

**FEDERAL RESERVE BANK  
OF NEW YORK**

[ Circular No. 9882  
June 21, 1985 ]

**Removal of Withdrawal Restrictions  
on Certain Maryland Financial Institutions**

*To All Depository Institutions, and Others Concerned,  
in the Second Federal Reserve District:*

The Federal Reserve Bank of Richmond has advised us that the restrictions on withdrawals of savings accounts and other deposits in certain Maryland financial institutions insured by the Maryland Savings-Share Insurance Corporation that were listed in our Circular No. 9859, dated May 16, 1985, are no longer in effect. The names of those institutions for which the restrictions on withdrawals are no longer in effect are listed below.

Questions in this regard may be directed to John F. Sobala, Assistant Vice President, Tel. No. 212-791-5997 (check matters), or to Henry F. Wiener, Assistant Vice President, Tel. No. 212-791-5079 (ACH matters).

E. GERALD CORRIGAN,  
*President.*

**Restrictions on Withdrawals are No Longer in Effect  
for the Maryland Institutions Listed Below**

<b>Name of Institution</b>	<b>City &amp; State</b>	<b>Routing No.</b>
2 Arbutus Building and Loan Association	Baltimore, MD	2550-7022-5
3 Arrow Savings & Loan Association	Baltimore, MD	2520-7028-6
5 Atlas Savings and Loan Association	Baltimore, MD	2520-7031-2
6 Aztec Savings and Loan Association, Inc.	Baltimore, MD	2520-7033-8
7 Back and Middle River Building & Loan Association	Essex, MD	2550-7206-1
12 Business Men's Building Association, Inc.	Baltimore, MD	2520-7045-1
13 Canton-Pulaski Polish Building Association	Baltimore, MD	2520-7048-0
14 Caroline Savings and Loan Association	Baltimore, MD	2520-7050-3
17 Chevy Chase Savings and Loan, Inc.	Chevy Chase, MD	2550-7198-1
18 Citizens Alliance Building Association	Baltimore, MD	2520-7055-8
19 Colombo Savings and Loan Association, Inc.	Baltimore, MD	2520-7056-1

(OVER)

Name of Institution	City & State	Routing No.
20 The Columbian Building Assn. of Hartford County	Havre de Grace, MD	2550-7223-6
21 Commercial Credit Savings and Loan Association	Baltimore, MD	2520-7230-7
23 Cowenton Savings and Loan Association	White Marsh, MD	2550-7262-1
25 The Dorsey Building and Loan Association	Dorsey, MD	2550-7221-0
26 Eastern Home Building and Loan Association	Baltimore, MD	2520-7062-6
28 Ellwood Permanent Building Association	Baltimore, MD	2520-7066-8
33 Fork Permanent Land and Building Association	Baldwin, MD	2550-7023-8
35 Fullerton Permanent Loan Association	Baltimore, MD	2520-7074-9
36 Germantown Permanent Building Association, No. 2	Baltimore, MD	2520-7077-8
38 Glen Burnie Savings and Loan Association	Glen Burnie, MD	2550-7214-2
41 The Grand Building and Loan Association	Baltimore, MD	2520-7084-6
42 Greater Baltimore Savings and Loan Association, Inc.	Baltimore, MD	2520-7086-2
43 Harford Road Building Association	Baltimore, MD	2520-7091-4
45 The Hiss Permanent Building Assn. of Baltimore Co.	Baltimore, MD	2520-7095-6
47 The Hull Street Building Association	Baltimore, MD	2520-7100-7
50 Kopernik Building and Loan Association	Baltimore, MD	2520-7106-5
51 The Kosciuszko Permanent Loan and Savings Assn.	Baltimore, MD	2520-7107-8
52 La Corona Building and Loan Association	Baltimore, MD	2520-7108-1
53 Landsdowne Building and Loan Association	Baltimore, MD	2550-7228-1
55 Lazaretto Permanent Building and Loan Association	Baltimore, MD	2520-7109-4
57 Light Street Saving and Building Association	Baltimore, MD	2520-7115-9
58 The Lincoln Building Association	Baltimore, MD	2520-7116-2
59 Locust Point Building and Loan Association	Baltimore, MD	2520-7119-1
60 Madison & Bradford Savings and Loan Association	Baltimore, MD	2520-7121-4
62 Mariner's Savings and Loan Association, Inc.	Baltimore, MD	2520-7124-3
63 Maryland Permanent Building and Loan Assn., Inc.	Baltimore, MD	2520-7125-6
65 Midstate Savings and Loan Association	Baltimore, MD	2520-7128-5
67 Mount Vernon Permanent Building Association	Baltimore, MD	2520-7131-1
69 New Michaels Permanent Savings and Loan Assn.	Baltimore, MD	2520-7133-7
72 The OK Building and Loan Association	Baltimore, MD	2520-7138-2
74 Ozark Permanent Building Association	Baltimore, MD	2599-9006-8
76 Parkwood Building and Loan Association	Baltimore, MD	2520-7141-8
77 Perry Hall Building and Loan Association	Baltimore, MD	2520-7142-1
79 Putty Hill Permanent Building Association	Baltimore, MD	2520-7149-2
83 St. Casimirs Savings and Loan Association, Inc.	Baltimore, MD	2520-7170-6
84 Second National Building and Loan, Inc.	Salisbury, MD	2521-7233-3
86 Senator Savings and Loan Association, Inc.	Baltimore, MD	2520-7162-5
90 Slovan Building and Loan Assn. of Maryland, Inc.	Baltimore, MD	2520-7166-7
91 The Spartan Building and Loan Association	Fallston, MD	2550-7207-4
92 Sykesville Building Association of Carroll County	Sykesville, MD	2550-7253-7
93 United Savings Association	Rockville, MD	2550-7325-1
95 Vanguard Savings and Loan Association	Baltimore, MD	2520-7191-3
96 Vigilant Building Assn. of Essex, Balt. Co., Inc.	Baltimore, MD	2520-7178-0
97 Weekly Savings and Loan Association	Baltimore, MD	2520-7181-6
98 Wellham Building and Loan Association	Baltimore, MD	2550-7216-8
99 Western Permanent Savings and Loan Assn., Inc.	Baltimore, MD	2520-7184-5
100 White Eagle Savings and Loan Association, Inc.	Baltimore, MD	2520-7187-4
101 Woodmoor Savings and Loan Association, Inc.	Pikesville, MD	2520-7190-0
102 Sterling Savings	Pikesville, MD	2550-7333-2
103 Presidential Savings Association	Bethesda, MD	2550-7334-5

**FEDERAL RESERVE BANK  
OF NEW YORK**

**[ Operating Circular No. 14  
Revised effective June 27, 1985 ]**

**SAFEKEEPING, HANDLING, AND SHIPMENT  
OF DEFINITIVE SECURITIES**

*To All Depository Institutions, and Others Concerned,  
in the Second Federal Reserve District:*

This circular contains the general terms and conditions governing (1) the handling by this Bank at its Head Office in New York City and at its Buffalo Branch of securities received from or for the account of depository institutions in the Second Federal Reserve District to be held in safekeeping, or to be sold, redeemed, or exchanged; and (2) the shipment of securities by or to this Bank (Head Office and Buffalo Branch).

For purposes of this circular, and unless otherwise indicated, the term "securities" shall refer to securities issued in engraved or printed form. In general, securities issued by the United States Government and certain agencies, instrumentalities, and establishments of the United States, as well as certain international agencies, are maintained by this Bank in book-entry form only for account of its depositors. The general terms and conditions governing the issuance and maintenance by this Bank of such book-entry securities for depository institutions, their customers, and others are contained in this Bank's Operating Circular No. 21, "Book-Entry Securities," and Operating Circular No. 21A, "On-Line Transactions in Book-Entry Securities."

**Safekeeping**

*Securities that will be held in safekeeping*

1. (a) This Bank, in its discretion, will accept and hold in safekeeping at the Head Office for account of any depository institution in the District any securities owned by such institution for its own account, and any securities held by such institution in any fiduciary capacity, or as collateral for loans or advances made by it, or securities that are the property of others. A depository institution designated as a Buffalo Branch territory institution will have its

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securities held either at the Head Office or, at the discretion of this Bank, at its Buffalo Branch.

(b) We also will accept and hold in safekeeping at our Head Office any securities owned solely by a depository institution that are eligible as collateral for advances by this Bank or for balances in Treasury Tax and Loan Accounts when such securities are being used from time to time for such purposes; we will render this service only to the extent that it contributes to efficient and economical operations at our Head Office.

(c) In any case in which we would accept and hold securities in safekeeping for account of a depository institution pursuant to the provisions of paragraph 1(a) hereof, we also will accept and hold in safekeeping for account of such institution securities owned solely by such institution and set aside in its trust department to secure deposits of trust funds awaiting investment or distribution (as is provided in section 1(d) of Public Law 87-722).

#### *Advice of deposit and withdrawal*

2. Securities deposited with us for safekeeping for account of a depository institution will be described in an advice that we will mail to such institution. These advices are neither transferable nor negotiable and their return will not be required when securities are withdrawn from safekeeping, but they should be retained by the institution in its records of securities held by us. Corresponding advices will be sent when securities are withdrawn from safekeeping.

#### *Maturing and called securities and coupons*

3. This Bank will use its best efforts to perform the services described in paragraphs 4, 5, and 6 with respect to maturing coupons and maturing, called, or exchangeable securities held in safekeeping.

4. Unless we receive appropriate instructions to the contrary within a reasonable time prior to maturity:

(a) All maturing securities with respect to which this Bank acts as fiscal agent held in safekeeping for account of a depository institution will be withdrawn from safekeeping and redeemed by this Bank, as fiscal agent of the obligor, and the proceeds thereof will be credited, under advice, to the appropriate account of such institution; and

(b) All other maturing securities payable in United States dollars in any Federal Reserve District,<sup>1</sup> held in safekeeping for account of

<sup>1</sup> As used in this paragraph, the term "any Federal Reserve District" means any Federal Reserve District as referred to in Regulation J, 12 CFR 210, as amended effective April 2, 1984.

a depository institution, except those securities for which the institution may act as paying agent, will be withdrawn from safekeeping and will be presented for payment, or forwarded for collection, at maturity in accordance with the provisions of this Bank's current Operating Circular No. 6, "Collection of Noncash Items," and the proceeds will be credited, under advice, to the appropriate account of such institution. A maturing security that is payable by a depository institution will be forwarded directly to the appropriate office of such institution for collection; the proceeds of such item should be retained by the depository institution and not treated as the proceeds of a collection item.

Whenever the title of any security held in safekeeping indicates that it may be convertible into a security of another issue, no action will be taken by us with respect to the conversion privilege except upon receipt of timely and appropriate instructions; in the absence of such instructions, this Bank's only action will be to present the security upon maturity for payment or forward it for collection. Maturing coupons will be detached from securities held in safekeeping and will be handled in the same manner as maturing securities.

5. Securities or coupons held by us in safekeeping and payable in the alternative in more than one currency, including United States dollars, will be presented for payment in United States dollars unless appropriate instructions to the contrary are received by us within a reasonable time prior to the date of maturity.

6. It is our practice to review the services to which we subscribe for the purpose of ascertaining whether any securities held by us in safekeeping have been called for redemption. Unless we receive appropriate instructions to the contrary, it is our practice to handle called securities in the same manner as other maturing securities.

### **Receipt and delivery of securities**

7. (a) With respect to securities held, or to be received and held in safekeeping we will, upon receipt of appropriate instructions:

(i) Receive or deliver such securities against receipt or payment for account of a depository institution depositor;

(ii) Arrange to receive such securities by mail for account of a depository institution depositor, against receipt only; and

(iii) Ship such securities, in accordance with the provisions of this circular, to a depository institution depositor or on its order to a designated transferee, against receipt only.

(b) Instructions to receive securities against payment for account of a depository institution should specify the amount to be paid and will constitute our authority to charge the appropriate account of such institution for such amount on the day the securities are received by us.

(c) Instructions to deliver securities against payment should specify the amount to be received and, unless other instructions are received, such amount will be accepted in the form of a check drawn on a commercial bank and payable to the order of the Federal Reserve Bank of New York. The amount thereof will be credited to the appropriate account of the depository institution for whose account the securities are delivered, subject to receipt of payment in actually and finally collected funds, which will ordinarily be the close of business of the business day next succeeding the day on which the securities are delivered. If payment for any such securities is made in "Federal funds," however, the proceeds thereof will be credited to the appropriate account of the depository institution depositor on the day the securities are delivered.

#### **Accounting procedure for deposited securities**

8. (a) Unless this Bank receives appropriate instructions to the contrary, all securities accepted for deposit with us for safekeeping will be held in a single custody account. If a single account is used, such account will be designated a "General Account." However, at the request and for the convenience of a depository institution depositor, this Bank is prepared to open and maintain any or all of the following types of accounts:

(1) *Investment Account*: An "Investment Account" may be opened and used for the deposit of securities that are the property of a depository institution depositor;

(2) *Trust Account*:<sup>2</sup> A "Trust Account" may be opened and used for the deposit of securities held by a depository institution depositor in the capacity of a fiduciary or as custodian for a fiduciary, or for securities owned solely by such institution and set aside in its trust department under applicable law to secure deposits of trust funds awaiting investment or distribution (*see e.g.*, Public Law 87-722 (12 U.S.C. 92a(d)); and

(3) *General Account*: A "General Account" may be opened and used for the deposit of securities owned by a depository institution for its own account, and any securities held by such institution for account of its customers.

(b) Regardless of the combination of accounts selected by a depository institution depositor, all securities deposited in any account under para-

<sup>2</sup> Section 11-1.8 of the New York Estates Powers and Trust Law contains provisions concerning securities held by a bank when acting as a fiduciary or as a custodian for a fiduciary.

graph 8(a) hereof shall be subject to the sole order of such depository institution depositor. In those cases in which this Bank maintains two or more such accounts for a depository institution depositor, securities deposited with this Bank that are not specifically designated for deposit in one of such accounts shall be deposited in the General Account of such depositor, provided such depositor has opened a General Account with this Bank.

(c) Depository institutions depositing securities held by them for account of their customers are expected to maintain appropriate records in regard to their customers, covering such matters as transfer of the securities, pledge interests in the securities, and redemption of the securities and payment of interest thereon.

(d) Securities may be moved by a depository institution depositor between its accounts specified in this paragraph (*e.g.*, from an institution's Investment Account to its General Account) by means of appropriate instructions to this Bank.

9. In addition to the custody account(s) maintained under paragraph 8, this Bank will also maintain "collateral" accounts involving pledges of securities. Such accounts include, but are not limited to:

(a) accounts in which securities are deposited with this Bank —

(1) as collateral for advances by this Bank, in its individual capacity;

(2) as collateral to secure deposits in depository institutions of funds of States, municipalities, or other political subdivisions;

(3) pursuant to Section 61 of the Bankruptcy Act in connection with the deposit of bankruptcy funds in commercial banks; and

(4) as collateral in connection with the qualifications of depository institution depositors to exercise trust powers.

The accounts referred to in (2), (3), and (4) above shall be subject to special arrangements between this Bank, the public official or authority that requires that such securities be deposited, and the depository institution or entity depositing the securities.

(b) accounts in which securities are deposited with this Bank, as Fiscal Agent of the United States, as collateral to secure balances in Treasury Tax and Loan Accounts, or security in lieu of surety or sureties on penal bonds, or as collateral for moneys owed the Treasury, under Treasury Department Circulars Nos. 92, 154, or 176 respectively, as they may be from time to time amended or superseded. Such securities shall be subject to the provisions of the relevant Treasury Department Circular or other instructions from the Treasury

Department concerning such securities. Such collateral accounts may also include securities deposited with this Bank, as Fiscal Agent of the United States, for such other purposes as shall be designated by this Bank, as Fiscal Agent of the United States, with the approval of the Secretary of the Treasury.

10. This Bank's records will reflect the receipt of securities deposited by or on behalf of a depository institution prior to such time as the transfer of registration thereof into the name of such institution or its nominee, discussed below, is effected unless this Bank rejects the deposit due to its determination, in its sole discretion, that the securities deposited are not in proper form for registration or transfer.

### **Registration of securities deposited for safekeeping**

#### *Registered securities*

11. Registered securities that have been deposited at this Bank by a depository institution for safekeeping in a Trust Account will be sent to a transfer agent to be registered in the name of the nominee of such institution. All other registered securities will be sent to a transfer agent to be registered in the name of either the depository institution or its nominee, at the option and direction of such institution. The depository institution agrees to indemnify this Bank against all loss, liability and expense that this Bank may sustain, without fault on this Bank's part, as a result of such securities being registered in the name of such nominee, or such institution, including (a) assessments; (b) claims of third parties and taxes and other governmental charges; (c) related expenses in respect of any such securities; (d) the inability of any person entitled to exercise any rights in respect of such securities (including, but not limited to, rights to purchase other securities, or exchange or conversion rights) so to exercise such rights or exercise such rights on a timely basis; and (e) the inability of any such person entitled to distributions in respect of such securities to obtain such distributions on a timely basis.

#### *Bearer securities*

12. Securities deposited at this Bank for safekeeping purposes that are in bearer form will be accepted and held by this Bank in such form unless otherwise directed by a depository institution depositor.

### **Purchase and sale of securities**

13. Upon receipt of appropriate instructions, we will arrange for the purchase or sale of securities (other than corporate stocks) for account of those depository institutions that do not have ready access to ordinary market facilities, provided that, in the judgment of this Bank, such transactions for any

one depository institution are occasional and in small amounts. Securities purchased or sold under this paragraph will be received or delivered by us in accordance with the provisions of paragraph 7 hereof.

### **Instructions**

14. All instructions with reference to securities should be in writing over authorized signature(s) on behalf of the depository institution for whose account such securities are handled by us. In exceptional circumstances or emergencies this Bank, in its discretion, may accept and act upon instructions transmitted by telegram or telephone (at the expense of the depository institution) and, except as provided below with respect to telephone instructions to the Head Office, such instructions must be confirmed in writing over authorized signature(s). Telegram and telephone instructions should be duly tested by the appropriate word taken from the list of special test words supplied by us. All telephone calls transmitting instructions to the Head Office will automatically be recorded on magnetic tape devices and will not normally require letters of confirmation. However, this Bank reserves the right to require the requesting bank to confirm such telephone instructions by letters of confirmation over authorized signature(s).

### **Charges and expenses**

15. All depository institutions using this Bank's safekeeping services are subject to all fees and charges as set forth in the Appendix to this circular, as revised from time to time. In addition, a depository institution shall be charged for any unusual expenses caused directly or indirectly by it or incurred at its request including, but without limitation to, the cost of producing records pursuant to a court order or other legal process in any litigation or other legal proceeding to which the institution is a party in which such records relating to the institution are so required to be produced, whether such production is required at the insistence of the depository institution or of any other party; and shipping charges on certain outgoing shipments and insurance on certain incoming and outgoing shipments.

### **Risk of loss and insurance**

16. In the performance of its functions under this circular, this Bank (a) will be responsible only for the exercise of the same diligence with which we care for our own property; (b) will not be liable for any loss with respect to any securities deposited with us when a loss is due to any cause other than lack of such diligence; (c) will not be responsible for the genuineness, validity, alteration of, or any defect in any securities deposited with us; and (d) will not be

obligated to maintain any form of insurance in relation to any securities held in safekeeping for a depository institution. Any depository institution depositing securities with us shall by such action be deemed to have agreed to the terms of this paragraph.

### **Insurance of securities held in safekeeping**

17. Securities held by us in safekeeping for depository institutions will not be insured by us. If insurance protection is desired by a depository institution, it should make its own arrangements for such insurance.

### **Shipments of securities**

#### ***Shipments to this Bank***

18. Any depository institution or other person shipping, or causing the shipment of, securities to us shall by such action be deemed to have agreed that the expense and risk of loss on such shipments occurring prior to the actual delivery thereof to us by the Postal Service, express company, or other carrier is not assumed by us but is on the sender.

#### ***Shipments by this Bank***

19. All shipments of securities by this Bank will be at the risk and expense of the depository institution or other person ordering the shipment to be made. Unless we receive written instructions to the contrary, all shipments of securities will be made by either (a) registered mail or (b) appropriate courier service. All shipments of detached coupons will be made by either (a) registered mail; (b) appropriate courier service; or (c) in this Bank's sole discretion, certified mail.

### **Insurance of shipments of securities**

#### ***Insurance available***

20. We hold certain open registered mail insurance policies under which shipments of securities made by us by registered mail and shipments of securities consigned to us by registered mail may be insured, at the expense of the depository institution requesting the shipment by us or making the shipment to us. These policies cover all risks, except that they do not cover loss by theft by employees of senders or addressees (except in a very limited class of circumstances and even in such circumstances the insurance afforded by such policies is excess insurance only), nor do they provide protection against so-called war or related risks. Such policies cover shipments from the time the shipment leaves the office of the sender until actual delivery has been made to the office

of the addressee, whether delivery is effected in whole or in part by employees or agents of the United States Postal Service, the sender, or the addressee, and in the event of non-delivery, until delivered at the proper address or a substituted address, or until returned to the sender. Coverage under these policies is limited to \$12,000,000 on property dispatched from any one sender to any one addressee on any one train, boat, or other conveyance.

#### *Amount for which shipments insured*

21. Shipments will be insured for the amount reported or declared, which amount may be more or less than the actual value of the property shipped, and in the event of loss the liability of the insurers shall be the replacement cost of the lost property or the market value thereof at the time of dispatch or at the time the loss becomes known to us, whichever of the foregoing shall be the measure of the actual loss sustained, but in no case shall the liability of the insurers exceed in the aggregate the sum for which the lost property was reported or declared.

#### *Insurance of incoming registered mail shipments*

22. Any depository institution shipping securities to us by registered mail for any purpose may have the shipment insured under our registered mail insurance policies for its account and risk, and at its expense, provided the following conditions are complied with:

- (a) Concurrently with a shipment to our Head Office, the sender should mail to our Head Office under separate cover an insurance declaration or notice of shipment (Form Misc. 110) stating the amount of insurance to be effected. Concurrently with a shipment to our Buffalo Branch, the sender should mail such declaration or notice (Form Misc. 111) under separate cover to our Branch. Copies of these forms will be furnished by our Head Office or Branch upon request.
- (b) The contents of the shipment shall be verified by at least one person and shall be enclosed in a strong wrapper, envelope, or cloth or canvas bag, well secured, and the package shall be sealed in a manner acceptable to the Postal Service at the place of mailing.
- (c) The packing and sealing of the package shall be done by an employee of the sender and the sealed package shall be in charge of a responsible person until deposited and registered at an office of the Postal Service, or shall be in the custody of an appropriate courier service in transit from the office of the sender to the Postal Service.

In order for shipments to us to be insured they must be made by registered mail.

In no circumstances can a shipment sent to us by ordinary mail be insured under our policies.

### *Insurance of outgoing shipments*

23. As provided in paragraph 19, whenever we have occasion to ship securities or coupons to or on behalf of a depository institution or person the shipment will be made by either (a) registered mail; (b) appropriate courier service; or, (c) in the case of detached coupons, and in this Bank's sole discretion, certified mail. Unless we receive appropriate instructions to the contrary, we will arrange for shipments of all securities and coupons to be insured. Shipments made by registered mail will be insured under our registered mail insurance policies. Shipments made by an appropriate courier service will be insured under similar coverage provided by such service. Such insurance will be at the expense of the depository institution or person ordering the shipment to be made. It is our practice, in the absence of instructions, to declare securities or coupons for insurance in the amount set forth below:

- (a) securities accompanying a draft, for the amount of the draft,
- (b) detached matured or maturing coupons, for their face amount, and
- (c) other securities, for their face amount, plus three percent of the face amount of the securities.

### *Use of other insurance policies*

24. Since shipments of securities will be insured at the expense of the depository institution with which we deal, it is suggested that institutions holding registered mail insurance policies of their own may find it more convenient to insure shipments of securities to this Bank under their own policies.

### *Making claim for loss*

25. In the event of loss of all or part of a shipment insured under our policies, we will make a claim on behalf of the sender or the addressee, as the case may be, for the amount involved. The Postal Service's registry receipt covering each shipment to us should be carefully preserved by the sender in order that it may be available as evidence in the event of loss.

### **Commercial paper and bankers' acceptances**

26. Upon receipt of appropriate instructions, we will also:

- (a) Hold in safekeeping, receive or deliver against payment or receipt, and ship, for account of a depository institution, commercial paper and bankers' acceptances owned solely by the deposi-

tory institution, or held by such institution for account of any third party.

- (b) Purchase or sell, for account of those depository institutions that do not have ready access to ordinary market facilities, prime bankers' acceptances endorsed by an acceptance dealer or a banking institution and eligible for purchase by us for our own account, provided that, in the judgment of this Bank, such transactions for any one depository institution are occasional and in small amounts. The provisions of this circular applicable to securities owned solely by a depository institution, or held by such institution for account of a third party, also shall be applicable to commercial paper and bankers' acceptances, where relevant.

### **General**

27. Any depository institution availing itself of services referred to in this circular shall by such action be deemed to have agreed to all the terms and conditions of the circular. The right is reserved to withdraw, add to, or amend at any time any of the provisions of this circular.

28. This circular supersedes our Operating Circular No. 14, revised effective March 30, 1973, and the First Supplement thereto, dated August 2, 1976.

E. GERALD CORRIGAN,  
*President.*

**FEDERAL RESERVE BANK  
OF NEW YORK**

[ **Appendix to**  
**Operating Circular No. 14** ]  
Effective June 27, 1985

**FEE SCHEDULE**  
**Definitive Securities Safekeeping Services**

*To All Depository Institutions, and Others Concerned,  
in the Second Federal Reserve District:*

The following schedule contains the fees for definitive securities safekeeping services<sup>1</sup> under this Bank's Operating Circular No. 14:

**Transaction Fees**

Deposit or withdrawal <sup>2</sup> .....	\$35.50
Purchase or sale .....	\$23.00
Reregistration .....	\$35.50

**Fixed Fees**

Account maintenance:

400 issues or less: .....\$5.35 (per issue per month)

More than 400 issues: .....\$4.75 (per issue per month)

Par value fee<sup>3</sup>:

For each \$1,000 par value.....\$0.005 (per month)

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1 Securities that are pledged as required collateral to secure Treasury deposits or to secure borrowings from the Federal Reserve are not subject to the fees listed herein.

2 Actual shipping costs additional; also, deliveries by messenger are an additional \$20 per transaction.

3 Applies to coupon-bearing securities only.

E. GERALD CORRIGAN,  
*President.*

[Enc. Cir. No. 9885]

**FEDERAL RESERVE BANK  
OF NEW YORK**

June 27, 1985

**SHIPMENTS OF DEFINITIVE U.S. TREASURY AND  
FEDERAL AGENCY SECURITIES**

*To All Depository Institutions, and Others Concerned,  
in the Second Federal Reserve District:*

The following paragraphs of Operating Circular No. 14, revised effective March 30, 1973, and the First Supplement thereto, dated August 2, 1976, relating to shipments of definitive U.S. Treasury and Federal Agency securities to and by this Bank and to the insurance of such shipments, have been deleted from the current revision of Operating Circular No. 14 but remain in effect. The paragraphs will be incorporated into a forthcoming revision of Operating Circular No. 17. This document should be retained with Operating Circular No. 17 until the operating circular is revised.

*Shipments to this Bank as fiscal agent*

15. Stocks of unissued savings bonds, spoiled bonds, and stubs of issued bonds, in the possession of issuing agents, remain the property of the United States, and shipments thereof to us, in accordance with our instructions to issuing agents, are at the expense and risk of the United States. When savings bonds paid by qualified paying agents are shipped to us for redemption in accordance with the instructions of the Treasury Department, such shipments are at the risk of the United States.

16. (a) Shipments to this Bank of securities of an obligor for which this Bank performs fiscal agency services, for exchange, transfer, redemption, or other authorized transactions must be made at the risk and expense of the sender. Persons shipping registered securities assigned in blank, or assigned for exchange for bearer securities without restriction on the delivery of such bearer securities, should remember that such securities are in effect payable to bearer and should be treated accordingly.

(b) Treasury Department Circular No. 853, "Regulations Governing

[Enc. Cir. No. 9885]

Restrictive Endorsements of United States Bearer Securities", contains provisions which may be used to effect some savings in insurance costs and reduce risk of loss when shipping bearer Treasury and certain Federal Agency securities to a Reserve Bank office. Depository institutions shipping such securities to us for any of the purposes specified in Circular No. 853 should restrictively endorse such securities in the manner prescribed in such circular. Copies of the Treasury Circular and appropriate forms and instructions on the procedures to be followed in submitting restrictively endorsed securities are available on request.

(c) Treasury Circular No. 853 authorizes the placement of restrictive endorsements, in the manner prescribed therein, upon the face of eligible bearer securities for the purpose of presentation to Federal Reserve Banks or branches:

(i) For payment or redemption, at any time within one calendar month prior to their maturity date or the date on which the securities become payable pursuant to a call for redemption, or at any time after the maturity or call date of the securities;

(ii) For exchange, during any period for the presentation of the securities pursuant to an exchange offering;

(iii) For redemption at par in payment of Federal estate taxes, where eligible, at any time prior to the maturity or call date of the securities;

(iv) For conversion to book-entry securities at any time prior to their maturity or call redemption date.

***Shipments by this Bank***

\* \* \*

18. Shipments of Treasury securities made by this Bank, as Fiscal Agent of the United States, upon original issue or in exchange for temporary certificates, will be made at the expense and risk of the United States under the Government Losses in Shipment Act, as amended, and the regulations issued thereunder. However, the interest and responsibility of the United States in such shipments ceases upon delivery by the Postal Service. An addressee accepting delivery at an office of the Postal Service, by agent or otherwise, must, therefore, transport such shipments at its own risk from such office to the office of the addressee. Under paragraph 27 hereof, this Bank will, if so advised, arrange for insurance coverage for such risk.

19. Stocks of unissued savings bonds shipped by this Bank, as Fiscal Agent of the United States, to qualified issuing agents are the property of the United States, and hence such shipments are at the expense and risk of the United States, and the interest of the Government does not cease upon delivery by the Postal Service.

20. Shipments by this Bank of registered securities for purposes other than those specified in paragraph 18 hereof will be made without expense to, but at the

risk of, the depository institution or other person ordering the shipment. Such shipments will not be insured unless we receive written instructions to arrange for insurance.

*Insurance of shipments made by this Bank as  
Fiscal Agent of the United States*

27. As provided in paragraph 18 hereof, the interest and responsibility of the United States in shipments of securities made by this Bank as Fiscal Agent of the United States ceases upon delivery of such shipments by the Postal Service. Any subsequent transport of such shipments by the agent of the addressee or otherwise is at the risk of the addressee. If the addressee depository institution does not carry insurance covering this risk, we can arrange coverage for its benefit from the time the securities are receipted for by its agent, subject to all the conditions of our registered mail insurance policies. Any depository institution that desires such special coverage should so advise us. As noted in paragraph 21 hereof, such policies do not cover war or related risks or loss by theft by employees of the addressee. In addition, such special insurance does not cover any claim for shortage or mysterious disappearance unless due to a known casualty in transit between the office of the Postal Service and the office of the addressee.

E. GERALD CORRIGAN,  
*President.*