Mr. Fletcher said: "Competition for loans in San Diego is keen. Loan applications are principally for construction purposes. Our chief competitors are the Coronado Federal Savings and Loan and the Central Federal Savings and Loan, both of which are controlled by lumber interests. We have not gone in for Federal Housing loans for the reason that we feel it is more profitable to lend upon our own plan. We make but few commitments for other than single family dwellings. We are very careful both as to the age and location, these factors being given full consideration in making appraisals.

"The loan applications are first passed upon by our directors, and the plans and specifications for construction loans are carefully considered. If the application is favorably acted upon, it is then given to an outside appraiser who reports to us upon our own forms, which have been prepared after a long period of research.

"Our loans since the first of the year have been 70% construction, 25% refinance and 5% purchase money.

"Real estate values have staged a remarkable come-back in San Diego, and I believe that currently property here is approximately 90% of the 1929 value, whereas at the low of the depression it got down as low as 55% of 1929 values. Of course we have had no acquired property to sell, but our observation has been that the greatest demand is for a 5-room house, selling for about $3500.00.

"Owing to the large number of Governmental employees, principally connected with the Navy, who has head-quarters in San Diego, we did not feel the effects of the depression as much as other localities, which probably accounts for the fact that our rentals, as well as real estate values, were not nearly so much affected. Rentals and real estate values declined and increased about the same, getting down to about 55% of 1929 values, and being now about 90% of that level."