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Rebozo and Insurance--

A Denial

SFChronicle
New Orleans

The chairman of the Federal Home Loan Bank Board denied yesterday that there was any impropriety in the approval of federal insurance for a savings and loan association with close ties to C. G. (Bebe) Rebozo, a personal friend of President Nixon.

In a letter to Representative Wright Patman (Dem-Tex.), chairman of the House Banking and currency Committee, Thomas R. Bomar declared: "Our approval of this application was based entirely on our judgment on its merits. Any implication of possible impropriety raised by . . . news stories are without foundation and untrue."

Federal insurance for the Key Biscayne (Fla.) Savings and Loan Association originally was denied last May 6, but was approved on reconsideration July 18 — soon after Mr. Nixon appointed Bomar to head the federal agency.

Bomar said the belated approval was based on new information presented on behalf of the fledging savings and loan institution, specifically new population and projected growth figures.

Bomar, here for the annual convention of the National League of Insured Savings Associations, released his ten-page letter to Patman at a news conference.

Associated Press