The Capital National Bank, which holds less than 10% of the total loans owned by the banking group, and has accounted for an even smaller percentage of the group's activity since January 1, 1936, holds third place in the banking group.

The Citizens' Bank, which is located in one of the outlying business districts, is quite active, considering its comparatively small resources.

The Merchants' National Bank very largely confines its activities to commercial business, and its residential lending is largely incidental.

2. Building and Loan Associations

This type of institution ranks second in the amount of mortgages made since January 1, 1936, accounting for 13.1% of the total, and would also rank second in amount of residential mortgages held if the California Veterans' Welfare Board were eliminated from the calculation. This group holds 13.8% of the total institutional residential mortgage account.

The Capital Federal Savings and Loan Association, which holds 75.3% of the group's total, and has accounted for 88.4% of the mortgages made by the group since January 1, 1936, is the outstanding member of the group and is the only one of the three building and loan associations whose current activity warrants special mention. This association is somewhat of an anomaly. It has been active in building up its mortgage account, is sponsored by the Capital National Bank, and has been federalized and insured for more than two years, and yet, in spite of these favorable influences and the further fact that Sacramento has shown material growth, its resources have actually shown a shrinkage over the past two and one-half years.

The Fort Sutter Federal Savings and Loan Association of North Sacramento, while showing considerable activity in mortgage lending, considering the amount of its assets, is relatively too small to warrant consideration.

The Sacramento Guarantee Building and Loan Association, as indicated by its current mortgage activity, is believed to be in a moribund condition. Its assets have decreased more than 20% since January 1, 1936, and unless there is a change in policy and official personnel, it is not believed that it will play a very important part in the future residential lending of the community.

3. Mortgage Companies and Others

The only institution listed under this head is the California Veterans' Welfare Board. Strictly speaking, it is a State Governmental Agency rather than a mortgage institution and is comparable to the Home Owners' Loan Corporation. This