It is not thought that any of the institutions are making F. H. A. insured loans as a matter of cooperation with the Government. The motives for so doing vary with the different types of institutions, as follows:

Banks and trust companies are influenced primarily by the fact that it provides the only means of meeting the competition of other institutions in the mortgage loan field, both in length of maturities and percent of appraisal loaned. Most of the larger institutions express a preference for loans made upon their own plans and usually offer the applicant a choice between the two plans which shows a lower interest rate and less cost on the uninsured loan under their own plan.

Building and loan associations quite generally are attracted by the re-discount market provided for F. H. A. loans through the Reconstruction Finance Corporation and feel that it is sound policy to have a certain amount of their funds in these comparatively high rate, quick assets.

The State Chartered institutions also seem to feel that F. H. A. loans offer a medium with which to meet the competition of the banks and Federal Savings and Loan Associations.

The Federal Savings and Loan Associations, which hold $291,000 of the total of $984,400 held by the group, usually make F. H. A. loans as a last resort, but they, and, in fact, all the institutions, realized the advantage they offer in the way of ready marketability.

The mortgage companies have mixed motives; with some it is a matter of sound investment, others use them as a means of competition and, to some extent, because they find them easy to sell to private individuals and others at a profit.

The insurance companies are understood to purchase their F. H. A. loans from qualified agencies, some of which are organized for that purpose. It is known that this is the course pursued by the West Coast Life, which holds $526,400, and although not definitely known, it is believed that the Metropolitan Life is pursuing somewhat the same course.

Of the $13,473,400 total F. H. A. loans shown on Form 1-A, the Bank of America N. T. and S. A. of San Francisco owns $7,357,600, and the American Trust Company of San Francisco, $2,688,700, all other individual holdings being less than a million dollars.