

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON



S-508

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 12, 1942

Dear Sir:

In the Board's letter of May 6, 1942 (S-470) there was quoted an excerpt from a memorandum received from the War Department stating that "where loans guaranteed under Regulation V are to be secured by assignment of contracts the funds may be released in so far as the War Department is concerned immediately upon execution of the assignment by the contractor even though that assignment is not perfected by proper filing until later."

Recently one of the Federal Reserve Banks raised the question whether the principles of this letter are also applicable to Navy Department contracts. In response to an inquiry made by us, we have now received a memorandum on this subject from Mr. S. A. Mitchell, Chief, Finance Section, Navy Department, which contains the following statement:

"The Navy Department agrees entirely with the attitude taken by the War Department as quoted in Mr. Bethea's letter of May 6, 1942, on the above subject."

Very truly yours,

A handwritten signature in dark ink, appearing to read "L. P. Bethea", is written over a horizontal line.

L. P. Bethea,
Assistant Secretary.



TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS