

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-9406

December 27, 1935.

SUBJECT: Exemption of Mortgages Covered by Insurance under National Housing Act from Provisions of Condition of Membership Numbered 12 Set out in Board's Letter of March 11, 1933, (X-7356).

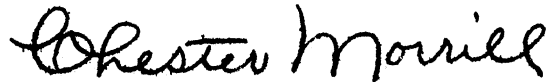
Dear Sir:

The Board recently, upon the request of a State member bank, excepted from the prohibitions of condition of membership numbered 12, set out in the Board's letter of March 11, 1933, (X-7356), mortgages covered by insurance under the provisions of the National Housing Act. At the same time the Board granted similar exceptions to all State member banks subject to such condition of membership. In this connection, your attention is invited to footnote 11 of the Board's Regulation H, revised effective January 1, 1936, in which it is provided, in the case of State banks admitted to membership after the effective date of the regulation, that condition of membership numbered 3 (subsection (a) of section 6) does not apply to the sale of mortgages covered by insurance under the provisions of the National Housing Act.

Accordingly, you are requested to advise all State member banks in your district which are subject to condition of membership

numbered 12, or any condition to the same general effect, that such condition does not apply to the sale of mortgages covered by insurance under the provisions of the National Housing Act.

Very truly yours,

A handwritten signature in cursive script that reads "Chester Morrill".

Chester Morrill,
Secretary.

TO ALL FEDERAL RESERVE AGENTS