INTERVIEW WITH W. H. ECKHART, Assistant Cashier
In charge of Real Estate Loans
BANK OF AMERICA - San Diego Branch
San Diego, California

Mr. Eckhart said: "We are finding that competition for residential
real estate loans is constantly on the increase and there are evidences
that some of the institutions are beginning to liberalize in their terms,
lower their rates and increase the amounts which they will loan. This is
particularly true of the Federal savings and loan associations. Our chief
bank competitor is San Diego Trust & Savings Bank which is employing loan-
solicitors.

In making loans we take into consideration not only the age of the
property but the age of the borrower and we do not ordinarily make a loan
which will mature after a person is 60 years of age. We are lending up to
60% of appraisal in the best districts and this percentage ranges downward
according to the location of the property. Our interest rate is 6 percent,
our loans are amortized on a 10-year basis and provide for full liquidation
during that period. We depend solely upon our own appraisals as we have
found that this is much more satisfactory than relying upon outside judgment.
Currently, our loans are being made as follows:

25% new construction  50% refinancing  25% purchase money

Approximately 50% of our loans at the present are being made under Federal
Housing Administration Title II.

Both terms and rate are much more favorable now for the borrower than
in pre-depression days when terms were about as follows:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Appraisal</th>
<th>Term</th>
<th>Interest</th>
<th>Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks</td>
<td>$500</td>
<td>3 yr. straight</td>
<td>7%</td>
<td>None</td>
</tr>
<tr>
<td>Blag. &amp; Loan</td>
<td>$500</td>
<td>10 yr. amortized</td>
<td>8%</td>
<td>2 and 3%</td>
</tr>
<tr>
<td>Insurance Co.</td>
<td>50% - 60%</td>
<td>12-15 yr.</td>
<td>6%</td>
<td>To broker</td>
</tr>
<tr>
<td>Mortgage Co.</td>
<td>50% - 60%</td>
<td>3 yr. straight</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>Individuals</td>
<td>avg. 60%</td>
<td>3 yr. straight</td>
<td>7%</td>
<td>Varying</td>
</tr>
<tr>
<td></td>
<td></td>
<td>usually</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

We are very careful about lending in ad valorem tax districts. There
are a few, however, in which we believe loans can be made with safety.