

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date January 23, 1937To Mr. EcclesSubject: Letter from Mr. Franklin D.From J. M. DaigerRichards--January 18, 1937

Some conversation which you had last summer with Mr. Richards (State Director of FHA for Utah) evidently led to his recently having a survey made for the purpose of comparing FHA appraisals with appraisals made on the same properties by the First Security banks in Ogden and Salt Lake City. The result is shown in the attached letter, written by Mr. Richards to Mr. Flanders.

Briefly, Mr. Richards makes two points in his letter:

(1) That where the appraisals are not identical the FHA's are higher than those of the First Security banks in 45% of the cases, whereas the banks' are higher than the FHA's in 55% of the cases.

(2) That the FHA has been repeatedly requested by the First Security banks to increase its valuations.

In view of the fact that I have on several occasions taken up the question of excessive appraisals with Mr. Flanders on the basis of criticisms made to you by some of your former associates in Ogden and Salt Lake City, I am attaching herewith a suggested draft of a letter that you may wish to send to one of them.

J. M. Daiger

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