

## FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARDNovember 12, 1925.  
St. 4720.SUBJECT: Bills and Securities of Finance  
and Credit Companies.

Dear Sir:

There is enclosed herewith a copy of a letter sent to all national bank examiners under date of November 10, 1925, by the Comptroller of the Currency, requesting them to set out in the next examination report of each national bank the amount of paper or securities held which was issued by or bears the endorsement of finance or credit companies which are described in the Comptroller's letter as "companies which finance the sale of automobiles, furniture, musical instruments, etcetera, sold on the installment plan, which buy receivables from business firms or otherwise act as intermediaries between commercial organizations and the banks in financing the sale and marketing of merchandise."

The Board is anxious to know the extent to which member banks hold paper and securities of the character mentioned, and it will therefore be appreciated if you will instruct your Examination Department to obtain similar information for each state bank and trust company member at the time of making the next examination or credit investigation of the bank. At the end of each month, beginning with November, will you kindly have the information bearing on such paper and securities abstracted, in accordance with the attached form, from the reports of examinations and credit investigations received during the month and forward the statement to the Board. The statement should cover national banks as well as state bank and trust company members. A separate statement should accompany your report listing those member banks which, according to the reports of examinations or credit investigations received during the month, did not hold any paper or securities of finance or credit companies.

By direction of the Federal Reserve Board.

Very truly yours,

Walter L. Eddy,  
Secretary.

Enclosure.

TO ALL FEDERAL RESERVE AGENTS



TREASURY DEPARTMENT

WASHINGTON

OFFICE OF  
COMPTROLLER OF THE CURRENCY  
ADDRESS REPLY TO  
"COMPTROLLER OF THE CURRENCY"

94.

November 10, 1925.

To All National Bank Examiners:

There have come into existence during the recent years a comparatively large number of finance or credit companies, i. e., companies which finance the sale of automobiles, furniture, musical instruments, etcetera, sold on the installment plan, which buy receivables from business firms or otherwise act as intermediaries between commercial organizations and the banks in financing the sale and marketing of merchandise, and it is believed that a considerable amount of paper or securities issued by such finance companies, or paper endorsed by them, has been acquired by national banks.

The Comptroller's office is desirous of obtaining some definite information as to the extent to which such paper is now held by the national banks, and accordingly you are instructed to obtain such information at the time of the next examination of the banks in your assignment and set out in the report on Page 3 under Item 1 the statement of the amount of paper or securities held by the national bank which was issued by or bears the endorsement of a finance or credit company of the kind described. Please state the names of the finance or credit companies, the total amount of such holdings, and whether their borrowings are on their direct obligations or through the rediscount of bills receivable.

In order that the information may be received at this office in a uniform style, the following form should be used:

| NAME            | AMOUNT   | DIRECT   | INDIRECT  |
|-----------------|----------|----------|-----------|
| Am. Finance Co. | \$75,000 | \$30,000 | \$45,000. |

Respectfully,

J. W. McIntosh,  
Comptroller of the Currency.

CONFIDENTIAL REPORT TO FEDERAL RESERVE BOARD

PAPER AND SECURITIES OF FINANCE AND CREDIT COMPANIES HELD BY MEMBER BANKS  
AS SHOWN BY REPORTS OF EXAMINATIONS AND CREDIT INVESTIGATIONS RECEIVED DURING THE MONTH OF \_\_\_\_\_  
Federal Reserve District \_\_\_\_\_

| Name and location of member bank | Date of examination | Total loans and investments | Name and location of finance or credit company | Paper and securities of finance or credit companies |                               |                               |
|----------------------------------|---------------------|-----------------------------|--|---|-------------------------------|-------------------------------|
|                                  |                     |                             |  | Total   | Direct obligations of company | Bills receivable rediscounted |

St. 4720a

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