

**MEMO# 3425**

January 14, 1992

## **CONGRESSIONAL LETTER TO FED ON SECTION 20 ORDERS**

January 14, 1992 TO: BOARD OF GOVERNORS NO. 4-92 RE: CONGRESSIONAL LETTER TO  
FED ON SECTION 20 ORDERS \_\_\_\_\_

Attached is a letter sent by the Chairmen of the House Energy and Commerce Committee and the Subcommittee on Telecommunications and Finance to the Chairman of the Federal Reserve Board requesting information on bank holding company applications to engage in securities activities pending before the Board. It should be noted that to date the Board has not authorized bank holding companies to sponsor or underwrite mutual funds. The letter states that although Congress did not pass restructuring legislation last year and may not this year, "initiatives designed to by-pass Congress . . . should not be rewarded by further deregulation." The letter contains seven specific questions on pending applications, including whether there are any applications pending concerning mutual fund or collective investment fund-type activities and, if so, what is the likely outcome of such applications. We will keep you advised of developments in this area. Craig S. Tyle Deputy General Counsel Attachment