4. Mortgage Companies. These institutions are apparently in good repute in San Diego.

D. Present Mortgage Activity and lending terms.

1. All the banks in San Diego are seeking residential mortgages, their terms being from 5 to 7% interest on 5 to 10-year amortized loans, and most of them are lending up to 60% of appraised value. All the banks are making Federal Housing Administration Title II loans, some of them are not lending for the full 80% nor for the 20-year term. Appraisals of the banks are as a rule believed to be conservative and they apparently pay a great deal of attention to the moral and financial standing of the borrower.

2. No Mutual Savings Banks.

3. Building and loan and Federal Savings and Loan Associations are aggressive in their efforts to secure residential mortgage loans, the Federal Savings and Loan associations being particularly active. There is a great deal of criticism of their lending methods, partly on the score that they are lending government money in a more or less reckless and unconservative manner. The criticism is also made that some of them are but little more than adjuncts to the business of material and lumber dealers. On account of the universality of these criticisms, some attempt was made to verify them but nothing was discovered of a confirmatory nature, however, the effort put forth in this direction was of necessity of a very limited and guarded nature and it is hardly reasonable to suppose that these almost universal criticisms have not some foundation in fact.

As stated under "B" of this section, lending terms are generally as follows: 6.6% interest, 2% commission, 15-year amortized with loans running up to 75% of appraisal value. Appraisals are usually made by independent appraisers and are stated to be upon a fair market value. It is felt that they are inclined to stick too closely to the 75% limit which they are permitted to loan on appraisals and do not differentiate enough upon the different grades and location of security. In other words, there is not enough difference in the percent of appraisal that they will loan in "A", "B" and "C" areas.

4. Mortgage Companies. The mortgage activity of these institutions has undoubtedly been curbed by the Federal Housing Administration Title II loans and the Federal Savings and Loan Associations and they complain bitterly of this situation, one of them stating that they are taxed by the Government.