

**FEDERAL RESERVE BANK  
OF DALLAS**

June 13, 1935

**BORROWINGS OF EXECUTIVE OFFICERS OF MEMBER BANKS**

**To the Member State Bank Addressed:**

I have just been advised by the Federal Reserve Board that, on June 11, 1935, both houses of Congress passed the following joint resolution:

“Resolved . . . that subsection (g) of Section 22 of the Federal Reserve Act is hereby amended by striking out ‘provided that loans heretofore made to any such officer may be renewed or extended not more than two years from the date this paragraph takes effect, if in accord with sound banking practice’, and inserting in lieu thereof: ‘Provided that loans made to any such officer prior to June 16, 1933, may be renewed or extended for periods expiring not more than FIVE years from such date where the board of directors of the member bank shall have satisfied themselves that such extension or renewal is in the best interest of the bank and that the officer indebted has made reasonable effort to reduce his obligation, these findings to be evidenced by resolution of the board of directors spread upon the minute book of the bank.’”

The above amendment has not yet been approved by the President. If and when he approves it, however, it will become immediately effective, and, in the meantime, at the request of the Federal Reserve Board, I am advising you of the action that has been taken by Congress, in order that your board of directors may be in a position to act promptly in the event it becomes necessary to take affirmative action in the matter of adopting the required resolutions concerning any extension or renewal of loans to executive officers of your bank.

Yours very truly,



Federal Reserve Agent