

Table BD.--AVERAGE DEBT PER DWELLING UNIT, BY TENURE AND SIZE OF PROPERTY: 1950

Subject	Average debt per dwelling unit
Owner-occupied properties:	
1 dwelling unit.....	\$4,100
2 to 4 dwelling units.....	1,800
Rental properties:	
1 dwelling unit.....	3,300
2 to 4 dwelling units.....	1,800
5 to 49 dwelling units.....	1,500
50 dwelling units or more.....	3,200

Average debt per dwelling unit decreased as the size of property increased, with the exception of properties with 50 dwelling units or more.

Total outstanding debt was highest in the Northeast Region of the United States and lowest in the West. The Northeast accounted for 34 percent of the total, the North Central Region for 26 percent, the South for 22 percent, and the West for 19 percent. The average outstanding debt per mortgaged property for owner-occupied properties of all sizes was highest in the West, where it amounted to \$4,700; the averages for the other three regions were about the same, \$4,000 in the Northeast, and \$3,900 in the South and North Central Regions.

Outstanding debt on properties inside standard metropolitan areas amounted to \$35.5 billion, or 80 percent of the total for the United States. For owner-occupied properties, 78 percent of the debt was on properties inside standard metropolitan areas, while for rental properties, 86 percent of the debt was inside standard metropolitan areas.

Table CC.--NUMBER OF PROPERTIES AND TOTAL OUTSTANDING DEBT, BY TENURE, FOR THE UNITED STATES, INSIDE STANDARD METROPOLITAN AREAS AND OUTSIDE STANDARD METROPOLITAN AREAS: 1950

Tenure and area	Properties		Total outstanding debt	
	Number (thousands)	Percent	Amount (millions of dollars)	Percent
Total properties.....	9,442	100	44,485	100
Inside standard metropolitan areas...	6,584	70	35,517	80
Outside standard metropolitan areas...	2,858	30	8,968	20
Owner-occupied properties.....	8,287	100	33,753	100
Inside standard metropolitan areas...	5,825	70	26,290	78
Outside standard metropolitan areas...	2,462	30	7,463	22
Rental properties.....	1,155	100	10,732	100
Inside standard metropolitan areas...	759	66	9,227	86
Outside standard metropolitan areas...	396	34	1,505	14

**Dwelling units on properties.**--The data on residential financing contained in this volume are presented in terms of properties rather than dwelling units. Table DD was specially prepared to indicate the number of dwelling units in properties of all sizes, classified by government insurance status of the first mortgage on the property.

The mortgaged nonfarm properties in the United States contained 15,135,000 dwelling units, an average of 1.60 dwelling units per property. Dwelling units on one-dwelling-unit properties comprised 50 percent of all dwelling units on mortgaged properties. Properties with 50 dwelling units or more accounted for 7 percent of the dwelling units.

Table DD.--TENURE AND SIZE OF PROPERTY, BY GOVERNMENT INSURANCE STATUS OF FIRST MORTGAGE, FOR THE UNITED STATES: 1950

(Thousands of dwelling units)

Tenure and size of property	Total dwelling units	Dwelling units on properties with--		
		FHA-insured first mortgages	VA-guaranteed first mortgages	Conventional first mortgages
Total dwelling units.....	15,135	1,616	1,497	12,022
Owner-occupied properties...	9,890	1,284	1,399	7,206
1 dwelling unit.....	7,052	1,179	1,033	4,840
2 to 4 dwelling units.....	2,837	106	366	2,366
Rental properties.....	5,246	331	98	4,816
1 dwelling unit.....	560	75	49	436
2 to 4 dwelling units.....	838	48	36	754
5 to 49 dwelling units.....	2,865	69	13	2,782
50 dwelling units or more.....	984	139	...	845

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Government insurance status.--"Government insurance," used as a general term in this volume, refers to both insurance and guaranty by the Veterans Administration and insurance by the Federal Housing Administration; mortgages without government insurance are called conventional mortgages. About 27 percent of all properties had a government-insured mortgage. Owner-occupied properties more frequently had government-insured mortgages than did rental properties; 29 percent of the owner-occupied properties had government-insured mortgages, while only 15 percent of the rental properties had such mortgages.

Table EE.--OWNER-OCCUPIED AND RENTAL PROPERTIES, BY GOVERNMENT INSURANCE STATUS OF FIRST MORTGAGE, FOR THE UNITED STATES: 1950  
(Thousands of properties)

Government insurance status of first mortgage	Total properties		Owner-occupied properties		Rental properties	
	Number	Percent	Number	Percent	Number	Percent
Total.....	9,443	100	8,288	100	1,155	100
Properties with FHA-insured first mortgage...	1,328	14	1,228	15	100	9
Properties with VA-guaranteed first mortgage.	1,263	13	1,196	14	67	6
Properties with conventional first mortgage..	6,850	73	5,863	71	987	85

Number of mortgages on property.--About 9 percent of the owner-occupied and rental mortgaged properties had more than one

mortgage. The proportion of properties with more than one mortgage is about 9 percent for properties with one dwelling unit, and 8 percent for those with 2 to 4 dwelling units; while, on the larger properties, the existence of a junior mortgage was more frequent. Of properties with 5 to 49 dwelling units, 13 percent had more than one mortgage; and of properties with 50 dwelling units or more, 23 percent had more than one mortgage.

The junior mortgages were, in part, conventional junior mortgages and, in part, government-guaranteed second mortgages. About 60 percent of the properties with more than one mortgage had a conventional second mortgage, while the remainder had VA-guaranteed second mortgages. VA-guaranteed second mortgages are confined almost entirely to one-dwelling-unit properties.

Selected standard metropolitan areas.--The 25 standard metropolitan areas for which statistics are shown separately in Part 2 of Volume IV are listed in table FF in order of their 1950 population. In general, number of mortgaged properties would be expected to decrease as size of area decreases. However, table FF indicates that certain standard metropolitan areas do not conform to this pattern. For example, Milwaukee ranks sixteenth in population size and twentieth in number of mortgaged properties; Chicago ranks second in size and fourth in number of mortgaged properties; Seattle ranks twentieth in population size and fifteenth in number of mortgaged properties.

Table FF.--POPULATION, NUMBER OF PROPERTIES, AND TOTAL OUTSTANDING DEBT, FOR 25 STANDARD METROPOLITAN AREAS: 1950

Standard metropolitan areas	Population		Mortgaged properties		Total outstanding debt		Average debt per property		Standard metropolitan areas	Population		Mortgaged properties		Total outstanding debt		Average debt per property	
	Number (thousands)	Rank	Number (thousands)	Rank	Amount (millions of dollars)	Rank	Amount (dollars)	Rank		Number (thousands)	Rank	Number (thousands)	Rank	Amount (millions of dollars)	Rank	Amount (dollars)	Rank
New York-Northeastern New Jersey.....	12,912	1	829	1	7,167	1	8,600	2	Minneapolis-St. Paul, Minn.....	1,117	13	102	13	502	13	4,900	14
Chicago, Ill.....	5,495	2	299	4	1,809	3	6,100	4	Buffalo, N. Y.....	1,089	14	85	14	405	17	4,800	15.5
Los Angeles, Calif.....	4,368	3	498	2	2,994	2	6,000	5	Cincinnati, Ohio.....	904	15	79	16	407	16	5,200	11.5
Philadelphia, Pa.....	3,671	4	331	3	1,308	4	4,000	24	Milwaukee, Wis.....	871	16	63	20	326	18	5,200	11.5
Detroit, Mich.....	3,016	5	272	5	1,303	5	4,800	15.5	Kansas City, Mo.....	814	17	69	18	298	19	4,300	20.5
Boston, Mass.....	2,370	6	209	6	1,106	8	5,300	9.5	Houston, Texas.....	807	18	79	17	419	15	5,300	9.5
San Francisco-Oakland, Calif.....	2,241	7	186	7	1,205	6	6,500	3	Providence, R. I.....	737	19	56	21	228	22	4,100	23
Pittsburgh, Pa.....	2,213	8	134	8	377	11	4,300	20.5	Seattle, Wash.....	733	20	81	15	437	14	5,600	7
St. Louis, Mo.....	1,681	9	134	9	616	10	4,600	18	Portland, Ore.....	705	21	65	19	276	21	4,300	20.5
Cleveland, Ohio.....	1,466	10	125	10	691	9	5,600	7	New Orleans, La.....	685	22	41	23	212	23	5,100	13
Washington, D. C.....	1,464	11	123	11	1,201	7	9,800	1	Atlanta, Ga.....	672	23	52	22	292	20	5,600	7
Baltimore, Md.....	1,337	12	110	12	521	12	4,700	17	Youngstown, Ohio.....	528	24	39	24	149	24	3,800	25
									Albany-Schenectady-Troy, N. Y....	514	25	35	25	149	25	4,300	20.5

Average mortgage debt is influenced by property size and by the market value at the time the property last changed hands. Average debt is higher on recently purchased property because prices have been higher in recent years, and because little time has elapsed in which to pay off the mortgage loan. The Washington, D. C., Standard Metropolitan Area ranked first in the average size of mortgage debt per property with \$9,800 average; it ranked eleventh in number of mortgaged properties but seventh in aggregate amount of debt on these properties. The Washington, D. C., Metropolitan Area not only had a large number of recently acquired properties but also contained many large rental properties which raise the average property value. Second highest in average debt was New York-Northeastern New Jersey, third was San Francisco, and fourth was Chicago. The range in average debt per property was from \$9,800 in Washington, D. C., to about \$4,000 in several standard metropolitan areas. The total residential mortgage debt ranged from over \$7 billion in the New York-Northeastern New Jersey Metropolitan Area to \$0.1 billion in the Youngstown and the Albany-Schenectady-Troy Metropolitan Areas.

### MORTGAGE CHARACTERISTICS

First and junior mortgages.--There were 9,443,000 first mortgages and 824,000 junior mortgages on residential nonfarm properties in August 1950. Outstanding debt amounted to \$42.9 billion on first mortgages and \$1.5 billion on junior mortgages.

The first mortgages on owner-occupied properties comprised 88 percent of the number and 76 percent of the outstanding debt on all first mortgages.

Table GG.--NUMBER OF MORTGAGES AND OUTSTANDING DEBT ON OWNER-OCCUPIED AND RENTAL PROPERTIES, FOR THE UNITED STATES: 1950

Subject	Total properties	Owner-occupied properties	Rental properties
<b>TOTAL MORTGAGES</b>			
Number.....thousands..	10,267	9,007	1,260
Outstanding debt.....millions..	\$44,486	\$32,754	\$10,731
<b>FIRST MORTGAGES</b>			
Number.....thousands..	9,443	8,288	1,155
Outstanding debt.....millions..	\$42,942	\$32,691	\$10,251
<b>JUNIOR MORTGAGES</b>			
Number.....thousands..	824	719	105
Outstanding debt.....millions..	\$1,544	\$1,063	\$480

### Government insurance status of mortgage.

All properties.--By far the largest number of mortgages were of the conventional type. In August 1950 there were 6,850,000 conventional first mortgages and 498,000 conventional junior mortgages. Outstanding debt on conventional first mortgages amounted to \$26.9 billion, and on conventional junior mortgages amounted to \$1.1 billion.

There was government insurance on 2,592,000 first mortgages and 326,000 second mortgages. Of these, 1,329,000 were FHA-insured first mortgages and 1,264,000 were VA-guaranteed first mortgages. All of the government-insured second mortgages were VA-guaranteed, and were combined with one of the FHA-insured first mortgages.

The outstanding debt on the FHA-insured first mortgages was \$8.5 billion, on VA-guaranteed first mortgages was \$7.5 billion, and on VA-guaranteed second mortgages was \$0.4 billion.

Owner-occupied properties.--FHA-insured mortgages accounted for 15 percent of the number of first mortgages on owner-occupied properties. In 1-dwelling-unit properties, FHA-insured mortgages comprised 17 percent of the first mortgages, while on 2- to 4-dwelling-unit properties FHA-insured mortgages comprised only 4 percent.

VA-guaranteed mortgages accounted for 14 percent of the first mortgages. They were found in about the same proportion of 1-dwelling-unit and 2-to-4-dwelling-unit properties--15 percent and 13 percent, respectively.

On the average, the outstanding debt on a conventional first mortgage was smaller than on a government-insured first mortgage: the average debt on conventional first mortgages was \$3,200, while the averages on FHA-insured and VA-guaranteed first mortgages were \$5,400 and \$6,000, respectively.

Rental properties.--FHA-insured first mortgages comprised 9 percent of all first mortgages on rental properties, while

VA-guaranteed mortgages comprised 6 percent of the total. In terms of outstanding debt, FHA-insured first mortgages accounted for 19 percent of first mortgage debt on rental properties, and VA-guaranteed first mortgages accounted for 3 percent. When there was a VA-guaranteed mortgage on a rental property, there usually had been a change in the status of the property from owner-occupied to rental after the mortgage was made, since VA-guaranteed mortgages are made only on owner-occupied properties, except for a small number of veterans cooperative housing projects.

#### Holder of mortgage.

Institutional and individual holders.--Individuals held 23 percent of all first mortgages, while the six chief types of institutional lenders held 73 percent, and miscellaneous other holders held the remaining 4 percent. However, in terms of the amounts of money involved, as measured by the aggregate amount of outstanding debt, individuals held only 16 percent, compared with institutional holdings of 80 percent. On junior mortgages, 42 percent of the number and 54 percent of the outstanding debt was held by individuals.

Table III.--NUMBER OF FIRST AND JUNIOR MORTGAGES AND OUTSTANDING DEBT ON ALL PROPERTIES, BY TYPE OF HOLDER, FOR THE UNITED STATES: 1950

Type of holder	First mortgages				Junior mortgages			
	Number of mortgages (thousands)	Percent	Outstanding debt		Number of mortgages (thousands)	Percent	Outstanding debt	
			Amount (million of dollars)	Percent			Amount (million of dollars)	Percent
Total.....	9,443	100	42,942	100	824	100	1,544	100
<b>Institutional holder:</b>								
Commercial bank.....	2,019	21	8,187	19	120	15	182	12
Mutual savings bank.....	848	9	5,794	13	49	5	73	5
Savings and loan association.....	2,679	28	9,976	23	75	9	92	6
Life insurance company.....	1,139	12	8,789	20	148	18	196	13
Mortgage company.....	98	1	566	1	24	3	35	2
Federal National Mortgage Association.....	149	2	1,038	2	13	2	17	1
<b>Individual.....</b>	<b>2,155</b>	<b>23</b>	<b>6,985</b>	<b>16</b>	<b>348</b>	<b>42</b>	<b>833</b>	<b>54</b>
Other.....	356	4	1,608	4	47	6	116	8

Type of holder.--The largest number of first mortgages on owner-occupied properties was held by savings and loan associations. On rental properties, individuals held the largest number of first mortgages. FHA-insured first mortgages, on owner-occupied and on rental properties, were most frequently held by life insurance companies. VA-guaranteed first mortgages, on owner-occupied and on rental properties, were most frequently held by commercial banks and savings and loan associations.

The greatest portion of the conventional junior mortgages were held by individuals, while VA-guaranteed junior mortgages were held most frequently by life insurance companies.

In terms of outstanding first mortgage debt on owner-occupied properties, savings and loan associations held the largest amount, \$8.8 billion, while commercial banks and trust companies were second with \$6.8 billion. On rental properties, the principal holders of first mortgage debt were life insurance companies with \$2.8 billion and mutual savings banks with \$2.6 billion.

Of the outstanding debt secured by junior mortgages on owner-occupied properties, 46 percent was on mortgages held by individuals; on rental properties, 71 percent was on mortgages held by individuals.

For a comparison of figures from this residential financing survey with figures from other sources, see the section "Comparability with mortgage statistics from other sources."

#### Origin and purpose of first mortgage.

Owner-occupied properties with one dwelling unit.--By far the largest proportion, 73 percent, of the first mortgages on owner-occupied properties with one dwelling unit were placed or assumed when the owner acquired the property. An additional 16 percent of the first mortgages existing in August 1950 were refinancings or renewals of mortgages placed or assumed at time of acquisition. The remaining 11 percent were mortgages placed later than time of acquisition, that is, either on properties which had

been acquired without a mortgage, or on properties where a previous mortgage had been paid off before the existing mortgage was made.

Table JJ.--ORIGIN OF FIRST MORTGAGE ON OWNER-OCCUPIED PROPERTIES WITH ONE DWELLING UNIT, FOR THE UNITED STATES: 1950

Origin of first mortgage	First mortgages	
	Number (thousands)	Percent
Total.....	7,052	100
Mortgage made as assumed at time property acquired.....	5,181	73
Mortgage refinanced or renewed.....	1,127	16
Mortgage placed later than acquisition of property.....	745	11

The large proportion of first mortgages which date from the time of acquisition of the property is undoubtedly related, at least in part, to the fact that the properties had been recently acquired, and there had not been a sufficient lapse of time for many mortgages to be refinanced. About 60 percent of all mortgaged properties had been owned by their owners for less than 5 years, as compared with 79 percent of those with mortgages made or assumed at time of acquisition.

For mortgages which had been refinanced, the reason for refinancing given most frequently was to make improvements or repairs on the property. The second most common reason was to secure better terms, such as by lowering the interest rate or extending the payment period. Third was to renew or extend the loan without increasing the amount.

When a mortgage was placed later than the acquisition of the property, the most common reason was to make improvements or repairs on the property.

Amortization and term.--In accordance with the requirements of the insuring agencies, FHA-insured and VA-guaranteed mortgages are fully amortized. The majority of the conventional mortgages,

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both first and junior, were fully amortized. However, on about one-fifth of the conventional junior mortgages no principal payments were required.

On owner-occupied properties, 77 percent of the conventional first mortgages and 69 percent of the conventional junior mortgages were fully amortized. On 10 percent of the first mortgages and 21 percent of the junior mortgages no regular principal payments were required. The balance of the conventional mortgages were partially amortized or were demand mortgages on which principal payments were required.

On rental properties, 65 percent of conventional first mortgages and 51 percent of conventional junior mortgages were fully amortized. No regular principal payments were required on 14 percent of the first and 24 percent of the junior mortgages.

### Amount and composition of mortgage payments.

Inclusion of interest and principal.--Interest and principal were included in the required payments on most first and junior mortgages even when the mortgages were not fully amortized. On owner-occupied properties 92 percent of the first mortgages and 87 percent of the junior mortgages had payments including both interest and principal. On rental properties, the corresponding figures were 88 percent and 78 percent.

Monthly interest and principal payment per dwelling unit.--On 1-dwelling-unit properties, the median amount of first mortgage payment for interest and principal combined was \$37 a month on owner-occupied properties and \$34 a month on rental properties. The payments were as much as \$65 a month on about 8 percent of the first mortgages on both owner-occupied and rental properties. On junior mortgages, the median payment for interest and principal was about \$13 a month for both owner-occupied and rental properties.

On larger properties, the median monthly first mortgage payment per dwelling unit was considerably smaller than on 1-dwelling-unit properties. Monthly payment per dwelling unit on properties with 2 to 4 dwelling units was \$19, and on properties with 5 dwelling units or more was about \$12.

Items other than interest and principal.--Some first mortgages required that items in addition to interest and principal be included in the regular payments. All FHA-insured mortgages, most VA-guaranteed mortgages (79 percent), and 27 percent of the conventional mortgages required that other items be included in payments. The item most frequently included with interest and principal was real estate taxes, with fire and hazard insurance premiums next in importance.

Monthly payment per dwelling unit for interest, principal, and other items.--When items in addition to interest and principal were included in first mortgage payments, the median amount of the monthly payment per dwelling unit was \$48 for owner-occupied properties with one dwelling unit, and \$44 for rental properties with one dwelling unit. Data are not available for the median monthly payment for interest and principal only for these identical properties. However, as mentioned above, the medians for interest and principal payments on all first mortgages where the payments include both are \$37 for owner-occupied properties with one dwelling unit and \$34 for rental properties with one dwelling unit.

For larger properties, the median per dwelling unit for interest, principal, and other items was lower than for 1-dwelling-unit properties: \$27 for owner-occupied and rental properties with 2 to 4 dwelling units, \$17 for properties with 5 to 49 dwelling units, and \$37 for properties with 50 dwelling units or more.

Current status of payments.--On very few first mortgages were payments delinquent by thirty days or more. On owner-occupied properties, only 6 percent were delinquent, and on rental properties, only 5 percent. Foreclosure proceedings were in process on less than 1 percent of the mortgages.

Outstanding debt on mortgage.--On owner-occupied properties with one dwelling unit, the median outstanding debt on first mortgage was \$3,300, and the median debt on junior mortgage was

\$1,200. The corresponding medians for rental properties were \$2,400 and \$1,200.

On properties with 2 to 4 dwelling units, the medians for the outstanding debt on first mortgage were the same for owner-occupied and rental properties, \$3,400 for both; the medians on junior mortgages were also about the same, \$1,500 on owner-occupied, and \$1,700 on rental properties.

Median outstanding debt on first mortgage on properties with 5 to 49 dwelling units was \$7,200, and on junior mortgages was \$3,900. The respective medians for properties with 50 dwelling units or more were \$163,000 and \$29,000.

In general, the nature of the debt distribution is such that the average outstanding debt is higher than the corresponding median.

Table KK.--MEDIAN AND ARITHMETIC MEAN OF OUTSTANDING DEBT ON FIRST AND JUNIOR MORTGAGE, BY TENURE AND SIZE OF PROPERTY, FOR THE UNITED STATES: 1950

Tenure and size of property	Outstanding debt on first mortgage (dollars)		Outstanding debt on junior mortgage (dollars)	
	Median	Arithmetic mean (average)	Median	Arithmetic mean (average)
Total properties.....	3,300	4,500	1,300	1,900
Owner-occupied properties.....	3,300	3,900	1,200	1,500
1 dwelling unit.....	3,300	3,900	1,200	1,400
2 to 4 dwelling units.....	3,400	4,100	1,500	1,800
Rental properties.....	3,400	8,900	1,800	4,600
1 dwelling unit.....	2,400	3,200	1,200	1,400
2 to 4 dwelling units.....	3,400	4,300	1,700	2,500
5 to 49 dwelling units.....	7,200	15,400	3,900	6,500
50 dwelling units or more.....	163,000	274,600	29,000	44,200

Government-insured and conventional mortgages.--The median amount of outstanding debt for FHA-insured mortgages was higher than for conventional first mortgages, for all sizes of properties combined, and for each size group. On owner-occupied properties, the median amount of outstanding debt on VA-guaranteed first mortgages exceeded the median amount of FHA mortgages. For owner-occupied properties, the median amount of outstanding debt on conventional first mortgages was \$2,500, on FHA-insured mortgages was \$5,400, and on VA-guaranteed first mortgages was \$5,000. For all rental properties, the median debt on conventional mortgages was \$3,000, on FHA mortgages was \$6,100, and on the small number of VA mortgages which are now on rental properties was \$5,000.

The relative size of median debt per property on conventional, FHA-insured, and VA-guaranteed mortgages is doubtless influenced by the fact that the average age of conventional mortgages is greater than that of FHA mortgages, and the average age of VA mortgages is the lowest of the three. The greater prevalence of FHA and VA mortgages in areas where property values and mortgage amounts are higher, is also a factor.

For VA-guaranteed second mortgages on owner-occupied properties, median outstanding debt was somewhat lower than for conventional junior mortgages, amounting to \$1,000 and \$1,400 respectively.

Interest rate.--The distribution of mortgages by interest rate showed a heavy concentration on whole or half percentages. On owner-occupied properties, only about 7,000 first mortgages had interest rates of 4.6 to 4.9 percent, for example, compared with more than 1.5 million at 4.5 percent and about 2 million at 5.0 percent.

Government-insured mortgages.--Most of the FHA-insured mortgages were written with an interest rate of 4.5 or 4.0 percent, which were the maximum rates permissible on mortgages insured under the various FHA programs for a number of years prior to April 1950. On owner-occupied properties, 73 percent of the FHA-insured mortgages had an interest rate of 4.5 percent, and 20 percent had a rate of 4.0 percent. On rental properties, 56 percent had a rate of 4.5 percent, and 40 percent had a rate of 4.0 percent. These rates do not include the FHA mortgage insurance premiums.

Almost all of the VA-guaranteed first and junior mortgages had an interest rate of 4.0 percent.

# RESIDENTIAL FINANCING

Table LL.—INTEREST RATE ON FIRST AND JUNIOR MORTGAGES BY PROPERTIES INSIDE AND OUTSIDE STANDARD METROPOLITAN AREAS, AND BY GOVERNMENT INSURANCE STATUS, FOR THE UNITED STATES: 1950

(Thousands of mortgages)

Interest rate	Total	Properties		Government insurance status			Interest	Total	Properties		Government insurance status		
		Inside standard metropolitan areas	Outside standard metropolitan areas	Conventional	FHA-insured	VA-guaranteed			Inside standard metropolitan areas	Outside standard metropolitan areas	Conventional	FHA-insured	VA-guaranteed
First mortgages on owner-occupied properties.....	8,287	5,825	2,462	5,863	1,228	1,196	Junior mortgages on owner-occupied properties.....	719	547	171	409	...	309
Less than 3.0 percent.....	75	41	34	75	...	...	Less than 3.0 percent.....	22	14	7	22	...	...
3.0 percent.....	65	46	19	64	1	1	3.0 percent.....	6	4	1	6	...	...
3.0 to 3.4 percent.....	...	...	...	...	...	...	3.1 to 3.4 percent.....	...	...	...	...	...	...
3.5 percent.....	15	13	2	14	1	...	3.5 percent.....	1	...	...	1	...	...
3.6 to 3.9 percent.....	1	1	...	1	...	...	3.6 to 3.9 percent.....	...	...	...	...	...	...
4.0 percent.....	1,991	1,456	534	544	251	1,195	4.0 percent.....	349	272	77	40	...	309
4.1 to 4.4 percent.....	29	22	6	7	22	...	4.1 to 4.4 percent.....	...	...	...	...	...	...
4.5 percent.....	1,583	1,308	276	685	898	...	4.5 percent.....	10	8	2	10	...	...
4.6 to 4.9 percent.....	7	6	1	7	...	...	4.6 to 4.9 percent.....	...	...	...	...	...	...
5.0 percent.....	2,001	1,446	554	1,946	53	...	5.0 percent.....	107	76	31	107	...	...
5.1 to 5.4 percent.....	5	4	1	5	...	...	5.1 to 5.4 percent.....	...	...	...	...	...	...
5.5 percent.....	241	193	48	241	...	...	5.5 percent.....	6	4	2	6	...	...
5.6 to 5.9 percent.....	1	1	...	1	...	...	5.6 to 5.9 percent.....	...	...	...	...	...	...
6.0 percent.....	2,040	1,208	831	2,040	...	...	6.0 percent.....	199	155	44	199	...	...
6.1 to 6.4 percent.....	2	1	1	2	...	...	6.1 to 6.4 percent.....	...	...	...	...	...	...
6.5 percent.....	22	7	15	22	...	...	6.5 percent.....	1	...	...	1	...	...
6.6 to 6.9 percent.....	9	5	4	9	...	...	6.6 to 6.9 percent.....	...	...	...	...	...	...
7.0 percent.....	88	32	52	85	...	...	7.0 percent.....	7	5	2	7	...	...
7.1 to 7.9 percent.....	16	6	9	16	...	...	7.1 to 7.9 percent.....	...	...	...	...	...	...
8.0 percent or more.....	101	28	73	101	...	...	8.0 percent or more.....	10	5	5	10	...	...
Median.....	5.0	5.0	5.0	5.0	4.5	4.0	Median.....	4.0	4.0	4.5	6.0	...	4.0
First mortgages on rental properties.....	1,155	759	396	987	100	67	Junior mortgages on rental properties.....	105	79	26	89	...	17
Less than 3.0 percent.....	11	5	6	11	...	...	Less than 3.0 percent.....	3	2	1	3	...	...
3.0 percent.....	7	4	3	7	...	...	3.0 percent.....	1	1	...	1	...	...
3.1 to 3.4 percent.....	...	...	...	...	...	...	3.1 to 3.4 percent.....	...	...	...	...	...	...
3.5 percent.....	6	5	1	6	1	...	3.5 percent.....	...	...	...	...	...	...
3.6 to 3.9 percent.....	1	1	...	1	...	...	3.6 to 3.9 percent.....	...	...	...	...	...	...
4.0 percent.....	211	146	66	105	40	67	4.0 percent.....	22	16	6	5	...	17
4.1 to 4.4 percent.....	4	3	...	2	1	...	4.1 to 4.4 percent.....	...	...	...	...	...	...
4.5 percent.....	171	138	33	115	56	...	4.5 percent.....	...	...	...	...	...	...
4.6 to 4.9 percent.....	1	1	...	1	...	...	4.6 to 4.9 percent.....	3	3	...	3	...	...
5.0 percent.....	329	237	92	326	3	...	5.0 percent.....	30	25	5	30	...	...
5.1 to 5.4 percent.....	2	1	1	2	...	...	5.1 to 5.4 percent.....	...	...	...	...	...	...
5.5 percent.....	29	22	7	29	...	...	5.5 percent.....	1	1	...	1	...	...
5.6 to 5.9 percent.....	...	...	16	...	...	...	5.6 to 5.9 percent.....	...	...	...	...	...	...
6.0 percent.....	338	182	157	338	...	...	6.0 percent.....	40	29	11	40	...	...
6.1 to 6.4 percent.....	...	...	...	...	...	...	6.1 to 6.4 percent.....	...	...	...	...	...	...
6.5 percent.....	3	1	2	3	...	...	6.5 percent.....	...	...	...	...	...	...
6.6 to 6.9 percent.....	2	1	1	2	...	...	6.6 to 6.9 percent.....	3	1	2	3	...	...
7.0 percent.....	16	8	8	16	...	...	7.0 percent.....	...	...	...	...	...	...
7.1 to 7.9 percent.....	3	1	2	3	...	...	7.1 to 7.9 percent.....	...	...	...	...	...	...
8.0 percent or more.....	20	4	17	20	...	...	8.0 percent or more.....	3	2	1	3	...	...
Median.....	5.0	5.0	5.0	5.0	4.5	4.0	Median.....	5.0	5.0	6.0	6.0	...	4.0

**Conventional mortgages.**--Median interest rate on conventional first mortgages on both owner-occupied and rental properties was 5.0 percent. There was considerably more variation on conventional mortgages than on government-insured mortgages. For example, on owner-occupied properties, 35 percent of the conventional first mortgages had an interest rate of 6.0 percent, 33 percent had a rate of 5.0 percent, 12 percent had a rate of 4.6 percent, and 9 percent had a rate of 4.0 percent.

On rental properties with 50 dwelling units or more, the median interest rate on first mortgages was 4.0 percent. About 15 percent of the mortgages on these properties had interest rates under 4.0 percent, compared with 2 percent of the mortgages on the smaller rental properties.

Most of the conventional junior mortgages had 6.0 percent, 5.0 percent or 4.0 percent interest rates; these three rates accounted for about 85 percent of the mortgages. On owner-occupied properties, 49 percent of the conventional junior mortgages had an interest rate of 6.0, and 26 percent an interest rate of 5.0. On rental properties, the corresponding proportions were 45 percent and 34 percent.

### PROPERTY CHARACTERISTICS

**Year structure built.**--About 29 percent of the structures on mortgaged 1-dwelling-unit owner-occupied properties were built after World War II, as compared with 7 percent of those on 2-to-4-dwelling-unit, owner-occupied properties. Only 42 percent of the 1-dwelling-unit owner-occupied properties had structures built before 1930, while for 2-to-4-dwelling-unit owner-occupied properties the corresponding proportion was 77 percent.

The age composition of rental properties is similar to that of owner-occupied properties; properties with more than one dwelling unit have structures which are older, on the average, than properties with one dwelling unit. On the 1-dwelling-unit properties, 45 percent of the structures were built before 1930, compared with 70 percent on the 2- to-4-dwelling-unit properties, 81 percent on the 5- to-49-dwelling-unit properties, and 64 percent on the properties with 50 dwelling units or more.

Table MM.—YEAR STRUCTURE BUILT, BY TENURE AND SIZE OF PROPERTY, FOR THE UNITED STATES: 1950  
(Thousands of properties)

Tenure and size of property	Total	Year structure built		
		Postwar (1946-1950)	War (1942-1945)	Prewar (1941 or earlier)
Total properties.....	19,293	2,290	532	6,469
Owner-occupied properties.....	8,177	2,087	473	5,616
1 dwelling unit.....	6,964	2,001	439	4,524
2 to 4 dwelling units.....	1,213	86	34	1,092
Rental properties.....	1,116	203	59	853
1 dwelling unit.....	539	140	41	358
2 to 4 dwelling units.....	313	43	14	256
5 to 49 dwelling units.....	253	20	4	229
50 dwelling units or more.....	11	1	...	9

<sup>1</sup> Excludes 150 thousand properties for which year structure built was not reported.

**Year structure acquired.**--A large proportion of mortgaged properties, both owner-occupied and rental, were acquired by their owners in the postwar period. About 63 percent of the properties

SUMMARY OF FINDINGS

were acquired between 1946 and 1950. Seventeen percent of the properties were acquired by their owners during the war years 1942 to 1945. Acquisitions before the war accounted for 20 percent of the properties.

The distribution of these mortgaged properties by date of acquisition probably differs from the distribution for all properties. The rapid rate of transfer of property ownership in both the war and postwar years, as well as the record volume of postwar new home purchases largely financed by mortgage loans, accounts for the large proportion of recently acquired mortgaged properties.

New or previously occupied structure.--Most structures had been previously occupied when acquired by their present owners. Only 31 percent of the owner-occupied properties and 20 percent of the rental properties were acquired new. However, the proportion of new structures, relative to previously occupied, would have been somewhat higher, had structures completed after April been included in the residential financing survey.

Purchase price and mortgage loan.--"Purchase price" relates to properties purchased over a wide range of years, and therefore, the medians are lower than they would be if the statistics were for only those properties purchased in recent years. The median purchase price of mortgaged 1-dwelling-unit owner-occupied properties was \$6,300, and of 1-dwelling-unit rental properties was \$5,000. The median purchase prices of owner-occupied and rental properties with 2 to 4 dwelling units, however, were about the same, \$7,200 and \$7,400, respectively. The median purchase price of properties with 5 to 49 dwelling units was \$17,600, and the median purchase price of properties with 50 dwelling units or more was \$279,000.

The purchase price was less than \$3,000 for 15 percent of the owner-occupied properties and 21 percent of the rental properties with 1 to 4 dwelling units. At the other end of the distribution, 6 percent of the owner-occupied properties and 8 percent of the rental properties with 1 to 4 dwelling units cost \$15,000 or more.

The first mortgage loan covered 75 percent or more of the purchase price for half of the owner-occupied 1-dwelling-unit properties with first mortgage made or assumed at time property was acquired. When existing junior mortgages were included, total mortgage loan covered 77 percent or more of the purchase price in half the cases. For properties with VA-guaranteed first mortgage, the first mortgage loan covered 91 percent or more of the purchase price in half the cases. The median was 79 percent on FHA-insured first mortgages and 66 percent on conventional first mortgages.

The median purchase price of the properties with first mortgage made or assumed at time of acquisition was \$6,900. When the first mortgage was FHA-insured, the median purchase price was \$8,000; when it was VA-guaranteed, the median was \$7,600; and when it was conventional, the median was \$6,000.

Market value and debt.--Median market value on owner-occupied properties with one dwelling unit, as reported by owners in August 1950, was \$8,500, and the median on properties with 2 to 4 dwelling units was \$10,100. The corresponding medians for rental properties were lower, \$6,500 on 1-dwelling-unit properties, and \$9,700 on 2-to-4-dwelling-unit properties.

For half the properties, total outstanding debt on the property amounted to 42 percent or more of the market value. Only for properties with 50 dwelling units or more was the median appreciably different; for properties of this size the median debt was 61 percent of the market value.

Interest and principal payments as a percent of adjusted gross receipts.--The ratio of annual required payments on the mortgage, for interest and principal combined, to the rental receipts for the year 1949 was computed by adjusting gross receipts to exclude expenditures for utilities, fuel, and personal

services. Exclusion of those expenses, which vary considerably among rental properties, increase the comparability of rental receipts for the various types of rental properties. Expenditures for maintenance, repairs, and other items were not subtracted from the gross receipts before computing this ratio, so that the figure for rental receipts does not represent net receipts, but rather, adjusted gross receipts. A high ratio between receipts and fixed charges indicates that the margin for upkeep and overhead is small, but does not necessarily show that profits are nonexistent, since that portion of the mortgage payments which is applied toward paying off the principal goes toward increasing net worth and is not an expense. (See "Definitions, Method of payment.") The ratio gives some indication as to whether the owner is meeting fixed charges out of rental receipts, although no conclusion can be drawn as to the owner's profit or loss on the rental property.

The median percent of mortgage payments to total rental receipts decreases consistently as the size of the property increases. For 1-dwelling-unit properties the median percent was 72; that is, one half of the rental properties containing a single dwelling unit had less than 28 percent of the rental receipts left after making mortgage payments. For 2-to-4-dwelling-unit properties, the median percent was 53; for 5-to-49-dwelling-unit properties, 41; while for properties with 50 dwelling units or more, the median percent was 34. The median for all rental properties was 56 percent.

Interest and principal payments as a percent of adjusted gross receipts less taxes.--When real estate taxes as well as the expenditures for utilities, fuel, and services were subtracted from rental receipts before computing the percent of payments to receipts, the median percentages, while higher, do not show much relative variation from the ratios which took no account of taxes. The 1-dwelling-unit properties had a median percent of 83 while properties with 50 units or more had a median of 42 percent.

The number of 1-dwelling-unit rental properties with adjusted gross receipts which leave no margin for maintenance after the payment of interest, principal, and taxes was 37 out of a hundred. For properties with 50 units or more, only about 3 out of 100 properties reported that mortgage and tax payments were 100 percent of rental receipts.

The figures presented for the ratio of mortgage payments to rental receipts are restricted to properties with 90 percent or more of the dwelling units, other than those reserved for rent-free use, in the rental market for the entire year. The statistics include only those properties with both interest and principal included in the first mortgage payments.

Tables NN and OO exclude properties for which data are not reported.

Table NN.--RENTAL PROPERTIES BY INTEREST AND PRINCIPAL PAYMENTS AS PERCENT OF TOTAL RENTAL RECEIPTS, AND AS PERCENT OF TOTAL RENTAL RECEIPTS LESS TAXES, FOR THE UNITED STATES: 1950

Percentage class	Interest and principal payments as percent of total rental receipts <sup>1</sup>		Interest and principal payments as percent of total rental receipts less taxes <sup>1</sup>	
	Properties (thousands)	Percent	Properties (thousands)	Percent
Rental properties--Number reporting.....	586	100	572	100
Less than 30 percent.....	91	16	55	10
30 to 39 percent.....	79	13	61	11
40 to 49 percent.....	86	15	71	12
50 to 59 percent.....	66	11	62	11
60 to 69 percent.....	67	11	63	11
70 to 79 percent.....	43	7	54	9
80 to 89 percent.....	34	6	39	7
90 to 99 percent.....	26	4	35	6
100 percent or more.....	94	16	132	23
Median percent.....	56	...	66	...

<sup>1</sup> Receipts adjusted to exclude expenditures for utilities, fuel, and personal services.

# RESIDENTIAL FINANCING

Table LL.—INTEREST RATE ON FIRST AND JUNIOR MORTGAGES BY PROPERTIES INSIDE AND OUTSIDE STANDARD METROPOLITAN AREAS, AND BY GOVERNMENT INSURANCE STATUS, FOR THE UNITED STATES: 1950

(Thousands of mortgages)

Interest rate	Total	Properties		Government insurance status			Interest	Total	Properties		Government insurance status		
		Inside standard metropolitan areas	Outside standard metropolitan areas	Conventional	FHA-insured	VA-guaranteed			Inside standard metropolitan areas	Outside standard metropolitan areas	Conventional	FHA-insured	VA-guaranteed
First mortgages on owner-occupied properties.....	8,287	5,825	2,462	5,863	1,228	1,196	Junior mortgages on owner-occupied properties.....	719	547	171	409	...	309
Less than 3.0 percent.....	75	41	34	75	...	...	Less than 3.0 percent.....	22	14	7	22	...	...
3.0 percent.....	65	46	19	64	1	1	3.0 percent.....	6	4	1	6	...	...
3.0 to 3.4 percent.....	15	13	2	14	1	...	3.1 to 3.4 percent.....	...	...	...	...	...	...
3.5 percent.....	1	1	...	1	...	...	3.5 percent.....	1	...	...	1	...	...
3.5 to 3.9 percent.....	1,991	1,456	534	544	251	1,195	3.6 to 3.9 percent.....	...	...	...	...	...	...
4.0 percent.....	29	22	6	7	22	...	4.0 percent.....	349	272	77	40	...	309
4.1 to 4.4 percent.....	1,583	1,308	276	685	898	...	4.1 to 4.4 percent.....	...	...	...	...	...	...
4.5 percent.....	7	6	1	7	...	...	4.5 percent.....	10	8	2	10	...	...
4.6 to 4.9 percent.....	2,001	1,446	554	1,946	55	...	4.6 to 4.9 percent.....	...	...	...	...	...	...
5.0 percent.....	5	4	1	5	...	...	5.0 percent.....	107	76	31	107	...	...
5.1 to 5.4 percent.....	241	193	48	241	...	...	5.1 to 5.4 percent.....	...	...	...	...	...	...
5.5 percent.....	1	1	...	1	...	...	5.5 percent.....	6	4	2	6	...	...
5.6 to 5.9 percent.....	2,040	1,208	831	2,040	...	...	5.6 to 5.9 percent.....	...	...	...	...	...	...
6.0 percent.....	2	1	1	2	...	...	6.0 percent.....	199	155	44	199	...	...
6.1 to 6.4 percent.....	22	7	15	22	9	...	6.1 to 6.4 percent.....	...	...	...	...	...	...
6.5 percent.....	9	5	4	9	...	...	6.5 percent.....	1	...	...	1	...	...
6.6 to 6.9 percent.....	85	32	52	85	...	...	6.6 to 6.9 percent.....	...	...	...	...	...	...
7.0 percent.....	16	6	9	16	...	...	7.0 percent.....	7	5	2	7	...	...
7.1 to 7.9 percent.....	101	28	73	101	...	...	7.1 to 7.9 percent.....	...	...	...	...	...	...
8.0 percent or more.....	5.0	5.0	5.0	5.0	4.5	4.0	8.0 percent or more.....	10	5	5	10	...	...
Median.....	5.0	5.0	5.0	5.0	4.5	4.0	Median.....	4.0	4.0	4.5	6.0	...	4.0
First mortgages on rental properties.....	1,155	759	396	987	100	67	Junior mortgages on rental properties.....	105	79	26	89	...	17
Less than 3.0 percent.....	11	5	6	11	...	...	Less than 3.0 percent.....	3	2	1	3	...	...
3.0 percent.....	7	4	3	7	...	...	3.0 percent.....	1	1	...	1	...	...
3.1 to 3.4 percent.....	...	...	...	...	...	...	3.1 to 3.4 percent.....	...	...	...	...	...	...
3.5 percent.....	6	5	1	6	1	...	3.5 percent.....	...	...	...	...	...	...
3.6 to 3.9 percent.....	1	1	...	1	...	...	3.6 to 3.9 percent.....	...	...	...	...	...	...
4.0 percent.....	211	146	66	105	40	67	4.0 percent.....	22	16	6	5	...	17
4.1 to 4.4 percent.....	4	3	...	2	1	...	4.1 to 4.4 percent.....	...	...	...	...	...	...
4.5 percent.....	171	138	33	115	56	...	4.5 percent.....	3	3	...	3	...	...
4.6 to 4.9 percent.....	1	1	...	1	...	...	4.6 to 4.9 percent.....	...	...	...	...	...	...
5.0 percent.....	329	237	92	326	3	...	5.0 percent.....	30	25	5	30	...	...
5.1 to 5.4 percent.....	2	1	1	2	...	...	5.1 to 5.4 percent.....	...	...	...	...	...	...
5.5 percent.....	29	22	7	29	...	...	5.5 percent.....	1	1	...	1	...	...
5.6 to 5.9 percent.....	...	...	16	...	...	...	5.6 to 5.9 percent.....	...	...	...	...	...	...
6.0 percent.....	338	182	157	338	...	...	6.0 percent.....	40	29	11	40	...	...
6.1 to 6.4 percent.....	...	...	...	...	...	...	6.1 to 6.9 percent.....	...	...	...	...	...	...
6.5 percent.....	3	1	2	3	...	...	7.0 percent.....	3	1	2	3	...	...
6.6 to 6.9 percent.....	2	1	1	2	...	...	7.1 to 7.9 percent.....	...	...	...	...	...	...
7.0 percent.....	16	8	8	16	...	...	8.0 percent or more.....	3	2	1	3	...	...
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**Conventional mortgages.**--Median interest rate on conventional first mortgages on both owner-occupied and rental properties was 5.0 percent. There was considerably more variation on conventional mortgages than on government-insured mortgages. For example, on owner-occupied properties, 35 percent of the conventional first mortgages had an interest rate of 6.0 percent, 33 percent had a rate of 5.0 percent, 12 percent had a rate of 4.5 percent, and 9 percent had a rate of 4.0 percent.

On rental properties with 50 dwelling units or more, the median interest rate on first mortgages was 4.0 percent. About 15 percent of the mortgages on these properties had interest rates under 4.0 percent, compared with 2 percent of the mortgages on the smaller rental properties.

Most of the conventional junior mortgages had 6.0 percent, 5.0 percent or 4.0 percent interest rates; these three rates accounted for about 85 percent of the mortgages. On owner-occupied properties, 49 percent of the conventional junior mortgages had an interest rate of 6.0, and 26 percent an interest rate of 5.0. On rental properties, the corresponding proportions were 45 percent and 34 percent.

### PROPERTY CHARACTERISTICS

**Year structure built.**--About 29 percent of the structures on mortgaged 1-dwelling-unit owner-occupied properties were built after World War II, as compared with 7 percent of those on 2-to-4-dwelling-unit, owner-occupied properties. Only 42 percent of the 1-dwelling-unit owner-occupied properties had structures built before 1930, while for 2-to-4-dwelling-unit owner-occupied properties the corresponding proportion was 77 percent.

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<sup>1</sup> Excludes 150 thousand properties for which year structure built was not reported.

**Year structure acquired.**--A large proportion of mortgaged properties, both owner-occupied and rental, were acquired by their owners in the postwar period. About 63 percent of the properties

SUMMARY OF FINDINGS

were acquired between 1946 and 1950. Seventeen percent of the properties were acquired by their owners during the war years 1942 to 1945. Acquisitions before the war accounted for 20 percent of the properties.

The distribution of these mortgaged properties by date of acquisition probably differs from the distribution for all properties. The rapid rate of transfer of property ownership in both the war and postwar years, as well as the record volume of postwar new home purchases largely financed by mortgage loans, accounts for the large proportion of recently acquired mortgaged properties.

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The purchase price was less than \$3,000 for 15 percent of the owner-occupied properties and 21 percent of the rental properties with 1 to 4 dwelling units. At the other end of the distribution, 6 percent of the owner-occupied properties and 8 percent of the rental properties with 1 to 4 dwelling units cost \$15,000 or more.

The first mortgage loan covered 75 percent or more of the purchase price for half of the owner-occupied 1-dwelling-unit properties with first mortgage made or assumed at time property was acquired. When existing junior mortgages were included, total mortgage loan covered 77 percent or more of the purchase price in half the cases. For properties with VA-guaranteed first mortgage, the first mortgage loan covered 91 percent or more of the purchase price in half the cases. The median was 79 percent on FHA-insured first mortgages and 66 percent on conventional first mortgages.

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Percentage class	Interest and principal payments as percent of total rental receipts <sup>1</sup>		Interest and principal payments as percent of total rental receipts less taxes <sup>1</sup>	
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50 to 59 percent.....	66	11	62	11
60 to 69 percent.....	67	11	63	11
70 to 79 percent.....	43	7	54	9
80 to 89 percent.....	34	6	39	7
90 to 99 percent.....	26	4	35	6
100 percent or more.....	94	16	132	23
Median percent.....	56	...	66	...

<sup>1</sup> Receipts adjusted to exclude expenditures for utilities, fuel, and personal services.

RESIDENTIAL FINANCING

Table OO.--MEDIAN PERCENTAGES FOR INTEREST AND PRINCIPAL PAYMENTS AS PERCENT OF TOTAL RENTAL RECEIPTS, AND AS PERCENT OF TOTAL RENTAL RECEIPTS LESS TAXES, FOR RENTAL PROPERTIES BY SIZE, FOR THE UNITED STATES: 1950

Size of property	Interest and principal payments as percent of--			
	Total rental receipts <sup>1</sup>		Total rental receipts <sup>1</sup> less real estate taxes	
	Number reporting	Median percent	Number reporting	Median percent
Rental properties, total.....	586,197	56	572,062	66
1 dwelling unit.....	211,656	72	204,802	83
2 to 4 dwelling units.....	188,058	53	184,575	63
5 to 49 dwelling units.....	177,283	41	173,615	50
50 dwelling units or more.....	9,195	34	9,070	42

<sup>1</sup> Receipts adjusted to exclude expenditures for utilities, fuel, and personal services.

CHARACTERISTICS OF OWNER-OCCUPANT OF ONE-DWELLING-UNIT PROPERTIES

There were approximately 7,000,000 owner-occupied 1-dwelling-unit properties in the United States that were mortgaged. The characteristics discussed below are restricted to this group although statistics for these characteristics, with the exception of income, also are available in the tables for owner-occupied properties with 2 to 4 dwelling units.

Veteran status of owner.--Almost 2,500,000 mortgaged properties were owned by veterans of World War II, compared with about 500,000 by veterans of World War I only, and about 4,000,000 by owners with other military service or no service.

About half of the properties owned by veterans of World War II had "GI mortgages"; that is, either the first or the second mortgage on the property was guaranteed by the Veterans Administration. Of the 2,500,000 properties, 38 percent of the first mortgages were VA-guaranteed, 20 percent were FHA-insured and 42 percent were conventional.

In addition to the 1,201,000 properties with a VA-guaranteed first or second mortgage, which were owned by veterans of World War II, there are about 134,000 properties with a VA-guaranteed first or second mortgage, whose owners were not veterans of World War II. These owners had acquired the properties through purchase from a World War II veteran, and assumed payment on the existing mortgage.

Of the 4,500,000 mortgaged properties with owners who were not World War II veterans, 83 percent had a conventional first mortgage, 15 percent an FHA-insured first mortgage, and 2 percent had a VA-guaranteed first mortgage.

Table PP.--VETERAN STATUS OF PROPERTY OWNER, BY GOVERNMENT INSURANCE STATUS OF FIRST MORTGAGE, FOR OWNER-OCCUPIED PROPERTIES WITH ONE DWELLING UNIT, FOR THE UNITED STATES: 1950

(Thousands of properties)

Government insurance status of first mortgage	Total		Veteran of World War II		Veteran of World War I only		Other service or nonveteran	
	Number	Per-cent	Number	Per-cent	Number	Per-cent	Number	Per-cent
Total properties....	7,052	100	2,467	100	537	100	4,048	100
FHA-insured.....	1,178	17	499	20	72	13	607	15
With VA-guaranteed second mortgage.....	301	4	272	11	4	1	25	1
VA-guaranteed.....	1,033	15	929	38	11	2	94	2
Conventional.....	4,840	69	1,039	42	454	85	3,347	83

Owner and his household.--For each property, the owner was classified as to age and sex. If there were co-owners, only one owner was so classified. When a man and wife were co-owners, the property was classified as owned by the man. When there were other co-owners, the head of household or the one nearest the head in the established order of enumeration (see "Definitions, Characteristics of property owner") was classified as to age and sex.

Of the 7,000,000 owner-occupied 1-dwelling-unit properties, 90 percent were classified as owned by men and 10 percent by women. About 5 percent of the owners were 65 years of age or older and about 32 percent were under 35 years of age. A greater proportion of female than male property owners were in the older age groups; 62 percent of the females and 36 percent of the males were over 45 years of age; nearly 15 percent of the females and 4 percent of the males were over 65 years of age.

About 6,200,000 of the 7,000,000 properties were owned by the household head and 284,000 were owned by a relative of the head living in the household. The remaining properties were those with one or more owners not in the primary family, or with the relationship of the owner to the head of the household not reported. Of the 6,482,000 properties owned by the head of household or by some related member of the household almost 3 percent were owned by individuals living alone or with nonrelatives, while 97 percent were owned by persons living with their families. Of these properties, 25 percent were occupied by families having 5 or more persons, 20 percent by 2-person families, 25 percent by 3-person families, and 27 percent by 4-person families. The median 4.1 persons per mortgaged unit (including single persons who are "head of household" but excluding nonrelatives) is substantially higher than the median 3.1 persons (including nonrelatives) for all owner-occupied nonfarm dwelling units. Since very few households contained persons unrelated to the head, the inclusion of nonrelatives has little effect on the median.

Occupation of owner.--Occupation was reported for the 6,200,000 properties where the owner was the head of the household. The occupation classification most numerous was that of "Craftsmen, foremen, and kindred workers" with about 25 percent of the owners so classified. Operatives and kindred workers are next among owners of mortgaged homes, with 20 percent. At the other end of the scale are two classes, "laborers" and "service workers," which account for 5 percent and 6 percent, respectively. Managers, officials and proprietors own 17 percent of the properties; professional and technical workers own 11 percent; clerical and sales workers, 17 percent. Thus the "white collar" groups own 45 percent of these properties.

Income of primary families and primary individuals.--Of the 6,037,000 owner-occupied 1-dwelling-unit properties with ownership entirely within the primary family group and with family income reported, the median family income was \$3,900. The median home mortgage debt per property for the same group amounted to \$3,300, equivalent to almost a year's income.

Slightly over 27 percent of these families had incomes for the year 1949 which totaled less than \$3,000. This group was obligated for \$4.5 billion, or about 19 percent of the total home mortgage debt, averaging about \$2,700 debt per property. About 19 percent of the families, those with income of \$6,000 or more, had an aggregate home mortgage debt amounting to \$5.9 billion, or 25 percent of the total for these properties, averaging \$5,300 per property. The remaining 54 percent of these families, having incomes ranging from \$3,000 up to \$6,000, had an aggregate mortgage debt of \$13.4 billion, or 56 percent of the total, which averaged \$4,100 per mortgage.

Table QQ.--INCOME OF PRIMARY FAMILIES AND PRIMARY INDIVIDUALS FOR OWNER-OCCUPIED PROPERTIES WITH ONE DWELLING UNIT, FOR THE UNITED STATES: 1950

Income	Properties		Outstanding debt	
	Number (thousands)	Percent	Amount (million of dollars)	Percent
Number reporting income.....	6,037	100	23,778	100
Less than \$2,000.....	676	11	1,642	7
\$2,000 to \$2,499.....	453	8	1,213	5
\$2,500 to \$2,999.....	529	9	1,642	7
\$3,000 to \$3,499.....	812	13	2,884	12
\$3,500 to \$3,999.....	672	11	2,654	11
\$4,000 to \$4,499.....	603	10	2,498	11
\$4,500 to \$4,999.....	456	8	1,980	8
\$5,000 to \$5,999.....	727	12	3,336	14
\$6,000 to \$6,999.....	389	6	1,817	8
\$7,000 to \$7,999.....	233	4	1,135	5
\$8,000 to \$9,999.....	215	4	1,065	5
\$10,000 or more.....	274	5	1,911	8
Median income.....dollars..	3,900	...	...	...

# SUMMARY OF FINDINGS

Interest and principal payments as percent of income.--The ratio of payments to family income was computed for the 5,366,000 owner-occupied 1-dwelling-unit properties where the first mortgage payments included both interest and principal, where family income was less than \$10,000, and where family income was reported completely.

For 39 percent of the 5,366,000 properties, payments on the mortgage for the year amounted to less than 10 percent of the entire family income (or owner's individual income if he had no relatives living in the household). For 68 percent of these properties the payments amounted to less than 15 percent of the family income; and for 83 percent of the properties mortgage payments were less than 20 percent of family income. For 5 percent of the properties mortgage payments amounted to as much as 40 percent of the income. Other housing expenses, such as taxes, insurance, and upkeep, are not included in these percentages.

The percentage of family income which was devoted to mortgage payments, however, differed radically for low income, medium, and high income groups. Almost half, 46 percent, of the families with incomes less than \$3,000 had mortgage payments which amounted to 20 percent of their incomes or more, while only 6 percent of those with incomes between \$3,000 and \$6,000, and 1 percent of those with incomes of \$6,000 or more had payments which absorbed 20 percent or more of their income for the year.

Table RR.--INCOME OF PRIMARY FAMILIES AND INDIVIDUALS, BY INTEREST AND PRINCIPAL PAYMENTS ON ALL MORTGAGES ON PROPERTY AS PERCENT OF INCOME, FOR OWNER-OCCUPIED PROPERTIES WITH ONE DWELLING UNIT, FOR THE UNITED STATES: 1950  
(Thousands of properties)

Interest and principal payments as percent of income	Total		Income of primary families and individuals					
			Less than \$3,000		\$3,000 to \$5,999		\$6,000 to \$9,999	
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
Number reporting.....	5,366	100	1,478	100	3,089	100	799	100
Less than 10 percent.....	2,098	39	196	13	1,282	42	620	78
10 to 14 percent.....	1,550	29	312	21	1,105	36	134	17
15 to 19 percent.....	826	15	284	19	508	16	34	4
20 to 39 percent.....	617	11	420	28	186	6	11	1
40 percent or more.....	275	5	265	18	9	...	...	...

Color of owner.--About 4 percent of the owner-occupied, mortgaged, nonfarm properties with one dwelling unit were owned by nonwhite owners. The proportion is higher in the South than in the rest of the country, being 2 percent in the Northeast and the West, 3 percent in the North Central Region, and almost 10 percent in the South.

Nonwhite owners did not borrow on government-insured mortgages, either VA-guaranteed or FHA-insured, to as great an extent as did white owners. Properties with conventional first mortgages constituted almost 83 percent of those owned by nonwhites and 68 percent of those owned by whites. Properties with VA-guaranteed first mortgages constituted about 8 percent of the properties owned by nonwhites and about 15 percent of the properties owned by whites. Properties with FHA-insured mortgages constituted 9 percent of those owned by nonwhites and 17 percent of those owned by whites.

Several circumstances are related to the fact that nonwhite owners have relatively fewer FHA-insured and VA-guaranteed mortgages than have white owners. One reason is that mortgaged houses with nonwhite owners were, on the average, older structures than

those with white owners. About 56 percent of the structures with nonwhite owners were built in 1929 or earlier, while only 41 percent with white owners were built in those years.

A second reason is that the properties of nonwhite owners had a lower median purchase price than did properties of white owners. The median purchase price of properties of nonwhite owners was \$3,300, as compared with a median of \$6,300 for white owners.

Older and less expensive houses are not so likely to meet the requirements for government insurance as newer properties with a higher purchase price. Both FHA-insured and VA-guaranteed mortgages are characteristically found on properties which are not at either extreme in value, while a greater proportion of conventional mortgages are on properties with very low and very high purchase price.

A second mortgage was reported for 9 percent of the properties. The percentage was approximately the same for nonwhite and white owners. For properties with nonwhite owners, only 25 percent of the second mortgages were VA-guaranteed; for properties with white owners, about 50 percent of the second mortgages were VA-guaranteed.

Table SS.--STATISTICS ON COLOR OF OWNER, ADJUSTED FOR NONRESPONSE, FOR OWNER-OCCUPIED PROPERTIES WITH ONE DWELLING UNIT, BY GOVERNMENT INSURANCE STATUS OF MORTGAGE, FOR THE UNITED STATES, AND TOTALS FOR THE FOUR REGIONS: 1950  
(Thousands of properties)

Subject	White		Nonwhite	
	Data as published	Adjusted for nonresponse	Data as published	Adjusted for nonresponse
UNITED STATES				
Total mortgaged properties....	6,132	6,758	267	294
With no second mortgage.....	5,609	6,171	243	267
With second mortgage.....	523	587	24	27
Properties with FHA-insured first mortgage.....	1,056	1,152	24	27
With no second mortgage.....	771	830	19	20
With VA-guaranteed second mortgage..	262	294	6	6
With conventional second mortgage...	24	27	...	...
Properties with VA-guaranteed first mortgage.....	902	1,008	22	25
With no second mortgage.....	875	979	22	24
With conventional second mortgage...	27	30	...	...
Properties with conventional first mortgage.....	4,174	4,598	220	242
With no second mortgage.....	3,963	4,362	202	223
With conventional second mortgage...	211	236	18	20
REGIONS				
Northeast.....	1,673	1,834	36	39
North Central.....	1,927	2,112	56	61
South.....	1,417	1,567	149	164
West.....	1,115	1,245	26	29

Some of the cross-tabulations of mortgage and property characteristics are shown separately for properties with nonwhite owners. Tabulations for the nonwhite are exclusively for owner-occupied 1-dwelling-unit properties. The differences in mortgage characteristics indicated by these tabulations are influenced by the proportion of conventional and government-insured mortgages as well as by other considerations. (For discussion of the effect of nonresponse on this item, see "Reliability of estimates, Investigation of cases for which color of owner was not reported.")