

March 18, 1954

Home Loan Bank Board
101 Indiana Avenue N. W.
Washington 25, D. C.

Gentlemen:

We have a statement covering an examination of this association by one of your examiners. The examination period started on February 23, and the statement calls for \$410.00.

This matter was presented to our board at its regular monthly meeting. We are of the opinion that the charge is excessive, and I am directed to make inquiry as to the basis for \$40.00 per diem. One of our local banks with assets in excess of \$9,000,000.00 was examined during the past ten days and we are reliably informed that the charge for an institution of that size was \$387.00. We will greatly appreciate an explanation. Many thanks.

Very truly yours,

MONMOUTH HOMESTEAD AND LOAN ASSN.

W. F. Whiteman, Secretary

WFW:jds



HOME LOAN BANK BOARD

HOUSING AND HOME FINANCE AGENCY

WASHINGTON 25, D. C.

101 INDIANA AVENUE, N. W.

FEDERAL HOME LOAN BANK SYSTEM
FEDERAL SAVINGS AND LOAN
INSURANCE CORPORATION
FEDERAL SAVINGS AND LOAN SYSTEM

EXAMINING
DIVISION

March 24, 1954

W. F. Whiteman, Secretary
Monmouth Homestead and Loan Association
Monmouth, Illinois

Dear Mr. Whiteman:


Your letter of March 18, 1954 with reference to the amount of the examination bill was referred to this office for reply.

The first examination after insurance of accounts always, or nearly always, requires more time than does the regular periodic supervisory examination. The rate of \$40 a day is arrived at by a computation of the expenses of operating the Examining Division, including salaries, travel, supplies, administrative expenses, clerical and stenographic services, and the payment of \$9 a day to the examiners for hotel and meals while away from their official stations. The rate is fixed at approximately the amount required. We believe that the per diem system of charging for examinations, rather than a system of charging on the basis of assets, is fair and equitable, because we frequently find that it takes much longer to examine an association of a certain size than it does to examine another association of approximately the same size in the same city and it is only fair to give recognition to better accounting methods, internal control and operations.

We do not believe that there is any true basis of comparison between the cost of examining a commercial bank and the cost of examining a savings and loan association. National banks are examined twice a year and, therefore, on an annual basis you have to multiply the bill by two to get the comparison. The type of business is considerably different. With long term credits it is necessary for a savings and loan association examination to include some phases which are usually thought of as more of an audit than classification of assets, and in the larger commercial banks the principal function of the examiner is to classify assets.

The time required for your examination was 9 days for 1 field examiner, plus 1 day and 2 hours of office work in reviewing and analyzing the report before it was completed and typed.

Very truly yours


Verne C. Bonesteel
Chief Examiner

Total cost
Nat Bank in 1957
was \$700.⁵⁰

April 22, 1954

Comptroller
Home Loan Bank Board
101 Indiana Avenue N. W.
Washington 25, D. C.

Gentlemen:

The enclosed check covers your statement dated March 10, 1954
pertaining to an examination made by one of your men.

This remittance is made to you under protest since we in no
way can justify the sum which you have charged. We appear to
be helpless in the matter, however.

Very truly yours,

NONMOUTH HOMESTEAD AND LOAN ASSN.

W. F. Whiteman, Secretary

WFW:jds

Enclosure



HOME LOAN BANK BOARD

HOUSING AND HOME FINANCE AGENCY

WASHINGTON 25, D. C.

101 INDIANA AVENUE, N. W.

FEDERAL HOME LOAN BANK SYSTEM
FEDERAL SAVINGS AND LOAN
INSURANCE CORPORATION
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EXAMINING
DIVISION

April 28, 1954


W. F. Whiteman, Secretary
Monmouth Homestead and Loan Association
Monmouth, Illinois

Dear Mr. Whiteman:

Your letter of April 22, 1954, regarding the bill for the joint supervisory examination has been referred to this office for reply.

This was the first examination after insurance of accounts. Such an examination usually requires more time than the periodic supervisory examination. It is always necessary for the Federal Examiners to participate in this first examination since it entails certain information needed by the Insurance Corporation as to compliance with conditions established for insurance of accounts. In view of this fact and the further fact that the time required was approximately the same as the average, we believe you will understand that from our experience in such examinations and also from the standpoint of the size of your institution, the time required does not appear to be unreasonable. The field time was nine man-days, and the necessary office review and analysis required the time of one examiner for slightly more than one day.

Very truly yours,


Verne C. Bonesteel
Chief Examiner

June 17, 1955

Comptroller,
Home Loan Bank Board
101 Indiana Avenue, N. W.
Washington 25, D. C.

Gentlemen:

We are in receipt of a statement in the sum of \$450.00 covering an examination by one of your representatives extending up to May 31, 1955. This statement provides for a \$40.00 a day fee for the one representative working in our office. Frankly, gentlemen, we are investigating ways and means of refusing to pay this charge. Most certainly we feel that it is exorbitant and uncalled for. We did not build this association up by any such extravagance.

It will also be appreciated if you will try to route your men so that they will not find it necessary to appear for their audit during the last two weeks of our fiscal year. It so happens that May 31 marks dividend date for this association and your man was here up and including the last day. No doubt you can appreciate that our staff is usually worked to capacity that season of the year. Our own auditors appeared after the close of the year and have been with us until today. In other words, we have had auditors with us for almost a solid month.

Yours very truly,

MONMOUTH HOMESTEAD AND LOAN ASS'N.

W. F. Whiteman, Secretary

WFW:hvt

CC: Auditor of Public Accounts
Harry Goodsett, Exe. Secretary,
Illinois Savings & Loan League

August 16, 1955

Home Loan Bank Board
101 Indiana Avenue
Washington 25, D. C.

Attention: Comptroller

Gentlemen:

Herewith enclosed is our check payable to your order in the sum of \$450.00. This item covers your statement of June 8, 1955 pertaining to examination of this association by one of your representatives.

We are sorry indeed to find it necessary to report that this account is paid with extreme reluctance and under protest. The statement from the Auditor of Public Accounts covering exactly the same period and also for one individual calls for \$233.55. Our opinion is that there should be no such variation.

Yours very truly,

MORMOUTH HOMESTEAD AND LOAN ASSOCIATION

W. F. Whiteman, Secretary

WFW:hvt

Enclosure