San Jose has for years been an outstanding building and loan community, and even after the vicissitudes of the past decade, is still a powerful factor in the community.

The record of resources on Appendix Page 1-A shows that they declined very rapidly during 1931 and 1932 but that the shrinkage was much less precipitate after the relief legislation in March, 1933, and for the past three years, has been very gradual. The latest published statements of the associations, which will be found in the Loose Exhibit Section of this report, indicate that there has been a change in trend and that their resources, as a group, have been upward since the first of the year, the gain being approximately $400,000.

Three of the associations—the Independent, Nucleus, and the Surety—are reputed to have met withdrawals upon demand throughout the depression. The other associations, however, while continuing to pay dividends to investors, restricted withdrawals.

The California Mutual Building and Loan Association, which absorbed the Home Owners' Building and Loan Association in 1930, was taken over by the Building and Loan Commissioner for liquidation in 1933. This was the only failure among the San Jose associations.

The building and loan associations of the community give the impression of being of two distinct types. The Independent, Nucleus, Reliance (now First Federal), Santa Clara, and Surety are what might be termed local in character, while the Guaranty and San Jose Pacific, by reason of their far-flung operations, might be characterized as being state-wide institutions. The California Mutual (now in liquidation) was also of this latter type.

There was little similarity in the operation or policies of these two groups. The local group confined its lending largely to Santa Clara County and nearby points and were apparently as lenient with their borrowers as their needs would permit. Their acquirements of local real estate were much larger than the other group because their local mortgage account was much greater. Their policy seems to have been to liquidate these acquirements in a manner that would insure their completion of the operation without a loss. The impression is that they have carried through their program with a fair degree of success and have at the