INTERVIEW WITH G. M. HEARD, Secretary-Manager
LA JOLLA FEDERAL SAVINGS AND LOAN ASSOCIATION
SAN DIEGO, CALIFORNIA

We are apparently in for a period of severe competition for residential
loans. To date it has been largely a matter of aggressiveness but indications
are that concessions as to rates, percentage loaned and terms will soon be
indulged in. At the moment, mortgagee institutions seem pretty well stan-
dardized upon all of these factors. It is my belief that banks will con-
stitute our chief competitors.

Our loans are scattered over our fifty-mile radius for the reason that
we believe it is good policy not to concentrate too largely in one locality.
Our immediate territory is covered by what is popularly called a "Mattoon
District". However, the assessments are not heavy enough to bar us from
making loans here in La Jolla.

In making loans every element is taken into consideration. We have
two outside appraisals made and in addition to these make our own inspection
of the property. Both age and location enter into our calculations and affect
the terms which are offered.

At present, our loans are running 40% new construction, 45% refinancing,
and 15% purchase-money. So far, we have made only one Federal Housing
Administration Title II loan.

In selling our acquired real estate we employ selected brokers to whom
we furnish a book containing photographs and particulars of our various
properties. We are not trying to push real estate sales at present as we
anticipate better prices in the future. We naturally dislike to take losses
but have done so in several instances. However, up to the present, we have
fared very well in this respect. Out of 19 parcels sold, aggregating
$50,000, we have been able to show a profit of $15,000.

In 1933, the high-class, mansion-type of residence went down to 40% of
former values. They have regained a large part of this loss and are now
selling around 70% of these former values. Medium-priced residences never
went down below 75% of pre-depression levels in this locality and are now
back to fully 90% of these levels. In pricing our own holdings, we have
set a figure and let the market rise to it.