Building and loan terms are much more liberal today than they were prior
to the depression. In 1929, interest rates ran from 8 to 8.4%, and the loan and
amortization periods were usually 10 years and under. Now, the interest rate is
6%, with 15 to 20 years maturities amortized over the whole period. There is but
little, if any, difference in the commission charges.

There is a fair demand for residential loans from the general public and a
very brisk demand from speculative builders. Competition for loans is intense,
particularly among the banks and life insurance companies. About 20% of the ap­
plications received by us are rejected, largely because we consider the security
offered inadequate.

The average residential loan on our books is around $2800. New loans, of
course, average very much more than this amount, probably between $3500 and
$4,000. Of the eleven loans which we have made since January the 1st, 25% have
been construction loans, 35% purchase money, and 40% refinancing. We do not make
FHA Title II loans and can see no reason for doing so, as we can now, under our
new charter, offer better terms to the borrower.

As of January the 1st, 6.8% of our loans were delinquent 90 days or more in
interest and/or principal payments. This is better than it was but still above
what we would consider a normal situation. We have latterly adopted a plan of
turning over to our attorney loans upon which the borrower is inclined to lag in
his payments. So far, this has proven to be quite effective, many of the delin­
quents coming in and paying up upon the receipt of a letter from our attorney,
whereas they pay no attention to a letter from an official of the association.

Our policy is not to increase the mortgage by making advances for taxes,
etc. without re-appraising and recasting the loan.

When a piece of property is acquired, our practice is to have it appraised,
reconditioned liberally, and then list it with a broad list of brokers at a price
not less than the amount which we have invested. We did not start to liquidate
our acquired real estate until 1936.

Aside from its office building, the Golden Gate Federal owns no real estate.
The Standard Building and Loan has 12 pieces, three of them being income proper­
ties. These are not being listed for sale at the present time but will probably
be placed on the market sometime this year. When these properties are liquidated,