We confine our loaning operations to the East Bay area. I personally do all the appraisal work for the association and only employ independent appraisers when I am in doubt. My valuations take into consideration both the age of the property and the district in which it is located. We will lend up to 66 2/3% of the appraised value, at 6% to 6 1/2% for ten years or less, upon monthly amortization payments of $10 to $11 per thousand; our charges are 1% plus actual expenses. This differs somewhat from our terms in 1929 when our interest rate was 7 1/2%, our loan period 10 years, and monthly amortizations $12 per thousand, and charges were 2% commission plus actual expenses.

There is a moderately active demand for residential loans, but there is intense competition for them, particularly between the banks and building and loan associations. As an indication of our attitude in this connection, it may be of interest for me to state that we reject without appraisal 50% of the informal applications made to us.

The average of all our loans is $2,000; however, our new loans run between $2500 and $3,000. From this, you can see that our lending is largely for moderate amounts. Our current loans are running 10% construction and 85% refinancing. About 10% of the lending which we do now is under FHA Title II. We are making these loans largely to meet competition in the long-term field.

During the worst of the depression our delinquencies ran into large percentages, but for the last two years has been getting better, and now only 2% to 3% of them are over 30 days past due, on either interest or principal payments. This we consider practically a normal delinquency. We have been able to accomplish this by personal interviews with those borrowers who were inclined to lag in their payments. We did not resort to threats but stated our position in a reasonable manner.

During the depression period it was our policy to advance funds to borrowers to pay their taxes when they could not do so, and in cases of proven need.