

January 4, 1988

The Honorable Edwin J. Gray
Chairman
Federal Home Loan Bank Board
Washington, D.C. 20552

Dear Mr. Chairman:

I am writing to reiterate the remarks contained in my letter of August 8, 1984 regarding the Board's proposed rule in the area of FSLIC-insured state-chartered savings and loans associations ability to make direct investments.

I remain convinced that the rule under consideration by the Board is unsound and unwise. Before anything as far-reaching as this is taken, I believe the most prudent course would be full hearings by Congress into the ramifications of this rule. I have yet to see any evidence which would change my previous evaluation, including any evidence which the Board may have relied on, as I requested in my earlier correspondence.

In addition, I would request that the Board extend the 30-day comment period for the rule. I believe fairness would require a comment period which does not occur over the holiday season with Congress out of session.

Thank you for your consideration of these views.

With best regards,

Sincerely,

John McCain
Member of Congress

JH/jt

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