



THE COMPTROLLER OF THE CURRENCY

WASHINGTON


April 7, 1938

My dear Mr. Chairman:

Thanks for giving me your reaction to the ruling with reference to banks loaning under the provisions of Title I, Housing Act, and confirming our position that the loans should not be considered as being controlled by Section 24 of the Federal Reserve Act merely because real estate was taken as additional security. I am also in hearty agreement not to continue to cause a deflationary policy, and that every effort should be made to make loans available.

You will also be interested in copy of letter I have written to Mr. Taylor with reference to branch banks in view of our recent discussion with reference to holding companies.

Cordially yours,



J. F. T. O'CONNOR  
Comptroller

Honorable Marriner S. Eccles  
Chairman, Board of Governors  
Federal Reserve Building  
Washington, D. C.

April 7, 1938

Dear Wayne:

In view of the discussion with reference to holding companies and branch banks, I thought you might be interested in a break down of the branches opened by the Bank of America since the banking holiday to the present time:

Number of branches		148
Succeeded Nat'l Banks	21	
Succeeded State Banks	64	
No Predecessor Banks	<u>63</u>	
		148

Of the 43 branches which had no predecessor bank, and which, therefore, can be termed "new branches", there were 25 of these opened in communities where there were no banking facilities; and of the 18 remaining, several were opened in cities. In other words, the Bank of America opened about 3 new branches per year since the banking holiday.

Cordially yours,

J. F. T. O'CONNOR  
Comptroller

Received in  
Office  
April 8 1938  
Honorable Wayne C. Taylor  
Assistant Secretary  
Treasury Department  
Washington, D. C.

Board of Governors  
of the  
Federal Reserve System