

FEDERAL RESERVE BANK  
OF DALLAS

Dallas, Texas, March 3, 1951

REAL ESTATE CREDIT— REGULATION X  
Amendment Relating to Defense Construction

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

There is quoted below a statement issued by the Board of Governors of the Federal Reserve System for release March 3, 1951, relating to an amendment to Regulation X (as amended February 15, 1951).

“The Board of Governors has amended Regulation X to permit terms different from those prescribed by the regulation to apply to specific new construction necessary to the national defense. The amendment, which becomes effective March 5, 1951, has been concurred in by the Housing and Home Finance Administrator.

The provisions of the amendment, to be known as section 6(p) of Regulation X, are as follows:

‘(p) **Defense Construction.**—Terms different from those prescribed by this regulation and the supplement thereto, to be applicable to specific new construction necessary to the national defense, may be authorized by the Board in areas designated by the Housing and Home Finance Administrator with the concurrence of the Board and after surveys have been made by the Administrator with respect to the needs for such necessary construction

within such areas. Such different terms when so authorized will be applicable only to such new construction as may be specified by the Administrator within such designated areas, and will be subject to such conditions as may be prescribed.'

At the same time the Board adopted this amendment to Regulation X, it concurred in the recommendation of Housing and Home Finance Administrator Foley that specific areas adjacent to new defense industry installations at Paducah, Kentucky, and Savannah River, South Carolina, be designated defense areas. Mr. Foley advised the Board that, because of the urgent need for housing workers at the Atomic Energy Commission installations, he had designated these two areas for special housing consideration with the approval of defense mobilization authorities. Any further designations, he said, would be based on criteria now being developed with the Office of Defense Mobilization and its related agencies.

The modified terms and method of handling applications for both non-government-aided and government insured or guaranteed loans in the Paducah and Savannah River areas will be announced by the Board and the Housing and Home Finance Agency in a few days."

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This bank and its branches at El Paso, Houston and San Antonio will be glad to furnish any information which may be desired concerning the regulation.

Yours very truly,

R. R. GILBERT

President

REAL ESTATE CREDIT  
AMENDMENT NO. 1 TO REGULATION X

Issued by the Board of Governors  
of the Federal Reserve System  
with the concurrence of the  
Housing and Home Finance Administrator

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Effective March 5, 1951, Section 6 of Regulation X is hereby amended by adding, at the end thereof after the present subsection (o), a new subsection (p) reading as follows:

(p) **Defense Construction.**—Terms different from those prescribed by this regulation and the supplement thereto, to be applicable to specific new construction necessary to the national defense, may be authorized by the Board in areas designated by the Housing and Home Finance Administrator with the concurrence of the Board and after surveys have been made by the Administrator with respect to the needs for such necessary construction within such areas. Such different terms when so authorized will be applicable only to such new construction as may be specified by the Administrator within such designated areas and will be subject to such conditions as may be prescribed.