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Interview with
Mr. Joel K. Walker
November 11, 1971

Place of Interview: Dallas, Texas

Interviewer: Dr. Ronald E. Marcello

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Joel K. Walker
(Signature)

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Oral History Collection

Joel K. Walker

Interviewer: Dr. Ronald E. Marcello

Place of Interview: Dallas, Texas

Date: November 11, 1971

Dr. Marcello: This is Ron Marcello interviewing Mr. Joel Walker for the North Texas State University Oral History Collection. The interview is taking place on November 11, 1971, in Dallas, Texas. I'm interviewing Mr. Walker in order to get his reminiscences and impressions and comments while he served with the Home Owners' Loan Corporation during the depression years in Dallas. The Home Owners' Loan Corporation was one of the many New Deal agencies established to help the country get back on its feet again economically. Now Mr. Walker, since this is the first time that you have participated in our program, would you briefly give us a biographical sketch of yourself? In other words, would you tell us when you were born, where you were born, your education, and things of this nature?

Mr. Walker: Well, I was born in Marietta, Oklahoma, on December 28, 1908. I graduated from high school at Norman, Oklahoma, and then I attended the University of Oklahoma for one year, after which I went to Roswell, New Mexico,

and worked for the First National Bank of Roswell, New Mexico, for a period of five years. I left there in September of 1933. I returned to Oklahoma after leaving Roswell and came to Dallas in December of 1934. And HOLC, or Home Owners' Loan Corporation, was already into being, but it was all in Washington, D. C. It was decided by the officials, or the federal government, to decentralize the Home Owners' Loan Corporation, and Dallas, Texas, was to be one of the regional offices.

Marcello: Let's just go back a minute here. You mentioned that you worked in Roswell, New Mexico, until 1933. Is that date very significant? Why did you leave Roswell? Did it have something to do with the depression?

Walker: No, I resigned my position there. Not that the bank was shutting down; the banks were fairly good in Roswell at that time as the depression hadn't gone that far west. I actually thought that I could do better at Denver, Colorado, and I left Roswell to go to Denver and lived in Denver for approximately five or six months before I returned to Oklahoma where I was born.

Marcello: Just exactly how did the depression affect you personally?

Walker: Well, really it didn't affect me at all until after the connection that I made in Denver didn't pan out like I thought it would, and at that time I was unemployed, and I was like everybody else. I was looking for a job and there were no jobs to be had.

Marcello: Were you married at the time?

Walker: No, sir.

Marcello: You were single.

Walker: Yes, sir. I married on November 23, 1938.

Marcello: Well, what were things like in Dallas when you arrived here? I'm speaking now in terms of the depression.

Walker: Well, it was bad here in Dallas. People were unemployed. Things that you would buy were very cheap insofar as dollars and cents were concerned, but no one had very much money. For instance, you could buy gasoline for your car for eight and nine and ten cents a gallon. Everything else was in proportion to those prices.

Marcello: What changes were you able to notice, let us say, between the presidencies of Hoover and that of Franklin Roosevelt? How old would you have been in 1929 when the stock market crashed? Approximately how old would you have been at that time?

Walker: Twenty to twenty-one years of age. I was at the First National Bank of Roswell when the banks were closed

during the moratorium, and that is the first time that anybody in that part of the country realized that something was going on, and bad. But really prices had gone down, but there was no one that seemed to be panicking in Roswell when I left. The bank was very substantial where I was employed, and the bank closed like every other bank during the moratorium, but within a matter of a short period of time the examiners cleared our bank, and we opened for business as usual.

Marcello : Did you notice any changes perhaps coming over the country that you were able to observe after the election of Franklin Roosevelt? When I say changes, I mean did people seem more confident? Did they seem to have more faith that things would get better?

Walker: Well, actually after the election of Roosevelt, they just figured it couldn't be any worse, and that, I think, satisfied a whole lot of people that things would eventually work out.

Marcello: How important was a federal job at this time?

Walker: I never thought about a federal job. It never entered my mind to try to go to work for the federal government. When I came to Dallas in the fall of 1934, like everybody else I was looking for a job, and I got a job with the "Katy" Railroad during the Christmas rush of 1934 hustling packages around and loading baggage cars, and

on an occasion or two I would ride as far as Denison, Texas, from Dallas on the train to help arrange the packages and so forth in the cars and I'd get off and then come back on another train, but it wasn't a steady job. It was just something to do to make a little money.

Marcello: That was the name of the railroad? "Katy" Railroad?

Walker: Yes, sir. I believe it is officially known as.

Marcello: I see.

Walker: Everybody called it "Katy," but I believe it was Missouri, Kansas, and . . . whatever it is. And then after the first of the year, the papers were full of stories about a regional office of the Home Owners' Loan Corporation being moved to Dallas and that there would be a lot of employees from Washington transferred to Dallas, but they would employ some local people, and I made an application with them just like, I presume, thousands of others. And I was one of the fortunate ones that they called within a few days. I went to work on January 6, 1935, within about six days after they came here.

Marcello: Was there quite a bit of competition for these jobs with HOLC?

Walker: Yes, sir, very much. Very much. In fact they were employing people who were heads of families for as little as eighty dollars a month, and as I say, I was very fortunate. My first job with them was at \$105 a

month, but because of the cutback in the federal government, that was the base pay, but they did not give me the full \$105. It seems to me that they gave me maybe \$95 or \$90, and then after some six or eight months, or a year, the government started restoring part of the salary cut, and at that time to get \$105 was a lot of money.

Marcello: How did it feel to have to have a steady job once again?

Walker: Fine, fine. I enjoyed working, I worked hard for HOLC, and I worked for them a long time. It made one feel good to know that you had a job from day to day as long as you did your work well.

Marcello: How did you get the job? In other words, did this particular position require some sort of a political endorsement perhaps?

Walker: No, sir. I just applied for a job and gave my experience as to what I had done on an application, and I was employed, and things were in such a high state of confusion that after moving that office to Dallas they had us doing most everything. My first job after I was employed was to work with a group to set up some tax records on the properties that they had loans on which apparently had never been set up in Washington as time would not permit up there. And you had to get these

properties set up so you could check to see whether or not the people were paying the taxes on the property.

Marcello : Now as you mentioned before, apparently the Home Owners' Loan Corporation in Washington decided to decentralize. Is this more or less what they did?

Walker: Yes, sir.

Marcello: And this is why they moved to Dallas.

Walker: Yes, sir. They moved one to Dallas and one to Chicago. They put one, I believe, everywhere they had a branch of a Federal Reserve Bank. I believe that's the way it was decided to decentralize the Home Owners' Loan Corporation.

Marcello: And Dallas was designated as the regional office for this particular region, and it took in what?

Walker: Texas, Oklahoma, and New Mexico.

Marcello: I see.

Walker: For three states.

Marcello: Just in very, very brief general terms, how did the Home Owners' Loan Corporation operate?

Walker: Well, of course, the loans that were put on the books of the Home Owners' Loan were loans of people who were in distress. One of the main qualifications to get a loan was that you had to be threatened or foreclosure proceedings must have been started, and then you made an application to the Home Owners' Loan Corporation at

which time the property was appraised and a reasonable value established at that time. And then after that it required some negotiations with the mortgage, as you could not buy that property, and when I say buy I mean issue HOLC bonds for that property in excess of its reasonable value.

Marcello: Well, this is something that I think ought to be a part of the record. You mentioned the HOLC bonds awhile ago. This is basically the source of money for the HOLC, isn't that correct? In other words, bonds were sold to whom?

Walker: They were given to the lenders who sold their mortgages to HOLC in other words, we traded bonds for mortgages. And the mortgage was reduced or canceled down to the current reasonable value. And bonds, especially HOLC bonds, in those days, since people hadn't heard of them, they were skeptical of them. I believe they did start selling maybe below par--I'm not sure about that--but it wasn't many years before they were selling at par and above in the open market. The way it turned out, it was a very good bond that was negotiable after a period of time. In other words, there was a ready sale for them.

Marcello: Well, eventually is it not true that the HOLC did pay for itself?

Walker: Yes, sir. They paid for itself. As far as I know, it is the only agency that was created within the government that ever paid all its debts and had money left over that it could turn back to the Treasury. And it is my understanding--and, of course, I am not a historian, but this could be verified--but it was my understanding that the Home Owners' Loan Corporation loaned several million dollars to the Home Loan Bank for that organization to get started. And that money was never repaid, and still HOLC made a profit. Now, of course, that should be verified as to whether that money was repaid or not, but it was my understanding that it was not.

Marcello: Okay, let's just go back again a minute. You mentioned that probably the major function of the Home Owners' Loan Corporation was to buy these mortgages from the holder, isn't that correct?

Walker: That's correct.

Marcello: Just exactly how did you go about doing this?

Walker: Well, besides having a regional office here in Dallas that would be over Texas, Oklahoma, and New Mexico, HOLC had any number of state offices in the larger cities. They had one in downtown Dallas, a state office. They had one in Houston, San Antonio, Tulsa, Oklahoma City, and Albuquerque. Their duties were to make the deals on the loans and to get the loans set up on the books,

at which time they would be transferred to the regional office in Dallas, which would handle the loans from that point on, handle all functions of the loans-- collecting the payments, the payment of taxes, handle the foreclosures, and everything pertaining to the loan.

Marcello: Now who would initiate this process. The home owners themselves? Would they make an application?

Walker: Yes, at our district or state office they would make an application, and that would start the chain of events that would eventually lead to the making of a loan or the rejection of one, whichever took place. Now if the mortgagee would not trade that mortgage on a reduced basis for a bond, then the loan was not made.

Marcello: I would gather that in most cases, however, the mortgagee-- the bank, the insurance company, or whoever it was--was pretty happy to get rid of that mortgage because at least he was going to get some sort of money from HOLC, which he probably wasn't going to get from the home owner.

Walker: Yes, they were, after it got started. But the first few were very skeptical of these bonds, and that was primarily the reason they were willing, I think, to shave their mortgage down, but they didn't know for sure about HOLC bonds. Mortgages at that time were not written on an amortized basis. I guess HOLC was the first loan

company as such that ever extended a long term, amortized mortgage. Up until that point, you'd borrow money for a period of two or three years and pay the interest, and then you'd renew. Primarily, people were paying title fees and interest, and it was very seldom that they would ever reduce the mortgage any, even though it was taking all the money they made to keep the interest paid.

Marcello: In other words, you were usually paying interest on the original principal, is this correct?

Walker: That's right and you'd pay interest every quarter or semiannually or something, and then at the end of the five-year period, whichever it was, then the note would all have to be reworked, and HOLC, to the best of my knowledge, was the first organization that ever set up a long term amortized mortgage, and that mortgage at that time was for a period of fifteen years.

Marcello: The home owner would apply to the HOLC, and how would the HOLC determine whether or not it would accept that particular person's mortgage or if it would buy that particular person's mortgage? What criteria did it use in other words?

Walker: I don't think there was any real criteria about it. I mean it wasn't certainly from a credit standpoint. You couldn't base it on that because if you were going

strictly on credit, they were in default where they were, so why make a loan that would be continuously in default. It was primarily, I think, to give the people a new start, put them on a monthly basis by paying their payments on their home on a monthly basis, and as near as they could to try to make the payments in line with what income they had.

Marcello: In other words, in most cases you would rewrite the mortgages in order to provide easy repayment?

Walker: All mortgages were rewritten when they were closed. I mean the HOLC had their own instruments in this state-- the note and deed of trust--and they prepared their own instruments and would close a new loan and issue bonds in payment of the previous loan.

Marcello: How did your interest rates usually compare with the private lending institutions?

Walker: Well, of course, it's been a long time, and I wasn't familiar really with the interest rates on home mortgages at the time. As I previously stated, my experience was with a bank, and we wouldn't talk with anybody about loaning them any money under 10 per cent, and I mean we just wouldn't discuss it with them if they wanted to borrow money under 10 per cent. That was the prevailing rate at the time, but I wasn't familiar with mortgages

on homes at that time. Our loans were primarily livestock loans and ranch loans, and we did get 10 per cent. But I would say the interest at that time, just as a guess, was 7 or 8 per cent, maybe even more in some instances.

Marcello: It was somewhat lower than the interest rates of private lending institutions.

Walker: Well, as I say, I'm not familiar with it at that time because I hadn't borrowed any money on a home. I'm not familiar with what it was, and I'm trying to think now what the rate was when we started. I believe it was 4 1/2 per cent.

Marcello: It was that low?

Walker: I believe it was 4 1/2. It was either 4 or 4 1/2 per cent. It's been so long that I've just forgotten really.

Marcello: Now is it not also true that when the mortgage was rewritten there were also provisions made for the financing of taxes and repairs, back taxes and repairs?

Walker: Well, we had to pay the back taxes in order for the loan to be eligible, and not necessarily any repairs but the back taxes had to be paid. But the people at that time, the loans that were made then are not set up like loans are today where you pay principal, interest, taxes, and insurance all in one payment. You paid principal and interest to the Home Owners' Loan Corporation, and you

paid your own taxes and insurance. And that's another problem the HOLC ran into. After several years nobody had paid any taxes, and the HOLC had to go back then and pay taxes again. And when we'd pay taxes for somebody, then we would set them up to where it would include their taxes and insurance in their monthly payments.

Marcello: This was a pretty important function of the Home Owners' Loan Corporation I gather, and it's something I don't think you see too much written about. By paying these back taxes, you were also in effect helping city and county governments get back on their feet, were you not?

Walker: That's correct.

Marcello: I would assume that this was perhaps the principal source of revenue for these governments.

Walker: I believe we had 72,000 loans in Texas, Oklahoma, and New Mexico, and the payment of taxes on 72,000 homes was bound to be a big help to the various taxing authorities. As I say, these taxes were not paid, though, promptly. They were paid at the time the loan was closed, but then after that the people let them get delinquent again, and this had to be repeated, and then the borrower paid them or HOLC would pay them and then at that time set up a tax and insurance account. We were more or less forced to do this. A tax lien is superior to a first mortgage

lien, and the various taxing authorities actually could foreclose for the nonpayment of taxes. So it was certainly to HOLC's advantage to see that they were paid, and some of the loans that were made during HOLC's days there were for nothing in the world but for the payment of taxes. Some of the loans would be five or six hundred dollars. The house would be clear, but they owed back taxes and were threatened with foreclosure and seizure of their property because of the nonpayment of taxes, and any number of loans were made for the purpose of paying back taxes.

Marcello: As I recall, the ceiling which was put on HOLC loans was \$14,000, is that correct?

Walker: \$15,000.

Marcello: How did they arrive at that amount? In other words, why that particular amount? Do you know offhand?

Walker: I have no idea how they did that. That was done by the Congress and was based upon a person's ability to pay. I assume that they thought that was the maximum amount that a man could afford.

Marcello: I would assume that was a pretty nice house in 1935, a \$15,000 house.

Walker: We had loans on any number of bank officials' homes who had loans with HOLC, and presumable they were some of the higher paid people in the labor market at that time.

Marcello: Did you ever have any complaints from private lending

institutions about the fact that HOLC was perhaps competing unfairly with them?

Walker: No, not anything severe. I mean you'd hear a little rumbling, but it was nothing. Like you previously said, most of the mortgagees were pretty glad to get something after HOLC got started, and they didn't want to own a bunch of properties that were deteriorating with no one living in them.

Marcello: How about insurance? Now HOLC also provided for insurance payments, did they not?

Walker: I'm not familiar with that aspect, and I'd rather not discuss it very much, but there was a provision back there to where the HOLC made something off of some insurance, but whether this was set up to start with or whether it was something later . . . I think it was a group of insurance companies that went together and formed a company that would write insurance on these properties. You might compare it today with employees of the federal government who have sick and health insurance, and Etna and Blue Cross and any number of people furnished this, but there is a name that they called it, but I can't recall it. But after so long a time, I think that HOLC did receive some benefit from this group of companies that were formed to write the insurance. But I can't remember what it was called.

Marcello: Awhile ago you mentioned that in this region Home Owners' Loan Corporation held around 70,000 mortgages altogether.

Walker: 72,000.

Marcello: Do you know offhand how many of those were in the Dallas-Fort Worth area? In other words, how bad was the home mortgage situation in the Dallas-Fort Worth area?

Walker: Well, you had more loans in Texas than you did in the other two states, and you didn't have too awful many loans in New Mexico, but the greatest percentage of the loans were in Oklahoma City and Tulsa and the larger metropolitan areas in Texas. Of course, you had these rural loans, scattered loans, but not in any quantities like you had in the metropolitan areas.

Marcello: Did the Home Owners' Loan Corporation ever reject many applications for loans? You've mentioned, for example, that it held mortgages on about 72,000 homes. I was just wondering how many it rejected perhaps.

Walker: The applications started in a state office and were either rejected or approved from that office. And since I started working in a regional office, I'm not too familiar as to how many, when it first started, that they would reject. I'm sure that there were any number of people who had mortgages on their property and were fortunate enough to keep the payments up to date but who still would like a better mortgage and who applied and were

rejected because they didn't meet the qualifications as to either in foreclosure or subject to foreclosure. I'm sure that there was bound to have been a volume of those people, but how many I wouldn't know because, as I say, I was in a regional office which was a supervisory office over the district offices, and the applications were all made at the district offices.

Marcello: What exactly was your function in the regional office?

Walker: Well, when I first started to work for HOLC I helped set up the tax records, and after we were well along with that--probably six or seven months later--they set up a department they called Loan Service Department, and I went into the Loan Service Department as a control supervisor. At the time, I serviced loans in the Oklahoma City and Western Oklahoma area and handled those loans for quite a while. Then people just abandoned property, and the foreclosures that HOLC had acquired were beginning to mount up pretty fast, and HOLC established some brokers in different sections of the country, in all areas really, and these properties would be repaired and sold, and HOLC would make the new purchaser a new loan. These loans were called vendee loans, and I was placed in charge of servicing all the vendee loans throughout the three-state area. The properties that they had acquired and resold and put new loans back on our book,

I was servicing in excess of 14,000 of those loans . . . when I left in October 7 or 8, 1942, to go to Uncle Sam's Army.

Marcello: Did Home Owners' Loan Corporation have to foreclose very often?

Walker: We had foreclosed on those 14,000.

Marcello: I see.

Walker: And they had already been resold. I don't recall how many they owned and still hadn't sold, but they had already foreclosed and resold 14,000. As I say, when I left to go to the Army in 1942, we had 14,000 of those vendee loans on our books.

Marcello: That's precisely what a vendee loan is then.

Walker: Yes, sir. It is something that has been foreclosed and has been repaired and reconditioned and resold to a new purchaser, and a new loan made and the loan is retained by the seller.

Marcello: Then, in other words, at times the HOLC could be just as tough as any private lending institution with regard to these operations.

Walker: Right. We expected the people to pay. The payments were very reasonable. However, in many areas the payments on these loans would be less than they could rent a similar property for. Things actually got that bad. And in

many cases, rather than foreclose, we asked the people to continue living in the house, and we would waive the principal and interest payments if they would pay the taxes and insurance in order to keep the house occupied. We would go along with them for six months on that basis. You just pay the taxes and insurance. Forget about payments for six months or a year.

Marcello: In other words, they were given every chance to right themselves.

Walker: Absolutely, absolutely. There was no question about it. Anybody that couldn't pay for a loan under the Home Owners' Loan Corporation's long-term mortgage at that time were either just unable to work or didn't want to work because HOLC would go along with them on almost any type of program that they could arrange. And we went into an extension program where we would extend the maturity of loans under certain circumstances, and I believe it was an additional five years. It's been a long time ago, but I believe that it was for an additional five years if you met certain requirements. If you couldn't pay the payments as they are today, but if your situation had changed to where you could pay a smaller payment, then the loan was rewritten and extended, and the monthly payments were reduced in line with the extension of the loan.

Marcello: Did you perhaps ever know anything about the criteria used by HOLC in appraising the value of the house? What sort of criteria did they use?

Walker: Really I couldn't say. Certainly problem properties were in the same neighborhood, but that certainly could not have been any criteria back in those days because of the fact that you couldn't sell one, so there were no sales. I don't know. At the time I did nothing with reference to appraisal, and so I just wouldn't know.

Marcello: Who were some of the major personnel in the Dallas operation?

Walker: Well, Joseph R. Smith III was the regional manager, and there was a man by the name of T. Homer Brooks, who was the assistant regional manager, and a Mr. J.C. Anderson, who was in charge of, I guess, the accounting, and then there was a gentlemen by the name of Warren Helphenstein. He was in charge of loan service, and he had a gentlemen by the name of W. D. Baker, who was his assistant. Mr. Baker is now deceased. And then they had about six or seven control supervisors. Do you want me to name them?

Marcello: I don't think it's necessary. How was Mr. Smith to work for?

Walker: Well, all right. I didn't have any contact with Mr. Smith to speak of. He was the overall regional manager, and Warren Helphenstein was my immediate boss, and he was as fine a man as anyone would ever want to know. He

was very knowledgeable of the mortgage business. He came to Dallas from Washington, I believe, but he was very, very knowledgeable. Whatever I've accomplished during my lifetime in the mortgage business, I would give him the benefit of teaching me the mortgage business from a government point of view.

Marcello: This is very interesting because I was going to ask you what sort of invaluable experience did you pick up with HOLC?

Walker: Well, I think it's some of the most valuable experience that anybody could ever get. Well, you just learned so many things, and Warren Helphenstein is, as I said previously, a fine gentleman, and he was fair in all his dealings with everybody, and he was very, very knowledgeable, and in my opinion he was about the smartest man in HOLC at Dallas as far as I'm concerned.

Marcello: There have often been charges that politics and political patronage and political interference and what have you at times played a part in the operations of the New Deal agencies. Did you ever see any evidence of this in the regional office in Dallas? Was there ever any sort of political interference of one kind or another?

Walker: Well, there was always somebody writing to their congressman or writing to the President wanting either the President

or their congressman to intercede and slow HOLC down and not let them make an extra effort to collect the monthly payments. That was something that you put up with all the time.

Marcello: Was there ever any interference by local politicians to the extent that they might perhaps say that you had to vote for such and such a candidate or lose your job, or you had to contribute such and such an amount to the local campaign fund or you would lose your job? Was there ever anything of that nature?

Walker: No, sir, not to my knowledge. I was never told to vote for anybody or asked to contribute to anybody. As far as that's concerned, no, there was not.

Marcello: Did it help to be a Democrat to get one of these jobs?

Walker: Well, as I say, I came from New Mexico here, and politics never had bothered me any, and I had voted the first time in New Mexico, and my folks were Democrats as far as I know, and I voted for Roosevelt primarily because everybody wanted a change. But you didn't seem to get as much politics out there. I mean it might have been there, but with the position I had with the bank I just didn't hear much about politics, and, in fact, I hadn't heard anything about HOLC. I didn't hear much about HOLC until I came to Dallas, and I'd been here a month or two before I even heard about it. But I'm sure that

politics played a whole lot in some of the applicants getting approved and when they made these loans. I'm sure of that. But I never had anybody bring any political pressure to bear on me, I mean, as far as my dealings were concerned.

Marcello: As you look back now some thirty-five odd years afterwards, what do you see perhaps as being the greatest contribution of the HOLC?

Walker: Well, it stabilized the home industry and the mortgage industry back in those days. Had it not been for Home Owners' Loan Corporation, many institutions such as savings and loan associations and banks and life insurance companies would have practically gone broke. Whether or not they had enough resources to carry them through until things started picking up several years later, I don't know. Since I was here in Dallas, I know that two insurance companies in particular owned a lot of country in and around Dallas. And they were trying to sell it to anybody that would pay a real small down payment and sign a note, and I knew of several instances that property was sold where they paid nothing down on it, just signed a note. The insurance companies were tired of it. They had all they wanted.

Marcello: Some people have said that the Home Owners' Loan Corporation restored the faith of the middle class in their government.

Do you think that this is perhaps a fair statement to make?

Walker: Yes, sir, I sure do. I surely do believe that. I believe that because if it had not been for HOLC, there's no telling where these people would have been. They would eventually have been kicked out of their houses. Then the mortgage companies and insurance companies and so forth would have owned them. What they would have done with them, I don't know. They would have just deteriorated, I guess, but the people had to live somewhere, and the HOLC in my opinion was the stabilizing factor at that time, as it did everything it could to keep the people in their homes.

Marcello: I think you mentioned something very interesting awhile ago when you talked about the special arrangements that were made for those people who could not even make their HOLC payments. You might call it more of a human factor or something, but usually you don't think of a government agency as acting in such a personal manner. To me it seems that that was a rather personal way of operating, you know.

Walker: It was a fact that the HOLC didn't want to own any more of these houses than they actually owned. When I left to go to the Army I know that I was servicing a little bit in excess of 14,000, and that out of a total of

72,000 is a pretty large percentage of foreclosures, and certainly HOLC did not foreclose on one until the last resort, and at that time they didn't write a man a letter and say, "You either pay, or we're going to foreclose." HOLC went to the extent to sending someone to those people's house and discussing their finances with them to see what they could pay. If they couldn't pay a full payment, "What can you pay until maybe your husband can get another job or until your wife can get a job or a little more income coming into the family? What can you pay in order to stay in this house? You see, we don't want it."

Marcello : When did the HOLC stop accepting mortgages? It was fairly early was it not? '36 or '37? Is that right? That date comes in my mind.

Walker: I don't think it went up to that time. I believe maybe it stopped in, oh, maybe late '35 or early '36. The number of applicants that applied got fewer and fewer. I think the bill actually went beyond that, but for all practical purposes I'd say by January, 1936, that they were pretty well out of the processing business.

Marcello: Was this mainly because just about everybody who was eligible had been taken care of by that time?

Walker: Yes, sir.

Marcello: And I was going to say that maybe it was because the general economic conditions were improving. Obviously, they had improved by 1935, but they weren't great by any means.

Walker: Well, I could be wrong on that date. Since the regional office came here in January of '35, it could have been '36 or '37 like you say. The applicants came in through the district offices, and, of course, even though we had a regional office in the old Cotton Exchange Building here in Dallas, we had a district office down on Main Street in Dallas, too, that had been there since the inception of the program. But it could be later. I know they did make loans after they opened the regional office, but they weren't in any volume like they had been. If my memory serves me right, I believe that the average loan on all the 72,000 loans that they had in this regional office was \$2,500. Add them all together and divide by 72,000, and I believe it was \$2,500, the average loan. And we had \$15,000 loans, and then we had a lot of \$500 or \$600 loans.

Marcello: And these loans could range from everything to the payment of taxes right up to the actual mortgage itself.

Walker: Yes.