

April 16, 1934

MEMORANDUM

Re: Coordination with the Reconstruction Finance Corporation, the Comptroller of the Currency, and the Federal Reserve Board.

Suggestion No. 1.

In connection with the applications of banks, particularly with reference to going member banks, for aid from the Reconstruction Finance Corporation in the form of preferred stock, capital debentures, or loans, it is suggested that more effective action might be had by the formation of a committee to consider such cases, consisting of a representative from the Reconstruction Finance Corporation, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Federal Reserve Board.

Suggestion No. 2.

The records of this Corporation indicate that a very substantial amount of Reconstruction Finance Corporation commitments to non-member banks remain undischarged. In order that the reasons for the delay on the part of the banks may be ascertained, the Federal Deposit Insurance Corporation will designate examiners to contact such banks and ascertain the reason for the delay, if such has been occasioned by the banks involved. The examiners will be instructed to cooperate with Reconstruction Finance Corporation representatives where it is found necessary that the work be done jointly.

Suggestion No. 3.

It is deemed essential that authentic and current information with reference to the condition of all banks which are members of the Temporary Deposit Insurance Fund be centered in one agency. Since the Federal Deposit Insurance Corporation is the agency that is carrying the large potential liability of all member banks, as well as the majority of non-member state banks, it seems that this agency should be the one in which this information should be centralized. To this end the Federal Deposit Insurance Corporation should have copies of reports of examination of all member banks, as it now has of non-member banks which are members of the Fund, and provision will be made for adequate files and analysis cards, so that the information can be available to the other interested agencies.