Interview with Mr. J. Jessen—2

loans. Mr. Jessen felt that there was some question as to whether this bank had intimate knowledge of some of the loans it was getting. The Security First National, however, is aware of the competition and is making aggressive effort to draw loans to its doors.

The bank will make residential loans in almost any part of the city of Fresno and immediate environs with the exception of districts immediately surrounding the main business section, particularly those southwest. The maximum loans are made for the most part in the northern part of the city in the vicinity of the Fresno High School and State College and beyond the northern city limits in the suburban development known as Fig Gardens.

On the basis of past experience in making loans the bank is giving more emphasis to the borrower's repayment ability, always looking, as well, to the suitability of the security to its neighborhood. Their tests are in general about the same as those made by the Federal Housing Administration. The bank is making a good many loans on its own loaning plans, but the bulk of new loans are through the Federal Housing Administration.

The bank has no acquired residential real estate at the present time and very little was taken back any time during the depression. Mr. Jessen said that this did not result from any extraordinary perspicuity on the part of the local office, but rather because of the peculiar nature of local real estate history. From the early 20's when farm prices collapsed Fresno was in more or less of a slump, and as improvement up to 1929 was gradual and not extreme there was less shrinkage in real estate values here during the depression years than in most cities of comparable size. There were few houses built from 1923 to 1935, consequently, although there was little influx of new population and a great deal of "doubling up" during the depression, a cumulative housing shortage helped to sustain real estate values and rentals. Throughout the city of Fresno there were almost no sacrifice sales of improved property. As an illustration of the general stability of real estate in Fresno, Mr.