

EX-OFFICIO MEMBERS  
 WILLIAM G. MCADOO  
 SECRETARY OF THE TREASURY  
 CHAIRMAN  
 JOHN SKELTON WILLIAMS  
 COMPTROLLER OF THE CURRENCY

FEDERAL RESERVE BOARD  
 WASHINGTON

W. P. G. HARDING, GOVERNOR  
 PAUL M. WARBURG, VICE GOVERNOR  
 FREDERIC A. DELANO  
 ADOLPH C. MILLER 825.  
 CHARLES S. HAMLIN

H. PARKER WILLIS, SECRETARY  
 SHERMAN P. ALLEN, ASST. SECRETARY  
 AND FISCAL AGENT

ADDRESS REPLY TO  
 FEDERAL RESERVE BOARD

October 2, 1916.

My dear Governor:

This office has been asked for an opinion on the question of whether or not a bank located in the outskirts of Chicago, but within the city limits, may make loans on real estate under authority of Section 24 of the Federal Reserve Act.

Section 24 provides in part that -

"Any national banking association not situated in a central reserve city may make loans secured by improved and unencumbered farm land, situated within its Federal reserve district".

This language is free from ambiguity and while it may work a hardship on the small banks in the outlying districts of central reserve cities, the Board is without power to grant them immunity.

As Chicago is a central reserve city a bank located within its limits is not authorized by the terms of the Act to make real estate loans.

Respectfully,

M. C. ELLIOTT,

Counsel.

Hon. W. P. G. Harding,  
 G o v e r n o r .