

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, April 24, 1936, at 12:30 p. m.

PRESENT: Mr. Eccles, Chairman
Mr. Broderick
Mr. McKee
Mr. Ransom

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, Assistant to the Chairman
Mr. Thurston, Special Assistant to the
Chairman
Mr. Wyatt, General Counsel
Mr. Smead, Chief of the Division of Bank
Operations
Mr. Goldenweiser, Director of the Division
of Research and Statistics
Mr. Parry, Chief of the Division of Security
Loans
Mr. Bradley, Assistant Chief of the Division
of Security Loans
Mr. Dreibelbis, Assistant General Counsel
Mr. Benedict, Assistant Counsel

Reference was made to the draft of Regulation "F", Trust Powers of National Banks, which had been prepared by counsel's office pursuant to the request of the Board and approved by the staff for consideration by the Board. The draft met with Mr. Ransom's approval except for three minor changes which he had discussed with counsel and had also discussed with Mr. Szymczak before he left Washington, who approved them. The other members present indicated that the changes were agreeable to them.

Thereupon, upon motion by Mr. Broderick, Regulation "F", Trust Powers of National Banks, was approved and adopted by unanimous vote in the following form to become effective June 1, 1936, and it was understood that the regulation would be printed and copies sent to all Federal reserve banks:

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"REGULATION F
Revised effective June 1, 1936
(Superseding Regulation F, Series of 1930)

"TRUST POWERS OF NATIONAL BANKS

"AUTHORITY FOR REGULATION

"This regulation is issued under authority of the provisions of section 11(k) of the Federal Reserve Act, as amended, which, together with related provisions of law, are published in the Appendix hereto.

"SECTION 1. APPLICATIONS

"A national bank desiring to exercise any or all of the powers authorized by section 11(k) of the Federal Reserve Act, as amended, shall make application to the Board of Governors of the Federal Reserve System for a special permit authorizing such national bank to exercise such powers. If the applying bank is not authorized to exercise any of such powers, the application should be made on Form 61; and if the applying bank is authorized to exercise one or more but not all of such powers, the application should be made on Form 61b.

"In the case of the organization of a new national bank, the conversion of a State bank or trust company into a national bank, or the consolidation of two or more national banks or of a State bank or trust company with a national bank under the charter of the latter, when none of the national banks involved in such consolidations is authorized to exercise trust powers, application for such a permit may be made in advance on behalf of the new, converted or consolidated national bank, and the permit may be issued simultaneously with the consummation of such organization, conversion or consolidation. Such application may be made by the organizers in the case of a new national bank, by the State bank or trust company in the case of a conversion, and by the national bank the charter of which is to be retained in the case of a consolidation.

"Each application made under the provisions of this section shall be executed and forwarded in duplicate, together with duplicate copies of any documents containing any information submitted with the application, to the Federal Reserve bank of the district in which the applying bank is located.

"SECTION 2. CONSIDERATION OF APPLICATIONS

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"In passing upon an application for permission to exercise the fiduciary powers authorized by section 11(k) of the Federal Reserve Act, as amended, the Board of Governors of the Federal Reserve System will give special consideration to the following matters:

- (a) Whether, under the provisions of section 11(k) of the Federal Reserve Act, as amended, the bank has sufficient capital and surplus to render it eligible to receive permission to exercise the fiduciary powers applied for and whether the granting of any or all of such powers would be in contravention of State or local law;
- (b) The needs of the community for trust service of the kind applied for and the probable volume of such trust business available to the bank;
- (c) The general condition of the bank, particularly the adequacy of its net capital and surplus funds in relation to the character and condition of its assets and to its deposit liabilities and other corporate responsibilities, including the proposed exercise of trust powers;
- (d) The general character and ability of the management of the bank;
- (e) The nature of the supervision to be given to the proposed trust activities, including the qualifications and experience of the members of the proposed trust investment committee;
- (f) The qualifications, experience and character of the proposed executive officer or officers of the trust department;
- (g) Whether the bank has available competent legal counsel to advise and pass upon trust matters whenever necessary; and
- (h) Any other facts and circumstances that seem to it proper.

"SECTION 3. CONSOLIDATION OF TWO OR MORE NATIONAL BANKS

"Where two or more national banks consolidate under the provisions of the Act of Congress approved November 7, 1918,¹ as amended, and any one of such banks has, prior to such consolidation, received a permit from the Board of Governors of the Federal Reserve System to act in fiduciary capacities which is in force at the time of the consolidation, the rights existing under such permit pass by operation of law to the

¹Applicable provisions of the Act of Congress approved November 7, 1918, as amended, are printed in the Appendix to this regulation.

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"consolidated bank and the consolidated bank may act in such fiduciary capacities in the same manner and to the same extent as the bank to which such permit was originally issued; and no new application to continue to act in such capacities is necessary. However, in order that the records of the consolidated bank may be complete and that it may have convenient evidence of its right to exercise trust powers, the Board, upon receipt of advice from the Comptroller of the Currency that the consolidation has been consummated, will issue a certificate to the consolidated bank showing its right to exercise the trust powers theretofore granted by the Board to any of the national banks taking part in the consolidation.

"SECTION 4. CONSOLIDATION OF STATE BANK WITH NATIONAL BANK

"Section 3 of the Act of Congress approved November 7, 1918,² as amended, authorizes any bank, trust company, savings bank, or other banking institution incorporated under the laws of any State or in the District of Columbia to be consolidated directly with a national bank located in the same State, county, city, town, or village under the charter of such national bank, and provides in effect that, when such consolidation is consummated, the consolidated national bank shall succeed to the specific fiduciary appointments, designations and nominations of the State institution at the time of the consolidation. It is not necessary for the national bank to have a permit from the Board of Governors of the Federal Reserve System in order to administer the specific trusts to which it thus succeeds, but the provision does not confer upon the consolidated national bank the right to act generally in fiduciary capacities or to undertake any other trust business. Unless the national bank already has a permit from the Board of Governors of the Federal Reserve System to act in fiduciary capacities which is in force at the time of the consolidation, it will be necessary for the bank to obtain such a permit before undertaking to act generally in fiduciary capacities or to accept any other trust business.

"SECTION 5. CHANGE OF NAME

"If a national bank has received a permit from the Board of Governors of the Federal Reserve System to act in fiduciary capacities and subsequently, while the permit is in force, changes its name under the provisions of the Act of Congress approved May 1, 1886,³ it is not necessary for the bank to make a new application to continue to act in such capacities. However, in order that the records of the bank may be complete

²Section 3 of the Act of Congress approved November 7, 1918, as amended, is printed in the Appendix to this regulation.

³The applicable provisions of the Act of Congress approved May 1, 1886, are printed in the Appendix to this regulation.

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"and that it may have convenient evidence of its right to exercise trust powers under its new name, the Board, upon receipt of advice from the Comptroller of the Currency that such change in name has been legally effected, will issue a certificate to it under such new name evidencing its right to exercise the trust powers previously granted to it under its old name.

"SECTION 6. TRUST DEPARTMENT AND MANAGEMENT

"(a) Separate trust department. - Every national bank which obtains permission from the Board of Governors of the Federal Reserve System to act in a fiduciary capacity shall, before undertaking to act in such capacity, establish a trust department which shall be separate and apart from every other department of the bank.

"(b) Directors' supervision of trust department. - The board of directors is responsible for the investment of trust funds by the bank, the disposition of trust investments, the supervision of the trust department, the determination of the policies of such department and for the review of the actions of all committees appointed by the board of directors for the conduct of the trust department. The acceptance of all fiduciary accounts shall be approved by the board of directors or a committee appointed by such board, and the closing out or relinquishment of all such accounts shall be approved or ratified by the board of directors or a committee appointed by such board. Any such approval or ratification shall be recorded in the minutes of the board of directors or of such committee as the case may be.

"(c) Trust investment committee. - Before any such national bank undertakes to act in any fiduciary capacity, the board of directors of the bank shall appoint a trust investment committee which shall be composed of at least three members, who shall be capable and experienced officers or directors of the bank. All investments of trust funds by the trust department of every such national bank shall be made, retained or disposed of only with the approval of the trust investment committee; and such committee shall keep minutes of all its meetings, showing the disposition of all matters considered and passed upon by it. Such committee shall, at least once during each period of twelve months, review all the assets held in or for each fiduciary account to determine their safety and current value and the advisability of retaining or disposing of them; and a report of all such reviews, together with the action taken as a result thereof, shall be noted in the minutes of the trust investment committee. Such committee may have such additional duties relating to the trust department as may be prescribed by the board of directors.

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"(d) Executive officer. - Before any such national bank undertakes to act in any fiduciary capacity, its trust department shall be placed under the management and immediate supervision of an executive officer or officers qualified and competent to administer trusts, and the duties of such officer or officers shall be prescribed by the board of directors of the bank. Such duties shall be evidenced by the by-laws of the bank or by a resolution duly adopted by and entered in the minutes of the board of directors. All officers and other persons taking part in the operation of the trust department shall be adequately bonded.

"(e) Competent legal counsel. - Every such national bank shall designate, employ or retain competent legal counsel who shall be readily available to pass upon trust matters and to advise with the bank and its trust department; but the bank shall not engage in the practice of law.

"(f) Principles of trust institutions. - Every such national bank shall conform to sound principles in the operation of its trust department.⁴

"SECTION 7. BOOKS AND ACCOUNTS

"(a) In general. - Every national bank which has received permission from the Board of Governors of the Federal Reserve System to exercise fiduciary powers shall keep the books and records of the trust department separate and distinct from other records of the bank. All trust accounts opened shall be so kept as to enable the national bank to furnish such information or reports with respect thereto as may be required by the Comptroller of the Currency or the Board of Governors of the Federal Reserve System. The records of the trust department shall contain full information relating to each trust.

"(b) Record of pending litigation. - Every such national bank shall keep an adequate record of all litigation pending against it in connection with its administration of any trust.

"SECTION 8. EXAMINATIONS OF TRUST DEPARTMENT

"In addition to examinations by examiners appointed by the

⁴The Statement of Principles of Trust Institutions approved by the Executive Council of the American Bankers Association under date of April 11, 1933, is included in the Appendix to this regulation and is commended to banks operating trust departments.

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"Comptroller of the Currency⁵ or designated by the Board of Governors of the Federal Reserve System, a committee of directors, exclusive of any active officers of the bank, shall, at least once during each period of twelve months, make suitable audits of the trust department or cause suitable audits of such department to be made by auditors responsible only to the board of directors, and shall, likewise at least once during each period of twelve months, ascertain by thorough examination made or caused to be made by such committee --

(1) Whether a review of all the assets in each trust as to their safety and current value and the advisability of retaining or disposing of them has been made in accordance with section 6(c) of this regulation;

(2) Whether trust funds awaiting investment or distribution have been held uninvested or undistributed any longer than was reasonably necessary.

"Such committee shall promptly make a full report of such audits and examination, in writing, to the board of directors of the bank, together with a recommendation as to the action, if any, which may be necessary to correct any unsatisfactory conditions. The board of directors shall give due consideration to such report and recommendation, together with the latest report of examination by the Comptroller of the Currency or examiners designated by the Board of Governors of the Federal Reserve System⁶ furnished to the bank, and shall take such steps as are

⁵Section 11(k) of the Federal Reserve Act, as amended by the Banking Act of 1935, approved August 23, 1935, provides that 'The State banking authorities may have access to reports of examination made by the Comptroller of the Currency in so far as such reports relate to the trust department of such bank, but nothing in this Act shall be construed as authorizing the State banking authorities to examine the books, records, and assets of such bank.'

"While this provision denies to the State banking authorities the right to examine the trust department of any national bank without the bank's consent, it does not prohibit the bank from permitting an inspection of its records by any one it desires.

⁶This does not relieve the board of directors of any responsibility for prompt consideration of, and action on, matters criticized in the latest report of examination by the Comptroller of the Currency or the Board of Governors of the Federal Reserve System furnished to the bank or for the prompt consideration and action on any matter coming to the attention of the board of directors from any other source which requires action for the protection of parties at interest.

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"appropriate to correct any criticized matters. A report of the audits and examination required under this section, together with the action taken thereon, shall be noted in the minutes of the board of directors; and such report shall be made a part of the records of the bank.

"SECTION 9. TRUST FUNDS AWAITING INVESTMENT OR DISTRIBUTION

"(a) In general. - Funds received or held by a national bank as fiduciary awaiting investment or distribution shall not be held uninvested or undistributed by the bank any longer than is reasonably necessary.

"(b) Use in conduct of business of trustee bank. - Funds received or held by a national bank as fiduciary awaiting investment or distribution shall not be used by the bank in the conduct of its business, unless the bank, under authorization by its board of directors, first delivers to the trust department, as collateral security- -

(1) Bonds, notes, bills, certificates of indebtedness or other direct obligations of the United States, or obligations fully guaranteed by the United States as to principal and interest; or

(2) Other readily marketable securities of the classes in which State trust companies or State banks exercising trust powers are authorized or permitted to invest trust funds under the laws of the State in which such national bank is located; or

(3) Other readily marketable securities of the classes defined as 'investment securities' pursuant to section 5136 of the Revised Statutes of the United States, as amended.⁷

"The securities so deposited as collateral shall be owned by the national bank and shall at all times be at least equal

⁷Section 5136 of the Revised Statutes of the United States, as amended, provides that as used in that section 'the term "investment securities" shall mean marketable obligations evidencing indebtedness of any person, copartnership, association, or corporation in the form of bonds, notes, and/or debentures commonly known as investment securities under such further definition of the term "investment securities" as may by regulation be prescribed by the Comptroller of the Currency'; and a copy of the regulation prescribed by the Comptroller under the authority of section 5136 may be obtained upon request made to his office.

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"in market value to the amount of the trust funds so used in the conduct of the bank's business.⁸

"SECTION 10. INVESTMENT OF TRUST FUNDS

"(a) Private trusts. - Funds received or held by a national bank as fiduciary shall, with the approval of the trust investment committee and subject to the rules of law applicable to fiduciaries, be invested promptly and in strict accordance with the will, deed or other instrument creating the trust. When the instrument creating the trust contains provisions expressly authorizing the bank, its officers or its directors to exercise a discretion in the matter, funds received or held in trust shall be invested only with the approval of the trust investment committee. When such instrument does not specify the character or class of investments to be made and does not expressly vest in the bank, its officers or its directors a discretion in the matter, funds received or held in trust shall be invested, with the approval of the trust investment committee, in any investments in which corporate or individual fiduciaries in the State in which the bank is acting may lawfully invest.

"(b) Court trusts. - A national bank acting in any fiduciary capacity under appointment by a court of competent jurisdiction shall, subject to the supervision of the trust investment committee, make all investments of funds received or held by it in trust under an order of that court, and copies of all such orders shall be filed and preserved with the records of

⁸Section 11(k) of the Federal Reserve Act, as amended, requires that the national bank shall set aside in the trust department 'United States bonds or other securities approved by the Board of Governors of the Federal Reserve System'. This subsection of this regulation is intended as a general approval by the Board of all securities which comply with the requirements thereof and the Board will not give specific approval to any particular securities.

"If a national bank desires to substitute securities for securities already deposited in the trust department as collateral for trust funds used in the conduct of the business of such bank, such a substitution may be made provided the substituted securities comply with the requirements of this subsection and the substituted securities and other securities so deposited as collateral at all times are at least equal in market value to the amount of trust funds so used in the conduct of the bank's business.

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"the trust department of the bank. If the court order vests a discretion in the bank to invest funds received or held by it in trust, or if, under the laws of the State in which the bank is acting, corporate fiduciaries appointed by the court are permitted to exercise such a discretion, the bank, with the approval of the trust investment committee, shall invest such funds in any investments in which corporate or individual fiduciaries in the State in which the bank is acting may lawfully invest.

"(c) Collective investments of trust funds. - Funds received or held by a national bank as fiduciary shall not be invested in participations in pools of mortgage bonds or other securities, except when the cash balances to the credit of certain trust estates held by such national bank are too small to be invested separately to advantage.⁹ Such small amounts may, with the approval of the trust investment committee, be invested collectively, and participation certificates may be issued by the trust department to the various participating estates, provided--

(1) That the bank owns no participation in the securities in which such collective investments are made and has no interest in them except as trustee or other fiduciary; and

(2) That such collective investments are not prohibited by State law or by the instrument creating the trust.

"SECTION 11. PURCHASE OR SALE OF TRUST ASSETS TO OR FROM TRUSTEE BANK OR ITS DIRECTORS, OFFICERS OR EMPLOYEES

"(a) Obligations of trustee bank or its directors, officers, etc. - Funds received or held by a national bank as fiduciary shall not be invested in stock or obligations of, or property acquired from, the bank or its directors, officers, or employees, or their interests, or in stock or obligations of, or property acquired from, affiliates of

⁹ This does not prevent the bank from investing the funds of several trusts in a single real estate loan of the kind which could be made by the bank under the provisions of section 24 of the Federal Reserve Act, as amended, if the bank owns no participation in the loan and has no interest therein except as trustee or other fiduciary.

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"the bank.¹⁰

"(b) Sale or transfer of trust assets to trustee bank or its directors, officers, etc. - Trust assets shall not be sold or transferred to the national bank, to its directors, officers, or employees, or their interests, or to affiliates of the bank, except that, in cases in which the bank has been advised by its counsel in writing that it has incurred a contingent or potential liability to a trust and desires to relieve itself from such liability, such a sale or transfer may be made with the approval of the board of directors; provided that in all such cases the bank, upon the consummation of the sale or transfer, shall reimburse the trust involved in cash or other acceptable assets.

"(c) Dealings between trust accounts. - A national bank acting as fiduciary shall not make any advance to any trust from the funds belonging to any other trust, except when the making of such advances to a designated trust is specifically authorized by the trust instrument covering the trust from which such advances are made.

"SECTION 12. CUSTODY OF TRUST SECURITIES
AND INVESTMENTS

"The securities and investments of each trust shall be kept separate from the properties of the bank, and the securities and investments of each trust also shall be kept separate from those of all other trusts except as provided in subsection (c) of section 10 of this regulation.¹¹ Trust securities and investments shall be placed in the joint custody of

"¹⁰Under recognized principles of sound practice regarding the handling of trust funds, a trustee or other fiduciary should not have any interest, direct or indirect, in the funds of a trust except as a fiduciary, and this requirement contemplates that the national bank will not invest trust funds in the obligations of any organization in which officers, directors, or employees of the bank have such an interest as might affect the exercise of the best judgment of the management of the bank in investing trust funds. This requirement shall not be deemed to prohibit investments which are expressly required by the instrument creating the trust or by court order.

"¹¹This does not prevent the bank from investing the funds of several trusts in a single real estate loan of the kind which could be made by the bank under the provisions of section 24 of the Federal Reserve Act, as amended, if the bank owns no participation in the loan and has no interest therein except as trustee or other fiduciary.

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"two or more officers or employees of the bank designated for that purpose by the board of directors of the bank; and all such officers and employees shall be adequately bonded.

"SECTION 13. DEPOSIT OF SECURITIES WITH
STATE AUTHORITIES

"Whenever the laws of a State require corporations acting in a fiduciary capacity to deposit securities with the State authorities for the protection of private or court trusts, every national bank in that State which obtains permission from the Board of Governors of the Federal Reserve System to act in fiduciary capacities shall, before undertaking to act in any fiduciary capacity, make a similar deposit of securities with the State authorities. If the State authorities refuse to accept such a deposit, the securities shall be deposited with the Federal Reserve bank of the district in which such national bank is located and such securities shall be held for the protection of private or court trusts with like effect as though the securities had been deposited with the State authorities.

"SECTION 14. COMPENSATION OF BANK

"(a) In general. - If the amount of the fee or compensation for acting in a fiduciary capacity is not regulated by State law or stipulated or provided for in the instrument creating the trust, a national bank acting in such capacity may charge or deduct not more than a reasonable fee or compensation for its services. When the bank is acting in a fiduciary capacity under appointment by a court, it may receive such fee or compensation as shall be lawfully allowed or approved by that court. All income derived from the investment of the funds of a trust, less a proper fee or compensation and all other proper charges, shall be paid over to, or credited to the account of, such trust.

"(b) Officer or employee of bank as co-fiduciary. - No national bank shall, except with the specific approval of its board of directors, permit any of its officers or employees, while serving as such, to retain any fee or other compensation for acting as a co-fiduciary with the bank in the administration of any trust accepted or undertaken by it.

"SECTION 15. INSOLVENCY OR VOLUNTARY
LIQUIDATION OF BANK

"(a) Insolvency. - Whenever a national bank exercising fiduciary powers becomes insolvent and a receiver is appointed

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"therefor by the Comptroller of the Currency, such receiver shall, pursuant to the instructions of the Comptroller and to the orders of the court or courts of appropriate jurisdiction, proceed to close such trusts and estates as can be closed promptly and transfer all other trusts and estates to properly appointed substitute fiduciaries.

"(b) Voluntary liquidation. - Whenever a national bank exercising fiduciary powers is placed in voluntary liquidation, the liquidating agent shall, in accordance with the laws of the State in which such national bank is located, proceed at once to liquidate the affairs of the trust department as follows:

1. All court trusts and estates under the jurisdiction of a court shall be closed or disposed of as soon as practicable in accordance with the orders or instructions of the court having jurisdiction.

2. All voluntary trusts which can be closed promptly shall be closed as soon as practicable and final accounting made therefor.

3. All other trusts shall be transferred by appropriate legal proceedings to properly appointed substitute fiduciaries.

"SECTION 16. SURRENDER OF TRUST POWERS

"(a) Procedure. - Any national bank which has been granted the right by the Board of Governors of the Federal Reserve System to act in any fiduciary capacity or capacities and which desires to surrender such right shall signify such desire through a resolution duly adopted by, and recorded in the minutes of, its board of directors. A properly certified copy of such resolution shall be filed with the Federal Reserve bank of the district in which such national bank is located and shall be accompanied by (1) a letter stating the reason why, or the purpose for which, such national bank wishes to surrender its right to exercise trust powers, unless such reason or purpose shall have been amply stated in the resolution itself, (2) the permit or permits previously issued by the Board to such national bank granting it the right to act in any fiduciary capacity, and (3) any certificate or certificates previously issued to such national bank by the Board under the provisions of sections 3 and 5 of this regulation, except that, in case any such permit or certificate shall have been lost or destroyed, an affidavit by any officer of such national bank as to such loss or destruction shall be filed in lieu of such lost or destroyed permit or certificate.

"(b) Words 'Trust Company' as part of bank's title. -

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"Before issuing the certificate described in subsection (d) of this section of this regulation, the Board will require any national bank which desires to surrender its right to exercise trust powers, and which has the words 'trust company' as part of its title, to eliminate such words from the title. The elimination of such words involving a change in the name of the bank is a matter within the jurisdiction of the Comptroller of the Currency. Such a national bank, therefore, at the time of the adoption of the resolution referred to in subsection (a) of this section of this regulation, should communicate with the Comptroller of the Currency for advice as to the procedure it will be necessary for it to pursue in order to eliminate such words. Advice that such national bank has taken this step should be given, in writing, to the Federal Reserve bank at the time of the filing of the documents required by subsection (a) of this section of this regulation.

"(c) Examination of trust department. - Upon receipt of the documents referred to in subsection (a) of this section of this regulation, the Board will request the Comptroller of the Currency, upon the occasion of the next regular examination of such national bank, to have one of his examiners make an investigation of the trust department of the bank in order to determine whether the bank, pursuant to authority granted to it under section 11(k) of the Federal Reserve Act, has actually accepted or undertaken the exercise of any trust; and, if so, whether it appears from the records of the trust department in the case of each trust so accepted or undertaken--

(1) That all assets and papers belonging to the trust estate have been delivered by the bank to the person or persons entitled to receive them; and

(2) That the duties of the bank as fiduciary have been completely performed and that the bank has been discharged or otherwise properly relieved of all of its duties as fiduciary.

"In exceptional cases, the Board may make, or may request the Comptroller of the Currency to make, a special examination of the trust department of such national bank in order to obtain the information referred to in this subsection.

"(d) Certificate of Board of Governors of the Federal Reserve System. - If, upon the basis of the examination referred to in subsection (c) of this section of this regulation, the Board shall be satisfied that the national bank desiring to surrender its right to exercise trust powers has never accepted or undertaken to exercise any trust or

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"that its duties as fiduciary have been completely performed and that it has been discharged or otherwise properly relieved of all of its duties as fiduciary, and if, in the case of a national bank the title of which previously had included the words 'trust company', the Board shall also be satisfied, from advice received from the Comptroller of the Currency, that the bank has properly eliminated these words from its title, the Board may, in its discretion, issue to such national bank a certificate certifying that such bank is no longer authorized to exercise any of the trust powers conferred upon it by the Board.¹²

"SECTION 17. BOARD FORMS

"All forms referred to in this regulation and all such forms as amended from time to time shall be a part of this regulation.

"¹²Section 11(k) of the Federal Reserve Act provides that, upon the issuance of such a certificate by the Board, 'such bank (1) shall no longer be subject to the provisions of this subsection or the regulations of the Board of Governors of the Federal Reserve System made pursuant thereto, (2) shall be entitled to have returned to it any securities which it may have deposited with the State authorities for the protection of private or court trusts, and (3) shall not exercise thereafter any of the powers granted by this subsection without first applying for and obtaining a new permit to exercise such powers pursuant to the provisions of this subsection.'"

Thereupon the meeting adjourned.

Charles H. Torrey
Secretary.

Approved:

W. C. Cullen
Chairman.