good business, as it helps to preserve our equity. Such advances are made upon the same terms as the original mortgage, and no penalty is exacted.

"We have no patent method for curing the laggard borrower. When any mortgagor gives evidence of being that type of borrower, we get him in and talk to him seriously and pay particular attention to his loan thereafter.

"In selling acquired real estate we employ a selected list of brokers who have shown their ability by past performances and list our properties with them but do not give them exclusive listings. In all cases we govern our prices by the market conditions prevailing. Our experience is that prices declined to 66 2/3% of what they were in 1929 and are now approximately 80% of 1929 prices. There was very little difference between prices in 1926, 1927, 1928, and 1929, although activity was somewhat greater in the earlier years.

"Before placing a residential property on the market we make it a practice to put it in first-class shape. This reconditioning is done with supervised day labor. Usually after we have reconditioned it properly we do not rent it. However, we have made exceptions to this rule. Our reconditioning costs have averaged $500 per property, and our experience has been that after the reconditioning was completed we have been able to raise our selling price an average of $1,000 per property. This is a gross of 100% on the additional investment. However, whenever we have been able to sell a property 'as is', which is seldom, we have been willing to take 10% below the current market in order to liquidate the loan promptly.

"The popular seller with us has been a five-room bungalow not over ten years old which we can sell for around $5,000. Our terms upon residential sales have been a minimum 10% down, with interest on deferred balances at the rate of from 6% to 7%. Installments of 1% a month, including interest, are required. We have found the least sales resistance in that part of Oakland north of East Fourteenth Street and east of Fruitvale Avenue and have found the greatest resistance in trying to sell residential property in the 'twilight zones' between business and residential districts.

"We are not very favorable to renting property, but our experience has been that a property which rented for $50 in 1929 would rent for between $35 and $40 now. In 1933 there were no rental levels in Oakland.