

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-7112

March 9, 1932.

SUBJECT: Procedure under Section 8 of Recon-
struction Finance Corporation Act.

Dear Sir:

There is enclosed herewith, for your information, a copy of the Federal Reserve Board's reply to a letter received from the Federal Reserve Agent at the Federal Reserve Bank of Atlanta, inquiring whether the Board has prescribed any regulations under Section 8 of the Reconstruction Finance Corporation Act, which authorizes the Board, under such conditions as it may prescribe, to furnish to the Reconstruction Finance Corporation confidential information regarding the condition of state member banks.

Very truly yours,

Chester Morrill,
Secretary.

Enclosure.

TO ALL FEDERAL RESERVE AGENTS.

COPY

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March 5, 1932

Mr. Oscar Newton,
Federal Reserve Agent,
Federal Reserve Bank of Atlanta,
Atlanta, Georgia.

Dear Mr. Newton:

As you indicate in your letter of February 25, section 8 of the Reconstruction Finance Corporation Act authorizes among others the Federal Reserve Board, under such conditions as it may prescribe, to make available to the corporation, in confidence, such reports, records and other information as it may have available relating to the condition of financial institutions and others with respect to which the corporation has had or contemplates having transactions under the Act or relating to individuals, associations, partnerships or corporations whose obligations are offered to or held by the corporation as security for loans. The Federal Reserve Board has not prescribed any regulations for the reason that it is felt that the conditions under which information might be disclosed to the corporation would develop only through practical experience. It has been assumed, for example, that, in the case of information under your control, the safeguards under which

Mr. Oscar Newton - (2)

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it might properly be disclosed to the corporation would be worked out from time to time through informal understandings with the local managers of the loan agencies of the corporation in such a manner as to be helpful to the corporation, and at the same time protect the confidential character of the information.

Very truly yours,

(Signed) Chester Morrill,
Secretary.