Mr. Warner said, "The mortgage Guarantee Company has finally perfected a
reorganization which is workable and should in the course of time get the com­
pany back upon a sound basis.

"Figures which we have submitted on the questionnaire, while not exact,
are as close an approximation as could be made from the records in our office.

"The company usually charges a 1% commission, and on a construction loan an
additional 1% fee is charged for engineering and inspection costs; an appraisal
fee of $1 per thousand, with a minimum cost of $5, is also charged. We invari­
ably require the borrower to furnish us with a survey of the property, which we
have checked.

"Properties of the company are sold upon a basis of a minimum down-payment
of 15% of sale price. The balance is amortized on a basis of 1% a month.
This payment covers payment on principal and interest but does not provide for
payment of taxes and insurance.

"Our delinquency on loans is very small, being not to exceed 3% on a 90-day
overdue basis. When a borrower lets a payment run past the due date, we begin
correspondence with him. If no response is received, he is personally contacted.
The company insists upon interest payments being kept up promptly and taxes and
insurance paid. It is willing in certain meritorious cases to consider an exten­
sion of principal payments.

"In selling real estate, we thoroughly recondition the property and list it
with brokers in the community in which it is located, paying them full commission.

"The company is not at present selling its certificates, but under the terms
of the reorganization agreement, is now paying 4% on its outstanding obligations."