

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

S-573

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

October 22, 1942.



Dear Sir:

For your information there is enclosed copy of a letter written in response to an inquiry from a Federal Reserve Bank with respect to the treatment in earnings and expense reports of Federal Reserve Banks of guarantee fees paid on loans guaranteed pursuant to Executive Order 9112.

Very truly yours,

L. P. Bethea,
Assistant Secretary.

Enclosure

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS.



S-573-a

October 20, 1942

Mr. _____,
First Vice President,
Federal Reserve Bank of _____,
_____.

Dear Mr. _____:

This is in further reference to your letter of August 18, 1942, inquiring as to whether guarantee fees paid by Federal Reserve Banks on advances made by them under Section 13b of the Federal Reserve Act and guaranteed by the War Department, Navy Department, or Maritime Commission should be included with expenses or deducted from gross earnings.

After further reviewing this matter, it seems to us on the whole that such fees should be deducted from gross earnings and it will be appreciated if you will have them so deducted in reports submitted to the Board by your Bank.

Very truly yours,

(Signed) E. L. Smead

E. L. Smead, Chief,
Division of Bank Operations.