We confine our loans to San Francisco and limit them to $2,000, our average new loans being $2,250 and the present average of all loans on our books being less than $2,000. Ninety-five percent of our loans are for the purpose of purchasing existing structures, the balance being for refinancing and reconditioning. Owing to high costs and appraisals, we are making no loans on new construction. We have a number of real estate brokers who finance their sales through us, and as far as we have had to do was to advise them when we had funds for loan purposes. Owing to this specialized clientele, we have not felt any strong competition and have been able to maintain our interest rate of 7.2%, with a very few exceptions.

We make six year loans, with amortization providing for a 50% reduction by maturity. All appraisals are made by my son and myself, and we judge each independent case upon its merits, taking into consideration all the factors having a bearing, including character of the borrower and his ability to pay.

This is a small, guarantee capital stock association, control being vested in my mother, my son, and myself. During the depression we made it a point to keep every investor in our certificates fully advised of our operations. The result was that we never required withdrawal notice and did not lose more than 5% of our investors during the whole period and were, therefore, able to continue lending operations.

Our acquirement of property was not large, and we have been slowly liquidating it through our broker friends. We have been able to break even on the sales we have made so far, taking a small loss on some sales and making a small profit on others.

Our experience has been that property values went down 35% from 1929 to 1933 and are now 75% to 80% of 1929 levels and that rentals went down 25% and are now 90% to 95% of 1929 levels. Building costs are higher now than they were in 1929 and they are still going up.

During the depression we played along with our borrowers and gave them every chance. As a consequence, we had very few foreclosures, our requirements