

February 11, 1946

Mr. Thomas

Miss Burr

According to recent reports on Housing Expediter Wyatt's plans, the RFC is now taking another step in the direction of increasing its activities as a Government financing agency by broadening the application of its plan for guaranteeing bank loans to business.

Reports on the housing program indicate (Wall Street Journal, February 9) that the RFC would "play a 'major role in financing the program' through loans to new business ventures to produce materials and prefabricated dwellings." Previously on February 5, the RFC announced the extension of the protection of the RFC Blanket Participation Agreement with banks to include loans made to contractors and other business enterprises interested in building residences. Under this participation plan the RFC makes available to approved banks a guarantee up to 75 per cent of any business loan, up to a maximum of \$350 thousand, which meets the requirements of the agreement.

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