Mr. Hasom said: "We are finding competition for residential mortgage
loans greater than in any previous period in our experience. We are com-
peting not only with mortgagor institutions but with private lenders who
are very active. Most of the private lending is being done through real
estate brokers. This competition is not only on the basis of percentage
which will be loaned on a fair appraisal but upon interest rates and terms
offered as well. Not only are the private lenders avid for mortgages
but all of the mortgagee institutions are actively in the market; in fact,
the San Diego Trust & Savings Bank have a man in the field soliciting such
loans. Our real estate department has in its employ two experienced apprais-
ers and we rely largely upon their estimates. They take into consideration
not only the property which is offered for security, but the neighborhood
in which it is located, its age and the financial ability of the applicant
to carry out his contract. Our real estate department, which was re-orga-
nized some three years ago, not only handles appraisals covering security
offered but is also charged with the sale of the real estate which we were
forced to acquire during the depression period. This is done largely
through the employment of outside brokers although about 30% of the sales
which have been made have been direct. The prices at which we sell this
real estate is entirely governed by the market and the amount invested is
treated as a closed book.

"Real estate in San Diego has had quite a price-appreciation in the last
three and one-half years and it is estimated that we are receiving 25 to
35% more for properties than we did during the low of the market which
our records indicate was in the first half of 1933, when prices were down
approximately 20% from 1929. In other words, a house which sold for
$10,000 in 1929 would have sold, if a buyer could have been found, for
$8000 at the low-point and would now bring $11,000 which is 10% more than
the 1929 market. It is our belief that residential real estate has about
reached its peak for the present movement and we are governing ourselves