United States Senate
Minority Leader

..., 1961

... ... ...

Dear ...:

The highly controversial question of repealing that provision of law which permits thrift and mutual savings institutions to take a 12% reserve against possible depreciation on real property on which such institutions carry mortgages has been bruited about for a good many years and yet the Congress has come to no resolution on this issue. Bills have been introduced particularly in the House to effectuate an equalization of this reserve as between banks and thrift institutions and as I pointed out in earlier letters, one difficulty is that the state auditors or comparable officials have consistently insisted that this reserve be kept at 12% against any possible contingency, such as a sharp depreciation in realty values.

I had hoped that an equitable compromise could be developed but thus far nothing seems to have captivated the interest of the Ways and Means Committee of the House, where this measure must start, to the point where that committee would take action, and my best information is that the committee will not take action during the present session. I sincerely hope that this vexing problem can be worked out to the satisfaction of both sides to the controversy, and I shall give it very careful attention.

Sincerely,

Everett McKinley Dirksen