

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

R-957

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 4, 1942



Dear Sir:

Because of the Board's responsibility in connection with the regulation of consumer credit, it has been decided to request the principal commercial bank lenders in this field to report monthly statistics as to their operations. Some 200 banks are now reporting such figures to the Consumer Credit Department of the American Bankers Association, but it is preferable that the Reserve System obtain data directly from the banks. We have discussed the matter of Reserve System collection of such statistics with Mr. Walter B. French of the American Bankers Association and he recognizes our need for such data. This letter is to inform you of plans for the collection of these data and to obtain your views before making final arrangements.

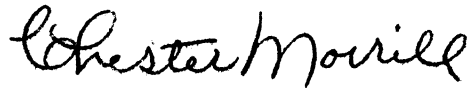
For the present, the plan is to use a form of report which has the same items as the condition report supplement used in December 1941, but to request data on volume for the month as well as amounts outstanding at the end of the month. Except for the addition of non-insured modernization loans, this is the same as the present ABA report form.

It is suggested that you compile from condition report supplements of the member banks and the registration statements of nonmember banks a list of important lenders in this field. Presumably the sample of current reporting banks should cover more than half of the total consumer installment loans of all banks in your district. A larger proportion is desirable if obtainable from a relatively small number of banks. We expect to obtain from Mr. French at some later date a list of banks now reporting to him and shall send you the list for your district.

Mr. French would like to continue to receive copies of the current schedules on individual banks, as they are needed in the work that he is doing. He will write to his reporting banks explaining that the Reserve System plans to collect and publish these data in the future, but requesting each bank to submit duplicate schedules—one to be retained by the Reserve Bank and the other to be forwarded by the Reserve

Bank to the American Bankers Association. Under this arrangement it will be necessary for the Reserve Banks to send out copies of the report schedule each month in triplicate, at least to the banks on the ABA list, so that each such bank will be able to prepare a report for the ABA as well as for the Reserve Bank and also to retain a copy for its own files. This arrangement will relieve reporting banks of the burden of mailing reports to two different addresses.

Very truly yours,



Chester Morrill,
Secretary.

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS