INTERVIEW WITH MR. R. D. HARGRAVE
FRESNO MANAGER
INTERIOR INVESTMENT CORPORATION
CORRESPONDENT FOR THE
PRUDENTIAL INSURANCE COMPANY OF AMERICA

Mr. Hargrave said that the Prudential Insurance Company was very anxious to place their money in urban residential real estate loans in Fresno, but were particular as to location of the property. They further demand properties not more than ten years old, or new construction loans. He stated the competition for loans was keen and that Prudential terms could meet competition in every regard except ratio loan to appraisals and age of properties. The principal competition is institutions making Federal Housing Administration loans. Mr. Hargrave expressed some doubt as to whether some of the Federal Housing loans were on properties of consistently good construction. He also felt that some of the alleged 80% appraisals were actually higher and that consequently the Federal Housing Administration would have no equities in the event of slight drop in the real estate market. He said that Prudential turned down loans which subsequently were made through Federal Housing. While the Prudential has lowered interest rates in recent years, people wishing to build seem to be much more interested in high ratio of loan to appraisals.

Prudential will loan only in the best residential districts in Fresno, those districts which are uniform, where the trend is well established, and the properties are not more than a few years old. They are seeking loans on the north side of Fresno and in Fig Gardens, particularly, but will make loans in certain parts of the east side of the city as well.

The loaning experience of the Prudential during the depression was reasonably satisfactory. They acquired almost no loans through foreclosure, although during 1934 and 1935 a great many loans were refunded, a few by the Home Owners' Loan Corporation.

Those properties which were acquired, with few exceptions were thoroughly reconditioned. A definite price was put upon each which would take care of the company's investment at the very least. The sale of these few properties was not pressed, and at the present time the Prudential owns but one property in Fresno.