

FEDERAL HOUSING ADMINISTRATION
WASHINGTON, D. C.

July 30, 1935

TO: ALL BANKS AND INSURANCE COMPANIES APPROVED AS MORTGAGEES UNDER
TITLE II, NATIONAL HOUSING ACT

You will be interested in the attached letter from the Chairman of the Reconstruction Finance Corporation, stating that the RFC Mortgage Company will, under certain conditions, buy without recourse Federal Housing Administration insured mortgages given for the construction of new homes.

This action provides an additional outlet for insured mortgages pending the organization of National Mortgage Associations as provided in Title III of the National Housing Act.

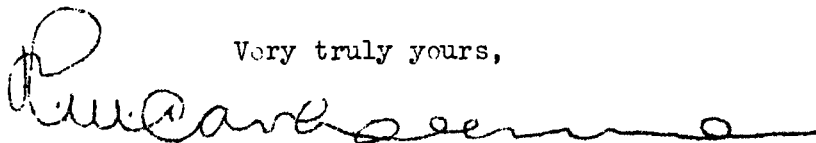
The RFC Mortgage Company was organized early this year under the laws of the State of Maryland, with a capital of \$10,000,000, all of which is owned by the Reconstruction Finance Corporation. Such additional funds as may be required by the company may be borrowed from the Reconstruction Finance Corporation. The main office of the company is at 1325 H Street, Northwest, Washington, D. C.

Approved banks and insurance companies which wish to sell mortgages covering new construction to the RFC Mortgage Company should address a letter to the company giving the loan number, amount, date, term and other information concerning each mortgage and a statement as to the reasons why it is desired to sell the mortgages.

As stated in the attached letter, the RFC Mortgage Company will buy insured mortgages only when the bank or insurance company can show need for converting their mortgages into cash.

We shall be glad to keep you advised of other developments of this nature.

Very truly yours,



Robert M. Catharine,
Deputy Administrator.

Enclosure

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