"Delinquencies on our real estate loans during 1933 and 1934 became quite serious but did not get to the point where we had to make wholesale foreclosures. We had a moderate amount of acquisitions, all of which are now sold, and we have not at the present time a single residential property on our books, nor do we anticipate any future acquirements, as delinquencies are now less than 4% above normal and getting better rapidly.

"During the depression period it was our policy to make advances to borrowers to keep their taxes current. This was done to save the borrowers penalties and keep our debt in the position of a first lien. We have not made advances for repairs or other purposes.

"A monthly survey is made of all our loans, and contact is made with all delinquent borrowers either by letter, telephone, or personal interview. Each case is handled on its merits, and the tactics pursued are made to fit the individual case. We do not use form letters or threats.

"Loan terms are very much more liberal now than they were in the pre-depression period. In 1929 our residential loan rates were 6% to 6½% on a one-year note which we would extend from time to time up to a period of five years. We made very few installment loans. Today our rates are 5%, 5½%, and 6%, with loan periods up to 10 years, and practically all our loans are on an amortized basis. We have never charged anything but actual expenses in making any loans.

"Our acquisitions were comparatively light, and we never had a great amount of residential real estate. In disposing of this, we have from time to time made general listings with all the brokers, the prices quoted being governed entirely by market conditions. In this connection, I might say that it is our policy, when we acquire a piece of real estate, to charge it off and carry it on our books at $1.00. This policy is followed regardless of the amount of the loan.

"Our experience has been that a property which sold for $11,500 in 1929 would have brought $7500 in 1933, if it could have been sold at all, and a similar property would sell today at from $8500 to $9,000. There was no great difference in the property values between 1929 and 1926."