Agent's Note Continued:

the Mercantile Trust Company prior to its merger with the first named institution. He gives the impression of being well-equipped for the position he holds.

This bank occupies spacious quarters in an imposing structure which it owns. Besides its head office and five branches in San Francisco, the bank operates one branch in Burlingame and has numerous field loan agents and loan representatives in various cities of Northern California.

Special attention is called to the large amount of FHA Title II loans. Currently, 80% of all residential loans are written under Title II. This is, in a measure, accounted for by the fact that a definite program was entered into of recasting its portfolio, largely consisting of "straight loans", into amortized loans written under FHA Title II. This program, which is still being prosecuted, also accounts in a measure for the fact that this bank led all other institutions in Northern California in the number of real estate mortgages filed in 1936. Without being critical of the FHA, Mr. Maddux, whose interview follows, is very dubious about FHA appraisal practices and is greatly concerned over the inherent dangers in the present lending situation. He feels a measure of personal responsibility owing to the lead which he has taken in pushing the FHA Program.