"If you will draw a line northerly to Santa Rosa, California, thence easterly to Sacramento, and thence southerly to Bakersfield, and westerly to Santa Barbara, and follow the coast line back to San Francisco, you will have a rough diagram of what this bank considers its lending territory.

"Lending terms have changed considerably in the last eight or ten years. In 1929 our interest rate was 8%, and loans were made for one year without amortization. Now, our interest rates are 5 to 6%, and loan maturities run up to 10 years and are amortized on a 10 to 20-year basis, payments usually being made monthly. There has been no change in our charges to borrowers. There was then, and is now, a $5 loan fee plus actual expenses.

"I have been with the San Francisco Bank since 1930. When I assumed the Presidency in 1933, I faced a very complex and involved situation. This had always been a "straight loan" bank, and but very few of our loans were upon an amortized basis. My first task was to change this situation as rapidly as possible. When the FHA came into being, I made a study of its provisions and determined to make use of it to recast our portfolio and place it upon an amortized basis. With this in mind, I took the matter up with the FHA officials, and I cannot speak too highly of the hearty cooperation which they have afforded me. By the close of business tonight, our FHA Title II loans will amount to over $13,000,000; 80% of the residential loans which we are making currently are under this plan, and practically all of our construction loans are made through the FHA. It is the exception now, rather than the rule, when we make a "straight loan". Considerably more than half of all our residential loans are now on an amortized basis, and it is our intention to maintain our efforts until all our residential loans are upon that basis.

"Our run-off is in excess of $500,000 monthly, and it keeps us hustling to re-invest this amount. To accomplish it, we have a corps of salaried field loan officers, and in addition, have special representatives in many of the towns in the territory which I describe, who submit loans to us. In addition to this, we have two appraisers upon our staff and regularly employ three other independent