

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 7086]
[January 26, 1973]

Amendments to Rules Regarding Delegation of Authority

*To All Member Banks, and Others Concerned,
in the Second Federal Reserve District:*

Enclosed is a copy of amendments to section 265.2(f) of the Rules Regarding Delegation of Authority of the Board of Governors of the Federal Reserve System. The amendments delegate to the Federal Reserve Banks authority (a) to approve applications by bank holding companies to acquire additional shares on a pro rata basis in nonsubsidiary, as well as subsidiary, banks; and (b) to approve certain applications for membership in the Federal Reserve System, even if not incidental to applications to become one-bank holding companies. They are effective with respect to applications received by the Reserve Banks after January 15, 1973.

Additional copies of the enclosure will be furnished upon request.

ALFRED HAYES,
President.

Board of Governors of the Federal Reserve System

RULES REGARDING DELEGATION OF AUTHORITY

AMENDMENTS

Effective with respect to applications received by the Reserve Banks after January 15, 1973, subparagraph (23) of §265.2(f) is amended, and subparagraph (26) thereof is added, to read as follows:

SECTION 265.2—SPECIFIC FUNCTIONS DELEGATED TO BOARD EMPLOYEES AND FEDERAL RESERVE BANKS

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(f) Each Federal Reserve Bank is authorized, as to member banks or other indicated organizations headquartered in its district or under subparagraph (25) of this paragraph, as to its officers:

* * *

(23) Under the provisions of section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842), to approve the acquisition by a bank holding company of additional shares in a bank that are to be acquired

through exercise of rights received, on a pro rata basis, by the bank's shareholders.

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(26) Under the provisions of the first paragraph of Section 9 of the Federal Reserve Act (12 U.S.C. 325) to approve applications for membership in the Federal Reserve System if the Reserve Bank is satisfied with respect to each of the following criteria:

(i) The financial history and condition of the applying bank and the general character of its management;

(ii) The adequacy of its capital structure in relation to the character and condition of its assets and to its existing and prospective deposit liabilities and other corporate responsibilities; and its future earnings prospects;

(iii) The convenience and needs of the community to be served by the bank; and

(iv) Whether its corporate powers are consistent with the purposes of the Federal Reserve Act and the Federal Deposit Insurance Act.