

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 1557]
June 14, 1935

Federal Reserve Board regulations covering computation by member banks of total deposit liabilities on which are to be based subscriptions for class A stock of Federal Deposit Insurance Corporation

*To all Member Banks in the
Second Federal Reserve District:*

For the information of member banks in the Second Federal Reserve District, and at the request of the Federal Reserve Board, I quote below from a telegram which I have received today from the Federal Reserve Board:

Pursuant to provisions of section 12 B(e) of the Federal Reserve Act authorizing Federal Reserve Board to prescribe regulations covering computation by member banks of total deposit liabilities on which are to be based subscriptions for class A stock of Federal Deposit Insurance Corporation for which member banks are required by existing law to apply on or before July 1, 1935, the Federal Reserve Board prescribes the following regulations:

“The term ‘total deposit liabilities’ for purpose of determination by member banks of the amounts of subscriptions for class A stock of Federal Deposit Insurance Corporation under provisions of section 12 B(e) of the Federal Reserve Act means the member bank’s gross deposits as of the close of business on March 4, 1935, less items in process of collection: *Provided, however,* That any bank organized subsequent to March 4, 1935 shall compute the amount of its subscription for class A stock of the Federal Deposit Insurance Corporation on the basis of such total deposit liabilities as of the close of business on the date upon which it becomes a member bank. The term ‘gross deposits’ (items 15 to 19 inclusive in Comptroller of the Currency’s form of report of condition for national banks used as of March 4, 1935 and items numbered 14 to 18 inclusive in Federal Reserve Board’s form of report of condition for State member banks used as of same date) means the sum of United States Government and Postal savings deposits, public funds of States, counties, school districts, or other subdivisions or municipalities, deposits of other banks, certified and cashier’s checks outstanding, and cash letters of credit and traveler’s checks outstanding and all other demand and time deposits, including items credited to depositors’ accounts subject to final payment but not including deposits payable only at an office located in a foreign country. The term ‘items in process of collection’ means the sum of cash items with Federal reserve banks in process of collection and exchanges for clearing house and other checks on local banks (items 4 and 7 of schedule I in the form of report of condition used by member banks as of March 4, 1935) plus such part of amounts ‘due from banks’ (items 5 and 6 of the same schedule) as represents uncollected cash items.”

J. H. CASE,
Federal Reserve Agent.