

**FEDERAL RESERVE BANK  
OF DALLAS**

June 17, 1935

**LAW GOVERNING RENEWALS OR EXTENSIONS OF LOANS TO  
EXECUTIVE OFFICERS OF MEMBER BANKS**

To the Member Bank Addressed:

Supplementing my circular letter dated June 14, 1935, I quote below the text of the Act of Congress, approved by the President June 14, 1935, concerning renewals or extensions of loans carried by member banks for their executive officers:

“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.’”

Yours very truly,

A handwritten signature in cursive script, appearing to read "E. Walsh".

Federal Reserve Agent