

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

March 20, 1933.

TO ALL UNLICENSED STATE MEMBER BANKS
IN THE SEVENTH FEDERAL RESERVE DISTRICT:

The following Regulation No. 27, dated March 18, 1933, has been issued by the Secretary of the Treasury, under authority conferred upon him by the President's Proclamations of March 6, 1933, and of March 9, 1933, declaring and continuing a bank holiday, and the Executive Order of March 10, 1933.

"Any State banking institution which is a member of the Federal Reserve System and which is not licensed by the Secretary of the Treasury to reopen for the performance of usual banking functions may, with the approval of the appropriate State authority having immediate supervision of such banking institution, permit withdrawals by depositors and make payments to creditors of such percentage of the amounts due to them (not exceeding 5 percent) as it may determine, provided that at or before the time of such withdrawal or payment, it shall set aside and make available for such purpose a fund for the benefit of and sufficient to pay to all depositors and creditors the percentage so determined.

"This Regulation shall not in any way affect any right created by Regulation No. 7, nor limit or restrict any payment thereby authorized.

"Any right to authorize withdrawals or payments under the terms of this Regulation shall terminate upon the appointment of any conservator, receiver or other appropriate State official taking charge of the affairs of such banking institutions."

Regulation No. 7 is contained in our Bulletin #224 dated March 9, 1933 and refers to segregated deposits that may be paid on demand.

FEDERAL RESERVE BANK OF CHICAGO