

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Mr. Morris D. Crawford, Jr.
Chairman of the Board
The Bowery Savings Bank
110 East 42nd Street
New York, New York 10017

Dear Mr. Crawford:

Chairman Garrett has asked me to reply to your letter of June 13, 1975, addressed to Chairman Burns and to him, with respect to First Mortgage Investors.

We are not in a position to furnish to you the specific assurances you request. While we are concerned with the protection of investors, both public and private, our authority under the statutes administered by the Commission does not extend to all aspects of corporate activity. Briefly, our responsibility under the Securities Exchange Act of 1934 is to secure prompt and adequate disclosure of developments in the affairs of issuers required to file reports with us so that investors may make informed judgments with respect to the securities of such issuers.

I enclose a copy of a current report on Form 8-K filed by First Mortgage Investors on May 30, 1975. The report sets forth information with respect to the financial difficulties of the company and certain proposals for dealing with the difficulties. You will note that the proposals are conditioned upon securing approval of shareholders as well as other steps.

The company's annual report on Form 10-K for the fiscal year ended January 31, 1975 has not yet been filed although the company had anticipated, as indicated by its press release of May 23, 1975, included in the current report, that the company's financial statements would be available for distribution shortly. We are considering this matter.

Thank you for your interest in our functions and responsibilities. Please write again if you have further questions in regard to this matter.

Sincerely,

Enclosure

Richard H. Rowe
Associate Director

cc:

Honorable Arthur F. Burns, Chairman
Board of Governors, Federal Reserve System