16. Give down-payment and terms required on owned real estate sold: interest rate on unpaid balance; does payment required include amortization of taxes and insurance?

We require a minimum down payment of 16% where property is sold on contract; 33 1/3% is required in a transaction involving a deed. The interest rate on unpaid balance is 6%. When transaction reaches the deed stage, the note runs for a period sufficient to retire the debt completely on a basis of 1½% per month. We also work out our contracts, where property is not particularly desirable, on a higher principal amortization than 1½% per month.

17. Describe most successful methods of disposing of real estate owned: Our first step is to put our real estate holdings in first class condition inside and out. We do a thorough job of rehabilitation, then send out sales listing sheets to each of the brokers in a given area. We establish a pass key system on vacant properties, furnishing each broker with a key. We occasionally cooperate with brokers in standing half the cost of advertising. We pay brokers full board commission even the Western Service Corporation holds a real estate broker's license.

18. Discuss loan servicing methods, including percentage of loans delinquent to total loans (define such delinquency): In the past four or five years in servicing our loans we have followed a "reasonable" policy. We have recognized the economic difficulties of our borrowers and adjusted our demands to what they actually can pay. In better times we follow a stricter policy. Within the last thirty days, for example, we have put "teeth" into our collection efforts because we do not wish delinquent accounts to run along for the next several years without being cleaned up, with the possibility that we may find ourselves in another depression with these same accounts in bad shape.

19. General History of lending operations in this community since 1929:

In 1929 our general loan plan was as follows: Term - 16 yrs., interest rate - 6%, semi-annual principal reduction - 3%, interest also paid semi-annually, commission - 2%, commission on construction loans - 3%. At present we charge 1% engineering and inspection fee on construction loans and no brokerage. On refinancing loans we charge no brokerage whatever, with a prevailing interest rate on new clean security of 5%.

20. Summarize the interview with the officer contacted:

See Page 134-A San Francisco Report.