

INTERPRETATION OF LAW OR REGULATION

(Copies to be sent to all Federal Reserve Banks)

TELEGRAM

September 11, 1941

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

"Section 8(d) refers to statements of necessity as provided in paragraphs (a), (b) and (c) of section 8. However, paragraph (c) does not contain the words 'statement of necessity'. Is the 'written statement' described in section 8(c) to be regarded as a 'statement of necessity'? If the answer is in the affirmative, would it be desirable as a practical precaution for any bank or other lender extending instalment loan credit to take, in every case, the written statement referred to in section 8(c)?"

The written statement referred to in the last sentence of section 8(c) is not a "statement of necessity" of the kind referred to in section 8(d). Section 8(c) refers to statements of necessity only to the extent that it incorporates by reference certain requirements of "section 8(a) or 8(b), including the provisions thereof". With respect to last part of inquiry, see W-35.

Morrill