

SECTION 12B OF THE FEDERAL RESERVE ACT AND CERTAIN OTHER
FEDERAL STATUTES, INDICATING CHANGES PROPOSED BY DECEMBER
14, 1934 DRAFT OF "PERMANENT FEDERAL DEPOSIT INSURANCE ACT".

Sec. 12B. ~~(a) There is hereby created a Federal Deposit Insurance Corporation (hereinafter referred to as the "Corporation"), whose duty it shall be to purchase, hold, and liquidate, as hereinafter provided, the assets of national banks which have been closed by action of the Comptroller of the Currency, or by vote of their directors, and the assets of State member banks which have been closed by action of the appropriate State authorities, or by vote of their directors, and to insure, as hereinafter provided, the deposits of all banks which are entitled to the benefits of insurance under this section.~~

(a) THERE IS HEREBY CREATED A FEDERAL DEPOSIT INSURANCE CORPORATION (HEREINAFTER REFERRED TO AS THE "CORPORATION"), WHOSE DUTY SHALL BE TO INSURE, AS HEREINAFTER PROVIDED, THE DEPOSITS OF ALL BANKS WHICH ARE ENTITLED TO THE BENEFITS OF INSURANCE UNDER THIS SECTION, AND WHICH SHALL HAVE THE RIGHT TO EXERCISE ALL POWERS HEREINAFTER GRANTED.

(b) The management of the Corporation shall be vested in a board of directors (HEREINAFTER REFERRED TO AS THE "BOARD") consisting of three members, one of whom shall be the Comptroller of the Currency, and two of whom shall be citizens of the United States to be appointed by the President, by and with the advice and consent of the Senate. ~~One of the appointive members shall be the chairman of the board of directors of the Corporation and~~ not more than two of the members of such board of directors shall be members of the same political party. Each such appointive member shall hold office for a term of six years and shall receive compensation at the rate of \$10,000 per annum, payable monthly out of the funds of the Corporation, but the Comptroller of the Currency shall not receive additional compensation for his services as such member.

(c) ~~There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$150,000,000, which shall be available for payment by the Secretary of the Treasury for capital stock of the Corporation in an equal amount, which shall be subscribed for by him on behalf of the United States. Payments upon such subscription shall be subject to call in whole or in part by the board of directors of the Corporation. Such stock shall be in addition to the amount of capital stock required to be subscribed for by Federal reserve banks and member and nonmember banks as hereinafter provided, and the United States shall be entitled to the payment of dividends on such stock to the same extent as member and nonmember banks are entitled to such payment on the class A stock of the Corporation held by them. Receipts for payments by the United States for or on account of such stock shall be issued by the Corporation to the Secretary of the Treasury and shall be evidence of the stock ownership of the United States.~~

(c) AS USED IN THIS SECTION:

(1) THE TERM "NATIONAL BANK" MEANS ANY NATIONAL BANKING ASSOCIATION LOCATED IN ANY OF THE STATES OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA, AND ANY NATIONAL BANKING ASSOCIATION LOCATED IN THE TERRITORY OF HAWAII OR ALASKA WHICH IS A MEMBER OF THE FEDERAL RESERVE SYSTEM.

(2) THE TERM "STATE BANK" MEANS ANY BANK, BANKING ASSOCIATION, TRUST COMPANY, SAVINGS BANK, OR OTHER BANKING INSTITUTION ORGANIZED UNDER THE LAWS OF ANY STATE, OR ANY BANK, BANKING ASSOCIATION, TRUST COMPANY OR OTHER BANKING INSTITUTION LOCATED IN THE DISTRICT OF COLUMBIA OR IN THE TERRITORY OF HAWAII OR ALASKA, WHICH IS NOT A MEMBER OF THE FEDERAL RESERVE SYSTEM.

(3) THE TERM "MEMBER BANK" MEANS ANY BANK WHICH IS A MEMBER OF THE FEDERAL RESERVE SYSTEM, AND THE TERM "NONMEMBER BANK" MEANS ANY OTHER BANK.

(4) THE TERM "STATE MEMBER BANK" MEANS ANY STATE BANK WHICH IS A

MEMBER OF THE FEDERAL RESERVE SYSTEM, AND THE TERM "STATE NONMEMBER BANK" MEANS ANY OTHER STATE BANK.

(5) THE TERM "MUTUAL SAVINGS BANK" MEANS A BANK WITHOUT CAPITAL STOCK TRANSACTING A SAVINGS BANK BUSINESS, THE NET EARNINGS OF WHICH INURE WHOLLY AND WITHOUT DISCRIMINATION TO THE BENEFIT OF ITS DEPOSITORS.

(6) THE TERM "INSURED BANK" MEANS ANY BANK THE DEPOSITS OF WHICH ARE INSURED IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION.

(7) THE TERM "NEW BANK" MEANS A NEW NATIONAL BANK ORGANIZED BY THE CORPORATION TO ASSUME THE INSURED DEPOSITS OF AN INSURED BANK CLOSED ON ACCOUNT OF INABILITY TO MEET THE DEMANDS OF ITS DEPOSITORS AND OTHERWISE TO PERFORM TEMPORARILY THE FUNCTIONS PROVIDED IN THIS SECTION.

(8) THE TERM "RECEIVER" SHALL INCLUDE A RECEIVER, LIQUIDATING AGENT, CONSERVATOR, COMMISSION, PERSON, OR OTHER AGENCY CHARGED BY LAW WITH THE DUTY OF WINDING UP THE AFFAIRS OF A BANK.

(9) THE TERM "DEPOSIT" MEANS THE UNPAID BALANCE DUE FOR MONEY OR ITS EQUIVALENT RECEIVED BY A BANK FOR CREDIT IN THE USUAL COURSE OF BUSINESS TO A COMMERCIAL, CHECKING, SAVINGS, TIME OR THRIFT ACCOUNT OR EVIDENCED BY A CERTIFICATE OF DEPOSIT ISSUED BY A BANK IN THE USUAL COURSE OF BUSINESS, AND SUCH OTHER OBLIGATIONS OF A BANK AS THE BOARD FROM TIME TO TIME SHALL PRESCRIBE BY ITS REGULATIONS.

(10) THE TERM "INSURED DEPOSIT" MEANS SUCH PART AS SHALL NOT EXCEED \$5,000 OF THE NET AMOUNT OF MONEY DUE TO ANY DEPOSITOR FOR DEPOSITS IN AN INSURED BANK, AFTER DEDUCTING OFFSETS. SUCH AMOUNT SHALL BE DETERMINED ACCORDING TO SUCH REGULATIONS AS THE BOARD MAY PRESCRIBE: PROVIDED, THAT IN DETERMINING THE AMOUNT DUE TO ANY DEPOSITOR THERE SHALL BE ADDED TOGETHER ALL DEPOSITS IN THE BANK MAINTAINED FOR HIS BENEFIT EITHER IN HIS OWN NAME OR IN THE NAMES OF OTHERS: AND PROVIDED FURTHER, THAT THERE SHALL BE EXCLUDED FROM THE DETERMINATION OF EVERY

INSURED DEPOSIT: (1) DEPOSITS WHICH HAVE NOT BEEN MADE AVAILABLE SINCE MARCH 10, 1933 FOR WITHDRAWAL IN THE USUAL COURSE OF THE BANKING BUSINESS; (2) DEPOSITS WHICH ARE PAYABLE ONLY AT AN OFFICE OF THE BANK LOCATED IN A FOREIGN COUNTRY.

(11) THE TERM "TRANSFERRED DEPOSIT" MEANS A DEPOSIT IN A NEW BANK OR OTHER INSURED BANK MADE AVAILABLE TO A DEPOSITOR BY THE CORPORATION AS PAYMENT OF THE INSURED DEPOSIT OF SUCH DEPOSITOR IN A CLOSED BANK, AND ASSURED BY SUCH NEW BANK OR OTHER INSURED BANK.

~~(d) The capital stock of the Corporation shall be divided into shares of \$100 each. Certificates of stock of the Corporation shall be of two classes--- class-A and class-B. Class-A stock shall be held by member and nonmember banks as hereinafter provided and they shall be entitled to payment of dividends out of net earnings at the rate of 6 per centum per annum on the capital stock paid in by them, which dividends shall be cumulative, or to the extent of 20 per centum of such net earnings in any one year, whichever amount shall be the greater, but such stock shall have no vote at meetings of stockholders. Class-B stock shall be held by Federal reserve banks only and shall not be entitled to the payment of dividends. Every Federal reserve bank shall subscribe to shares of class-B stock in the Corporation to an amount equal to one-half of the surplus of such bank on January 1, 1933, and its subscriptions shall be accompanied by a certified check payable to the Corporation in an amount equal to one-half of such subscription. The remainder of such subscription shall be subject to call from time to time by the board of directors upon ninety days' notice.~~

(d) THE CAPITAL STOCK OF THE CORPORATION SHALL CONSIST OF THE SHARES HERETOFORE SUBSCRIBED FOR. SUCH STOCK SHALL BE WITHOUT NOMINAL OR PAR VALUE, AND SHARES HERETOFORE ISSUED SHALL BE EXCHANGED AND RE-ISSUED AT THE RATE OF ONE SHARE FOR EACH \$100 PAID INTO THE CORPORATION FOR CAPITAL STOCK. THE CON-

SIDERATION RECEIVED BY THE CORPORATION FOR THE CAPITAL STOCK SHALL BE ALLOCATED TO CAPITAL AND TO SURPLUS IN SUCH AMOUNTS AS THE BOARD SHALL PRESCRIBE. SUCH STOCK SHALL HAVE NO VOTE AND SHALL NOT BE ENTITLED TO THE PAYMENT OF DIVIDENDS.

(c) Every bank which is or which becomes a member of the Federal Reserve System on or before July 1, 1935, shall take all steps necessary to enable it to become a class A stockholder of the Corporation on or before July 1, 1935; and thereafter no State bank or trust company or mutual savings bank shall be admitted to membership in the Federal Reserve System until it becomes a class A stockholder of the Corporation, no national bank in the continental United States shall be granted a certificate by the Comptroller of the Currency authorizing it to commence the business of banking until it becomes a member of the Federal Reserve System and a class A stockholder of the Corporation, and no national bank in the continental United States for which a receiver or conservator has been appointed shall be permitted to resume the transaction of its banking business until it becomes a class A stockholder of the Corporation. Every member bank shall apply to the Corporation for class A stock of the Corporation in an amount equal to one half of 1 per centum of its total deposit liabilities as computed in accordance with regulations prescribed by the Federal Reserve Board; except that in the case of a member bank organized after the date this section takes effect, the amount of such class A stock applied for by such member bank during the first twelve months after its organization shall equal 5 per centum of its paid-up capital and surplus, and beginning after the expiration of such twelve months period the amount of such class A stock of such member bank shall be adjusted annually in the same manner as in the case of other member banks. Upon receipt of such application the Corporation shall request

the Federal Reserve Board, in the case of a State member bank, or the Comptroller of the Currency, in the case of a national bank, to certify upon the basis of a thorough examination of such bank whether or not the assets of the applying bank are adequate to enable it to meet all of its liabilities to depositors and other creditors as shown by the books of the bank; and the Federal Reserve Board or the Comptroller of the Currency shall make such certification as soon as practicable. If such certification be in the affirmative, the Corporation shall grant such application and the applying bank shall pay one half of its subscription in full and shall thereupon become a class A stockholder of the Corporation: Provided, That no member bank shall be required to make such payment or become a class A stockholder of the Corporation before July 1, 1935. The remainder of such subscription shall be subject to call from time to time by the board of directors of the Corporation. If such certification be in the negative, the Corporation shall deny such application; if any national bank shall not have become a class A stockholder of the Corporation on or before July 1, 1935, the Comptroller of the Currency shall appoint a receiver or conservator therefor in accordance with the provisions of existing law. Except as provided in subsection (g) of this section, if any State member bank shall not have become a class A stockholder of the Corporation on or before July 1, 1935, the Federal Reserve Board shall terminate its membership in the Federal Reserve System in accordance with the provisions of section 9 of this Act.

(e) EVERY MEMBER BANK LICENSED ON OR BEFORE THE DATE OF THE ENACTMENT OF THIS ACT, BY OR WITH THE APPROVAL OF THE SECRETARY OF THE TREASURY PURSUANT TO THE AUTHORITY VESTED IN HIM BY THE EXECUTIVE ORDER OF THE PRESIDENT ISSUED MARCH 10, 1933, SHALL BE AND CONTINUE WITHOUT APPLICATION OR APPROVAL AN INSURED

BANK, AND SHALL BE SUBJECT TO THE PROVISIONS OF THIS SECTION. THEREAFTER NO BANK OTHER THAN AN INSURED BANK SHALL BE ADMITTED TO MEMBERSHIP IN THE FEDERAL RESERVE SYSTEM UNTIL IT IS APPROVED BY THE BOARD AS AN INSURED BANK, AND NO NATIONAL BANK SHALL BE GRANTED A CERTIFICATE BY THE COMPTROLLER OF THE CURRENCY AUTHORIZING IT TO COMMENCE THE BUSINESS OF BANKING, AND NO NATIONAL BANK FOR WHICH A RECEIVER OR CONSERVATOR HAS BEEN APPOINTED SHALL BE PERMITTED TO RESUME THE TRANSACTION OF ITS BANKING BUSINESS, UNTIL IT IS APPROVED BY THE BOARD AS AN INSURED BANK. BEFORE APPROVING THE APPLICATION OF ANY BANK TO BECOME AN INSURED BANK, THE BOARD SHALL REQUIRE A CERTIFICATION BY THE FEDERAL RESERVE BOARD IN THE CASE OF A STATE BANK, AND BY THE COMPTROLLER OF THE CURRENCY IN THE CASE OF A NATIONAL BANK, UPON THE BASIS OF A THOROUGH EXAMINATION OF SUCH BANK, THAT ITS ASSETS IN EXCESS OF ITS CAPITAL REQUIREMENTS ARE ADEQUATE TO ENABLE IT TO MEET ALL OF ITS LIABILITIES TO DEPOSITORS AND OTHER CREDITORS, AS SHOWN BY THE BOOKS OF THE BANK. THE FEDERAL RESERVE BOARD OR THE COMPTROLLER OF THE CURRENCY SHALL CERTIFY THE FACT AS SOON AS PRACTICABLE. WHENEVER ANY NATIONAL BANK SHALL CEASE TO BE AN INSURED BANK, THE COMPTROLLER OF THE CURRENCY SHALL APPOINT THE CORPORATION RECEIVER THEREFOR AS PROVIDED IN THIS SECTION. WHENEVER A MEMBER BANK SHALL CEASE TO BE AN INSURED BANK THE FEDERAL RESERVE BOARD SHALL TERMINATE ITS MEMBERSHIP IN THE FEDERAL RESERVE SYSTEM IN ACCORDANCE WITH THE PROVISIONS OF SECTION 9 OF THE FEDERAL RESERVE ACT. WHENEVER A MEMBER BANK SHALL CEASE TO BE A MEMBER OF THE FEDERAL RESERVE SYSTEM, ITS STATUS AS AN INSURED BANK, WITHOUT NOTICE OR OTHER ACTION BY THE BOARD, SHALL TERMINATE ON THE DATE OF THE TAKING EFFECT OF THE TERMINATION OF MEMBERSHIP OF THE BANK IN THE FEDERAL RESERVE SYSTEM, WITH LIKE EFFECT AS IF TERMINATED ON SAID DATE BY THE BOARD AFTER PROCEEDINGS UNDER PARAGRAPH 23 OF SUBSECTION (1) OF THIS SECTION.

~~-(2)-Any-State-bank-or-trust-company-or-mutual-savings-bank-which-applies~~

for membership in the Federal Reserve System or for conversion into a national banking association on or after July 1, 1936, may, with the consent of the Corporation, obtain the benefits of this section, pending action on such application, by subscribing and paying for the same amount of stock of the Corporation as it would be required to subscribe and pay for upon becoming a member bank. Thereupon the provisions of this section applicable to member banks shall be applicable to such State bank or trust company or mutual savings bank to the same extent as if it were already a member bank. Provided, That if the application of such State bank or trust company or mutual savings bank for membership in the Federal Reserve System or for conversion into a national banking association be approved and it shall not complete its membership in the Federal Reserve System or its conversion into a national banking association within a reasonable time, or if such application shall be disapproved, then the amount paid by such State bank or trust company or mutual savings bank on account of its subscription to the capital stock of the Corporation shall be repaid to it and it shall no longer be subject to the provisions or entitled to the privileges of this section.

(f) ANY NONMEMBER BANK WHICH ON THE DATE OF THE ENACTMENT OF THIS ACT IS A MEMBER OF THE TEMPORARY FEDERAL DEPOSIT INSURANCE FUND OR OF THE FUND FOR MUTUALS SHALL BE AND CONTINUE WITHOUT APPLICATION OR APPROVAL AN INSURED BANK AND SHALL BE SUBJECT TO THE PROVISIONS OF THIS SECTION, UNLESS IN ACCORDANCE WITH REGULATIONS TO BE PRESCRIBED BY THE BOARD SUCH BANK SHALL GIVE WRITTEN NOTICE TO THE CORPORATION WITHIN 60 DAYS AFTER THE DATE OF THE ENACTMENT OF THIS ACT OF ITS ELECTION NOT TO CONTINUE AS AN INSURED BANK. ANY NONMEMBER STATE BANK, UPON APPLICATION TO AND EXAMINATION BY THE CORPORATION AND APPROVAL BY THE BOARD, MAY BECOME AN INSURED BANK. BEFORE APPROVING SUCH APPLICATION THE BOARD SHALL REQUIRE A CERTIFICATION BY THE AUTHORITY HAVING SUPERVISION OF SUCH BANK, UPON THE BASIS OF A THOROUGH EXAMINATION OF SUCH BANK, THAT ITS ASSETS IN EXCESS

OF ITS CAPITAL REQUIREMENTS ARE ADEQUATE TO ENABLE IT TO MEET ALL OF ITS LIABILITIES AS SHOWN BY THE BOOKS OF THE BANK TO DEPOSITORS AND OTHER CREDITORS.

(c) ~~If any State bank or trust company, or mutual savings bank (referred to in this subsection as "State bank") which is or which becomes a member of the Federal Reserve System is not permitted by the laws under which it was organized to purchase stock in the Corporation, it shall apply to the Corporation for admission to the benefits of this section and, if such application be granted after appropriate certification in accordance with this section, it shall deposit with the Corporation an amount equal to the amount which it would have been required to pay in on account of a subscription to capital stock of the Corporation. Thereafter such deposit shall be adjusted in the same manner as subscriptions for stock by class A stockholders. Such deposit shall be subject to the same conditions with respect to repayment as amounts paid on subscriptions to class A stock by other member banks and the Corporation shall pay interest thereon at the same rate as dividends are actually paid on outstanding shares of class A stock. As long as such deposit is maintained with the Corporation, such State bank shall, for the purposes of this section, be deemed to be a class A stockholder of the Corporation. If the laws under which such State bank was organized be amended so as to authorize State banks to subscribe for class A stock of the Corporation, such State bank shall within six months thereafter subscribe for an appropriate amount of such class A stock and the deposit hereinafter provided for in lieu of payment upon class A stock shall be applied upon such subscription. If the law under which such State bank was organized be not amended at the next session of the State legislature following the admission of such State bank to the benefits of this section so as to authorize State banks to purchase such class A stock, or, if the law be so amended and such State bank shall fail within six months thereafter to purchase such class A stock, the deposit previously made~~

~~with the Corporation shall be returned to such State bank and it shall no longer be entitled to the benefits of this section, unless it shall have been elected in the meantime on account of inability to meet the demands of its depositors.~~

(g) IN ACTING UPON THE APPLICATION OF ANY BANK TO BECOME AN INSURED BANK, IF SUCH CERTIFICATION UNDER SUBSECTIONS (e) OR (f) SHALL BE IN THE AFFIRMATIVE, THE BOARD SHALL CONSIDER THE FINANCIAL HISTORY AND CONDITION OF THE BANK, THE ADEQUACY OF ITS CAPITAL STRUCTURE, ITS FUTURE EARNINGS PROSPECTS, THE GENERAL CHARACTER OF ITS MANAGEMENT, THE CONVENIENCE AND NEEDS OF THE COMMUNITY TO BE SERVED BY THE BANK, AND WHETHER OR NOT ITS CORPORATE POWERS ARE CONSISTENT WITH THE PURPOSES OF THIS SECTION.

~~(h) The amount of the outstanding class A stock of the Corporation held by member banks shall be annually adjusted as hereinafter provided as of the last preceding call date as member banks increase their time and demand deposits or as additional banks become members or subscribe to the stock of the Corporation, and such stock may be decreased in amount as member banks reduce their time and demand deposits or cease to be members. Shares of the capital stock of the Corporation owned by member banks shall not be transferred or hypothecated. When a member bank increases its time and demand deposits it shall, at the beginning of each calendar year, subscribe for an additional amount of capital stock of the Corporation equal to one half of 1 per centum of such increase in deposits. One half of the amount of such additional stock shall be paid for at the time of the subscription therefor, and the balance shall be subject to call by the board of directors of the Corporation. A bank organized on or before the date this section takes effect and admitted to membership in the Federal Reserve System at any time after the organization of the Corporation shall be required to subscribe for an amount of class A capital stock equal to one half of 1 per centum of the time and demand deposits of the applicant bank as of the date of~~

such admission, paying therefor its par value plus one half of 1 per centum a month from the period of the last dividend on the class A stock of the Corporation. When a member bank reduces its time and demand deposits it shall surrender, not later than the 1st day of January thereafter, a proportionate amount of its holdings in the capital stock of the Corporation, and when a member bank voluntarily liquidates it shall surrender all its holdings of the capital stock of the Corporation and be released from its stock subscription not previously called. The shares so surrendered shall be canceled and the member bank shall receive in payment therefor, under regulations to be prescribed by the Corporation, a sum equal to its cash paid subscriptions on the shares surrendered and its proportionate share of dividends not to exceed one half of 1 per centum a month, from the period of the last dividend on such stock, less any liability of such member bank to the Corporation.

(h) (1) AS USED IN THIS SUBSECTION (h), THE TERM "TOTAL DEPOSITS" MEANS THE TOTAL DEPOSIT LIABILITIES AS OF A SPECIFIED DATE OR THE AVERAGE FOR A PERIOD. SUCH TOTAL DEPOSIT LIABILITIES SHALL BE DETERMINED AS PRESCRIBED BY THE BOARD FOR THE PURPOSES OF THIS SUBSECTION (h). UNTIL OTHERWISE SO PRESCRIBED SUCH TOTAL DEPOSIT LIABILITIES SHALL BE DETERMINED IN ACCORDANCE WITH REGULATIONS PRESCRIBED BY THE FEDERAL RESERVE BOARD.

(2) AT SUCH TIMES AND FOR SUCH PERIODS AND IN SUCH FORM AS PRESCRIBED BY THE BOARD, EACH INSURED BANK SHALL FILE WITH THE CORPORATION A VERIFIED STATEMENT SHOWING ITS TOTAL DEPOSITS, AND SHALL PAY TO THE CORPORATION THE PREMIUMS REQUIRED BY THIS SECTION.

(3) EACH BANK WHICH SHALL BE AND CONTINUE WITHOUT APPLICATION OR APPROVAL AN INSURED BANK IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTIONS (e) OR (f) OF THIS SECTION, SHALL BE CREDITED WITH ANY BALANCE TO WHICH SUCH BANK SHALL BECOME ENTITLED UPON THE TERMINATION OF THE TEMPORARY FEDERAL DEPOSIT

INSURANCE FUND OR THE FUND FOR MUTUALS. THE CREDIT SHALL BE APPLIED BY THE CORPORATION TOWARD THE PAYMENT OF PREMIUMS NEXT BECOMING DUE FROM SUCH BANK AND UPON SUCCEEDING PREMIUMS UNTIL THE CREDIT IS EXHAUSTED.

(4) THE PREMIUM SHALL BE ONE-EIGHTH OF ONE PERCENTUM PER ANNUM OF THE TOTAL DEPOSITS IN THE INSURED BANK: PROVIDED, THAT THE BOARD FROM TIME TO TIME MAY FIX A LOWER PERCENTAGE, OR THE BOARD MAY PROVIDE FOR A REFUND OR CREDIT BY A PERCENTAGE UPON THE LAST ANNUAL PREMIUM PAID NOT EXCEEDING FIFTY PERCENTUM THEREOF. THE PERCENTAGE SO FIXED IN EITHER CASE SHALL BE APPLICABLE TO ALL INSURED BANKS, EXCEPT THAT THE BOARD MAY PROVIDE THAT IT SHALL BE APPLICABLE TO INSURED MUTUAL SAVINGS BANKS ONLY, OR MAY FIX A DIFFERENT PERCENTAGE APPLICABLE TO INSURED MUTUAL SAVINGS BANKS ONLY.

~~(4) If any member or nonmember bank shall be declared insolvent, or shall cease to be a member bank (or in the case of a nonmember bank, shall cease to be entitled to the benefits of insurance under this section), the stock held by it in the Corporation shall be canceled, without impairment of the liability of such bank, and all cash paid subscriptions on such stock, with its proportionate share of dividends not to exceed one-half of 1 per centum per month from the period of last dividend on such stock shall be first applied to all debts of the insolvent bank or the receiver thereof to the Corporation, and the balance, if any, shall be paid to the receiver of the insolvent bank.~~

(1) (1) INSURED BANKS SHALL PROVIDE SUCH ADEQUATE PROTECTION AND INDEMNITY AGAINST BURGLARY, FIDELITY AND OTHER INSURABLE LOSSES AS THE BOARD BY REGULATION MAY REQUIRE. WHENEVER ANY INSURED BANK FAILS TO COMPLY WITH ANY SUCH REGULATION THE CORPORATION MAY CONTRACT FOR SUCH PROTECTION AND INDEMNITY AND ADD THE COST THEREOF TO THE PREMIUMS OTHERWISE PAYABLE BY SUCH BANK.

(2) THE BOARD SHALL APPOINT EXAMINERS WHO SHALL HAVE POWER ON BEHALF OF THE CORPORATION TO EXAMINE ANY INSURED NONMEMBER BANK, BANK MAKING APPLICATION TO

BECOME AN INSURED BANK, CLOSED INSURED BANK, OR NEW BANK, AS OFTEN AS CONSIDERED NECESSARY. SUCH EXAMINERS SHALL HAVE LIKE POWER TO EXAMINE, WITH THE CONSENT OF THE COMPTROLLER OF THE CURRENCY, ANY NATIONAL BANK AND, WITH THE CONSENT OF THE FEDERAL RESERVE BOARD, ANY STATE MEMBER BANK. EACH EXAMINER SHALL HAVE POWER TO MAKE A THOROUGH EXAMINATION OF ALL OF THE AFFAIRS OF THE BANK AND IN DOING SO HE SHALL HAVE POWER TO ADMINISTER OATHS AND TO EXAMINE AND TAKE AND PRESERVE THE TESTIMONY OF ANY OF THE OFFICERS AND AGENTS THEREOF UNDER OATH AND SHALL MAKE A FULL AND DETAILED REPORT OF THE CONDITION OF THE BANK TO THE CORPORATION. THE BOARD IN LIKE MANNER SHALL APPOINT CLAIM AGENTS WHO SHALL HAVE POWER TO INVESTIGATE AND EXAMINE ALL CLAIMS FOR INSURED DEPOSITS AND TRANSFERRED DEPOSITS. EACH CLAIM AGENT SHALL HAVE POWER TO ADMINISTER OATHS AND TO EXAMINE UNDER OATH AND TAKE AND PRESERVE TESTIMONY OF ANY PERSONS RELATING TO SUCH CLAIMS. ANY SUCH EXAMINER OR CLAIM AGENT IN RELATION TO ANY SUCH EXAMINATION, INVESTIGATION OR TAKING OF TESTIMONY MAY APPLY TO ANY JUDGE OR CLERK OF ANY COURT OF THE UNITED STATES TO ISSUE SUBPOENAS AND TO COMPEL THE APPEARANCE OF WITNESSES AND THE PRODUCTION AND TAKING OF ANY SUCH TESTIMONY AND TO PUNISH DISOBEDIENCE IN LIKE MANNER AS PROVIDED IN SECTIONS 184-186 OF THE REVISED STATUTES (U.S.C., TITLE 5, SECTIONS 94-96).

(3) EACH INSURED BANK SHALL MAKE TO THE CORPORATION REPORTS OF CONDITION IN SUCH FORM AND AT SUCH TIMES AS THE BOARD MAY REQUIRE OF SUCH BANK. THE BOARD MAY REQUIRE SUCH REPORTS TO BE PUBLISHED IN SUCH MANNER, NOT INCONSISTENT WITH ANY APPLICABLE LAW, AS IT MAY DIRECT. EVERY INSURED BANK WHICH FAILS TO MAKE OR PUBLISH ANY SUCH REPORT WITHIN SUCH TIME, NOT LESS THAN FIVE DAYS, AS THE BOARD MAY REQUIRE, SHALL BE SUBJECT TO A PENALTY OF \$100 PAYABLE TO THE CORPORATION, FOR EACH DAY OF SUCH FAILURE.

(4) IN ORDER TO AVOID DUPLICATION THE CORPORATION MAY, IN LIEU OF EXAMINING AN INSURED BANK OR REQUIRING REPORTS

OF CONDITION FROM IT, ACCEPT REPORTS OF EXAMINATIONS MADE BY OR REPORTS MADE TO ANY FEDERAL RESERVE BANK OR ANY COMMISSION, BOARD OR AUTHORITY HAVING SUPERVISION OF SUCH BANK, OR MAY FURNISH TO ANY SUCH FEDERAL RESERVE BANK, COMMISSION, BOARD OR AUTHORITY REPORTS OF EXAMINATIONS MADE ON BEHALF OF AND REPORTS OF CONDITIONS MADE TO THE CORPORATION.

(j) Upon the date of enactment of the Banking Act of 1933, the Corporation shall become a body corporate and as such shall have power --

First. To adopt and use a corporate seal.

Second. To have succession until dissolved by an Act of Congress.

Third. To make contracts.

Fourth. To sue and be sued, complain and defend, in any court of law or equity, State or Federal.

~~Fifth. To appoint by its board of directors such officers and employees as are not otherwise provided for in this section,~~ BY ITS BOARD, OFFICERS AND EMPLOYEES, to define their duties, fix their compensation, require bonds of them and fix the penalty thereof, and to dismiss at pleasure such officers or employees. Nothing in this or any other Act shall be construed to prevent the appointment and compensation as an officer or employee of the Corporation of any officer or employee of the United States in any board, commission, independent establishment, or executive department thereof.

Sixth. To prescribe by its board ~~of directors,~~ bylaws not inconsistent with law, regulating the manner in which its general business may be conducted, and the privileges granted to it by law may be exercised and enjoyed.

~~Seventh. To exercise by its board of directors, or duly authorized officers or agents, all powers specifically granted by the provisions of this section and such incidental powers as shall be necessary to carry out the powers so granted.~~

SEVENTH. TO MAKE EXAMINATIONS OF AND TO REQUIRE INFORMATION AND REPORTS FROM INSURED BANKS OR BANKS MAKING APPLICATION TO BECOME INSURED BANKS.

EIGHTH. TO ACT AS RECEIVER.

NINTH. TO MAKE SUCH RULES AND REGULATIONS AS IT MAY DEEM NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SECTION AND TO AMEND OR REPEAL ANY RULES OR REGULATIONS SO MADE.

TENTH. TO EXERCISE BY ITS BOARD, OR AUTHORIZED OFFICERS OR AGENTS, ALL POWERS SPECIFICALLY GRANTED BY THE PROVISIONS OF THIS SECTION AND SUCH INCIDENTAL POWERS AS SHALL BE NECESSARY TO CARRY OUT THE POWERS SO GRANTED. THE BOARD MAY DELEGATE TO COMMITTEES, OFFICERS OR AGENTS ANY OF ITS POWERS OR DUTIES.

(k) The board of directors shall administer the affairs of the Corporation fairly and impartially and without discrimination. The board of directors of the Corporation shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid. The Corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government. The Corporation with the consent of any Federal reserve bank or of any board, commission, independent establishment, or executive department of the Government, including any field service thereof, may avail itself of the use of information, services, and facilities thereof in carrying out the provisions of this section.

(1) Effective on and after July 1, 1935 (thus affording ample time for examination and preparation), unless the President shall by proclamation fix an earlier date, the Corporation shall insure as hereinafter provided the deposits of all member banks, and on and after such date and until July 1, 1937, of all nonmember banks, which are class A stockholders of the Corporation. Notwithstanding any other provision of law, whenever any national bank which is a class A stockholder of the Corporation shall have been closed by action of its board of directors or by the Comptroller of the Currency, as the case may be, on account of inability to meet the demands of its depositors, the Comptroller of the Currency shall appoint the Corporation receiver for such bank. As soon as possible thereafter the Corporation shall organize a new national bank to assume the insured deposit liabilities of such closed bank, to receive new deposits and otherwise to perform temporarily the functions provided for it in this paragraph. For the purposes of this subsection, the term "insured deposit liability" shall mean with respect to the owner of any claim arising out of a deposit liability of such closed bank the following percentages of the net amount due to such owner by such closed bank on account of deposit liabilities: 100 per centum of such net amount not exceeding \$10,000; and 75 per centum of the amount, if any, by which such net amount exceeds \$10,000 but ^{not} does not exceed \$50,000; and 50 per centum of the amount, if any, by which such amount exceeds \$50,000; -- Provided, That, in determining the amount due to such owner for the purpose of fixing such percentage, there shall be added together all net amounts due to such owner in the same capacity or the same right, on account of deposits, regardless of whether such deposits be maintained in his name or in the names of others for his benefit. -- For the purposes of this subsection, the term "insured deposit liabilities" shall mean the aggregate

amount-of-all-such-insured-deposit-liabilities-of-such-closed-bank.--The Corporation-shall-determine-as-expeditiously-as-possible-the-net-amounts due-to-depositors-of-the-closed-bank-and-shall-make-available-to-the-new bank-an-amount-equal-to-the-insured-deposit-liabilities-of-such-closed-bank, whereupon-such-new-bank-shall-assume-the-insured-deposit-liability-of-such closed-bank-to-each-of-its-depositors, and-the-Corporation-shall-be-subrogated to-all-rights-against-the-closed-bank-of-the-owners-of-such-deposits-and-shall be-entitled-to-receive-the-same-dividends-from-the-proceeds-of-the-assets-of such-closed-bank-as-would-have-been-payable-to-each-such-depositor-until-such dividends-shall-equal-the-insured-deposit-liability-to-such-depositor-assumed by-the-new-bank, whereupon-all-further-dividends-shall-be-payable-to-such depositor.--Of-the-amount-thus-made-available-by-the-Corporation-to-the-new bank, such-portion-shall-be-paid-to-it-in-cash-as-may-be-necessary-to-enable it-to-meet-immediate-cash-demands-and-the-remainder-shall-be-credited-to-it on-the-books-of-the-Corporation-subject-to-withdrawal-on-demand-and-shall bear-interest-at-the-rate-of-3-per-centum-per-annum-until-withdrawn.--The new-bank-may, with-the-approval-of-the-Corporation, accept-new-deposits, which, together-with-all-amounts-made-available-to-the-new-bank-by-the-Corporation, shall-be-kept-on-hand-in-cash, invested-in-direct-obligations-of-the-United States, or-deposited-with-the-Corporation-or-with-a-Federal-reserve-bank. Such-new-bank-shall-maintain-on-deposit-with-the-Federal-reserve-bank-of-its district-the-reserves-required-by-law-of-member-banks-but-shall-not-be-required to-subscribe-for-stock-of-the-Federal-reserve-bank-until-its-own-capital-stock has-been-subscribed-and-paid-for-in-the-manner-hereinafter-provided.--The articles-of-association-and-organization-certificate-of-such-new-bank-may-be executed-by-such-representatives-of-the-Corporation-as-it-may-designate; the

new bank shall not be required to have any directors at the time of its organization, but shall be managed by an executive officer to be designated and no capital stock need be paid in by the corporation, by the Corporation, but in other respects such bank shall be organized in accordance with the existing provisions of law relating to the organization of national banks, and, until the requisite amount of capital stock for such bank has been subscribed and paid for in the manner hereinafter provided, such bank shall transact no business except that authorized by this subsection and such business as may be incidental to its organization. When in the judgment of the Corporation it is desirable to do so, the Corporation shall offer capital stock of the new bank for sale on such terms and conditions as the Corporation shall deem advisable, in an amount sufficient in the opinion of the Corporation to make possible the conduct of the business of the new bank on a sound basis, but in no event less than that required by section 5138 of the Revised Statutes, as amended, (U.S.C., title 12, sec. 51), for the organization of a national bank in the place where such new bank is located, giving the stockholders of the closed bank the first opportunity to purchase such stock. Upon proof that an adequate amount of capital stock of the new bank has been subscribed and paid for in cash by subscribers satisfactory to the Comptroller of the Currency, he shall issue to such bank a certificate of authority to commence business and thereafter it shall be managed by directors elected by its own shareholders and may exercise all of the powers granted by law to national banking associations. If an adequate amount of capital for such new bank is not subscribed and paid in, the Corporation may offer to transfer its business to any other banking institution in the same place which will take over its assets, assume its liabilities, and pay to the Corporation for such business such amount as the Corporation may deem adequate. Unless the capital stock of the new bank is

sold or its assets acquired and its liabilities assumed by another banking institution, in the manner herein prescribed, within two years from the date of its organization, the Corporation shall place the new bank in voluntary liquidation and wind up its affairs. The Corporation shall open on its books a deposit insurance account and, as soon as possible after taking possession of any closed national bank, the Corporation shall make an estimate of the amount which will be available from all sources for application in satisfaction of the portion of the claims of depositors to which it has been subrogated and shall debit to such deposit insurance account the excess, if any, of the amount made available by the Corporation to the new bank for depositors over and above the amount of such estimate. It shall be the duty of the Corporation to realize upon the assets of such closed bank, having due regard to the condition of credit in the district in which such closed bank is located, to enforce the individual liability of the stockholders and directors thereof, and to wind up the affairs of such closed bank in conformity with the provisions of law relating to the liquidation of closed national banks, except as herein otherwise provided, retaining for its own account such portion of the amount realized from such liquidation as it shall be entitled to receive on account of its subrogation to the claims of depositors and paying to depositors and other creditors the amount available for distribution to them, after deducting therefrom their share of the costs of the liquidation of the closed bank. If the total amount realized by the Corporation on account of its subrogation to the claims of depositors be less than the amount of the estimate hereinabove provided for, the deposit insurance account shall be charged with the deficiency and, if the total amount so realized shall exceed the amount of such estimate, such account shall be credited with such excess. With respect to such closed national banks, the Corporation shall have all the rights, powers, and privileges now possessed

by or hereafter given receivers of insolvent national banks and shall be subject to the obligations and penalties not inconsistent with the provisions of this paragraph to which such receivers are now or may hereafter become subject.

Whenever any State member bank which is a class A stockholder of the Corporation shall have been closed by action of its board of directors or by the appropriate State authority, as the case may be, on account of inability to meet the demands of its depositors, the Corporation shall accept appointment as receiver thereof, if such appointment be tendered by the appropriate State authority and be authorized or permitted by State law. Thereupon the Corporation shall organize a new national bank, in accordance with the provisions of this subsection, to assume the insured deposit liabilities of such closed State member bank, to receive new deposits and otherwise to perform temporarily the functions provided for in this subsection. Upon satisfactory recognition of the right of the Corporation to receive dividends on the same basis as in the case of a closed national bank under this subsection, such recognition being accorded by State law, by allowance of claims by the appropriate State authority, by assignment of claims by depositors, or by any other effective method, the Corporation shall make available to such new national bank, in the manner prescribed by this subsection, an amount equal to the insured deposit liabilities of such closed State member bank, and the Corporation and such new national bank shall perform all of the functions and duties and shall have all the rights and privileges with respect to such State member bank and the depositors thereof which are prescribed by this subsection with respect to closed national banks holding class A stock in the Corporation. Provided, That the rights of depositors and other creditors of such State member bank shall be determined in accordance with the applicable provisions of State law. And provided further, That, with respect to such State member bank, the Corporation shall possess the

powers and privileges provided by State law with respect to a receiver of such State member bank, except in so far as the same are in conflict with the provisions of this subsection.

Whenever any State member bank which is a class A stockholder of the Corporation shall have been closed by action of its board of directors or by the appropriate State authority, as the case may be, on account of inability to meet the demands of its depositors, and the applicable State law does not permit the appointment of the Corporation as receiver of such bank, the Corporation shall organize a new national bank, in accordance with the provisions of this subsection, to assume the insured deposit liabilities of such closed State member bank, to receive new deposits, and otherwise to perform temporarily the functions provided for in this subsection. Upon satisfactory recognition of the right of the Corporation to receive dividends on the same basis as in the case of a closed national bank under this subsection, such recognition being accorded by State law, by allowance of claims by the appropriate State authority, by assignment of claims by depositors, or by any other effective method, the Corporation shall make available to such new bank, in accordance with the provisions of this subsection, the amount of insured deposit liabilities as to which such recognition has been accorded, and such new bank shall assume such insured deposit liabilities and shall in other respects comply with the provisions of this subsection respecting new banks organized to assume insured deposit liabilities of closed national banks. In so far as possible in view of the applicable provisions of State law, the Corporation shall proceed with respect to the receiver of such closed bank and with respect to the new bank organized to assume its insured deposit liabilities in the manner prescribed by this subsection with respect to closed national banks and new banks organized to assume their insured deposit liabilities.

except that the Corporation shall have none of the powers, duties, or responsibilities of a receiver with respect to the winding up of the affairs of such closed State member bank. The Corporation, in its discretion, however, may purchase and liquidate any or all of the assets of such bank.

Whenever the net debit balance of the deposit insurance account of the Corporation shall equal or exceed one fourth of 1 per centum of the total deposit liabilities of all class A stockholders as of the date of the last preceding call report, the Corporation shall levy upon such stockholders an assessment equal to one fourth of 1 per centum of their total deposit liabilities and shall credit the amount collected from such assessment to such deposit insurance account. No bank which is a holder of class A stock shall pay any dividends until all assessments levied upon it by the Corporation shall have been paid in full, and any director or officer of any such bank who participates in the declaration or payment of any such dividend may, upon conviction, be fined not more than \$1,000, or imprisoned for not more than one year, or both.

The term "receiver" as used in this section shall mean a receiver, liquidating agent, or conservator of a national bank, and a receiver, liquidating agent, conservator, commission, person, or other agency charged by State law with the responsibility and the duty of winding up the affairs of an insolvent State member bank.

For the purposes of this section only, the term "national bank" shall include all national banking associations and all banks, banking associations, trust companies, savings banks, and other banking institutions located in the District of Columbia which are members of the Federal Reserve System; and the term "State member bank" shall include all State banks, banking associations, trust companies, savings banks, and other banking institutions organized under

the laws of any State, which are members of the Federal Reserve System.

In any determination of the insured deposit liabilities of any closed bank or of the total deposit liabilities of any bank which is a holder of class A stock of the Corporation, or a member of the Fund provided for in subsection (y), for the purposes of this section, there shall be excluded the amounts of all deposits of such bank which are payable only at an office thereof located in a foreign country.

The Corporation may make such rules, regulations, and contracts as it may deem necessary in order to carry out the provisions of this section.

Money of the Corporation not otherwise employed shall be invested in securities of the Government of the United States, except that for temporary periods, in the discretion of the board of directors, funds of the Corporation may be deposited in any Federal reserve bank or with the Treasurer of the United States. When designated for that purpose by the Secretary of the Treasury, the Corporation shall be a depository of public moneys, except receipts from customs, under such regulations as may be prescribed by the said Secretary, and may also be employed as a financial agent of the Government. It shall perform all such reasonable duties as depository of public moneys and financial agent of the Government as may be required of it.

(1) (1) THE TEMPORARY FEDERAL DEPOSIT INSURANCE FUND WHICH BECAME OPERATIVE ON JANUARY 1, 1934, AND THE FUND FOR MUTUALS WHICH BECAME OPERATIVE AS OF JULY 1, 1934, ARE HEREBY CONSOLIDATED INTO THE PERMANENT INSURANCE FOR DEPOSITS CREATED BY THIS SECTION: PROVIDED, THAT THE OBLIGATIONS TO AND RIGHTS OF THE CORPORATION, DEPOSITORS, BANKS, AND OTHER PERSONS ARISING OUT OF ANY EVENT OR TRANSACTION PRIOR TO THE DATE OF THE ENACTMENT OF THIS ACT SHALL REMAIN UNIMPAIRED. FROM THE DATE OF THE ENACTMENT OF THIS ACT, THE CORPORATION SHALL INSURE THE DEPOSITS OF ALL INSURED BANKS AS DEFINED AND PROVIDED IN THIS SECTION.

(2) AN INSURED BANK SHALL FOR THE PURPOSES OF THIS SECTION, BE DEEMED TO HAVE BEEN CLOSED ON ACCOUNT OF INABILITY TO MEET THE DEMANDS OF ITS DEPOSITORS IN ANY CASE WHERE IT HAS BEEN CLOSED FOR THE PURPOSE OF LIQUIDATION.

(3) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, WHENEVER ANY INSURED NATIONAL BANK SHALL HAVE BEEN CLOSED BY ACTION OF ITS BOARD OF DIRECTORS OR THE COMPTROLLER OF THE CURRENCY, AS THE CASE MAY BE, ON ACCOUNT OF INABILITY TO MEET THE DEMANDS OF ITS DEPOSITORS, THE COMPTROLLER OF THE CURRENCY SHALL APPOINT THE CORPORATION RECEIVER FOR SUCH CLOSED NATIONAL BANK AND NO OTHER PERSON SHALL BE APPOINTED AS RECEIVER OF SUCH CLOSED NATIONAL BANK.

(4) IT SHALL BE THE DUTY OF THE CORPORATION AS RECEIVER TO REALIZE UPON THE ASSETS OF SUCH CLOSED NATIONAL BANK, HAVING DUE REGARD TO THE CONDITION OF CREDIT IN THE DISTRICT IN WHICH SUCH CLOSED NATIONAL BANK IS LOCATED; TO ENFORCE THE INDIVIDUAL LIABILITY OF THE STOCKHOLDERS AND DIRECTORS THEREOF; AND TO WIND UP THE AFFAIRS OF SUCH CLOSED NATIONAL BANK IN CONFORMITY WITH THE PROVISIONS OF LAW RELATING TO THE LIQUIDATION OF CLOSED NATIONAL BANKS, EXCEPT AS HEREIN OTHERWISE PROVIDED, RETAINING FOR ITS OWN ACCOUNT SUCH PORTION OF THE AMOUNT REALIZED FROM SUCH LIQUIDATION AS IT SHALL BE ENTITLED TO RECEIVE ON

ACCOUNT OF ITS SUBROGATION TO THE CLAIMS OF DEPOSITORS AND PAYING TO DEPOSITORS AND OTHER CREDITORS THE AMOUNT AVAILABLE FOR DISTRIBUTION TO THEM, AFTER DEDUCTING THEREFROM THEIR SHARE OF THE COSTS OF THE LIQUIDATION OF THE CLOSED NATIONAL BANK. WITH RESPECT TO SUCH CLOSED NATIONAL BANK, THE CORPORATION SHALL HAVE ALL THE RIGHTS, POWERS AND PRIVILEGES NOW POSSESSED BY OR HEREAFTER GIVEN THE RECEIVER OF AN INSOLVENT NATIONAL BANK.

(5) AFTER APPOINTING THE CORPORATION RECEIVER, THE COMPTROLLER OF THE CURRENCY SHALL BE RELIEVED OF ALL DUTIES WITH RESPECT TO SUCH CLOSED NATIONAL BANK OR SUCH RECEIVERSHIP, AND THE CORPORATION SHALL HAVE AND EXERCISE ALL OF THE RIGHTS, POWERS AND PRIVILEGES OF THE COMPTROLLER OF THE CURRENCY WITH RESPECT TO SUCH CLOSED NATIONAL BANK, ITS SHAREHOLDERS, DEPOSITORS AND CREDITORS, OR WITH RESPECT TO SUCH RECEIVERSHIP, AND IT MAY COMPROMISE, EITHER BEFORE OR AFTER JUDGMENT, THE INDIVIDUAL LIABILITY OF ANY SHAREHOLDER OF ANY CLOSED NATIONAL BANK, WITHOUT THE APPROVAL OF THE COMPTROLLER OF THE CURRENCY OR ANY ORDER OF COURT: PROVIDED, THAT THIS SHALL NOT AFFECT THE DUTIES AND POWERS OF THE COMPTROLLER OF THE CURRENCY IN RESPECT TO THE REDEMPTION OF OUTSTANDING CIRCULATING NOTES UNDER SECTION 5222, 5224, 5226, 5227, 5229, 5230 and 5231 OF THE REVISED STATUTES (U.S.C. TITLE 12, SECTIONS 131, 132, 134, 137, 138, 133 and 136).

(6) THE CORPORATION AS SUCH RECEIVER SHALL NOT BE REQUIRED TO FURNISH BOND, AND SHALL NOT BE UNDER THE SUPERVISION OR DIRECTION OF, OR BE REQUIRED TO REPORT TO THE COMPTROLLER OF THE CURRENCY, AND FUNDS COLLECTED BY IT AS RECEIVER SHALL BE DEPOSITED IN ANY FEDERAL RESERVE BANK OR WITH THE TREASURER OF THE UNITED STATES.

(7) THE CORPORATION MAY IN ITS DISCRETION APPLY TO THE UNITED STATES DISTRICT COURT FOR THE DISTRICT IN WHICH SUCH CLOSED NATIONAL BANK HAD ITS PRINCIPAL PLACE OF BUSINESS, OR TO ANY OTHER COURT HAVING JURISDICTION, FOR

INSTRUCTIONS OR DIRECTIONS REGARDING THE SALE OF THE REAL OR PERSONAL PROPERTY OF THE CLOSED NATIONAL BANK, THE COMPOUNDING OF BAD OR DOUBTFUL DEBTS, THE ALLOWANCE OF CLAIMS, THE PAYMENT OF DIVIDENDS, OR THE COMPROMISING OF THE INDIVIDUAL LIABILITY OF ANY SHAREHOLDER OF SUCH CLOSED NATIONAL BANK.

(8) THE CORPORATION AS RECEIVER OF SUCH CLOSED NATIONAL BANK SHALL HAVE THE RIGHT TO APPOINT AN AGENT OR AGENTS TO ASSIST IT IN THE DUTY OF LIQUIDATION AND DISTRIBUTION AND TO EMPLOY LEGAL COUNSEL AND SUCH OTHER EXPERT ASSISTANCE AND ADVICE AS IT MAY DEEM NECESSARY, AND ALL FEES, COMPENSATION AND EXPENSES OF ADMINISTRATION AND LIQUIDATION SHALL BE FIXED BY THE CORPORATION, AND MAY BE PAID BY IT OUT OF FUNDS COMING INTO ITS POSSESSION AS SUCH RECEIVER.

(9) WHENEVER ANY INSURED STATE BANK SHALL HAVE BEEN CLOSED BY ACTION OF ITS BOARD OF DIRECTORS OR BY THE APPROPRIATE STATE AUTHORITY, AS THE CASE MAY BE, ON ACCOUNT OF INABILITY TO MEET THE DEMANDS OF ITS DEPOSITORS, THE CORPORATION SHALL AND IN ANY OTHER CASE MAY ACCEPT APPOINTMENT AS RECEIVER THEREOF, IF SUCH APPOINTMENT BE TENDERED BY THE APPROPRIATE STATE AUTHORITY AND BE AUTHORIZED OR PERMITTED BY STATE LAW. WITH RESPECT TO SUCH INSURED STATE BANK, THE CORPORATION SHALL POSSESS THE POWERS AND PRIVILEGES PROVIDED BY STATE LAW WITH RESPECT TO A RECEIVER OF SUCH STATE BANK.

(10) WHEN AN INSURED BANK SHALL HAVE BEEN CLOSED ON ACCOUNT OF INABILITY TO MEET THE DEMANDS OF ITS DEPOSITORS, PAYMENT OF THE INSURED DEPOSITS SHALL BE MADE BY THE CORPORATION, SUBJECT TO THE PROVISIONS OF PARAGRAPH (11) OF THIS SUBSECTION (1), EITHER (a) BY MAKING AVAILABLE TO EACH DEPOSITOR A TRANSFERRED DEPOSIT IN A NEW BANK OR IN ANOTHER INSURED BANK IN THE SAME COMMUNITY IN AN AMOUNT EQUAL TO THE INSURED DEPOSIT OF SUCH DEPOSITOR AND SUBJECT TO WITHDRAWAL ON DEMAND, OR (b) IN ACCORDANCE WITH ANY OTHER PROCEDURE ADOPTED BY THE BOARD: PROVIDED, THAT THE CORPORATION, IN ITS DISCRETION, MAY REQUIRE PROOFS OF CLAIMS TO BE FILED BEFORE PAYING THE INSURED DEPOSITS, AND THAT

IN ANY CASE WHERE THE CORPORATION IS NOT SATISFIED AS TO THE VALIDITY OF A CLAIM FOR AN INSURED DEPOSIT, IT MAY REQUIRE THE FINAL DETERMINATION OF A COURT OF COMPETENT JURISDICTION BEFORE PAYING SUCH CLAIM.

(11) IN THE CASE OF A CLOSED NATIONAL BANK THE CORPORATION, UPON PAYMENT OF ANY DEPOSITOR AS PROVIDED IN PARAGRAPH (10) OF THIS SUBSECTION (1), SHALL BECOME AND BE SUBROGATED TO ALL RIGHTS OF THE DEPOSITOR TO THE EXTENT OF SUCH PAYMENT. IN THE CASE OF ANY OTHER CLOSED INSURED BANK, THE CORPORATION SHALL NOT PAY ANY DEPOSITOR UNTIL THE RIGHT OF THE CORPORATION TO BE SUBROGATED TO THE RIGHTS OF SUCH DEPOSITOR ON THE SAME BASIS AS PROVIDED IN THE CASE OF A CLOSED NATIONAL BANK UNDER THIS SECTION SHALL HAVE BEEN RECOGNIZED, BY EXPRESS PROVISIONS OF STATE LAW, BY ALLOWANCE OF CLAIMS BY THE APPROPRIATE STATE AUTHORITY, BY ASSIGNMENT OF CLAIMS BY DEPOSITORS, OR BY ANY OTHER EFFECTIVE METHOD. SUCH SUBROGATION IN THE CASE OF ANY CLOSED BANK SHALL INCLUDE THE RIGHT TO RECEIVE THE SAME DIVIDENDS FROM THE PROCEEDS OF THE ASSETS OF SUCH CLOSED BANK AS WOULD HAVE BEEN PAYABLE TO SUCH DEPOSITOR ON A CLAIM FOR THE INSURED DEPOSIT.

(12) AS SOON AS POSSIBLE, THE CORPORATION, IF IT FINDS THAT IT IS ADVISABLE AND IN THE INTEREST OF THE DEPOSITORS OF THE CLOSED BANK OR THE PUBLIC, SHALL ORGANIZE A NEW BANK TO ASSUME THE INSURED DEPOSITS OF SUCH CLOSED BANK AND OTHERWISE TO PERFORM TEMPORARILY THE FUNCTIONS PROVIDED FOR IN THIS SECTION. THE NEW BANK SHALL HAVE ITS PLACE OF BUSINESS IN THE SAME COMMUNITY AS THE CLOSED BANK.

(13) THE ARTICLES OF ASSOCIATION AND THE ORGANIZATION CERTIFICATE OF THE NEW BANK SHALL BE EXECUTED BY REPRESENTATIVES DESIGNATED BY THE CORPORATION. NO CAPITAL STOCK NEED BE PAID IN BY THE CORPORATION. THE

NEW BANK SHALL NOT HAVE A BOARD OF DIRECTORS, BUT SHALL BE MANAGED BY AN EXECUTIVE OFFICER APPOINTED BY AND WHO SHALL BE SUBJECT TO THE DIRECTIONS OF THE BOARD. IN OTHER RESPECTS SUCH BANK SHALL BE ORGANIZED IN ACCORDANCE WITH THE EXISTING PROVISIONS OF THE LAW RELATING TO THE ORGANIZATION OF NATIONAL BANKS. THE NEW BANK MAY, WITH THE APPROVAL OF THE CORPORATION, ACCEPT NEW DEPOSITS. THE NEW BANK WITHOUT APPLICATION OR APPROVAL, SHALL BE AN INSURED BANK AND SHALL MAINTAIN ON DEPOSIT WITH THE FEDERAL RESERVE BANK OF ITS DISTRICT THE RESERVES REQUIRED BY LAW FOR MEMBER BANKS, BUT SHALL NOT BE REQUIRED TO SUBSCRIBE FOR STOCK OF THE FEDERAL RESERVE BANK. FUNDS OF THE NEW BANK SHALL BE KEPT ON HAND IN CASH, INVESTED IN SECURITIES OF THE GOVERNMENT OF THE UNITED STATES, OR IN SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST BY THE GOVERNMENT OF THE UNITED STATES, OR DEPOSITED WITH THE CORPORATION, OR WITH A FEDERAL RESERVE BANK, OR WITH AN INSURED BANK. THE NEW BANK SHALL TRANSACT NO BUSINESS EXCEPT THAT AUTHORIZED BY THIS SECTION AND SUCH BUSINESS AS MAY BE INCIDENTAL TO ITS ORGANIZATION.

(14) ON ITS ORGANIZATION, THE CORPORATION SHALL PROMPTLY MAKE AVAILABLE TO THE NEW BANK AN AMOUNT EQUAL TO THE ESTIMATED INSURED DEPOSITS OF SUCH CLOSED BANK PLUS THE AMOUNT OF ITS ESTIMATED EXPENSES OF OPERATION AND SHALL DETERMINE AS EXPEDITIOUSLY AS POSSIBLE THE AMOUNT DUE EACH DEPOSITOR FOR HIS INSURED DEPOSIT IN THE CLOSED BANK, AND THE TOTAL EXPENSES OF OPERATION OF THE NEW BANK. UPON DETERMINATION THEREOF, THE AMOUNTS SO ESTIMATED AND MADE AVAILABLE SHALL BE ADJUSTED TO CONFORM TO THE AMOUNTS SO DETERMINED. EARNINGS OF THE NEW BANK SHALL BE PAID OVER OR CREDITED TO THE CORPORATION IN SUCH ADJUSTMENT. THE NEW BANK SHALL ASSUME AS TRANSFERRED DEPOSITS THE PAYMENT OF THE INSURED DEPOSITS

OF SUCH CLOSED BANK TO EACH OF ITS DEPOSITORS. OF THE AMOUNT SO MADE AVAILABLE, THE CORPORATION SHALL TRANSFER TO THE NEW BANK, IN CASH, SUCH AMOUNT AS IS NECESSARY TO ENABLE IT TO MEET EXPENSES AND IMMEDIATE CASH DEMANDS ON SUCH TRANSFERRED DEPOSITS AND THE REMAINDER SHALL BE SUBJECT TO WITHDRAWAL BY THE NEW BANK ON DEMAND.

(15) WHEN IN THE JUDGMENT OF THE BOARD IT IS DESIRABLE TO DO SO, THE CORPORATION SHALL OFFER CAPITAL STOCK OF THE NEW BANK FOR SALE ON SUCH TERMS AND CONDITIONS AS THE BOARD SHALL DEEM ADVISABLE, IN AN AMOUNT SUFFICIENT, IN THE OPINION OF THE BOARD, TO MAKE POSSIBLE THE CONDUCT OF THE BUSINESS OF THE NEW BANK ON A SOUND BASIS, BUT IN NO EVENT LESS THAN THAT REQUIRED BY SECTION 5138 OF THE REVISED STATUTES, AS AMENDED, (U.S.C., TITLE 12, SEC. 51), FOR THE ORGANIZATION OF A NATIONAL BANKING ASSOCIATION IN THE PLACE WHERE SUCH NEW BANK IS LOCATED, GIVING THE STOCKHOLDERS OF THE CLOSED BANK THE FIRST OPPORTUNITY TO PURCHASE SUCH STOCK. UPON PROOF THAT AN ADEQUATE AMOUNT OF CAPITAL STOCK IN THE NEW BANK HAS BEEN SUBSCRIBED AND PAID FOR IN CASH BY SUBSCRIBERS SATISFACTORY TO THE COMPTROLLER OF THE CURRENCY, HE SHALL REQUIRE THE ARTICLES OF ASSOCIATION AND THE ORGANIZATION CERTIFICATE TO BE AMENDED TO CONFORM TO THE REQUIREMENTS FOR THE ORGANIZATION OF A NATIONAL BANKING ASSOCIATION, AND SHALL ISSUE A CERTIFICATE OF AUTHORITY TO COMMENCE BUSINESS TO THE BANK, WHICH SHALL THEREUPON CEASE TO BE A NEW BANK AND SHALL BE MANAGED BY DIRECTORS ELECTED BY ITS OWN SHAREHOLDERS AND MAY EXERCISE ALL THE POWERS GRANTED BY LAW TO NATIONAL BANKING ASSOCIATIONS.

(16) IF THE CAPITAL STOCK OF THE NEW BANK SHALL NOT BE OFFERED

FOR SALE, OR IF AN ADEQUATE AMOUNT OF CAPITAL FOR SUCH NEW BANK IS NOT SUBSCRIBED AND PAID IN, THE BOARD MAY OFFER TO TRANSFER ITS BUSINESS TO ANY INSURED BANK IN THE SAME COMMUNITY WHICH SHALL TAKE OVER ITS ASSETS, ASSUME ITS LIABILITIES, AND PAY TO THE CORPORATION FOR SUCH BUSINESS SUCH AMOUNT AS THE BOARD MAY DEEM ADEQUATE OR IN ITS DISCRETION, MAY CHANGE ITS LOCATION TO THE OFFICE OF THE CORPORATION OR SOME OTHER PLACE OR MAY AT ANY TIME WIND UP ITS AFFAIRS AS HEREIN PROVIDED. UNLESS THE CAPITAL STOCK OF THE NEW BANK IS SOLD OR ITS ASSETS ACQUIRED AND ITS LIABILITIES ASSUMED BY AN INSURED BANK, AS PROVIDED ABOVE, WITHIN TWO YEARS FROM THE DATE OF ITS ORGANIZATION, THE CORPORATION SHALL WIND UP ITS AFFAIRS, AFTER GIVING SUCH NOTICE, IF ANY, AS THE COMPTROLLER OF THE CURRENCY MAY REQUIRE AND SHALL CERTIFY TO THE COMPTROLLER OF THE CURRENCY THE TERMINATION OF THE NEW BANK AND THENCEFORTH SHALL BE LIABLE FOR ITS OBLIGATIONS AND BE THE OWNER OF ITS ASSETS. THE PROVISIONS OF SECTIONS 5220-5221 OF THE REVISED STATUTES (U.S.C. TITLE 12, SECTIONS 181-182) SHALL NOT APPLY TO SUCH NEW BANKS.

(17) PAYMENT OF AN INSURED DEPOSIT TO ANY PERSON BY THE CORPORATION SHALL DISCHARGE THE CORPORATION, AND PAYMENT OF A TRANSFERRED DEPOSIT TO ANY PERSON BY THE NEW BANK OR THE OTHER INSURED BANK SHALL DISCHARGE SUCH NEW BANK OR OTHER INSURED BANK, TO THE SAME EXTENT THAT PAYMENT TO SUCH PERSON BY THE CLOSED BANK WOULD HAVE DISCHARGED IT FROM LIABILITY FOR THE INSURED DEPOSIT.

(18) EXCEPT AS OTHERWISE PRESCRIBED BY THE BOARD, THE CORPORATION, OR SUCH NEW BANK, OR SUCH OTHER INSURED BANK, SHALL NOT BE REQUIRED TO RECOGNIZE AS THE OWNER OF ANY PORTION OF A DEPOSIT IN A CLOSED BANK ANY PERSON WHOSE NAME OR INTEREST AS SUCH OWNER IS NOT DISCLOSED

ON THE RECORDS OF SUCH CLOSED BANK, WHERE SUCH RECOGNITION WOULD INCREASE THE ~~THE~~ AGGREGATE AMOUNT OF THE INSURED DEPOSITS IN SUCH CLOSED BANK.

(19) THE CORPORATION MAY WITHHOLD PAYMENT OF SUCH PORTION OF THE INSURED DEPOSIT OF ANY DEPOSITOR IN A CLOSED BANK AS MAY BE REQUIRED TO PROVIDE FOR THE PAYMENT OF ANY LIABILITY OF SUCH DEPOSITOR AS A STOCKHOLDER OF THE BANK, OR OF ANY LIABILITY OF SUCH DEPOSITOR TO THE BANK OR ITS RECEIVER, WHICH MAY NOT BE OFFSET AGAINST A CLAIM DUE FROM THE BANK, PENDING THE DETERMINATION AND PAYMENT OF SUCH LIABILITY BY SUCH DEPOSITOR OR ANY OTHER PERSON LIABLE THEREFOR.

(20) IF ANY DEPOSITOR IN A CLOSED INSURED BANK SHALL FAIL TO CLAIM HIS INSURED DEPOSIT FROM THE CORPORATION, OR SHALL FAIL TO CLAIM OR ARRANGE TO CONTINUE THE TRANSFERRED DEPOSIT WITH THE NEW BANK OR OTHER BANK ASSUMING LIABILITY THEREFOR WITHIN ONE YEAR AFTER THE APPOINTMENT OF THE RECEIVER FOR THE CLOSED BANK, ALL RIGHTS OF THE DEPOSITOR AGAINST THE CORPORATION IN RESPECT TO THE INSURED DEPOSIT OR AGAINST THE NEW BANK AND SUCH OTHER BANK IN RESPECT TO THE TRANSFERRED DEPOSIT SHALL BE BARRED, AND ALL RIGHTS OF THE DEPOSITOR AGAINST THE CLOSED BANK, ITS SHAREHOLDERS OR THE RECEIVERSHIP ESTATE TO WHICH THE CORPORATION MAY HAVE BECOME SUBROGATED SHALL THEREUPON REVERT TO THE DEPOSITOR. ANY TRANSFERRED DEPOSITS NOT CLAIMED WITHIN SAID ONE YEAR PERIOD, SHALL BE REFUNDED TO THE CORPORATION.

(21) IN ANY CASE WHERE THE CORPORATION IS NOT ACTING AS RECEIVER IT MAY IN ITS DISCRETION PURCHASE AND LIQUIDATE ANY OR ALL OF THE ASSETS OF AN INSURED BANK CLOSED ON ACCOUNT OF INABILITY TO MEET THE DEMANDS OF ITS DEPOSITORS.

(22) NO INSURED BANK SHALL ENTER INTO ANY CONSOLIDATION OR MERGER WITH ANOTHER BANK, OR ASSUME LIABILITY TO PAY ANY DEPOSITS OF ANOTHER BANK, OR TRANSFER ASSETS TO ANOTHER BANK IN CONSIDERATION OF THE ASSUMPTION OF LIABILITY FOR ANY PORTION OF ITS DEPOSITS, OR REDUCE THE AMOUNT OR RETIRE ANY PART OF ITS COMMON OR PREFERRED CAPITAL STOCK, OR RETIRE ANY PART OF ITS CAPITAL NOTES OR DEBENTURES, UNLESS IT SHALL HAVE THE PRIOR WRITTEN CONSENT OF THE CORPORATION.

(23) ANY INSURED NON-MEMBER BANK MAY, UPON NOT LESS THAN 90 DAYS WRITTEN NOTICE TO THE CORPORATION, TERMINATE ITS STATUS AS AN INSURED BANK. THE BOARD SHALL HAVE POWER TO TERMINATE THE STATUS OF ANY BANK AS AN INSURED BANK WHENEVER IT SHALL FIND THAT THE BANK OR ITS DIRECTORS OR TRUSTEES HAVE KNOWINGLY VIOLATED OR KNOWINGLY OR NEGLIGENTLY PERMITTED ANY OF ITS OFFICERS OR AGENTS TO VIOLATE A PROVISION OF THIS SECTION OR OF ANY RULE OR REGULATION MADE THEREUNDER, OR OF ANY LAW OR REGULATION MADE PURSUANT TO LAW TO WHICH THE INSURED BANK IS SUBJECT. THE BOARD SHALL GIVE 60 DAYS WRITTEN NOTICE TO THE BANK OF INTENTION TO TERMINATE ITS STATUS AS AN INSURED BANK, SPECIFYING THE GROUNDS FOR SUCH TERMINATION, AND FIXING A TIME AND PLACE FOR A HEARING BEFORE THE BOARD OR BEFORE ANY PERSON DESIGNATED BY IT TO CONDUCT SUCH HEARING, AT WHICH EVIDENCE MAY BE PRODUCED, AND UPON SUCH EVIDENCE THE BOARD SHALL MAKE WRITTEN FINDINGS WHICH SHALL BE CONCLUSIVE: PROVIDED, THAT WHENEVER THE BOARD FINDS THAT IT IS NECESSARY TO TERMINATE THE INSURED STATUS OF A BANK IMMEDIATELY IN ORDER TO PREVENT LOSS TO THE CORPORATION, IT MAY SHORTEN SAID NOTICE OF INTENTION TO NOT LESS THAN 10 DAYS. IF THE BOARD SHALL FIND THAT ANY GROUND SPECIFIED IN SUCH NOTICE

HAS BEEN ESTABLISHED, THE BOARD MAY ORDER THAT THE INSURED STATUS OF THE BANK BE TERMINATED ON A DATE SUBSEQUENT TO SUCH FINDING AND TO THE EXPIRATION OF THE TIME SPECIFIED IN SUCH NOTICE OF INTENTION. THE CORPORATION MAY PUBLISH NOTICE OF SUCH TERMINATION AND THE BANK SHALL GIVE SUCH NOTICE OF TERMINATION TO ITS DEPOSITORS AS THE BOARD MAY ORDER. AFTER TERMINATION OF THE INSURED STATUS OF ANY BANK, THE INSURED DEPOSITS OF EACH DEPOSITOR IN THE BANK ON THE DATE OF SUCH TERMINATION, LESS SUBSEQUENT WITHDRAWALS, SHALL CONTINUE FOR A PERIOD OF 2 YEARS TO BE INSURED AND THE BANK SHALL CONTINUE TO BE AN INSURED BANK AND TO PAY PREMIUMS TO THE CORPORATION FOR SUCH PERIOD OF 2 YEARS FROM SUCH TERMINATION, BUT NO ADDITIONS TO ANY DEPOSITS OR ANY NEW DEPOSITS SHALL BE INSURED BY THE CORPORATION, AND THE BANK SHALL NOT ADVERTISE OR HOLD ITSELF OUT AS AN INSURED BANK UNLESS IN THE SAME CONNECTION IT SHALL STATE WITH EQUAL PROMINENCE THAT ADDITIONS TO DEPOSITS AND NEW DEPOSITS MADE AFTER (INSERT DATE OF TERMINATION) ARE NOT INSURED. SUCH BANK SHALL IN ALL OTHER RESPECTS BE SUBJECT TO THE DUTIES AND OBLIGATIONS OF AN INSURED BANK FOR A PERIOD OF 3 YEARS FROM SUCH TERMINATION.

(24) WHENEVER AN INSURED BANK, FOR A PERIOD OF 120 DAYS AFTER WRITTEN NOTICE OF SUCH RECOMMENDATIONS, SHALL FAIL TO COMPLY WITH THE RECOMMENDATIONS OF THE CORPORATION BASED ON A REPORT OF EXAMINATION OF SUCH BANK, THE CORPORATION SHALL HAVE THE POWER, AND IS HEREBY AUTHORIZED TO PUBLISH ANY PART OF SUCH REPORT OF EXAMINATION IN SUCH MANNER AS IT MAY DETERMINE: PROVIDED, THAT NOTICE OF INTENTION TO MAKE SUCH PUBLICATION SHALL BE GIVEN BY THE CORPORATION TO THE BANK AT LEAST 90 DAYS BEFORE SUCH PUBLICATION: PROVIDED FURTHER, THAT SUCH NOTICE OF

INTENTION TO MAKE SUCH PUBLICATION MAY BE GIVEN AT THE TIME SUCH RECOMMENDATIONS ARE MADE, OR AT ANY TIME THEREAFTER.

(25) THE PROVISIONS OF THIS SUBSECTION (1) RELATING TO INSURED NATIONAL BANKS SHALL BE APPLICABLE LIKEWISE TO ALL INSURED BANKS LOCATED IN THE DISTRICT OF COLUMBIA AND TO ANY INSURED NON-MEMBER NATIONAL BANKING ASSOCIATION LOCATED IN THE TERRITORY OF HAWAII OR ALASKA.

(26) NOTHING HEREIN CONTAINED SHALL BE CONSTRUED TO PREVENT THE CORPORATION FROM ENTERING INTO NEGOTIATIONS TO SECURE THE REOPENING OF ANY INSURED BANK CLOSED ON ACCOUNT OF INABILITY TO MEET THE DEMANDS OF ITS DEPOSITORS.

~~(27) Nothing herein contained shall be construed to prevent the Corporation from making loans to national banks closed by action of the Comptroller of the Currency, or by vote of their directors, or to State member banks closed by action of the appropriate State authorities, or by vote of their directors, or from entering into negotiations to secure the reopening of such banks.~~

(m) (1) MONEY OF THE CORPORATION NOT OTHERWISE EMPLOYED SHALL BE INVESTED IN SECURITIES OF THE GOVERNMENT OF THE UNITED STATES, OR IN SECURITIES GUARANTEED AS TO PRINCIPAL AND INTEREST BY THE GOVERNMENT OF THE UNITED STATES, EXCEPT THAT FOR TEMPORARY PERIODS, IN THE DISCRETION OF THE BOARD, FUNDS OF THE CORPORATION MAY BE DEPOSITED IN ANY FEDERAL RESERVE BANK OR WITH THE TREASURER OF THE UNITED STATES. WHEN DESIGNATED FOR THAT PURPOSE BY THE SECRETARY OF THE TREASURY, THE CORPORATION SHALL BE A DEPOSITORY OF PUBLIC MONEYS, EXCEPT RECEIPTS FROM CUSTOMS, UNDER SUCH REGULATIONS AS MAY BE PRESCRIBED BY THE SAID SECRETARY, AND MAY

ALSO BE EMPLOYED AS A FINANCIAL AGENT OF THE GOVERNMENT. IT SHALL PERFORM ALL SUCH REASONABLE DUTIES AS DEPOSITORY OF PUBLIC MONEYS AND FINANCIAL AGENT OF THE GOVERNMENT AS MAY BE REQUIRED OF IT.

(2) UNTIL JULY 1, 1936, WHENEVER IN THE JUDGMENT OF THE BOARD SUCH ACTION WILL REDUCE THE RISK OR AVERT A THREATENED LOSS TO THE CORPORATION AND WILL FACILITATE A MERGER OR CONSOLIDATION, OR FACILITATE THE SALE OF THE ASSETS OF AN INSURED BANK TO AND ASSUMPTION OF ITS LIABILITIES BY ANOTHER INSURED BANK, THE CORPORATION MAY, UPON SUCH TERMS AND CONDITIONS AS IT MAY DETERMINE, MAKE LOANS SECURED BY THE ASSETS OF SUCH INSURED BANK IN SUBORDINATION TO THE RIGHTS OF DEPOSITORS OR OTHERWISE, OR MAY PURCHASE SUCH ASSETS, OR MAY GUARANTEE ANY OTHER INSURED BANK AGAINST LOSS BY REASON OF ASSUMING THE LIABILITIES AND PURCHASING THE ASSETS OF SUCH INSURED BANK. ANY INSURED NATIONAL BANK OR CONSERVATOR THEREOF IS AUTHORIZED TO CONTRACT FOR SUCH SALES OR LOANS AND TO PLEDGE ANY ASSETS OF THE BANK TO SECURE SUCH LOANS.

~~(2) Receivers or liquidators of member banks which are now or may hereafter become insolvent or suspended shall be entitled to offer the assets of such banks for sale to the Corporation or as security for loans from the Corporation, upon receiving permission from the appropriate State authority in accordance with express provisions of State law in the case of State member banks, or from the Comptroller of the Currency in the case of national banks. The proceeds of every such sale or loan shall be utilized for the same purposes and in the same manner as other funds realized from the liquidation of the assets of such banks. The Comptroller of the Currency may, in his discretion, pay dividends on proved claims at any time~~

~~after the expiration of the period of advertisement made pursuant to section 5234 of the Revised Statutes (U.S.C., title 12, sec. 193), and no liability shall attach to the Comptroller of the Currency or to the receiver of any national bank by reason of any such payment for failure to pay dividends to a claimant whose claim is not proved at the time of any such payment.~~

(n) THE PROCEEDS DERIVED FROM THE TAX IMPOSED BY SECTION 751, AS AMENDED, OF THE REVENUE ACT OF 1932, ARE HEREBY APPROPRIATED FOR PAYMENT TO THE FEDERAL DEPOSIT INSURANCE CORPORATION FOR EXPENDITURE IN CARRYING OUT THE PURPOSES OF THIS ACT, THE AMOUNTS SO APPROPRIATED AND PAID TO BE BASED UPON MONTHLY REPORTS OF COLLECTIONS BY COLLECTORS OF INTERNAL REVENUE, APPROVED BY THE COMMISSIONER OF INTERNAL REVENUE, AT SUCH TIMES AND IN ACCORDANCE WITH SUCH RULES AND REGULATIONS AS THE COMMISSIONER OF INTERNAL REVENUE, WITH THE APPROVAL OF THE SECRETARY OF THE TREASURY, SHALL PRESCRIBE.

(o) The Corporation is authorized and empowered, WITH THE APPROVAL OF THE SECRETARY OF THE TREASURY, to issue and to have outstanding at any one time in an amount aggregating not more than three times the amount ~~of its capital~~, RECEIVED BY THE CORPORATION IN PAYMENT OF ITS CAPITAL STOCK, its notes, debentures, bonds, or other such obligations, to be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in such obligations, and to bear such rate or rates of interest, and to mature at such time or times as may be determined by the Corporation: Provided, That the Corporation may sell on a discount basis short-term obligations payable

at maturity without interest. The notes, debentures, bonds, and other such obligations of the Corporation may be secured by assets of the Corporation in such manner as shall be prescribed by its board of directors. Such obligations may be offered for sale at such price or prices as the Corporation may determine.

THE SECRETARY OF THE TREASURY, IN HIS DISCRETION, IS AUTHORIZED TO PURCHASE ANY OBLIGATIONS OF THE CORPORATION TO BE ISSUED HEREUNDER, AND FOR SUCH PURPOSE THE SECRETARY OF THE TREASURY IS AUTHORIZED TO USE AS A PUBLIC-DEBT TRANSACTION THE PROCEEDS OF THE SALE OF ANY SECURITIES HEREAFTER ISSUED UNDER THE 2ND LIBERTY BOND ACT, AS AMENDED, AND THE PURPOSES FOR WHICH SECURITIES MAY BE ISSUED UNDER THE 2ND LIBERTY BOND ACT, AS AMENDED, ARE EXTENDED TO INCLUDE ANY PURCHASES OF THE CORPORATION'S OBLIGATIONS HEREUNDER. THE SECRETARY OF THE TREASURY MAY, AT ANY TIME, SELL ANY OF THE OBLIGATIONS OF THE CORPORATION ACQUIRED BY HIM UNDER THIS SECTION. ALL REDEMPTIONS, PURCHASES AND SALES BY THE SECRETARY OF THE TREASURY OF THE OBLIGATIONS OF THE CORPORATION SHALL BE TREATED AS PUBLIC-DEBT TRANSACTIONS OF THE UNITED STATES.

(p) All notes, debentures, bonds, or other such obligations issued by the Corporation shall be exempt, both as to principal and interest, from all taxation (except estate and inheritance taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. The Corporation, including its franchise, its capital, reserves, and surplus, and its income, shall be exempt from all taxation now or hereafter imposed by the United States, by any

Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that any real property of the Corporation shall be subject to State, Territorial, county, municipal or local taxation to the same extent according to its value as other real property is taxed.

(g) In order that the Corporation may be supplied with such forms of notes, debentures, bonds, or other such obligations as it may need for issuance under this Act, the Secretary of the Treasury is authorized to prepare such forms as shall be suitable and approved by the Corporation, to be held in the Treasury subject to delivery, upon order of the Corporation. The engraved plates, dies, bed pieces, and other material executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The Corporation shall reimburse the Secretary of the Treasury for any expenses incurred in the preparation, custody, and delivery of such notes, debentures, bonds, or other such obligations.

(r) The Corporation shall annually make a report of its operations to the Congress as soon as practicable after the 1st day of January in each year.

THE BOARD, FROM TIME TO TIME, SHALL GATHER INFORMATION AND DATA AND SHALL MAKE INVESTIGATIONS AND REPORTS UPON THE ORGANIZATION, OPERATION, CLOSING, REOPENING, REORGANIZATION AND CONSOLIDATION OF BANKS, BANKING PRACTICES AND MANAGEMENT, AND THE SECURITY OF DEPOSITORS AND ADEQUACY OF SERVICE TO BORROWERS. THE BOARD, IN ANY ANNUAL OR SPECIAL REPORT TO CONGRESS, SHALL REPORT ITS FINDINGS AND MAKE SUCH

RECOMMENDATIONS AND REQUESTS AS IT SHALL FIND NECESSARY AND APPROPRIATE FOR THE PURPOSE OF CARRYING OUT THE PURPOSES OF THIS SECTION AND FULLY PROVIDING FOR ALL OF THE OBLIGATIONS OF THE CORPORATION.

(s) Whoever, for the purpose of obtaining any loan from the Corporation, or any extension or renewal thereof, or the acceptance, release, or substitution of security therefor, or for the purpose of inducing the Corporation to purchase any assets, OR FOR THE PURPOSE OF OBTAINING THE PAYMENT OF ANY INSURED DEPOSIT OR TRANSFERRED DEPOSIT OR THE ALLOWANCE, APPROVAL OR PAYMENT OF ANY CLAIM, or for the purpose of influencing in any way the action of the Corporation under this section, makes any statement, knowing it to be false, or willfully overvalues any security, shall be punished by a fine of not more than \$5,000, or by imprisonment for not more than two years, or both.

(t) Whoever (1) falsely makes, forges, or counterfeits any obligation or coupon, in imitation of or purporting to be an obligation or coupon issued by the Corporation, or (2) passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged, or counterfeited obligation or coupon purporting to have been issued by the Corporation, knowing the same to be false, forged, or counterfeited, or (3) falsely alters any obligation or coupon issued or purporting to have been issued by the Corporation, or (4) passes, utters, or publishes, or attempts to pass, utter, or publish, as true, any falsely altered or spurious obligation or coupon, issued or purporting to have been issued by the Corporation, knowing the same to be falsely altered or spurious,

shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than five years, or both.

(u) Whoever, being connected in any capacity with the Corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged, or otherwise intrusted to it, or (2) with intent to defraud the Corporation or any other body, politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Corporation, makes any false entry in any book, report, or statement of or to the Corporation, or without being duly authorized draws any order or issues, puts forth, or assigns any note, debenture, bond, or other such obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than five years, or both.

(v) (1) No individual, association, partnership, or corporation shall use the words "Federal Deposit Insurance Corporation", or a combination or any three of these four words, as the name or a part thereof under which he or it shall do business. No individual, association, partnership, or corporation shall advertise or otherwise represent falsely by any device whatsoever that his or its deposit liabilities are insured or in anywise guaranteed by the Federal Deposit Insurance Corporation, or by the Government of the United States, or by any instrumentality thereof; and no ~~class-A-stockholder-of-the-Federal-Deposit-Insurance-Corporation~~ INSURED BANK shall advertise or otherwise represent falsely by any device whatsoever the extent to which or the

manner in which its deposit liabilities are insured by the Federal Deposit Insurance Corporation. Every individual, partnership, association, or corporation violating this subsection shall be punished by a fine of not exceeding \$1,000, or by imprisonment not exceeding one year, or both.

~~Every insured bank shall display at each place of business maintained by it a sign or signs to the effect that its deposits are insured by the Federal Deposit Insurance Corporation. The Corporation shall prescribe by regulation the form of such sign and the manner of its display. Such regulation may impose a maximum penalty of \$100 for each day an insured bank continues to violate any lawful provisions of said regulation.~~

(2) EVERY INSURED BANK SHALL DISPLAY AT EACH PLACE OF BUSINESS MAINTAINED BY IT A SIGN OR SIGNS, AND SHALL INCLUDE IN ADVERTISEMENTS RELATING TO DEPOSITS AND IN FORMS FURNISHED FOR USE OF ITS DEPOSITORS AS SPECIFIED BY REGULATION OF THE BOARD, A STATEMENT TO THE EFFECT THAT ITS DEPOSITS ARE INSURED BY THE CORPORATION. THE BOARD SHALL PRESCRIBE BY REGULATION THE FORMS OF SUCH SIGNS AND THE MANNER OF DISPLAY AND THE FORMS OF SUCH STATEMENTS AND THE MANNER OF USE. SUCH REGULATION MAY IMPOSE A MAXIMUM PENALTY OF \$100 FOR EACH DAY AN INSURED BANK CONTINUES TO VIOLATE ANY LAWFUL PROVISIONS OF SAID REGULATION.

(3) NO INSURED BANK SHALL PAY ANY DIVIDENDS ON ITS CAPITAL STOCK UNTIL ALL PREMIUMS DUE TO THE CORPORATION SHALL HAVE BEEN PAID IN FULL; AND ANY DIRECTOR OR OFFICER OF ANY INSURED BANK, WHO PARTICIPATES IN THE DECLARATION OR PAYMENT OF ANY SUCH DIVIDEND SHALL, UPON CONVICTION,

BE FINED NOT MORE THAN \$1,000 OR IMPRISONED NOT MORE THAN ONE YEAR, OR BOTH.

(4) THE BOARD SHALL, BY REGULATIONS APPLICABLE TO ALL INSURED NON-MEMBER BANKS, PRESCRIBE THE SAME LIMITATIONS UPON THE PAYMENT AND THE RATES OF INTEREST UPON VARIOUS CLASSES OF DEPOSITS, THE PAYMENT OF DEPOSITS BEFORE MATURITY AND THE WAIVER OF REQUIREMENT OF NOTICE BEFORE PAYMENT OF DEPOSITS, AS ARE IMPOSED FROM TIME TO TIME BY LAW OR BY REGULATION OF THE FEDERAL RESERVE BOARD UPON LIKE CLASSES OF DEPOSITS IN MEMBER BANKS.

(5) ALL INSURED BANKS AND THE OFFICERS, AGENTS, AND EMPLOYEES THEREOF SHALL BE SUBJECT TO THE PROVISIONS OF AND TO THE PENALTIES PRESCRIBED BY SECTION 5209 OF THE REVISED STATUTES. (U.S.C., TITLE 12, SECTION 592).

(w) The provisions of sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U.S.C., title 18, ch. 5, secs. 202 to 207, inclusive), in so far as applicable, are extended to apply to contracts or agreements with the Corporation under this section, which for the purposes hereof shall be held to include loans, advances, extensions, and renewals thereof, and acceptances, releases, and substitutions of security therefor, purchases or sales of assets, and all contracts and agreements pertaining to the same.

(x) The Secret Service Division of the Treasury Department is authorized to detect, arrest, and deliver into the custody of the United States marshal having jurisdiction any person committing any of the offenses punishable under this section.

(y) ~~The Corporation shall open on its books a Temporary Federal Deposit Insurance Fund (hereinafter referred to as the "Fund"), which shall become operative on January 1, 1934, unless the President shall by proclamation fix an earlier date, and it shall be the duty of the Corporation to insure deposits as hereinafter provided until July 1, 1935.~~

~~Each member bank licensed before January 1, 1934, by the Secretary of the Treasury pursuant to the authority vested in him by the Executive order of the President issued March 10, 1933, shall, on or before January 1, 1934, become a member of the Fund; each member bank so licensed after such date, and each State bank trust company or mutual savings bank (referred to in this subsection as "State bank", which term shall also include all banking institutions located in the District of Columbia and the Territories of Hawaii and Alaska) which becomes a member of the Federal Reserve System on or after such date, shall, upon being so licensed or so admitted to membership, become a member of the Fund; and any State bank which is not a member of the Federal Reserve System, with the approval of the authority having supervision of such State bank and certification to the Corporation by such authority that such State bank is in solvent condition, shall, after examination by, and with the approval of, the Corporation, be entitled to become a member of the Fund and to the privileges of this subsection upon agreeing to comply with the requirements thereof and upon paying to the Corporation an amount equal to the amount that would be required of it under this subsection if it were a member bank. The Corporation is authorized~~

to prescribe rules and regulations for the further examination of such State bank, and to fix the compensation of examiners employed to make examinations of State banks.

Each member of the Fund shall file with the Corporation on or before the date of its admission a certified statement under oath showing, as of the fifteenth day of the month preceding the month in which it was so admitted, the number of its depositors and the total amount of its deposits which are eligible for insurance under this subsection, and shall pay to the Corporation an amount equal to one-half of 1 per centum of the total amount of the deposits so certified. One-half of such payment shall be paid in full at the time of the admission of such member to the Fund, and the remainder of such payment shall be subject to call from time to time by the board of directors of the Corporation. Within a reasonable time fixed by the Corporation each such member shall file a similar statement showing, as of October 1, 1934, the number of its depositors and the total amount of its deposits which are eligible for such insurance and shall pay to the Corporation in the same manner an amount equal to one-half of 1 per centum of the increase, if any, in the total amount of such deposits since the date covered by the statement filed upon its admission to membership in the Fund.

If at any time prior to July 1, 1935, the Corporation requires additional funds with which to meet its obligations under this subsection, each member of the Fund shall be subject to one additional assessment only in an amount not exceeding the total amount theretofore paid to the Corporation by such member.

On and after July 1, 1934, the amount eligible for insurance under this subsection for the purposes of the October 1, 1934 certified statement, any entrance assessment, and, if levied, the additional assessment, shall be the amounts not in excess of \$5,000 of the deposits of each depositor.

Each mutual savings bank, unless it becomes subject to the provisions of the preceding paragraph in the manner hereinafter provided, shall be excepted from the operation of the preceding paragraph and for each such bank which is so excepted the amount eligible for insurance under this subsection for the purposes of the October 1, 1934 certified statement, any entrance assessment, and, if levied, the additional assessment, shall be the amounts not in excess of \$2,500 for the deposits of each depositor. In the event any mutual savings bank shall be closed on account of inability to meet its deposit liabilities the Corporation shall pay not more than \$2,500 on account of the not approved claim of any owner of deposits in such bank. Provided, however, That should any mutual savings bank make manifest to the Corporation its election to be subject to the provisions of the preceding paragraph the Corporation may, in the discretion of the board of directors, permit such bank to become so subject and the insurance of its deposits to continue on the same basis and to the same extent as that of fund members other than mutual savings banks.

The Corporation, in the discretion of the board of directors, may open on its books solely for the benefit of mutual savings banks an additional Temporary Federal Deposit Insurance Fund (hereinafter referred

to as the "Fund For Mutuals") which, if opened, shall become operative on or after July 1, 1934, but prior to August 1, 1934, and shall continue to July 1, 1935.---If the Fund For Mutuals is opened on the books of the Corporation, each mutual savings bank which is or becomes entitled--- to the benefits of insurance during the period of its operation shall be a member thereof and shall not be a Fund member:---All assessments on each mutual savings bank, including payments heretofore made to the Corporation less an equitable deduction for liabilities and expenses of the Fund incurred prior to the opening of the Fund For Mutuals, if opened, shall be transferred or paid, as the case may be, to the Fund For Mutuals,---All provisions of this section applicable to the Fund and not inconsistent with this paragraph shall be applicable to the Fund For Mutuals if opened, except that as to any period the two are in operation the Fund shall not be subject to the liabilities of the Fund For Mutuals and the Fund For Mutuals shall not be subject to the liabilities of the Fund,---Each mutual savings bank admitted to the Fund shall bear its equitable share of the liabilities of the Fund for the period it is a member thereof, including expenses of operation and allowing for anticipated recoveries.

If any member of the Fund shall be closed on or before June 30, 1935, on account of inability to meet its deposit liabilities, the Corporation shall proceed in accordance with the provisions of subsection (1) of this section to pay the insured deposit liabilities of such member, except that the Corporation shall pay not more than \$2,500 on account of the not approved claim of the owner of any deposit, if the member closed

on or before June 30, 1934, and not more than \$5,000 if closed on or after July 1, 1934.---The provisions of such subsection (1) relating to State member banks shall be extended for the purposes of this subsection to members of the Fund which are not members of the Federal Reserve System; and the provisions of such subsection (1) relating to the appointment of the Corporation as receiver shall be applicable to all members of the Fund.---The provisions of this subsection shall apply only to deposits of members of the Fund which have been made available since March 10, 1933, for withdrawal in the usual course of the banking business.

Before July 1, 1935, the Corporation shall make an estimate of the balance, if any, which will remain in the Fund after providing for all liabilities of the Fund, including expenses of operation thereof under this subsection and allowing for anticipated recoveries.---The Corporation shall refund such estimated balance, on such basis as the Corporation shall find to be equitable, to the members of the Fund other than those which have been closed prior to July 1, 1935.---The Corporation shall prescribe by regulations the manner of exercise of the right of nonmember banks to withdraw from membership in the fund on July 1, 1934, except that no bank shall be permitted to withdraw unless ten days prior thereto it has given written notice to the Corporation of its election so to do.---Banks which withdraw from the Fund on July 1, 1934, shall be entitled to a refund of their proportionate share of any estimated balance in the Fund on the same basis as if the Fund had terminated on July 1, 1934.

~~Each State bank which is a member of the Fund, in order to obtain the benefits of this section after July 1, 1935, shall, on or before such date, subscribe and pay for the same amount of class-A stock of the Corporation as it would be required to subscribe and pay for upon becoming a member bank, or if such State bank is not permitted by the laws under which it was organized to purchase such stock, it shall deposit with the Corporation an amount equal to the amount it would have been required to pay in an account of a subscription to such stock, and thereafter such State bank shall be entitled to such benefits until July 1, 1937.~~

~~Until July 1, 1937, any State bank may obtain the benefits of this section on and after the date the Fund is terminated upon the conditions with regard to examination, certification, and approval governing the admission of State banks to the Fund and upon purchasing such class-A stock or making such a deposit as is prescribed in the preceding paragraph for former fund members.~~

(y) (1) A NON-MEMBER BANK, OTHER THAN (A) A MUTUAL SAVINGS BANK, OR (B) A BANK LOCATED IN THE TERRITORY OF HAWAII OR ALASKA, SHALL NOT BECOME OR CONTINUE AN INSURED BANK AFTER JULY 1, 1937, AND THE INSURED STATUS AND INSURANCE OF THE DEPOSITS OF EACH NON-MEMBER BANK, OTHER THAN (A) A MUTUAL SAVINGS BANK, OR (B) A BANK LOCATED IN THE TERRITORY OF HAWAII OR ALASKA, SHALL TERMINATE ON JULY 1, 1937, WITH LIKE EFFECT AS IF TERMINATED ON SAID DATE BY THE BOARD, AFTER PROCEEDINGS UNDER PARAGRAPH 23 OF SUBSECTION (1) OF THIS SECTION.

(2) It is not the purpose of this section to discriminate, in any manner, against State nonmember, and in favor of, national or member banks; but the purpose is to provide all banks with the same opportunity to obtain and enjoy the benefits of this section. No bank shall be discriminated against because its capital stock is less than the amount required for eligibility for admission into the Federal Reserve System.

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Subsection (e) of Section 13b of the Federal Reserve Act.

(e) In order to enable the Federal Reserve banks to make the loans, discounts, advances, purchases, and commitments provided for in this section, the Secretary of the Treasury, ~~upon the date this section takes effect,~~ ON AND AFTER JUNE 19, 1934, is authorized, under such rules and regulations as he shall prescribe, to pay to each Federal Reserve bank not to exceed such portion of the sum of \$139,299,557 as may be represented by the ~~par-value-of-the-holdings-of-each-Federal-Reserve-bank-of-Federal-Deposit-Insurance-Corporation-stock,~~ THE AMOUNT PAID BY EACH FEDERAL RESERVE BANK FOR FEDERAL DEPOSIT INSURANCE CORPORATION STOCK, upon the execution by each Federal Reserve bank of its agreement (to be endorsed on the certificate of such stock) to hold such stock unencumbered and to pay to the United States all dividends, all payments on liquidation, and all other proceeds of such stock, for which dividends, payments, and proceeds the United States shall be secured by such stock itself up to the total amount paid to each Federal Reserve bank by the Secretary of the Treasury under this section. Each Federal Reserve bank, in

addition, shall agree that, in the event such dividends, payments, and other proceeds in any calendar year do not aggregate 2 per centum of the total payment made by the Secretary of the Treasury, under this section, it will pay to the United States in such year such further amount, if any, up to 2 per centum of the said total payment, as shall be covered by the net earnings of the bank for that year derived from the use of the sum so paid by the Secretary of the Treasury, and that for said amount so due the United States shall have a first claim against such earnings and stock, and further that it will continue such payments until the final liquidation of said stock by the Federal Deposit Insurance Corporation. The sum so paid to each Federal Reserve bank by the Secretary of the Treasury shall become a part of the surplus fund of such Federal Reserve bank within the meaning of this section. All amounts required to be expended by the Secretary of the Treasury in order to carry out the provisions of this section shall be paid out of the miscellaneous receipts of the Treasury created by the increment resulting from the reduction of the weight of the gold dollar under the President's proclamation of January 31, 1934; and there is hereby appropriated, out of such receipts, such sum as shall be required for such purpose.

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Subsections (a) and (b) of Section 22 of the Federal Reserve Act

Sec. 22. (a) No member bank AND NO INSURED BANK AS DEFINED IN SUBSECTION (c) OF SECTION 12B OF THIS ACT and no officer, director, or employee thereof shall hereafter make any loan or grant any gratuity to any bank examiner. Any bank officer, director, or employee violating this provision shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding one year, or fined not more than \$5,000, or both, and may be fined a further sum equal to the money so loaned or gratuity given.

Any examiner or assistant examiner who shall accept a loan or gratuity from any bank examined by him, or from an officer, director, or employee thereof, or who shall steal, or unlawfully take, or unlawfully conceal any money, note, draft, bond, or security or any other property of value in the possession of any member bank OR INSURED BANK or from any safe deposit box in or adjacent to the premises of such bank, shall be deemed guilty of a misdemeanor and shall, upon conviction thereof in any district court of the United States, be imprisoned for not exceeding one year, or fined not more than \$5,000, or both, and may be fined a further sum equal to the money so loaned, gratuity given, or property stolen, and shall forever thereafter be disqualified from holding office as a national bank examiner OR FEDERAL DEPOSIT INSURANCE CORPORATION EXAMINER.

(b) No national bank examiner AND NO FEDERAL DEPOSIT INSURANCE CORPORATION EXAMINER shall perform any other service for compensation while holding such office for any bank or officer, director, or employee thereof.

No examiner, public or private, shall disclose the names of borrowers or the collateral for loans of a member bank OR INSURED BANK to other than the proper officers of such bank without first having obtained the express permission in writing from the Comptroller of the Currency, OR FROM THE FEDERAL DEPOSIT INSURANCE CORPORATION, or from the board of directors of such bank, except when ordered to do so by a court of competent jurisdiction, or by direction of the Congress of the United States, or of either House thereof, or any committee of Congress, or of either House duly authorized. Any bank examiner violating the provisions of this subsection shall be imprisoned not more than one year or fined not more than \$5,000, or both.

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Section 751, as amended, of the Revenue Act of 1932
(U.S.C.A. Title 26, sec. 3751)

(a) There is hereby imposed a tax of 2 cents upon each of the following instruments, presented for payment on or after the 15th day after the date of the enactment of this Act and before January 1, 1935: OR PRESENTED FOR PAYMENT ON OR AFTER THE 15TH DAY AFTER THE DATE OF ENACTMENT OF THE PERMANENT FEDERAL DEPOSIT INSURANCE ACT: Checks, drafts, or orders for the payment of money, drawn upon any bank, banker, or trust company; such tax to be paid by the maker or drawer.

(b) Every person paying any of the instruments mentioned in subsection (a) as drawee of such instrument shall collect the amount of the tax imposed under such subsection by charging such amount against any deposits to the credit of the maker or drawer of such instrument, and shall on or before the last day of each month make a return, under oath, for the preceding month, and pay such taxes to the collector of the district in which his principal place of business is located, or if he has no principal place of business in the United States, to the collector at Baltimore, Maryland. Such returns shall contain such information and be made in such a manner as the Commissioner, with the approval of the Secretary, may by regulations prescribe. Every person required to collect any tax under this section is hereby indemnified against the claims and demands of any person for the amount of any payments made in accordance with the provisions of this section.

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Section 5209 of the Revised Statutes of the United States.

Sec. 5209. Any officer, director, agent, or employee of any Federal reserve bank, or of any member bank as defined in the Act of December twenty-third, nineteen hundred and thirteen, known as the Federal reserve Act, 1913

OR OF ANY INSURED BANK AS DEFINED IN SUBSECTION (c) OF SECTION 12B OF THE FEDERAL RESERVE ACT, who embezzles, abstracts, or willfully misapplies any of the moneys, funds, or credits of such Federal reserve bank or member bank OR INSURED BANK, or who, without authority from the directors of such Federal reserve bank or member bank OR INSURED BANK, issues or puts in circulation any of the notes of such Federal reserve bank or member bank OR INSURED BANK or who, without such authority, issues or puts forth any certificate of deposit, draws any order or bill of exchange, makes any acceptance, assigns any note, bond, draft, bill of exchange, mortgage, judgment, or decree, or who makes any false entry in any book, report, or statement of such Federal reserve bank or member bank, OR INSURED BANK, with intent in any case to injure or defraud such Federal reserve bank or member bank OR INSURED BANK, or any other company, body politic or corporate, or any individual person, or to deceive any officer of such Federal reserve bank or member bank OR INSURED BANK, or the Comptroller of the Currency, OR THE FEDERAL DEPOSIT INSURANCE CORPORATION, or any agent or examiner appointed to examine the affairs of such Federal reserve bank or member bank OR INSURED BANK, or the Federal Reserve Board; and every receiver of a national banking association who, with like intent to defraud or injure, embezzles, abstracts, purloins, or willfully misapplies any of the moneys, funds, or assets of his trust, and every person who, with like intent, aids or abets, any officer, director, agent, employee, or receiver in any violation of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof in any district court of the United States shall be fined not more than \$5,000 or shall be imprisoned for not more than five years, or both, in the discretion of the court.

Any Federal reserve agent, or any agent or employee of such Federal reserve agent, or of the Federal Reserve Board, who embezzles, abstracts, or willfully misapplies any moneys, funds, or securities intrusted to his care,

or without complying with or in violation of the provisions of the Federal reserve Act, issues or puts in circulation any Federal reserve notes shall be guilty of a misdemeanor and upon conviction in any district court of the United States shall be fined not more than \$5,000 or imprisoned for not more than five years, or both, in the discretion of the court.