

FARMERS STATE BANK

POST OFFICE BOX S
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March 21, 1975

MAR 25 1975

VIRGIL E. SMITH
President

The Honorable Carl Albert, Speaker
United States House of Representatives
Washington, D. C.

Dear Mr. Albert:

In the March 19 issue of the Daily Oklahoman, there was an article, which a copy I am enclosing, whereby President Ford had sent to Congress a financial reform package. If passed, the legislation would eliminate all ceilings on savings accounts, which is very bad, and also which is still worse, for banks to pay interest on checking accounts.

I am quite sure you are close enough to many bankers in this state, that you realize what this could do to the medium and small banks nationwide.

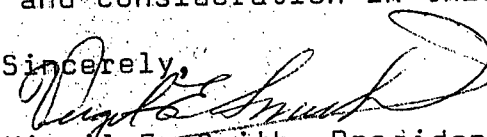
President Ford and his advisors talk about the cost of interest being high to the consumers, they haven't seen anything if this bill is passed.

It is also mentioned in the proposed package, that the legislation would permit savings and loan associations and mutual savings banks to offer checking account services, while banks would have more authority to make home loans. It is my opinion, that banks do not need more authority to make home loans. If they wish to go 20-30 years on home loans, they could do so. But most bankers would not obligate his bank on a very large percentage of this type of loan, because of the liquidity of his loan portfolio. As to allowing savings and loan associations and mutual savings banks to offer checking account services, this is well and good if they are put on the same tax basis as the commercial banks are.

Mr. Albert, I know that there are many other bankers who have the same opinion as I do about this proposed legislation. We are asking your help to kill this ungodly piece of proposed legislation.

Thank you for your time and consideration in this matter.

Sincerely,


Virgil E. Smith, President

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Enc.