Mr. Warner said, "The mortgage Guarantee Company has finally perfected a reorganization which is workable and should in the course of time get the company 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 invariably 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 extension 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."