causing many of the institutions in all of the groups to shade their rates and terms in individual cases, and this practice is becoming more and more prevalent.

The purely local institutions of all groups confine their lending very generally to Alameda and Contra Costa Counties. However, many of the individual institutions have one or two favorite locations outside that territory to which they extend their operations.

There is no common standard for appraisal methods and practices, and each individual institution, regardless of group, apparently has its own formula. It is quite generally felt among the institutions themselves that competition in many cases enters into the amount of appraised value. It has been amusing to note that, it is always the "other fellow" who is indulging in this dangerous form of competition.

In this connection it might be stated that there is quite a little group feeling between the banks and the building and loan associations, the building and loan associations stating that the banks are using Federal Housing Administration insured loans as a means of unfair competition, and the banks aver that the building and loan associations are rapidly resuming the unethical practices which so greatly weakened them during the depression. Competition in the community is far from harmonious, and it is largely a case of each institution for itself.

Direct reduction loans are the universal practice with all institutions in the East Bay whenever amortization is employed.

1. Banks and Trust Companies.

The banks charge no commission on loans, their charges being confined to actual expenses. With the exception of F.H.A. Title II loans, mortgages are made for an amount up to 60% of appraised value. While the banks will lend for periods up to ten years and amortize loans on a twenty year re-payment basis, there is a definite preference shown by the group for shorter maturities, and in order to accomplish this without loss of business, there is a tendency to lower interest rates on the shorter maturities.

F. H. A. Title II loans are widely advertised by most of the banks and are particularly featured by the Bank of America and the American Trust Company. The San Francisco Bank, which has led all others in making F. H. A. loans in San Francisco, is not nearly so aggressive in the East Bay.