

This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: Urban Mortgage Lending: Comparative Markets and Experience

Volume Author/Editor: J. E. Morton

Volume Publisher: Princeton University Press

Volume ISBN: 0-870-14144-9

Volume URL: <http://www.nber.org/books/mort56-1>

Publication Date: 1956

Chapter Title: Appendix D: Comparison of the National Bureau Survey with the Census Survey of Residential Financing

Chapter Author: J. E. Morton

Chapter URL: <http://www.nber.org/chapters/c2855>

Chapter pages in book: (p. 183 - 184)

APPENDIX D

COMPARISON OF THE NATIONAL BUREAU SURVEY WITH THE CENSUS SURVEY OF RESIDENTIAL FINANCING

Now that the Census Bureau's tabulations of the Survey of Residential Financing have become available, it is possible to compare the National Bureau's survey with the much larger, later census survey, at least in broad outlines. In making such a comparison it should be kept in mind that there are important differences between the two surveys.

First, there is a difference of about five years between the populations surveyed—years of significant changes in lending patterns, hence in the composition of the outstanding mortgage debt.

Second, there is a conceptual difference between the populations surveyed; the data taken from the Survey of Residential Financing refer to owner-occupied homes only, while those from the National Bureau sample are unrestricted as to tenure. For life insurance companies the population sampled in the National Bureau's survey was limited to large companies; no such limitation characterizes the Survey of Residential Financing.

Many other differences between the two surveys might be mentioned: for example, one is an area, the other an establishment, sample; one uses as sampling unit a mortgaged property, the other a mortgage transaction as defined on page 128; last but not least, there is a substantial difference in the size of the loan samples.

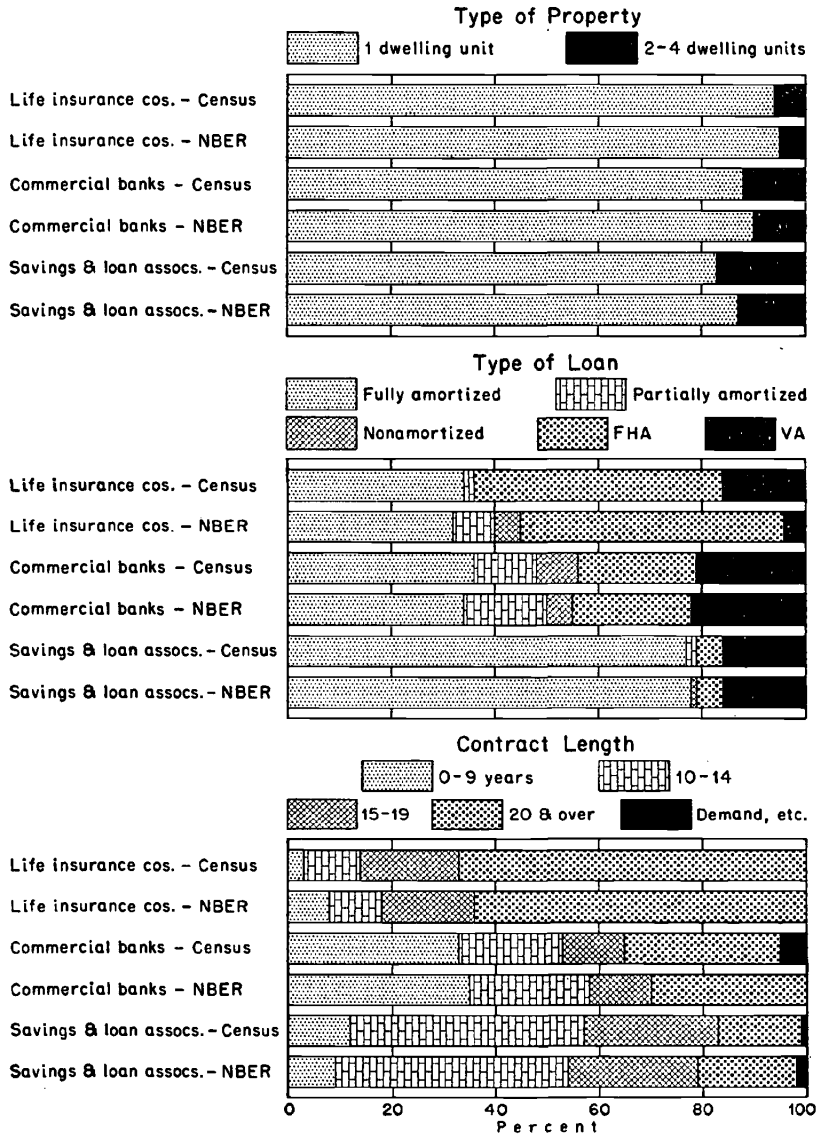
Yet for three outstanding characteristics—type of insurance or amortization provision, type of property, and contract life expectancy of the outstanding loans—a comparison of the respective national estimates reveals no disturbing inconsistencies (Chart D-1).¹ Some of the observable discrepancies, especially with respect to insurance company portfolios and in the distributions of contract maturities, can be explained by the well-known fact that during the intervening period, there was a considerable expansion of lending activity in the market of government-insured and -guaranteed loans.

Our estimates for small groups of loans in tabulations with many breakdowns and many class intervals are bound to be considerably more doubtful—even apart from the nonresponse bias—than the results of a large-scale undertaking such as the Survey of Residential Financing.

¹ For a fourth important characteristic, interest rates, no comparison was possible because of differences in the class intervals used by the two surveys.

CHART D-1

Comparison of National Bureau of Economic Research Survey and Census Survey of Residential Financing by Selected Loan Characteristics



National Bureau of Economic Research survey data are based on distribution of number of loans outstanding in 1947 that were secured by one- to four-family nonfarm homes as shown in Tables 27, 28, and 29. Census data are based on number of first mortgages outstanding in April 1950 on one- to four-family nonfarm homes resided in by their owners, from *1950 Census of Housing*, Vol. 4, Residential Financing, Part 1, pp. 41, 76 f., 79, 159, and 319.