



THE MINERS AND MECHANICS SAVINGS AND TRUST COMPANY

W. S. WALKER, PRESIDENT

GEO. J. BARTHOLD, VICE PRES & TREAS

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FRANK T. BLACK, ASST. TREAS & SECY

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M. H. FRANCIS, ATTORNEY

STEUBENVILLE, O.

February 25, 1935.

The Honorable Marriner S. Eccles,
Governor Federal Reserve Board,
Washington, D. C.

My dear Governor:

In the new banking bill of 1935, there is one limitation, which if enacted into law will prove very disastrous to our Bank, and no doubt, several other banks throughout the Nation. It is the provision limiting realty loans to 60% of the time deposits in banks.

The law in Ohio under which we have always operated permits 60% of Capital, Surplus, and deposits to be loaned on real estate in an amount not to exceed 60% of a conservative value.

Our Bank is primarily a savings bank with about \$3,000,000.00 in time deposits and about \$500,000.00 in commercial deposits. Naturally, we have always done a large mortgage loan business throughout the years and have been a great benefit in this community in aiding the thrifty person to buy and pay for a home. During the last year we made several mortgage loans, but all of them were first class and on an amortized basis. We are qualifying to make loans under Title 2, F.H.A., and have several applications to consider a little later on.

If the 60% of time deposits is the limit in which a bank can invest in realty loans, it will mean that we will be compelled to call in about \$350,000.00 in mortgage loans, and also will not be able to cooperate with the Government in the new

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financing. You can readily see how disastrous this would be to our community and to our Bank, which has very successfully gone through the depression and suffered very little in losses on loans against real estate. 10

We know that the Government is making a heroic effort to revive business recovery, and we firmly believe that they would not purposely do anything to put sound banks out of business and that the new banking law should permit banks which are primarily savings banks to loan not in excess of 75% of their time deposits in real estate loans, including other real estate.

We also carry about a million dollars in good marketable bonds as a liquid reserve, in addition to our cash and deposits in reserve banks, amounting to about \$350,000.00 or better. We do not care to increase the reserve, but would rather help our community and thereby be helping the Government, as well as ourselves.

We have casually mentioned the fact of the new limitation going into law to some of the local contractors who are interested in new building, and some of our mortgage borrowers, and without exception they wanted to write and send telegrams protesting, but we requested them not to do so, stating we would honestly and clearly bring the matter to your attention and felt certain that the proper thing would be done.

Trusting you will give this your usual prompt consideration, we wish to remain,

Very truly yours,

Geo. J. Barthold

Vice-Pres. & Treas.

GJB:T