

FEDERAL HOUSING ADMINISTRATION
WASHINGTON

December 21, 1938

STEWART McDONALD
ADMINISTRATOR

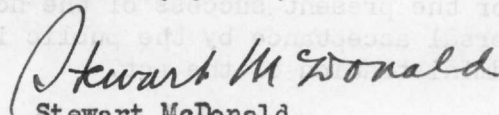
The Honorable Marriner S. Eccles, Chairman
Board of Governors of the
Federal Reserve System
Washington, D. C.

Dear Marriner:

As you undoubtedly know, on December 13 the President approved an increase of \$1,000,000,000 in the amount of outstanding principal of mortgages which may be insured by the Federal Housing Administration, making an aggregate of \$3,000,000,000. This action was taken in accordance with Section 203 (a) of the National Housing Act.

Knowing of your interest in the operations of the Federal Housing Administration, it occurs to me that you may wish to see the enclosed editorials and press notices which show the wide-spread approval of the President's action.

Sincerely yours,



Stewart McDonald,
Administrator.

Enclosures

FEDERAL HOUSING ADMINISTRATION
WASHINGTON

December 21, 1938

December 29, 1938

STEWART McDONALD
ADMINISTRATOR

Honorable Stewart McDonald
Federal Housing Administrator
Washington, D. C.

The Honorable Chairman
Board of Governors of the
Federal Reserve System
Washington, D. C.

Dear Stewart:

I have yours of December 21 enclosing pages from several newspapers containing editorials or news stories respecting the recent increase of \$1 billion in the amount of outstanding principal of mortgages which may be insured by the Federal Housing Administration. These editorials and news items uniformly commend the action of the President in approving the increase referred to and likewise speak most favorably of the Administration's housing program.

Having been keenly interested in the Administration's housing legislation, first in its inception, and later on in proposed amendments both of Federal Housing Administration regulations and the Act itself, I am naturally gratified at the universal approval accorded the operations of the Federal Housing Administration.

I also wish to congratulate you for the success of the program as I fully appreciate the problems you had to contend with when you took over the reins. Much of the credit for the present success of the housing program and its universal acceptance by the public is due to your enthusiastic administration of the Act.

With kind regards, I am

Yours sincerely,

M. S. Eccles
Chairman

Federal Reserve System
of the
Board of Governors

DEC 24 1938

Chairman's Office
Received
LC/fg

The following articles are protected by copyright and have been removed.

The citations for the original articles are:

New York Times, "President Extends Housing Aid Limit in FHA By Billion," December 14, 1938.

Washington Post, "Symptom of Recovery," December 15, 1938.

Washington Star, "Home Building," December 15, 1938.

New York Herald Tribune, "A Billion Well Invested," December 15, 1938.

Baltimore Sun, "FHA to Boost Loan Fund to \$3,000,000,000," December 14, 1938.