

namely, that the savings and loan can put only a certain portion of their assets into mortgages and that they cannot increase their borrowing from the Board, then the net inflow into mortgages will likely drop to about \$7 billion this year. What this would do to the home market is obvious. There will be a curtailment in the homebuilding activity, both in housing starts and sales of used homes. To put it another way, unable to sell or properly finance, a possible new home buyer may end up not selling his older home and as a result will not buy a new one.

FHA has now published four consecutive vacancy studies done for them by local post offices. The last two have been summarized in alphabetical order and are shown in table 4. As is clearly evident, vacancy data varies considerably from city to city. In general, the apartment vacancy rate is about twice that of the single family house. There are only two cities with over 10 percent of vacant units among singles while there are 35 cities having a 10-percent rate or over, and 6 with over 20 percent.

TABLE 3.—Average prices for FHA-insured new-home mortgages (sec. 203) immediate delivery transactions—25-year maturity, 10-percent downpayment

5½ PERCENT MAXIMUM INTEREST RATE EFFECTIVE MAY 29, 1961

[Per \$100 of outstanding loan amount]

Each month	U.S. average	Zone I— North- east	Zone II— South- east	Zone III— North central	Zone IV— South- west	Zone V— West
1964:						
January	\$98.5	\$99.7	\$97.9	\$98.7	\$98.3	\$98.3
February	98.5	99.7	97.9	98.7	98.3	98.3
March	98.5	99.7	97.9	98.5	98.3	98.4
April	98.5	99.7	97.9	98.4	98.3	98.3
May	98.5	99.8	98.0	98.5	98.3	98.3
June	98.5	99.8	98.0	98.4	98.3	98.3
July	98.5	99.6	98.1	98.5	98.4	98.3
August	98.5	99.7	98.1	98.7	98.4	98.2
September	98.5	99.7	98.0	98.7	98.3	98.1
October	98.5	99.7	98.1	98.8	98.4	98.2
November	98.5	99.8	98.1	98.7	98.4	98.2
December	98.5	99.8	98.0	98.9	98.3	98.2
1965:						
January	98.6	99.8	98.0	98.9	98.3	98.4
February	98.6	99.8	98.1	98.8	98.3	98.4
March	98.6	99.8	98.1	98.8	98.3	98.4
April	98.6	99.8	98.1	98.8	98.3	98.5
May	98.6	99.8	98.2	98.8	98.3	98.4
June	98.6	99.7	98.2	98.9	98.3	98.5
July	98.6	99.7	98.2	98.7	98.3	98.5
August	98.6	99.7	98.3	98.9	98.3	98.5
September	98.5	99.7	98.1	98.7	98.2	98.4
October	98.4	99.7	98.1	98.6	98.0	98.2
November	98.2	99.4	97.8	98.5	97.7	98.0
December	98.0	99.2	97.7	98.3	97.6	97.8
1966:						
January	97.1	98.0	96.6	97.6	96.7	97.0
February	96.4	97.4	95.7	96.7	95.9	96.6