

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 3664]
March 2, 1951]

REAL ESTATE CREDIT

**Amendment No. 1 to Regulation X of the Board of Governors of the
Federal Reserve System, Effective March 5, 1951**

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

The Board of Governors of the Federal Reserve System has adopted Amendment No. 1 to Regulation X, effective March 5, 1951. Following is the text of the statement issued by the Board relating to the amendment and released for publication March 3, 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.

A printed copy of Amendment No. 1 to Regulation X is enclosed; additional copies will be furnished upon request.

ALLAN SPROUL,
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

Regulation X is hereby amended effective March 5, 1951, by adding the following subsection (*p*) to section 6:

(*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.

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