

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

S-463

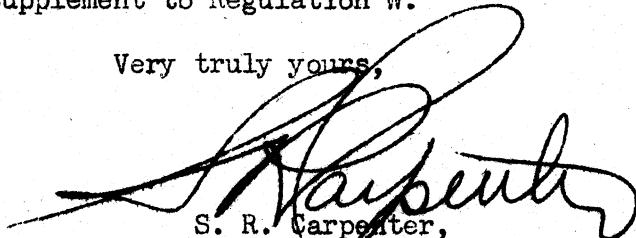
ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

April 23, 1942

Dear Sir:

Enclosed for your information and files is a copy of a letter addressed to a Federal Reserve Bank regarding the question whether certain items were included in Group E of the Supplement to Regulation W.

Very truly yours,



S. R. Carpenter,  
Assistant Secretary.

Enclosure

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

FOR VICTORY



BUY  
UNITED  
STATES  
DEFENSE  
BONDS  
STAMPS

S-463-a

April 23, 1942

Mr. \_\_\_\_\_, Vice President and Secretary,  
Federal Reserve Bank of \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_.

Dear Mr. \_\_\_\_\_:

Receipt is acknowledged of your letter of April 9, 1942, enclosing two questions and the opinions of your Counsel regarding them.

The first question is whether Group E of the Supplement to Regulation W includes materials and services used to alter a room in the basement of a residence for use as (1) a photographic dark room; (2) a work shop; (3) a garage for the owner's car; (4) a laundry room, or (5) a general storeroom for screens, etc.

Your Counsel points out that although the first three uses, if viewed out of their setting, are not necessarily residential in character, they are all conventional uses of residential basements. He feels that if a doctor remodels a room in his home to use as an office, the altered room would be designed "exclusively for nonresidential use", but he concludes that none of the five examples given above are examples of "nonresidential" improvements or alterations. The Board agrees.

The second question relates to the business of landscaping, including the construction of driveways, sodding, treatment of lawns, construction of rock gardens, planting of trees, and similar jobs.

On the analogy of W-122 your Counsel concludes that materials and services used in these jobs would be included in Group E, assuming that there is an existing structure on the property which is not designed exclusively for nonresidential use, and the Board agrees.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,  
Assistant Secretary.