Mr. Hason said: "We are finding competition for residential mortgage loans greater than in any previous period in our experience. We are competing not only with mortgagee 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 appraisers 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-organized 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