

## FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

X-4022

SUBJECT: CONDITIONS OF MEMBERSHIP.

Dear Sirs:

This is to advise you that the Federal Reserve Board has had under consideration your application for shares of the capital stock of the Federal Reserve Bank of and is ready to approve the same upon the following conditions:

1. Except with the permission of the Federal Reserve Board, you shall not cause or permit any change to be made in the general character of your assets or in the scope of the functions exercised by you at the time of admission to membership, such as will tend to affect materially the standard maintained at the time of your admission to the Federal Reserve System and required as a condition of membership.
2. You shall at all times conduct your business and exercise your powers with due regard to the safety of your customers.
3. You shall not reduce your capital stock except with the permission of the Federal Reserve Board.
4. You shall not, except after applying for and receiving the permission of the Federal Reserve Board, establish any branch, agency or additional office.
5. Except after applying for and receiving the permission of the Federal Reserve Board, you shall not consolidate with or absorb or purchase the assets of any other bank or branch bank for the purpose of operating such bank or branch bank as a branch of the applying bank; nor directly or indirectly, through affiliated corporations or otherwise, acquire an interest in another bank in excess of twenty per cent of the capital stock of such other bank; nor directly or indirectly promote the establishment of any new bank for the purpose of acquiring such an interest in it; nor make any arrangement to acquire such an interest.

6. You shall reduce to, and maintain within, the limits prescribed by the laws of your State, any loan which may be in excess of such limits.
7. You shall reduce to an amount equal to ten per cent of your capital and surplus all balances in excess thereof, if any, which are carried with banks or trust companies which are not members of the Federal Reserve System, and shall at all times maintain such balances within such limits.
8. You may accept drafts and bills of exchange drawn upon you of any character permitted by the laws of the State of your incorporation; but the aggregate amount of all acceptances outstanding at any one time shall not exceed the limitations imposed by Section 13 of the Federal Reserve Act, that is, the aggregate amount of acceptances outstanding at any one time which are drawn for the purpose of furnishing dollar exchange in countries specified by the Federal Reserve Board shall not exceed fifty per cent of your capital and surplus, and the aggregate amount of all other acceptances, whether domestic or foreign, outstanding at any one time shall not exceed fifty per cent of your capital and surplus, except that the Federal Reserve Board, upon your application, may increase this limit from fifty per cent to one hundred per cent of your capital and surplus: provided, however, that in no event shall the aggregate amount of domestic acceptances outstanding at any one time exceed fifty per cent of your capital and surplus.
9. Your Board of Directors shall adopt a resolution authorizing the interchange of reports and information between the Federal Reserve Bank of your district and the banking authorities of the State in which you are located.