Many of the banks are inclined to govern the percent of appraisal they will lend by the location of the property and to limit maturities according to the age of the improvements. This practice is particularly followed by the Bank of America, which prides itself on making loans on some kind of terms in all districts.


There are no mutual savings banks in the East Bay community.

3. Building and Loan Associations.

Building and loan associations endeavor to charge a commission of from one to three percent on loans, but under present conditions, they are not inclined to be arbitrary and generally waive all commission charges when necessary to meet competition. The State Chartered institutions make loans up to 70% of appraised value, but they very seldom use outside appraisers and are said to be very generous in their valuations in cases of close competition.

4. Mortgage Companies.

The terms shown in the foregoing table are quite strictly adhered to by the one mortgage company located in the East Bay.

5. Insurance Companies.

It is thought that the insurance companies are more consistent in adhering to terms and policies than any of the groups, and they are also believed to stick quite closely to sound appraisals and meet competition by offering lower rates. A commission charge of from one to two percent is made by some companies, but it is apparently becoming more and more the practice to compensate loan agents direct and waive such charges.

This group of lenders confines its loans entirely to first ("A") and second ("B") grade areas. They are also quite strict in their requirements as to age and very seldom make a loan on property when the improvements are over ten years of age.

6. Individuals.

There is usually a one to three percent commission charge on loans made by individuals through brokers, and the percentage of loan to appraised value is anywhere from 50% to 80%. The terms of such loans usually follow the practice and policies of the agency through which the loan is made, each agency usually having some standard of lending terms to which they very generally adhere. Formerly individuals were very active in the secondary loan market, but under present conditions, there is a very limited amount of this kind of financing being done.