

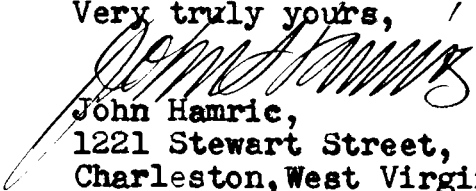
Charleston, West Virginia.
March 25, 1939.

Hon. Marriner S. Eccles, Chairman,
The Federal Reserve Board,
Washington, D.C.

Dear Mr. Eccles;

A line from a recent Federal Reserve bulletin as quoted by the Associated Press reads as follows "A further growth in activity....appears to depend on...growth in private residential building" which statement I'm sure you are aware is very important. The FHA has done and is doing one of the finest jobs ever performed for this nation and its people and one agency of our government which should be continued for some time to come. No doubt the statement above mentioned was intended to be in harmony with present ways and means to provide a united front by business and government toward a permanent recovery and re-employment. So far so good. But there are greater heights to be obtained. I'm sure you and Secretary Hopkins realize the importance of home building and home owning for our citizens to be far above a means of recovery. One of the best safeguards against the many "isms" and radical tendencies of our present day is home ownership. Something should be done to make home owning through F H A even more workable than at present afforded. I mean by this that there are at present yet an in-between group which the agency does not reach, between low cost housing and F H A and life insurance and other lending agencies. I am employed by a bank and have watched mortgages for some 10 years and I'm convinced that the requirements both as to interest and original cost can materially reduced so as to be convenient for incomes from 900 to 2000 dollars. F H A should be an indicator and guide to all lending agencies and further study and research should be made in order that our nation may be put on sounder footing through home ownership. Editorials of our newspapers indicate that a majority of them are in hearty support of F H A. A great deal more should appear in your bulletin relative to this matter. No other single activity of our present day business means nearly so much to ourselves and our posterity as the housing of our people under roofs of their own.

Very truly yours,


John Hamric,
1221 Stewart Street,
Charleston, West Virginia.

March 28, 1939.

Mr. John Hamric,
1221 Stewart Street,
Charleston, west Virginia.

Dear Mr. Hamric:

This is to acknowledge receipt of your letter of March 25 with reference to the FHA financing.

I have been particularly interested in this legislation ever since coming to Washington, and recognize, as you do, that there is an intermediate income field that is not adequately covered, and can not be, in my opinion, by private capital financing unless it could be organized on an entirely different basis from that now prevailing. The present FHA authority has been persistently and bitterly fought by building and loan forces, and many of the banks thought the existing terms too liberal.

I doubt that the field you have in mind can be reached without a reduction of costs, other than financing charges, particularly the labor and material costs.

I was glad to have your views and I appreciate your interest in writing to me.

Sincerely yours,

M. S. Eccles,
Chairman.

ET:b