

S-309
Reg. W-28

INTERPRETATION OF LAW OR REGULATION

(Copies to be sent to all Federal Reserve Banks)

September 5, 1941

TELEGRAM

Federal Reserve Bank of

Boston	Richmond	Minneapolis
New York	Atlanta	Kansas City
Philadelphia	Chicago	Dallas
Cleveland	St. Louis	San Francisco

Although W-19 dealt generally with renewals and revisions made during September and October, questions have been received regarding renewals or revisions made on or after November 1, of credits which were originally extended before September 1.

The controlling principle in such cases is that credit originally extended before September 1 may be renewed or revised once at any time on or after September 1 without the statement of necessity referred to in section 8(a) and on any terms which the Registrant would have granted in good faith in the absence of the regulation. This is the case whether such first renewal or revision of a pre-September credit occurs before November 1 (as discussed in W-19) or after November 1. When a pre-September credit has been once renewed or revised on or after September 1, whether such renewal or revision occurs before or after November 1, any subsequent renewal or revision is subject to the same requirements which would apply if the credit being renewed or revised had originally been extended on or after September 1. As indicated in W-19, the consolidation of a pre-September credit with a new credit has the same effect, for the purposes of this question, as a renewal or revision of the pre-September credit.

(Signed) Chester Morrill

Morrill