

**BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON**

S-526

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



July 3, 1942

Dear Sir:

Reference is made to the Board's letters of April 17, 1942 (R-975) and May 2, 1942 (R-981). There are enclosed copies of Forms F. R. 577, 577a, and 579, which have been revised in the light of suggestions developed at recent conferences held between members of the Board's staff and representatives of the War and Navy Departments and the Maritime Commission. A supply of each form is being forwarded under separate cover.

Forms F. R. 577 (Maritime Commission) and F. R. 577a (Army and Navy Departments)

1. Guarantee numbers on Form F. R. 577 or 577a reports should be the same as those assigned to the corresponding guarantees. Your Bank should assign the guarantee numbers to guarantees executed on behalf of the War Department and the Maritime Commission. The Navy Department will assign guarantee numbers when issuing authorizations for guarantees. If numbers heretofore used on Form F. R. 577 reports do not conform to the above-described procedure, please submit to the Board in duplicate a separate list for each agency showing the name of borrower, serial number on Form F. R. 577 as submitted, and the number assigned to the corresponding guarantee. The numbers of the guarantees will then be inserted by us on the corresponding reports on Form F. R. 577.

2. A report on Form F. R. 577 or 577a should be submitted for each loan made by your Bank under Section 13b of the Federal Reserve Act that is guaranteed by the War Department, Navy Department, or the Maritime Commission. Only one report need be made for each guarantee even though the loan is not to be advanced in full at one time.

3. Branch of service chiefly concerned. This item need be filled in only on reports of loans guaranteed by the War Department and should show the branch of the service, such as



Ordnance, Chemical Warfare, etc. for which, either as contractor or subcontractor, the contractor has the greatest dollar volume of contracts. If the Bank has difficulty in obtaining such information, it will be obtained for the Bank by the liaison officer.

4. Amount of loan. The amount of the loan should be reported as the maximum amount of credit that under the guarantee agreement may be outstanding at any one time.

5. Final maturity of loan. In case the final maturity of the loan is indefinite because repayments thereof are to be made out of payments to the borrower on the contract, a statement to that effect should be substituted for final maturity date.

6. Commitment fee, if any. This item on reports of loans guaranteed by the War Department or Navy Department (Form 577a) should show what commitment fee, if any, is charged the borrower by the financing institution.

Form F. R. 579

1. Separate reports should be submitted for War Department, Navy Department, and Maritime Commission guarantees and should include loans outstanding at the end of the preceding month (column 6) even though no amount is outstanding at the end of the report month (column 7).

2. Column 4. The amount in column 4 should be the amount of credit in use by borrower on date of report plus any additional amount then available to borrower under the guarantee agreement.

3. Columns 5 and 8. The amounts to be entered in columns 5 and 8 should be derived by multiplying the amounts in columns 4 and 7 by the guarantee percentage (column 3) stated in the guarantee agreement or by such percentage as modified by action taken under Section 5 thereof.

Very truly yours,



L. P. Bethea,
Assistant Secretary.

Enclosures 3

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS