



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

August 17, 1988

ALAN GREENSPAN  
CHAIRMAN

The Honorable William Proxmire  
Chairman  
Committee on Banking, Housing,  
and Urban Affairs  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

On behalf of the Board, I want to thank you for your letter of August 11 regarding the Board's proposed regulations to implement the provisions of the Competitive Equality Banking Act of 1987 ("CEBA") and, in particular, your discussion of the Congressional intent underlying the nonbank bank grandfather provisions and the Board's role in implementing them.

*no bar*  
The Board has received substantial written comments on the proposed rules and, in addition, held a hearing on the rules on July 29, 1988, to provide a further opportunity for interested parties to present their views. The Board appreciates receiving your comments regarding the proposed rules. They have been included in the record of those proceedings and will be considered by the Board during its deliberations on the final rule.

I will be pleased to let you know the results of the Board's deliberations.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Greenspan", written in a cursive style.