



First Security Bank of Idaho

HEAD OFFICE

Boise, Idaho

September 20, 1935

*Lynn
Add to my
file to my
attention
M.S.*

Mr. M. S. Eccles
c/o First Security Corporation
Ogden, Utah

Dear Marriner:

You remember the other day in Ogden I stated that the FHA authorities in Washington had discussed with me the possibility of consolidating the guaranty on Title I loans in excess of \$2,000.00 with the guaranty of the same loans of less than \$2,000.00. I believe you told me at the time that legally they could not do this, but we are this morning in receipt of a telegram outlined in the enclosed circular to our branches.

I would appreciate, therefore, any information you can give us about the legal aspect of this matter.

Yours very truly,

J. L. Driscoll
Executive Vice President

JLD/DC
C: Mr. Bennett
Mr. Canfield
Mr. Eccles

MEMBER FIRST SECURITY CORPORATION SYSTEM
LARGEST INTERMOUNTAIN BANKING ORGANIZATION

December 13, 1935.

Dear Lynn:

I regret that I have been delayed in answering the letter that you wrote to me while I was in Ogden in regard to Federal Housing Administration loans under Title I.

As regards the segregation, where the guaranty is concerned, of loans up to \$2,000 and of loans in excess of that amount, it appears that this is a matter of administrative regulation.

When the first regulations were put out in regard to loans in excess of \$2,000, it was provided that the guaranty on these loans would be computed separately from the guaranty on loans of \$2,000 or less. More recently, the two classes have been consolidated and this consolidation is retroactive.

Yours sincerely,

M. S. Eccles,
Chairman.

Mr. J. L. Driscoll
Executive Vice President.
First Security Bank of Idaho
Boise, Idaho.

September 20, 1935

TO ALL BRANCHES

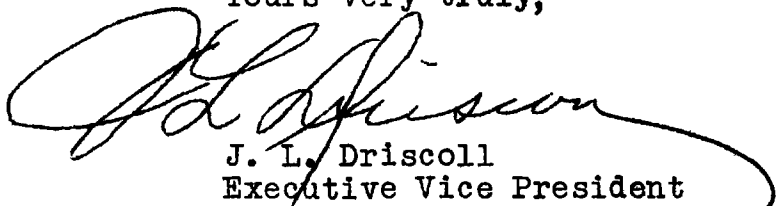
Gentlemen:

We are in receipt of the following wire from Arthur Walsh, Deputy Administrator, Federal Housing Administration, Washington, D.C.:

"Administrator Stewart McDonald has today amended regulations of modernization credit plan rescinding regulation number twenty-six and establishing single consolidated insurance reserve. Formal copy of amendment will be sent you. Happy to send you this good news which provides every incentive for lending institutions to get whole heartedly behind the recent amendment to the Housing Act permitting insurance on loans up to fifty thousand dollars."

This wire authorizes us to consolidate the reserve on Title I loans in excess of \$2,000.00 with the reserve on Title I loans of less than \$2,000.00. This may not make any difference to you from a practical operations standpoint, but viewed from the standpoint of the guaranty behind it, it gives us a substantially better guaranty on loans in excess of \$2,000.00.

Yours very truly,



J. L. Driscoll
Executive Vice President

CC: Mr. Bennett
Mr. Canfield
Mr. Eccles
Mr. Kading
Mr. Diven