in order that it may finance their competition.

The mortgage companies are seeking loans upon a basis as low as 5% and in most cases are lending upon a 10-year amortized basis, although they still prefer a shorter-term straight-loan. They have also cut their commission rates to 2% but so far have steadily refused to increase the percentage of appraisal that they will loan.

The Arbud Investment Company is closely associated with the Peterson Lumber and Finance Company which is owned by H. G. Peterson, who is also president of the Coronado Federal Savings and Loan Association. The Arbud Investment Company qualified, at the time it was incorporated, to make Federal Housing Administration Title II loans and are apparently confining their business to this type of financing. The company is evidently refinancing itself by discounting these Title II loans with the Reconstruction Finance Corporation Mortgage Company.

The Meade-Haskell Company, which is the largest of the mortgage companies, explains their relatively large acquisition of residential property by stating that they formerly made a great many second-mortgage loans and took over the real estate in order to protect their investment. From outside sources it is suggested that this concern, as well as most of the other mortgage institutions, have considerable amounts invested in properties located in "Mattoon" districts, which is impossible to sell under present conditions.

5. Insurance Companies which have been more or less inactive for the past several years are now increasing their activities and it is understood that the Equitable is preparing to re-enter the field. The Northwestern Mutual of Milwaukee, the Jefferson Standard Life of Greenboro, North Carolina and the Perm Mutual Life of Philadelphia are also reported to be preparing to commence or resume mortgage lending operations in this field. As stated in "B", the lending terms of the insurance companies are: 5 to 6% interest, 12 to 15 years amortization basis and 50 to 60% of appraisal. A tendency is noted on the part of these institutions to have their brokers discontinue charging commissions on their loans and compensate them with a participation in the interest received.

6. Individuals. As indicated, private individuals are an important factor in residential lending in San Diego and their activity at the present time is quite apparent. One of the tax services which has had occasion to delve into the matter recently is authority for the statement that