"Our terms are governed largely by the age of the property and its location.

"We find a fairly good demand for residential loans in some districts, but offerings are limited in San Jose, with very keen competition, our principal competitors being other building and loan associations and the banks.

"New loans which we are making currently run around $3750. The average residential loans on our books, with amortization applied, are approximately $1500.

"Of the new loans which we have made since the first of the year, we estimate that 40% have been for new construction, 50% refinancing, 10% purchase money. This does not include recasting of our own loans.

"We have made no F. H. A. loans and at present do not contemplate making any.

"Our acquirement of residential properties in this community was quite limited, and with the exception of one small property, have all been liquidated. In pricing these properties, we have been governed by the market but have avoided losses wherever possible.

"Residences in the popular price range declined from 100% in 1929 to 86% in 1933 and recovered to 95% in 1936 and are now selling upon the same price level as they did in 1929.

"Before placing properties on the market, we have invariably reconditioned them and figure that we have made 75% on the money so invested. We have found that the best method of reconditioning is by the use of day labor supervised by our own employees. We have tried to sell some properties in an 'as is' condition but can never get our price until we have put the house in order.

"The residence which is in popular demand is a five-room, single-family dwelling which will sell at from $3500 to $4,000.

"We have no properties rented in San Jose, but our general experience has been that a property which rented for $50 in 1929 would have rented for $40 in 1933, $42.50 in 1936, and now rents for $45.

"It is hard to compare present construction costs with those of 1929 because the standard is higher now, and much more is required in the way of refinements and conveniences."