same time kept themselves in a fairly liquid condition.

The Guaranty and San Jose Pacific had comparatively few local mortgages, and their acquirements of local, residential real estate is not believed to have amounted, altogether, to more than $100,000, and liquidation of this has been essentially completed.

These two associations have had a shrinkage in their investment account of some $23,000,000, and their certificates were actively traded in on all the over-the-counter markets of the state at discounts running as high as 50%. While their operations were undoubtedly of questionable soundness, they are apparently working out their problems, and while not yet entirely over their difficulties, are believed to be nearing a point where they will be able to make a real come-back. The Guaranty has progressed further along the road to recovery than the San Jose Pacific, but both associations are making strenuous efforts, and if conditions remain favorable, it is believed that another year will find them on an entirely sound basis.

3. Insurance Companies.

So far as can be learned, these institutions have never been a factor in the residential mortgage loan field in this community.

4. Mortgage Lending by Individuals.

No evidence was found that individuals have ever been active in residential mortgage lending in this community.