

A meeting of the Federal Reserve Board was held in Washington on Thursday, October 18, 1934, at 10:30 a. m.

PRESENT: Mr. Thomas, Vice Governor
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Szymczak
Mr. O'Connor

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Wyatt, General Counsel
Mr. Paulger, Chief of the Division of Examinations
Mr. Smead, Chief of the Division of Bank Operations
Mr. Goldenweiser, Director of the Division of Research and Statistics
Mr. Thomas, Research Assistant, Division of Research and Statistics
Mr. Riefler, Economic Adviser to the President's Executive Council

In accordance with the action taken at the meeting of the Board on October 10, 1934, Mr. James A. Moffett, Federal Housing Administrator, and Mr. Roger Steffan, Director of Modernization Credits, Federal Housing Administration, were also present for the purpose of discussing with the Board the activities of the Federal Housing Administration.

Messrs. Moffett and Steffan made statements with regard to the program and activities of the Administration, referring particularly to the campaign being conducted by the Administration in connection with home modernization loans by banks and other financing institutions. Mr. Steffan also left with the Board copies of pamphlets prepared by the Federal Housing Administration with regard to modernization credits.

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In response to an inquiry from Mr. O'Connor as to whether Messrs. Moffett and Steffan had any suggestions to make as to how the Board could cooperate with the Administration, Mr. Steffan stated that it would be helpful if (1) the Federal reserve banks, in their contacts with financing institutions, would take an encouraging position with regard to loans by banks under the National Housing Act, and (2) the examiners of banks would take a friendly attitude toward such loans so that the bankers will not feel that the loans will be criticized if made. Mr. Steffan stated that he would be glad to work with anyone whom the Board would designate in the preparation of a letter to be sent by the Board to the Federal reserve banks with regard to the activities of the Federal Housing Administration and requesting that the reserve banks cooperate with the Administration in transmitting information regarding its activities to the commercial banks in their respective districts.

Mr. James suggested that the most satisfactory way of handling the matter would be for a representative of the Federal Housing Administration to arrange to visit each of the twelve Federal reserve banks and for the Board to request the banks to have its officers, including the managing directors of branches, meet with the representative of the Federal Housing Administration on a date to be agreed upon. He also stated that it might be desirable to hold similar meetings with officers of banking and other financial institutions. In response to this suggestion, Mr. Steffan said that consideration had been given to this matter, and that, while as yet he had been unable to work out a schedule of meetings because of the demands

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being made upon his time in Washington, he would attempt to arrange such a schedule as soon as possible.

Certain questions suggested by the statements made by Messrs. Moffett and Steffan were discussed, and, at the conclusion of the discussion, upon motion of Mr. Szymczak, it was decided that the Board would give consideration to the question of how the Board and the Federal reserve banks can be helpful and that Mr. Moffett would be advised of the action taken.

Thereupon the meeting adjourned.

O. Ester Mowil
Secretary.

Approved:

J. J. Thomas
Vice Governor.