"We have found that the most satisfactory way to dispose of acquired real estate is to list it with brokers operating in the district where the property is located. In pricing properties, we have been governed wholly by market conditions. This has caused us to take some losses, but we believe that by the time we have completed liquidation that our total loss will be nominal. Our experience has been that property values shrank to 70% or 75% from 1929 to 1934 and since then have risen to 80% or 85%. Our policy has been to set our prices a little higher than the market and hold for that price. We have reconditioned 90% of our properties before listing them. We do this to an extent which will make them livable and saleable, and we also recondition to about the same extent before renting.

"Our experience was that rentals went down 30% between 1929 and 1934 and are now 90% of the 1929 figure. Building costs went down appreciably from 1929 levels but are now fully as high as they were then.

"We are very much pleased with our Federal Charter and appreciate fully the cooperation which we are receiving from the Federal Home Loan Bank. We believe that the Federal Housing Administration is responsible for the tendency to over-appraise properties for lending purposes, which in our opinion is a very unhealthy situation."