excess of 28 million dollars - and the Appraisal Section of the HOLC, both of which actively assisted in the work. Furthermore, numerous realtors, principally HOLC Contract Brokers, and other informed sources, were contacted in the sections surveyed. All information thus gathered was checked against and supplemented by data from the files of the Appraisal Departments of the Bank of America, N.T. & S.A. and the California Veteran's Welfare Board. As a result of these painstaking efforts, it is felt that the completed map and area descriptions are accurate to the highest degree and embody all the salient neighborhood information required for the intelligent operation of mortgage lending activities or the handling of owned real estate throughout the metropolitan area of Los Angeles.

EXPLANATION The purpose of the residential Security Map is to reflect graphically the trend of desirability in neighborhoods from a residential viewpoint. Four classifications are used as indicated by the legend, namely: First, Second, Third and Fourth grades. The code letters and colors are A, B, C, and D, and Green, Blue, Yellow and Red respectively. In establishing the grade of an area, such factors as these are considered: intensity of the sale and rental demand; percentage of home ownership; age and type of building; economic stability of area; social status of the population; sufficiency of public utilities, accessibility of schools, churches, and business centers; transportation methods; topography of the area; and the restrictions set up to protect the neighborhood. The price level of the home is not the guiding factor.

The First grade or A areas are "hot spots"; they are not yet fully built up. In nearly all instances they are the new, well-planned sections of the city, and almost synonymous with the areas where good mortgage lenders with available funds are willing to make their maximum loans to be amortized over a 10-15 year period — perhaps up to 75-80% of the appraisal. They are homogeneous; in demand as residential locations in "good times" or "bad"; hence on the up-grade. The Second grade or B areas, as a rule, are completely developed. They are like a 1937 automobile — still good, but not what the people are buying today who can afford a new one. They are the neighborhoods where good mortgage lenders will have a tendency to hold loan commitments 10-15% under the limit. The Third grade or C areas are characterized by age, obsolescence, and change of style; expiring restrictions or lack of them; infiltration of a lower grade population; the presence of influences which increase sales resistance such as inadequate transportation, insufficient utilities, perhaps heavy tax burdens, poor maintenance of homes, etc. "Jerry" built areas are included, as well as neighborhoods lacking homogeneity. Generally, these areas have reached