

FEDERAL RESERVE BANK OF CHICAGO
DISTRICT No. 7

Chicago, March 10, 1915.

TO THE MEMBER BANKS OF DISTRICT NUMBER SEVEN:-

The Federal Reserve Board at Washington desires us to inform you that in the opinion of their counsel member banks in the Federal Reserve System have the right to receive savings accounts and pay interest on the same; and further, that the right to advertise for such accounts is a necessary incident to the exercise of the right to receive them.

In this connection, while the Board believes that member banks have the right to advertise for "savings accounts", it also believes that it would be well to limit such advertisement to the exact wording of the statute, that no reasonable complaint might lie against the banks for giving the impression to the public that the "savings accounts" authorized under the Federal Reserve Act are identical with savings departments with segregated assets provided under State laws in many instances. Advertisements might be to the effect that a bank is authorized under the Federal Reserve Act to accept time deposits, including "savings accounts" and pay interest on the same.

Respectfully,

JAMES B. McDOUGAL

Governor.

Bulletin No. 27.

Bulletin No. 27

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

Chicago, March 10, 1915.

TO THE MEMBER BANKS OF DISTRICT NUMBER SEVEN:

The Federal Reserve Board at Washington desires us to inform you that in the opinion of their counsel member banks in the Federal Reserve System have the right to receive savings accounts and pay interest on the same; and further, that the right to advertise for such accounts is a necessary incident to the exercise of the right to receive them.

In this connection, while the Board believes that member banks have the right to advertise for "savings accounts," it also believes that it would be well to limit such advertisement to the exact wording of the statute, that no reasonable complaint might lie against the banks for giving the impression to the public that the "savings accounts" authorized under the Federal Reserve Act are identical with savings departments with segregated assets provided under State laws in many instances. Advertisements might be to the effect that a bank is authorized under the Federal Reserve Act to accept time deposits, including "savings accounts" and pay interest on the same.

Respectfully,

JAMES B. McDOUGAL,

Governor.