would make the average loan $2754, indicating that individual lending is largely residential in character. This is also in keeping with information gathered on the subject.

After taking into consideration other types of loans and renewals included in the foregoing figures, it is thought that individual residential mortgage holdings amount to between 20,000 and 25,000 loans or, roughly, from 60% to 70% of the total loans made during the time mentioned. This estimate is predicated upon the fact that the same table shows that the institutions covered by Form 1-A hold at the present time approximately 60% of their total recordations. It is thought that a slightly higher ratio should be applied to individuals, owing to the fact that there is generally less formality in their dealings, and it is quite usual for "renewals" to be effected by "extensions" which do not require a new mortgage.

Upon the basis of this hypothesis, it would seem reasonable to say that individuals hold 21,585 loans. The figures on Form 1-A show that the average institutional mortgage held is $2600, and if this figure is used in the case of individuals, the total dollar amount of loans held by them would be $44,683,600.

As has been stated, practically all the real estate agencies, either directly or indirectly, have facilities for brokering real estate loans, and it is believed that the majority of loans made by individuals are placed through these mediums. Commission charges in such cases amount to from 1% to 3% and, under present conditions, probably average around 2%. This charge is quite generally paid by the borrower. Prior to 1930, individuals are said to have been the main source of funds for secondary financing, and commission charges on such loans ran up to 5%, with interest rates of from 8% to 10%. The demand for this kind of financing is very limited at the present time owing to the high "ratio to value" amortized loans which are now almost universally employed.

A great many loans are known to be made by individuals directly to borrowers. In fact, abstract company officials state that there are several hundred individuals in the Bay Region who make such loans for the investment of their own capital. Most of these are said to be semi-retired business and professional men who take this means, not only to invest their funds, but to give them a certain amount of employment. Some of these individuals maintain an office or have desk room in the downtown district, but usually they operate from their homes.