INTERVIEW WITH MR. MORTIMER M. HWING, Executive Vice President
CITIZENS FEDERAL SAVINGS AND LOAN ASSOCIATION
San Francisco, California

"As I only became connected with this association on January 1, 1936, I cannot speak with personal knowledge of the operation and condition of the Citizens' Building and Loan Association which was converted into the present Federal Association. However, in a general way, I might say that it weathered the depression in first-class shape. The greatest shrinkage in investment account occurred during the first few months after Federalization when $175,000 was lost in our investment account. This was undoubtedly due to the fact that before conversion withdrawals were upon a restricted basis.

"While we have set up no definite boundaries within which we will lend, we have so far restricted our operations to San Francisco and Alameda Counties, which was the territory covered by the old association whose operations were approximately 60% in San Francisco and 40% in the East Bay area. Since Federalization, our operation has been 65% in San Francisco and 35% in the East Bay Region.

"Competition is very keen and seems to us to be upon an unsound basis, as it is predicated upon the amount that will be loaned upon a given property. Of course, the interest rate also cuts some figure. The banks which are making FHA Title II loans, particularly for new construction, seem to be the worst offenders, and the amounts which they are lending seem unjustifiably high. For this reason, we have made no loans for new construction purposes since the first of the year. We have made sixty loans during that time, 70% being purchase money, 25% refinancing, and 5% for reconditioning and other purposes.

"We are making use of independent appraisers in the East Bay Area and to a limited extent in San Francisco, the balance of the loans being appraised by officers of the association. The average of our new loans is approximately $8,000, and the average of all loans on our books is around $2,000.

"We have now completed liquidation of the real estate which was taken over at the time of conversion. Most of the disposals were made direct by officers of the association, although some sales were made through brokers. We had one employee who devoted practically all of his time to making these sales, and his efforts