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FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N. Y. 10045

AREA CODE 212 732-5700

May 2, 1969

CIVIL RIGHTS ACT OF 1968

To the President of Each State Member Bank
in the Second Federal Reserve District:

Enclosed are copies of the Civil Rights Act of 1968 and a letter from Chairman Martin of the Board of Governors of the Federal Reserve System calling your attention to certain provisions of the Act applicable to State member banks.

Your special attention is directed to the last paragraph of Chairman Martin's letter. In their examinations of the State member banks in this District, our bank examiners have been instructed to note the extent of your compliance with the provisions of the Act applicable to your bank.

ALFRED HAYES,
President.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

OFFICE OF THE CHAIRMAN

April 25, 1969.

TO THE PRESIDENT OF EACH STATE MEMBER BANK

The Civil Rights Act of 1968, which became effective January 1, 1969, contains provisions applicable to State member banks that are in the business of making mortgage loans. These provisions make it a violation of Federal law to deny a loan or to discriminate in fixing the terms of a loan, made for the purpose of purchasing, constructing, improving, or maintaining a dwelling, because of the race, color, religion, or national origin of the loan applicant or the present or prospective occupants of the dwelling. The pertinent provisions are contained in Section 805 of Public Law 90-284, a copy of which is attached hereto.

Section 804 of the Act prohibits discrimination in the sale or rental of housing, on account of race, color, religion, or national origin. Insofar as a State member bank or any affiliate or subsidiary of a State member bank is engaged in the sale or rental of real estate, either owned in its own right or as trustee, the provisions of Section 804 are applicable.

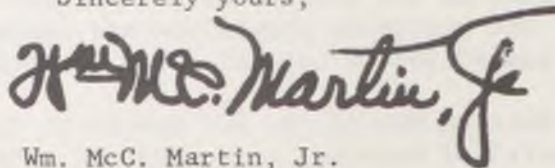
The Act confers authority on the Secretary of Housing and Urban Development (HUD) to investigate complaints of violations of the Act and to eliminate or correct violations by informal methods of conference, conciliation and persuasion. In cases where the Secretary is unable to obtain voluntary compliance, complainants are given the right to commence civil suits in Federal district court to enforce the rights granted by the Act. In such a suit, the court may grant as relief a temporary or permanent injunction, and may award to the plaintiff not more than \$1,000 punitive damages together with court costs and attorney's fees.

(Over)

It is expected that each State member bank will have reviewed its mortgage lending policies, forms and procedures in light of the requirements of the Act. Bank counsel should be consulted, if necessary, to assure that such policies, forms and procedures comply with the Act.

Although primary authority and responsibility for administering the Act is placed in the Secretary of Housing and Urban Development (Section 808(a)), the Board of Governors also has a responsibility to require compliance with the applicable provisions of the Act by those financial institutions under its jurisdiction. Accordingly, the Board expects all State member banks under its supervision to comply with the letter and spirit of applicable provisions of the Civil Rights Act. Federal Reserve System examiners have been instructed to include in their reports any apparent violations of the Act disclosed during the course of any regular or special examination.

Sincerely yours,

A handwritten signature in cursive script that reads "Wm. McC. Martin, Jr." The signature is written in dark ink and is positioned above the typed name.

Wm. McC. Martin, Jr.

Enclosure.