

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 1425]
[September 28, 1934]

QUALIFICATION OF NONMEMBER BANKING INSTITUTIONS TO LEND
TO MEMBERS OF NATIONAL SECURITIES EXCHANGES AND
BROKERS AND DEALERS IN SECURITIES

*To Banking Institutions in the
Second Federal Reserve District:*

I refer to Federal Reserve Board Regulation T, Series of 1934, entitled "Extension and Maintenance of Credit by Brokers, Dealers, and Members of Securities Exchanges," copies of which I am transmitting, with my Circular No. 1424, dated September 28, 1934, to members of national securities exchanges, brokers and dealers in securities, and banking institutions, in the Second Federal Reserve District.

I am sending this present circular to banking institutions in this district to call their attention to section 11 of Regulation T regarding qualification of nonmember banking institutions to lend to members of national securities exchanges and brokers and dealers in securities. I enclose three copies of F.R.B. Form T-1, which, as explained in section 11 of Regulation T, is the form of agreement that should be executed and delivered to me in duplicate by any banking institution having its principal office in this district, which is not a member of the Federal Reserve System and which desires to qualify, pursuant to the provisions of subsection (a) of section 8 of the Securities Exchange Act of 1934, as a bank from which it is lawful for any member of a national securities exchange or any broker or dealer who transacts business in securities through the medium of any such member, to borrow in the ordinary course of business as a broker or dealer on registered securities (other than exempted securities).

Copies of F.R.B. Form T-2, for use by banking institutions of the classes referred to in subsection (b) of section 11 of Regulation T, are also available at this bank and will be furnished upon request.

Each nonmember banking institution desiring to qualify, pursuant to the provisions of subsection (a) of section 8 of the Securities Exchange Act of 1934 and section 11 of Regulation T of the Federal Reserve Board, should, as promptly as possible and in any event prior to October 15, 1934, file with me in duplicate original an agreement on F.R.B. Form T-1 (or on F.R.B. Form T-2 in the case of any banking institution of a class referred to in subsection (b) of section 11 of Regulation T) accompanied by proof of the authorization of the execution of such agreement in the manner provided in such form.

J. H. CASE,
Federal Reserve Agent.

CERTIFICATE OF AUTHORIZATION FOR EXECUTION AND FILING OF F.R.B.
FORM T-1 BY AND ON BEHALF OF THE PARTNERSHIP OF

(Name of Partnership)

(Principal Place of Business of Partnership)

We, the undersigned, are general partners of the above named partnership duly organized and doing business in, and under the laws of, the State of

Any agreements made or acts done in the name or on behalf of said partnership by any one or more of the general partners of said partnership are and shall be binding on said partnership and each and every partner thereof.

The attached agreement, dated....., on F.R.B. Form T-1 has been duly executed by and on behalf of, and by authority and direction of, the above named partnership, and said partnership has authorized and directed that said agreement be filed with the Federal Reserve Board by the delivery of duplicate originals of said agreement and of this certificate to the Federal Reserve Agent at the Federal Reserve Bank of New York.

The undersigned are all of the partners of the above named partnership except the following who have not signed this certificate for the reasons set opposite their names below, respectively:

Name	Kind of Partner (State terms of partnership if not a general partner)	Reason for not signing this certificate
------	---	---

Date.....

(Typewrite name)

(Signature)

(Typewrite name)

(Signature)

(Typewrite name)

(Signature)

(Typewrite name)

(Signature)

(Typewrite name)

(Signature)

AGREEMENT

In order to qualify under section 8(a) of the Securities Exchange Act of 1934 as a bank from which it is lawful for any member of a national securities exchange or any broker or dealer who transacts a business in securities through the medium of any such member to borrow, in the ordinary course of business as a broker or dealer, on securities (in addition to exempted securities as defined in such Act) registered on a national securities exchange, the undersigned represents and agrees as follows:

1. That it is a bank within the meaning of that term as defined in the Securities Exchange Act of 1934; that it is organized under the laws of; that it is not a member of the Federal Reserve System; and that it has its principal place of business at

2. That it will henceforth comply with all provisions of the Securities Exchange Act of 1934, the Federal Reserve Act, as amended, and the Banking Act of 1933, which are applicable to banks having membership in the Federal Reserve System and which relate to the use of credit to finance transactions in securities, and with such rules and regulations as may be prescribed pursuant to such provisions of law or for the purpose of preventing evasions thereof.

3. That upon the termination of this agreement it will promptly surrender to the Federal reserve agent at the Federal reserve bank of the Federal reserve district in which is situated its principal place of business every certificate evidencing the filing of this agreement which shall have been issued by the Federal Reserve Board or any agent thereof.

4. That this agreement shall be effective at the time it is filed with the aforesaid Federal reserve agent and shall thereafter be binding upon the undersigned until terminated as provided by law.

Executed in duplicate counterparts this day of, 19.....

By
Authorized officer, agent or partner
—Indicate title or designation

(SEAL)

ATTEST:

.....
Secretary.

RESOLUTION

(Inapplicable if qualifying bank is partnership)

RESOLVED that, the, and, the of (hereinafter in this resolution referred to as the "Bank") be and they hereby are authorized and directed, for and in the name of the Bank to execute and file with the Federal Reserve Board an agreement in the form prescribed by said Board pursuant to the provisions of section 8(a) of the Securities Exchange Act of 1934, in order to qualify the Bank as a bank not having membership in the Federal Reserve System from which any member of a national securities exchange or any broker or dealer who transacts a business in securities through the medium of any such member may borrow, in the ordinary course of business as a broker or dealer, on securities (in addition to exempted securities as defined in such Act) registered on a national securities exchange.

CERTIFICATE

(Inapplicable if qualifying bank is partnership)

I hereby certify that the foregoing is a true and correct copy of a resolution duly adopted by the of, at a meeting duly called and held at on the day of,, 19....., at which meeting a quorum was present and acting throughout.

.....
(Secretary)

AGREEMENT

In order to qualify under section 8(a) of the Securities Exchange Act of 1934 as a bank from which it is lawful for any member of a national securities exchange or any broker or dealer who transacts a business in securities through the medium of any such member to borrow, in the ordinary course of business as a broker or dealer, on securities (in addition to exempted securities as defined in such Act) registered on a national securities exchange, the undersigned represents and agrees as follows:

1. That it is a bank within the meaning of that term as defined in the Securities Exchange Act of 1934; that it is organized under the laws of..... that it is not a member of the Federal Reserve System; and that it has its principal place of business at
2. That it has no branches or agencies situated within any Federal reserve district except as follows:

STREET NUMBER	CITY	STATE	FEDERAL RESERVE DISTRICT
.....
.....
.....
.....
.....

3. That it will henceforth comply with all provisions of the Securities Exchange Act of 1934, the Federal Reserve Act, as amended, and the Banking Act of 1933, which are applicable to banks having membership in the Federal Reserve System and which relate to the use of credit to finance transactions in securities, and with such rules and regulations as may be prescribed pursuant to such provisions of law or for the purpose of preventing evasions thereof.
4. That upon the termination of this agreement it will promptly surrender to the Federal Reserve Board every certificate evidencing the filing of this agreement which shall have been issued by the Federal Reserve Board or any agent thereof.
5. That this agreement shall be effective at the time it is filed with the Federal Reserve Agent at the Federal Reserve Bank of New York or with the Federal Reserve Agent at the Federal Reserve Bank of San Francisco and shall thereafter be binding upon the undersigned until terminated as provided by law.

Executed in duplicate counterparts this day of 19.....

(SEAL)

By

Authorized officer, agent or partner
(Indicate title or designation)

ATTEST:

Secretary.

RESOLUTION

(Inapplicable if qualifying bank is partnership)

RESOLVED that, the, and, the, of..... (hereinafter in this resolution referred to as the "Bank") be and they hereby are authorized and directed, for and in the name of the Bank to execute and file with the Federal Reserve Board an agreement in the form prescribed by said Board pursuant to the provisions of section 8(a) of the Securities Exchange Act of 1934, in order to qualify the Bank as a bank not having membership in the Federal Reserve System from which any member of a national securities exchange or any broker or dealer who transacts a business in securities through the medium of any such member may borrow, in the ordinary course of business as a broker or dealer, on securities (in addition to exempted securities as defined in such Act) registered on a national securities exchange.

CERTIFICATE

(Inapplicable if qualifying bank is partnership)

I hereby certify that the foregoing is a true and correct copy of a resolution duly adopted by the of (name of bank), at a meeting duly called and held at (regular or special) on the day of, 19....., at which meeting a quorum was present and acting throughout.

(Secretary)

FEDERAL RESERVE BOARD

CERTIFICATE

This is to certify that on the day of, 19.....

.....
(Name of Bank)

of
(Address)

filed with the Federal Reserve Board the agreement referred to in section 8(a) of the Securities Exchange Act of 1934 and thereby qualified as a bank, not having membership in the Federal Reserve System, from which it is lawful for any member of a national securities exchange or any broker or dealer who transacts a business in securities through the medium of any such member to borrow, in the ordinary course of business as a broker or dealer, on securities (in addition to exempted securities as defined in such Act) registered on a national securities exchange.

IN WITNESS WHEREOF the Federal Reserve Board has caused this certificate to be executed in its behalf by the undersigned Federal Reserve Agent or Assistant Federal Reserve Agent at the Federal Reserve Bank of

.....
Federal Reserve Agent

Date: