

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 6, 1933.

1

**DENOMINATIONAL EXCHANGE OF
CURRENCY AND COIN**

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamation declaring bank holiday, Secretary of Treasury has authorized all Federal reserve banks and all other banking institutions to make change by the exchange of currency and/or coin of various denominations for an exactly equal amount of currency and/or coin of other denominations but no gold or gold certificates shall be paid out in making change.

Respectfully,

WM. McC. MARTIN,
Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 6, 1933.

7

SAFETY DEPOSIT BOXES

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamation declaring bank holiday, Secretary of Treasury has issued following regulations: "All banking institutions may allow their customers free access to the Safety Deposit Boxes and Safes rented to such customers."

Respectfully,

WM. McC. MARTIN,
Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 6, 1933.

#3

RETURN OF DEPOSITS

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamation declaring bank holiday, Secretary of Treasury has issued the following regulation: "All banking institutions may upon request return intact and without restriction all cash, checks, and other items delivered for deposit or collection which were received after the last closing of business hours and have not been entered on the books of such banking institution."

Respectfully,

WM. McC. MARTIN,
Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 6, 1933.

A

To Member and Nonmember Clearing Banks in District No. 8:
(For the information of other banks)

The Secretary of the Treasury has issued a regulation that all banking institutions may continue in accordance with the usual practice to cash checks drawn on the Treasurer of the United States provided that no gold or gold certificates shall be paid out.

In keeping with this regulation, the Federal Reserve Bank of St. Louis and its branches will accept from member and nonmember clearing banks in the Eighth Federal Reserve District on special deposit, checks drawn on the Treasurer of the United States and the funds will be maintained in a separate account for payment of currency or coin other than gold coin or gold certificates.

Respectfully,

WM. McC. MARTIN,
Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 6, 1933.

5

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamation declaring bank holiday, Secretary of Treasury has issued the following regulation: "Any banking institution may accept payments in cash or any other form acceptable to it on account or in settlement of obligations payable at or to such institution."

Respectfully,

WM. McC. MARTIN,
Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

#6

March 6, 1933.

**See Regulation #28
date 3-20-33
For additional information
on Regulation #6**

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamation declaring bank holiday, Secretary of Treasury has issued following regulation: "Any banking institution may handle and collect drafts or other documents in connection with the shipment, transportation or delivery of food or feed products may pay out or permit the withdrawal of such amounts of currency as shall be necessary in the judgment of such banking institution in connection with such shipment, transportation or delivery of food or feed products and may perform such other banking functions as may be essential to the shipment, transportation or delivery of food or feed products, provided, however, that no banking institution shall pay out or permit the withdrawal of any gold or gold certificates."

Respectfully,

WM. McC. MARTIN,

Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 6, 1933.

#7

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamation declaring bank holiday, Secretary of Treasury has issued following regulations: "Deposits heretofore received by any banking institution pursuant to agreement or legislative authority providing for segregation and for repayment without restriction may be paid on demand. Any banking institution which was lawfully engaged in the business of receiving deposits prior to March 6, 1933, may create special trust accounts for the receipt of new deposits which shall be subject to withdrawal on demand without any restriction or limitation and shall be kept separately in cash or on deposit in Federal reserve banks or invested in obligations of the United States. Federal reserve banks may open special accounts on their books for their member banks and temporarily for nonmember banks and may receive in such special accounts the proceeds of new deposits received by such banking institutions. In making deposits with the Federal reserve bank pursuant to this regulation the depositing bank shall in the case of each deposit indicate to the Federal reserve bank by symbol or otherwise that the funds so deposited represent new deposits made under this regulation. Upon receipt of such deposits such Federal reserve bank shall credit the same in the special account of the depositing bank herein provided for and shall hold the same solely for repayment to such bank. Federal reserve banks shall permit the withdrawal of any part or all of such new deposits by the depositing bank without restriction provided that the depositing bank shall in such order or request for withdrawal indicate to the Federal reserve bank by symbol or otherwise that such withdrawal is to be made from such special account: provided, however, that no banking institution shall pay out or permit the withdrawal of any gold or gold certificates.

Respectfully,

WM. McC. MARTIN,

Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 7, 1933.

8

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamation declaring bank holiday, Secretary of Treasury has issued following regulation: "Where settlement for checks charged by drawee institutions to the drawers accounts on its books on or before March 4, 1933, is incomplete, settlement may be completed where such settlement does not involve the payment of money or currency."

Respectfully,

WM. McC. MARTIN,

Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 7, 1933.

9

To All Banks in District No. 8:

Under the authority conferred upon him by the President's proclamation of March 6, 1933, declaring a bank holiday, the Secretary of the Treasury has issued the following regulations: "Any banking institution may deliver to the person entitled thereto properly identified documents and securities held by such institution for safe keeping."

Respectfully,

WM. McC. MARTIN,

Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 7, 1933.

**See regulation #28
date 3-20-33
For additional information,
on Regulation #10.**

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamation declaring bank holiday, Secretary of Treasury has issued following regulation: "Any National or State banking institution may exercise its usual banking functions to such extent as its situation shall permit and as shall be absolutely necessary to meet the needs of its community for food, medicine, other necessities of life, for the relief of distress, for the payment of usual salaries and wages, for necessary current expenditures for the purpose of maintaining employment, and for other similar essential purposes: provided, however, that (1) every precaution shall be taken to prevent hoarding or the unnecessary withdrawal of currency; (2) no State banking institution shall engage in any transactions under this regulation which is in violation of State or Federal law or of any regulation issued thereunder; (3) no National banking association shall engage in any transaction under this section which is in violation of any Federal law or of any order or regulation issued by the Comptroller of the Currency; and (4) no gold or gold certificates shall be paid out. Each banking institution and its directors and officers will be held strictly accountable for faithful compliance with the spirit and purpose as well as the letter of this regulation."

Respectfully,

WM. McC. MARTIN,

Governor.

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March 6, 1933.

REGULATION NO. 11

Under authority conferred upon Secretary of the Treasury by President's proclamation declaring bank holiday, you are advised that any bank having branch in a foreign country may deposit collateral in the United States to secure advances to such branch in a foreign country, provided such transaction does not involve any transfer of credit from the United States to a foreign country and any bank having branch in an insular possession of United States may deposit United States government securities or other collateral for a similar purpose when under President's proclamation advances of local currency in the insular possession may lawfully be made.

**FEDERAL RESERVE BANK
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ST. LOUIS**

March 7, 1933.

#12

To All Banks in District No. 8:

Under the authority conferred upon him by the President's proclamation of March 6, 1933, declaring a bank holiday, the Secretary of the Treasury has issued the following regulations: "Clearing house associations and other associations organized to provide an adequately secured medium of temporary exchange, are hereby permitted to issue certificates against sound assets of banking institutions, such certificates to be deliverable by each institution to its creditors and depositors on a pro rata basis provided, however, that no such certificates shall be issued before Friday, March 10, 1933, without the consent of the Secretary of the Treasury addressed to the Clearing House or other association proposing to issue such certificates, and further provided that this permission may be revoked in the event that a national plan to meet the existing emergency is proposed by the Secretary of the Treasury if in his opinion the success of such plan would be inconsistent with the operation of the certificate plan."

Respectfully,

WM. McC. MARTIN,

Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 7, 1933.

#13

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamation declaring bank holiday, Secretary of Treasury has issued following regulation: "Any banking institution lawfully engaged in the business of acting as trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity may continue to transact such business in the normal and usual manner; provided, that in the conduct of said business, except as may be permitted by other regulations of the Secretary of the Treasury, such banking institutions shall not pay out or permit the withdrawal of coin or currency nor withdraw any trust or fiduciary funds on deposit with any other department of the bank."

Respectfully,

WM. McC. MARTIN,

Governor.

March 7, 1933.

REGULATION NO. 14

Under authority conferred upon him by President's proclamation declaring bank holiday, the Secretary of the Treasury has issued the following regulation: "Federal reserve banks are authorized to conduct their normal and usual operations as fiscal agents of the United States in transactions pertaining to the exchange of obligations of the United States, such as making exchange of denominations, exchanging coupon for registered bonds, and vice versa, receiving registered bonds for transfer and effecting C P D transactions."

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 8, 1933.

15

To All Banks in District No. 8:

Under authority conferred upon him by the President's proclamation of March 6, 1933, declaring a bank holiday, Secretary of Treasury has issued following regulation: "The permission granted in regulation number 7 that deposits heretofore received by any banking institution pursuant to agreement or legislative authority providing for segregation and repayment without restriction may be paid on demand, includes any bank in which any such deposits have been redeposited by or on behalf of the receiving bank in accordance with such agreement or legislative authority."

Respectfully,

WM. McC. MARTIN,

Governor.

(Regulation No. 7 authorized special trust accounts, etc.)

March 10, 1933.

REGULATION NO. 16

Under authority conferred upon him by the President's proclamation of March 6, 1933, as extended, declaring bank holiday, the Secretary of the Treasury has issued the following regulation: "All banking institutions are hereby authorized to take such steps and carry through such transactions as may be necessary to complete for their own account, or the account of their customers, payment on any subscriptions, for treasury bills of the United States for which payment was due on March 6, 1933."

(Trans 1602)

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 11, 1933.

REGULATION No. 17

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamations of March 6 and 9, 1933, declaring and continuing bank holiday, Secretary of Treasury has issued following regulation: "Any banking institution may, when the owners consent thereto, pay checks issued prior to March 6, 1933 and received in due course of business by the drawee banking institution, by charging the amounts thereof to the accounts of the drawers and crediting such amounts to the accounts of such owners on the books of the drawee banking institution."

Respectfully,

WM. McC. MARTIN,

Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 11, 1933.

REGULATION No. 18

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamation of March 6 and 9, 1933, declaring and continuing bank holiday, Secretary of Treasury has issued following regulation: "All banking institutions are hereby authorized to subscribe and pay for any United States government obligations which may be offered for subscription and sale by the Secretary of the Treasury. Federal reserve banks may carry on such functions as may be necessary to facilitate such transactions as are authorized by this regulation.

"All Federal reserve banks are authorized to redeem matured obligations of the United States and to cash matured coupons, provided, no gold or gold certificates shall be paid out."

Respectfully,

WM. McC. MARTIN,

Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 12, 1933.

REGULATION No. 19

To All Banks in District No. 8:

Under authority conferred upon him by the President's proclamations of March 6 and 9, 1933, declaring and continuing bank holiday, the Secretary of the Treasury has issued the following regulation: "Except as otherwise prohibited by law, banking institutions may exercise their normal and usual functions in permitting substitution for or release of collateral held by them, provided other collateral or cash of equal or greater value is received in exchange therefor."

Respectfully,

WM. McC. MARTIN,

Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 12, 1933.

REGULATION No. 20

To All Banks in District No. 8:

Under authority conferred upon him by the President's proclamations of March 6 and 9, 1933, declaring and continuing bank holiday, the Secretary of the Treasury has issued the following regulation: "All Federal reserve banks and their branches and agencies may open March 13, 1933, and may remain open for the performance of all usual and normal banking functions except as prohibited by the Executive Order issued by the President on March 10, 1933, and any further orders or regulations hereafter issued."

Respectfully,

WM. McC. MARTIN,

Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 12, 1933.

REGULATION No. 21

To All Banks in District No. 8:

Under authority conferred upon him by the President's proclamations of March 6 and 9, 1933, declaring and continuing bank holiday, the Secretary of the Treasury has issued the following regulation: "Banking institutions which are not members of the Federal Reserve System or organized under the laws of the United States and which are not under the immediate supervision of any State authority may, on and after March 13, 1933, carry on their normal and usual functions except as otherwise prohibited and except that no such institution shall pay out any gold coin, gold bullion or gold certificates, unless authorized by the Secretary of the Treasury nor allow withdrawal of any currency for hoarding, nor engage in any transaction in foreign exchange except such as may be undertaken for legitimate and normal business requirements, for reasonable traveling and other personal requirements, and for fulfilment of contracts entered into prior to March 6, 1933."

Respectfully,

WM. McC. MARTIN,

Governor.

March 12, 1933.

REGULATION NO. 22

Under authority conferred upon him by the President's proclamations of March 6 and 9, 1933, declaring and continuing bank holiday, the Secretary of the Treasury has issued the following regulation: "All Federal Land Banks, Federal Intermediate Credit Banks, Joint Stock Land Banks, Federal Home Loan Banks, Regional Agricultural Credit Corporations and the Reconstruction Finance Corporation are hereby permitted to open at 9 o'clock A. M. Monday, March 13, 1933, to perform their usual banking functions except to the extent prohibited by the Executive Order of the President of the United States, issued March 10, 1933, by Federal or State law, or as may hereafter be limited or prohibited by regulations promulgated by the Secretary of the Treasury.

This permission, as to each of the foregoing banking institutions, may be revoked in whole or in part by the Secretary of the Treasury at any time, and is granted as to each such institution upon the express condition that such institution shall deliver within thirty days from the date hereof, to the Treasurer of the United States or to a Federal reserve bank or a Federal reserve branch bank of the district in which it is located, all gold coin, gold bullion and gold certificates owned by it, and receive payment in credit or in other forms of coin or in currency."

(Trans 1636)

(a) corporations organized under section 25 (a) of the Federal Reserve Act.

(Trans 1656)

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 13, 1933.

REGULATION No. 23

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamations of March 6th and 9th and Executive Order of the President of the United States, dated March 10, 1933, Secretary of the Treasury has issued following regulation governing all banking institutions whether or not licensed to carry on usual and normal functions by Secretary of Treasury or appropriate State authority: "No banking institution shall permit any withdrawal by any person when such institution, acting in good faith, shall deem that the withdrawal is intended for hoarding. Any banking institution, before permitting the withdrawal of large or unusual amounts of currency, may require from the person requesting such withdrawal, a full statement under oath of the purpose for which the currency is requested."

Respectfully,

WM. McC. MARTIN,

Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 13, 1933.

REGULATION No. 24

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamations of March 6 and 9, 1933, declaring and continuing bank holiday, Secretary of the Treasury has issued following regulation: "All banking institutions may cash official drafts drawn upon the Secretary of State for payment of salaries, traveling and other contingent expenses but not for personal account, and remit the amounts thereof to the banks from which the drafts are received, provided that no gold or gold certificates shall be paid out."

Respectfully,

WM. McC. MARTIN,

Governor.

FEDERAL RESERVE BANK
OF
ST. LOUIS

March 14, 1933.

REGULATION No. 25

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamations of March 6 and 9, 1933, declaring and continuing bank holiday, the Secretary of the Treasury has issued the following regulation:

"Pending the determination by the Treasury Department of a suitable procedure for licensing the delivery of gold for use in trade, profession or art. Federal reserve banks are hereby authorized to deliver upon request therefor gold in amounts deemed by such bank to be reasonably required for legitimate and customary uses in trade, profession or art, provided such request is accompanied by affidavit of the person requesting such gold, stating the amount of unmanufactured gold on hand and the facts making it necessary to obtain such gold for the purpose of maintaining employment.

All banks licensed to open for usual and normal functions are permitted to carry out any transaction necessary to complete the delivery of any gold authorized by any Federal reserve bank to be delivered in accordance with such request."

The Secretary of the Treasury has also issued a public statement directing that requests for delivery of gold for use in trade, profession or art be submitted to the Federal reserve bank of the district accompanied by affidavit referred to in regulation, and stating that accurate records must be kept of disposition of all gold which may be released.

Respectfully,

WM. McC. MARTIN,

Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 14, 1933.

REGULATION No. 26

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamations of March 6 and 9, 1933, declaring and continuing bank holiday, the Secretary of the Treasury has issued the following regulation: "All banking institutions may issue drafts transferring credits from any place in the United States to any other place in the United States and from any place in the United States to any place in a foreign country in connection with payments for domestic and foreign patent, trademark and design application fees, and in payment for domestic and foreign patent and trademark taxes and renewals. No gold or gold certificates shall be paid out, withdrawn or exported under this regulation."

Respectfully,

WM. McC. MARTIN,

Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 20, 1933.

REGULATION No. 27

To All Banks in District No. 8:

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, the Secretary of the Treasury has issued the following regulation: "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 per cent) 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 number 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 institution."

Respectfully,

WM McC. MARTIN,

Governor.

(Regulation No. 7 authorizes special trust accounts)

FEDERAL RESERVE BANK
OF
ST. LOUIS

March 20, 1933.

REGULATION No. 28

To All Banks in District No. 8:

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, the Secretary of the Treasury has issued the following regulation: "After the close of business on March 18, 1933, Treasury regulation No. 6 and Treasury regulation No. 10, as amended, shall be without force or effect to authorize any banking transaction therein referred to."

(For your information we quote)

REGULATION No. 6

"Any banking institution may handle and collect drafts or other documents in connection with the shipment, transportation or delivery of food or feed products may pay out or permit the withdrawal of such amounts of currency as shall be necessary in the judgment of such banking institution in connection with such shipment, transportation or delivery of food or feed products and may perform such other banking functions as may be essential to the shipment, transportation or delivery of food or feed products, provided, however, that no banking institution shall pay out or permit the withdrawal of any gold or gold certificates."

REGULATION No. 10

"Any National or State banking institution may exercise its usual banking functions to such extent as its situation shall permit and as shall be absolutely necessary to meet the needs of its community for food, medicine, other necessities of life, for the relief of distress, for the payment of usual salaries and wages, for necessary current expenditures for the purpose of maintaining employment, and for other similar essential purposes: provided, however, that (1) every precaution shall be taken to prevent hoarding or the unnecessary withdrawal of currency; (2) no State banking institution shall engage in any transactions under this regulation which is in violation of State or Federal law or of any regulation issued thereunder; (3) no National banking association shall engage in any transaction under this section which is in violation of any Federal law or of any order or regulation issued by the Comptroller of the Currency; and (4) no gold or gold certificates shall be paid out. Each banking institution and its directors and officers will be held strictly accountable for faithful compliance with the spirit and purpose as well as the letter of this regulation."

Respectfully,

WM McC. MARTIN,

Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 22, 1933.

REGULATION No. 29

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamations of March 6 and of March 9, 1933, declaring and continuing a bank holiday, the Secretary of the Treasury has issued the following regulation: "Any banking institution which is a member of the Federal reserve system and is not licensed to perform usual banking functions may rediscount or pledge with another banking institution renewals of notes which were previously rediscounted or pledged with such other banking institution."

Respectfully,

WM. McC. MARTIN,

Governor.

FEDERAL RESERVE BANK
OF
ST. LOUIS

March 28, 1933.

REGULATION No. 30

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamations of March 6 and of March 9, 1933, declaring and continuing a bank holiday, the Secretary of the Treasury has issued the following regulation:

"Banking institutions which are members of the Federal reserve system and of which actual possession and control have been taken (a) by conservators appointed pursuant to the Act of March 9, 1933, or (b) by appropriate State officials appointed pursuant to State law, as permitted by the President's Executive Order of March 18, 1933, are permitted to transact such limited banking functions as may be authorized in accordance with law by the Comptroller of the Currency, in the case of National banks, or by the appropriate State officials, in the case of State member banks; provided, however, that no such banking institution shall reopen for the performance of its usual and normal functions until it shall have received a license from the Secretary of the Treasury.

This regulation shall not authorize any transaction with respect to the export or paying out of gold, or gold certificates, withdrawal of currency for hoarding or transactions in foreign exchange prohibited or restricted by the Executive Order of March 10, 1933."

Respectfully,

WM. McC. MARTIN,

Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 31, 1933.

REGULATION No. 31

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamations of March 6 and of March 9, 1933, declaring and continuing a bank holiday, the Secretary of the Treasury has issued the following regulation:

"Any banking institution which is a member of the Federal reserve system and is not licensed to perform usual banking functions, but which is duly authorized to engage in the business of acting as trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity, may transact such business in the normal and usual manner and may make payments on account of the principal or income of trust or other fiduciary funds to the persons entitled thereto; provided, that, except to the extent permitted by other emergency banking regulations, no such banking institution shall withdraw or pay out any trust or other fiduciary funds on deposit with any other department of such banking institution or make any other payment in connection with any trust or other fiduciary funds which would operate to discharge, as a whole or in part, any indebtedness, as distinguished from any trust or other fiduciary duty, of such banking institution.

This regulation supersedes emergency banking regulation No. 13 of March 7, 1933, which is hereby revoked."

Respectfully,

WM. McC. MARTIN,

Governor.

**FEDERAL RESERVE BANK
OF
ST. LOUIS**

March 31, 1933.

REGULATION No. 32

To All Banks in District No. 8:

Under authority conferred upon him by President's proclamations of March 6 and of March 9, 1933, declaring and continuing a bank holiday, the Secretary of the Treasury has issued the following regulation:

"Any State bank which is a member of the Federal reserve system, and is not licensed by the Secretary of the Treasury to perform usual banking functions, may permit withdrawals of deposits which are lawfully secured by collateral; provided, that such withdrawals are

- (a) permissible under applicable law
- (b) duly authorized by the board of directors of such bank, upon such terms with respect to the release of collateral as will fully protect all depositors and other creditors against the creation of any preferences, and
- (c) approved by the appropriate State authority having supervision of such bank.

Any such bank is authorized to carry on such usual banking functions as may be essential to allow the withdrawals permitted by this regulation, subject to the provisions and restrictions above set forth and except as otherwise prohibited."

Respectfully,

WM. McC. MARTIN,

Governor.