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FIRST TRUST AND SAVINGS BANK

OF

PASADENA, CALIFORNIA

March 11, 1935

Honorable Thomas F. Ford,  
Member Banking and Currency Committee,  
House Office Building,  
Washington, District of Columbia.

Dear Mr. Ford,

Thank you for the particularly prompt reply to my letter of March 5th suggesting an amendment to the Banking Act of 1935.

The amendment which I would suggest would come after Line 8, Page 51, as a final amendment to the first paragraph of Section Twenty-Four of the Federal Reserve Act, and would read as follows

Provided further, that in the case of loans secured by real estate not exceeding seventy-five per cent (75%) of the actual value of the real estate offered for security if such loans are required to be completely amortized within periods not exceeding twenty years by means of substantially equal monthly, quarterly, semi-annual or annual payments on principal, with interest added or the principal and interest combined, the restrictions of this Section as to the percentage of total real estate loans with relation to time and savings deposits shall not apply.

I hope you will discuss this suggestion with the Hon. Marriner S. Eccles, Governor of the Federal Reserve Board, with whom I am communicating by this mail. His speech on February 12, 1935, at Columbus, Ohio, before the annual Mid-winter Meeting of the Ohio Bankers Association, which was inserted in the Congressional Record of February 14th at the request of the Hon. Duncan U. Fletcher, contains much matter relevant to this subject.

Very truly yours,

J. S. Macdonnell, (signed)  
President.

*Referred to Chairman  
Eccles by Rep. Ford  
3/13/35*