F. Interest and/or dividends paid on savings.

The banks are both paying 2% on savings, and the one building
and loan which last paid a 6% dividend in 1931, has called in its cer-
tificates guaranteeing a 4% return and is issuing certificates calling for
an indefinite return based on earnings.

G. Participation in mortgage lending under Federal Housing
Administration and by national banks under the Act of 1935.

The majority of new loans of both banks have been made through
the FHA. It has given them a chance, which they are making the most of,
to invest their funds in real estate. When there were several building
and loans operating in Fresno a few years ago the banks held a ranking
position in the residential mortgage lending field, but FHA has allowed
them to step into the place left by failure or withdrawal of building and
loans from the local field.

Not only the two local branch banks, but the American Trust Co.
of San Francisco and the San Francisco Bank are making FHA loans here.
The American Trust makes FHA, both Title I and Title II loans, while the
San Francisco Bank has begun to make only Title II loans.

The local building and loan association is not making FHA loans
although it is qualified to do so. The management feels that it meets
local needs without the aid of FHA facilities and insurance.

The Prudential Insurance Company is not making FHA loans.

H. What type of institution will do major loaning in next five
years.

The present situation seems to indicate that the banks will do
the vast bulk of residential mortgage lending in the next five years. The
local building and loan is slowing down at the present moment rather than
pushing its loaning activities, while the local branch banks are making
every effort to get their money out in mortgage loans. It is the Federal
Housing Administration's liberal insured loans which affords them an un-
precedented opportunity to forge ahead of other institutions. Building and
loans associations coming in from the outside increase the influence of
these institutions, which is indicated by the fact that the Guarantee
Building and Loan of San Jose, for instance, intends in the near future to