Approximately one-sixth of San Diego's area is affected by these district taxes. A great effort is being made to clear up this situation but the outcome is still in doubt and no one knows what the end will be. We not only have property and loans in these districts but are owners of some of the bonds as well. We are therefore in a position to view the situation from all sides and we frankly believe that a solution of the problem is not yet in sight.

During 1933 and 1934 the building and loan associations were quite active in exchanging real estate for their investment certificates and there was considerable adverse criticism of their methods. For a time their activities along this line had the effect of retarding residential price recovery. We do not believe this practice is still being indulged in. 1)

Mr. Holburt was enthusiastic over the help which had been given to both distressed mortgagors and mortgagees by the Home Owners' Loan Corporation.