Agent's Note

This association, which is the result of a recent conversion of the Reserve Building and Loan Association, is conveniently located near the center of the city where it has convenient and attractive quarters.

Mr. Parton, who is apparently the controlling factor in the association, is a very genial gentleman, and it is learned from outside sources that he is highly regarded. There is no doubt about his enthusiasm for the Federal Home Loan program.

It is the only Federal Savings and Loan Association in San Jose, and it is believed that this fact, coupled with the old association's past performance, assures its future growth.

Interview with Mr. Floyd A. Parton, President

"We confine our lending operations to a radius of one hundred miles from San Jose. We would really prefer to lend only within our metropolitan limits but have found that the demand for loans was not sufficient to keep our funds employed. Competition is extremely active, and it is estimated that there are three dollars seeking investment in residential loans for every dollar of demand.

"The banks and building and loan associations are our most active competition. While the interest rate is a factor, the chief basis of competition seems to be the amount which will be loaned upon a given property, and we feel that many times loans are being made for a full 100% of a fair valuation. I use the term 'fair valuation' instead of 'appraisal' for the reason that appraisal practices are so at variance that the term has more or less lost its significance.

"In making our loans, we take into consideration both the age of property and its location, and endeavor to govern our terms accordingly.

"Our appraisals are made by a committee of our Board of Directors.

"We have as yet made no Federal Housing Administration loans but have qualified to do so and expect to begin immediately.

"Since the first of the year, our loans have been distributed about as