

ANALYSIS OF REPLIES RECEIVED FROM THE RESERVE BANKS  
TO QUESTION RE CHANGES IN REGULATION H (Letter 12-17-46)

Question 4. Apart from the standard conditions of membership, what changes, if any, should be made in the text of Regulation H?

No change:

NEW YORK  
CLEVELAND  
RICHMOND  
ST. LOUIS

Suggested changes:

BOSTON: Section 6. Eliminate.

Section 7. Whether or not Sec. 6 is eliminated revise Sec. 7 to end sub-paragraphs (a) and (c) in each case after words "prescribed by the Board."

PHILADELPHIA: Footnote 12. Change to read: "This does not prevent a bank from investing the funds of several trusts in a single real estate loan of a type which could properly be purchased in its entirety by each trust participating in the loan."

Standard Condition No. 6. Amend to eliminate requirement of security on funds covered by FDIC insurance.

ATLANTA: Appendix. Expand to include additional Federal laws to which State member banks are subject such as Sections 11(m) and 22(g).

CHICAGO: Footnotes 6 and 7. Incorporate in text of Regulation as part of Section 6.

MINNEAPOLIS: Section 8. Eliminate or greatly condense.

Section 9(b). Eliminate.

Section 10. Eliminate last paragraph.

KANSAS CITY: Amend to add paragraph providing that an affiliate, a majority of the stock of which is owned by a member bank, shall not acquire any assets or do any business which the member bank itself could not acquire or do.

DALLAS. Eliminate standard conditions in regulation but reproduce in appendix.

Recommend that standard conditions be incorporated in and made part of application for membership.

SAN FRANCISCO: Section 7. Eliminate.

Section 6. Amend to embody standard conditions in form which, upon admission of bank, will constitute a contract binding upon bank admitted. (Suggest numerous changes in form of conditions.)