

S. 308  
Reg. W-27

INTERPRETATION OF LAW OR REGULATION

(Copies to be sent to all Federal Reserve Banks)

September 5, 1941

TELEGRAM

Federal Reserve Bank of

Boston

New York

Philadelphia

Cleveland

Richmond

Atlanta

Chicago

St. Louis

Minneapolis

Kansas City

Dallas

San Francisco

Extension of credit "secured by a bona fide first lien on improved real estate duly recorded" is exempted by section 6(a) of Regulation W even though the purpose of the credit is to purchase a listed article. For example, if the credit is secured by such a first lien it is exempt even though part of the credit is for the purpose of purchasing a furnace to be installed in the mortgaged property and even though the lien does not extend to the furnace. Conversely, if a portion of the credit involved in the transaction is not secured by the lien, the exemption does not apply to that portion of the credit.

(Signed) Chester Morrill

Morrill