

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 1648]
March 3, 1936

REPORTS BY EXECUTIVE OFFICERS OF MEMBER BANKS
OF THEIR INDEBTEDNESS TO OTHER BANKS

To all Member Banks in the
Second Federal Reserve District:

This circular is being sent to member banks in the Second Federal Reserve District at the request of the Board of Governors of the Federal Reserve System for the purpose of advising member banks of certain rulings recently made by the Board as to the requirements of subsection (g) of section 22 of the Federal Reserve Act, as amended, and of section 5 of the Board's Regulation O, effective January 1, 1936, relating to reports by executive officers of member banks of their indebtedness to other banks.

On February 6, 1936, the Board made the following ruling:

The reports of indebtedness required by section 22(g) of the Federal Reserve Act prior to the amendment thereto contained in the Banking Act of 1935, approved August 23, 1935, were to be made by the executive officer to the chairman of the board of directors of the member bank of which he was an executive officer, while under the provisions of that section as amended by the Banking Act of 1935 such reports are to be made to the board of directors of such member bank. Accordingly, under the provisions of section 5 of Regulation O, an executive officer of a member bank indebted to other banks on January 1, 1936, the effective date of Regulation O, is required to report such indebtedness to the board of directors of the member bank of which he is an executive officer, regardless of whether such indebtedness has been reported to the chairman of the board of directors of such member bank. Footnote 2 section 5 of Regulation O* merely relates to renewals or extensions of an indebtedness which has been reported to the board of directors.

On February 28, 1936, the Board made the following ruling:

An inquiry has been made as to whether an executive officer of a member bank who has reported his indebtedness to other banks to the board of directors of the member bank of which he is an executive officer, in accordance with the requirements of section 22(g) of the Federal Reserve Act as amended by the Banking Act of 1935 and subsequent to August 23, 1935, the date of enactment of the Banking Act of 1935, but prior to January 1, 1936, the effective date of the Board's Regulation O, is required to make a report to the board of directors of the member bank covering the same indebtedness, as provided in section 5 of the Board's Regulation O. The report required by section 5 of the Board's Regulation would include certain information in addition to that specifically required to be included in such report by the terms of section 22(g), and the Regulation contemplates that reports in accordance with its requirements should be made covering any indebtedness of an executive officer of a member bank to other banks which was in existence on January 1, 1936. However, in any case where the report made to the board of directors prior to January 1, 1936, was made in conformity with the requirements of section 22(g) as amended by the Banking Act of 1935 contains the name of the other bank to which the executive officer of the member bank is indebted and the member bank feels that it is not necessary to obtain a new report, the Board will not insist that a new report be made under the provisions of section 5 of Regulation O covering such indebtedness, provided that the requirements of such section regarding the recording, retention, and availability to duly authorized examiners of reports of this kind are complied with.

A copy of Regulation O, effective January 1, 1936, was transmitted to each member bank in the Second Federal Reserve District accompanying Circular No. 1616, dated December 2, 1935.

J. H. CASE,
Federal Reserve Agent.

(*The footnote referred to reads as follows: "No report need be made in the case of renewals or extensions of an indebtedness which has been previously reported, provided the indebtedness is not increased.")