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Farm Mortgage Experience of Life Insurance Companies Lending in South Dakota

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Farm Mortgage Experience of Life Insurance Companies Lending in South Dakota

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Farm Mortgage Experience of Life Insurance Companies Lending in South Dakota

By

Harry A. Steele*

Introduction

Purpose of the Study

Life insurance funds play an important part in supplying farm mortgage credit. This source of credit has increased rapidly during the last twenty years and is now one of the principal sources of farm mortgage loans in the United States. The life insurance companies have found an important outlet for their funds in South Dakota; approximately five per cent of their total farm mortgage loans on December 31, 1931 had been made in this state.¹ Because of the nature of the institution of life insurance, its investments should be conservative. It is with this view in mind that the state insurance laws are designed to regulate the investments of the life insurance companies. Investments of the well established life insurance companies have generally been made on a conservative basis.

There are times, however, when an accumulation of distressed conditions which can not be foreseen will change what was considered a most conservative investment into one of high risk. Such have been the conditions in agriculture the last few years. It is the object of this study to discover the effects of the adverse agricultural conditions of recent years on the farm mortgage holdings of life insurance companies in South Dakota. In a later bulletin from this department the experiences of other agencies supplying farm mortgage funds will be discussed and compared with the lending experiences of life insurance companies.

Method of Study

The data for the study were taken from schedules "A" and "B" of the annual statements of the life insurance companies lending in South Dakota. With the exception of two companies, these schedules were filed with the State Commissioner of Insurance, Pierre, South Dakota. Two companies loaning money in South Dakota were not licensed to sell insurance in the state and therefore were not required to file their sched-

1. Wickens, David L.—Farm Loans of Life Insurance Companies (Preliminary Report), U.S.D.A. mimeograph release, July, 1932.

* A thesis on this subject by the author was accepted by South Dakota State College as a part of the requirements for a Master of Science degree in June, 1932.

ACKNOWLEDGMENT.—The author expresses his sincere appreciation to Professor Sherman E. Johnson, Head of the Department of Agricultural Economics, for valuable suggestions and criticisms.

ules with the South Dakota Insurance Commissioner. Data for these two companies were obtained from schedules filed with the Minnesota Department of Insurance at St. Paul.

In schedule "A—part 1", the companies reported all real estate owned December 31 of the current year, the location and description of individual tracts, date acquired, and actual cost (including cost of acquiring title).

In schedule "A—part 2", the companies reported the number of tracts, the acreage, and the actual cost of real estate acquired during the current year.

In schedule "A—part 3", the companies reported the number of sales during the current year. Some items on sales seemed to be reported differently by the different companies so only the data on number of sales, the acreage transferred, and the kind of sale were used. These three items were comparable for all companies.

In schedule "B—part 1", the insurance companies reported the amount of loans outstanding December 31 of the previous year, amount loaned during the current year, amount paid on account during the current year, and the amount of loans unpaid at the end of the current year.

In schedule "B—part 3", the companies reported all mortgage loans upon which interest, principal, or taxes were overdue more than three months. They also indicated which mortgages were in process of foreclosure.

All available sources were checked to make the enumeration complete. With the exception of the amount of mortgages outstanding, the figures were reported on a county basis. Hence, results of the study are available by counties as well as for the whole area in which loans have been made. It would be desirable to have the distribution of the outstanding loans by counties in order to compute a foreclosure ratio for each county, but the distribution could not be obtained from figures available.

Definition of Terms

Tract.—Because of the fact that many farmers mortgage only a part of their farms, the units of real estate owned by life insurance companies do not in all cases consist of a complete farm. It seems desirable, therefore, to refer to these holdings as tracts rather than as independent farms.

Actual cost.—"Actual cost" of real estate to the life insurance companies includes the amount unpaid on the mortgage including delinquent interest, and all costs of acquiring title. If title is acquired by foreclosure, the cost includes the amounts expended for taxes, repairs, and improvements prior to the date on which the company acquired the title.

Average cost per acre.—Average cost per acre was computed by dividing the total "actual cost" of real estate to the life insurance companies by the total acreage acquired.

Part 1. Farm Mortgages Outstanding and Ratio of Real Estate Owned to Ledger Assets

Life Insurance Companies Lending in South Dakota

Number of companies.—Thirty-nine of the seventy-seven legal reserve life insurance companies licensed to sell life insurance in South Dakota in 1931 held farm mortgages in the state. Two of these companies have their home offices in South Dakota. In addition to the above thirty-nine legal reserve companies, two fraternal companies held farm mortgages in the state. There were also two legal reserve companies not licensed to sell life insurance in South Dakota that held farm loans in the state.

Farm mortgages outstanding.—Table 1 shows for 36 companies which reported complete figures the amount of farm loans outstanding December 31, 1930, the amount outstanding December 31, 1931, and the amount loaned and paid on account during the year. Thirty-six companies reported complete figures. The other seven companies reported only the amount of mortgages outstanding December 31, 1931.

The thirty-six companies reported \$106,646,357 in outstanding farm mortgages on December 31, 1930 and \$103,595,951 on December 31, 1931. During the year they loaned \$6,363,928 and received \$9,413,994 on account. How much of the amount loaned was new loans and how much renewals of old loans was not reported. Neither could it be determined whether all of the real estate acquired was entered in the amount paid on account. These companies were decreasing their unpaid loans, withdrawing a little over three million dollars more than they loaned. However, it is likely that a large part of the withdrawal came through foreclosure of loans. The thirty-six companies reported 17,178 loans outstanding December 31, 1931. The average amount per loan was \$6,031.

In addition to the farm mortgages held at the end of 1931 by the thirty-six companies, seven other companies held \$2,479,529 in farm mortgages. The total amount of farm mortgages held at the end of 1931 by the 43 life insurance companies was \$106,075,480.

Experience of Sixteen Life Insurance Companies Lending in South Dakota, 1919-1931

Sixteen of the forty-three life insurance companies that hold farm mortgages in South Dakota file their schedules with the New York Insurance Department. Figures are available from the New York Insurance Reports on mortgages outstanding and real estate owned by these companies over a period of years.²

Farm mortgages outstanding.—The farm mortgage holdings in South Dakota of these sixteen companies are shown in Table 2. The investment in farm mortgages shows an increase every year up to 1928. The most

2. New York Annual Insurance Report, Part II, Life Companies.

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Table 1. Farm mortgages owned on December 31, in 1930 and 1931, amount loaned and amount received as payments on mortgages during year, by 36 life insurance companies lending in South Dakota

Company Number	Farm mortgages owned Dec. 31, 1930	Amount loaned during year	Payments received on mortgages during year*	Farm mortgages owned Dec. 31, 1931 Number	Amount
1	\$12,657,076	\$ 574,434	\$ 525,578	1,858	\$12,705,933
3	13,794,024	1,634,450	1,923,621	2,247	13,504,513
4	1,613,830	21,604	181,470	281	1,453,964
6	2,324,284	134,656	100,084	287	2,358,856
7	4,167,794	253,753	529,480	581	3,892,066
8	263,000	14,000	23,726	27	253,274
9	7,800	216	0	2	8,016
10	2,089,197	30,591	119,907	240	1,990,881
12	13,693,617	348,448	968,410	2,118	13,073,655
13	115,450	0	13,900	14	101,550
14	16,334,929	1,460,196	1,701,922	2,789	16,093,203
15	5,466,300	159,300	354,927	981	5,270,673
16	9,008,768	565,386	789,157	1,617	8,784,997
17	9,055,395	256,600	524,623	1,644	8,787,372
18	7,523,031	623,282	1,000,883	1,179	7,145,430
20	2,886,384	89,300	180,900	381	2,794,784
23	100,200	1,150	13,354	10	87,996
24	766,297	20,715	83,975	206	703,037
27	2,396,246	54,635	142,014	315	2,308,867
28	23,500	3,000	2,000	5	24,500
29	1,173,863	46,147	52,201	218	1,167,809
30	4,500	0	0	1	4,500
31	499,163	32,000	106,290	65	424,873
32	87,577	8,624	11,515	17	84,686
33	48,000	21	3,721	5	44,300
34	2,950	0	0	1	2,950
35	15,700	0	0	10	15,700
36	52,000	0	0	3	52,000
37	32,624	0	0	6	32,624
38	0	3,000	0	1	3,000
39	32,000	0	5,000	4	27,000
40	42,500	0	0	7	42,500
41	45,375	0	7,250	6	38,125
42	83,050	0	5,400	13	77,650
44	159,550	413	7,150	18	152,813
45	89,383	28,007	35,536	21	81,854
Total 36 companies	\$106,646,357	\$6,363,928	\$9,413,994	17,178	\$103,595,951
Seven other companies†					2,479,529
Grand total					\$106,075,480

*Payments received on mortgages includes real estate acquired.

†Report only amount of farm mortgages owned December 31, 1931.

rapid increase in amount of mortgages held occurred in the years prior to 1924. The largest mortgage investment was held in 1927 when the amount was almost five times as great as in 1914. Since 1927 the investment in farm mortgages has declined until in 1931 it was slightly higher than the amount held in 1925.

However, it should be noted that the total investment, including farm mortgages and real estate owned, increased up to 1929 and then dropped considerably in 1930 but again increased slightly in 1931. This would

TABLE 2. Trends in farm mortgages held and real estate owned in South Dakota by sixteen life insurance companies*

Year ending Dec. 31	Farm mortgages held	Real estate owned†	Total investment	Ratio of real estate owned to total investment (%)	Index of mortgages held 1923=100%	Index of real estate owned 1923=100%
1914	22,818,367				24.1	
1919	39,822,733				42.0	
1920	50,470,695				53.3	
1921	59,741,473				63.1	
1922	68,613,063				72.4	
1923	81,911,259	\$ 33,712	\$ 81,944,471	0.04	86.5	20.8
1924	90,740,075	702,091	91,442,166	0.77	95.8	43.2
1925	94,723,977	1,623,520	96,347,497	1.69	100.0	100.0
1926	100,900,410	2,444,236	103,344,646	2.37	106.5	150.6
1927	104,406,812	2,883,837	107,290,649	2.69	110.2	177.6
1928	104,007,442	4,551,606	108,559,048	4.19	109.8	280.4
1929	102,878,233	6,373,997	109,252,230	5.83	108.6	392.6
1930	98,367,869	7,990,461	106,358,330	7.79	103.8	492.2
1931	95,715,433	11,163,128	106,878,561	10.44	101.0	687.6

* SOURCE: New York Insurance Reports, Part II, Life Insurance, 1914, 1919-1931. Per cent of real estate to total investment, and index numbers of mortgages held and real estate owned computed from table.

† If any city real estate is owned it is also included in this total but a careful check indicates that only a negligible amount of city property has been taken over in South Dakota.

indicate that in the period between 1927 and 1929 new loans more than offset repayments on old loans but did not offset the amount of real estate acquired. When mortgages and real estate are added, however, the total investment shows an increase. In 1930, on the other hand, the decrease in amount of mortgages held exceeded the increase in the amount of real estate acquired and even the total investment decreased. It is obvious that in that year new loans did not offset either repayments on old loans or the amount of real estate acquired.

The total amount of farm mortgages held decreased again in 1931 but the increase in the amount of real estate owned exceeded the decrease in farm mortgages by about \$500,000. For the year 1931 it does not seem likely that the resulting increase in total investment can be explained by much of an increase in new loans over repayments. It is perhaps more probable that there were very few repayments in 1931 and that old loans had to be protected by payment of taxes. It should also be pointed out that the real estate acquired may show an increase in book value over the original investment in the mortgages on the land acquired due to foreclosure costs, delinquent interest, taxes and investment in repairs on the farms acquired. Some of the increase in total investment may be the result of the inclusion of some foreclosed city real estate in the total of real estate owned, but only a small amount of city property has been acquired so its effect on the total investment would perhaps be very slight.

Real estate owned.—The sixteen companies referred to above reported \$33,712 as the market value of real estate owned in South Dakota in 1923.

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Since that year the amount of real estate owned has increased rapidly, and in 1931 it was reported as \$11,163,128. Table 2 shows that the real estate owned amounted to only 0.04 per cent of the total investment in mortgages and land of the sixteen life insurance companies in 1923, but this percentage had increased to 10.44 per cent in 1931.³

TABLE 3. Ratio of total real estate owned to total admitted assets of 40 companies lending in South Dakota for year ending December 31, 1931^a

Company number	Total admitted assets	Market value of real estate	Per cent of admitted assets in real estate
1	\$1,400,232,748	\$27,776,744	2
2	3,590,115,654	60,255,425	2
3	1,890,144,881	37,777,896	2
4	437,949,074	19,890,306	5
5	165,677,027	5,998,859	4
7	154,176,245	9,048,882	6
8	128,815,404	7,051,889	5
9	98,138,711	4,144,212	4
10	621,278,133	28,491,546	5
12	589,980,371	18,806,476	3
13	144,508,327	5,303,220	4
14	977,265,830	12,662,583	1
15	160,163,615	8,459,002	5
16	2,692,698,221	57,967,952	2
17	661,521,007	21,675,812	3
18	335,395,806	41,309,610	12
20	38,151,114	1,596,616	4
21	5,718,190	619,005	11
23	154,944,350	22,163,438	14
24	45,920,328	2,153,919	5
25	4,901,226	101,595	2
27	39,527,721	5,812,140	15
28	10,200,648	2,569,919	25
29	17,338,439	1,281,771	7
30	11,953,217	406,953	1
31	30,886,692	2,150,000	7
32	27,896,604	1,844,225	7
33	56,480,889	10,307,682	18
34	8,828,928	1,695,138	19
35	3,691,934	109,246	3
36	21,375,115	1,969,764	9
37	4,436,661	453,131	9
38	2,321,124	-	-
39	16,859,459	743,860	4
40	1,312,401	138,536	11
41	16,205,677	831,186	5
42	6,915,116	1,196,715	17
43	19,106,795	818,274	4
44	72,543,806	4,446,881	6
45	83,189,326	7,038,040	8
Total 40 companies	\$14,748,766,814	\$437,068,448	3

^aSOURCE: Best's Life Insurance Reports, Twenty-seventh Annual Edition 1932-1933; Alfred M. Best Company, Inc., New York.

3. A slight error is introduced in this computation because foreclosed city real estate is included in the report of "real estate owned" but the amount of city property is very small compared to the total.

Figure 1 shows by index numbers the farm mortgage investment and the real estate owned by the same sixteen companies. The base year is 1925. The contrast of the two curves is striking. The farm mortgage investment of 1914 was 24.1 per cent of the 1925 investment. The index

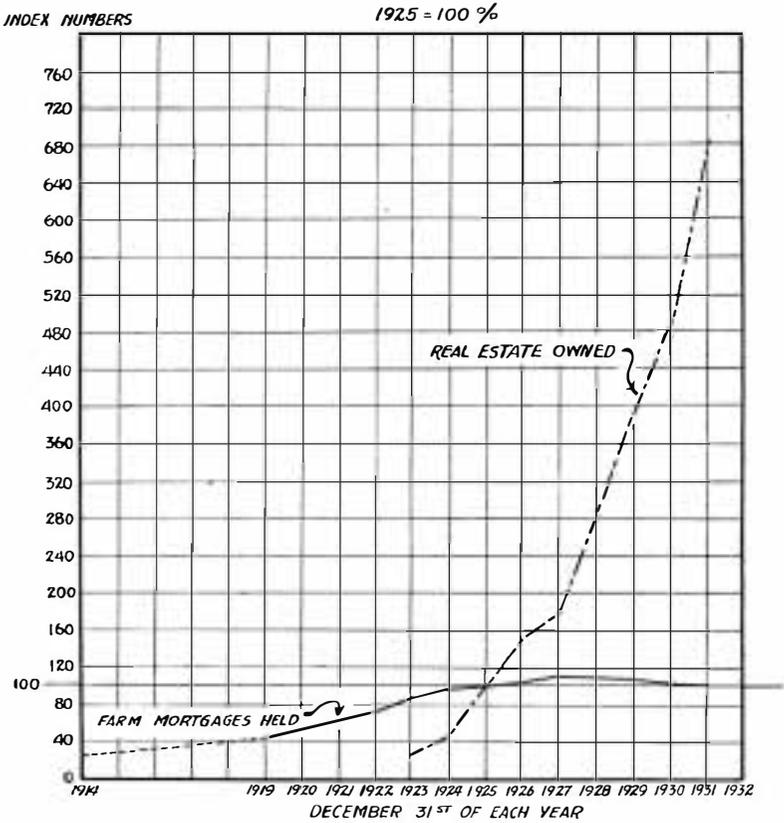


Figure 1.—Index numbers of farm mortgages held and real estate owned in South Dakota by sixteen life insurance companies.

of farm mortgage investment reached a high point of 110.2 per cent in 1927 and fell to 101 per cent in 1931. The real estate owned in 1923 was 20.8 per cent of the 1925 figure but in 1931 it had increased to 687.6 per cent.

Ratio of Real Estate Owned to Ledger Assets

It is not the object of this study to cast any reflection upon the soundness of life insurance investments. Even though it has been necessary to take title to a large amount of farm real estate it does not necessarily

follow that this will eventually result in large losses to the lenders. Where conservative loans have been made, the farms can perhaps eventually be resold at values which will equal or exceed the amount invested. Furthermore, the amount of real estate owned represents only a small percentage of the total assets of life insurance companies. Table 3 shows the total assets and book value of all real estate owned (both farm and city real estate) for 40 companies lending in South Dakota. These figures are for the companies entire business in the United States. Some of the companies have large home office buildings which are included in the book value of the real estate owned. Nine companies owned real estate amounting to over 10 per cent of their "admitted assets" as of December 31, 1931. The average for the 40 companies was 3 per cent and the range was from 1 per cent to 25 per cent.

Part 2. Farm Real Estate Owned Dec. 31, 1931

Year Acquired

In Table 4, the farm real estate owned at the end of 1931 by 43 life insurance companies lending in South Dakota is classified by the year in which it was acquired.⁴ The number of tracts acquired, the acreage, and the actual cost are given for each year from 1924 to 1931. Since the companies have sold some of their farm real estate each year, the figures in Table 4

TABLE 4. Farm real estate acquired by life insurance companies 1924-1931 and owned December 31, 1931

Year acquired	Number of tracts	Acreage	Actual cost	Acres per tract	Cost per acre
1931	474	117,957	\$3,908,970	248.9	\$33.14
1930	371	103,623	3,678,508	279.3	35.50
1929	265	61,251	2,168,051	231.1	35.40
1928	230	72,647	2,862,864	315.9	39.41
1927	107	24,418	1,014,734	228.2	41.56
1926	83	21,019	967,920	253.2	46.05
1925	65	17,249	726,367	265.4	42.11
1924	29	9,012	399,349	310.8	44.31
Year not given ^a	55	12,919	566,807	-	-

* Includes 4 tracts acquired before 1924.

do not show the total amount acquired, but rather the amount acquired in in each year and still owned December 31, 1931. The number of sales made each year, however, have been small on account of the distressed condition of the land market and the unwillingness of the companies to dispose of their holdings at a loss. Because so few sales have been made, the figures in Table 4 give a good indication of the amount of farm real estate the life insurance companies have acquired in each year.

Number of tracts acquired each year.—The number of tracts acquired each year from 1924 to 1931 is shown in Figure 2 which is based on Table 4. There has been an increase every year in the number of tracts taken

4. See Table I appendix for classification by counties.

over. The largest part of the real estate owned at the end of 1931 was acquired in the four years 1928 to 1931.⁵ Of the 1,624 tracts for which the date acquired was reported as from 1924 to 1931, 284 tracts, or 17.5 per cent, were acquired in the four years 1924 to 1927 and 1,340 tracts, or 82.5 per cent, were acquired in the four years 1928 to 1931. The companies acquired 474 tracts in 1931 or 28.2 per cent of the total number held which was the largest acquisition in any one year.

Acreage acquired each year.—The acreage per tract has varied from year to year so that the acreage acquired does not follow quite the same

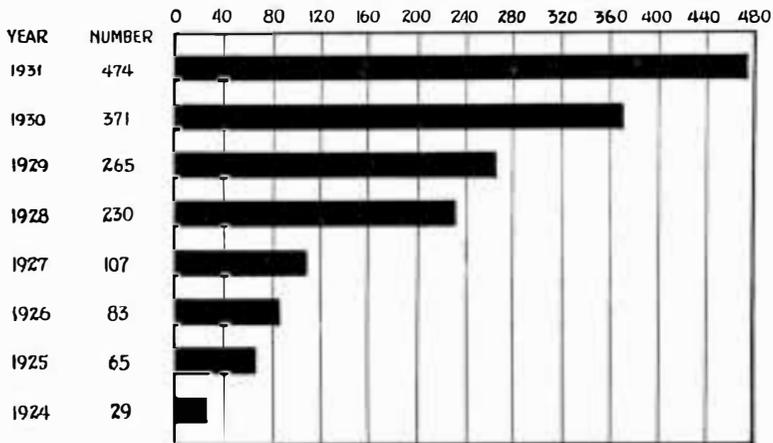


Figure 2.—Number of tracts of land acquired each year 1924 to 1931 by life insurance companies and held December 31, 1931.*

* Four tracts were acquired before 1924 and the year acquired was not reported for 51 tracts.

tendency as the number of tracts. The acreage acquired has increased every year except in 1929, when the acreage acquired was smaller than that acquired in 1928. Of the 427,176 acres for which the date acquired^d was reported as from 1924 to 1931, 71,698 acres, or 16.8 per cent were acquired in the four years 1924 to 1927 and 355,478 acres, or 83.2 per cent, were acquired in the four years from 1928 to 1931. The insurance companies acquired 117,957 acres of farm land in 1931, or 26.8 per cent of the total held. This was the largest acreage taken over in any one year.

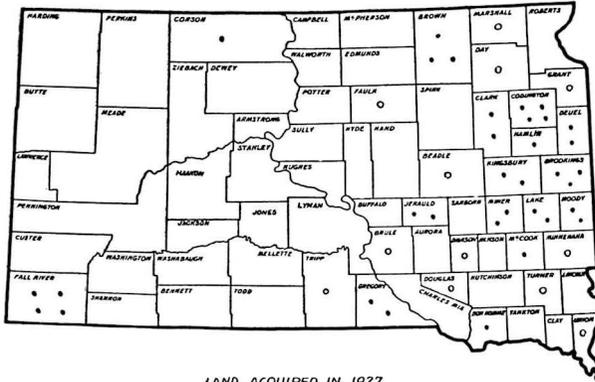
Average cost per acre of land acquired each year.—The average cost per acre of farm real estate owned by life insurance companies December 31, 1931 and acquired in 1924 was \$44.31. The average cost per acre was \$42.11 in 1925, \$46.05 in 1926, \$41.56 in 1927, \$39.41 in 1928, \$35.40 in 1929, \$35.50 in 1930, and \$33.14 in 1931.

The above figures bring out that the average cost per acre of land acquired has decreased considerably since 1926. There are four possible

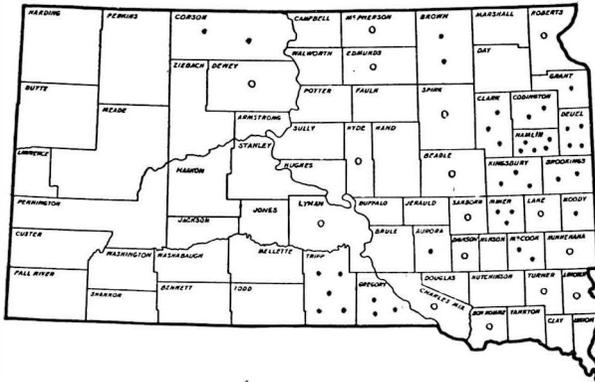
5. Four tracts were acquired before 1924 and the year acquired was not reported for 51 tracts.

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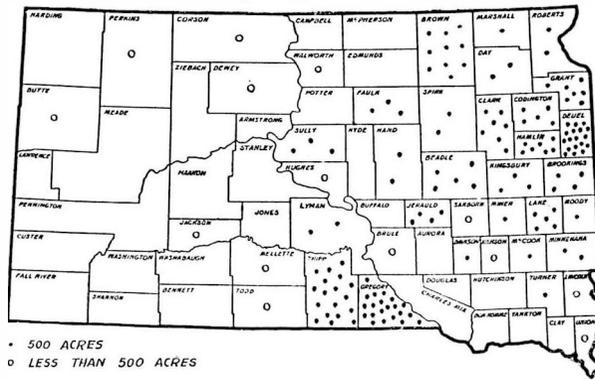
LAND ACQUIRED IN 1926



LAND ACQUIRED IN 1927

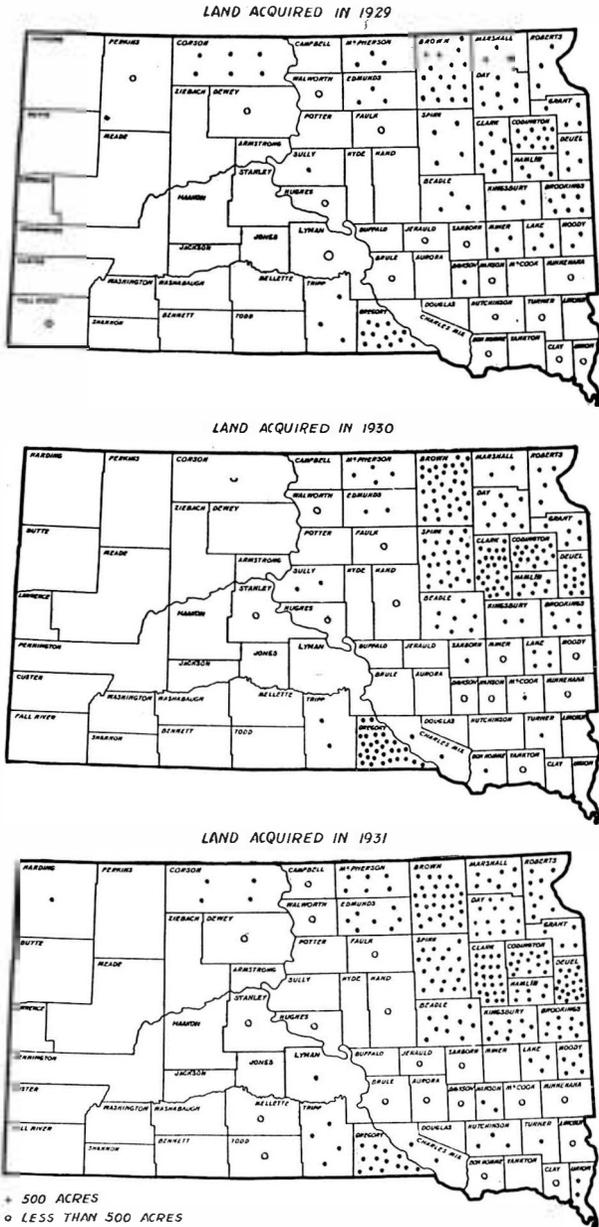


LAND ACQUIRED IN 1928



• 500 ACRES
 ○ LESS THAN 500 ACRES

Figures 3 to 5.—Farm real estate acquired in each year 1926 to 1928 and held December 31, 1931.



Figures 6 to 8.—Farm real estate acquired in each year 1929 to 1931 and held December 31, 1931.

TABLE 5a. Farm real estate owned in South Dakota by 43 life insurance companies, December 31, 1931

County	No. of tracts	Acreage	Actual cost	Acres per tract	Ratio of acres owned to assessed acreage (per 1,000)*
Total	1,679	440,095	\$16,293,570	262.1	13.4
Armstrong	0				
Aurora	5	940	\$44,830	188.0	2.2
Beadle	50	13,828	527,148	276.6	17.9
Bennett	0				
Bon Homme	9	2,040	107,830	226.7	5.7
Brookings	73	16,121	862,590	220.8	32.2
Brown	165	50,022	1,562,502	303.2	47.3
Brule	4	1,108	47,006	277.0	2.2
Buffalo	0				
Butte	2	480	5,181	240.0	0.4
Campbell	2	640	9,180	320.0	1.4
Charles Mix	11	2,520	110,163	229.1	3.8
Clark	158	39,859	1,525,509	252.3	68.0
Clay	5	790	49,046	158.0	3.2
Codington	118	29,322	1,136,397	248.5	69.3
Corson	37	7,984	120,192	215.8	11.0
Custer	0				
Davison	9	2,182	114,531	242.4	8.1
Day	69	16,739	612,288	242.6	26.5
Deuel	124	28,648	1,076,163	231.0	73.7
Dewey	9	1,940	31,365	215.6	4.0
Douglas	1	194	8,500	194.0	0.7
Edmunds	25	6,200	115,076	248.0	9.5
Fall River	3	2,480	50,352	826.7	2.8
Faulk	12	2,957	62,285	246.4	5.1
Grant	59	12,438	442,708	210.8	29.5
Gregory	70	40,643	1,288,099	580.6	68.0
Haakon	0				
Hamlin	64	16,440	732,913	256.9	51.5
Hand	6	1,918	54,327	319.7	2.3
Hanson	7	1,590	90,759	227.1	5.8
Harding	3	720	3,518	240.0	0.6
Hughes	5	1,120	20,588	224.0	2.7
Hutchinson	2	1,594	62,566	797.0	3.1
Hyde	2	320	5,016	160.0	0.7
Jackson	2	1,160	15,251	580.0	2.6
Jerauld	20	6,781	370,874	339.1	21.1
Jones	0				
Kingsbury	60	13,605	640,168	226.8	26.8
Lake	47	9,139	512,493	194.4	25.8
Lawrence	0				
Lincoln	4	854	32,909	213.5	2.3
Lyman	4	1,997	32,895	499.3	2.2
McCook	17	3,572	215,165	210.1	9.9
McPherson	33	6,854	131,713	207.7	11.1
Marshall	43	8,531	282,821	198.4	18.9
Meade	1	160	686	160.0	0.1
Mellette	2	497	30,970	248.5	1.1
Miner	23	5,231	248,398	227.4	15.0
Minnehaha	14	2,518	162,209	179.9	5.0
Moody	33	6,495	379,063	196.8	19.9
Pennington	0				
Perkins	11	2,040	21,139	185.5	1.3
Potter	0				
Roberts	52	11,303	378,543	217.4	18.6
Sanborn	12	2,865	124,973	238.8	8.2
Shannon	0				
Spink	95	25,821	776,845	271.8	28.3
Stanley	2	480	4,499	160.0	0.6
Sully	6	2,960	102,784	493.3	5.3
Todd	2	760	13,479	380.0	2.7
Tripp	50	16,649	593,045	333.0	20.6
Turner	19	3,101	217,023	163.2	7.9
Union	9	1,306	81,060	145.1	4.7
Walworth	6	1,239	15,940	206.5	3.1
Washabaugh	0				
Washington	0				
Yankton	1	240	26,540	240.0	0.8
Ziebach	1	160	2,862	160.0	0.3

*Acreage of farm land assessed in 1931 taken from the Annual Report of the Division of Taxation, 1931.

TABLE 5b. Farm real estate owned in South Dakota by 43 life insurance companies, December 31, 1931

County	Cost per acre	Value per acre all farms 1930 census*	Ratio of cost per acre to value per acre (%)	Debt per acre on owner operated farms 1930 census†	Ratio of cost per acre to debt per acre on owner-operated farms (%)
Total	\$37.02				
Armstrong					
Aurora	\$47.69	\$42.35	113	\$21.38	223
Beadle	38.12	45.60	84	22.02	173
Bennett					
Bon Homme	52.86	83.23	64	32.62	162
Brookings	53.51	72.99	73	39.71	135
Brown	31.24	40.00	78	18.03	173
Brule	42.42	32.70	130	15.24	278
Buffalo					
Butte	10.79	11.15	97	6.09	177
Campbell	14.34	25.14	57	8.28	173
Charles Mix	43.72	61.99	71	25.84	169
Clark	38.27	56.04	68	22.59	169
Clay	62.08	113.15	55	49.34	126
Codington	38.76	48.28	80	25.90	150
Corson	15.05	11.62	130	4.61	326
Custer					
Davison	52.49	66.38	79	31.79	165
Day	36.58	37.70	97	18.71	196
Deuel	37.57	57.30	66	27.75	135
Dewey	16.48	8.01	206	5.55	297
Douglas	43.81	65.30	67	28.52	154
Edmunds	18.56	26.26	71	10.32	180
Fall River	20.30	9.28	219	3.95	514
Faulk	21.06	28.97	73	13.35	158
Grant	35.59	50.72	70	22.36	159
Gregory	31.69	37.59	84	16.18	196
Haakon					
Hamlin	44.58	60.89	73	26.19	170
Hand	28.32	29.68	95	14.13	200
Hanson	57.08	66.53	86	34.67	165
Harding	4.89	5.72	85	2.48	197
Hughes	18.38	17.59	104	10.09	182
Hutchinson	39.25	82.83	47	24.36	161
Hyde	15.68	16.69	80	9.96	157
Jackson	13.15	13.18	100	6.31	208
Jerauld	54.69	40.20	136	21.35	256
Jones					
Kingsbury	47.05	68.42	69	32.49	145
Lake	56.08	84.20	67	34.74	161
Lawrence					
Lincoln	38.54	113.00	34	52.54	73
Lyman	16.47	16.74	98	9.18	179
McCook	60.24	80.22	75	34.96	172
McPherson	19.22	24.16	80	8.08	238
Marshall	33.15	32.53	102	16.63	199
Meade	4.28	14.51	30	4.43	97
Mellette	6.23	11.09	56	5.39	116
Miner	47.49	63.73	75	27.91	170
Minnehaha	64.42	104.70	62	47.94	134
Moody	58.36	92.80	63	41.78	140
Pennington					
Perkins	10.36	10.63	97	3.54	293
Potter					
Roberts	33.49	41.80	75	20.60	163
Sanborn	43.62	49.56	88	23.53	185
Shannon					
Spink	30.09	41.38	73	19.36	155
Stanley	9.37	8.70	108	3.88	241
Sully	34.72	20.92	166	9.27	375
Todd	17.74	12.58	141	7.67	231
Tripp	35.62	24.81	144	12.18	292
Turner	69.98	112.07	62	43.26	162
Union	62.07	114.55	54	52.20	119
Walworth	12.87	26.17	49	10.38	124
Washabaugh					
Washington					
Yankton	110.58	99.61	111	37.02	299
Ziebach	17.89	8.64	207	2.63	680

* U. S. Census 1930; Agriculture, South Dakota, Statistics by Counties, First Series.

† U. S. Census 1930; Agriculture, South Dakota, Statistics by Counties, Second Series.

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explanations for this. First, the farmers with the heavier mortgage debt may have been the first to fail. Second, the tracts acquired in recent years may have been mortgaged at a later date after there had been some decline in land values and consequently the loan was made at a lower amount per acre. Third, the practice of deeding over the security to save the trouble and expense of foreclosure may have reduced the cost per acre of acquiring title to the land. Fourth, a much larger proportion of the farm real estate acquired since 1926 has been located in the northeastern and south central parts of the state. This is brought out in Figures 3 to 8. Since 1926 the land acquired in the southeastern part of the state has made up a smaller portion of the total. This shift has given more weight to loans on land of lower value and consequently has reduced the cost per acre of acquiring the land. While it is probable that all four of the above factors have been operating, the concentration of real estate acquired in the northeastern and south central parts of the state since 1926 has probably been the most important cause of the decline in cost per acre of land acquired.

Number of Tracts, Acreage, and Actual Cost of all Farm Real Estate Owned December 31, 1931

Table 5a gives the total amount of farm real estate owned by the 43 life insurance companies lending in South Dakota. In this table, the total number of tracts and total acreage owned December 31, 1931 and the actual cost of acquiring title are given by counties and as a total for the state.

Number of tracts.—At the end of 1931, the 43 life insurance companies owned 1,679 tracts in South Dakota. These were located in 57 counties. Only 200 of the tracts, or 11.9 per cent, were located west of the Missouri river, and more than half of these, or 120, were in Tripp and Gregory counties. The largest number of tracts of land owned by insurance companies are located in the northeastern part of the state.

Total acreage owned.—The 1,679 tracts owned by the companies December 31, 1931 comprised a total of 440,095 acres. (Table 5a.) The total acreage of farm land in the 57 counties taken from the assessment rolls for 1931 was 32,760,206.⁶ The holdings of the insurance companies was a little over one per cent of the total acreage in farms or 13.4 acres per 1,000 acres of farm land.

Because of differences in size of tracts acquired in the different parts of the state, the acreage owned by the companies did not follow quite the same distribution tendency as the number of tracts owned. The tracts that were acquired west of the Missouri river generally are larger than those that were acquired east of that river. Hence, the 78,150 acres located west of the Missouri river constituted 17.8 per cent of the total acreage owned but represented only 11.9 per cent of the total number of tracts.

Table 5a shows by counties the number of acres owned by life insurance companies per 1,000 acres in farms. The number of acres owned by the companies per 1,000 acres in farms ranged from 0.1 per 1,000 in Meade county to 73.7 per 1,000 in Deuel county. In five counties, the companies owned over 50.1 acres per 1,000 acres in farms. These counties were Deuel,

⁶ Annual Report of the Division of Taxation, 1931.

Codington, Clark, Hamlin, and Gregory. With the exception of Gregory, they are all located in the northeastern section of the state. In this same section of the state, there were seven other counties in which the companies owned from 25.1 to 50 acres per 1,000 acres in farms. The acreage owned by the companies in 45 counties ranged from 0.1 to 25 per 1,000 acres in farms.

The concentration of the acreage owned, as described above, is shown in Figure 9. This is a dot map showing the acreage owned December 31, 1931. The companies owned 50,022 acres in Brown county, which was the largest acreage owned in any one county. Since Brown county is a large county, the ratio of land held to the total assessed acreage was not as great there as in some other counties.

Actual cost of acquiring title.—The 440,095 acres of farm real estate owned by 43 life insurance companies at the end of 1931 was acquired at a cost of \$16,293,570.⁷ This represented 13.3 per cent of the total investment

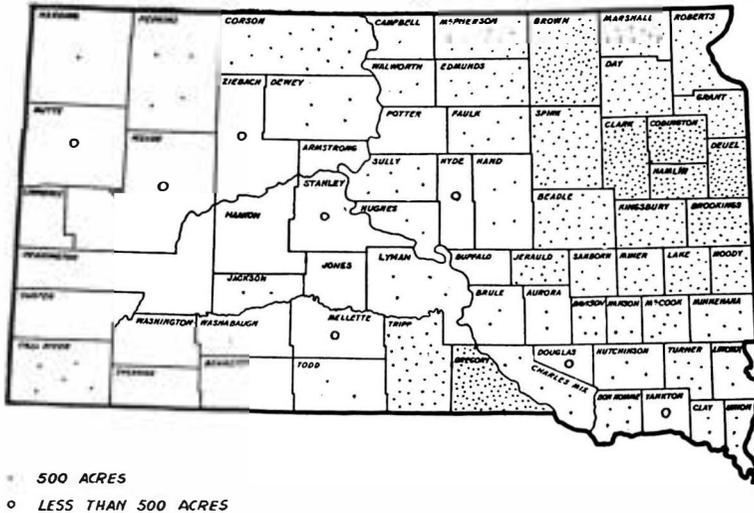


Figure 9.—Farm real estate owned December 31, 1931 by life insurance companies lending in South Dakota.

in farm mortgages and farm real estate of the 43 companies lending in South Dakota at the end of 1931. The cost to the companies of land acquired west of the Missouri river was \$2,214,133 or 13.6 per cent of the total cost. The greatest part of the cost incurred west of the Missouri river was for land acquired in Tripp and Gregory counties. The total cost of the companies of real estate acquired in Brown, Clark, Codington, Deuel, and Gregory counties was over \$1,000,000 per county. In eight counties the total cost ranged from \$500,000 to \$1,000,000 per county. In the rest of the 57 counties the total cost to the companies of real estate acquired was less

7. See actual cost under definition of terms.

than \$500,000 per county. The distribution by counties of the total cost to the companies of real estate acquired is shown in Figure 10.

The average cost per tract of real estate owned December 31, 1931 was \$9,704. This cost was \$3,673 larger than the average loan held by 36 companies at the end of 1931. A considerable portion of this difference is made up of expense of acquiring title, delinquent interest and taxes, etc. It is probable, however, that the difference also can be partly accounted for by a reduction in the average amount loaned in more recent years and by the reduction of principal by payments on some of the outstanding loans.

Cost per acre.—The real estate owned by the 43 life insurance companies at the end of 1931 was acquired at an average cost of \$37 per acre (Table 5b). The cost per acre in the various counties ranged from \$4.29 in Meade county to \$110.58 in Yankton county.

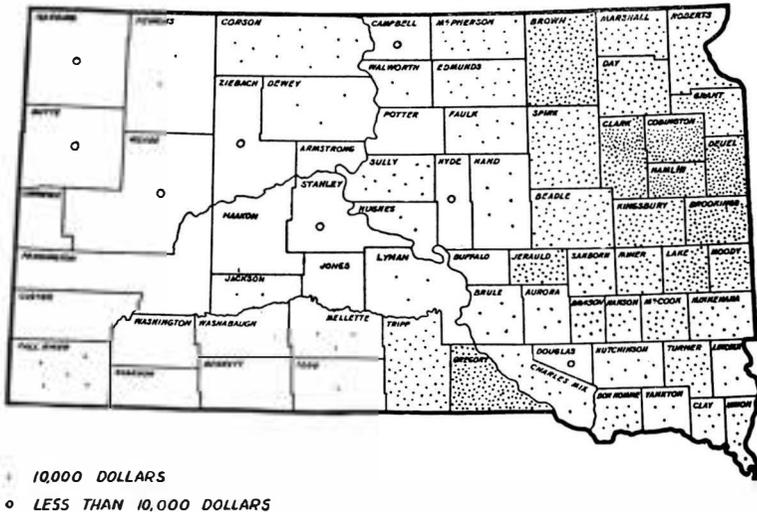


Figure 10.—Actual cost of farm real estate owned December 31, 1931 by life insurance companies lending in South Dakota.

In Table 5b, the cost per acre is shown by counties together with the ratio of the cost acre to the average value per acre for each county as shown in the 1930 census. In 14 of the 57 counties the cost per acre to the insurance companies exceeded the census valuation per acre. In 31 counties the cost per acre was from 66.7 to 100 per cent of the 1930 census valuation. In 11 counties the cost per acre to the insurance companies ranged from 33.4 to 66.6 per cent of the census valuation. In one county the cost per acre was less than 33.4 per cent of the census valuation.

How significant these ratios are depends on whether or not the land owned by the life insurance companies is of comparable quality and value with the average for the county. There is no way of determining the quality of this real estate, but some general statements may be made. Loans made outside of the regular loaning district would be expected to be on farms

of better than average quality for those areas. Consequently the ratio of cost per acre to census valuation of land acquired outside the regular loaning district would be expected to be high. An example would be loans made on irrigated or river bottom land in the area west of the Missouri river. Land of this type would have a much higher valuation than the average for the area. Loans made in the regular loaning district are of large enough numbers so that the farms loaned on approach more closely the average quality and value for the county. If it is considered that a certain number of the best farms would not be mortgaged and that it would be the poorer farms that would fail first, then it perhaps can be said that where a large number of farms have been acquired in a county in areas where a large number of loans have been made, the average quality of farms owned by the companies will approach the average quality of farms in the county.

The ratio of cost per acre to mortgage debt per acre on owner-operated farms that were mortgaged as reported in the U. S. census of 1930 also is shown in Table 5b. In interpreting this ratio it should be remembered that ordinarily the actual cost per acre will be higher than the mortgage debt per acre because of the foreclosure costs involved, and the addition of delinquent interest and taxes, etc. The ratio of cost per acre to debt per acre follows the same distribution tendency by counties as the ratio of cost per acre to value per acre. This is to be expected because the insurance companies have generally loaned on better than average farms outside of their regular loaning district. Thus the loan would generally be for a larger amount than the average loan in the county and also be a larger percentage of the average valuation for the county.

It will be found that the ratio of cost per acre to the census reported debt per acre is, with a few exceptions, lower in the eastern part of the state than in the rest of the state.

In two counties the ratio of cost per acre to debt per acre was less than 100 per cent. The ratio in forty counties ranged from 100.1 to 200 per cent and in eleven counties the ratio ranged from 200.1 to 300 per cent. The ratio in four counties was over 300.1 per cent.

TABLE 6a. Delinquent farm mortgages held in South Dakota by 43 life insurance companies, December 31, 1931

County	Number	Amount of mortgage	Interest		Taxes over-due	Total delinquency
			Past due	Accrued		
Total -----	4,479	\$31,173,800	\$1,612,687	\$882,470	\$372,802	\$34,041,759
Armstrong	0					
Aurora	51	\$ 317,611	13,526	\$10,281	\$ 6,491	\$ 347,909
Beadle	166	1,184,338	55,596	35,238	17,035	1,292,207
Bennett	2	6,200	306	53	0	6,559
Bon Homme	63	541,055	16,403	13,445	4,207	575,110
Brookings	175	1,677,794	82,182	47,264	17,114	1,824,354
Brown	424	2,682,207	152,455	72,817	48,362	2,955,841
Brule	28	154,350	10,113	3,533	3,030	171,026
Buffalo	4	75,861	6,247	972	359	83,439
Butte	1	2,000	932	48	0	2,980
Campbell	40	119,450	7,596	2,837	2,383	132,266
Charles Mix	204	1,589,841	70,878	47,466	5,619	1,713,804
Clark	236	1,442,495	84,391	47,373	23,921	1,598,180
Clay	41	395,380	14,785	10,467	3,451	424,083
Codington	182	1,206,847	107,720	36,517	20,054	1,371,138
Corson	20	49,653	6,019	1,340	5,620	62,632
Custer	2	4,000	226	98	136	4,460
Davison	78	661,223	29,968	21,027	6,980	719,198
Day	106	541,052	28,146	15,201	6,280	590,679
Deuel	190	1,306,452	104,824	40,890	8,146	1,460,312
Dewey	9	13,600	1,893	215	855	16,563
Douglas	29	225,472	9,047	6,903	1,594	243,016
Edmunds	50	209,613	13,319	4,469	811	228,212
Fall River	0					
Faulk	54	239,799	13,728	5,592	4,021	263,140
Grant	50	340,054	13,769	9,875	4,299	367,997
Gregory	118	701,438	46,581	20,621	2,638	771,278
Haakon	1	6,000	150	125	142	6,417
Hamlin	124	770,612	37,555	27,097	8,630	843,894
Hand	51	299,250	18,949	6,710	2,291	327,200
Hanson	77	846,418	37,925	21,289	6,931	912,563
Harding	0					
Hughes	1	6,000	420	261	0	6,681
Hutchinson	74	635,629	25,701	17,069	2,098	680,497
Hyde	10	57,600	7,249	1,548	811	67,208
Jackson	1	19,990	1,279	111	0	21,380
Jerauld	33	194,854	10,467	6,028	3,485	214,834
Jones	1	2,000	140	19	84	2,242
Kingsbury	192	1,423,039	59,319	40,501	16,350	1,539,209
Lake	127	1,098,513	38,490	31,134	13,986	1,092,123
Lawrence	1	13,750	825	355	0	14,930
Lincoln	56	539,405	18,805	14,488	1,992	574,690
Lyman	4	13,633	1,360	397	0	15,390
McCook	123	1,056,432	37,156	28,325	13,400	1,135,313
McPherson	54	262,586	16,860	6,614	3,133	289,193
Marshall	63	263,244	15,789	7,546	7,187	293,766
Meade	2	18,450	1,060	433	0	19,943
Mellette	1	2,900	267	13	0	3,180
Miner	115	777,525	28,526	24,599	10,909	841,559
Minnehaha	122	1,037,313	40,466	28,738	10,218	1,116,735
Moody	80	920,570	38,820	23,503	8,875	991,768
Pennington	2	14,750	703	277	229	15,959
Perkins	0					
Potter	27	134,050	12,091	4,350	3,771	154,262
Roberts	154	804,602	39,456	18,339	16,775	879,172
Sanborn	51	316,042	11,082	12,159	5,614	344,897
Shannon	0					
Spink	287	1,654,297	102,125	40,939	30,274	1,827,635
Stanley	0					
Sully	19	72,600	5,280	1,337	1,533	80,750
Todd	3	66,550	6,978	416	0	73,944
Tripp	74	381,154	25,217	10,063	0	416,434
Turner	77	752,561	31,533	22,612	3,452	810,158
Union	58	514,340	22,363	15,148	1,936	553,787
Walworth	29	115,850	7,184	2,979	1,625	127,638
Washabaugh	1	2,972	184	145	0	3,301
Washington	0					
Yankton	61	480,534	20,263	12,262	3,665	516,724
Ziebach	0					

TABLE 6b. Delinquent farm mortgages held in South Dakota by 43 life insurance companies, December 31, 1931

County	Appraised Value			Ratio principal to appraised value (%)	Ratio total delinquency to appraised value (%)
	Land	Buildings	Total		
Total -----	\$80,305,126	\$12,481,284	\$92,786,410	33.6	36.7
Armstrong					
Aurora -----	\$821,977	\$158,875	\$980,852	32.4	35.5
Beadle -----	2,944,985	395,500	3,340,485	35.5	38.7
Bennett -----	19,200	7,200	26,400	23.5	24.8
Bon Homme -----	1,430,748	192,800	1,623,548	33.3	35.4
Brookings -----	4,127,351	650,330	4,777,681	35.1	38.2
Brown -----	6,801,060	1,101,200	7,902,260	33.9	37.4
Brule -----	453,690	93,275	546,965	28.2	31.3
Buffalo -----	194,240	19,650	213,890	35.5	39.0
Butte -----	4,700	0	4,700	42.6	63.4
Campbell -----	329,505.	72,250	401,755	29.7	32.9
Charles Mix -----	4,380,031	760,500	5,140,531	30.9	33.3
Clark -----	3,833,986	609,545	4,503,531	32.0	35.5
Clay -----	959,959	106,960	1,066,919	37.1	39.7
Codington -----	2,974,724	541,625	3,516,349	34.3	39.0
Corson -----	140,800	27,540	168,340	29.5	32.7
Custer -----	7,100	4,000	11,100	36.0	40.2
Davison -----	1,637,466	277,250	1,914,716	34.5	37.6
Day -----	1,382,479	255,610	1,638,089	33.0	36.1
Deuel -----	3,164,705	525,485	3,690,190	35.4	39.6
Dewey -----	42,845	6,250	49,095	27.7	33.7
Douglas -----	586,593	99,400	685,993	32.9	35.4
Edmunds -----	567,077	142,700	709,777	29.5	32.2
Fall River					
Faulk -----	668,306	160,325	828,631	28.9	31.8
Grant -----	855,381	147,100	1,002,481	33.9	36.7
Gregory -----	2,127,483	490,500	2,527,983	27.7	30.5
Haakon -----	11,900	2,000	13,900	43.2	46.2
Hamlin -----	1,952,245	341,695	2,293,940	33.6	36.8
Hand -----	853,616	139,220	992,836	30.1	33.0
Hanson -----	2,076,923	253,400	2,330,323	36.3	39.2
Harding					
Hughes -----	12,800	1,500	14,300	42.0	46.7
Hutchinson -----	1,622,149	239,350	1,861,499	34.1	36.6
Hyde -----	133,481	37,075	170,556	33.8	39.4
Jackson -----	60,000	15,000	75,000	26.7	28.5
Jerauld -----	509,772	95,760	605,532	32.2	35.5
Jones -----	7,200	0	7,200	27.8	31.1
Kingsbury -----	3,673,266	472,875	4,146,141	34.3	37.1
Lake -----	2,503,657	309,005	2,812,662	35.9	38.8
Lawrence -----	17,764	7,000	24,764	55.5	60.3
Lincoln -----	1,402,682	146,700	1,549,382	34.8	37.1
Lyman -----	27,800	5,000	32,800	41.6	46.9
McCook -----	2,649,261	314,555	2,963,816	35.6	38.3
McPherson -----	713,227	142,550	855,777	30.7	33.8
Marshall -----	738,693	86,640	825,333	31.9	35.6
Meade -----	31,039	2,300	33,339	55.3	59.8
Mellette -----	7,000	0	7,000	41.4	45.4
Miner -----	2,040,621	277,150	2,317,771	33.5	36.3
Minnehaha -----	2,661,979	295,630	2,957,609	35.1	37.8
Moody -----	2,337,462	284,350	2,621,812	35.1	37.8
Pennington -----	14,000	5,500	19,500	75.6	81.8
Perkins					
Potter -----	322,250	66,100	388,350	34.5	39.7
Roberts -----	2,034,691	312,800	2,347,491	34.3	37.5
Sanborn -----	811,856	125,375	937,231	33.7	36.8
Shannon					
Spink -----	4,467,033	658,225	5,125,258	32.3	35.7
Stanley					
Sully -----	240,680	44,844	285,524	25.4	28.3
Todd -----	174,600	26,700	201,300	33.1	36.7
Tripp -----	950,943	209,725	1,160,668	32.8	35.9
Turner -----	1,936,400	310,200	2,246,600	33.5	36.1
Union -----	1,364,061	185,870	1,549,931	33.2	35.7
Walworth -----	309,200	65,000	374,200	31.0	34.1
Washabaugh -----	5,600	1,500	7,100	41.9	46.5
Washington					
Yankton -----	1,172,884	184,820	1,357,704	35.4	38.1
Ziebach					

Part 3. Delinquent Farm Mortgages Held by Life Insurance Companies in South Dakota, December 31, 1931

Delinquent Mortgages

Number and amount.—The 43 life insurance companies lending in South Dakota reported 4,479 farm mortgage loans on which interest, principal, or taxes were delinquent over three months on December 31, 1931. These figures are given in Table 6a. Such delinquent loans represented a total unpaid principal of \$31,173,800 which was 29.4 per cent of the total farm mortgage investment of the 43 life insurance companies at the end of 1931. In other words, 29.4 per cent of the principal of the farm mortgages held by the companies was delinquent.

The rate of delinquency varied considerably among the companies as shown in Table 7. This is a frequency table showing the number of companies with different rates of delinquency. Eight companies had from 15.1 to 25 per cent of their loans delinquent. Ten companies had from 25.1 to 35 per cent of their loans delinquent and six companies had from 35.1 to 45 per cent of their loans delinquent. The rate of delinquency ranged from 4.7 to 75.6 per cent. Ten companies were eliminated from the table because they held only a small number of loans.

The delinquent farm mortgages held by the different companies were distributed over 61 counties. However, the greatest share of the delinquent loans are located in the eastern part of South Dakota, the heaviest concentration being in the east central section. This is shown in Figure 11.

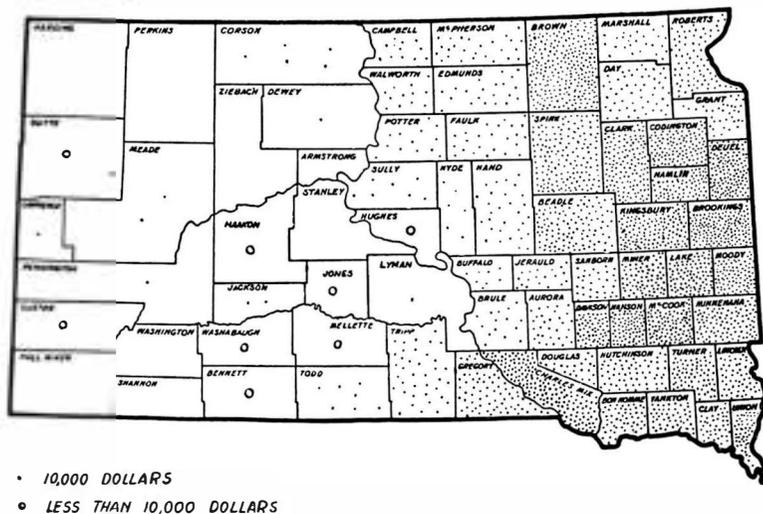


Figure 11.—Amount of delinquent farm mortgages held in South Dakota by life insurance companies December 31, 1931.

TABLE 7. Number of life insurance companies having different percentages of their farm mortgage loans delinquent, December 31, 1931

Per cent delinquent	Number of companies
15 or under	1
15.1 - 25	8
25.1 - 35	10
35.1 - 45	6
45.1 - 55	3
55.1 - 65	2
65.1 - 75	2
Over 75.0	1
Total*	33

* Ten companies were not included in this table because of the small number of loans held. They were included, however, in figuring the total delinquency of all companies.

In Brown county the total amount of principal delinquent was over two and one-half million dollars. In eleven counties the total principal delinquent was between one and two million dollars per county. In thirteen counties the total principal delinquent ranged from \$500,000 to \$1,000,000 per county. In the remaining 36 counties the total delinquent principal was less than \$500,000 per county.

Average size of delinquent loans.—The delinquent loans averaged \$6,960. This was about \$929 larger than the average farm loan outstanding December 31, 1931 and \$2,744 smaller than the cost per tract of farm real estate owned December 31, 1931. However, when past due and accrued interest, and delinquent taxes are added to the principal, the average amount of delinquency becomes \$7,600.

Ratio of amount of delinquent loans to appraised value.—The appraised value of the security for the 4,479 delinquent loans was \$80,305,126 for the land and \$12,481,284 for the buildings or a total appraised value of \$92,786,410 (Table 6b). The total delinquent principal represented 33.6 per cent of the total appraised value. The delinquent principal was from 30 to 40 per cent of the appraised value in most counties. As the acreage was not reported, there was no way of checking the appraised value with the census valuation. Whether or not these loans were conservatively placed depends on how conservatively the appraisal had been made.

Ratio of total delinquency to appraised value.—When the interest past due and accrued, and over-due taxes are added to the principal of the delinquent mortgages, the total delinquency is \$34,041,759. The ratio of total delinquency to appraised value is 36.7 per cent (Table 6b).

The accumulation of delinquent interest and taxes on loans secured by farm real estate constantly falling in value leaves only one course open to the insurance companies: that is to take title to the land. However, if the interest and taxes are paid, many companies find it to their advantage not to foreclose even though the principal is over-due.

TABLE 8. Loans in process of foreclosure, December 31, 1931

County	Total		Principal over-due		Principal not over-due	
	Number	Amount	Number	Amount	Number	Amount
Total ----	1,197	\$8,585,404	563	\$3,901,761	634	\$4,683,643
Armstrong	0		0		0	
Aurora ---	11	\$ 74,447	3	\$ 13,500	8	\$ 60,947
Beadle ---	40	315,559	18	131,847	22	183,712
Bennett	0		0		0	
Bon Homme	6	61,965	5	54,465	1	7,500
Brookings_	46	427,620	25	261,229	21	166,391
Brown ----	147	1,049,259	70	442,981	87	606,278
Brule ----	14	86,500	7	42,000	7	44,500
Buffalo ---	2	71,500	1	14,000	1	57,500
Butte ----	1	2,000	1	2,000	0	
Campbell	4	11,600	2	8,000	2	3,600
Charles Mix	47	402,907	7	48,753	40	354,154
Clark ----	73	486,090	30	140,890	43	345,200
Clay ----	7	61,998	0		7	61,998
Codington	71	498,635	35	237,691	36	260,944
Corson ---	4	11,900	4	11,900	0	
Custer ---	0		0		0	
Davison ---	14	161,100	6	79,900	8	81,200
Day ----	50	279,222	20	94,407	30	184,815
Deuel ---	63	455,123	46	364,583	17	120,540
Dewey ----	3	4,100	3	4,100	0	
Douglas --	5	57,867	0		5	57,867
Edmunds --	14	71,830	6	25,025	8	46,805
Fall River	0		0		0	
Faulk ---	19	112,875	7	35,433	12	77,442
Grant ----	16	103,284	6	34,950	10	68,334
Gregory --	25	175,873	7	42,200	18	133,673
Haakon ---	0		0		0	
Hamlin ---	16	138,161	7	60,337	9	77,824
Hand ----	17	126,144	9	53,903	8	72,241
Hanson ---	17	177,996	9	87,696	8	90,300
Harding --	0		0		0	
Hughes ---	1	6,000	1	6,000	0	
Hutchinson	13	122,746	8	75,578	5	47,168
Hyde ----	5	27,600	3	22,000	2	5,600
Jackson --	0		0		0	
Jerauld --	8	64,006	3	22,506	5	41,500
Jones ---	0		0		0	
Kingsbury	44	327,522	23	181,340	21	146,182
Lake ----	17	170,475	12	116,628	5	53,847
Lawrence -	0		0		0	
Lincoln ---	6	74,699	2	30,000	4	44,699
Lyman ---	0		0		0	
McCook ---	22	197,928	15	125,193	7	72,735
McPherson	13	63,113	6	19,138	7	43,975
Marshall -	29	117,388	11	38,249	18	79,139
Meade ----	0		0		0	
Mellette --	0		0		0	
Miner ---	22	159,341	12	88,760	10	70,581
Minnehaha	14	150,215	5	65,183	9	85,032
Moody ---	14	189,276	9	130,242	5	59,034
Pennington	1	8,250	0		1	8,250
Perkins ---	0		0		0	
Potter ---	10	62,000	4	19,000	6	43,000
Roberts ---	62	311,586	33	180,784	29	130,802
Sanborn --	5	24,972	1	4,182	4	20,790
Shannon --	0		0		0	
Spink ---	113	697,353	58	352,326	55	345,027
Stanley --	0		0		0	
Sully ----	3	15,000	3	15,000	0	
Todd ----	0		0		0	
Tripp ---	13	54,811	4	11,900	9	42,911
Turner ---	9	72,343	5	34,667	4	37,676
Union ----	10	106,450	2	26,415	8	80,035
Walworth	11	36,300	5	15,000	6	21,300
Washabaugh	0		0		0	
Washington	0		0		0	
Yankton -	10	70,475	4	29,880	6	40,595
Ziebach --	0		0		0	

Loans in Process of Foreclosure

Number and amount.—Of the 4,479 loans that the life insurance companies reported as delinquent December 31, 1931, 1,197 or 27.6 per cent were in the process of foreclosure (Table 8). These 1,197 loans were for a total principal of \$8,585,404. The total principal being foreclosed upon represented 27.5 per cent of the total delinquent principal and 8.1 per cent of the total amount in outstanding mortgages. The principal was over-due on 563, or 47 per cent, of the delinquent loans that were in the process of foreclosure, and 634, or 53 per cent, of the loans were being foreclosed on delinquent interest and taxes.

These figures would indicate that unless there is some sudden change for the better in farm conditions, the insurance companies will take over considerable more real estate in 1932 and 1933 than they acquired in 1931. Even though some of the loans in process of foreclosure may be redeemed, it is probable that a considerable additional number will be deeded over to the companies to save cost of foreclosure. It appears that

TABLE 9. Loans in process of foreclosure December 31, 1931, classified by year closed.

Year closed	Number of loans	Year closed	Number of loans
Before 1919	42	1925	174
1919	30	1926	230
1920	69	1927	74
1921	61	1928	81
1922	89	1929	42
1923	143	1930	23
1924	137	1931	2
Total	-----		1,197

farm mortgage liquidation has not yet run its course and that unless farm income can be increased or some other method of handling delinquency can be developed, foreclosures will continue at a high rate at least for the next two years.

Year closed.—Table 9 shows the year in which the loans in process of foreclosure were closed. The largest share of the loans in process of foreclosure (684) were closed in the years from 1923 to 1926. The most closed in any one year was 230 in 1926. It is evident that most of the loans were made after the first slump in land values on what appeared to be a stable post-war land value level.

Loans with Principal Over-due But Not Being Foreclosed

Table 10 shows that besides the 1,197 loans in process of foreclosure, 742 or 16.6 per cent of the 4,479 delinquent loans held by life insurance companies were past maturity. The largest number of these loans were for five years and were closed in 1923, 1924, 1925, and 1926. There were also a considerable number of ten year loans that were closed in 1920 and 1921. Some of the loans were over-due several years. While these loans had evidently not been renewed, there was evidently some agreement be-

TABLE 10.—Loans with principal over-due but not being foreclosed December 31, 1931, classified by year closed

Year closed	Number of loans	Year closed	Number of loans
Before 1916 -----	10	1922 -----	41
1916 -----	13	1923 -----	68
1917 -----	6	1924 -----	88
1918 -----	8	1925 -----	110
1919 -----	19	1926 -----	257
1920 -----	51	1927 -----	9
1921 -----	59	After 1927 -----	3
		Total -----	742

tween the companies and the mortgagor so that the loans have been carried without starting foreclosure proceedings. However, these loans are a potential source of more foreclosures.

Length of Term of Delinquent Farm Mortgages Held by Life Insurance Companies

Table 11 gives the length of term of the delinquent farm mortgages held December 31, 1931. The largest portion of the delinquent mortgages were given for a five year term. There were 1,924 loans or 43 per cent

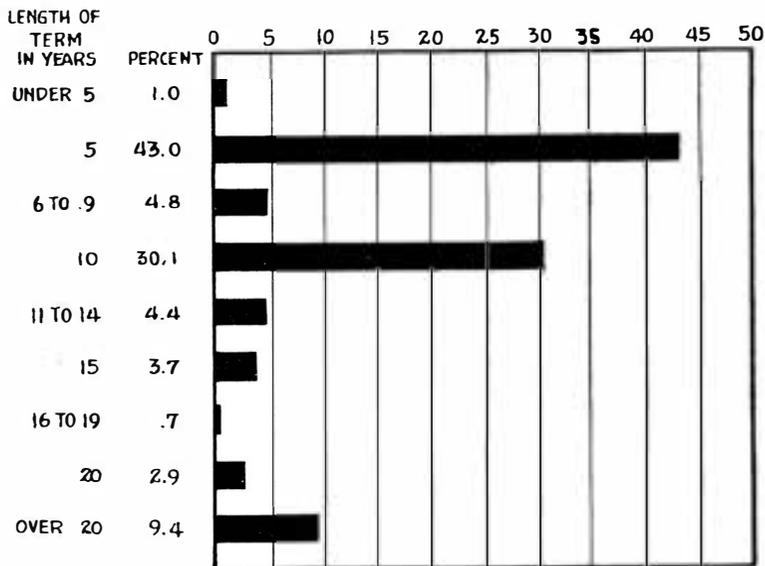


Figure 12.—Length of term on delinquent farm mortgages. The percentage of the total is shown for each length of term given.

TABLE 11.—Farm mortgages delinquent December 31, 1931 classified according to length of term

Length of term in years	Number of loans	Per cent of delinquent loans	Length of term in years	Number of loans	Per cent of delinquent loans
Under 5	47	1.0	15	166	3.7
5	1,924	43.0	16-19	31	0.7
6- 9	214	4.8	20	130	2.9
10	1,346	30.1	Over 20	422	9.4
11-14	199	4.4			
			Total	4,479	100

written to run five years and 1,346 of the loans or 30 per cent were to run for ten years. There were 422 or 9 per cent that were to run for over 20 years. The percentages of the delinquent mortgages loaned for different length terms are shown in Figure 12.

The predominance of the short term loans leads to serious refinancing problems in periods of distressed agricultural conditions. It is doubtful that farms even in normal times would yield enough to retire the mortgage debt in five years; and with the reduced farm income of the past several years it is only the exceptional farm with an exceptional manager that has yielded enough to pay an appreciable amount on the principal. The short term loans have the advantage in refinancing under favorable conditions, but if agricultural conditions are unfavorable, it is certainly a great disadvantage to have to refinance a loan under strained credit conditions. In fact it may be impossible. Land which temporarily yields barely enough to pay operating expenses and a meager living for the farm family does not look like tempting security for investments.

Interest Rates on Delinquent Farm Mortgages Held by Life Insurance Companies

Table 12 gives the amount of principal of delinquent farm mortgages loaned at different rates of interest. The interest rates ranged from 5 to 8 per cent. There was \$15,347,040 or 49.2 per cent of the total delinquent principal loaned at 5 per cent; \$8,126,696 or 26.1 per cent of the principal was loaned at 5½ per cent; and \$6,026,852 or 19.3 per cent of the princi-

TABLE 12.—Farm mortgage principal delinquent December 31, 1931 classified according to interest rates specified

Interest rate	Amount of delinquent principal	Per cent of delinquent principal	Interest rate	Amount of delinquent principal	Per cent of delinquent principal
5%	\$15,347,040	49.2	6½%	\$ 368,838	1.2
5½%	9,894	—	7%	367,168	1.2
5¼%	756,372	2.4	7½%	1,652	—
5½%	8,126,696	26.1	8%	7,300	—
5¾%	161,988	0.5	Total	31,173,800	—
6%	6,026,852	19.3			

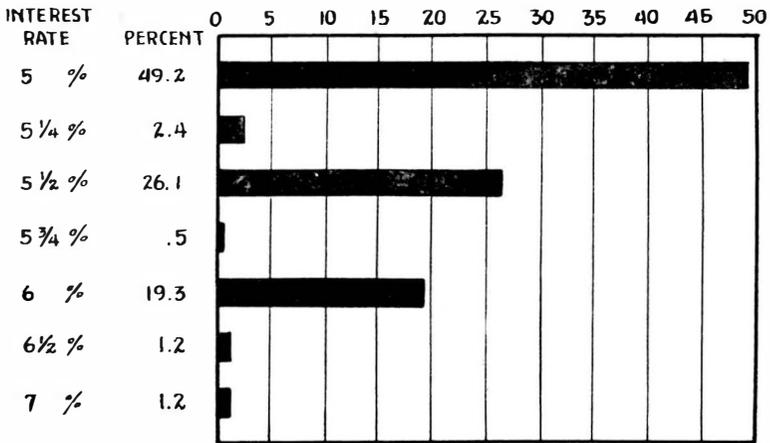


Figure 13.—Percentage of principal of farm mortgages delinquent December 31, 1931 loaned at different rates of interest.*

* \$9,894 at 5 ¼ % ; \$1,652 at 7 ½ % ; \$7,300 at 8 %.

pal was loaned at 6 per cent.⁸ The percentage of delinquent principal loaned at different interest rates is shown in Figure 13.

The average interest rate for all delinquent loans was 5.4 per cent. This average was arrived at by weighting each rate by the amount of delinquent principal at that rate and dividing by the total delinquent principal.

The average interest rate varied considerably for the different companies. The average rate for each company ranged from 5 to 8 per cent. However, the companies with the extremely high interest rates had only a small number of loans. Table 13 shows the number of companies at different interest rates. The average rate for thirteen companies ranged from 5.3 to 5.7 per cent and for eleven companies it was 5.8 to 6.2 per cent.

The average interest rates for each of the counties are shown in Figure 14. The life insurance companies when making their loans had evidently taken into account differences in risk in the different sections

TABLE 13. Number of life insurance companies holding delinquent farm mortgages at different average interest rates, December 31, 1931

Average interest rate	Number of companies
(Per cent)	
4.8 to 5.2	7
5.3 to 5.7	13
5.8 to 6.2	11
6.3 to 6.7	4
6.8 and over	1
Total ^c	36

* Seven companies had no delinquent farm mortgages.

⁸ This information is given by counties in Table II, Appendix.

of the state. With some few exceptions, the counties in the southeastern part of the state had the lower rates. Counties located outside of this section of the state had higher interest rates. Those counties adjoining the low risk section to the north and west have only slightly higher average rates. Those counties farther west lying along the Missouri river had the highest average rates. Where the number of delinquent loans is small in a county, the average interest rate may be forced somewhat out of line with the surrounding counties by a few high rate companies holding a large portion of the loans. Such is the case in Hanson and Union counties.

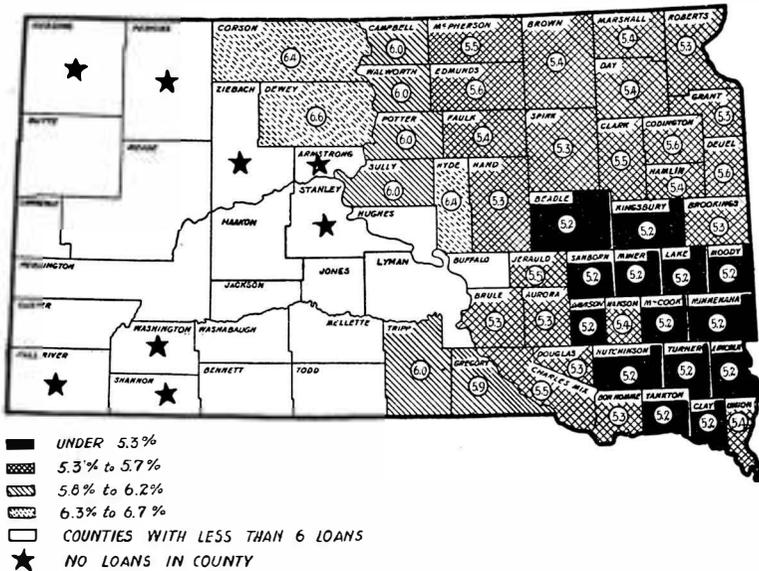


Figure 14.—Average interest rates on delinquent farm mortgages held by life insurance companies in South Dakota December 31, 1931.

Month in Which Interest on Delinquent Farm Mortgages is Payable

Annual payments.—Table 14 shows that the interest was payable annually on 3,728 of the 4,479 delinquent farm loans. The month of March ranked high in number, with 465 payments or 12.5 per cent of the annual payments. However, a considerable number of interest payments fell due in every month, the range being from 159 payments in December to 465 payments in March. The loans in Table 14 have been grouped into approximately similar type of farming areas as indicated in Figure 15.

Semi-annual payments.—As shown in Table 15, the interest on 751 of the 4,479 delinquent loans was payable semi-annually. The months March and September ranked high in number of semi-annual payments. How-

ever, the payments were quite evenly distributed over the different months, ranging from 96 payments in June and December to 191 payments in March and September.

Interest payments and distribution of farm income.—In Figure 15, the region in which life insurance companies have been making most of their loans is divided into approximately similar farming areas. Tables 14 and 15 show the number and percentage of annual and semi-annual interest payments on delinquent farm loans falling due in each month in the different areas. The percentages in these tables refer to the total number of loans falling due in each month and not to the percentage of an individual loan. The time of payment is distributed quite evenly over

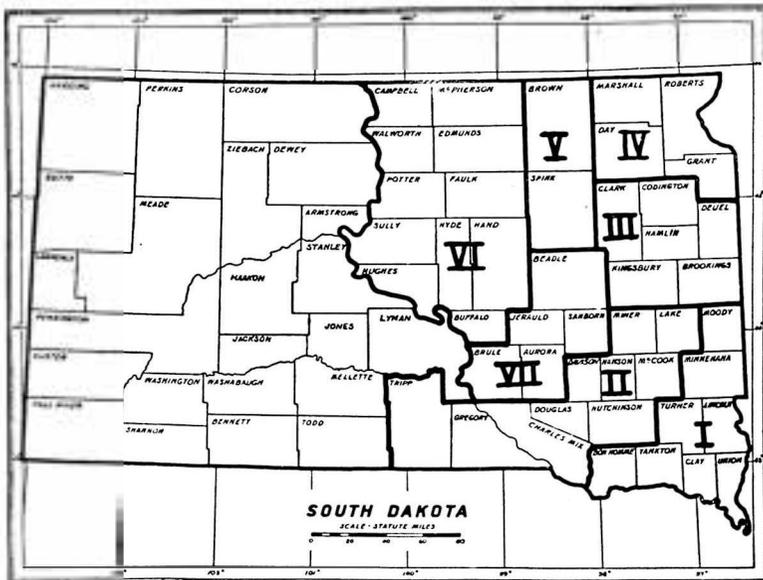


Figure 15.—Division of the region containing most of the farm loans held by life insurance companies into approximately similar types of farming areas.

the year for all areas. This would indicate that the time of interest payments has been determined more by the time of closing the loan than by any consideration of the time of greatest convenience and ability to pay the interest.

The time when the borrower has the greatest ability to pay is determined by the receipts and expenditures on the individual farm. This would vary with different types of farming and even to some extent with different management and the same type of farming. However, most farms of the same type would yield their highest income at about the same time. Any determination of the best time of interest payment on a particular farm would have to be arrived at by analysis of the receipts and expenditures on farms of that type with special references to pe-

TABLE 14. Number and percentage of interest payments on delinquent farm loans falling due in each month in different areas

		Annual Payments												
		Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Area I	Number	32	21	51	40	44	47	54	52	80	17	9	7	454
	Per cent	7.0	4.6	11.3	8.8	9.7	10.4	11.9	11.5	17.6	3.7	2.0	1.5	100
Area II	Number	54	48	109	98	82	103	70	52	95	23	41	28	803
	Per cent	6.7	6.0	13.6	12.2	10.2	12.8	8.7	6.5	11.8	2.9	5.1	3.5	100
Area III	Number	102	73	159	80	87	82	70	52	82	77	84	34	982
	Per cent	10.4	7.4	16.2	8.1	8.9	8.3	7.1	5.3	8.4	7.8	8.6	3.5	100
Area IV	Number	29	16	24	23	20	21	28	29	33	23	31	15	292
	Per cent	9.9	5.5	8.2	7.9	6.8	7.2	9.6	9.9	11.4	7.9	10.6	5.1	100
Area V	Number	44	40	53	47	30	45	48	49	74	60	58	34	582
	Per cent	7.6	6.9	9.1	8.1	5.2	7.7	8.2	8.4	12.7	10.3	10.0	5.8	100
Area VI	Number	27	15	26	19	16	14	12	18	37	28	48	33	293
	Per cent	9.2	5.1	8.9	6.5	5.5	4.8	4.1	6.1	12.6	9.5	16.4	11.3	100
Area VII	Number	42	14	40	30	19	31	25	18	35	15	11	3	283
	Per cent	14.8	4.9	14.1	10.6	6.7	11.0	8.8	6.4	12.4	5.3	3.9	1.1	100
Other counties	Number	2	-	3	4	1	1	5	3	8	4	3	5	39
Total	Number	332	227	465	341	299	344	312	273	444	247	285	159	3,728
	Per cent	8.9	6.1	12.5	9.2	8.0	9.2	8.4	7.3	11.9	6.6	7.6	4.3	100

cularities on the particular farm in question. A farmer in the south-eastern part of the state engaged in livestock feeding, for example, would not be likely to find the same time convenient for payment of interest as a wheat farmer in the northeastern part of the state.

Adjustment of the time of interest payment to the time of greatest convenience and ability to pay would be beneficial to both lender and borrower. Loans placed in this manner should require less supervision by the lender and simplify budgeting for the borrower. While no increase in farm income could result from this adjustment, it might result in better use of available income for payment of interest.

TABLE 15. Number and percentage of interest payments on delinquent farm loans falling due in each month in different areas

		Semi-Annual Payments						
		Jan. and July	Feb. and Aug.	Mar. and Sept.	Apr. and Oct.	May and Nov.	June and Dec.	Total
Area I	Number	16	9	40	6	21	12	104
	Per cent	15.4	8.6	38.5	5.8	20.2	11.5	100
Area II	Number	35	44	69	24	28	16	216
	Per cent	16.2	20.4	31.9	11.1	13.0	7.4	100
Area III	Number	21	11	29	18	19	16	117
	Per cent	20.5	9.4	24.8	15.4	16.2	13.7	100
Area IV	Number	9	12	12	20	19	9	81
	Per cent	11.1	14.8	14.8	24.7	23.5	11.1	100
Area V	Number	21	18	17	28	29	16	129
	Per cent	16.3	13.9	13.2	21.7	22.5	12.4	100
Area VI	Number	5	4	7	5	4	21	46
	Per cent	10.9	8.7	15.2	10.9	8.7	45.6	100
Area VII	Number	9	5	13	5	10	4	46
	Per cent	19.6	10.9	28.2	10.9	21.7	8.7	100
Other counties	Number	1	1	4	3	1	6	12
	Per cent	1.0	1.0	4.0	3.0	1.0	6.0	100
Total	Number	120	104	191	109	131	96	751
	Per cent	16.0	13.8	25.4	14.5	17.5	12.8	100

Part 4. Farm Real Estate Sold by Life Insurance Companies and Prospects for Disposal of Land Held

Farm Real Estate Sold

Outright sales.—The farm real estate sold outright during 1931 is shown in Table 16. The companies sold 56 tracts representing 12,220 acres. The tracts disposed of were distributed over 26 counties, but over one-third of the tracts were located in three counties: Kingsbury, Clark and Day. One company sold 35 tracts or 62.5 per cent, of the outright sales. Thirteen other companies made from one to four sales. Of the 35 sales made by the one company, all but two were cancellation of sales contracts. The land had been sold under contract and the balance remaining was settled with cash or mortgage. How many of the outright sales were cash sales and how many part cash and part mortgage could not be determined.

Because of lack of comparability in the reports (previously referred to in the section of "Method of Study"), the consideration involved in the sales could not be determined.

Sales under contract.—In addition to the 56 tracts sold outright, 24 tracts representing 4,751 acres were sold under contract in 1931. The tracts sold under contract were located in 15 counties. The same company that made the largest part of the outright sales also made approximately one-third of the sales under contract.

TABLE 16. Farm real estate sold by life insurance companies in 1931

County	Total sales		Outright sales		Sale contracts	
	Number	Acres	Number	Acres	Number	Acres
Total	80	16,971	56	12,220	24	4,751
Aurora	1	160	1	160		
Beadle	1	320	1	320		
Bon Homme	1	37	1	37		
Brookings	3	519	3	519		
Brown	9	2,076	3	797	6	1,279
Charles Mix	3	800	2	600	1	200
Clark	7	1,737	6	1,657	1	80
Clay	1	260	1	260		
Codington	3	640	1	320	2	320
Davison	1	160	1	160		
Day	8	1,744	6	1,424	2	320
Deuel	1	160			1	160
Grant	3	523	2	311	1	212
Gregory	4	960	2	640	2	320
Hamlin	3	1,280	2	480	1	800
Hanson	1	310	1	310		
Kingsbury	8	1,801	7	1,641	1	160
Lake	1	120			1	120
Lyman	1	157			1	157
McCook	1	78	1	78		
Marshall	1	86	1	80		
Mellette	2	320	2	320		
Miner	1	160	1	160		
McPherson	1	160	1	160		
Roberts	1	160	1	160		
Sanborn	1	160	1	160		
Spink	4	946	4	946		
Tripp	4	560	3	400	1	160
Turner	2	277	1	120	1	157
Union	2	306			2	306

The companies generally keep title to the land under the sale contracts and the land is handled as if it were still owned. Thus practically all the land sold under contract is listed as real estate owned. There were a number of sale contracts closed before 1931 which were still in force.

Prospects for Disposal of Land Held

The small amount of farm real estate disposed of by the life insurance companies in 1931 indicates that they are having a difficult time finding purchasers for their holdings.

The extremely low prices of farm commodities in relation to prices of goods bought and costs incurred; and the low crop yields of recent years

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have had far reaching effects on the land market in South Dakota. Land values have followed the decline in farm earnings, tending toward a capitalization of land income on the basis of present earnings. Over-optimism of the boom years in capitalization of land values has been followed by a capitalization on the basis of earnings in recent years. The demand for farms by active farmers has been reduced because of a depletion in savings and lack of credit. The relation of costs and earnings has temporarily made tenancy more remunerative than ownership in many areas; thus discouraging prospective owners. The result of this combination of unfavorable factors is that there is little desire for ownership of farm land.

A weak demand for farm land counteracted by a small supply for sale would not have demoralizing effects on the land market. But the economic forces that reduced the demand for farm land have at the same time put a large supply in the hands of unwilling owners.

The 440,095 acres of farm land owned by the life insurance companies at the end of 1931 is only a portion of the land held by unwilling owners. Practically every lending agency has taken over more or less land. Large numbers of individuals have acquired the farms on which they have made loans. Many of the counties have been forced to take over a considerable amount of farm land on tax deed. When the counties take over land for taxes they reduce the amount of taxable property in the county. An increased rate of the remaining property is necessary to yield the same amount of revenue as before. The process is cumulative; as land is taken over for taxes, the tax rate is raised and more land becomes delinquent on taxes, etc. The land taken over must also eventually be disposed of and thus adds to the supply of distressed land on the market.

The enormous supply of farm land potentially on the market is exerting a tremendous downward pressure on land values. Continued increases in forced transfers and mortgage delinquency indicate that liquidation has not yet run its course and this has a further demoralizing effect on land values.

Dumping of these holdings on the market would send values to new low levels. Farmers carrying mortgage debt might then find it to their advantage to default on the debt and repurchase land at a lower value. This phase of the situation will undoubtedly keep the large holders such as life insurance companies from dumping their farm lands on the market. However, individuals and small holders may sell for what they can get instead of attempting to operate the farms.

It is evident that a large amount of farm real estate will be held by unwilling owners for some time to come. What tenure and method of operation of this land the unwilling owners adopt is a question of great concern to South Dakota agriculture.

There is a possibility that some of the holders may be unable to meet the expenses on the land, or not consider it worth while and consequently the farms will revert to the counties for taxes or if the farms were acquired through foreclosure of junior mortgages, they will be taken over by the holders of the first mortgage. However, this procedure would not alter the total situation so far as the supply in the hands of unwilling owners is concerned.

The policy of many holders may approach abandonment in its results i.e. meeting only those expenses that are necessary to retain title to the land. Most farms operated in this manner will have their productivity lowered and will consequently decrease in value.

Other holders may adopt a policy of improving their farm real estate looking towards a reimbursement in an increased ultimate sale value. Some life insurance companies have adopted such a policy and are applying improved methods in their management. These companies are making expenditures to improve the farm lay-out and are practicing systems of soil improvement and weed eradication by specifying in the lease the crops to be grown.

Probably the greatest share of the life insurance companies are maintaining the farms in about the same condition as they were in when acquired. They are maintaining the farms as cheaply as possible and trying to rent the farms to yield something towards the interest on their investment.

The large amount of farm real estate owned by the life insurance companies and the small amount of sales made in 1931 indicate that they will hold a large amount of farm real estate for some time to come. The high rates of farm mortgage delinquency and foreclosure in 1931 points to the acquisition of more farm real estate by the life insurance companies. In view of the present situation it would seem that solutions of the problems of delinquency, farm foreclosure and disposal of real estate acquired must be approached from a long time basis.

Summary

1. Forty-three life insurance companies held \$106,075,480 in farm mortgages in South Dakota, December 31, 1931.
2. The ratio of all real estate owned to total ledger assets for forty of the life insurance companies lending in South Dakota was three per cent.
3. Life insurance companies acquired more farm real estate in South Dakota in 1931 than they acquired in any previous year.
4. Life insurance companies owned 440,095 acres of farm real estate in South Dakota December 31, 1931 acquired at a total cost of \$16,293,570.
5. The life insurance companies reported 4,479 farm mortgage loans on which principal, interest, or taxes were delinquent over three months on December 31, 1931. The total principal delinquent was \$31,173,800 which was 29.4 per cent of their total farm mortgage investment at the end of 1931.
6. Loans in process of foreclosure at the end of 1931 amounted to \$8,585,404 or about 8 per cent of the total farm mortgage investment.
7. Forty-three per cent of the delinquent loans were written for a five year term.
8. The average rate of interest on the delinquent loans was 5.4 per cent.
9. In view of the present situation it would seem that solutions of the problems of delinquency, farm foreclosures, and disposal of real estate acquired must be approached from a long time basis.

TABLE Ia. Farm real estate acquired by life insurance companies 1924-1931 and owned December 31, 1931*

County	1931			1930			1929			1928		
	No. of tracts	Total acreage	Actual cost	No. of tracts	Total acreage	Actual cost	No. of tracts	Total acreage	Actual cost	No. of tracts	Total acreage	Actual cost
Total.....	474	117,957	\$3,908,970	371	103,623	\$3,678,508	265	61,251	\$2,168,051	230	72,647	\$2,862,864
Armstrong.....	0			0			0			0		
Aurora.....	1	160	\$4,049	0			0			0		
Beadle.....	15	4,426	156,806	13	3,287	\$126,316	6	1,475	\$49,589	9	2,737	\$100,492
Bennett.....	0			0			0			0		
Bon Homme.....	2	322	12,883	2	563	28,007	1	155	11,709	0		
Brookings.....	23	4,644	242,180	11	2,447	137,240	13	3,021	148,712	10	1,778	119,318
Brown.....	45	14,070	381,980	51	16,266	459,833	38	8,388	286,429	12	4,757	175,765
Brule.....	1	480	13,070	0			1	160	7,684	1	148	12,351
Buffalo.....	0			0			0			0		
Butte.....	0			0			0			1	160	3,247
Campbell.....	1	480	6,574	0			0			0		
Charles Mix.....	6	1,234	53,065	4	959	41,592	0			0		
Clark.....	44	11,503	434,113	51	13,224	489,997	15	3,589	142,614	17	3,433	140,832
Clay.....	1	320	17,141	0			4	470	31,905	0		
Codington.....	26	6,978	241,050	33	7,414	279,664	23	5,686	220,024	10	2,408	90,151
Corson.....	8	1,760	25,178	3	470	5,117	12	2,820	48,312	1	160	3,925
Custer.....	0			0			0			0		
Davison.....	2	317	12,756	1	164	7,922	5	720	41,483	1	661	31,643
Day.....	26	6,291	223,552	19	4,685	162,966	14	3,724	141,587	4	1,119	36,579
Deuel.....	40	9,056	332,661	26	5,729	221,581	9	1,710	66,679	32	8,784	317,265
Dewey.....	1	280	1,503	0			2	480	6,527	1	320	3,367
Douglas.....	0			0			0			0		
Edmunds.....	13	3,520	57,782	3	1,000	20,459	8	1,360	30,538	0		
Fall River.....	0			0			1	160	1,302	0		
Faulk.....	2	480	10,270	2	317	7,761	2	480	11,606	4	1,360	23,583
Grant.....	13	2,133	72,713	13	2,629	88,064	9	1,917	69,430	13	3,442	132,366
Gregory.....	16	6,464	165,240	20	14,352	538,827	14	6,313	178,318	8	10,549	293,540
Haakon.....	0			0			0			0		
Hamlin.....	14	3,098	127,893	11	2,823	120,845	8	2,110	92,551	12	3,732	167,771
Hand.....	2	479	13,676	2	479	15,201	0			1	800	17,880

Hanson	3	960	43,046	1	320	15,697	1	80	6,304	1	80	5,914
Harding	2	560	2,627	0			0			0		
Hughes	1	160	3,129	1	160	1,550	2	320	5,061	1	480	10,848
Hutchinson	1	1,274	46,608	0			0	320	15,958	0		
Hyde	0			0			0			0		
Jackson	0			0			0			1	160	1,610
Jerauld	1	160	4,118	0			2	480	12,705	5	2,160	144,568
Jones	0			0			0			0		
Kingsbury	22	4,577	199,661	4	1,147	51,490	4	874	35,737	6	1,578	75,946
Lake	6	1,319	68,216	9	2,140	95,621	8	1,318	76,077	15	2,540	154,347
Lawrence	0			0			0			0		
Lincoln	1	320	7,505	0			0			1	161	7,518
Lyman	1	600	12,848	0			1	157	1,835	1	800	7,780
McCook	3	480	28,878	2	723	-14,684	4	160	6,250	5	571	32,555
McPherson	14	2,934	49,019	12	2,080	38,243	8	1,360	35,393	0		
Marshall	19	3,466	98,317	4	918	26,892	16	1,611	49,893	3	629	16,335
Meade	0			0			0			0		
Mellette	1	160	1,475	0			0			1	337	29,495
Miner	0			1	315	8,509	4	1,086	40,102	4	630	26,678
Minnehaha	2	458	30,684	2	236	15,082	2	360	19,690	6	1,159	71,638
Moody	13	2,653	146,767	3	480	19,271	6	955	47,643	3	594	31,796
Pennington	0			0			0			0		
Perkins	0			0			2	480	5,250	2	320	3,363
Potter	0			0			0			0		
Roberts	19	4,494	136,118	11	2,151	56,495	9	1,490	44,984	5	1,249	49,907
Sanborn	2	474	11,545	2	551	25,576	2	480	21,744	3	480	14,865
Shannon	0			0			0			0		
Spink	39	9,569	256,834	39	12,203	374,674	9	2,052	59,365	3	771	25,204
Stanley	1	160	500	2	320	3,999	0			0		
Sully	0			2	960	42,680	1	560	2,725	2	1,280	55,150
Todd	1	440	9,993	0			0			1	320	3,486
Tripp	8	2,160	49,227	5	1,111	43,590	6	1,600	59,589	18	8,904	357,891
Turner	5	712	36,992	4	560	33,482	2	276	22,457	3	697	50,733
Union	5	892	50,267	0			1	174	9,910	2	160	13,674
Walworth	2	480	8,461	1	200	3,011	1	320	2,980	1	239	1,488
Washabaugh	0			0			0			0		
Washington	0			0			0			0		
Yankton	0			1	240	26,540	0			0		
Ziebach	0			0			0			0		

* Four tracts were acquired before 1924 and the year acquired was not given for 51 tracts—a total of 12,919 acres acquired at a cost of \$566,807. The total real estate owned December 31, 1931 is given in Table 5a.

TABLE Ib. Farm real estate acquired by life insurance companies 1924-1931 and owned December 31, 1931*

County	1927			1926			1925			1924		
	No. of tracts	Total acreage	Actual cost	No. of tracts	Total acreage	Actual cost	No. of tracts	Total acreage	Actual cost	No. of tracts	Total acreage	Actual cost
Total.....	107	24,418	\$1,014,734	83	21,019	\$967,920	65	17,249	\$726,367	29	9,012	\$399,349
Armstrong.....	0			0			0			0		
Aurora.....	3	620	\$31,723	0			0			1	160	\$9,058
Beadle.....	1	160	3,807	1	320	\$12,443	2	463	\$23,333	1	160	12,588
Bennett.....	0			0			0			0		
Bon Homme.....	2	440	19,347	2	560	35,884	0			0		
Brookings.....	4	880	42,688	6	1,635	61,463	2	396	23,849	1	360	20,152
Brown.....	3	880	35,896	6	1,521	63,599	4	1,518	55,841	5	2,542	87,527
Brule.....	0			1	320	13,901	0			0		
Buffalo.....	0			0			0			0		
Butte.....	0			0			0			0		
Campbell.....	0			0			0			0		
Charles Mix.....	1	327	15,506	0			0			0		
Clark.....	6	1,741	75,520	6	1,234	54,658	13	3,646	147,000	3	689	21,381
Clay.....	0			0			0			0		
Codington.....	4	883	32,317	9	2,193	101,686	4	1,130	51,979	3	1,071	46,697
Corson.....	6	1,180	21,585	3	560	4,439	2	634	8,390	0		
Custer.....	0			0			0			0		
Davison.....	1	160	8,351	1	160	12,376	0			0		
Day.....	0			3	480	24,923	0			0		
Deuel.....	11	2,091	77,325	3	758	35,834	3	520	24,818	0		
Dewey.....	1	160	3,642	0			1	300	10,391	1	160	2,031
Douglas.....	0			1	194	8,500	0			0		
Edmunds.....	1	320	6,297	0			0			0		
Fall River.....	0			1	2,160	47,819	0			0		
Faulk.....	0			1	160	3,667	1	160	5,398	0		
Grant.....	3	520	13,924	2	477	17,466	1	320	10,122	1	240	10,132
Gregory.....	6	1,270	42,787	3	998	24,805	3	697	44,582	0		
Haakon.....	0			0			0			0		
Hamlin.....	10	2,604	118,950	3	718	36,256	4	960	48,571	0		
Hand.....	0			0			1	160	7,570	0		

Hanson	0			0			0			0		
Harding	0			0			0			0		
Hughes	0			0			0			0		
Hutchinson	0			0			0			0		
Hyde	1	160	2,000	0			0			0		
Jackson	0			0			0			0		
Jerauld	0			3	941	34,308	4	1,040	47,879	4	1,760	107,294
Jones	0			0			0			0		
Kingsbury	8	1,584	72,772	6	1,197	65,328	1	320	15,515	2	633	33,483
Lake	2	320	14,162	5	1,022	73,914	2	480	30,156	0		
Lawrence	0			0			0			0		
Lincoln	2	373	17,886	0			0			0		
Lyman	1	440	10,432	0			0			0		
McCook	3	958	63,230	3	680	39,568	0			0		
McPherson	1	480	9,058	0			0			0		
Marshall	0			2	458	32,836	3	972	38,985	1	277	9,917
Meade	0			0			0			0		
Mellette	0			0			0			0		
Miner	6	1,735	83,937	4	784	48,868	1	161	8,917	0		
Minnehaha	1	145	11,878	1	160	13,237	0			0		
Moody	3	634	46,138	3	792	62,101	1	227	17,706	1	160	7,641
Pennington	0			0			0			0		
Perkins	0			0			3	640	6,177	2	320	2,897
Potter	0			0			0			0		
Roberts	2	240	12,352	0			0	959	27,366	1	160	12,000
Sanborn	1	160	9,120	0			1	320	15,777	0		
Shannon	0			0			0			0		
Spink	1	160	7,585	0			4	1,066	53,183	0		
Stanley	0			0			0			0		
Sully	0			0			0			0		
Todd	0			0			0			0		
Tripp	10	2,394	71,985	1	160	3,500	0			1	160	3,958
Turner	2	399	33,434	2	297	27,332	0			1	160	12,593
Union	0			1	80	7,209	0			0		
Walworth	0			0			0			0		
Washabaugh	0			0			0			0		
Washington	0			0			0			0		
Yankton	0			0			0			0		
Ziebach	0			0			1	160	2,862	0		

* Four tracts were acquired before 1924 and the year acquired was not given for 51 tracts—a total of 12,919 acres acquired at a cost of \$566,807. The total real estate owned December 31, 1931 is given in Table 5a.

TABLE II. Average interest rates on delinquent farm mortgages held December 31, 1931 and per cent of delinquent principal loaned at 5, 5½, and 6 per cent

County	Average interest rate	Per cent of principal loaned at		
		5%	5½%	6%
Total	5.4	49.2	26.1	19.3
Armstrong	*	*	*	*
Aurora	5.3	58.8	22.4	11.9
Beadle	5.2	62.3	24.0	12.2
Bennett	*	*	*	*
Bon Homme	5.3	51.6	26.8	12.3
Brookings	5.3	54.4	38.3	5.3
Brown	5.4	50.9	15.4	25.8
Brule	5.3	61.8	25.3	11.3
Buffalo	*	*	*	*
Butte	*	*	*	*
Campbell	6.0	0	15.4	80.5
Charles Mix	5.5	31.1	34.2	32.9
Clark	5.5	42.2	19.8	31.2
Clay	5.2	60.7	39.2	0.2
Codington	5.6	29.1	23.5	43.6
Corson	6.4	0	0	53.8
Custer	*	*	*	*
Davison	5.2	64.9	19.1	14.8
Day	5.4	54.6	23.2	19.0
Deuel	5.6	30.5	21.2	45.1
Dewey	6.6	0	0	19.1
Douglas	5.3	57.6	26.6	15.8
Edmunds	5.6	29.7	28.7	40.5
Fall River	*	*	*	*
Faulk	5.4	55.9	17.9	24.2
Grant	5.3	66.3	16.4	13.7
Gregory	5.9	8.6	12.7	73.2
Haakon	*	*	*	*
Hamlin	5.4	44.9	35.2	18.1
Hand	5.3	63.6	24.5	9.2
Hanson	5.4	40.8	33.4	20.5
Harding	*	*	*	*
Hughes	*	*	*	*
Hutchinson	5.3	57.2	33.1	6.5
Hyde	6.4	0	6.9	50.5
Jackson	*	*	*	*
Jerauld	5.5	37.9	36.8	23.6
Jones	*	*	*	*
Kingsbury	5.2	64.1	27.4	6.6
Lake	5.2	56.3	39.1	3.2
Lawrence	*	*	*	*
Lincoln	5.2	57.1	29.4	3.4
Lyman	*	*	*	*
McCook	5.2	66.6	25.0	2.0
McPherson	5.5	48.9	15.6	28.6
Marshall	5.4	51.2	18.2	14.4
Meade	*	*	*	*
Mellette	*	*	*	*
Miner	5.2	63.6	31.7	1.8
Minnehaha	5.2	51.1	31.8	5.1
Moody	5.2	60.1	33.1	2.4
Pennington	*	*	*	*
Perkins	*	*	*	*
Potter	6.0	0	7.5	92.5
Roberts	5.3	57.1	18.7	12.6
Sanborn	5.2	58.4	35.0	6.6
Shannon	*	*	*	*
Spink	5.3	63.1	19.5	13.9
Stanley	*	*	*	*
Sully	6.0	0	23.4	67.2
Todd	*	*	*	*
Tripp	6.0	8.3	14.9	39.7
Turner	5.2	66.7	25.6	2.0
Union	5.4	39.5	35.0	14.7
Walworth	6.0	4.3	24.9	54.9
Washabaugh	*	*	*	*
Washington	*	*	*	*
Yankton	5.2	51.9	37.3	3.3
Ziebach	*	*	*	*

* Counties with less than 6 loans.