Agent's Note

The First National Bank of San Jose is the only independent bank in the community. It specializes in farm and income properties and makes but few loans on single-family residences. It is a very old institution and is highly regarded.

W. S. Clayton, President of the bank, and J. B. Clayton, Vice President of the bank, are father and son and own the firm of James B. Clayton and Company, which is one of the outstanding real estate concerns in the city.

Interview with Mr. H. S. Gayle, Assistant Cashier

"This institution does not specialize in residential mortgage lending, and the comparatively small amount which is done is largely incidental to our other banking operations. Our mortgage lending is very largely on farm properties and business blocks. We do no residential lending outside of San Jose and its suburbs.

"We had a moderate amount of repossessions and are still holding a few residential properties.

"Our experience was that properties in the medium range in San Jose went from 100% in 1929 to 60% in 1933, went back to 80% in 1936, and are now selling at approximately 90% of 1929 values.

"Rentals experienced about the same fluctuations, with the exception that in 1933, it would be hard to establish a level, owing to the fact that the supply of vacant houses greatly exceeded the demand, and many concessions were made to tenants.

"There is a fair demand for residential loans in San Jose, but the supply of funds seeking such investment is so great that we have found it impossible to meet the competition profitably."