

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, February 27, 1951

REGULATION X
REAL ESTATE CREDIT
STATEMENT OF BORROWER

*To All Persons Engaged in the Business of Extending Real Estate
Credit in the Eleventh Federal Reserve District:*

In a circular dated October 17, 1950, sample copies of Statement of Borrower forms, designed to meet the requirements of Regulation X, were enclosed.

Subsequently, the Board of Governors of the Federal Reserve System amended Regulation X to include credit extended in connection with multi-unit and nonresidential construction. These amendments became effective January 12 and February 15, 1951, respectively.

Enclosed are revised sample copies of forms X-1 and X-2, "Statements of Borrowers," designed for use under Regulation X as amended. The short form, X-1, may be used in connection with loans not involving real estate construction credit. Form X-2 may be used to meet the requirements of Section 4(d) which makes it necessary that a Statement of Borrower be obtained where real estate construction credit is involved.

These forms are furnished for your convenience and may be reproduced to meet your needs. This bank does not maintain a supply of the forms for regular use.

Yours very truly,

R. R. GILBERT

President

(This is merely a sample form which may be used if you desire to reproduce a supply for your own use.)

STATEMENT OF BORROWER WITH RESPECT TO CREDIT WHICH IS NOT "REAL ESTATE CONSTRUCTION CREDIT"

(This form may be used where the Registrant does not have other records which reasonably demonstrate on their face that the credit is not "real estate construction credit" under Regulation X of the Board of Governors of the Federal Reserve System.¹ Credit extended, insured or guaranteed by the United States or any agency thereof is not "real estate construction credit" under Regulation X.)

With respect to the credit in the amount of \$_____ for which I am applying to _____
(Name of Registrant)

I certify under the penalties of Regulation X of the Board of Governors of the Federal Reserve System that the credit is not and will not be either wholly or partly secured by, or for the purpose of purchasing or carrying, or for the purpose of financing, or one which involves the right to acquire or use, new construction² on real property or real property on which there is new construction (or that such new construction, if any, is not a residence, multi-unit residence, or nonresidential structure,³ or a major addition or major improvement to a residence, multi-unit residence, or nonresidential structure³).

(Date)

(Borrower's Signature)

(Borrower's Address)

¹Use of this form or maintenance of other records is not necessary in connection with "(1) . . . any extension of credit which is made by a bank, savings and loan association, or similar institution and which is to be repaid within six months and is fully secured by withdrawable shares issued by or savings accounts held with the lender, or (2) to any extension of credit in the ordinary course of business for a commercial, agricultural, or business purpose where the Registrant, because of a previous course of dealings or correspondence between himself and the borrower, has no reason to believe that the credit is or will be real estate construction credit."

²As used here, "new construction" means any structure, or major addition or major improvement to a structure, which is or has been begun after August 3, 1950.

³The definition of nonresidential structure generally includes all structures other than residences, multi-unit residences, schools, hospitals, churches, public utility or government buildings, or structures in which more than 80 per cent of the floor space is used in manufacturing, mining, or farming. See section 2(r) of Regulation X for definition.

(This is merely a sample form which may be used if you desire to reproduce a supply for your own use.)

STATEMENT OF BORROWER WITH RESPECT TO "REAL ESTATE CONSTRUCTION CREDIT"

(To be filed by the Borrower with the Registrant in connection with credits subject to Regulation X of the Board of Governors of the Federal Reserve System)

(1) The credit in the amount of \$....., for which the borrower is applying to

(Name of Registrant)

is with respect to new construction,^{1/} or property on which there is new construction,^{2/} involving:

- (a) A major addition or major improvement to a (check one):..... residence; multi-unit residence; non-residential^{3/} structure.
(b) Residential property (1- to 4-family units).
(c) Multi-unit residential property (more than 4-family units).
(d) Nonresidential property.
(e) A residence on farm property.

^{1/}As used here, "new construction" means any structure, or major addition or major improvement to a structure, which is or has been begun after August 3, 1950.

^{2/}"Property on which there is new construction" includes a structure built before August 3, 1950, to which a major addition or major improvement has been made after August 3, 1950.

^{3/}The definition of nonresidential structures generally includes all structures other than residences, multi-unit residences, schools, hospitals, churches, public utility or government buildings, or structures in which more than 80 per cent of the floor space is used in manufacturing, mining or farming. See section 2(r) of Regulation X for definition.

(2) If the credit relates to residential property or multi-unit residential property containing more than one family unit, the total number of family units is:.....

(3) If the Registrant, relying on information furnished by the borrower, claims that this credit is exempt from Regulation X, the reason for such exemption is:.....

NOTE: If the credit is exempt from Regulation X, the information called for in the remainder of this statement need not be furnished.

(4) If the credit is in connection with a sale, what is the bona fide sale price? \$.....

(5) If the credit is not in connection with a sale, what is the bona fide cost or estimated cost to the borrower? \$..... (If, under section 2(i) of Regulation X, "value" is determined by an appraisal, this question should not be answered.)

(6) If the credit is in connection with a sale, was any property accepted in part payment?..... ("Yes" or "No"). If so, attach a statement as to value and a description of such property.

(7) If the credit is in connection with a sale, is the vendor of the property to have any financial interest in the property after the sale or in the proceeds of any subsequent disposition thereof?..... ("Yes" or "No"). If the answer is "Yes," state amount and nature of such interest.....

(8) Apart from the credit now applied for with respect to the property, what is the total amount of any credit previously extended and now outstanding, and any credit expected at this time to be extended, with respect to the same property? \$.....

I certify under the penalties of Regulation X of the Board of Governors of the Federal Reserve System that to the best of my knowledge and belief the facts stated above, and those in any statement supplied by me and attached hereto are correct.

(Date)

(Borrower's Signature)

(Borrower's Address)

NOTE TO REGISTRANT: Where the borrower's statement shows other credit to be outstanding or to be contemplated in connection with the property, the Registrant must obtain further information with respect to such credit in order to determine whether the applicable loan value, maturity, and amortization requirements of Regulation X and the Supplement thereto are met.

A copy of this statement should be retained by the Registrant. A copy may be attached to the credit instrument so that if another Registrant should subsequently purchase, discount or lend on the credit instrument, he will have evidence that the Registrant who first extended the credit obtained a borrower's statement in accordance with section 4(d) of Regulation X.