...terms in all of the 'green' areas and in some of the 'blue' ones, notably 'B-1', 'B-2', 'B-3', 'B-4', 'B-5', 'B-6', 'B-7', 'B-8', 'B-15', 'B-16', 'B-17', and 'B-18'. We are making loans on modified terms in all the areas shown on the map with the exception of 'D-1', 'D-3', and parts of 'D-4', 'D-5', and 'C-6'.

"We find that the demand for residential loans is increasing but that competition is more than keeping pace with this increase. Of the formal applications for loans made to us, not more than 20% are rejected. Of course, many inquiries never get to the point of a formal application. Our stiffest competition for loans comes from other banks and some of the insurance companies.

"The amount of our average loan is $3500. Currently, construction loans amount to only about ½ of one percent of our volume, 90% of our loans being for refinancing, and 9½% are new loans upon existing houses. About 22% of our current loans are under FHA Title II. We are making these loans partly to cooperate with the Government and partly to take advantage of this form of investment. A majority of our high rate, long term loans are made under the FHA guarantee. We explain our own loan terms and FHA Title II terms to the applicant and let him make a choice.

"Our delinquency, except during the worst of the depression, was never very bad and is steadily getting better. Of course, there is some delinquency even in good times, and we consider one percent a normal delinquency for our institution.

"After a loan is made we do not like to increase the debt for any purpose, but where repairs are needed to preserve the property and taxes are in danger of becoming delinquent, we reluctantly make advances to care for them. We do this without penalty but require that such advances be liquidated before any payments made are applied upon the original loan.

"In cases where a borrower becomes delinquent, we require that he come in and report to us twice a month as long as he is behind in his payments. This is done largely as a penalty and test of sincerity, but it also has the advantage of keeping us in intimate touch with the borrower's situation.

"In selling acquired real estate, it is our policy to list with a number of approved real estate agencies. In pricing properties, we invariably do so at the current market after making a thorough appraisal. The minimum down payment required is 10% with deferred payments on same basis as our other loans."