

FEDERAL RESERVE BANK  
OF NEW YORK

Circular No. 7275  
November 21, 1973

BANK HOLDING COMPANIES

Oral Presentation on Underwriting of Mortgage Guaranty Insurance  
Rescheduled to January 24, 1974

*To All Bank Holding Companies, and Others Concerned,  
in the Second Federal Reserve District:*

Following is the text of a statement issued November 16  
by the Board of Governors of the Federal Reserve System:

The Board of Governors of the Federal Reserve System announced today that it has rescheduled for January 24 an oral presentation into the question whether the underwriting of mortgage guarantee insurance should be added to the list of activities that are closely related to banking and permissible to bank holding companies. The presentation had been scheduled for November 28.

Printed below is the text of the Board's notice regarding the hearing.

Alfred Hayes,  
*President.*

BANK HOLDING COMPANIES

Revised Notice of Hearing Regarding Underwriting of  
Real Estate Mortgage Guaranty Insurance

The Board of Governors published in the Federal Register on October 26, 1973 (38 F.R. 29610), notice of an oral presentation to be held on November 28, 1973, on the matter of the proposal to add to the list of activities that the Board has determined to be closely related to banking or managing or controlling banks (Section 225.4(a) of Regulation Y) the following: "Engaging in the underwriting of real estate mortgage guaranty insurance."

In connection with this notice, a significant number of the members of the mortgage guaranty industry have petitioned that the Board delay the hearing until at least January 15, 1974, and that the Board reconsider its decision denying the prior requests for a formal hearing.

(Over)

The Board has reconsidered the matter and has decided to reschedule the proceeding for January 24, 1974, in order that participants be assured adequate time within which to prepare their presentations and secure the participation of expert witnesses. The Board has determined, however, that a formal hearing is not necessary for the parties to adequately present their case but rather has adopted a procedure whereby participants in the proceedings will have opportunity for rebuttal. The proceeding will be limited to the issues specified in the prior notice.

The Board has adopted the following procedures:

(1) Any person interested in participating as a party in the hearing must file with the Secretary, Board of Governors of the Federal Reserve System, Washington, D. C. 20551, to be received by November 30, 1973, a written request containing a statement of the nature of the petitioner's interest in the proceedings, the extent of participation desired, a summary of the matters concerning which petitioner wishes to give testimony or submit evidence, and the names and identity of witnesses who propose to appear. Individuals who have already filed this information with the Secretary, pursuant to the prior notice, need not file again.

(2) All such parties (a) will be notified by the Secretary of the identity of the other parties and of all issues raised by them and (b) will be invited to submit written material to be received by December 31, 1973. Material so submitted must be forwarded to all other parties.

(3) Any party may submit written comments on material submitted by other parties to be received by January 18, 1974, and must send copies thereof to all other parties.

(4) Each party will be given a specified time, normally not to exceed 30 minutes, to present his views orally at the hearing to be held before available members of the Board on January 24, 1974, at 10:00 a.m., in the Board Room of its building on 20th and Constitution Avenue, N.W., Washington, D. C.

(5) All parties will be given until February 22, 1974, to submit such additional material related to issues raised at the proceeding as they desire.

Interested persons need not participate in the oral presentation to have their views considered but may submit their views in writing to be received by the Secretary no later than February 22, 1974. Written comments, as they are received, will be made available for inspection and copying in Room 1020 of the Board's building.

Board of Governors of the Federal Reserve System,  
November 16, 1973.