

EE

01687955

FIOD

THE PRESIDENT HAS SEEN

3/15/89

THE WHITE HOUSE
WASHINGTON

1989 MAR 17 12:10 PM

March 15, 1989

W
//

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD BREEDEN *RCB*

SUBJECT: S&L DEPOSIT OUTFLOWS

The Federal Home Loan Bank Board has announced net deposit withdrawals from S&Ls in January of \$10.7 billion. Since November there has been a very high rate of withdrawals:

November	\$ 7.1 billion
December	8.3 billion
January	<u>10.7 billion</u>
	\$26.1 billion

This three-month total exceeds the largest net withdrawal for any single previous year, which was \$25.4 billion in 1981.

Withdrawals for February will also be quite high, although hopefully somewhat lower than January.

This demonstrates the importance of speedy action on your S&L legislation. It also shows the importance of restoring public confidence.

Bush Presidential Library Photocopy