

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

S-520

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 30, 1942



Dear Sir:

At a recent meeting between representatives of the War Department, the Navy Department, the Maritime Commission, and the Board of Governors, consideration was given to the type and scope of reports which should be submitted pursuant to Section 4 of instructions of the War Department and Section 3 of instructions of the Navy Department and the Maritime Commission, issued pursuant to Executive Order No. 9112, in addition to those required on regular report forms or at the time of the making or guaranteeing of loans.

Pursuant to the agreements arrived at at the meeting, it will be appreciated if you will furnish us for transmission to the War Department, the Navy Department, or the Maritime Commission, as the case may be, telegraphic notification of:

1. Any demand for purchase under Section 1 of Guarantee Agreement. Loan may be identified by giving name of borrower and number assigned on Form F. R. 577.
2. Any request under Section 4 of Guarantee Agreement. You will be advised promptly as to whether consent will be given by the guarantor pursuant to such a request.
3. Request for adjustment under Section 5 or 6 of Guarantee Agreement. Each computation made pursuant to such a request should be furnished promptly by mail (air mail, if necessary) so that the proper agency may check the computation to the extent deemed necessary. Such computation should in the case of prime contracts give the number of the contract and the service that executed the contract. In the case of subcontracts, to the extent possible the pertinent prime contract involved should be identified as well as the service making it.

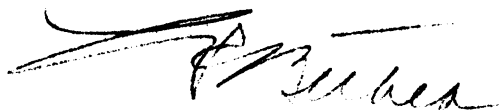


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It will also be appreciated if you will furnish prompt written notification of:

1. Any material default in the payment of principal or interest on any loan made or guaranteed on behalf of the War Department, the Navy Department, or the Maritime Commission. Such notice to include the proposed method of handling by the Reserve Bank. A monthly report should be submitted giving the status of each loan in material default at the end of the report month.
2. Any material unfavorable change of which you have received advice pursuant to the requirements of Section 8 of the Guarantee Agreement.
3. Any change in the holder of the borrower's obligation.

Very truly yours,



L. P. Bethea,  
Assistant Secretary.

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS