SAFEKEEPING OF SECURITIES FOR MEMBER BANKS

To the Member Bank Addressed:

Unless otherwise stated, the term "Federal Reserve Bank of Dallas" used in this circular includes the El Paso and Houston Branches.

Conditions under which Securities will be Accepted

The safekeeping facilities of the Federal Reserve Bank of Dallas are extended only to member banks in the Eleventh Federal Reserve District and no securities other than those actually owned by member banks will be accepted. Securities so deposited will be held solely for safekeeping, for the account of and subject only to the order of the member bank in whose name the Trust Receipt is issued.

Member banks depositing securities with the Federal Reserve Bank of Dallas for safekeeping will be held by the making of such deposits to have expressly agreed that such securities are held at the risk of the depositing bank and that the Federal Reserve Bank of Dallas,

1. Will be responsible only for the exercise of the same diligence with which it cares for its own property;
2. Shall not be liable for any loss of such securities when such loss is due to any cause other than a lack of such diligence;
3. Shall not be responsible for the genuineness, validity or alteration of such securities.

Charges

No charge is made by the Federal Reserve Bank of Dallas for its safekeeping service except the cost of transportation and insurance on incoming and outgoing shipments of securities.

Insurance

Shipments of securities by registered mail may be insured against loss in transit under this bank’s policy at the expense of the member bank, the present rate being approximately five cents per $1,000, or fraction thereof, but subject to change without notice. To effect
such insurance it is only necessary to send us, by ordinary mail at the time shipment is made, a letter of advice containing a request to insure, enclosing a copy of this letter with the shipment. Such insurance expires upon receipt of shipment at this bank, and if it is desired to cover the risk of loss while the securities remain in safekeeping, member banks must effect their own insurance.

Receipt Not Negotiable

A separate non-negotiable trust receipt will be issued for each kind of security, and securities will be released only on return of the trust receipt with appropriate instructions officially signed by the bank for whose account they are held.

Maturing Securities

The safekeeping service does not include notification of the approaching maturities of principal amounts or interest coupons, therefore, member banks should keep a detailed record of securities left for safekeeping.

Upon the return of trust receipt accompanied by official instructions, maturing securities will be entered for collection and proceeds, when available, disposed of as directed. No action will be taken in connection with maturing securities in the absence of specific instructions.

Coupon Collection Service

Unless otherwise instructed, all matured coupons from United States Government securities attached at the time of receipt, and subsequent coupons as they mature, will be entered for collection and proceeds, when available, placed to the credit of the member bank. Matured coupons from securities other than government issues will be clipped and entered for collection only upon specific official instructions and disposition of the proceeds will be made as directed. It is unnecessary to return the trust receipt when coupons are clipped.

Yours very truly,

[Signature]
Governor.