"We confine our operations to residential properties situated in Alameda County and a small portion of Contra Costa County. We have our own appraisers who take into consideration both the age of property and the districts in which it is located.

"Our terms are 6% interest, one year maturity, and 1% commission on construction loans, no commission being charged on other types. Our terms in 1928-29 were 7% interest, one to three year maturity, without amortization, and 2% commission, on all loans.

"Our business is largely confined to intermediate lending, although quite frequently we sell loans to clients who want short-time maturities. While our loans mature in one year, we feel no hesitancy in giving extensions up to four years. We will lend up to 70% of our appraisals.

"There is a fair demand for construction loans, but this has fallen off somewhat in the last two months owing to the increasing costs of construction. Competition is very keen, the banks being particularly aggressive. Our loans average approximately $3,000 and currently are running 100% for construction purposes; 5% of the loans which we are now making are F.H.A. Title II.

"In selling acquired real estate, it is our policy to list with all brokers and cooperate with them in making the sale. In pricing properties, we have very generally followed the market but have taken into consideration the amount we have invested and have been very careful not to "dump" our holdings. We think that residential prices went from an assumed 100% in 1929 to 70% in 1933 and have now recovered to about 90%. We believe that prices in 1928 and 1927 were from 2 to 5% greater than they were in 1929.

"Before placing properties on the market we fully recondition them inside and out. For renting, however, we only go to the extent of making them livable. When thoroughly reconditioning, we ask for bids and let the work by contract. Our experience has been that we make 100% on the amount we spend for reconditioning. Selling properties in the condition they come to us we have found most unsatisfactory. They are not only harder to sell but do not bring the price, and the purchaser is very seldom satisfied with his bargain.