cooperate with the Government. However, these loans are also our highest rate loans and constitute a profitable investment.

"Taken straight through, our loans will average about $4500 and are approximately 94% in good standing—that is, less than 30 days past due. This is much better than it was a couple or three years ago but is still considerably above the 8% to 9% which we regard as a normal delinquency.

*The Prudential assumes a liberal policy with its borrowers and goes to great lengths to keep them in possession of their properties. In many cases which were urgent it has advanced funds to cover taxes, needed repairs, etc., and in no case has the borrower been penalized by extra charges or a higher interest rate. It has been our experience that the only way to handle delinquent mortgagors is to make a personal contact with them and deal with each case on its merits.

*In selling acquired real estate, we invariably follow the practice of listing properties for sale with all brokers, honoring the first signed offer to purchase which is presented to us. We are very, very strict about this and feel that it has contributed materially to the success of our liquidation program.

*The Prudential has two property men on the Pacific Coast who value all acquired properties, and the price which they set is final. It is my understanding that both invested amount and market conditions enter into their determination. They have made two price raises of 10% each since 1933, which we consider the low point of the depression. The variance in residential values from 1929 to the present time, expressed in percentages, would be:

1929 - 100%
1933 - 65% to 70%
1937 - 80%

Our records showed 1929 was not the high of the market and that values were 2% or 3% higher in 1926 and 1927.

*We thoroughly recondition each piece of property before it is offered for sale and give the property a good going-over before renting it. Our experience has been that we make not less than 100% upon all amounts spent for reconditioning and that it has materially helped our sales also. Our reconditioning is let on competitive bids, not less than three, and is supervised by a salaried man in our employ. We have sold but very few properties in an 'as is' condition and have found that most of such sales are made to speculators.