personal contact, and we have found that interviews in our own office are the most satisfactory.

"In disposing of acquired real estate, we use a selected list of brokers and govern our prices by market conditions, changing our prices as these conditions seem to warrant. Before we attempt to sell or rent a property, we recon­dition it quite fully, the work being done by contract after receiving at least three bids. Our attempts to sell property in an 'as is' condition has not proved at all successful, and our present policy is not to attempt to do so."

We believe in the real estate and mortgage loan situation in this section.

At the present time we are confining our loans to Alameda and San Francisco Counties. Except upon very high-class construction that has been well maintained, we limit our loans to houses of 10 years of age or less. We regularly use independent appraisers who are promised to give consideration all factors, including that of location. Upon their valuations we are making loans up to 60% in all the 'green' areas and most of the 'blue' areas, and will not make loans in any of the 'yellow' or 'red' areas shown upon the Security Area Maps of San Francisco and the East Bay Areas. I do not know the amount of the average loan upon our books, but the new loans which we are making will average between $4000 and $5,000.

There is a heavy demand for residential loans in both Alameda and San Francisco Counties, but the competition for them is so great that we cannot make loans sufficient to cover our monthly quota, which is approximately $250,000 for the Bay Region. Very few of the applications made to us are rejected after they get to the formal stage. Our principal competitors are the banks and insurance companies. We are making FHA Title II loans but only when necessary to meet long-time competition.

We do not like to increase the mortgage debt by making advances for repairs, taxes, etc., but in urgent cases we do make such advances when necessary to protect the property.

As shown by the Questionnaire, our collections are in good shape. After a loan becomes 30 days delinquent, our efforts with the borrower are made through