the property is, therefore, vested in the state until the contract is completed. This has the effect of relieving the veteran of taxes up to the unpaid amount of the contract.

"About 65% of the applications received are accepted; rejections are usually on account of property value. We will not accept an application unless we are convinced that the veteran is getting full value for his contract.

"It is not possible to give the average amount due on our contracts. As shown above, new contracts have averaged approximately $4625. So far, 185 contracts have been completed in Alameda County. Many veterans used their Federal bonus to make payment on their contracts. He has the privilege of paying all or any part of his contract at any time.

"The total repossessions in Alameda County since 1930 have amounted to 175 properties. All of these have been disposed of but ten, and nine of these are under option now, the other one being in process of being reconditioned; 175 of the 200-odd repossessions in this district were during the 1933-1934 bi-annual. Re-sale of repossessions is usually made to other veterans, and owing to the liberality of our terms, we always have a waiting list for repossessed properties, which are invariably sold direct to the purchasers.

"Our gross losses in this district during the entire period of operation have been $115,000. The net loss would be much less than this owing to the fact that the re-sale of some of the repossessed properties have been for larger sums than we had in them.

"In pricing properties we have not taken the amount of our investment into consideration but have invariably followed the market. Upon the basis of our experience, a house valued at $5500 in 1926 would have cost $5,000 in 1929, $3500 in 1933, and would have a value of $6,000 at the present time. Our records indicate that residential prices were 10% higher in 1926 than in 1929.

"We fully recondition repossessed properties and will not sell them until they are put in first-class condition. We have found that the best method to accomplish reconditioning was to let a separate contract for each different character of work. Our experience is that we get very much better results when we deal directly with contractors in the various lines, the extra work involved being more than offset by better prices and quality. We have had splendid results from our recondi-