

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, January 29, 1945, at 10:30 a.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Ransom, Vice Chairman  
Mr. Szymczak  
Mr. McKee  
Mr. Draper  
Mr. Evans

Mr. Morrill, Secretary  
Mr. Carpenter, Assistant Secretary  
Mr. Thurston, Special Assistant to  
the Chairman

The action stated with respect to each of the matters hereinafter referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on January 27, 1945, were approved unanimously.

Memorandum dated January 27, 1945, from Mr. Bethea, Director of the Division of Administrative Services, submitting the resignation of Mrs. Maude L. Peed as a cafeteria helper in that Division, effective as of the close of business on January 27, 1945, and recommending that the resignation be accepted as of that date with the understanding that proper payment will be made for the accrued annual leave remaining to her credit at that time.

The resignation was accepted as recommended.

Letter to Mr. Hill, Vice President of the Federal Reserve Bank of Philadelphia, reading as follows:

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"In accordance with the request contained in your letter of January 25, 1945, the Board approves the appointment of John Charles Brogan, Jr., as an examiner for the Federal Reserve Bank of Philadelphia. Please advise us of the date upon which the appointment becomes effective."

Approved unanimously.

Letter to Mr. Weigel, Assistant Vice President of the Federal Reserve Bank of St. Louis, reading as follows:

"As requested in your letter of January 10, 1945, the Board of Governors approves changes in the personnel classification plan to reflect the change in the name of the Transit Department. Accordingly, in the Board's copy of the plan the name of the Department has been changed from Transit to Check Collection on the Form A pages 132 through 142.

"Consideration of the increases in maximum salaries under the personnel classification plan as requested in another letter of January 10 is being deferred pending receipt of revised certificates in accordance with the discussions you had with Mr. Leonard at the recent Personnel Conference in New York."

Approved unanimously.

Letter to Mr. Powell, Secretary of the Federal Reserve Bank of Minneapolis, reading as follows:

"The Board of Governors approves the appointments of Messrs. Sheldon V. Wood, John M. Bush, C. O. Follett, and Albert L. Miller as members of the Industrial Advisory Committee for the Ninth Federal Reserve District to serve for terms of one year each, beginning March 1, 1945, in accordance with the action taken by the Board of Directors of the Federal Reserve Bank of Minneapolis, as reported in your letter of January 11, 1945."

Approved unanimously.

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Letter to the Presidents of all of the Federal Reserve Banks  
reading as follows:

"The May 14, 1942, form of guarantee agreement provided in Section 11 under 'Fees payable to guarantor' that 'the financing institution shall pay to the Reserve Bank at the end of each \_\_\_\_\_ period an amount computed at the rate of \_\_\_\_\_ per cent per annum on the average daily amounts of unpaid principal of said loan .... .' In the April 6, 1943, and subsequent forms of guarantee agreements the language under 'Fees payable to guarantor' was changed to provide that 'the financing institution shall pay to the Reserve Bank at the end of each monthly or quarterly period, as fixed by the Reserve Bank, an amount equal to \_\_\_\_\_ per cent of any interest payable by the Borrower .... .' In other words, the amount of guarantee fees payable under the 1943 and subsequent forms of guarantee agreements is a specified per cent of 'any interest' payable by the borrower to the financing institution, irrespective of whether interest is computed by the financing institution on a 365-day or 360-day basis.

"It has recently been called to our attention that some of the Federal Reserve Banks are calculating guarantee fees where the April 6, 1943, and subsequent forms of guarantee agreements are used, on the basis of 365 days to the year regardless of the number of days used by the financing institutions in computing interest payable by borrowers. Since the use of 365 days may in some cases result in an incorrect computation of the guarantee fees payable under the April 6, 1943, and subsequent forms of guarantee agreements, the matter is being called to your attention for such action, if any, as may be needed to bring the practice of your Bank into conformity with the provisions of the guarantee agreements."

Approved unanimously.

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Thereupon the meeting adjourned.

Chester Morris  
Secretary.

Approved:

W. S. ...  
Chairman.