"With the return of better times, increasing numbers of people are seeking homes in this city. This fact, together with increased industrial activity has brought our real estate market back to where it is now within hailing distance of 1929 levels. As a consequence of this the number of applications for residential mortgage loans has grown greatly but has not been sufficient to equal the supply of funds seeking investment in this type of security. Competition for residential loans has never been as great as it is today. One of our banking institutions has two men in the field soliciting residential mortgages.

Of the mortgagee institutions, banks, building and loan associations, mortgage companies, and insurance companies, all are anxious to place their money in real estate security. There is not a great deal of difference in the interest rates, and terms offered but there is evidence that the amount that will be loaned is becoming an increasing factor. Not only are the mortgagee institutions anxious for this type of business but private capital is also seeking investment in this field. These private lenders are largely retired people who are seeking to increase their income. While many loans are made direct, we are of the opinion that the majority are placed through building contractors, real estate brokers and the two local title companies which have trust departments.

This bank is lending in all sections of the city but the amount which will be loaned is largely governed by the district in which the property is located. Ninety percent of our loans are upon monthly amortized basis. We have our own staff of appraisers whom we use as a check upon one another. Property values have increased materially in the last three years but the amount of advance varies greatly with the different levels of property values. For example: A residence selling at $6750 today would probably have sold for $5000 in 1933 and would have had a value of $10,000 in 1929, whereas a house that sold for $5000 in 1929 went down to $3000 in 1933 and would now be selling for approximately $4000. In other words, the higher-priced residence is now selling at 67 1/4% of 1929 prices and the more moderately-priced is selling at 80% of the 1929 figure."