it is learned that the affairs of the company have been placed in the hands of the Building and Loan Commissioners of the States in which it has assets and that liquidation is to be pressed as rapidly as possible. An interesting side-light upon this liquidation is that 24 of the 46 parcels of residential real estate owned by this association in San Diego are in "Mattoon" districts where property is unsaleable.

None of the local concerns in liquidation are subject to rehabilitation or reorganization, late developments in the case of the Western Loan and Building Company are not known but a coverage of the situation will be found in the Reports mentioned above.

V. PRESENT MORTGAGE DEMAND.

A. Refinancing - home mortgage problems. The supply of mortgage financing in San Diego is far greater than the demand.

B. New construction. The interviews with mortgagee institutions indicate that the relative demand for financing is approximately as follows:

- 50% new construction
- 30% to 40% refinancing
- 10% to 20% purchase money

Approximately one-half of the new construction loans made by the banks are under Federal Housing Administration Title II.

C. Rehabilitation of present mortgage institutions to meet mortgage demand, or need for new mortgage institutions.

It is understood that rehabilitation and/or reorganization of the local state-controlled building and loan associations is already receiving the attention of the Federal Savings and Loan System authorities.

VI. ATTITUDE AND POLICIES OF STATE SUPERVISORY AUTHORITIES.

Nothing can be added to what is contained in the Los Angeles Report on this subject except the statement made in the interview with Mr. Harold B. Starkey, Executive Vice President of the Bay City Building and Loan Association to the effect that the plans for conversion or amalgamation of that association with the First Federal Savings & Loan Association had been indefinitely postponed owing to the position taken by the State Building and Loan Commissioner.