BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

S-598

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1942

Dear Sir:

It is understood that several Federal Reserve Banks have received inquiries regarding the application of Regulation W to advances made by general agents of insurance companies to their sub-agents for living expenses and the like. The inquiries have not been submitted to the Board and therefore the Board does not know all the facts upon which they are based. However, in the usual case it would seem that the answer to such questions would depend upon whether or not the general agent was "engaged in the business" of making loans within the meaning of section 3(a). If the loans are merely sporadic, isolated transactions, the agent would not be so engaged and the Regulation would not be applicable.

Very truly yours,

L. P. Bethea,
Assistant Secretary.

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

FOR VICTORY
BUY
UNITED
STATES
WAR
BONDS
AND
STAMPS

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