

FEDERAL RESERVE BANK
OF NEW YORK

Circular No. 6937
May 8, 1972

BANK HOLDING COMPANIES
Interpretation of Regulation Y

To All Bank Holding Companies, and Others Concerned,
in the Second Federal Reserve District:

Printed below is an excerpt from the *Federal Register* of May 4, containing an interpretation of Regulation Y of the Board of Governors of the Federal Reserve System. The interpretation lists the activities the Board of Governors has determined, under section 4(c)(8) of the Bank Holding Company Act, not to be so closely related to banking or managing or controlling banks as to be a proper incident thereto.

ALFRED HAYES,
President.

Title 12—BANKS AND
BANKING

Chapter II—Federal Reserve System

SUBCHAPTER A—BOARD OF GOVERNORS OF
THE FEDERAL RESERVE SYSTEM

[Reg. Y]

PART 225—BANK HOLDING
COMPANIES

Nonbanking Activities

Part 225 of Title 12, is amended by adding the following new section:

§ 225.126 Activities not closely related to banking.

Pursuant to section 4(c)(8) of the Bank Holding Company Act and § 225.4 (a) of Regulation Y, the Board of Governors has determined that the following activities are not so closely related to banking or managing or controlling banks as to be a proper incident thereto:

(a) Equity funding—that is, the combined sale of mutual funds and insurance.

(b) Underwriting life insurance that is not sold in connection with a credit transaction by a bank holding company, or a subsidiary thereof.

(c) Real estate brokerage (see 1972 Fed. Res. Bulletin 428).

(d) Land development (see 1972 Fed. Res. Bulletin 429).

(e) Real estate syndication.

By order of the Board of Governors,
April 28, 1972.

[SEAL] MICHAEL A. GREENSPAN,
Assistant Secretary.

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