Supplement A

Financial Institutions

In order to assure uniform coverage, the writers submitting chapters on financial institution groups in part 4, were requested to follow the standard outline set forth below.

CHAPTER OUTLINE

Introduction

Describe briefly the nature of the financial institution to be covered in terms of purpose, functions, number of firms and assets, sources of funds received and relative quantities, and major categories of loans and investments. For this introductory section, 1964 statistical information should be used to the extent available.

A. SUPPLY OF CAPITAL FUNDS

1. Trace the annual dollar volume of loans and investments made during the years 1946 through 1965 to finance State and local public works through acquisitions of—

(*a*) State and local government bonds (municipal securities);

(*b*) Obligations of private, nonprofit organizations issued to finance such facilities as private hospitals, schools, colleges, nursing homes, community buildings, and other local buildings or facilities operated not for profit.

Note.—Acquisitions should be shown on a "gross basis;" and if "gross acquisitions" are not available, use "net change in holdings" of such securities.

2. With respect to the municipal securities acquired—

(*a*) What were the relative proportions of (1) general obligation bonds, (2) revenue bonds (secured solely by tolls, leases, or user charges), and (3) other bonds (special assessment or limited tax bonds) during these years? If the relative proportions varied, explain the changes.

(*b*) What maturities are generally purchased—(1) under 1 year, (2) 1 to 5 years, (3) 5 to 10 years, (4) 10 to 20 years, (5) 20 to 40 years? Why?

(*c*) To what extent are bond purchases influenced by the availability and level of bond ratings assigned by the municipal bond rating services? Are unrated bonds purchased? Are bonds with ratings below the top four ratings purchased? Can these responses be quantified?

(*d*) To what extent are bond purchases influenced by the intended uses of the bond proceeds? Are there any notable preferences or prejudices?

(*e*) To what extent are bond purchases influenced by the geographical location of the borrowing city, county, district, or State?