

INTERPRETATION OF LAW OR REGULATION

(Copies to be sent to all Federal Reserve Banks)

September 4, 1941

TELEGRAM

Federal Reserve Bank of

Boston

New York

Philadelphia

Cleveland

Richmond

Atlanta

Chicago

St. Louis

Minneapolis

Kansas City

Dallas

San Francisco

An inquiry which may be stated as follows has been received under Regulation W:

"May first mortgage under section 6(a) be considered 'first lien' even though a prior lien for current taxes not due and payable exists under State law?"

The Board is of the opinion that in such a case the first mortgage is a "first lien" under section 6(a).

(Signed) Chester Morrill

Morrill