INTERVIEW WITH MR. FREDERICK S. DUHRING, Appraiser
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Loaning terms to borrowers have been greatly modified during the past seven or eight years. In 1929 interest rates were 6% to 7%; loan periods were from five to eight years; amortization of $12 per thousand per month was required, and charges were 3% commission plus costs. Now, interest rates are 5% to 6%; loan periods from 10 to 15 years; monthly amortization requirements are $8.44 per thousand plus instalments for taxes and insurance, and charges are confined to actual costs. Even upon these reduced terms, it is hard to get sufficient loans to cover the increased investment in our shares, for while there is a good demand for loans, competition of the banks makes them hard to obtain.

This association is confining its loans to the East Bay Area. Both age of property and districts in which located are taken into consideration by our appraisers who are salaried officers of the association. Upon the values they set we will lend from 65% to 70%, and up to 15 years. The average amount of all our loans is approximately $8,000. The average of new loans, however, is $4500. From 20% to 25% of the loans which we are currently making are for construction purposes, and 65% are for refinancing. Our new loans are running about 20% FHA Title II, and we are endeavoring to increase this percentage. As a matter of fact, we have found that these loans offer the best medium for meeting the competition of the banks.

In the liquidation of our acquired real estate holdings, we have taken into consideration both the market and amount invested. In other words, if we cannot sell the property for the amount we have in it, we are inclined to hold it for better prices. Using 1929 values as 100%, we have found the fluctuation of residential prices to be about as follows: 1927, 110%, 1929, 100%, 1933, 65%; 1937, 90%. From this it will be seen that prices are on the increase, which probably influences our policy in connection with our holdings.

Before we place a property on the market, we recondition it just enough to make it saleable, the work being done by day labor under our own supervision on small jobs. Larger undertakings are let on contract bids through the Property Management Department of the Mason McDuffie Company. While we have not kept