Residential Finance

RENTAL AND VACANT PROPERTIES

GENERAL

This report—Part 2 of Volume V—is the source of 1960 Census of Housing statistics on the financing of nonfarm privately owned rental and vacant properties. Rental and vacant properties are defined as all properties with more than four dwelling units, irrespective of occupancy or tenure, plus properties with one to four dwelling units if no dwelling unit is occupied by an owner. The statistics presented in this report relate to the manner of acquiring the property, mortgage status at the time of the survey, and selected characteristics of the property and the mortgage. Similar data for homeowner properties (those with one to four dwelling units, one of which is occupied by the owner) are presented in Part 1 of Volume V.

The information was collected in the Survey of Components of Change and Residential Finance (SCARF), a sample survey conducted by the Bureau of the Census from late 1959 through early 1960 as part of the 1960 Census of Housing. The primary purpose of the Residential Finance program was to provide 1960 bench mark data on the financing of residential properties, i.e., the number of mortgage loans and the amount of mortgage debt outstanding on these loans, and to provide data on properties without a mortgage for comparison with mortgaged properties.

This survey used essentially the same concepts and procedures as its predecessors, the 1950 Survey of Residential Financing (*1950 Census of Housing*, Volume IV, Parts 1 and 2) and the 1956 Financing of Owner-Occupied Residential Properties (*1956 National Housing Inventory*, Volume II).

All of the data in this report are based on a sample. A description of the sample appears in the section "Sample design and sampling variability," page xxi.

The tables are arranged by four size groups—1-dwelling-unit properties, 1- to 4-dwelling-unit properties, 5- to 49-dwelling-unit properties, and properties with 50 dwelling units or more. Tables for a specific size group constitute a chapter. Tables are presented for the United States total only.

DESCRIPTION OF TABLES

Table 1 shows the total number of rental and vacant properties by mortgage status, i.e., mortgaged or nonmortgaged. Data are shown for property and acquisition characteristics, and rental receipts and expenses.

Table 2 shows the total number of mortgaged properties by government insurance status of first mortgage, i.e., FHA-insured, VA-guaranteed, and conventional. Mortgage, property, and acquisition characteristics and rental receipts and expenses data are shown.

Table 3 shows the total and average *amount* of *first* mortgage debt outstanding on mortgaged properties, by government insurance status of the first mortgage. The amount of first mortgage outstanding debt is distributed by selected first mortgage characteristics and by rental receipts data.

Table 4 shows the total and average *amount of total* mortgage debt outstanding on all mortgages by government insurance status of the first mortgage. Total outstanding debt is distributed by selected mortgage and property characteristics.

Table 5 shows the total number of rental and vacant properties by type of holder of the first mortgage. The mortgaged properties are distributed by mortgage, property, and acquisition characteristics and by rental receipts and expenses data.

The location of specific tables is shown in the index to tables on page vi. The subjects presented in each table are shown in the subject guide on page vii.

Explanation of symbols in tables.—Leaders (---) in a data column indicate that there are no cases in the category or the data are suppressed because they are considered statistically unreliable. Leaders are also used where data are inapplicable.

A plus (+) or minus (–) sign after a median indicates that the median is above or below that number. For example, a median of "$5,000–" for value of property indicates that the median fell in the interval "less than $5,000" and was not computed from the data as tabulated. More detailed explanations of the methods used for computing medians for specific items are provided in the section "Collection and processing of data."

MAPS

The maps in this report depict the geographic areas relating to the data shown in the tables. The map on page viii shows the United States and the nine census divisions. The map on page ix shows the location and boundaries of the standard metropolitan statistical areas defined as of June 8, 1959.

RELATION TO APRIL 1960 CENSUS OF HOUSING

The 1960 Residential Finance Survey is part of the 1960 Census program and provides data on the financing of residential properties not covered in the other 1960 Census reports. Certain of the property and structure characteristics for which data are presented in this report are also presented in other 1960 Census of Housing publications and the definitions are generally the same (see "Definitions and explanations"). However, there are several differences:

The basic unit of tabulation in the Residential Finance Survey is the "property" and not the "housing unit" used in the April 1960 Census or the "dwelling unit" concept used in the Components of Change Survey.

The Residential Finance Survey is restricted to nonfarm, privately owned properties while in the April 1960 Census publicly owned properties are included and the nonfarm restriction applies only to value and rent data.

The Residential Finance Survey is based on a subsample of dwelling units from a sample of land area segments, supplemented by a sample of large rental properties (see "Survey techniques"). Data for the April 1960 Census, on the other hand, are based on 100-percent coverage of all housing units for some items and on a systematic sample of housing units for other items. For some standard metropolitan statistical areas, the boundaries used in the Residential Finance Survey are as of June 8, 1959, rather than as of the April 1960 Census. (See *1960 Census of Housing*, Volume I, *States and Small Areas*, for a more complete discussion of the April 1960 Census.)

RELATION TO THE COMPONENTS OF INVENTORY CHANGE SURVEY

The primary source of the sample of properties used in this survey is the subsample of dwelling units enumerated in the Components of Inventory Change Survey to provide 1959 characteristics of the components. Residential finance questionnaires were mailed to the owners of the properties containing these dwelling units. (See *Survey of Components of Change and Residential Finance of the United States Census of Housing, 1960: Principal Data Collection Forms and Procedures*.)

Volume IV, *Components of Inventory Change*, presents statistics on the counts and characteristics of the components of change in the housing inventory. The unit of tabulation is the dwelling unit. All dwelling units—whether owner occupied, renter occupied, or vacant, farm or nonfarm, privately or publicly owned—are included.

Volume V data relate to the financing of the nonfarm and privately owned part of the housing inventory as of early 1960. Moreover, Part 2 of Volume V is restricted to rental and vacant properties. The other major difference from Volume IV is that the unit of tabulation in Volume V is the "property," which may contain one or more structures and, hence, one or more dwelling units.

Any comparison of data between Volumes IV and V, therefore, must take into account the differences in the units of tabulation and the universes covered. In addition, variations in procedure, estimation, and response may have introduced some differences between the figures in these two volumes.

COMPARABILITY WITH PREVIOUS CENSUS RESIDENTIAL FINANCE SURVEYS

The 1960 residential finance program is the latest in a series of Bureau of the Census surveys of residential mortgages. As early as 1890, the Bureau (then the Census Division of the Department of Interior) collected detailed statistics on residential mortgages.[1] In the 1920[2] and 1940[3] Censuses, mortgage questions were asked of owners who occupied their own homes. In 1950,[4] the Census included a separate survey on residential financing, very similar to the 1960 program; data on mortgages, properties, and owners were collected for both owner-occupied and rental properties. In 1956,[5] as part of the National Housing Inventory, an interim survey was made of the mortgage status of owner-occupied properties having from 1 to 4 dwelling units.

Prior to 1950, mortgage data were restricted to owner-occupied properties. In 1950, however, as in 1960, rental and vacant properties were included in the residential finance survey. They were not included in the 1956 survey.

There are several differences between the 1950 and 1960 surveys with respect to rental and vacant properties.

Difference in property definition.—Although farm properties were excluded in both of these surveys, the method of determining farm residence differed. In 1960, properties in rural areas were classified as farms on the basis of acreage in the property and receipts from crop sales. In 1950, a property located in a rural area was classified as a farm if the respondent answered "Yes" to the question, "Is this house on a farm (or ranch)?"

The 1950 residential finance survey covered mortgaged properties only; in the 1960 publication, data are shown for nonmortgaged as well as mortgaged properties.

Differences in geographic areas.—The 1950 residential finance volume presented rental and vacant property data for 25 standard metropolitan areas, the 4 regions, the total United States, and inside and outside all standard metropolitan areas. For 1960, tables are presented for the United States total only. Included in the 1960 survey, but excluded in 1950, were Alaska and Hawaii.

Differences in subjects covered.—Fewer subjects were covered in 1960 than in 1950. Among those dropped were extent of amortization, form of debt (mortgage or purchase contract), frequencies of interest and principal payments, and year mortgage due. Among those added were manner of property acquisition, location of mortgage holder, and several percentage relationships and ratios.

Changes in intervals and categories.—Reflecting the general rise in prices and incomes since 1950, the intervals in the 1960 distributions for amount of loan, debt, payments, purchase price, value, taxes, and rental receipts have been revised upward. An effort was made to establish the 1960 class intervals for these items so that combination of groups could be made for comparison with data from the previous residential finance survey.

COMPARABILITY WITH DATA FROM OTHER SOURCES

Comparability of the data in this report with data from other sources is affected by differences in timing, coverage, method of enumeration, and by sampling variability.

For the most part, data in this report were collected from owners of rental and vacant properties in late 1959 and early 1960, and from mortgage lenders in early 1960. For a number of properties, however, the collection of the data was not completed until the summer of 1960. For further discussion of the timing of the enumeration, see "Collection and processing of data."

In those cases where the current owner was buying the property under a purchase contract and the property was still encumbered with a mortgage being repaid by the former owner, the data in this report relate to the purchase contract debt created by the new owner. Conversely, in the mortgage data compilations of other government agencies, the data in such "dual-debt" cases are based on the underlying mortgages.

Comparability with Federal Home Loan Bank Board estimates of outstanding debt.—The Federal Home Loan Bank Board (FHLBB) publishes periodic estimates of the amount of mortgage debt held by the various types of lenders on all private nonfarm 1- to 4-family homes, but separate estimates for the rental properties are not available. Moreover, the FHLBB estimates include construction loans, and loans on residences which may have substantial amounts of space used for business purposes. Both of these types of loans are excluded from the data in this report.

Comparability with Federal Housing Administration statistics.—The Federal Housing Administration (FHA) compiles data on the number and face amount of mortgages in force under its several mortgage insurance programs. Comparability of the data in this report with FHA statistics is limited not only by the differences in the timing but by several other factors.

In FHA reports, the statistics are classified according to the two major groups of insurance programs—home mortgages and multifamily project mortgages. The latter category covers rental and cooperatively owned properties containing eight or more

[1] Department of the Interior, Census Division, *Report on Farms and Homes: Proprietorship and Indebtedness in the U.S.: 1890* (1896). *Report on Real Estate Mortgages in the United States: 1890* (1895).

[2] U.S. Bureau of the Census, *Mortgages on Homes in the United States, 1920*, Monograph No. 2 (1923).

[3] U.S. Bureau of the Census, *1940 Census of Housing*, Vol. IV.

[4] U.S. Bureau of the Census, *1950 Census of Housing*, Vol. IV, *Residential Financing*.

[5] U.S. Bureau of the Census, *1956 National Housing Inventory*, Vol. II, *Financing of Owner-Occupied Residential Properties* (1958).

dwelling units. FHA home mortgages, although predominantly secured by owner-occupied 1- to 4-dwelling-unit properties, also cover renter-occupied and vacant properties and owner-occupied properties with more than four units. The statistics on rental and vacant properties presented in this report relate to the latter group of FHA-insured home mortgages as well as mortgages on rental and cooperatively owned properties.

Excluded from this report are FHA-mortgaged properties which were under construction at the time of the 1960 Residential Finance Survey and those owned by Federal or State agencies, e.g., the "Capehart" armed services housing projects and the "Wherry" military housing projects acquired by the Department of Defense.

Mortgage amounts in the FHA compilations of mortgage holdings by type of lender are original principal amounts and do not reflect repayments as do the outstanding debt figures in this report. If a property is covered by "dual-debt," i.e., a purchase contract debt of the current owner and an FHA mortgage obligation being repaid by the former owner, the data in this report refer to the current purchase contract debt. These are classified as "conventional" mortgages, and the underlying FHA mortgage is not counted in this report.

Comparability with Veterans Administration guaranteed home loan statistics.—Estimates of the amount of mortgage debt outstanding on mortgages guaranteed by the Veterans Administration are made periodically by that agency. Separate estimates for owner-occupied and renter-occupied (and vacant) properties are not available.

Comparability with Federal Reserve Board estimates.—The Federal Reserve Board publishes estimates of the amount of mortgage debt outstanding on multifamily and commercial properties combined.

AVAILABILITY OF UNPUBLISHED DATA

Many tabulations could not be included in this report because of budgetary limitations. However, special tabulations involving the cross-classification of subjects presented in this report can be prepared on a reimbursable basis. Also available by special tabulations are data relating to characteristics of second mortgages and characteristics of first mortgages involved in secondary mortgage market transactions. Requests for additional information should be addressed to Chief, Housing Division, Bureau of the Census, Washington 25, D.C.

DEFINITIONS AND EXPLANATIONS

Statistics presented in this volume were collected in two ways. Most of the data were obtained through self-enumeration questionnaires completed by owners of properties and holders of mortgages or their agents. If the respondents failed to complete the self-enumeration forms, followup enumerators obtained the missing information by direct interview. (See "Collection and processing of data," page XIX.)

Most of the concepts are unique to residential finance and are not involved in any other aspect of the 1960 Census. In general, definitions of the property and mortgage characteristics are the same as those used for the 1950 residential finance survey.

The sources of each item are the 1960 residential finance questionnaires—Form 60H-11 for the property characteristics and Form 60H-12 for the mortgage and lender characteristics. Facsimiles of these forms are printed in the appendix.

The definitions reflect the intent of the questions, as expressed in the Technical Guide (used in field offices to answer inquiries of owners and lenders), the Enumerator's Reference Manual, and the editing specifications prepared for the 1960 survey. As is true in any self-enumeration survey, the questions were open to different interpretations by the respondents.

AREA CLASSIFICATIONS

United States.—This refers to the 50 States and the District of Columbia. Excluded are such outlying areas as Puerto Rico, Guam, the Virgin Islands of the United States, and American Samoa.

Divisions.—The States and the District of Columbia are grouped by the Bureau of the Census into nine geographic divisions shown on the map on page VIII.

Standard metropolitan statistical area.—To permit all Federal statistical agencies to utilize the same areas for the publication of general-purpose statistics, the Bureau of the Budget has established "standard metropolitan statistical areas" (SMSA's). Each such area is defined by the Bureau of the Budget with the advice of the Federal Committee on Standard Metropolitan Statistical Areas, a committee composed of representatives of the major statistical agencies of the Federal Government.

Except in New England, an SMSA is a county or group of contiguous counties which contains at least one city of 50,000 inhabitants or more, or "twin cities" with a combined population of at least 50,000. In addition to the county, or counties, containing such a city or cities, contiguous counties are included in an SMSA if, according to certain criteria, they are essentially metropolitan in character and are socially and economically integrated with the central city. In New England, SMSA's consist of towns and cities, rather than counties. A more detailed discussion of the criteria used to define SMSA's is given in *1960 Census of Housing*, Volume I, *States and Small Areas*.

As used in this report, the term "inside SMSA's" refers to the standard metropolitan statistical areas as designated and defined June 8, 1959. The identification, location, and a general indication of the boundaries of the SMSA's are shown in the map on page IX.

PROPERTY CLASSIFICATIONS

The basic unit of tabulation in this report is the property, i.e., the residential nonfarm, rental and vacant property. An explanation of these terms as used in this report follows.

Property.—A property consists of a parcel of land under separate ownership and the structure or structures situated on that land.[6] In the 1960 Residential Finance Survey, the owners were requested to provide information about the property identified by the address entered on the questionnaire.

If the property included more than one structure, the owner was asked to supply information for all structures. If the property was mortgaged, the questionnaire was to be answered for all parcels of land and structures covered by the mortgage. Usually all parcels and buildings covered by a single mortgage are adjacent to each other, but in some cases the structures and parcels of land under a single mortgage are scattered.

On the other hand, if a rental project or development is divided into sections, each securing a separate first mortgage, each section is considered a separate property. Thus, in the case of mortgaged properties, the number of properties is the same as the number of first mortgages.

If the property was not mortgaged, the owner defined the property.

Residential.—A property is considered residential if more than half of the floor space is used for dwelling purposes. If the owner indicated that the property consisted primarily of structures or land which were essentially nonresidential in character, the property was considered nonresidential and excluded.

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[6] Included in this report are properties where only the structures are owned by the responding owner.

Dwelling unit.—In general, a dwelling unit is a group of rooms or a single room occupied or intended for occupancy as *separate living quarters* by a family or other group of persons living together or by a person living alone. A dwelling unit is defined as (1) a group of rooms occupied or intended for occupancy as separate living quarters and having either separate cooking equipment or separate entrance; or (2) a single room occupied or intended for occupancy as separate living quarters if (*a*) it has separate cooking equipment, (*b*) it is located in a regular apartment house, or (*c*) it constitutes the only living quarters in the structure.

One of the sources of the data in this report—the area sample—was derived from the sample of dwelling units used for the Components of Change Survey. For additional explanation of "dwelling unit" and the method of determination see *1960 Census of Housing*, Volume IV, *Components of Inventory Change*.

The definition of "dwelling unit" as used in the 1960 Residential Finance Survey is the same as that used in the 1950 and 1956 Residential Finance Surveys and the 1950 Census.

Nonfarm.—A property is considered nonfarm if it is located in an urban area or if it is in a rural area but not located on a farm.

Only dwelling units classified as nonfarm in the 1959 Components of Change Survey were selected for the area sample used in 1960 Residential Finance Survey. In the Components of Change Survey, urban areas are those designated urban for the 1950 Census. No adjustment was made for the fact that the change in boundaries of urban territory caused some areas which were rural in 1950 to be classified as urban in 1959, and vice versa.

In 1950, urban housing comprised all dwelling units in (*a*) places of 2,500 inhabitants or more incorporated as cities, boroughs, or villages; (*b*) incorporated towns of 2,500 inhabitants or more except in New England, New York, and Wisconsin, where "towns" are minor civil divisions of counties; (*c*) the densely settled urban fringe around cities of 50,000 inhabitants or more including both incorporated and unincorporated areas; and (*d*) unincorporated places of 2,500 inhabitants or more outside any urban fringe. The remaining dwelling units were classified as rural.

In the Components of Change Survey, the "farm" classification is applied only to occupied dwelling units in rural territory and is determined on the basis of number of acres in the place on which the dwelling unit is located and the total sales of farm products in 1959. All dwelling units in urban territory and vacant dwelling units in rural territory are considered nonfarm.

An occupied dwelling unit is classified as a farm dwelling unit if it is located on a place of 10 or more acres from which sales of farm products amounted to $50 or more in 1959, or on a place of less than 10 acres from which sales of farm products amounted to $250 or more in 1959. The same definition of farm residence was used in the April 1960 Census. In 1950, farm residences were determined by the respondent's answer to the question, "Is this house on a farm (or ranch)?"

Rental and vacant properties.—For purposes of the 1960 Residential Finance Survey, residential properties are divided into two categories—"homeowner" properties and all others, which are called "rental and vacant" properties. A "homeowner" property is one with 1 to 4 dwelling units, one of which is occupied by an owner.

The term "rental and vacant," therefore, applies to properties with 5 dwelling units or more (even though one of the units may be occupied by an owner), and to properties with 1 to 4 dwelling units, all of which are either renter occupied or vacant.

The term "rental and vacant" refers to properties, not dwelling units. A multiunit property may contain both renter-occupied and vacant dwelling units. A single-unit property may be either renter occupied or vacant.

The determination of whether the property was to be included in the category "rental and vacant" was made on the basis of the respondent's reply to the question, "Does the owner live on this property?" If the answer was "No," the property was classified as "rental and vacant." If the respondent's reply was "Yes" (i.e., the owner lived on the property), but the property contained 5 dwelling units or more, the property was also included in this category.

Cooperatively owned properties are also classified as "rental and vacant."

All dwelling units on the property were included in the count, regardless of the number of structures in which they were located. Persons buying property and still owing money were considered owners, whether or not they had legal title to the property.

Properties excluded.—This report (Part 2 of Volume V) excludes the following types of properties:

1. Homeowner properties, i.e., properties with 1 to 4 dwelling units, at least one of which was occupied by an owner. Data on this type of property are presented in Part 1 of Volume V.
2. Properties classified as farms in the 1959 Components of Change Survey on the basis of acreage and crop sales information. Also, when entries on the residential finance questionnaire indicated that a substantial part of the value of the property derived from farm land, the property was classified as a farm and excluded.
3. Trailers, as identified in the Components of Change Survey. Trailer courts were not included in the large rental property sample.
4. Properties in which the structures contained "quasi-units," i.e., occupied living quarters not qualifying as dwelling units. (The concept of quasi-units is the same as "group quarters" in the April 1960 Census.) Since quasi-units were not included in the 1959 Components of Change subsample, they were automatically excluded from the sample of units used for the Residential Finance survey. In addition, if information supplied by the respondent on the residential finance questionnaire indicated that the structures on the property contained quasi-units, the property was excluded. For further explanation of quasi-units, see *1960 Census of Housing*, Volume IV, *Components of Inventory Change*.
5. Properties with half or more of the floor space used for business or industrial purposes, as reported by the owners on the residential finance questionnaires.
6. Properties including substantial amounts of land used for nonresidential purposes, such as mines, logging camps, etc. (This information was not supplied in response to a specific question on the schedule, but in explanatory note entries made by the respondent.)
7. Government-owned properties, including low- and middle-income housing properties owned by local housing authorities and other government agencies, investment housing owned by government agencies (e.g., State universities), properties owned by government agencies for the use of their employees, and government-owned housing for armed services personnel. Not included in the category "government owned" are properties acquired by the Federal Housing Administration as a result of mortgage defaults and being held temporarily by that agency pending sale to new owners. Such properties were deemed part of the private housing inventory.
8. Hotels and motels with half or more of the accommodations for transient guests. The owner was asked to so indicate on a form which accompanied the Form 60H-11 questionnaire.
9. Properties under construction, or newly completed properties with no dwelling units as yet occupied according to information supplied by the owner.

Mortgage status.—In this survey properties were classified as mortgaged or nonmortgaged on the basis of information furnished by the owner and the lender. The owner was asked to report all of the various types of debt outstanding on the property. The questionnaire indicated the types of debt to be considered and reported as mortgages.

As used in this report, "mortgage" refers to all forms of debt where the property is pledged as security for repayment of the debt. It includes such debt instruments as deeds of trust, trusts, mortgage bonds, and vendor liens. In such arrangements, the borrower generally has the title to the property.

Also included as "mortgages" are such debt arrangements as contracts to purchase, contracts for deed, agreements of sale, and land contracts. These differ from mortgages or deeds of trust in that title to the property remains with the lender, who generally is also the seller (i.e., former owner) of the property. The buyer has the right to occupy the property so long as he makes the payments on the debt. Title to the property passes to the buyer when he has paid the full or a stipulated amount of the loan. For purposes of this report, the buyer is considered the "owner." When a property being purchased under a land or purchase contract is also covered by an outstanding first mortgage made by the former owner, data are shown for the mortgage only if the current owner has assumed the obligation for the payments.

To assure that all mortgage-type debt on the property was reported, the owner was asked to report *all* debts outstanding on the property. In the editing process, however, the following types of debt were classified as nonmortgages: property improvement loans, such as FHA Title I loans not secured by the property; chattel mortgages (e.g., mortgages on furniture or equipment); and mechanics and tax liens. Properties having only the latter type of debt and no mortgage debt were classified as nonmortgaged.

To obtain confirmation of the mortgage status of the property and additional information about the mortgage, the Form 60H-12 questionnaire was mailed to each lender to whom, according to the owner, mortgage payments were made. If the debt was other than a mortgage, this information was also to be reported by the lender on the 60H-12 questionnaire. Also eliminated on the basis of the lender's reply were mortgage debts that had been paid off or otherwise terminated prior to the survey period.

MORTGAGE CHARACTERISTICS

First and junior mortgages.—A mortgage is classified as a first mortgage if it has prior claim over any other mortgage on the property, or if it is the only mortgage on the property. All other mortgages are classified as "junior." A *second mortgage* is a junior mortgage which gives the lender a claim against the property which is second to the claim of the holder of the first mortgage.

Government insurance status.—Government insurance status refers to the presence or absence of FHA (Federal Housing Administration) insurance or VA (Veterans Administration) guaranty or insurance on a mortgage. Under the FHA and VA insurance and guaranty programs, the Federal agency satisfies the unpaid balance of the mortgage if the borrower is unable to continue making the mortgage payments.

FHA-insured mortgages are those made by private lending institutions and insured by the Federal Housing Administration.

VA-guaranteed or insured mortgages (*GI loans*) are those guaranteed or insured by the Veterans Administration and are made to veterans of World War II and the Korean War by private lenders for purposes of home ownership. Some of the properties with VA mortgages are owned by nonveterans who assumed the mortgages from the former owners.

Under a program which was effective until 1951, a veteran of World War II might have placed a combination FHA-VA mortgage. Although such combinations are often regarded as a single mortgage, they were actually written as two mortgages—an FHA-insured first mortgage and a VA-guaranteed second mortgage, and are so classified in this report.

Conventional mortgages are those other than FHA-insured or VA-guaranteed or insured.

Mortgage loan.—The mortgage loan is the amount of the loan at the time it was obtained by the current property owner. If the mortgage was assumed from the previous owner, the mortgage loan is the unpaid balance when assumed. If the owner made a new mortgage, the mortgage loan is the face amount of the mortgage. When the mortgage represented a refinancing or extension of the previous mortgage, the mortgage loan is the amount of the new mortgage. The amount of the mortgage loan was asked of both the owner and the lender. In the case of an assumed mortgage, the amount reported by the owner is the one used.

Outstanding debt.—Outstanding debt is the unpaid principal balance of the mortgage at the time of enumeration. In some instances, it also includes overdue interest and, rarely, unpaid taxes. Total outstanding debt is the sum of the unpaid balances of all mortgages on the property. The amount of outstanding debt was obtained from the lender.

Outstanding debt as percent of value.—The percentage was computed for first mortgages and for all mortgages on the property. Only total debt as a percent of value is available in the 1950 report.

Term of mortgage.—For most mortgages, the term is the length of time required to pay back the principal in regular periodic payments and is usually stated in the mortgage document. For an assumed mortgage, the term shown is the original term. No regular edit was made to determine whether mortgages requiring regular periodic payments would be paid off during the specified term.

There were other types of term arrangements reported by lenders. If the lender did not report a specific term, but entered "until paid" or a similar phrase, and regular payments of principal were required, the effective term was computed.

Some mortgages are written with short terms and are either renewable at the option of the lender or contain renewal clauses requiring the lender, under most circumstances, to renew. These were reported in different ways by lenders. It should be noted that, particularly among lenders who are individuals, the stated term may have little meaning.

Some mortgages appear to have run well beyond the stated term, with no evidence of formal renewal. Whether to leave such terms as reported or to treat them as "indefinite" was decided on a case by case basis.

The classification "on demand" includes mortgages due at any time on demand of the lender. During the life of such mortgages, interest payments usually are required; principal payments may or may not be required.

The classification "indefinite" includes the following types of arrangements:

1. The lender reported that the mortgage had no specific term and that no regular principal payments were required.
2. The mortgage was well beyond its due date, and reported as in good standing.

Interest rate.—Interest rate is the annual rate specified in the mortgage or the annual equivalent if not on an annual basis. Where the rate varies during different periods of the life of the mortgage, the rate at the time of enumeration is shown. No fees or charges, such as the FHA mortgage insurance premiums, are included. When no interest was charged, the case appears in the less than 4.0 percent interval. Data regarding interest rate were collected from the lender.

Origin of mortgage.—This item indicates whether the first mortgage currently on the property (1) was made by the current owner at the same time the property was acquired by him, (2) was on the property *before* acquisition by the current owner and "assumed" by him (i.e., he "assumed" the obligation of the unpaid balance of that mortgage), or (3) was placed by the current owner *after* he acquired the property. The origin of the mortgage was not asked of either the owner or the lender; the information was derived from other items on the questionnaires. The categories are defined as follows:

Made when property acquired.—The year the property was acquired (reported by the owner) and the year the mortgage was made (reported by the lender) were the same. Included in this group would be any mortgages which were made by one owner and assumed by a second owner within the same year.

Assumed when property acquired.—The year the property was acquired was the same as the year the owner reported the mortgage was made or assumed, and this date was later than the year the mortgage was made (as reported by the lender).

Made after property acquired.—The year the mortgage was made (as reported by the lender) was later than the year the property was acquired, or the property was *not* acquired by purchase or construction (e.g., by inheritance).[7] This group includes refinanced, renewed, or extended mortgages.

Year mortgage made or assumed.—This refers to the year the current mortgage was made or assumed by the current property owner. If there was evidence on the owner or lender questionnaire that the current mortgage had been refinanced or renewed, the year of the most recent refinancing or renewal is shown.

Characteristics shown in this report for mortgages made or assumed in any given year, and outstanding at the time these data were collected, do not necessarily reflect the characteristics of all mortgages *made* in that year. First of all, mortgages *assumed* in a particular year represent mortgages originally *made* in previous years. Moreover, many mortgages made in previous years had been paid off or otherwise terminated by the time of this survey.

The year the mortgage was made was asked of both the owner and the lender. In the case of an assumed mortgage, the date reported by the owner is used.

Method of payment.—This refers to the payment arrangements required under the terms of the mortgage. Both the owner and the lender were asked the amount of the regular required mortgage payment, the frequency of such payment, and the items included.

First mortgages are classified in this report according to the method of principal and interest payment:

Regular payment of interest and principal.—Self-explanatory.

Payment of interest only.—Regular payments of interest but not principal are required.

Payment of principal only.—A few mortgages were reported on which principal payments only were required. These were primarily short-term mortgages on which all interest was due in a lump sum at the end of the term, or mortgages on which no interest was being charged.

No regular interest or principal payments.—A few mortgages were reported on which no regular payments were required for interest or principal. With respect to small properties, some of these mortgages involved borrowers and lenders who were related; some were mortgages with very short terms (usually a year or less), on which no payments were required until the end of the term. Some mortgages on large rental properties involve unusual financing arrangements. Occasionally the holder of the mortgage and the owner of the property are different firms with the same principals.

Monthly interest and principal payment, first mortgage.—This is the amount required to be paid regularly on the mortgage for principal repayment or interest, or both, as reported by the lender. Therefore, mortgages with no required regular payments are excluded. Principal and interest payments are shown on a monthly basis, regardless of the actual frequency of payment. Data are shown on a per-dwelling-unit basis.

In the 1950 report, monthly payment data are shown for first mortgages requiring both principal and interest payments.

Items included in first mortgage payment.—First mortgages with regular required payments of both interest and principal are further classified by the other items which the owner is required to pay as part of his mortgage payment. In addition to real estate taxes and property insurance payments, a mortgage payment may also include such items as FHA mortgage insurance premium, mortgage service charge, ground rent, and equipment replacement reserve.

Customarily, payments on FHA-insured mortgages include both tax and insurance payments. However, for a few privately owned military projects on Federal land, no real estate tax payments were required. Further, some owners reported (and lenders verified) that they paid their own fire and hazard insurance premiums.

Current status of first mortgage payment.—A mortgage is classified "delinquent" when the required payments are past due 30 days or more. All mortgages not delinquent are classified "current or ahead of schedule."

Servicing of first mortgage.—"Servicing" a mortgage involves collection of the mortgage payments from the borrower, maintaining records of payments, setting up escrow accounts for accumulating the property tax and hazard insurance portions of mortgage payments (when included in the payment), paying the tax and insurance bills, and sending required notices to the borrower.

A mortgage may be serviced by the holder or by an agent for the holder. Insurance companies and banks who invest in mortgages over a wide geographical area generally arrange for servicing of their mortgages by local lenders. These are frequently the local mortgage companies or banks which originated the mortgages. Individuals who invest in mortgages may arrange for the servicing of these mortgages by a bank or mortgage company. The servicing bank or mortgage company charges the holder a fee for performing this service. The information on the servicing of the mortgage came from the lender.

Holder of first mortgage.—This refers to the firm, organization, institution, or person that has the legal right to the interest and principal due on the mortgage.

The mortgage holder is not necessarily the original mortgage lender since the original lender may have transferred the mortgage to a new holder. Mortgages are frequently originated by one firm (or person) as agent or loan correspondent for another firm which provides the mortgage funds; or mortgages are sold by the originating lenders to firms which have funds available for investment. The firm to whom the mortgage payments are made is not always the mortgage holder, since payments are frequently made through a firm acting as a collecting or servicing agent for the holder.

Information on type of mortgage holder was obtained from the mortgage holder or the agent of the holder.

The classification of holders into the various types shown in tables 2, 3, and 5 is in accordance with their primary financial function.[8]

Commercial bank and trust company, own account and trust account.—This type of bank offers many financial services—e.g., commercial and industrial loans, personal loans, checking accounts, savings accounts, and residential mortgage loans. If a bank has invested its regular funds in a mortgage for its own account, the mortgage is shown as being held by a "commercial bank or trust company, *own account.*" If a bank has invested the funds of a trust account (i.e., funds available from an estate or investment being administered by the bank for a customer) in a mortgage, the case is included in the category "commercial bank or trust company, *trust account.*" In the 1950 report, trust accounts were included in the category of "individuals."

[7] Also in this category are a few mortgages which were on the property at the time the present owner acquired it, but the property was not acquired by purchase, for example, a property inherited by the present owner subject to a mortgage.

[8] In table 5 the boxhead is combined as follows: Commercial banks, "own" accounts with "trust" accounts; real estate and construction companies with mortgage companies; and public and private employee retirement systems, etc., with philanthropic and educational endowments, etc.

Mutual savings bank.—This type of bank accepts savings deposits only. Banks of this type are located in only 17 States, principally the New England States, New York, and Pennsylvania.

Savings and loan association.—This type of institution invests the savings of its depositors almost exclusively in real estate and construction loans. Included in this category are building and loan associations, the cooperative banks in New England, and the homestead associations in Louisiana.

Life insurance company.—Self-explanatory.

Mortgage company.—This type of firm is engaged primarly in the business of originating and selling mortgages. Mortgages which are shown as being held by mortgage companies in this report represent mortgages recently made and not yet sold and those in which the mortgage company had invested its own funds.

Real estate or construction company.—Neither of these two types of holders are primarily in the mortgage business. Their mortgage activity is usually an adjunct to the buying and selling of real estate, or the building of homes or apartment buildings. Many of the loans they hold are land contracts made with buyers of property formerly owned by the companies. These firms may hold mortgages for short periods of time until they can be sold to investors.

In 1950, these holders were in the "other" category.

Federal or state agency.—The principal types of agencies included in this category are the:

a. *Federal National Mortgage Association, known as FNMA.*—This Federal corporation buys and sells FHA-insured and VA-guaranteed (or insured) mortgages to improve the availability and distribution of residential mortgage funds.

b. *Federal Housing Administration (FHA).*—Mortgages held by this agency include those assigned to FHA by lenders because of borrower defaults and mortgages made in connection with the sale of properties acquired by FHA from lenders, following irremediable delinquency on the part of the borrower of an FHA-insured mortgage.

c. *Veterans Administration (VA).*—Mortgages held by this agency include those made by the VA under its direct loan program, mortgages assigned to VA by lenders because of borrower defaults, and mortgages made in connection with the sale of properties acquired by VA from lenders because of borrower defaults.

d. State-sponsored lending agencies which were established to make home loans to war veterans.

In 1950, data for FNMA were shown separately and all other Federal or State agencies were in the "other" category.

Retirement system, welfare fund, etc.—Included in this category are public and private employee retirement systems, labor unions, and union welfare funds. In 1950 these types of holders were included in the "other" category.

Other nonprofit organization.—Included in this group are philanthropic and educational endowments, foundations and trusts, fraternal organizations, schools, colleges, and any other type of nonprofit organization. In 1950, these types of holders were included in the "other" group.

Individual and individual's estate.—Included in this category are individual persons or estates of individuals holding mortgages. Excluded are individuals' estates which may be administered as trust accounts by commercial banks.

Other.—Included in this category are fire and casualty insurance companies, finance companies, credit unions, investment trusts, and any type of holder not covered by the previously mentioned categories.

Location of first mortgage holder.—This item relates the location of the first mortgage holder to the location of the mortgaged property. Properties are classified in two groups—those inside the SMSA's and those outside the SMSA's. For each of these groups, the first mortgages are shown on the basis of whether the holder is in the same census geographic division as the property, a different geographic division, or entirely outside the United States.

PROPERTY CHARACTERISTICS

Value.—This is the amount the owner estimated the property would sell for on the current (1960) market. Owners who had difficulty estimating the value of their property were asked to specify the range in which they thought the value lay.

The value estimate nearly always includes the structures and the land. The few exceptions are leasehold properties where the owner of the structure does not own the land but leases or rents it. Since selling prices of these properties cover the structures only, the reported values of leasehold properties almost certainly did not include the value of the land. Similarly, any mortgages reported by the owners were secured only by the structures. In view of this situation, the field office technical guide and the enumerator's manual used in this survey provided that if there was evidence that ownership was restricted to the structures, the estimated property value was to exclude the land value. In the 1950 Residential Finance Survey, owners were asked to estimate the value of the entire property, including land.

Value data presented in the April 1960 Census reports and the Components of Change reports relate to 1-dwelling-unit, owner-occupied properties only, and include the value of the land.

In table 1, value data are shown on a dwelling unit basis; the data are based on the dwelling unit average computed for each property. In tables 2, 4, and 5, the data relate to the value of the entire property.

Year built.—"Year built" refers to the year in which the building was completed. It refers to original construction and not to any later remodeling, additions, reconstructions, or conversions. When the property contained more than one building, the owner was asked to answer for the one most recently built. The property owner was the source of this information.

Purchase price as percent of value.—This percentage was computed only for properties acquired by purchase or construction. Data are shown by period of purchase. Purchase price is defined under "Acquisition characteristics."

ACQUISITION CHARACTERISTICS

Purchase price per dwelling unit.—Purchase price includes the total cost of land and buildings on the property when acquired. This information was supplied by the owner. The item is shown only when the current owner acquired the property by purchase or construction. If the structure was built by (or for) the owner, he was asked to report total land and construction costs. Cost of land was not included if the owner of the building did not also own the land. Costs of conversions and repairs made subsequent to the purchase or building of the original structure are not included in the purchase price.

Mortgage loan as percent of purchase price.—This percentage was computed for the first mortgage loan and for all mortgage loans on the property. The percentage is shown only when the first mortgage was made or assumed at the time the property was acquired. When there are two mortgages or more, the amount of the first and junior loans are combined, even though they may have been made at different times. The percentage was not computed for those properties not acquired by purchase.

Year property acquired.—This refers to the year the building and land were acquired by the current owner, or to the year the building was constructed for or by the owner on land previously acquired. "Acquired" includes purchase or other forms of acquisition, such as inheritance, gift, trade, and foreclosure. This information was reported by the owner.

In this report the "year acquired" data are presented separately for "new" and "previously occupied" properties.

New or previously occupied.—"New" properties are those which had not been occupied before the property was acquired by the current owner. In "previously occupied" properties, the buildings were occupied at the time they were acquired by the current owners, or had been used for nonresidential purposes. The current owner was the source of this information.

Manner of acquisition.—This item indicates how the current owner acquired the property, i.e., whether by purchase or by means other than purchase, and if purchased how the purchase was financed. In this report, "purchase" includes transactions where the structure was built for or by the owner.

The owner was asked to report the manner in which he financed the acquisition of his property. If the *land* was acquired prior to acquisition of the building, the method of financing the *building* was to be reported.

It should be noted that the mortgage arrangements at the time the property was acquired were not necessarily the same as the current mortgage status. For example, a mortgage made at time of property acquisition by the current owner may not be the same mortgage that is currently on the property, due to refinancing, renewal, etc.

The methods of financing purchase or construction transactions are as follows:

Made new mortgage includes cases where the present owner made one or more new mortgages when the building was purchased or constructed.

Assumed mortgage from former owner includes cases where the properties were already mortgaged when acquired by the present owner and the present owner took over the obligations of the existing mortgage or mortgages.

Assumed mortgage from former owner, made new mortgage includes cases in which the present owner took over an existing first mortgage and made a new second mortgage. Also included are cases in which the owner assumed first and second mortgages and made a new third mortgage.

Borrowed, other than mortgage includes those cases in which the owner reported that he borrowed money but did not use a mortgage (or a related type of instrument such as deed of trust, purchase contract, etc.) to finance the purchase of his property.

All cash includes, among other types of cash transactions, cases of the owner having sold another property and used the proceeds to purchase the property for which he reported.

Under the category "not by purchase" are included the following:

Gift or inheritance.—Self-explanatory.

Other includes such types of acquisitions as properties acquired through foreclosure, trade for another property, and purchase for taxes (wherein the price paid does not represent the market price).

Purchase price and ratios involving purchase price are not shown for properties not acquired by purchase or construction.

There is evidence that a number of owners did not completely understand the questions regarding manner of acquisition. An edit of mortgaged properties revealed that some owners who reported that they had assumed a mortgage had in fact made a new mortgage. Such cases were corrected. Since this edit could not be made for properties reported as "not mortgaged" at the time of the survey, the number of assumed mortgage transactions shown for these may be overstated.

Type of owner.—This item refers to the owner of the property. Owners were classified into the following categories:

Individuals, including joint ownership by two or more individuals such as husband and wife. Also included are estates of deceased owners.

Partnerships refer to legally constituted partnerships only.

Financial institutions include banks, insurance companies, savings and loan associations, investment trusts, etc.

Cooperatives are organizations, usually incorporated, which own property for the benefit of their members. The cooperative organization is the owner of the property; a member of the cooperative has the right to occupy a specific dwelling unit.

Real estate corporations are organized chiefly for the purpose of building, buying, selling, owning, or managing property.

Other includes educational institutions, philanthropic organizations, fraternal orders, etc. Also included in this category are properties temporarily owned by the Federal Housing Administration.

RENTAL RECEIPTS AND EXPENSES

Receipts (gross).—The owner was asked to report his total gross receipts from the subject property for the 12-month period preceding the survey. Receipts from business units, as well as residential units, were included. Since most owners responded during late 1959 and early 1960, it is believed that receipts reported were for calendar year 1959. The data are not shown for properties acquired after 1958, since new owners would not have had a full year's operation experience.

Many small properties in the "rental and vacant" category are not part of the rental market. Such properties include vacation homes, parsonages, dwellings occupied rent-free by employees or relatives, and those held vacant for a variety of reasons. Therefore, properties with 1 to 4 dwelling units, for which the owner reported he had no rental receipts during the year preceding the survey, are excluded from all of the distributions which involve receipts data. In 1950, data relating to receipts were shown only for properties with 90 percent or more of their dwelling units in the rental market during the year preceding the survey, irrespective of the size of the property or the presence or absence of receipts.

For properties owned by cooperative organizations, the receipts data are based on the payments made by the members to the cooperative organizations.

Rental receipts.—In order to take into account the varying practices with respect to the inclusion of heat and utilities in rent payments, the gross receipts figure was adjusted by subtracting the amount, if any, paid by the owner of the property for electricity, gas, oil, coal, wood, kerosene, water, and trash removal. (It was assumed, however, that the owner made no such payments for a 1-dwelling-unit rental and vacant property.) A similar adjustment was made in 1950; however, in 1950, receipts were further adjusted by subtracting personal service costs.

Rental receipts are shown on a monthly, per-dwelling-unit basis. All dwelling units in the property were used to compute the per-dwelling-unit figure. In 1950, however, only units in the rental market at least part of the year preceding the survey were used in the computation.

Rental receipts are used in the ratios "real estate tax as a percent of rental receipts" and "interest and principal payments as a percent of rental receipts." Annual rental receipts are shown as a percent of value.

Real estate tax (annual).—This is the amount of total real estate taxes paid on the property in the 12-month period preceding the respondent's completion of the residential finance questionnaire. It includes both State and local real estate taxes, and special assessments, if any. (The inclusion of the latter item as part of taxes was prompted by the fact that special assessment charges are frequently repaid on an installment basis over a period of time and included in the property tax bill.) Real estate tax data in the 1950 Residential Finance report exclude special assessment payments.

Annual taxes are shown on a per-dwelling-unit basis. Taxes are also presented per $1,000 of value and as a percent of rental receipts.[8] Taxes are not shown if the property was acquired after 1958, inasmuch as the new owners had not owned the property a full 12-month period preceding the survey and the total tax bill for that period could probably not be determined. Tax-exempt properties are included in the lowest class interval.

[8] In the 1950 report, data on "real estate taxes per dwelling unit" and "real estate taxes per $1,000 of market value" were not shown for rental properties with less than 90 percent of their dwelling units in the rental market for the entire year. Further, real estate taxes per dwelling unit were not shown for properties with less than 90 percent of their revenue from residential units. "Real estate tax as percent of rental receipts" was not shown in 1950.

Several owners of properties, not in the tax-exempt category, also reported that they paid no taxes. Investigation revealed that these were owners of only the buildings, and that the owners of the land paid the real estate tax. Presumably, the amount for taxes was covered by ground rent payments made by the owner of the building, but it was not practical to determine this amount. Also included in the "no tax" category are some privately owned military housing projects which were on government-owned land.

Owner expenses as percent of gross receipts.—This ratio was computed using the annual gross receipts figure (not adjusted to exclude utility and fuel costs). Owner expenses include, in addition to real estate taxes, the following:

Property (fire and hazard) insurance.—The owner was asked to report his yearly property insurance expense for the previous 12 months; an average yearly cost was to be entered if his premium payment covered a longer period of time. Premiums for liability and other types of insurance were to be excluded, but in some cases respondents may have been unable to report only the amount for property insurance when it was part of an inclusive premium payment for a more comprehensive policy.

Utilities.—The owner was asked to report his expenses for the past 12 months for electricity, gas, oil, coal, wood, or kerosene, and water, sewerage, trash collection, etc. He was asked to estimate the amounts if he did not have the exact figures. For 1-dwelling-unit properties, it was assumed that the owners made no such payments.

Principal and interest payment.—This includes the interest and/or principal on the first and junior mortgages, if any. The amount paid regularly on junior mortgages was included even if no regular payments were required on the first mortgage.

Other items included in mortgage payment.—If the owner paid as part of his mortgage payment anything in addition to principal, interest, taxes, and property insurance, the amount for these other items was included in the expense figure. Other items include the mortgage insurance premium required for FHA-insured mortgages, servicing fee, ground rent, and reserve for equipment replacement.

Expense data were not compiled for properties acquired after 1958 because of the difficulty it was presumed owners would have in reporting annual figures for properties they had owned less than a year. Personal services, management, repair, and maintenance costs are not included in the expense figures used for this report.

COLLECTION AND PROCESSING OF DATA

The collection and processing of data in the 1960 Residential Finance Survey differed in several important respects from the procedures used in other parts of the 1960 Census program. A brief description of the procedures used in the 1960 Residential Finance Survey is given below. A detailed description of the forms and procedures used in the collection of the data is given in a publication entitled *Survey of Components of Change and Residential Finance of the United States Census of Housing, 1960: Principal Data Collection Forms and Procedures.* Information on the editing and processing of the data appears in a report entitled *Eighteenth Decennial Census: Procedural History.*

COLLECTION OF DATA

Survey design and techniques.—Two samples were involved in the collection of data on rental and vacant properties. The primary sample was an area sample. The supplementary sample was selected from a list of all known properties which, according to available evidence, had at least 50 dwelling units.

The area sample was that designed for the Survey of Components of Change and Residential Finance (SCARF) program. In the Components of Change Survey, the enumerator obtained a limited amount of housing data for all dwelling units in each land segment. Additional and detailed characteristics, including occupancy status and tenure, were obtained for a subsample of the units within each segment. This subsample also provided the dwelling units enumerated in the Residential Finance (RF) Survey. If the sample unit was part of a "rental and vacant" property, it was used for this report. If the sample unit was part of a homeowner property (i.e., owner occupied with 1 to 4 dwelling units), it became part of the sample used to provide the data in Part 1 of Volume V.

In order to increase the reliability of the estimates, a separate sample of large rental properties (i.e., those with at least 50 dwelling units) was selected from a universe list of all known properties of this size. Approximately 60 percent of the sample properties for which data are presented in this report were selected from the large rental property universe.

The universe list was compiled from several sources, including a similar list compiled for the 1950 survey and the records of the new construction surveys conducted in connection with the 1956 National Housing Inventory and the 1959 SCARF program (see "Sample design").

Questionnaires for the large rental properties were mailed to the properties in November 1959. However, many of the owners proved rather difficult to locate and enumeration of some cases was not completed until the summer of 1960. Most of the area sample questionnaires were mailed on December 28, 1959, directly to owners, who had been identified by the Components of Change enumerators. Followup enumeration was done in February 1960. A few area sample cases were mailed in April 1960 with followup in June and July. Information collected reflected the situation at the time of enumeration.

Data collection forms.—Two forms (reproduced in the appendix) were used to collect the residential finance rental and vacant property data. The property questionnaire (Form 60H-11) was sent to the owners of the properties; it provided for the reporting of characteristics of the property and the owner, and for the name and address of the firm or person to whom payments were made on any mortgages on the property. The lender questionnaire (Form 60H-12) was sent to the firms or persons reported on the Form 60H-11 as receiving payments on the mortgages on the properties. It provided for the reporting of information about the mortgage. The form was designed to collect data on both first and junior mortgages.

For more detail about the forms see the previously cited publication on the principal SCARF data collection forms and procedures.

Enumeration.—The Residential Finance program was designed as a self-enumeration survey. The nature of the data requested made it imperative that the owner himself, or someone familiar with the financing of the property, provide the information. Further, it was expected that owner-respondents would take time to consult records. Insofar as most of the mortgage lenders were concerned, all of the information had to be obtained from records.

Enumerators gathered information from the owners who failed to respond by mail. Enumerators were also used, when necessary, to secure responses from lenders who were individuals. The very small number of institutional lenders or business firms who did not return their schedules received telephone calls from supervisory personnel in the field offices or from members of the Washington staff.

Most of the enumerators had experience in other Census surveys. They were trained in the residential finance subject matter by members of the Washington staff.

PROCESSING OF DATA

Editing.

Field edit.—Upon receipt of a questionnaire from a respondent or an enumerator, the questionnaire was examined in the field office for completeness and to verify that the proper form had been used, i.e., homeowner property on the homeowner form, or the rental and vacant property on the rental property form. If the form was incomplete, an attempt was made to contact the respondent by mail or by phone in order to obtain the missing information.

Central processing office edit.—In the central processing office in Jeffersonville, Ind., each questionnaire was given an intensive clerical edit. This edit was designed to eliminate blanks and inconsistencies within a questionnaire or inconsistencies between the reports of the property owner and the mortgage lender. Coding was done as part of this editing process.

Mechanical processing.—After clerical editing and coding, the data were punched into cards. The cards were then edited mechanically. The mechanical edit was designed to identify clerical and punching errors and to do certain consistency checks not feasible in the clerical edit. Correction of edit rejects was performed by subject matter specialists in Washington. Mechanical (punchcard) equipment was also used to compute the ratios and, when necessary, recode the data required for the tabulated items. The result was an 80-column card which contained all the information needed to produce the publication tables. These cards were transferred to magnetic tape to be tabulated by electronic equipment.

Allocations of items not reported.—Nonresponse items were handled in two ways during the processing operation. First, part of the intensive clerical editing given each schedule in the central processing office was designed to eliminate nonresponses for as many items as possible on the basis of other information reported for the property or mortgage. For example, "year built" was allocated on the basis of the year the property was acquired and whether the property was acquired new or had been previously occupied. Also handled in this manner were nonresponse mortgage items; for example, principal and interest payments were derived on the basis of reported interest rate, term, and face amount of mortgage.

Second, when related information was not available for imputing the missing item, estimates were used, based on information available for similar properties in the same locality. These assigned items were then edited for consistency with other items.

Median.—The median is the theoretical value which divides the distribution into two equal parts—one-half the cases falling below this value and one-half the cases exceeding this value. In the computation of the medians, the lower limit of a class interval was assumed to stand at the beginning of the class interval as published, and the upper limit at the beginning of the successive class interval.

Medians were computed from the distributions as shown in the table. When the median fell in the lowest or highest class interval, a minus or plus sign is shown following the figure. Medians are not shown when the base was less than 25 sample cases for properties with less than 50 dwelling units.

In general, the base of the median is the subtotal shown for the distribution. If there is no subtotal, the base is the grand total for the respective column. The one exception is the median term of mortgage—the "indefinite" and "on demand" categories are excluded from the distribution for computing the median.

The table below shows the manner in which medians were rounded.

Item	Round to nearest —
Mortgage characteristics:	
First mortgage loan	$100.
First mortgage outstanding debt	$100.
First mortgage outstanding debt as percent of value	Whole percent.
Interest rate of first mortgage	1/10 of 1%.
Monthly interest and principal payment on first mortgage per dwelling unit.	$1.
Term of first mortgage	Whole number.
Total mortgage outstanding debt	$100.
Total outstanding debt as percent of value	Whole percent.
Property characteristics.	
Purchase price as percent of value	Whole percent.
Value	$100.
Value per dwelling unit	$100.
Acquisition characteristics:	
All mortgage loans as percent of purchase price	Whole percent.
First mortgage loan as percent of purchase price	Whole percent.
Purchase price per dwelling unit	$100.
Rental receipts and expenses:	
Interest and principal payments on all mortgages as percent of rental receipts.	Whole percent.
Interest and principal payments on first mortgage as percent of rental receipts.	Whole percent.
Monthly rental receipts per dwelling unit	$1.
Owner expenses as a percent of gross rental receipts	Whole percent.
Real estate tax as percent of rental receipts	Whole percent.
Real estate tax per dwelling unit	$1.
Real estate tax per $1,000 value	$1.
Rental receipts as percent of value	Whole percent.

Average.—The average outstanding debt figures shown in tables 3 and 4 are computed by dividing the aggregate debt by the total number of mortgaged properties. These figures are reported in thousands of dollars.

ACCURACY OF DATA

As in any survey, the results of this survey are subject to reporting errors of the respondents and errors in processing and tabulating. Such errors also occur in a complete enumeration.

Since this survey is based on a sample, the results are further subject to sampling errors (see section on "Sampling variability").

The data are limited to the extent of the respondent's knowledge and his willingness to report accurately. The use of self-enumeration questionnaires enabled the property owners and the mortgage lenders to see the questions as worded and to consult their records to obtain correct answers. Furthermore, brief explanations provided for some of the items on the questionnaires assured uniform instructions to the respondents. Fine distinctions made for some of the items in the RF technical guide or in the followup enumerators' training were probably conveyed to the respondents only when they asked the enumerators or the RF field office staffs for clarification of questions.

Certain mortgage data appeared on both the owner and lender questionnaires and were, therefore, subject to verification. These included number of mortgages on the property, type of mortgage (FHA, VA, or conventional), amount of mortgage payment, items included in mortgage payment, and for mortgages originated by the current owners, the mortgage amount and the date mortgage was made.

Careful efforts were made at each step to reduce the effect of processing and tabulating errors. It is unlikely, however, that the controls were able to eliminate the effects of all of them.

The totals and the distributions were independently tabulated and rounded; therefore, distributions may not add to the totals.

SAMPLE DESIGN AND SAMPLING VARIABILITY

SAMPLE DESIGN

The area sample used for the Residential Finance Survey made maximum use of the sample designed for the December 1959 Components of Change Survey and was spread over 333 sample areas comprising 641 counties and independent cities with coverage in each of the 50 States and the District of Columbia. The Components of Change sample consisted of dwelling units located in clusters, or land area segments, representative of the United States. The sampling materials from the 1956 National Housing Inventory (NHI) were used to the extent consistent with the requirements of the 1959 Components of Change Survey.[10]

Prior to the start of the December 1959 survey, a "new construction" universe was established. This universe consisted of areas of extensive new construction built since 1950 for Hawaii and Alaska which were *not* covered in the NHI, and built since 1956 for the rest of the United States. The universe of new construction for the period 1950 to 1956 had been established and incorporated in the 1956 survey. These universes of new construction were treated separately for sampling purposes to improve the efficiency of the sample design. Of the new construction units (units built between 1950 and 1959) as estimated in the December 1959 survey, about two-fifths were reported in segments selected from the total universe of new construction. The remaining new construction units came from segments not in the new construction universe.

In order to control the effect of large properties on the reliability of the sample estimates, an independent sample was selected from a universe of "large rental properties." Large rental properties were defined as those rental projects containing 50 dwelling units or more. This universe was established in the 333 sample areas from various sources such as: (*a*) The large rental property list used for the 1950 Survey of Residential Financing, (*b*) government agency records, primarily those of the Federal Housing Administration, and (*c*) the records of the new construction universes for the Survey of Components of Change. If the number of dwelling units in a rental property was not indicated in the source materials, but evidence indicated the possibility of its being a large rental property, it was included in the universe listing.

The Residential Finance sample consisted of about 11,000 land area segments (including about 2,500 from the new construction universe) and about 12,500 properties selected from the roughly 17,000 properties in the universe of large rental properties.[11]

The sample of properties selected from the universe of large rental properties was drawn independently of the selection of properties from the area sample. To further improve the reliability of the data, the universe of large rental properties was divided into three mutually exclusive strata and each stratum was sampled independently. The three strata were largely determined by prior knowledge of the size of the property. Those properties containing 50 to 74 units comprised one of the strata and were sampled at the rate of one in four. Properties containing 75 to 99 units (75–149 units in the New York SCA) comprised another stratum and were sampled at the rate of one in two. The remaining stratum comprised all properties of 100 units or more (150 or more in the New York SCA) and properties for which the number of units or a good mailing address was not known. All properties in this stratum were included in the sample. Rental properties in the area sample were eliminated if they were found to be included in the universe of large rental properties.

ESTIMATION PROCEDURE

The rental and vacant properties were weighted by the inverse of the probability of their selection in the sample. In addition, in order to reduce sampling variability, ratio estimates were used to produce the final data. For properties representing the area sample portion, the ratio estimation procedure was a two-stage ratio estimate.

The first stage was the ratio estimation procedure used in the preparation of estimates of the individual components of change in the 1959 housing inventory. This procedure involved the use of information available from the 1950 Census and the 1960 Census based on 100-percent enumeration and was applied to sample cases coming from the area sample. (For a more detailed description of the estimation procedure, see *1960 Census of Housing*, Volume IV, Part 1A.)

The second stage of ratio estimation used for the 1960 Residential Finance Survey involved the 1960 Census counts of renter-occupied and vacant housing units and estimates of these units as obtained from all of the properties in the residential finance sample. For properties representing the universe of large rental properties, only the second stage of the ratio estimates was used, since these properties were not in the components of change sample.

SAMPLING VARIABILITY

Since the estimates are based on a sample, they may differ somewhat from the figures that would have been obtained if a complete census had been taken using the same questionnaires, instructions, and enumerators. The standard error is primarily a measure of sampling variability. As calculated for this report, the standard error also partially incorporates the effect of random errors of response, enumeration, and coverage, but does not take into account the effect of any systematic biases due to these types of errors. The chances are about 2 out of 3 that an estimate from the sample would differ from a complete census by less than the standard error. The chances are about 19 out of 20 that the difference would be less than twice the standard error and 99 out of 100 that it would be less than 2½ times as large.

The standard errors presented in tables I and II are approximations of the standard errors of estimated totals of various characteristics. The standard errors presented in tables III and IV are approximations of the standard errors of estimated percentages. The reliability of an estimated percentage depends on both the size of the percentage and the size of the total on which the percentage is based.

TABLE I.—ROUGH APPROXIMATIONS TO STANDARD ERROR OF ESTIMATED NUMBER OF RENTAL AND VACANT PROPERTIES

Estimated number of properties	Standard error	Estimated number of properties	Standard error
1,000	1,000	100,000	9,000
2,500	1,500	250,000	16,000
5,000	2,000	500,000	24,000
7,500	2,500	1,000,000	41,000
10,000	3,000	2,500,000	85,000
25,000	4,000	5,000,000	143,000
50,000	6,000	8,000,000	212,000
75,000	7,500		

[10] A more detailed discussion of the survey techniques used in the 1959 Components of Change Survey is given in *1960 Census of Housing*, Volume IV, Part 1A.

[11] Of the rental and vacant sample properties which were in scope for this report, about 5,800 came from the area sample and 8,100 from the large rental property sample.

TABLE II.—ROUGH APPROXIMATIONS TO STANDARD ERROR OF ESTIMATED OUTSTANDING DEBT ON RENTAL AND VACANT PROPERTIES

[Thousands of dollars]

Estimated debt	Standard error	Estimated debt	Standard error
5,000	12,000	250,000	75,000
7,500	14,000	500,000	100,000
10,000	16,000	750,000	125,000
15,000	20,000	1,000,000	150,000
25,000	25,000	5,000,000	300,000
50,000	35,000	10,000,000	450,000
75,000	40,000	27,000,000	700,000
100,000	50,000		

TABLE III.—ROUGH APPROXIMATIONS TO STANDARD ERROR OF ESTIMATED PERCENT OF NUMBER OF RENTAL AND VACANT PROPERTIES

Base of percent (properties)	Estimated percent				
	2 or 98	5 or 95	10 or 90	25 or 75	50
10,000	3.9	6.0	8.0	11.2	13.2
25,000	2.4	3.8	5.0	7.2	8.6
50,000	1.7	2.6	3.6	5.1	5.4
100,000	1.1	1.8	2.5	3.4	4.0
250,000	0.7	1.1	1.5	2.2	2.6
500,000	0.5	0.8	1.1	1.6	1.9
1,000,000	0.4	0.6	0.8	1.2	1.3
2,000,000	0.2	0.4	0.5	0.8	1.0
5,000,000	0.2	0.3	0.4	0.7	0.8
8,000,000	0.1	0.2	0.3	0.6	0.7

TABLE IV.—ROUGH APPROXIMATIONS TO STANDARD ERROR OF ESTIMATED PERCENT OF OUTSTANDING MORTGAGE DEBT ON RENTAL AND VACANT PROPERTIES

Base of percent (thousands of dollars)	Estimated percent				
	2 or 98	5 or 95	10 or 90	25 or 75	50
25,000	16.0	24.2	33.2	46.1	52.4
50,000	10.9	17.0	22.6	31.9	36.4
100,000	7.7	11.6	15.7	21.9	24.5
250,000	4.7	7.1	9.5	13.2	15.2
500,000	3.3	5.5	6.6	9.4	10.8
1,000,000	2.2	3.4	4.6	6.5	7.2
5,000,000	1.0	1.4	1.9	2.8	3.2
10,000,000	0.7	1.0	1.4	1.9	2.2
15,000,000	0.5	0.8	1.1	1.6	1.8
27,000,000	0.4	0.6	0.8	1.1	1.3

Standard error of numbers and percentages.—Table I gives approximate standard errors of the number of rental and vacant properties with specified characteristics. Table II shows approximate standard errors of estimates of amount of outstanding mortgage debt. Table III presents standard errors of percentages of number of rental and vacant properties having specified characteristics. Table IV includes the standard errors of percentages of outstanding mortgage debt.

Standard errors are shown for selected values; however, for other values not shown in the tables, linear interpolation will provide reasonably accurate results.

Illustration: Table 2 of Chapter 2 shows that there were an estimated 452,276 conventional first mortgages on 1-dwelling-unit rental and vacant properties held by savings and loan associations, representing 81.6 percent of the 554,587 first mortgages on 1-dwelling-unit rental and vacant properties held by this type of institution. Table I shows that an estimate of 250,000 has a standard error of 16,000 and an estimate of 500,000 has a standard error of 24,000. Linear interpolation for the estimate of 452,000 yields an estimated standard error of about 22,000. Consequently, the chances are about 2 out of 3 that the figure which would have been obtained from a complete count of the 1-dwelling-unit rental and vacant properties with conventional first mortgages held by savings and loan associations differs by less than 22,000 from the sample estimate and would, therefore, fall between 430,000 and 474,000. It also follows that there is only about 1 chance in 100 that a complete census result would differ by as much as 55,000, that is, by about 2½ times the estimated standard error. Similarly, table III shows that the 81.6 percent with a base of 500,000 has a standard error of about 1.4 percent.

The standard errors shown for rental and vacant properties apply essentially to estimates of properties with 1 to 49 dwelling units. The standard errors applicable to *properties containing 50 dwelling units or more* are much smaller. In general, they tend to be about one-third of the figures shown. However, this proportion may vary depending upon the composition of the particular estimate.

The standard errors shown are not directly applicable to differences between two sample estimates. The standard error of a difference is approximately the square root of the sum of the squares of each standard error considered separately. This formula will represent the actual standard error quite accurately for the difference between characteristics in two different classes of property or for the difference between separate and uncorrelated characteristics within the same class. If, however, there is a high positive correlation between the two characteristics, this formula will overestimate the true standard error. If the correlation is negative, the formula will underestimate the true standard error.

Standard error of medians.—The sampling variability of medians depends on the size of the base of the distribution and on the distribution on which the median is based. An approximate method for measuring the reliability of an estimated median is to determine an interval about the estimated median such that there is a stated degree of confidence that the true median lies within the interval.

As the first step in estimating the upper and lower limits of the interval about the median (that is, the confidence limits), compute one-half the number (designated N/2) reporting the characteristic on which the median is based. By the method described above for determining the standard error of an estimated number, compute the standard error of N/2. Subtract this standard error from N/2. Cumulate the frequencies (in the table on which the median is based) up to the interval containing the difference between N/2 and its standard error, and by linear interpolation obtain a value corresponding to this number.

In a similar manner, add the standard error to N/2, cumulate the frequencies in the table, and obtain a value corresponding to the sum of N/2 and its standard error. The chances are about 2 out of 3 that the median would lie between these two values. The range for 19 chances out of 20 and for 99 in 100 can be computed in a similar manner by multiplying the standard error by the appropriate factors before subtracting from and adding to one-half the number reporting the characteristic. Interpolation to obtain the values corresponding to these numbers gives the confidence limits for the median.

SUMMARY OF FINDINGS

Of the 7.7 million rental and vacant nonfarm privately owned properties in the United States in early 1960, one-third were mortgaged, according to results of the 1960 Survey of Residential Finance. The total mortgage debt amounted to $27.2 billion—$26.0 billion in first mortgages and $1.3 billion (about 5 percent) in junior liens. Some 212,000, or 8 percent of the mortgaged properties, were encumbered with junior mortgages.[1] About 5.2 million rental and vacant properties were not mortgaged.

A decade earlier, according to the 1950 Survey of Residential Financing, there were an estimated 5.1 million rental and vacant properties, of which 1.2 million or about one-fourth were mortgaged. The overall mortgage debt on these properties totaled $10.7 billion of which about 5 percent represented junior mortgage obligations.

As used in this report, the term "rental and vacant" refers to properties, not to dwelling units. Rental and vacant properties are all those with 5 dwelling units or more and those with 1 to 4 dwelling units, none of which was occupied by an owner. Included are all vacant properties, regardless of reason for vacancy.[2] In the 1950 Residential Finance reports, rental and vacant properties were designated "rental properties."

Size of properties.—Properties with 1 to 4 dwelling units predominated in 1960, accounting for 88 percent of the mortgaged and 95 percent of the nonmortgaged rental and vacant properties (see table A). Properties in the 5- to 49-unit size group represented about 12 percent of the mortgaged and about 5 percent of the nonmortgaged properties. In terms of number of properties, the rental and vacant properties with 50 units or more represented only one-half of 1 percent of the mortgaged and less than one-tenth of 1 percent of the mortgage-free properties. In terms of number of dwelling units, however, the properties with 50 units or more accounted for 20 percent of the units in mortgaged properties and 2 percent of the units in nonmortgaged properties.

TABLE A.—NUMBER OF DWELLING UNITS PER PROPERTY, BY MORTGAGE STATUS, FOR RENTAL AND VACANT PROPERTIES: 1960

Number of dwelling units on property	All properties		Nonmortgaged properties		Mortgaged properties	
	Number	Percent	Number	Percent	Number	Percent
Total properties	7,713,049	100.0	5,162,299	100.0	2,550,750	100.0
Average number of dwelling units	2.1		1.7		3.1	
1- to 4-dwelling-unit properties	7,165,139	92.9	4,926,671	95.4	2,238,468	87.8
1-dwelling-unit properties	5,539,078	71.8	3,896,400	75.5	1,642,679	64.4
2- to 4-dwelling-unit properties	1,626,059	21.1	1,030,271	19.9	595,788	23.4
2	1,120,855	14.5	730,302	14.1	390,553	15.3
3	295,466	3.8	177,888	3.4	117,578	4.6
4	209,738	2.7	122,081	2.4	87,657	3.4
Average number of dwelling units	2.4		2.4		2.5	
5- to 49-dwelling-unit properties	532,773	6.9	234,114	4.5	298,659	11.7
5 to 9	379,559	4.9	185,067	3.6	194,492	7.6
10 to 14	62,860	0.8	21,468	0.4	41,392	1.6
15 to 19	47,563	0.6	13,437	0.3	34,127	1.3
20 to 24	15,718	0.2	6,450	0.1	9,268	0.4
25 to 49	27,073	0.4	7,693	0.2	19,380	0.8
Average number of dwelling units	9.6		8.5		10.5	
50-or-more-dwelling-unit properties	15,136	0.2	1,513	(1)	13,623	0.5
50 to 74	7,809	0.1	969	(1)	6,840	0.3
75 to 99	2,340	(1)	154	(1)	2,186	0.1
100 to 199	2,928	(1)	281	(1)	2,647	0.1
200 to 299	692	(1)	62	(1)	630	(1)
300 to 499	1,186	(1)	17	(1)	1,169	(1)
500 or more	182	(1)	29	(1)	153	(1)
Average number of dwelling units	120.4		116.6		120.6	

[1] Less than one-tenth of 1 percent.

Location of properties.—The numbers of 1- to 4-dwelling-unit rental and vacant properties inside and outside the metropolitan areas (SMSA's) were roughly the same (see table B). In contrast, most larger properties were located in the metropolitan areas—four-fifths of those with 5 to 49 units and all but 3 percent of those with 50 units or more.

By regions, the largest proportion of the 1- to 4-unit rental and vacant properties (38 percent) were located in the South.[3] Of the 5- to 49-unit properties, about one-third were in the Northeast and about one-fourth each in the North Central and Western States. Most of the properties with 50 units or more—3 of every 5—were in the Northeast.

[1] The mortgage status and outstanding mortgage debt for all nonfarm privately owned residential properties may be obtained by combining these data with comparable data shown for homeowner properties in Volume V, Part 1, of the 1960 Census of Housing reports.

[2] See "Definitions and explanations."

[3] For delineations of regions see map on page VIII.

TABLE B.—MORTAGE STATUS BY LOCATION AND SIZE OF PROPERTY, FOR RENTAL AND VACANT PROPERTIES: 1960

Area and mortgage status	All properties	Properties with— 1 to 4 dwelling units	5 to 49 dwelling units	50 dwelling units or more
United States	7,713,047	7,165,138	532,774	15,135
Nonmortgaged	5,162,298	4,926,671	234,114	1,513
Mortgaged	2,550,749	2,238,467	298,660	13,622
Percent mortgaged	33.1	31.2	56.1	90.0
Inside SMSA's	3,988,423	3,541,205	432,477	14,741
Nonmortgaged	2,268,337	2,090,607	176,288	1,442
Mortgaged	1,720,086	1,450,598	256,189	13,299
Percent mortgaged	43.1	41.0	59.2	90.2
Outside SMSA's	3,724,624	3,623,933	100,297	394
Nonmortgaged	2,893,961	2,836,064	57,826	71
Mortgaged	830,663	787,869	42,471	323
Percent mortgaged	22.3	21.7	42.3	82.0

Region and mortgage status	All properties	Properties with— 1 to 4 dwelling units	5 to 49 dwelling units	50 dwelling units or more
Northeast	1,595,383	1,416,303	170,186	8,894
Nonmortgaged	1,047,168	976,573	70,125	470
Mortgaged	548,214	439,730	100,061	8,423
Percent mortgaged	34.4	31.0	58.8	94.7
North Central	1,869,790	1,734,574	133,232	1,984
Nonmortgaged	1,346,442	1,279,482	66,570	390
Mortgaged	523,349	455,092	66,663	1,594
Percent mortgaged	28.0	26.2	50.0	80.3
South	2,843,001	2,741,188	99,394	2,419
Nonmortgaged	1,987,608	1,934,851	52,317	440
Mortgaged	855,392	806,337	47,076	1,979
Percent mortgaged	30.1	29.4	47.4	81.8
West	1,404,875	1,273,074	129,962	1,839
Nonmortgaged	781,081	735,765	45,103	213
Mortgaged	623,794	537,309	84,859	1,626
Percent mortgaged	44.4	42.2	65.3	88.4

Mortgage status.—Mortgages were found relatively more frequently on the larger than the smaller rental and vacant properties, both inside and outside the metropolitan areas and in each region. Nationally, the proportion mortgaged was 90 percent for properties with 50 units or more, 56 percent for those in the 5- to 49-unit group, and 31 percent for the 1- to 4-unit rental and vacant properties (see table B). The proportion of properties with mortgages was appreciably larger inside the metropolitan areas than outside.

The Western States had the largest proportion of mortgaged properties in the 1- to 4-unit size group. In the same region, 65 percent of the properties with 5 to 49 units were mortgaged. Of the properties with 50 units or more, the mortgaged proportions were 80 percent in the North Central Region, 82 percent in the South, 88 percent in the West, and 95 percent in the Northeast.

Government insurance status.—Federal insurance or guaranties covered 22 percent of the first mortgages on rental and vacant properties in 1960—about 280,000 insured by the Federal Housing Administration (FHA) and 290,000 guaranteed by the Veterans Administration (VA) (see table C).

The outstanding debt on the FHA first mortgages was $4.7 billion—17 percent of total debt or 18 percent of the first mortgage debt. VA first mortgages had an outstanding debt of $2.0 billion—7 percent of total debt or about 8 percent of the first mort-

TABLE C.—GOVERNMENT INSURANCE STATUS OF FIRST MORTGAGE, BY SIZE OF PROPERTY, FOR RENTAL AND VACANT PROPERTIES: 1960 AND 1950

Government insurance status	All mortgaged properties		Properties with— 1 to 4 dwelling units		5 to 49 dwelling units		50 dwelling units or more	
	1960	1950	1960	1950	1960	1950	1960	1950
NUMBER OF PROPERTIES								
All properties	2,550,750	1,154,887	2,238,468	884,019	298,659	259,744	13,623	11,123
With first mortgage only	2,338,285	1,054,110	2,081,116	818,686	245,758	226,801	11,411	8,623
With junior mortgage	212,464	100,777	157,352	65,334	52,901	32,943	2,211	2,500
FHA-insured first mortgage	279,559	100,449	274,814	94,904	2,398	4,510	2,347	1,035
With first mortgage only	233,140	79,582	228,453	74,642	2,378	3,918	2,309	1,022
With junior mortgage	46,419	20,867	46,361	20,262	20	592	38	13
VA-guaranteed first mortgage	289,621	67,300	289,621	64,743	...	2,557	...	...
With first mortgage only	265,800	64,648	265,800	62,523	...	2,125	...	...
With junior mortgage	23,822	2,652	23,822	2,220	...	432	...	...
Conventional first mortgage	1,981,569	987,135	1,674,032	724,376	296,261	252,674	11,276	10,085
With first mortgage only	1,839,345	909,890	1,586,863	681,531	243,380	220,758	9,102	7,601
With junior mortgage	142,223	77,254	87,169	42,846	52,881	31,921	2,173	2,487
PERCENT DISTRIBUTION								
All properties	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
With first mortgage only	91.7	91.3	93.0	92.6	82.3	87.3	83.8	77.5
With junior mortgage	8.3	8.7	7.0	7.4	17.7	12.7	16.2	22.5
FHA-insured first mortgage	10.9	8.7	12.3	10.7	0.8	1.7	17.2	9.3
VA-guaranteed first mortgage	11.4	5.8	12.9	7.3	...	1.0	...	...
Conventional first mortgage	77.7	85.5	74.8	81.9	99.2	97.3	82.8	90.7

gage debt. Of the first mortgage debt on properties with 50 units or more, about 42 percent was covered by FHA insurance (see table D).

Roughly four of every five mortgages on rental and vacant properties were financed conventionally. These 2 million first mortgages had an outstanding debt of $19.3 billion—71 percent of the total mortgage debt or 74 percent of first mortgage debt. From 1950 to 1960, the proportion of mortgaged rental and vacant properties with conventional first mortgages declined from 86 to 78 percent. The decrease in the percentage share of debt covered by these mortgages was somewhat smaller, from 78 to 74 percent.

Table D.—OUTSTANDING MORTGAGE DEBT—GOVERNMENT INSURANCE STATUS, BY SIZE OF PROPERTY, FOR RENTAL AND VACANT PROPERTIES: 1960 AND 1950

[Amount in millions of dollars]

Government insurance status	All mortgaged properties		Properties with— 1 to 4 dwelling units		5 to 49 dwelling units		50 dwelling units or more	
	1960	1950	1960	1950	1960	1950	1960	1950
All properties:								
Total debt	$27,230	$10,731	$13,024	$3,332	$7,493	$4,222	$6,713	$3,177
First mortgage debt	25,975	10,251	12,715	3,206	6,808	3,990	6,452	3,055
Junior mortgage debt	1,255	480	309	126	685	232	261	122
Properties with FHA-insured first mortgage:								
Total debt	4,779	1,963	1,858	603	232	443	2,089	917
First mortgage debt	4,708	1,930	1,796	576	231	439	2,081	915
Junior mortgage debt	71	33	62	27	1	4	8	2
Properties with VA-guaranteed first mortgage:								
Total debt	2,067	356	2,067	339		16		
First mortgage debt	2,011	351	2,011	336		15		
Junior mortgage debt	56	5	56	3		1		
Properties with conventional first mortgage:								
Total debt	20,385	8,412	9,100	2,389	7,261	3,763	4,024	2,260
First mortgage debt	19,257	7,970	8,908	2,294	6,577	3,536	3,772	2,140
Junior mortgage debt	1,129	442	192	95	684	227	252	120

The average amounts of first mortgage debt outstanding on rental and vacant properties in 1960 and 1950 are shown in table E. For example, VA first mortgage debts on 1- to 4-unit properties averaged $7,100 in 1960 and $5,200 in 1950. The corresponding average debts for conventional first mortgages on the same size properties were $5,400 and $3,300, respectively.

Little or no change was evident in the case of average debt on FHA-insured first mortgages on properties with fewer than 50 units. In the large properties with 50 units or more, first mortgage debts in 1960 averaged $1,142,000 for those insured by FHA and about $335,000 for those financed conventionally; in 1950, the FHA average was about $884,000 and the conventional average about $212,000.

The overall proportion of rental and vacant properties with junior mortgages did not change significantly from 1950 (8.7 percent) to 1960 (8.3 percent). In the case of 1- to 4-unit properties with VA first mortgages, however, the proportion with junior mortgages rose from 3 to 8 percent during the decade (see table C).

The average amounts of debt outstanding on junior mortgages for the various size properties in 1960 and 1950 are shown in table E.

Table E.—AVERAGE AMOUNT OF OUTSTANDING MORTGAGE DEBT—GOVERNMENT INSURANCE STATUS, BY SIZE OF PROPERTY, FOR RENTAL AND VACANT PROPERTIES: 1960 AND 1950

Government insurance status	All mortgaged properties		Properties with— 1 to 4 dwelling units		5 to 49 dwelling units		50 dwelling units or more	
	1960	1950	1960	1950	1960	1950	1960	1950
All properties:								
Total debt	$10,700	$9,300	$5,800	$3,800	$25,100	$16,300	$492,800	$285,600
First mortgage debt	10,200	8,900	5,700	3,600	22,800	15,400	473,600	274,600
Junior mortgage debt [1]	5,900	4,800	2,000	1,900	12,900	7,000	118,000	48,900
Properties with FHA-insured first mortgage:								
Total debt	17,100	19,500	6,800	6,400	96,600	98,200	1,145,800	885,700
First mortgage debt	16,800	19,200	6,500	6,100	96,300	97,300	1,142,200	883,800
Junior mortgage debt [1]	1,500	1,600	1,300	1,300	37,200	7,000	220,900	151,500
Properties with VA-guaranteed first mortgage:								
Total debt	7,100	5,300	7,100	5,200		6,400		
First mortgage debt	6,900	5,200	6,900	5,200		6,000		
Junior mortgage debt [1]	2,300	1,600	2,300	1,400		2,100		
Properties with conventional first mortgage:								
Total debt	10,300	8,500	5,400	3,300	24,800	14,900	336,900	224,100
First mortgage debt	9,700	8,100	5,300	3,200	22,200	14,000	334,500	212,200
Junior mortgage debt [1]	7,900	5,700	2,200	2,200	12,900	7,100	116,200	48,400

[1] Average is per property with junior mortgage.

Type of mortgage holder.—The bulk of the first mortgage debt outstanding on rental and vacant properties in early 1960 was financed by savings and loan associations (26 percent), life insurance companies (21 percent), and savings banks (19 percent) (see table F).

Of the outstanding first mortgage debt on 1- to 4-family properties, savings and loan associations accounted for 38 percent, commercial banks and individuals each for about 16 percent, and life insurance companies for about 14 percent. In 1950, the savings and loan associations held 25 percent, commercial banks 20 percent, individuals 24 percent, and life insurance companies about 15 percent of the first mortgage debt on these properties.

About seven-tenths of the first mortgage debt on the 5- to 49-unit properties was owed to three types of lenders—savings and loan associations (28 percent), life insurance companies (24 percent), and individuals (20 percent). Noteworthy changes since 1950 in the distribution of debt for this type of property were the decline in the share held by savings banks (from 30 to 16 percent) and the increase registered by the savings and loan associations (from 9 to 28 percent).

Principal holders of the first mortgage debt on the large rental properties (50 units or more) were savings banks (40 percent) and life insurance companies (31 percent). These types of institutions were also the leading holders in 1950. However, the life insurance companies' share was somewhat lower than that held in 1950. About 14 percent of the first mortgage debt on large rental properties in 1960 was held by Federal and State agencies.

TABLE F.—FIRST MORTGAGE DEBT—TYPE OF HOLDER, BY SIZE OF PROPERTY, FOR RENTAL AND VACANT PROPERTIES: 1960 AND 1950

[Percent distribution]

Type of holder	All mortgaged properties		Properties with— 1 to 4 dwelling units		5 to 49 dwelling units		50 dwelling units or more	
	1960	1950	1960	1950	1960	1950	1960	1950
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Commercial bank [1]	11.7	13.1	16.1	10.9	10.2	12.2	4.7	7.1
Mutual savings bank	18.5	25.3	9.0	9.4	15.7	30.1	40.0	35.6
Savings and loan association	26.2	11.5	37.5	25.1	28.3	8.6	1.7	0.9
Life insurance company	20.8	27.6	14.0	14.5	24.1	23.3	30.5	47.1
Federal National Mortgage Association [2]		0.7		2.0		0.1		0.1
Federal or State agency [2]	5.9		5.2		6.1		13.5	
Individual	13.4	14.7	15.6	23.8	20.3	17.8	1.8	1.1
Other	3.6	7.1	2.7	5.2	1.2	7.8	7.8	8.1

[1] In 1960 includes trust accounts which in 1950 were with individual holders.
[2] Data for FNMA combined with other Federal and State agencies in 1960.

Origin of first mortgage.—About one-half of the first mortgages on rental and vacant properties in early 1960 were made at the same time the property was acquired, roughly one-third were placed after property acquisition, and about one-sixth were assumed from the former owner (see table G).

Most FHA mortgages were made at time of property acquisition by the current owner—the proportion ranging from 60 percent for 1- to 4-unit properties to 82 percent for properties with 50 units or more. A relatively small proportion (6 percent) of FHA mortgages were made after property acquisition.

The highest proportion of assumptions—53 percent—occurred in connection with VA mortgages. Another 45 percent of the VA mortgages were made at time of property purchase. Virtually none were made after property acquisition.

In line with their generally shorter terms and presumably greater need for renewal or refinancing, a large proportion of conventional mortgages were made after the property had been acquired. Two-fifths of the conventional first mortgages on 1- to 4-unit properties, one-third of those on 5- to 49-unit properties, and half of those on properties with 50 units or more were made after property acquisition. Conventional first mortgages made at the same time the property was acquired represented about half of those on properties with fewer than 50 units and about 35 percent of those on the larger size properties.

TABLE G.—ORIGIN OF FIRST MORTGAGE, BY SIZE OF PROPERTY, FOR RENTAL AND VACANT PROPERTIES: 1960

[Percent distribution]

Origin of mortgage	All mortgaged properties	Properties with— 1 to 4 dwelling units	5 to 49 dwelling units	50 dwelling units or more
All properties	100.0	100.0	100.0	100.[illegible]
Made when property acquired	50.4	50.2	52.1	43.[illegible]
Assumed when property acquired	17.9	18.3	15.4	14.1
Made after property acquired	31.7	31.5	32.5	42.6
Properties with FHA-insured first mortgage	100.0	100.0	100.0	100.0
Made when property acquired	60.2	60.0	71.8	81.9
Assumed when property acquired	33.5	33.8	28.1	15.4
Made after property acquired	6.2	6.3	0.1	2.7
Properties with VA-guaranteed first mortgage	100.0	100.0		
Made when property acquired	45.3	45.3		
Assumed when property acquired	52.8	52.8		
Made after property acquired	1.8	1.8		
Properties with conventional first mortgage	100.0	100.0	100.0	100.0
Made when property acquired	49.7	49.4	51.9	35.3
Assumed when property acquired	10.6	9.8	15.3	13.8
Made after property acquired	39.7	40.8	32.8	50.9

Interest rate.—First mortgages outstanding in early 1960 on rental and vacant properties had median interest rates of 4.5 percent if FHA-insured, 4.1 percent if VA-guaranteed, and 6.0 percent if conventional. The interest rates of the FHA and VA mortgages tend to be limited to rates at or near the maximums prescribed by the administrative regulations effective at the time these loans were made.

Not being subject to this restriction, conventional loan interest rates are more responsive to the supply and demand situation of the mortgage money market and to the risks involved in the various types of properties. As shown in table H, conventional mortgage interest rates tend to be lower on the large properties—rates of less than 5 percent are indicated for about half of the properties with 50 units or more in contrast to one-twentieth of the 1- to 4-unit properties. On the other hand, two-thirds of the small properties had mortgage interest rates of 6 percent or more, compared with one-eighth of those with 50 units or more.

Among the factors which may account for the lower level of interest rates for mortgages on the large properties are the lower servicing costs per mortgage dollar (i.e., it costs less to service one mortgage of $500,000 than 100 mortgages of $5,000 each or ten mortgages of $50,000 each); and the location of most of these large properties (3 of every 5) in the Northeast where, according to independent surveys of federal agencies and private firms, interest rates are somewhat lower due to a more plentiful supply of investment funds.

TABLE H.—INTEREST RATE OF FIRST MORTGAGE, BY SIZE OF PROPERTY, FOR RENTAL AND VACANT PROPERTIES: 1960

[Median not shown where base is insufficient]

Interest rate	All mortgaged properties	Properties with— 1 to 4 dwelling units	5 to 49 dwelling units	50 dwelling units or more
PERCENT DISTRIBUTION				
Conventional first mortgages, total	100.0	100.0	100.0	100.0
Less than 4.5 percent	3.5	3.3	3.4	23.4
4.5 to 4.9 percent	3.0	2.0	7.7	25.3
5.0 to 5.4 percent	20.4	19.4	25.7	27.4
5.5 to 5.9 percent	9.7	8.2	18.3	11.0
6.0 to 6.9 percent	56.4	59.4	41.2	12.7
7.0 to 7.9 percent	3.9	4.2	2.4	0.2
8.0 percent or more	3.2	3.5	1.2	(1)
MEDIAN (Percent)				
FHA first mortgage	4.5	4.5		4.1
VA first mortgage	4.1	4.1		
Conventional first mortgage	6.0	6.0	5.6	5.0

1 Less than one-tenth of 1 percent.

Term of mortgage.—The longer repayment periods provided for Federally underwritten mortgages are evident in the medians shown in table J. FHA first mortgages outstanding in early 1960 had median terms of 24 years for those on 1- to 4-unit properties and 36 years for those on properties with 50 units or more. The median for VA first mortgages was 25 years. For conventional mortgages, the median term was 12 years, irrespective of size of property.

The shorter terms of the conventional mortgages reflect not only legal limitations on mortgage durations in the various States, but desire on the part of lenders to maximize the opportunity for reviewing their loan portfolios in the light of current conditions.

About half of the conventional mortgages on properties with 50 units or more had mortgages with terms of 8 to 12 years. Conventional mortgages with terms of less than 8 years were reported for 22 percent of the 1- to 4-unit properties, 14 percent of the 5- to 49-unit properties, and 7 percent of those with 50 units or more. On the other hand, mortgages with terms of 18 years or longer were found on about one-fifth of the properties with 50 units or more and about one-seventh of the mortgages on smaller properties.

TABLE J.—TERM OF FIRST MORTGAGE, BY SIZE OF PROPERTY, FOR RENTAL AND VACANT PROPERTIES: 1960

[Median not shown where base is insufficient]

Term of first mortgage	All mortgaged properties	Properties with— 1 to 4 dwelling units	5 to 49 dwelling units	50 dwelling units or more
PERCENT DISTRIBUTION				
Conventional first mortgages, total	100.0	100.0	100.0	100.0
Indefinite or on demand	4.6	4.6	4.7	2.3
Less than 8 years	20.4	21.6	14.1	6.7
8 to 12 years	37.6	37.0	40.6	51.4
13 to 17 years	23.1	22.4	27.3	19.7
18 to 22 years	11.9	11.9	11.8	14.4
23 years or more	2.4	2.5	1.5	5.5
MEDIAN (Years)				
FHA first mortgage	24	24		36
VA first mortgage	25	25		
Conventional first mortgage	12	12	12	12

Interest and principal payment per dwelling unit.—The median interest and/or principal payment on first mortgages on rental and vacant properties in early 1960 was $43 monthly on a per-dwelling-unit basis. Table K shows that the medians for FHA, VA, and conventional first mortgages were $42, $47, and $41, respectively.

Payments for all FHA and VA first mortgages included both interest and principal. For the conventional first mortgages, both interest and principal payments were being made in the case of 96 percent of those on 1- to 4-unit properties and 95 percent of the larger properties.

For small properties, as shown in table K, the median monthly payment per dwelling unit was $45; for the larger properties the median fell in the "less than $30" interval. Two-thirds of the first mortgages on properties with 5 units or more involved payments averaging less than $30 monthly per dwelling unit.

The lower level of the interest and principal payments per dwelling unit for the larger properties may stem, in part, from two factors. First, mortgage amounts per dwelling unit on the large rental properties tend to be somewhat lower than on the smaller properties. Second, it is not unusual for conventional mortgages on the larger size properties to be only partially amortized, with relatively small principal payments in relation to the size of the mortgage. This presumably reflects legal limitations on the repayment periods for these types of mortgages and the practical necessity of having an interest and principal payment which, when combined with other owner expenses, allows for rents which are competitive.

TABLE K.—MONTHLY INTEREST AND PRINCIPAL PAYMENT ON FIRST MORTGAGE PER DWELLING UNIT, BY SIZE OF PROPERTY, FOR RENTAL AND VACANT PROPERTIES: 1960

[Percent distribution. Median not shown where base is insufficient]

Monthly interest and principal payment per dwelling unit	All mortgaged properties	Properties with— 1 to 4 dwelling units	5 to 49 dwelling units	50 dwelling units or more
Total	100.0	100.0	100.0	100.0
Less than $30	29.9	24.7	67.0	68.4
$30 to $39	15.7	15.6	17.1	16.5
$40 to $49	16.7	17.9	8.4	7.2
$50 to $59	13.6	14.9	4.6	2.8
$60 to $79	12.9	14.4	1.8	3.7
$80 to $99	4.3	4.9	0.2	0.8
$100 or more	6.9	7.7	0.9	0.5
Median payment:				
All properties	$43	$45	$30—	$30—
With FHA first mortgages	42	42		36
With VA first mortgages	47	47		
With conventional first mortgages	41	46	30—	30—

Interest and principal payment as percent of rental receipts.—Interest and principal payments tended to absorb larger shares of the rental receipts in the small mortgaged properties than in the larger properties. As shown in table L, the median ratio of these payments (for both first and junior mortgages) to rental receipts was 75 percent for 1- to 4-unit properties, 47 percent for 5- to 49-unit properties, and 32 percent for properties with 50 units or more. The rental receipts data used in this ratio are adjusted to exclude owner expenditures for utilities and fuel.

With reference to the 1- to 4-unit properties, smaller proportions of the rental receipts were required for interest and principal payment on those with FHA first mortgages (median ratio of 57 percent) and VA first mortgages (median of 69 percent) than for the properties with conventional first mortgages (median of 84 percent). In the case of properties with 50 units or more, however, the median payments-to-receipts ratio for properties with FHA first mortgages (44 percent) was larger than for the properties with conventional mortgages (28 percent).

These figures reflect combined payments on both the first and junior mortgages. Comparable median data relating to the first mortgage payment only are also shown in table L.

TABLE L.—INTEREST AND PRINCIPAL PAYMENT AS PERCENT OF RENTAL RECEIPTS, BY SIZE OF PROPERTY, FOR RENTAL AND VACANT PROPERTIES: 1960

[Percent distribution. Based on receipts data for 12-month period prior to survey date. Receipts are adjusted to exclude owner expenditures for utilities and fuel. Median not shown where base is insufficient]

Interest and principal payments as percent of rental receipts	All mortgaged properties	Properties with—		
		1 to 4 dwelling units	5 to 49 dwelling units	50 dwelling units or more
ALL MORTGAGE PAYMENTS				
Total	100.0	100.0	100.0	100.0
Less than 30 percent	8.1	4.7	27.6	45.4
30 to 49 percent	17.4	15.7	26.8	41.8
50 to 69 percent	23.4	24.2	18.8	9.6
70 to 89 percent	17.0	18.4	9.3	1.0
90 percent or more	34.1	36.9	17.5	2.2
Median percent for—				
All properties	71	75	47	32
With FHA first mortgage	57	57	-----	44
With VA first mortgage	69	69	-----	-----
With conventional first mortgage	77	84	47	28
FIRST MORTGAGE PAYMENT				
Median percent for—				
All properties	69	73	45	30
With FHA first mortgage	54	55	-----	44
With VA first mortgage	68	68	-----	-----
With conventional first mortgage	74	82	45	27

Value per dwelling unit.—Values of mortgaged rental and vacant properties, on a per-dwelling-unit basis, tended to be higher than those of nonmortgaged properties in early 1960. Moreover, for mortgaged properties, the values per unit for the small properties were at a higher level than for the larger properties (see table M).

The median value per unit for the 1- to 4-unit properties without mortgages was $5,300; for those mortgaged, it was $8,700. About one-fifth of the nonmortgaged and roughly two-fifths of the mortgaged properties in this size group had values of $10,000 or more per unit.

For the 5- to 49-dwelling-unit properties, both nonmortgaged and mortgaged, the medians fell in the "less than $5,000" interval. However, of the mortgage-free properties three-fourths were in this class interval as compared with about half of the mortgaged properties. Only 5 percent of the nonmortgaged and 10 percent of the mortgaged properties in this size group had values per unit of $10,000 or more.

The large properties with 50 dwelling units or more had median values per unit of $5,100 and $6,300 for nonmortgaged and mortgaged properties, respectively. About 23 percent of the nonmortgaged and 18 percent of the mortgaged properties in this size group had values of $10,000 or more per unit.

TABLE M.—VALUE PER DWELLING UNIT, BY SIZE OF PROPERTY AND MORTGAGE STATUS, FOR RENTAL AND VACANT PROPERTIES: 1960

[Percent distribution]

Value per dwelling unit	All properties	Properties with—		
		1 to 4 dwelling units	5 to 49 dwelling units	50 dwelling units or more
NONMORTGAGED PROPERTIES				
Total	100.0	100.0	100.0	100.0
Less than $5,000	49.0	47.8	73.4	49.3
$5,000 to $7,400	20.7	20.8	18.5	20.8
$7,500 to $9,900	12.0	12.4	3.4	6.4
$10,000 to $14,900	10.9	11.2	4.2	19.4
$15,000 to $19,900	4.2	4.4	0.4	1.7
$20,000 or more	3.2	3.4	0.1	2.3
Median value per dwelling unit	$5,100	$5,300	$5,000–	$5,100
MORTGAGED PROPERTIES				
Total	100.0	100.0	100.0	100.0
Less than $5,000	22.1	17.8	53.7	35.8
$5,000 to $7,400	22.1	22.0	22.6	27.5
$7,500 to $9,900	20.5	21.4	14.0	18.8
$10,000 to $14,900	22.1	24.0	7.9	13.9
$15,000 to $19,900	7.1	7.9	1.2	2.3
$20,000 or more	6.1	6.9	0.6	1.7
Median value per dwelling unit	$8,200	$8,700	$5,000–	$6,300
Median value per property	$11,500	$10,700	$42,000	$540,000

Outstanding debt as percent of value.—Values of most mortgaged rental and vacant properties in early 1960 exceeded their outstanding total (first and junior) mortgage debts appreciably (see table N). Mortgage debt represented less than 60 percent of the property value in two-thirds of the 1- to 4-unit properties, three-fourths of those with 5 to 49 units, and five-eighths of those with 50 units or more. Debts representing 80 percent or more of the value were found in one-eighth of the small properties, about one-twelfth of the medium-size properties, and one-ninth of the large properties.

Comparable data for 1950 are shown in table N. For example, the median debt-to-value ratios for the large properties were 61 percent in 1950 and 54 percent in 1960.

TABLE N.—OUTSTANDING TOTAL MORTGAGE DEBT AS PERCENT OF VALUE, BY SIZE OF PROPERTY, FOR RENTAL AND VACANT PROPERTIES: 1960 AND 1950

[Percent distribution]

Debt as percent of value	All mortgaged properties		Properties with—					
			1 to 4 dwelling units		5 to 49 dwelling units		50 dwelling units or more	
	1960	1950	1960	1950	1960	1950	1960	1950
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 20 percent	14.8	16.9	14.2	16.4	19.6	19.0	8.0	5.0
20 to 39 percent	24.4	30.7	24.4	30.9	24.8	30.5	19.1	15.5
40 to 59 percent	28.4	26.3	27.8	25.1	32.5	30.4	35.4	26.2
60 to 69 percent	11.3	9.8	11.6	9.7	9.1	9.6	14.5	22.5
70 to 79 percent	9.4	6.9	9.8	7.2	6.4	5.5	12.4	13.1
80 to 89 percent	6.4	5.7	6.7	6.5	4.0	2.5	7.2	11.6
90 percent or more	5.3	3.8	5.6	4.2	3.5	2.4	3.4	6.1
Median ... percent	47	42	48	42	43	40	54	61

Year built.—Proportionately more of the mortgaged rental and vacant properties were of recent vintage than those without mortgages. This is evident from the data in table O.

Among the properties with 1- to 4-dwelling units, 36 percent of the mortgaged and 14 percent of the nonmortgaged were built during the 10-year period preceding the survey. Conversely, 59 percent of those without mortgages were built before 1930, compared with 36 percent of the mortgaged properties.

The same pattern is evident for the other two size groups. For example, among the properties with 50 dwelling units or more, 27 percent of the mortgaged were built during the 1950's, compared with 12 percent of the not mortgaged. Three-fourths of the mortgage-free properties in this size group were built before 1930. Of the mortgaged, about two-fifths were in this category.

TABLE O.—YEAR BUILT, BY SIZE OF PROPERTY AND MORTGAGE STATUS, FOR RENTAL AND VACANT PROPERTIES: 1960

[Percent distribution]

Year built	All properties		Properties with— 1 to 4 dwelling units		5 to 49 dwelling units		50 dwelling units or more	
	Not mortgaged	Mortgaged	Not mortgaged	Mortgaged	Not mortgaged	Mortgaged	Not mortgaged	Mortgaged
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
1955 to 1959	6.0	16.2	6.1	16.1	2.6	16.9	5.5	10.8
1950 to 1954	7.8	18.7	8.1	20.2	2.2	7.3	6.4	16.8
1940 to 1949	14.1	17.7	14.4	18.8	7.5	9.4	8.0	17.0
1930 to 1939	12.6	8.4	12.8	8.7	8.8	6.4	5.3	12.4
1929 or earlier	59.5	39.0	58.6	36.2	78.9	60.0	74.7	43.0

Real estate tax.—When related to value, real estate taxes on mortgaged and nonmortgaged properties are about the same. As shown in Table P, the median tax per $1,000 of value was $14 for the mortgage-free and $15 for the mortgaged rental and vacant properties with 1 to 4 dwelling units. For the 5- to 49-dwelling-unit properties both median tax figures were $20 per $1,000 of value. In the case of the large properties, the difference between the median tax rate of $23 for the not-mortgaged properties and $27 for the mortgaged is not statistically significant.

It should be noted that the preceding data relate to value as estimated by the owner. This is generally not the same as assessed value.

The increase in the median tax per $1,000 of value as the size of the property increases is at least partially due to the fact that most of the medium and large size properties are found in the more populous metropolitan areas where the cost of municipal services results in higher tax rates.

Table P shows that real estate taxes on a dwelling unit basis were higher for the mortgaged than for the nonmortgaged properties. This reflects, in part, the fact that mortgaged properties tend to have higher values per dwelling unit (see table M).

TABLE P.—MEDIAN REAL ESTATE TAX PER DWELLING UNIT AND PER $1,000 VALUE, BY SIZE OF PROPERTY, FOR RENTAL AND VACANT PROPERTIES: 1960

[Based on tax payment for 12-month period prior to survey date]

Subject	All properties	Properties with— 1 to 4 dwelling units	5 to 49 dwelling units	50 dwelling units or more
Median real estate tax per dwelling unit for—				
All properties	$80	$80	$80	$148
Nonmortgaged properties	66	66	64	99
Mortgaged properties	111	114	94	157
Median real estate tax per $1,000 value for—				
All properties	15	14	20	27
Nonmortgaged properties	15	14	20	23
Mortgaged properties	15	15	20	27

Type of owner.—In early 1960, the majority of rental and vacant properties with less than 50 units, whether mortgaged or not, were owned by individuals (see table Q). For the larger properties type of ownership was more varied. Of the mortgage-free properties with 50 units or more, two-fifths were owned by individuals, and one-fifth each by cooperative organizations and real estate corporations. On the other hand, real estate corporations owned the largest proportion—about half—of the mortgaged properties with 50 units or more. Individuals owned about one-fifth, partnerships 15 percent, and cooperatives 9 percent of the large mortgaged properties.

Included in the 13 percent of the large mortgage-free properties shown for "other" type of owners were properties acquired by FHA as a result of defaults of FHA-insured mortgages and temporarily owned by that agency pending sale to new owners.

TABLE Q.—TYPE OF OWNER, BY SIZE OF PROPERTY AND MORTGAGE STATUS, FOR RENTAL AND VACANT PROPERTIES: 1960

[Percent distribution]

Type of owner	All properties		Properties with— 1 to 4 dwelling units		5 to 49 dwelling units		50 dwelling units or more	
	Not mortgaged	Mortgaged	Not mortgaged	Mortgaged	Not mortgaged	Mortgaged	Not mortgaged	Mortgaged
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Individual	88.8	89.4	88.8	91.0	88.9	80.4	39.8	19.1
Partnership	3.4	2.9	3.3	2.1	5.5	8.7	5.7	15.4
Financial institution	0.3	0.2	0.3	0.2	0.3	0.2	2.2	0.7
Cooperative organization	(1)	0.3	------	0.1	0.1	0.8	20.0	9.2
Real estate corporation	0.7	4.5	0.6	3.6	3.8	8.5	19.8	51.7
Other	6.7	2.7	7.0	2.9	1.4	1.4	12.5	3.9

1 Less than one-tenth of 1 percent.