

FEDERAL RESERVE BANK
OF NEW YORK

December 10, 1975

*To the Chief Executive Officer of Each State Member
Bank in the Second Federal Reserve District:*

By letter dated August 20, 1975, we called your attention to Public Law 94-50, known as the "Emergency Housing Act of 1975," and urged you to review the requirements and objectives of the Act, together with the long-term prospects for repayment by delinquent borrowers before instituting foreclosure action. The letter noted the statutory requirement for notification of the Federal supervisory agencies, the Secretary of Housing and Urban Development and the mortgagor of an intent to foreclose on a residential mortgage at least 30 days prior to the institution of foreclosure action and indicated that additional instructions with respect to such notification would be forthcoming.

At the time the letter was prepared, it was the intention of the various agencies to develop a common reporting format in order to avoid duplication of effort. We have since learned that the agencies intend to leave the content and format of the report to the discretion of the reporting financial institution. It will be sufficient, therefore, if you supply the Bank Regulations Department of this Bank and the Secretary of Housing and Urban Development with a copy of any foreclosure letter sent to the mortgagor pursuant to the above-stated requirement.

PAUL A. VOLCKER,
President.