

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM**Office Correspondence**Date January 9, 1937To Mr. EcclesSubject: Information for Board membersFrom J. M. Daigeron housing and mortgage matters.

As you know, I learned only yesterday afternoon of the desire expressed at a recent Board meeting that the members be kept currently informed regarding housing and mortgage matters on which I am working. I would accordingly suggest that this present memorandum, with the following items attached, be circulated to the Board members as of possible interest to them in connection with current and prospective developments in the housing and mortgage field:

1. Draft of letter from you to Mr. Stewart McDonald dealing with continuation of guaranty in Title II of Housing Act as a means of averting dangers of acute housing shortage and real-estate inflation.
2. My memorandum to you of January 7 dealing with the bearing of the above-mentioned letter on Board matters and on the President's message to Congress.
3. Clipping from "Topics of the Times" column, editorial page of the New York Times of January 9, dealing with the President's remarks on housing in his message to Congress and with the accumulated deficit of housing in the United States.
4. Letter from Robert B. Smith, Assistant to the Federal Housing Administrator, in the New York Times of January 9, on "Speculation in Real Estate".
5. Copy of my letter of January 4 to Mr. Allie S. Freed, chairman of the Committee for Economic Recovery, dealing with the financing of large-scale residential construction which the committee has lately been agitating and which Mr. Freed has organized a building company to promote commercially in the low-priced field.

6. Editorial on "Mortgage Moratorium" from New York Times of January 8. The protraction of the mortgage moratoria in a number of States is still an extremely serious problem, and one for the relief of which no satisfactory financial mechanism has yet been devised. At Mr. Broderick's suggestion, I have discussed this question from time to time with the banking and insurance commissioners of New York State. I have outlined to these two commissioners and to a few other interested persons a possible method of lifting mortgage moratoria through an adaptation of certain provisions of the Housing Act of 1934 and the Banking Act of 1935.

A handwritten signature in black ink, appearing to be "A. M. B.", with a large, sweeping flourish extending from the left side of the signature.