The operations of the associations which I represent are largely confined to San Francisco, although it is our hope to extend our field of operations to take in the whole Bay Region.

We would like to increase our residential loans, but competition is so great, particularly from institutions making FHA Title II loans, that we are finding it difficult to secure good mortgages. This is largely because our appraisals are ordinarily not as high as our competitors.

In making loans we use independent appraisers who take into consideration both age and location of a property in making their valuation. Seventy percent of our current business is in purchase money loans, 20% refinancing, and 10% for new construction; 90% of the applications for construction loans are so high that we feel compelled to pass them up. We are not making FHA loans and do not at present intend to enter that field.

The Eureka Building and Loan, which was converted into the Eureka Federal, sustained a loss in its investment account of 40% between 1930 and 1933. Since Federalization it has regained this loss and is now about even with its best year.

The Globe Building and Loan, which is more or less in liquidation at the present time, has lost approximately 50% of its investment account.

Both associations continued to pay on demand through the depression years, and there was no speculation in the passbooks of either association. We also continued to make loans during the depression but upon a very restricted basis.

Neither of the associations acquired a great deal of real estate, and all but two properties have now been sold, sales having been made through brokers and at what we consider a little above the market. Residential properties in the best districts went down 35% or 40% between 1929 and 1933 but are now back to 1929 values. In the poorer districts residential property got down to 40 or 50% of 1929 values but has since come back to 90 or 95%. In selling our properties we did very little reconditioning, as the few that we acquired were already in excellent condition.