

FEDERAL RESERVE BANK
OF NEW YORK

Government Deposit
Department

[Circular No. 257]
[February 26, 1920]

Supplementing 255

Incorporated Savings Banks Qualifying as Collateral
Agents for Consignments of Permanent Bonds

To all Savings Banks in the Second Federal Reserve District

DEAR SIRs:—With respect to our Circular No. 255, dated February 20, 1920, relative to the exchange of temporary 4% and 4¼% coupon Liberty bonds for permanent bonds, we have been advised by the Treasury Department that any savings bank which is *incorporated* under the Banking Law of the State may be designated as a special depository and, as such, may qualify to receive deliveries of permanent bonds on consignment against collateral pledged with this bank.

To facilitate qualifying as a consignment agent, we would suggest that each *incorporated* savings bank desiring to qualify for this purpose secure its designation as a special depository in advance by filing with us on the enclosed form a certified copy of resolutions of its board of trustees. *The same result, however, may be accomplished if savings banks holding temporary bonds for their own account exchange them and use the permanent bonds for making immediate exchanges of temporary bonds surrendered.*

Such savings banks as do not wish to adopt either of the above methods may follow the second method outlined in our Circular No. 255.

Yours very truly,

J. H. CASE,

Acting Governor.

(copy of original)

RESOLUTIONS AUTHORIZING APPLICATION FOR DEPOSITS

I hereby certify that the following resolutions were duly adopted at a meeting of the board of directors of the below-named bank (trust company), which meeting was duly called and duly held on theday of.....
.....191....., a quorum being present, and that the said resolutions were spread upon the minutes of said meeting:

Resolved, That, in accordance with the provisions of Treasury Department Circular No. 92, ~~as amended and supplemented September 24, 1917~~ ^{of APRIL 17, 1919,} this bank (trust company) makes application for the deposit of public moneys with it from time to time under the act of Congress approved September 24, 1917, as heretofore and hereafter amended and supplemented, the aggregate amount of such deposits not to exceed at any one time \$.....; and assign and agree to pledge from time to time to and with the Federal Reserve Bank of New York, as fiscal agent of the United States, as collateral security for such deposits as may be made from time to time pursuant to such application, securities of the character and amount required by said circular; and

Resolved, That the president, or any vice president, or cashier, or secretary, of the undersigned bank (trust company) is hereby authorized to make application, assignment, and agreement as aforesaid and from time to time to deliver to and pledge with said Federal Reserve Bank, or any custodian or custodians appointed by it, securities of the undersigned bank (trust company) of a character and amount at least sufficient to secure such deposits according to the terms of said Treasury Department circular as amended and supplemented as aforesaid, and from time to time to withdraw securities and to substitute other securities and to pledge and deposit additional securities.

In witness whereof I have hereunto signed my name and affixed the seal of the
.....of.....

(Seal)

.....
Cashier (Secretary.)