

July 3, 1974

Mr. Donald L. Thomas, President
Anchor Savings Bank
5323 Fifth Avenue
Brooklyn, New York 11220

Dear Mr. Thomas:

Thank you for your telegram. The Federal Reserve Board has concluded that although the proposed Citicorp offering is not in the public interest at this time, that there is no legal basis to prevent the offering or to regulate its terms. There is great concern here that the issue of Citicorp notes will further deteriorate the already difficult home mortgage situation by drawing funds from thrift institutions already experiencing sharp falloffs in deposits because of competing investment opportunities.

Sincerely,

The Speaker

CA/Ldc