
The Hibernia Savings and Loan Society, which is the only mutual savings bank in San Francisco, might be said to occupy the fourth position in mortgage activity among the banking institutions of the city, and on account of the similarity of its operation to the other banking institutions, should, in reality, be included in that group. The policy of the institution is quite clearly defined in the interview with the Vice President which is found on Appendix Page 80-A. The institution is not a leader in residential lending, however, and this type of loan only accounts for approximately 20% of its total mortgage account; it is, therefore, ranked fifth in the residential loan field. It is definitely committed to a policy of comparatively short-time lending and long-time amortization, and this is thought to definitely hamper the institution in competing for residential loans.

3. Building and Loan Associations.

The Pacific States Savings and Loan Company so overshadows the other institutions of this general type, and their announced policies and method of operation are so entirely different, that it is almost impossible to make a comparison with the other institutions in this group. As a matter of fact, but a very small proportion of its lending activity is in San Francisco. Out of 69 million dollars of assets, less than four hundred thousand dollars is invested in residential loans in San Francisco. Its residential lending constitutes a minor part of the operation of this institution.

Of the other building and loan associations, several of the newly organized Federal savings and loan associations give promise of developing into institutions that will in time be a factor in residential lending in San Francisco, but it is not believed that any of the State building and loan associations will ever cut much of a figure. All the members of this group are so limited in size as to preclude successful competition with the banking institutions on account of their relatively higher overhead expense. There is a definite danger in this, as their efforts to lend their funds at rates sufficient to cover their overhead and pay dividends at the prevailing rates may lead them to waive something of security and leave them in the position of making loans which should be rejected or made upon more conservative terms.