

MEMBERSHIP OF MUTUAL SAVINGS BANKS.

BE IT ENACTED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE UNITED STATES OF AMERICA IN CONGRESS ASSEMBLED, That Section 9 of the Act approved December 23, 1913, known as the Federal Reserve Act, as amended by the Act of September 7, 1916, be amended by adding a subsection (a) to read as follows:

Section 9(a). Any mutual savings bank or association operating under the laws of any State, may make application to the Federal Reserve Board for the right to become an associate member of the Federal reserve bank of the district in which such savings bank or association is located.

The Federal Reserve Board under such rules and regulations as it may prescribe may permit such bank or association to become an associate member of the Federal reserve bank, but such Board before granting any application shall require satisfactory evidence that the laws of the State in which the applying bank or association is located, authorize such bank or association to engage in the business of a mutual savings bank and provide for a proper supervision over the operations of such bank or association.

Any mutual savings bank or association which becomes an associate member of a Federal reserve bank, shall agree to comply with all the provisions of Section 19 of this Act. Such associate members shall be entitled to all the clearing privileges granted to member banks, and Federal reserve banks shall be authorized to discount the promissory notes of such associate members having a maturity of not more than thirty days and which are se-

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cured, (a) by paper eligible for rediscount under Section 13 of the Federal Reserve Act, (b) by United States bonds, (c) by such municipal warrants as Federal reserve banks are authorized to purchase under the provisions of Section 14 of the Federal Reserve Act, or (d) by commercial paper or bankers' acceptances bearing the signature of not less than three persons, firms, or corporations.

1/3/17