"Formerly this association made loans in all parts of the State of California. Recently, however, we have changed our policy in regard to this and are now confining our loans to places which can be reached in one and a half hours by automobile from our head office.

"Appraisals for loans are made by our own salaried employees, and we will lend up to 80% upon values which they set. This, of course, is maximum, and the average percent of appraisal which we lend would be very much less.

"Our loans will average around $2600, and our terms are 6% interest, maturities up to 168 months, full amortization over period of loan, our charges being only actual out-of-pocket expense. This differs from our terms of 1929, at which time our interest rate was 8.4% and 9.6%, a maximum loan period of 145 months, which full amortization over the period, and charges of 1% commission plus actual costs.

"The demand for loans in San Jose is quite active, and competition is much more so, the banks making F. H. A. loans being the most aggressive. We do not make F. H. A. loans ourselves and are, therefore, somewhat handicapped at times in competing for new business.

"San Jose was a bright spot during the depression, and our experience was that collections here were better than anywhere else in the state. Our records show that delinquency in San Jose has always been lower than anywhere else.

"We have no rigid policy in regard to sale of acquired real estate and sell both directly and through brokers but will not list our properties with them. We have made a practice of pricing our properties at the market and have raised prices as the market advanced. In selecting our properties for sale, however, we have always kept our 'weather-eye' on the ledger.

"Our experience was that prices dropped from an assumed 100% in 1929 to 65% in 1933, advanced to 85% in 1936 and are now at 100% of 1929 prices.

"We have no set policy in the matter of reconditioning properties but