

Exhibit F

December 17, 1984

Memorandum

To: Senator Glenn
 From: Dan
 Subject: Lincoln Savings & Loan Association Appointment

1. Lincoln is a California institution which has considerable direct investment permitted under that State's laws. It would be impacted by the ~~Home Loan Bank Board's~~ proposed rule limiting such investment by insured S&L's. Ohio recently voted to permit its state-chartered S&L's similarly broad powers.
2. Lincoln and others- including 11 state legislatures- believe direct investments in real estate, equity securities and service corporations to be a reasonable, even necessary, means of permitting the savings and loans industry to correct the asset-liability mis-match recent economic conditions have forced on it.
3. The Bank Board, just last week, voted to approve its rule with some change. As now proposed (it is open for comment for 30 days), the rule would permit such investments to proceed if not disapproved by the board after 10 days notice. That is a presumption in favor, perhaps, but would leave funds in limbo for a month with no assurance of approval. Lincoln and others are not satisfied.
4. Their purpose is to put a stop to the present rule-making. Toward this end, they probably seek support for a strong letter seeking a halt pending hearings, etc. in the Banking Committee.
5. State S&L regulators met in Washington last week, but Ohio's superintendent, Larry Euddleston, has not been in touch. From previous conversations, however, it is clear he supports the broader powers the Ohio legislature has approved.
6. Alan Greenspan has done a study in Lincoln's behalf, concluding that the proposed rule is unwarranted and possibly harmful.
7. In my view, they need a point man from The Banking Committee. Since Ohio is one of the affected states, however, I see no problem in supporting them in seeking a delay pending Congressional consideration of the issues.

Special Counsel
 Exhibit G-6

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 Jones concern?
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