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A P P E N D I X A

Statistical Series on Deeds Recorded,
Mortgages Recorded, and Foreclosures



Statistical Series on Deeds Recorded, Mortgages Recorded, and Foreclosures

AS previously pointed out, certain instruments used in real estate transactions—including deeds and mortgages—are part of the public records. In addition, foreclosure proceedings are part of the records of the court in which they are prosecuted and in most jurisdictions eventuate in either a sheriff's deed or a final decree. While recordings of deeds, mortgages, and foreclosures provide valuable statistical data on the behavior of real estate markets, their usefulness is limited by the fact that they cannot be classified by the types of land and improvements which they involve. The difficulty of making such a classification arises from the fact that only the parcel of land involved in a given transaction is identified; at law the improvements are considered as a part of the land and their characteristics are seldom referred to directly in the instruments of conveyance. Significant differences in timing would probably be revealed if instruments affecting residential, commercial, industrial, and miscellaneous types of land and improvements could be identified separately; but lacking this refinement the data must be used in aggregates for all types combined.

DEED RECORDINGS

The most important transactions *inter vivos* evidenced by a deed are those in which the transfer of a fee is involved. Thus, the number of deeds recorded reflects the rate at which estates in fee are bought, sold, and exchanged, though the timing of a sales series would doubtless differ from the timing of the recordings series owing to the lag of the latter. There are difficulties encountered in using data on recordings, however, since all deeds do not represent voluntary sales, purchases, or exchanges, and there is some evidence that the number of deeds representing bona fide sales is not a constant proportion of total deed recordations. Some deeds may be recorded merely to clear title or may represent so-called "wash sales," gifts, or the ceding of title to a member of the family to reduce financial liability in the event of suit. In addition, the recordation of a

deed may occur as a result of a foreclosure suit, or a voluntary surrender in lieu of foreclosure.¹

A deed must be recorded in the county in which the land involved is situated. There are, however, over 3,000 counties in the United States, and in many deeds are not segregated from recordations of other types of legal instruments.² Consequently, only a few local series of recordations are available, and but a small proportion of these extend over a long period of time. For several years, the Federal Housing Administration has been collecting data from primary and secondary sources and has undertaken analyses of their behavior relative to other pertinent statistical data for local areas.

Hitherto unpublished FHA series are presented in Table A-1 and Chart A-1 for a selection of areas chosen to represent a wide range of types of communities and to show variations in recordings over a long period of time. Series are given for the District of Columbia and the following counties: San Francisco (San Francisco, California), Ada (Boise, Idaho), Washoe (Reno, Nevada), Essex (Newark, New Jersey), Burleigh (Bismarck, North Dakota), Cuyahoga (Cleveland, Ohio), Allegheny (Pittsburgh, Pennsylvania), and Salt Lake (Salt Lake City, Utah). The nine regions are sharply divergent with respect to a number of indexes of their economic character—ranging in population size from 23,000 to 1,412,000, in percentage of labor force employed in manufacturing from 4 to 38 percent, and so forth—but despite this diversity there is a striking correspondence in some features of the general behavior of their recordings data.

Each series is characterized by an upward trend beginning at the turn of the century or earlier and continuing in some cases until 1907. Except for Cuyahoga County, where the upward movement continued through 1925, the movement of recordings until the conclusion of World War I varied within fairly narrow limits or showed a generally downward trend. In Ada and Burleigh counties the peaks attained in 1910 or earlier were not exceeded in the twenties but in most other counties a maximum number of deeds was recorded around 1925. With no major exceptions the decline following the peak continued until 1933 or 1934. The number of recordings rose from the low point in most of the counties almost as rapidly as it had declined; by 1945 or 1946 it was, in many cases, as high as at the preceding peak.

¹ Of the transfers of one-family houses in the Toledo residential area from 1917 to 1938, 9 percent were foreclosures and surrenders, 17.2 percent were for reasons of business convenience, 12.5 percent were for gift and devises, and only 60.5 percent were voluntary sales, purchases, and exchanges. See William M. Hoad, *Real Estate Prices, A Study of Real Estate Transfers in Lucas County, Ohio* (unpublished Ph.D. thesis, University of Michigan, 1942) p. 51.

² Some independent cities also maintain records of deeds.

TABLE A-1 — NUMBER OF DEEDS RECORDED IN EIGHT COUNTIES AND THE DISTRICT OF COLUMBIA, 1895-1946 ^a

Year	San Francisco, Cal.	Ada, Idaho	Washoe, Nev.	Essex, N. J.	Burlingh, N. D.	Cuyahoga, Ohio	Allegheny, Pa.	Salt Lake, Utah	Washington, D. C.
1895	3,515	b	262	5,098	b	b	4,342	3,255	4,981
1896	3,267	b	226	5,879	137	b	3,789	3,106	4,482
1897	3,215	b	229	4,935	182	b	4,151	2,921	4,435
1898	2,645	484	207	5,735	244	8,315	4,424	3,214	4,165
1899	3,053	529	309	6,256	254	9,205	4,719	3,428	4,546
1900	3,259	677	364	6,665	284	8,797	5,297	3,404	4,291
1901	4,261	897	525	7,445	435	10,319	6,076	3,693	5,113
1902	5,813	1,339	645	8,425	1,052	11,887	7,264	4,180	5,751
1903	6,365	1,326	756	8,482	718	12,646	7,579	4,376	6,190
1904	7,073	1,379	938	8,623	572	12,323	6,162	4,047	6,162
1905	9,572	1,543	968	11,106	897	14,601	7,319	4,821	7,730
1906	8,947	1,793	1,175	13,387	1,165	17,127	8,183	5,548	7,961
1907	8,204	1,693	1,803	13,783	1,045	17,309	7,171	5,077	7,436
1908	7,418	1,477	1,010	10,765	864	15,128	6,764	5,116	7,157
1909	7,972	1,993	794	13,597	1,094	16,897	7,724	5,923	8,651
1910	8,528	2,533	909	13,838	1,056	18,879	7,275	5,337	8,736
1911	8,162	2,105	848	13,443	730	19,220	6,991	4,875	8,895
1912	7,900	1,953	375	13,192	839	20,670	7,140	4,911	8,762
1913	6,702	2,101	770	13,194	911	24,047	6,841	3,986	7,947
1914	6,171	1,669	777	11,782	757	25,212	7,307	5,153	7,137
1915	5,533	1,574	654	10,772	801	26,004	6,767	4,940	7,414
1916	6,610	1,347	833	10,905	1,063	30,790	7,131	5,128	7,436
1917	5,952	1,425	791	10,926	1,014	34,504	8,148	4,801	7,132
1918	4,818	1,520	622	10,862	670	26,568	7,534	4,554	9,068
1919	7,138	2,173	909	21,935	767	43,648	11,860	6,286	14,535
1920	9,203	2,348	1,269	23,886	734	48,946	17,043	5,828	15,183
1921	9,736	1,754	1,058	18,123	401	34,249	11,958	5,221	12,218

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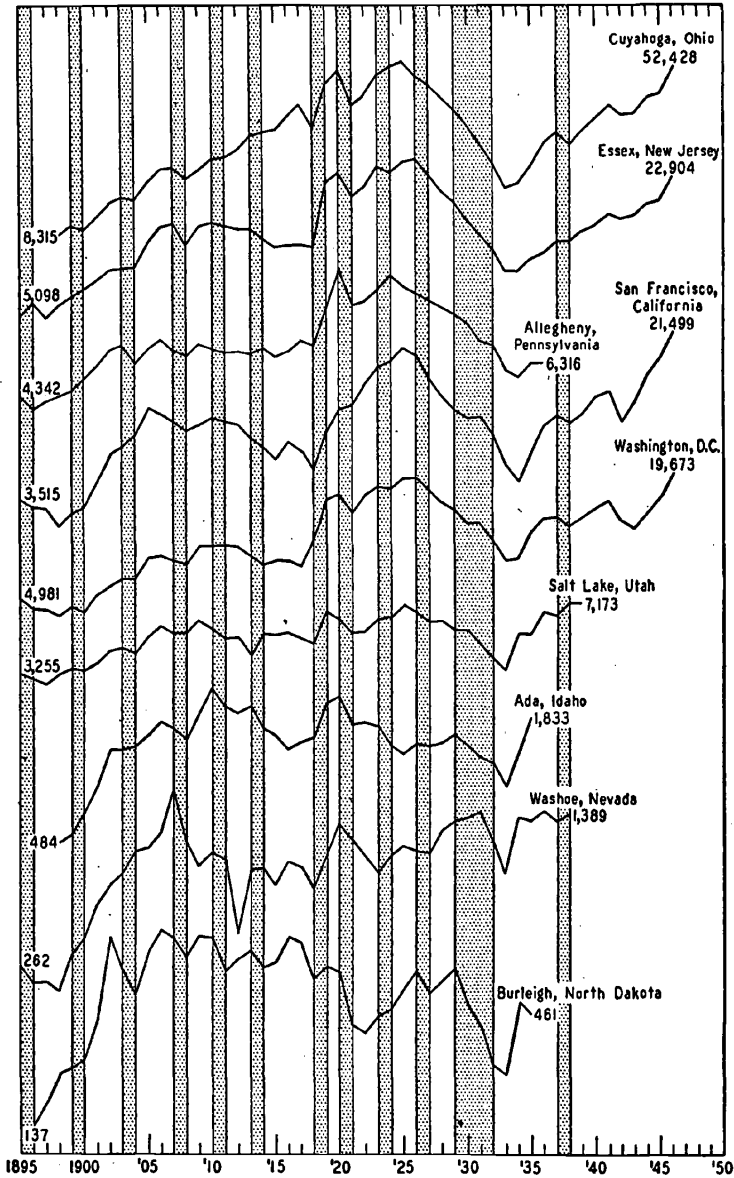
TABLE A-1 — (concluded)

Year	San Francisco, Cal.	Ada, Idaho	Washoe, Nev.	Essex, N. J.	Burlingh, N. D.	Cuyahoga, Ohio	Allegheny, Pa.	Salt Lake, Utah	Washington, D. C.
1922	12,519	1,796	910	20,882	374	37,640	12,497	5,267	15,100
1923	14,940	1,718	743	25,592	456	47,662	14,072	5,803	16,696
1924	15,650	1,397	898	23,752	479	51,023	16,593	6,022	16,079
1925	18,282	1,270	1,000	26,073	603	54,618	14,398	6,913	18,168
1926	16,543	1,424	935	27,360	735	46,704	13,755	6,436	18,227
1927	12,960	1,387	913	23,164	585	42,325	12,606	5,755	16,054
1928	10,980	1,464	1,165	19,931	666	37,345	11,534	5,807	14,016
1929	9,416	1,562	1,303	17,647	756	33,700	10,697	5,373	13,210
1930	8,528	1,394	1,367	14,228	499	27,055	9,651	5,204	11,160
1931	8,548	1,241	1,429	12,759	391	22,925	7,891	4,590	11,198
1932	7,139	1,169	1,090	10,519	268	18,159	7,594	3,817	9,300
1933	5,158	879	721	8,388	240	13,960	5,823	3,385	7,550
1934	4,368	1,313	1,355	8,342	527	14,466	5,490	5,076	7,687
1935	5,839	1,833	1,304	9,425	461	17,586	6,238	5,075	10,238
1936	7,949	b	1,444	10,004	b	22,612	6,316	6,538	11,844
1937	8,701	b	1,309	11,240	b	25,727	b	6,211	12,057
1938	8,190	b	1,389	11,563	b	22,154	b	7,101	10,893
1939	8,859	b	b	12,730	b	26,106	b	7,173	11,967
1940	10,658	b	b	13,726	b	29,514	b	b	13,167
1941	11,707	b	b	15,307	b	34,096	b	b	14,265
1942	8,139	b	b	14,754	b	30,720	b	b	11,468
1943	10,180	b	b	15,058	b	31,207	b	b	10,763
1944	13,559	b	b	16,963	b	37,063	b	b	12,627
1945	16,332	b	b	17,958	b	38,892	b	b	14,762
1946	21,499	b	b	22,904	b	52,428	b	b	19,673

a Data made available by the Federal Housing Administration, Division of Research and Statistics.

b Data not available.

CHART A-1 — NUMBER OF DEEDS RECORDED IN EIGHT COUNTIES AND THE DISTRICT OF COLUMBIA, 1895-1946 ^a
 (semilogarithmic scale)



^a Data are from Table A-1. Shaded areas indicate periods of business contraction; reference dates are from Arthur F. Burns and Wesley C. Mitchell, *Measuring Business Cycles* (National Bureau of Economic Research, 1946) p. 78.

In Table A-2 the monthly data which are the basis of the series included in Table A-1 have been combined for each of the years 1898-1946, and then seasonally adjusted as shown in Table A-3. Finally, the seasonally adjusted data were smoothed by a three-month moving average, as shown in Chart A-2. Cyclical movements are noticeable in the combined series, the first pronounced decline beginning in mid-1903; recovery was prompt, however, and the number of recordings rose to peaks in 1906 and 1907 and then declined rapidly after mid-1907 (Chart A-2). By the end of 1909, a high plateau was reached and maintained until mid-1914 when there was another pronounced six-month decline. Recovery from the beginning of 1915 through most of 1916 was rapid, but irregular declines then set in and extended through 1918. With the end of World War I, a spectacular rise began and continued until early 1920. During 1920, a considerable decline came that brought the number of deeds recorded to a point about midway between the low of 1918 and the high of 1920. There was little change through most of the year 1921, but a major advance began in the last quarter of the year and continued, albeit with a sharp interruption in 1924, through mid-1925. The rapid decline that began at that time continued without considerable interruption until early 1933, bringing the number of deeds recorded in these nine areas back to the level of 1904. After 1933, recovery was again rapid, reaching—almost without interruption—a peak in early 1937, declining until mid-1938, and then increasing uninterruptedly to mid-1941.

With the outbreak of World War II, a decline set in that continued until the beginning of 1943, when the number of deeds recorded began to increase gradually. After the surrender of Japan, the rise became very rapid and an all-time peak was reached in early 1946. From that peak a new decline began in the year 1946.

There is, besides the cyclical fluctuations, a seasonal pattern in the number of deeds recorded.³ The number recorded is low from November through February and then rises to a high point in May and June; in the summer months, the number declines, but increases again during October to a level comparable to that of May and June. These seasonal fluctuations are doubtless related to the traditional moving days of spring and autumn.

MORTGAGE RECORDINGS

For a number of reasons, it is impossible for a series on the number of mortgage recordings to serve as an accurate index of the amount of new

³ The index of seasonal change for the years 1924-46 for the county data is as follows:

January	89.6	May	108.2	September	97.6
February	83.2	June	109.3	October	108.7
March	100.0	July	103.5	November	96.2
April	106.0	August	101.9	December	95.8

TABLE A-2 — NUMBER OF DEEDS RECORDED IN EIGHT COUNTIES AND THE DISTRICT OF COLUMBIA, BY MONTHS, JANUARY 1898 TO DECEMBER 1946^a

(unadjusted data)

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1898	2,433	2,214	3,190	2,656	2,389	2,891	1,996	1,995	2,119	2,782	2,420	2,282
1899	2,413	2,196	2,779	3,164	3,118	2,838	2,588	2,413	2,480	3,077	2,634	2,599
1900	2,750	2,377	2,887	2,968	3,006	3,002	2,700	2,578	2,379	3,136	2,485	2,770
1901	2,849	2,543	3,264	3,704	3,941	3,275	3,439	2,964	2,699	3,705	3,141	3,240
1902	3,476	3,054	3,834	4,830	4,184	3,928	3,842	3,390	3,852	4,325	3,752	3,789
1903	3,633	3,333	3,673	4,682	4,454	4,789	4,156	3,904	3,656	4,167	3,578	3,586
1904	3,082	3,182	4,377	4,253	4,262	4,601	3,925	3,881	3,694	4,174	3,966	3,882
1905	3,812	3,559	4,567	4,912	5,950	5,416	4,808	4,665	4,890	5,670	5,341	4,967
1906	5,172	4,857	6,343	5,730	5,919	5,657	5,531	5,100	4,808	5,742	5,393	5,034
1907	5,111	4,698	5,605	6,562	6,644	5,817	5,645	5,243	4,842	5,724	4,050	3,560
1908	4,127	3,622	4,491	5,038	5,147	4,685	5,001	4,241	4,691	5,266	4,647	4,745
1909	4,702	4,121	5,759	6,252	5,745	5,848	5,333	4,821	5,118	5,588	5,703	5,655
1910	5,134	4,407	5,958	6,538	6,345	5,955	5,494	5,418	5,255	5,749	5,493	5,345
1911	4,825	4,588	5,814	6,067	6,160	5,848	5,378	5,260	4,907	5,975	5,384	5,036
1912	4,987	4,487	5,282	5,937	6,446	5,574	6,121	5,363	4,983	5,997	5,404	5,161
1913	5,318	5,242	5,414	6,087	6,029	5,654	5,722	5,036	5,557	6,181	5,023	5,236
1914	5,479	4,522	5,500	6,303	6,422	5,845	6,514	5,213	4,849	5,736	5,396	4,186
1915	4,529	4,116	5,553	5,868	5,855	5,667	5,901	5,226	5,138	5,870	5,364	5,372
1916	4,816	4,496	5,778	6,082	6,438	6,447	5,972	5,745	6,106	7,091	6,465	5,807
1917	5,883	4,924	6,528	6,738	6,824	6,694	6,290	6,298	5,629	7,034	6,519	5,332
1918	4,904	3,996	5,163	6,312	6,724	6,371	6,230	5,929	5,412	5,835	4,636	4,704
1919	5,174	5,132	6,889	8,675	9,242	10,033	10,136	9,859	9,986	12,323	10,707	11,095
1920	10,491	8,824	12,224	13,068	12,695	12,752	10,871	9,406	8,829	9,346	8,181	7,753
1921	6,877	6,405	7,915	8,792	8,904	8,997	8,230	7,685	7,701	8,237	7,482	7,493

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TABLE A-2 — (concluded)

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1922	7,267	6,715	8,458	8,637	9,672	9,937	8,900	8,640	9,272	10,146	9,842	9,449
1923	8,598	7,700	10,333	11,124	12,623	11,938	11,324	10,635	9,931	11,938	11,036	10,502
1924	10,105	9,447	11,124	11,682	11,759	10,790	10,830	10,210	10,635	12,905	11,039	11,367
1925	10,432	8,603	11,194	13,118	13,624	12,970	13,212	11,511	11,914	12,840	10,986	10,921
1926	10,651	10,008	11,312	11,654	11,534	12,485	11,508	10,428	10,733	11,396	10,252	10,158
1927	9,143	7,902	10,870	11,036	10,590	10,388	9,652	9,880	9,194	9,505	8,804	8,785
1928	8,158	7,880	9,430	9,235	9,688	9,540	8,794	8,519	7,699	8,979	7,885	7,101
1929	7,443	6,784	7,885	8,911	8,843	8,299	8,349	7,797	7,425	8,256	7,357	6,515
1930	6,304	6,373	6,617	7,285	7,554	6,963	7,006	6,316	6,338	6,903	5,473	5,951
1931	5,728	5,376	6,258	6,198	6,404	6,601	6,127	5,706	5,563	6,136	5,234	5,641
1932	5,093	4,743	5,366	5,553	5,130	5,848	4,900	4,881	4,589	4,675	4,049	4,228
1933	4,006	3,854	3,998	3,695	4,066	4,083	3,814	3,932	3,471	4,070	3,570	3,545
1934	3,849	3,191	4,047	3,937	4,162	4,128	4,187	4,084	3,861	4,623	4,378	4,177
1935	4,366	3,929	4,488	4,895	4,944	4,894	4,991	5,018	4,612	5,717	5,141	5,004
1936	4,731	4,815	5,249	5,691	5,810	6,724	6,275	6,073	5,662	6,604	5,325	6,295
1937	5,253	4,945	6,816	7,227	6,846	6,685	6,955	6,086	6,627	6,450	5,853	5,608
1938	5,336	4,727	6,042	6,160	6,227	6,456	5,759	5,988	5,902	6,229	5,678	5,865
1939	5,407	4,754	6,474	6,348	7,093	7,536	6,544	6,880	6,445	7,210	6,661	6,608
1940	6,396	5,875	6,824	7,861	8,426	7,629	7,710	8,021	7,294	8,233	7,932	7,124
1941	7,216	6,580	8,144	9,380	9,813	9,181	9,135	8,686	8,717	9,712	7,835	8,453
1942	6,763	6,302	7,501	8,182	8,138	8,217	8,125	7,319	7,603	8,285	6,649	6,523
1943	5,858	5,405	6,842	7,795	7,766	8,278	8,120	8,263	8,358	8,781	8,241	7,637
1944	7,344	6,841	8,571	8,540	9,573	9,801	9,118	10,859	9,813	10,346	9,175	8,780
1945	8,650	7,496	10,128	10,287	11,090	10,844	10,132	10,667	8,294	11,372	11,720	10,703
1946	13,737	11,399	14,685	15,453	15,516	13,977	15,965	14,641	12,229	14,155	11,095	10,803

^a Data made available by the Federal Housing Administration, Division of Research and Statistics. The eight counties are those included in Table A-1. For the period from April 1936 to December 1946, monthly totals include estimates of the number of deeds recorded in certain counties for which data were not available.

TABLE A-3 — NUMBER OF DEEDS RECORDED IN EIGHT COUNTIES AND THE DISTRICT OF COLUMBIA, BY MONTHS, JANUARY 1924 TO DECEMBER 1946^a

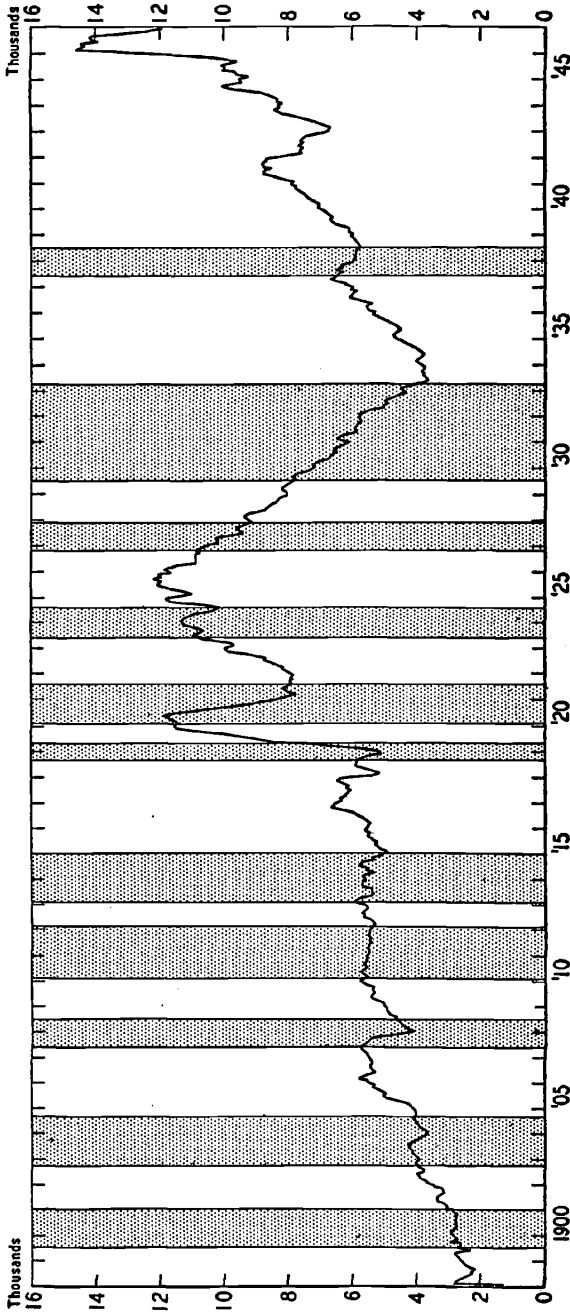
(seasonally adjusted)

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1924	11,278	11,355	11,124	11,021	10,868	9,872	10,464	10,020	10,897	11,872	11,475	11,865
1925	11,643	10,340	11,194	12,375	12,591	11,866	12,765	11,296	12,207	11,812	11,420	11,400
1926	11,887	12,029	11,312	10,994	10,660	11,423	11,119	10,234	10,997	10,484	10,657	10,603
1927	10,204	9,498	10,870	10,411	9,787	9,504	9,326	9,696	9,420	8,744	9,152	9,170
1928	9,105	9,471	9,430	8,712	8,954	8,728	8,497	8,360	7,888	8,260	8,196	7,412
1929	8,307	8,154	7,885	8,407	8,173	7,593	8,067	7,652	7,608	7,595	7,648	6,801
1930	7,036	7,660	6,617	6,873	6,982	6,371	6,769	6,198	6,494	6,351	5,689	6,212
1931	6,393	6,462	6,258	5,847	5,919	6,039	5,920	5,600	5,700	5,645	5,441	5,888
1932	5,684	5,701	5,366	5,239	4,741	5,350	4,784	4,790	4,702	4,301	4,209	4,413
1933	4,471	4,632	3,998	3,486	3,758	3,736	3,685	3,859	3,556	3,744	3,711	3,700
1934	4,296	3,835	4,047	3,714	3,847	3,777	4,045	4,008	3,956	4,253	4,551	4,360
1935	4,873	4,722	4,488	4,618	4,569	4,478	4,822	4,924	4,725	5,259	5,344	5,223
1936	5,280	5,787	5,249	5,369	5,370	6,152	6,063	5,960	5,801	6,075	5,535	6,571
1937	5,863	5,944	6,816	6,818	6,327	6,116	6,720	5,973	6,790	5,934	6,084	5,854
1938	5,955	5,682	6,042	5,811	5,755	5,907	5,564	5,876	6,047	5,731	5,902	6,122
1939	6,035	5,714	6,474	5,989	6,556	6,895	6,323	6,752	6,604	6,633	6,924	6,898
1940	7,138	7,061	6,824	7,416	7,787	6,980	7,449	7,871	7,473	7,574	8,245	7,436
1941	8,054	7,909	8,144	8,849	9,069	8,347	8,826	8,524	8,931	8,935	8,145	8,824
1942	7,548	7,575	7,501	7,719	7,521	7,518	7,850	7,183	7,790	7,622	6,912	6,809
1943	6,538	6,496	6,842	7,354	7,177	7,574	7,845	8,109	8,564	8,078	8,567	7,972
1944	8,196	8,222	8,571	8,057	8,848	8,967	8,810	10,657	10,054	9,518	9,537	9,165
1945	9,654	9,010	10,128	9,705	10,250	9,921	9,789	10,468	8,498	10,462	12,183	11,172
1946	15,332	13,701	14,685	14,578	14,340	12,788	15,425	14,368	12,530	13,022	11,533	11,277

^a Data made available by the Federal Housing Administration, Division of Research and Statistics, and seasonally adjusted for the years 1924-46 by the National Bureau of Economic Research. Data prior to 1924 were seasonally adjusted by the FHA; original data are not available. For seasonal factors used for 1924-46, see Appendix A, footnote 3. The eight counties are those included in Table A-1. For the period from April 1936 to December 1946, monthly totals include estimates of the number of deeds recorded in certain counties for which data were not available.

CHART A-2 — NUMBER OF DEEDS RECORDED IN EIGHT COUNTIES AND THE DISTRICT OF COLUMBIA, BY MONTHS, JANUARY 1898 TO NOVEMBER 1946^a

(seasonally adjusted and smoothed by a three-month moving average)



^a Unadjusted data are shown in Table A-2; seasonally adjusted data before three-month moving average was applied are shown in Table A-3. Shaded areas indicate periods of business contraction; reference dates are from Arthur F. Burns and Wesley C. Mitchell, *Measuring Business Cycles* (National Bureau of Economic Research, 1946) p. 78, except for three reference dates that have since been revised: September 1921 revised to July 1921, December 1927 revised to November 1927, and May 1938 revised to June 1938.

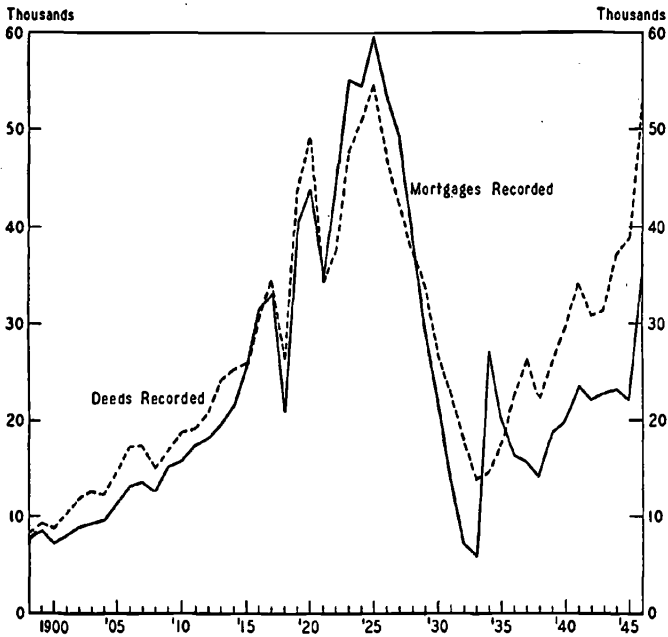
mortgage credit advanced. Recordations of mortgages frequently occur in connection with the recasting of a mortgage, although there may be no extension of credit involved, and it is not unusual for a single mortgage to cover a group of houses and later to have individual mortgages substituted for it as the houses are sold. Also, data on the number of mortgages fail to reveal changes in the average size of new mortgage loans and shifts in the relative importance of the different types of structures being mortgaged.

There are also cases of bona fide sales in which no mortgage is recorded: for example, where the purchaser assumes an existing mortgage, or takes title subject to it, where a sales contract is drawn (although this may eventually result in a mortgage), and where the buyer provides the entire purchase price from his own resources, without recourse to borrowing. On the other hand, mortgage credit may be extended for purposes other than the transfer of a fee, such as for the construction of a new building, or an addition to an existing one, for repair and modernization, for refinancing of an existing debt, or for the purchase of household equipment. In addition, a homeowner may borrow money, giving a mortgage as security, for any of a variety of purposes, such as the purchase of an automobile, financing a child's education, or setting up a business.

Nonetheless, since the bulk of bona fide real estate sales are consummated with the aid of credit, a close relationship is to be expected between the number of deeds and the number of mortgages recorded. Such a relationship is indicated by data for Cuyahoga County, Ohio, for which the two series are available for the years since 1898 (Chart A-3). The number of deeds and mortgages recorded are closely related; but, in the decline after 1925, the number of mortgages recorded fell to a lower level than the number of deeds and rose more slowly in the subsequent recovery. The sharp rise which will be noted in the number of mortgages recorded in 1934 is due in large part to the large-scale refinancing operations undertaken by the Home Owners' Loan Corporation during this period.

Data on the number of mortgage recordings are also available for nine counties—San Francisco (San Francisco, California), Ada (Boise, Idaho), Marion (Indianapolis, Indiana), Lewis and Clark (Helena, Montana), Burleigh (Bismarck, North Dakota), Cuyahoga (Cleveland, Ohio), Philadelphia (Philadelphia, Pennsylvania), Washoe (Reno, Nevada), and Erie (Buffalo, New York)—extending back to the turn of the century (Table A-4 and Chart A-4) and representing a wide variety of types of communities and areas. A generally upward movement, beginning at the turn of the century or earlier, continued for six of the nine counties (San Francisco, Cuyahoga, Philadelphia, Marion, Erie, and Washoe) until the mid-twen-

CHART A-3 — NUMBER OF DEEDS AND MORTGAGES RECORDED IN CUYA-HOGA COUNTY, OHIO, 1898-1946 ^a



^a Data are from Tables A-1 and A-4, except data for 1898 on mortgages recorded, which are from records of the Federal Housing Administration, Division of Research and Statistics.

ties, when mortgage recordings fell off at a rapid rate, continuing through 1933. In all these six counties having cities with large populations concentrated in industrial-commercial centers, except Washoe, there was some retardation of growth or actual setback around 1907 or 1908, and again in 1920, or soon afterward. The sharp recovery in 1934 was followed by a decline in 1935 and then a generally upward movement, accelerating sharply in most cases in 1944. The movement of the series for the counties in which Boise, Bismarck, and Helena are located is on a somewhat different pattern, the early growth continuing only until 1910 or 1912 in the first two and until 1919 in the latter. These counties also experienced the decline culminating in 1933 and the sharp increase toward the end of the thirties.

Mortgage recordings for the nine counties combined are presented in Chart A-5 on a monthly basis, adjusted for seasonal variation and smoothed by a three-month moving average. The unadjusted data and the seasonally adjusted data before a three-month moving average was applied are shown in Tables A-5 and A-6, respectively. The series, as

TABLE A-4 — NUMBER OF MORTGAGES RECORDED IN NINE COUNTIES, 1899-1946 ^a

Year	San Francisco, Cal.	Ada, Idaho	Marion, Ind.	Lewis & Clark, Mont.	Burlingh, N. D.	Cuyahoga, Ohio	Philadelphia, Pa.	Washoe, Neu.	Erie, N. Y.
1899	3,925	293	5,646	132	58	8,474	22,825	106	7,874
1900	4,010	369	5,767	142	104	7,225	22,915	105	5,634
1901	4,111	447	5,700	147	128	8,042	22,430	102	5,054
1902	4,783	642	5,786	149	250	8,823	23,255	115	6,092
1903	5,194	693	7,882	148	232	9,125	30,540	157	6,259
1904	6,116	764	8,171	144	206	9,775	32,750	165	6,519
1905	6,746	905	8,900	162	312	11,445	35,350	170	6,560
1906	5,488	1,012	8,888	184	575	13,156	35,670	123	6,382
1907	6,401	914	8,727	173	632	13,622	33,720	225	7,496
1908	6,257	1,065	6,477	156	903	12,511	24,650	194	6,541
1909	8,005	1,390	6,471	184	998	15,057	24,810	215	6,899
1910	8,690	1,492	8,909	187	1,092	15,837	35,950	264	7,397
1911	8,716	1,491	7,890	227	881	17,486	31,770	197	7,592
1912	9,504	1,631	8,279	220	1,021	18,215	32,980	204	8,260
1913	8,763	1,492	7,847	244	1,121	19,635	29,953	198	9,173
1914	9,299	1,239	8,574	209	830	21,472	31,786	212	9,210
1915	9,033	1,035	9,290	238	850	25,737	34,979	249	9,174
1916	10,087	1,009	9,546	281	1,036	31,343	37,088	255	9,733
1917	9,047	1,024	8,401	333	1,129	33,249	35,632	275	10,124
1918	6,410	932	5,964	306	737	20,927	40,277	237	9,482
1919	8,748	1,306	15,488	384	975	40,591	71,267	304	14,776
1920	10,561	1,255	15,929	307	816	43,980	82,456	310	15,256
1921	12,273	1,181	17,450	256	576	34,624	52,689	396	14,003
1922	15,713	1,367	19,601	250	460	48,592	78,305	407	17,103
1923	18,595	1,238	20,899	241	487	55,063	103,839	431	21,943
1924	19,895	960	21,536	207	413	54,458	95,108	418	23,380

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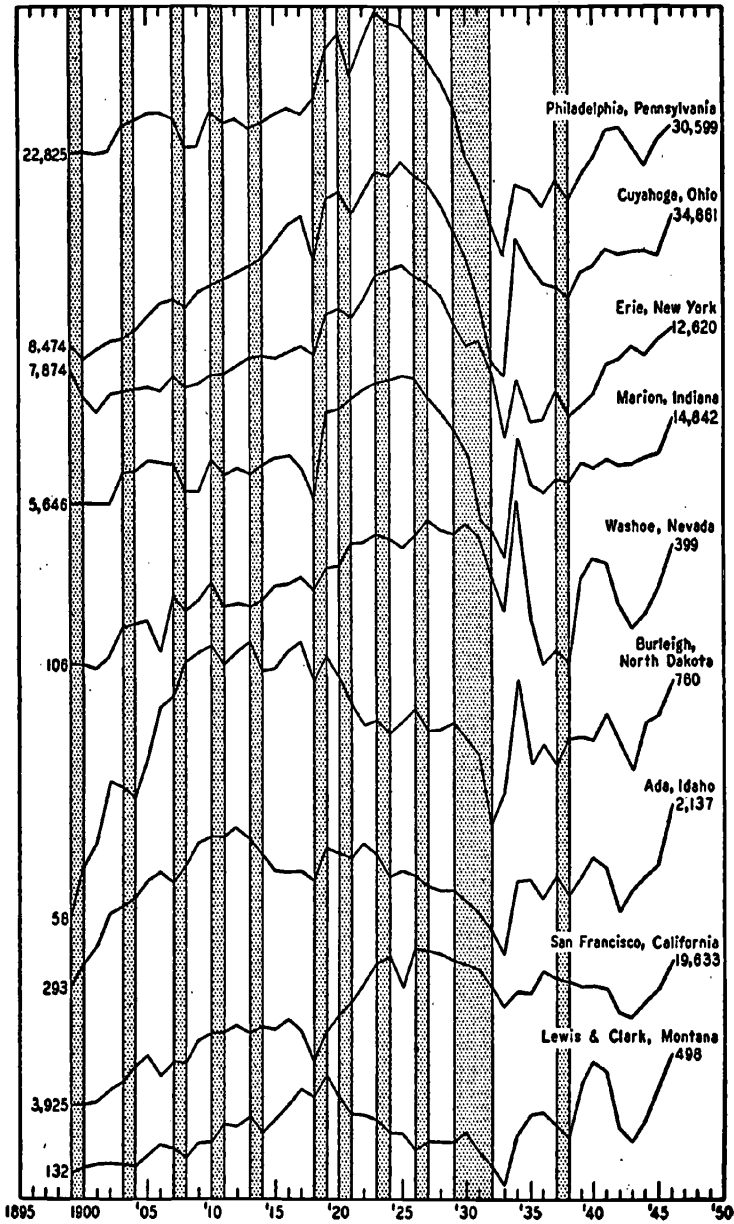
TABLE A-4 — (concluded)

Year	San Francisco, Cal.	Ada, Idaho	Marion, Ind.	Lewis & Clark, Mont.	Burleigh, N. D.	Cuyahoga, Ohio	Philadelphia, Pa.	Washoe, Nev.	Erie, N. Y.
1925	14,211	1,038	22,685	203	474	59,659	91,989	379	24,490
1926	21,571	986	22,359	172	541	53,247	76,851	430	21,855
1927	21,174	846	17,487	189	429	49,278	64,130	515	20,025
1928	20,735	822	15,431	189	431	38,963	52,190	460	17,691
1929	19,300	820	12,904	190	468	29,568	37,886	442	13,064
1930	18,418	741	9,615	207	398	22,416	21,225	497	10,162
1931	17,467	643	4,794	167	340	14,264	16,833	429	10,704
1932	14,522	536	4,112	142	156	7,097	10,499	284	7,371
1933	11,785	412	3,136	114	221	6,016	7,608	188	3,869
1934	13,380	921	11,675	204	753	27,219	16,287	640	7,138
1935	13,352	932	7,195	256	297	20,347	15,638	184	4,553
1936	17,048	764	6,409	259	375	16,365	12,964	109	4,596
1937	15,874	955	7,390	229	300	15,623	16,750	123	6,125
1938	15,209	783	7,119	200	394	14,248	13,835	103	4,880
1939	14,600	927	8,781	354	403	18,669	17,833	273	5,316
1940	14,656	1,157	8,392	425	377	19,883	21,258	338	6,128
1941	14,077	1,065	9,140	405	533	23,580	29,310	323	8,439
1942	10,888	645	8,551	219	384	22,256	30,080	204	9,120
1943	10,521	820	8,615	190	280	22,650	25,603	160	10,013
1944	12,555	950	9,237	235	481	23,169	19,965	188	9,422
1945	14,346	1,080	9,831	348	521	22,019	26,370	257	11,059
1946	19,633	2,137	14,842	498	760	34,861	30,559	399	12,620

^a Data made available by the Federal Housing Administration, Division of Research and Statistics, with the exception of data for the periods and counties listed below, which are estimates by the author: 1899-1912: Philadelphia, Pa.; 1936-46: Ada, Idaho; Lewis and Clark, Montana; Burleigh, North Dakota; 1937-46: Philadelphia, Pa.; Erie, New York; 1939-46: Cuyahoga, Ohio; Washoe, Nevada; and 1939 and 1946: Marion, Indiana. Prior to 1939, estimates were made on the basis of trends in comparable areas, relevant economic series, and real estate annals. Estimates for 1939-46 were derived from records of nonfarm mortgages of \$20,000 or less collected by the Home Loan Bank Board.

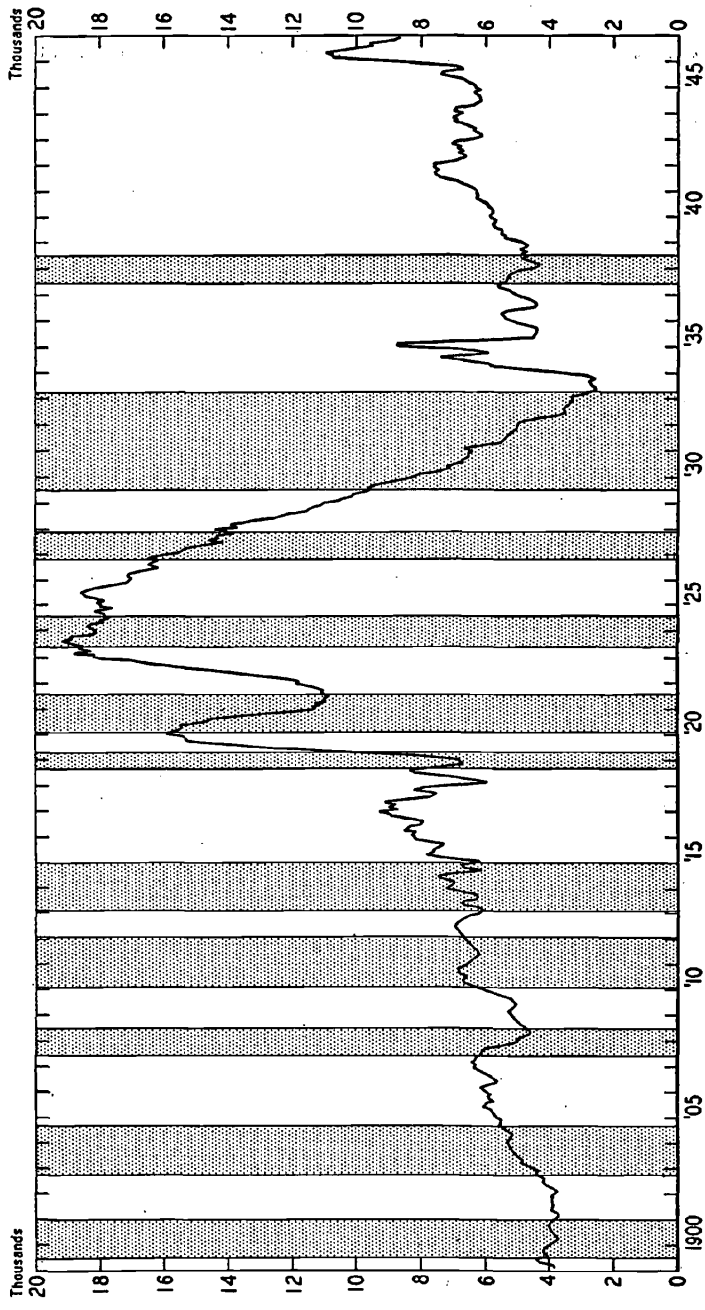
CHART A-4 — NUMBER OF MORTGAGES RECORDED IN NINE COUNTIES,
1899-1946 ^a

(semilogarithmic scale)



^a Data are from Table A-4. Shaded areas indicate periods of business contraction; reference dates are from Arthur F. Burns and Wesley C. Mitchell, *Measuring Business Cycles* (National Bureau of Economic Research, 1946) p. 78.

CHART A-5 — NUMBER OF MORTGAGES RECORDED IN NINE COUNTIES, BY MONTHS, FEBRUARY 1899 TO NOVEMBER 1946^a
(seasonally adjusted and smoothed by a three-month moving average)



^a Unadjusted data are shown in Table A-5; seasonally adjusted data before three-month moving average are shown in Table A-6. Shaded areas indicate periods of business contraction; reference dates are from Arthur F. Burns and Wesley C. Mitchell, *Measuring Business Cycles* (National Bureau of Economic Research, 1946) p. 78, except for three reference dates that have since been revised: September 1921 revised to July 1921, December 1927 revised to November 1927, and May 1938 revised to June 1938.

TABLE A-5 — NUMBER OF MORTGAGES RECORDED IN NINE COUNTIES, BY MONTHS, JANUARY 1899 TO DECEMBER 1946^a
(unadjusted data)

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1899	3,460	3,262	3,845	4,280	5,470	4,338	4,199	4,216	4,134	4,459	3,900	3,770
1900	3,548	3,207	3,684	4,040	4,141	4,091	4,048	4,082	3,957	4,220	3,664	3,627
1901	3,482	3,138	3,805	4,215	4,316	3,977	4,122	3,986	3,743	4,159	3,632	3,586
1902	3,500	3,204	3,874	4,402	4,581	4,316	4,423	4,297	4,407	4,689	4,056	4,096
1903	4,323	4,376	4,685	5,243	5,230	5,346	5,342	5,214	5,127	5,417	4,947	4,982
1904	4,803	4,685	5,091	5,545	5,626	5,670	5,643	5,727	5,625	5,670	5,294	5,231
1905	5,288	5,027	5,700	6,279	6,330	6,977	5,780	6,065	5,813	6,091	5,752	5,443
1906	5,657	5,358	5,971	5,927	6,094	5,988	6,107	6,169	5,889	6,270	6,294	5,706
1907	6,004	5,611	6,166	6,864	6,823	6,435	6,427	6,350	5,851	6,056	4,670	4,653
1908	4,718	4,262	4,517	4,977	4,828	4,938	5,308	4,794	4,979	5,308	4,869	4,866
1909	4,793	4,575	5,186	5,486	5,339	5,377	5,510	5,270	5,320	5,723	5,694	5,759
1910	5,707	5,615	6,575	7,320	6,893	6,998	7,082	7,081	6,818	6,935	6,683	6,161
1911	5,883	5,632	6,343	6,625	6,708	6,543	6,566	6,509	6,254	6,757	6,227	6,193
1912	6,166	5,842	6,632	7,380	7,381	7,187	7,515	6,894	6,373	7,241	6,043	5,660
1913	5,771	5,141	6,244	7,356	7,391	6,724	7,048	5,882	6,150	7,101	6,488	7,110
1914	6,723	5,692	6,944	7,878	7,739	8,172	7,981	6,177	5,890	6,720	7,358	5,657
1915	5,676	5,721	8,122	8,334	8,047	8,041	8,190	7,156	7,315	7,766	7,962	8,255
1916	6,577	7,200	8,330	8,948	9,106	8,927	8,206	8,261	8,085	9,302	9,260	8,226
1917	8,410	6,624	9,393	9,280	9,908	9,038	8,366	7,462	7,075	8,870	8,492	6,296
1918	5,528	4,732	5,977	7,598	8,111	8,669	9,447	8,228	6,584	7,282	6,412	6,306
1919	6,590	6,838	8,916	12,226	13,734	14,113	15,373	14,723	14,898	16,656	14,181	15,591
1920	14,453	12,117	15,679	16,781	16,051	16,149	16,000	14,262	13,603	13,678	11,105	10,992
1921	9,419	9,926	10,821	11,823	11,861	11,880	11,806	11,219	10,718	11,482	11,167	11,326
1922	10,561	9,668	13,043	13,559	15,912	15,745	15,823	16,209	15,584	17,872	16,882	16,440

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TABLE A-5 - (concluded)

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1923	17,407	14,829	18,993	18,990	20,799	20,657	20,580	19,673	16,722	20,273	17,550	16,263
1924	16,624	15,888	17,403	19,628	19,315	19,269	19,342	18,197	17,014	19,676	15,930	18,089
1925	15,998	14,277	18,347	19,694	19,989	20,174	20,844	17,571	17,221	18,802	15,777	16,434
1926	15,298	13,743	17,562	17,947	16,870	18,289	17,915	16,174	15,906	16,949	16,064	15,295
1927	13,394	12,838	15,753	15,507	15,363	16,044	15,167	15,162	13,296	14,820	13,316	13,413
1928	11,945	11,343	14,567	13,057	13,853	13,745	12,643	12,052	10,543	12,367	10,800	9,996
1929	9,948	8,364	10,140	10,825	10,752	10,152	10,542	9,793	8,700	9,691	8,096	7,639
1930	7,162	6,775	6,601	7,782	7,924	7,307	7,604	6,552	6,411	7,328	5,765	6,468
1931	5,850	5,502	5,808	5,884	5,802	5,834	5,952	5,122	4,888	5,570	4,552	4,927
1932	4,478	4,018	4,167	4,105	3,579	3,871	3,795	3,522	3,346	3,421	3,111	3,306
1933	2,669	2,720	2,292	2,767	2,730	2,534	3,300	2,573	2,377	2,893	2,998	3,496
1934	4,281	4,461	5,836	6,612	5,965	8,201	8,835	6,568	4,715	6,858	7,161	8,724
1935	7,706	5,989	5,450	4,873	4,894	4,571	5,155	4,693	4,280	5,258	4,855	5,030
1936	4,272	4,249	5,177	5,258	5,463	4,751	4,899	4,679	4,634	5,309	4,514	5,038
1937	4,113	3,961	5,118	5,799	5,820	6,066	5,866	5,708	5,302	6,107	4,683	4,331
1938	3,567	3,144	4,189	4,803	4,884	5,707	4,895	5,333	5,035	5,465	4,406	4,410
1939	4,470	3,938	5,206	5,273	5,883	6,273	6,162	6,545	5,904	6,389	5,851	5,362
1940	4,873	4,555	4,998	5,862	6,537	6,519	6,631	6,910	6,665	6,970	6,183	5,917
1941	5,167	5,065	5,976	6,781	7,964	8,069	8,596	7,957	8,055	8,520	7,081	7,641
1942	6,229	5,444	6,006	6,696	7,324	7,215	8,248	6,737	7,391	8,302	6,678	6,094
1943	5,005	4,654	5,824	6,105	7,157	7,000	7,462	7,373	7,524	7,495	7,018	6,265
1944	5,316	6,075	5,986	6,223	6,645	7,263	6,410	6,647	6,845	6,881	6,363	5,548
1945	5,412	5,028	5,940	6,554	7,664	8,515	8,293	7,338	6,095	8,876	8,502	7,666
1946	8,986	7,771	10,089	10,858	11,598	9,780	11,104	10,305	9,531	10,020	8,290	7,977

^a Data made available by the Federal Housing Administration, Division of Research and Statistics. For a listing of the nine counties and the periods for which data are estimated, see Table A-4.

TABLE A-6 — NUMBER OF MORTGAGES RECORDED IN NINE COUNTIES, BY MONTHS, JANUARY 1899 TO DECEMBER 1946^a
(seasonally adjusted)

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1899	3,757	3,745	3,900	3,948	5,098	4,112	3,961	4,117	4,218	4,231	4,071	4,036
1900	3,852	3,682	3,736	3,727	3,859	3,878	3,819	3,988	4,038	4,004	3,825	3,883
1901	3,781	3,603	3,859	3,888	4,022	3,770	3,889	3,893	3,819	3,946	3,859	3,889
1902	3,800	3,679	3,929	4,061	4,269	4,091	4,173	4,196	4,497	4,449	4,234	4,385
1903	4,694	5,024	4,752	4,837	4,874	5,067	5,040	5,092	5,232	5,139	5,164	5,334
1904	5,215	5,379	5,163	5,115	5,243	5,374	5,324	5,593	5,740	5,380	5,526	5,601
1905	5,742	5,772	5,781	5,792	5,899	6,613	5,453	5,923	5,932	5,779	6,004	5,828
1906	6,142	6,152	6,056	5,468	5,679	5,676	5,761	6,024	6,009	5,949	6,570	6,109
1907	6,519	6,442	6,254	6,332	6,359	6,100	6,063	6,201	5,970	5,746	4,875	4,982
1908	5,123	4,893	4,581	4,591	4,500	4,681	5,008	4,682	5,081	5,036	5,082	5,210
1909	5,204	5,253	5,260	5,061	4,976	5,097	5,198	5,146	5,429	5,430	5,944	6,166
1910	6,197	6,447	6,668	6,753	6,424	6,633	6,681	6,866	6,957	6,580	6,976	6,596
1911	6,388	6,466	6,433	6,112	6,252	6,202	6,194	6,356	6,382	6,411	6,500	6,631
1912	6,695	6,707	6,726	6,808	6,879	6,812	7,090	6,732	6,503	6,870	6,308	6,060
1913	6,266	5,902	6,333	6,786	6,888	6,373	6,649	5,744	6,276	6,737	6,772	7,612
1914	7,300	6,535	7,043	7,268	7,212	7,746	7,529	6,092	6,010	6,376	7,681	6,057
1915	6,163	6,568	8,237	7,688	7,500	7,622	7,726	6,988	7,464	7,368	8,311	8,838
1916	7,382	8,602	8,389	8,449	8,293	8,235	7,460	8,245	8,511	8,581	9,727	8,659
1917	9,439	7,914	9,459	8,763	9,024	8,338	7,605	7,447	7,447	8,183	8,920	6,627
1918	6,204	5,654	6,019	7,175	7,751	7,997	8,588	8,212	6,931	6,718	6,735	6,638
1919	7,396	8,170	8,979	11,545	12,508	13,019	13,975	14,694	15,682	15,365	14,896	16,412
1920	16,221	14,477	15,790	15,846	14,618	14,898	14,545	14,234	13,603	12,618	11,665	11,571
1921	10,571	11,859	10,897	11,164	10,802	10,959	10,733	11,197	11,282	10,592	11,730	11,922
1922	11,853	11,551	13,135	12,804	14,492	14,525	14,385	16,177	16,404	16,487	17,793	17,305

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TABLE A-6 - (concluded)

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1923	19,536	17,717	19,127	17,932	18,943	19,056	18,709	19,634	17,602	18,702	18,435	17,119
1924	18,658	18,982	17,526	18,534	17,591	17,776	17,584	18,161	17,909	18,151	16,733	19,041
1925	17,955	17,057	18,476	18,597	18,205	18,611	18,949	17,536	18,127	17,345	16,572	17,299
1926	17,169	16,419	17,686	16,947	15,364	16,872	16,743	16,286	16,743	15,636	16,874	16,100
1927	15,033	15,338	15,864	14,643	13,992	14,801	13,788	15,132	13,996	13,672	13,987	14,119
1928	13,407	13,552	14,670	12,330	12,617	12,680	11,494	12,028	11,098	11,409	11,345	10,522
1929	11,165	9,993	10,211	10,222	9,792	9,365	9,584	9,773	9,158	8,940	8,504	8,041
1930	8,038	8,094	6,648	7,348	7,217	6,741	6,913	6,539	6,748	6,760	6,056	6,808
1931	6,566	6,573	5,849	5,556	5,284	5,332	5,411	5,112	5,145	5,138	4,782	5,086
1932	5,026	4,800	4,196	3,876	3,260	3,571	3,450	3,514	3,522	3,156	3,268	3,480
1933	2,996	3,250	2,308	2,613	2,486	2,338	3,000	2,568	2,502	2,669	3,149	3,680
1934	4,805	5,330	5,877	6,244	5,433	7,565	8,032	6,555	4,963	6,327	7,522	9,183
1935	9,207	7,758	6,002	4,947	4,453	4,118	4,678	4,309	4,084	4,682	4,855	5,426
1936	5,104	5,504	5,702	5,338	4,971	4,281	4,446	4,297	4,422	4,728	4,514	5,435
1937	4,914	5,131	5,637	5,887	5,296	5,465	5,323	5,242	5,059	5,438	4,683	4,672
1938	4,262	4,073	4,613	4,876	4,444	5,141	4,442	4,897	4,804	4,866	4,406	4,757
1939	5,341	5,101	5,733	5,353	5,353	5,651	5,592	6,010	5,634	5,689	5,851	5,784
1940	5,822	5,900	5,504	5,951	5,948	5,873	6,017	6,345	6,360	6,207	6,183	6,383
1941	6,173	6,561	6,581	6,884	7,247	7,269	7,800	7,307	7,686	7,587	7,081	8,243
1942	7,442	7,052	6,615	6,798	6,664	6,500	7,485	6,186	7,052	7,393	6,678	6,574
1943	5,980	6,028	6,414	6,198	6,512	6,306	6,771	6,770	7,179	6,674	7,018	6,758
1944	6,352	7,869	6,593	6,318	6,046	6,543	5,817	6,104	6,531	6,127	6,363	5,985
1945	6,466	6,513	6,542	6,654	6,974	7,671	7,525	6,738	5,816	7,904	8,502	8,270
1946	10,736	10,066	11,111	11,023	10,553	8,811	10,076	9,463	9,094	8,923	8,290	8,605

a Data made available by the Federal Housing Administration, Division of Research and Statistics, and seasonally adjusted by the National Bureau of Economic Research. For seasonal factors used, see Appendix A, footnote 4. For a listing of the nine counties and the periods for which data are estimated, see Table A-4.

shown in Chart A-5, reveals several cycles of varying duration and amplitude. From 1900 to 1907 there was moderate but consistent growth, followed by a minor decline in 1908. The increase was then resumed with minor undulations until a peak was reached in early 1917, which was followed by a trough in the spring of 1918. Late in 1918, the number of mortgages recorded increased rapidly and in a period of slightly more than one year attained a level twice that of 1917 and four times that of 1900. The postwar economic readjustment of 1920 and 1921 was reflected in a decline in mortgage recordings that reached a point in mid-1921 half way between the previous peaks of 1917 and 1919. The number remained about the same during 1921, but increased to unprecedented heights during 1922 and 1923. Another peak was reached in 1925, after which the number of mortgages recorded went into a sharp and virtually uninterrupted decline, reaching a trough in 1933 at a level about three-fourths that of 1900.

The large-scale refinancing operations of the HOLC in 1934 and 1935 increased the number of mortgages recorded during those years. There were minor peaks in 1935 and 1937 followed by a trough in 1938. The series then proceeded to climb until 1941, was arrested somewhat during the war years, and surged upward after the war.⁴

Another briefer series of mortgage recordings, prepared by the Home Loan Bank Board, and for which annual totals are given in Table A-7, reflects monthly changes in both the number and amount of mortgages recorded and the proportion of the total made by different lenders. This series is based on recordings of nonfarm mortgages of \$20,000 or less for 500 areas containing about three-fifths of the total nonfarm population.

According to these estimates, the number of recordings of nonfarm mortgages of \$20,000 or less rose from 1.3 million in 1939 to approxi-

⁴ The index of seasonal variation in the number of mortgages recorded (computed from the nine counties combined) displayed a decided shift during the period 1899 to 1946 (Chart A-5 and Table A-6). Although the general configuration of seasonality remained the same, the amplitude of the variations increased sharply from one period to the next. In the main, the preponderance of activity came between April and October, the traditional moving dates. Indexes of seasonal variation are as follows:

<i>Month</i>	<i>1899-1915</i>	<i>1916-34</i>	<i>1935-46</i>
January	92.1	89.1	83.7
February	87.1	83.7	77.2
March	98.6	99.3	90.8
April	108.4	105.9	98.5
May	107.3	109.8	109.9
June	105.5	108.4	111.0
July	106.0	110.0	110.2
August	102.4	100.2	108.9
September	98.0	95.0	104.8
October	105.4	108.4	112.3
November	95.8	95.2	100.0
December	93.4	95.0	92.7

TABLE A-7 — ESTIMATED VOLUME OF NONFARM MORTGAGES OF \$20,000 OR LESS RECORDED IN THE UNITED STATES, 1939-49^a
(dollar figures in thousands)

Year	Number	Principal Amount
1939	1,288,032	\$3,506,563
1940	1,455,865	4,031,368
1941	1,628,407	4,731,960
1942	1,351,290	3,942,613
1943	1,273,993	3,861,401
1944	1,445,616	4,605,931
1945	1,638,557	5,649,819
1946	2,497,122	10,589,168
1947	2,566,632	11,728,677
1948	2,534,702	11,882,114
1949	2,487,521	11,828,001

^a 1939: Home Loan Bank Board, *Statistical Summary, 1949*, Tables 17 and 18, pp. 19 and 20; 1940-49: *ibid.*, 1950, Tables 15 and 16, pp. 22 and 23.

mately 2.5 million in 1948 and 1949, and in amount from \$3.5 to about \$11.8 billion. This is a somewhat greater percentage increase in number than was indicated by the data previously presented on total mortgage recordings, a fact that may be partly accounted for by the increase in the building and sale of houses during the war and postwar periods.

FORECLOSURES

Most legal instruments that pledge an interest in land and improvements as security provide, under an "acceleration clause," that upon violation by the debtor of any of the provisions of the agreements, the whole of the unpaid debt becomes due and payable at the option of the creditor. The exercise of this option is a drastic action and is seldom taken for minor infractions.⁵ Thus, a mortgage debtor is not likely to be penalized for a few days' delinquency in the payment of sums due for taxes or insurance, or in maintenance of the improvements; but when delinquency becomes chronic, the creditor may be forced to take drastic action. Taxes, if unpaid, become a lien prior to that of the mortgage creditor, and the latter cannot ignore this deterioration of his position. The acceleration clause may then be invoked and foreclosure proceedings instituted.

The record of foreclosure proceedings is, therefore, a valuable source of information on the changing status of obligations secured by mortgages; but since resort may be had to the security without foreclosure, data on foreclosures probably understate the extent of actual mortgage distress. In many instances, the debtor may be willing to abandon the

⁵ The creditor's acquiescence, however, may be interpreted by the courts as a consent to the modification of the agreement, thus weakening the creditor's position.

collateral in consideration of his release from the obligation of his note, giving a quit-claim deed in lieu of foreclosure.

A comprehensive series of nonfarm foreclosure data has been compiled by the Home Loan Bank Board covering the period 1926 to date. On the basis of figures collected from 1,500 counties, townships, or other governmental divisions, national estimates are prepared and released for each month of the year since 1934. The annual totals are given in Table A-8. Beginning with 68,000 in 1926, the number of foreclosures rose each year until the peak of over 252,000 was reached in 1933. Monthly data indicate that at times during 1934 foreclosures were being completed at the rate of a thousand a day. They continued at over 200,000 a year until 1936, the decline being somewhat more gradual than the rise. The total never fell below 100,000 until the year 1940. From the estimated 75,500

TABLE A-8 — ESTIMATED NUMBER OF NONFARM REAL ESTATE FORECLOSURES COMPLETED, 1926-49^a

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

^a 1926-42: Home Loan Bank Board, *Statistical Summary, 1949*, Table 16, p. 18; 1943-49: *ibid.*, 1950, Table 11, p. 14.

completed that year, the decline continued until 1947, when there was a slight increase over the 10,500 estimated for 1946. Data for 1948 and 1949 reveal a further increase in those years.

While there are always some foreclosure actions in process, a significant rise in the foreclosure rate undoubtedly reflects conditions that make performance of mortgage agreements difficult or impossible. Since the creditor exercises discretion, however, as to the date when foreclosure proceedings are instituted, the timing of foreclosures may not precisely reflect the severity of financial distress.⁶ In periods of widespread defaults, for example, it may be advantageous for the creditor to postpone foreclosure, allowing the debtor to remain in possession until the situa-

⁶ See William M. Hoad, *op. cit.*, pp. 52 and 53.

tion improves and there is a greater likelihood of finding a buyer, which may account in part for the continuation of a high rate of foreclosures well into the thirties.

As previously indicated, some mortgage difficulty may be attributed to the inflexibility of most mortgage terms;⁷ but to some extent it may arise from the characteristics of the real estate market, in so far as the debtor may cure the default by offering the security for sale in advance of foreclosure.⁸ During periods of low foreclosure this is frequently done, but it is unlikely when foreclosures are more numerous. If sale is attempted at foreclosure, the creditor may have to "buy in" the security in order to protect his position although it is unlikely that he will bid more than the unpaid balance of the mortgage. The influence of foreclosure sales is, therefore, likely to be in the direction of depressing prices. This sequence of events was modified in its 1933 course by the creation of the HOLC.⁹ Its operations relieved the debtor by recasting the terms of his obligation in such a way that he could meet current payments, and benefited the creditor by substituting HOLC bonds for frozen mortgages.

⁷ See *supra*, Chapter 2, pp. 19-23.

⁸ Technically, this alternative would have to be taken in the interval between the institution and completion of foreclosure proceedings. There are few cases, however, in which the creditor would not allow some time after default for the debtor to attempt a sale *before* proceedings were initiated if there were a reasonable likelihood of realizing anything over the amount of the debt.

⁹ June 13, 1933, c. 64, 48 Stat. 128.