

FEDERAL RESERVE BOARD

WASHINGTON

May 2, 1930
St. 6577.ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARDSUBJECT: Form 105, Condition Report
of State Bank Members

Dear Sir:

Instructions issued in August 1928 (form 105-a) covering the preparation of condition reports on form 105 by state bank and trust company members of the Federal Reserve System provide that real estate mortgage bonds and participation certificates should be reported against item 4, "Other bonds, stocks, and securities owned (Schedule G)." In reviewing this question further, it would seem that as real estate mortgages are required to be reported as loans in item 1 of the condition report, a participation in a mortgage should likewise be reported among loans.

At the time of printing the condition report forms for the use of member banks in submitting their spring call reports, we contemplated revising item 6 of Schedule E to read "Real estate loans, mortgages, deeds of trust, and other liens on real estate, except coupon and registered bonds." This change would require member banks to report all loans and other liens on real estate among loans, except real estate coupon and registered bonds which would be reported against item 1d of Schedule G. The change was deferred, however, until we could determine approximately to what extent it would affect the comparability of loan and investment figures heretofore reported.

It will be appreciated, therefore, if you will advise us of the various types of real estate financing followed in your district and give us a general idea, based on information shown in the examination reports or obtainable elsewhere, of the approximate amount of real estate liens which have been included in investments, subdividing the figures if practicable into participation certificates, coupon and registered bonds and other liens (to be specified and defined if necessary). If practicable we should like to have you indicate with respect to each such item whether it is classified or considered as a loan or as an investment by the state banking department. We shall also appreciate any comments that you may desire to make with regard to the proposed change.

Very truly yours,

E. L. Smead, Chief,
Division of Bank Operations.

TO ALL FEDERAL RESERVE AGENTS*