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November 9, 1970

To the Addressee:

Attached is a reprint, in the new size, of the Regulations Relating to Branches of Federal Reserve Banks, as amended effective January 1, 1947, to replace your small-size printing of the regulations bearing the same date.

Circulars Division
Federal Reserve Bank of New York

**BOARD OF GOVERNORS
of the
FEDERAL RESERVE SYSTEM**

**REGULATIONS RELATING TO
BRANCHES OF FEDERAL RESERVE BANKS**

As amended effective January 1, 1947



**These are unpublished regulations, prescribed pursuant to section 3 of the
Federal Reserve Act, for use within the Federal Reserve System.**

6612-1-4

REGULATIONS RELATING TO BRANCHES OF FEDERAL RESERVE BANKS

As amended effective January 1, 1947

SECTION 1—NAMES OF BRANCHES AND TERRITORY SERVED

(a) **Names of branches.** Each branch shall include in its title the name of the city in which it is situated and the name of the Federal Reserve Bank of which it is a branch, as "Detroit Branch of the Federal Reserve Bank of Chicago."

(b) **Branch territory.** No change shall be made by any Federal Reserve Bank in the territory included within the district served by any of its branches, except with the approval or upon the direction of the Board of Governors.

SECTION 2—AUTHORITY AND FUNCTIONS

No substantial change shall be made by any Federal Reserve Bank in the authority of or functions performed by any of its branches, except with the approval or upon the direction of the Board of Governors.

SECTION 3—DIRECTORS

(a) **Number of directors.** The board of directors of each branch of a Federal Reserve Bank shall consist either of seven members or of five members, as may be determined by the Federal Reserve Bank, subject to the approval of the Board of Governors. Where the board of directors of the branch consists of seven members, four shall be appointed by the Federal Reserve Bank and three by the Board of Governors, and, where the board consists of five members, three shall be appointed by the Federal Reserve Bank and two by the Board of Governors.

(b) **Qualifications of directors.** All directors shall be persons of high character and standing who have established reputations and ability to meet their financial obligations. They shall be persons whose business and financial interests are primarily within and representative of the branch territory rather than of interests controlled or owned outside the territory. The directors appointed by the Federal Reserve Banks shall be

persons who are either well qualified and experienced in banking or actively engaged in commerce, agriculture or some other industrial pursuit. The directors appointed by the Board of Governors shall be persons who are actively engaged in commerce, agriculture, some other industrial pursuit, or the practice of a profession, who are not primarily engaged in banking and preferably are not directors of banks, although they may be stockholders. No director of a Federal Reserve Bank shall serve as a director of a branch of the Bank during the period of his service as a director of the Federal Reserve Bank. All directors shall be citizens of the United States and shall reside within the territory served by the branch, but at least one of the directors appointed by the Federal Reserve Bank shall reside outside of the city in which the branch is located.

(c) **Terms of directors.** The term of office of directors shall be three years where the branch board consists of seven members and two years where the branch board consists of five members. In order to make practicable an orderly rotation of branch directorships, the terms of directors shall be so arranged that the term of one director appointed by the Board of Governors shall expire at the end of each year and the term of at least one director appointed by the Federal Reserve Bank shall expire at the end of each year.

(d) **Directors with six or more years of continuous service.** No director shall be reappointed as a director if such reappointment is to become effective within a period of two years immediately following six or more years of continuous service at any branch having five directors or within a period of three years immediately following such service at any branch having seven directors.

(e) **Chairman.** The Federal Reserve Bank shall provide for the annual designation, in such manner as it may prescribe, of one of the members of the board of directors of each branch appointed by the Board of Governors as the chairman of the board.

(f) **Vacancies.** In the event of a vacancy occurring in the board of directors of a branch of a Federal Reserve Bank, the appointment to fill such vacancy shall be made by the body making the original appointment and such appointment shall be for the unexpired term.

(g) **Removal of directors.** As provided in section 3 of the Federal Reserve Act, directors of branches of Federal Reserve Banks hold office during the pleasure of the Board of Governors.

(h) **Meetings.** The board of directors of each branch shall meet once a month during at least ten months in each calendar year. A special meeting may be called at any time in accordance with such procedure as the Federal Reserve Bank may prescribe.

(i) **Quorum.** A majority of the board of directors of the branch shall constitute a quorum for the transaction of business, but less than a majority may adjourn from time to time until a quorum is in attendance.

(j) **Fees and allowances.** The fees and allowances to be paid to directors of the branch for attendance at meetings of the board of directors of the branch or any committees of the branch shall be fixed by the Federal Reserve Bank subject to the approval of the Board of Governors.

(k) **Powers.** The board of directors of the branch shall supervise the operations of the branch subject to the direction and control of the Federal Reserve Bank of the district and the regulations of the Board of Governors.

SECTION 4—OFFICERS

(a) **Officers in charge.** The Federal Reserve Bank shall designate an officer to be the active manager of the branch and he shall not be a member of the board of directors of the branch. If the officer in charge is not a Vice President of the Federal Reserve Bank he shall have the title of "Manager" or such other title not including the word "Director" as may be fixed by the Federal Reserve Bank.

(b) **Other officers.** The Federal Reserve Bank shall appoint such officers for each branch, in addition to the officer in charge of the branch, as the bank from time to time deems necessary. Such officers shall perform such duties as may be prescribed, with the approval of the Federal Reserve Bank, by the board of directors of the branch or by the officer in charge. In accordance with the provisions of the Federal Reserve Act, all officers of a branch shall be subjected to removal by the Board of Governors and any compensation provided for officers or employees of any branch shall be subject to the approval of the Board of Governors.

SECTION 5—SUPPLEMENTAL INSTRUCTIONS

Each Federal Reserve Bank may issue instructions or adopt by-laws, not inconsistent with the law or these regulations, containing such further provisions with regard to the operation of its branches as it may deem advisable.