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THE WHITE HOUSE

WASHINGTON

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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.

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