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PROPHETS DEPOSIT BANK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

CAPITAL \$ 50,000.00 SURPLUS \$ 50,000.00

BURLINGTON, KY.

DIRECTORS

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N. E. RIDDELL
C. F. BLANKENBEKER
F. L. MCGLOSSON
DR. S. B. NUNNELLEY

June 18, 1938

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

Dear Mr. Eccles:-

We have just read in the press the account of your attitude toward liberalization of bank examinations.

For some time we have been objecting to the unreasonable policy of the examiners, both State and Federal, in their "brow beating" manner of classification of loans.

Many of our perfectly sound loans are criticized and payment demanded of borrowers and a large percentage of good loans are classified as slow and then the total amount mentioned as excessive, which naturally causes a bank not to make any more of these safe loans.

This country will struggle along in a depression and gradually get worse just as long as such tactics are permitted by these examiners.

We are unable to understand just why the Administration permits such a disagreeable and damaging attitude toward business to continue if they want recovery.

Lift this ban on business and banks and see business flourish almost over night.

Banks are doing no business because nothing suits the examiners, and the officers and Directors are given no credit for any opinions as to what constitutes a good safe loan.

It is unfortunate for the country that those in authority assume a dictator role and will not give business a chance to breathe.

Yours very truly,



A. B. Renaher
Cashier.

June 24, 1938

Mr. A. B. Renaker, Cashier
Peoples Deposit Bank
Burlington, Kentucky

Dear Mr. Renaker:

This is to acknowledge receipt of your letter of June 18 with reference to liberalization of bank examinations. I was interested to have your views based on your own practical experience.

What you say with reference to criticism of sound loans confirms what I have heard from a great many parts of the country, especially from the smaller business men and bankers.

I wanted you to know that I very much appreciate your courtesy in writing.

Very truly yours,

M. S. Eccles,
Chairman.

ET:ead

Received in
Chairman's Office
JUN 20 1938
Board of Governors
of the
Federal Reserve System