

THE WHITE HOUSE
WASHINGTON

PERSONAL AND CONFIDENTIAL

JUN 21 1937

My dear Mr. Eccles:

My attention has been called to the increasing Government investment in shares of various types of home financing institutions and to complaints that new institutions are being chartered in localities where additional financing facilities are not needed.

In order that I may have complete information on this subject, I would like to have you cooperate with the Secretary of the Treasury in making a study of these investments and the continued need thereof and submit to me a personal and confidential report thereon. In particular I would like:

1. Complete details regarding present investments both as to funds provided by direct appropriation and by sale of bonds of the Home Owners' Loan Corporation.
2. The need, if any, for chartering additional institutions.
3. The need, if any, of any additional investment of Federal funds in existing institutions.
4. If the investigation should disclose the need of additional investments, the manner and procedure by which such funds should be provided.
5. The relationship between the insured accounts of the Federal Savings and Loan Insurance Corporation and loans insured by the Federal Housing Administration, and the insured deposits under the Federal Deposit Insurance Corporation.
6. Comparison of the policy of chartering Federal Savings and Loan Associations with that followed in chartering new National banks.

I would also like to have your views regarding the need of establishing a revolving fund for the purpose of financing the Home Loan Bank System, and such other matters as you feel should be called to my attention.

Sincerely yours,

Mr. Marriner S. Eccles,
Chairman, Board of Governors of
the Federal Reserve System,
Washington, D. C.

