

AN ACT

X-4299-a

To amend an Act entitled "An Act to provide for the consolidation of national banking associations," approved November 7, 1918; to amend section 5136 as amended, section 5137, section 5138 as amended, section 5142, section 5150, section 5155, section 5190, section 5200 as amended, section 5202 as amended, section 5208 as amended, section 5211 as amended, and section 5240 as amended, of the Revised Statutes of the United States; and to amend section 4, section 9, section 13, section 22, and section 24 of the Federal Reserve Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide for the consolidation of national banking associations," approved November 7, 1918, be amended by adding at the end thereof a new section to read as follows:

"SEC. 3. That any bank or trust company incorporated under the laws of any State, or any bank or trust company incorporated in the District of Columbia, may be consolidated with a national banking association located in the same county, city, town, or village under the charter of such national banking association on such terms and conditions as may be lawfully agreed upon by a majority of the board of directors of each association, bank, or trust company proposing to consolidate, and which agreement shall be ratified and confirmed by the affirmative vote of the shareholders of each such association, bank, or trust company owning at least two-thirds of its capital stock outstanding, or by a greater proportion of such cap-

ital stock in the case of such State bank or trust company if the laws of the State where the same is organized so require, at a meeting to be held on the call of the directors after publishing notice of the time, place, and object of the meeting for four consecutive weeks in some newspaper of general circulation published in the place where the said association, bank or trust company is located, and if no newspaper is published in the place, then in a paper of general circulation published nearest thereto, unless such notice of meeting is waived in writing by all stockholders of any such association, bank, or trust company and after sending such notice to each shareholder of record by registered mail at least ten days prior to said meeting, but any additional notice to shall be given/the shareholders of such State bank or trust company which may be required by the laws of the State where the same is organized: Provided, That the capital stock of such consolidated association shall not be less than that required under existing law for the organization of a national banking association in the place in which such consolidated association is located; and all the rights, franchises, and interests of such State bank or trust company so consolidated with a national banking association in and to every species of property, real, personal, and mixed, and choses in action thereto belonging, shall be deemed to be transferred to and vested in such national banking association into which it is consolidated without any deed or other transfer, and the said consolidated national banking association shall hold and enjoy the same and all rights of property, franchises, and interests in the same manner and to the same extent as was held and enjoyed by such State bank or trust company so consolidated with such national banking association:

And provided further, That when such consolidation shall have been effected  
and approved by the comptroller any shareholder of either/association or of  
the State bank or trust company so consolidated, who has not voted for  
such consolidation, may give notice to the directors of the consolidated  
association within twenty days from the date of the certificate of approval  
of the comptroller that he dissents from the plan of consolidation as  
adopted and approved, whereupon he shall be entitled to receive the value  
of the shares so held by him, to be ascertained by an appraisal made by a  
committee of three persons, one to be selected by the shareholder, one by  
the directors of the consolidated association, and the third by the two so  
chosen; and in case the value so fixed shall not be satisfactory to such  
shareholder he may within five days after being notified of the appraisal  
appeal to the Comptroller of the Currency, who shall cause a reappraisal  
to be made, which shall be final and binding; and the consolidated associa-  
tion shall pay the expenses of reappraisal, and the value as ascertained  
by such appraisal or reappraisal shall be deemed to be a debt due and  
shall be forthwith paid to said shareholder by said consolidated associa-  
tion, and the shares so paid for shall be surrendered and, after due notice,  
sold at public auction within thirty days after the final appraisement pro-  
vided for in this Act; and if the shares so sold at public auction shall  
be sold at a price greater than the final appraised value, the excess in  
such sale price shall be paid to the said shareholder; and the consolidated  
association shall have the right to purchase such shares at public auction,  
if it is the highest bidder therefor, for the purpose of reselling such  
shares within thirty days thereafter to such person or persons and at such  
price as its board of Directors by resolution may determine: and provided

further, That the liquidation of such shares of stock in any State bank or trust company shall be determined in the manner prescribed by the law of the State in such cases if such provision is made in the State law; otherwise as hereinbefore provided: And provided further, That no such consolidation shall be in contravention of the law of the State under which such bank or trust company is incorporated: And provided further, That except as to branches in foreign countries, dependencies or insular possessions of the United States, it shall be unlawful for any such consolidated association to retain in operation any branches which may have been established beyond the borders of the State in which such consolidated association is located; and that it shall be unlawful for any such consolidated association to retain any branch or branches in any State which does not by law, regulation or usage with official sanction permit State banks or trust companies to have such branches, but intra-state branches established by a State bank under such law, regulation or usage, and heretofore lawfully retained when consolidation was effected with a national banking association may continue to be maintained by such consolidated association."

SEC. 2. (a) That section 5136 of the Revised Statutes of the United States, subsection "Second" thereof as amended, be amended to read as follows:

"Second. To have succession from the date of the approval of this Act, or from the date of its organization if organized after such date of approval until such time as it be dissolved by the act of its shareholders owning two-thirds of its stock, or until its franchise becomes forfeited

by reason of violation of law, or until terminated by either a general or a special Act of Congress or until its affairs be placed in the hands of a receiver and finally wound up by him."

SEC. 2. (b) That that part of Section 4 of the Federal Reserve Act which relates to the powers of the Federal Reserve Banks be amended to read as follows:

"Second. To have succession until its franchise becomes forfeited by reason of violation of law or until terminated by either a general or special Act of Congress, or until placed in liquidation by the Federal Reserve Board under authority of Paragraph (h) of Section 11 of the Federal Reserve Act."

SEC. 3. That section 5137 of the Revised Statutes of the United States, subsection "First" thereof, be amended to read as follows:

"First. Such as shall be necessary for its accommodation in the transaction of its business."

SEC. 4. That section 5138 of the Revised Statutes of the United States, as amended, be amended to read as follows:

"SEC. 5138. No association shall be organized with a less capital than \$100,000, except that banks with a capital of not less than \$50,000 may, with the approval of the Secretary of the Treasury, be organized in any place the population of which does not exceed six thousand inhabitants, and except that banks with a capital of not less than \$25,000 may, with the sanction of the Secretary of the Treasury, be organized in any place the population of which does not exceed three thousand inhabitants. No association shall be organized in a city the population of which exceeds

fifty thousand persons with a capital of less than \$200,000, except that in the outlying districts of such a city banks now organized or hereafter organized may, with the approval of the Comptroller of the Currency, have a capital of not less than \$100,000."

SEC. 5. That section 5142 of the Revised Statutes of the United States, as amended, be amended to read as follows:

"SEC. 5142. Any national banking association may, with the approval of the Comptroller of the Currency, and by a vote of shareholders owning two-thirds of the stock of such association, increase its capital stock to any sum approved by the said comptroller, but no increase in capital shall be valid until the whole amount of such increase is paid in, and notice thereof, duly acknowledged before a notary public by the president, vice president, or cashier of said association, has been transmitted to the Comptroller of the Currency and his certificate obtained specifying the amount of such increase in capital stock and his approval thereof; and that it has been duly paid in as part of the capital of such association: Provided, however, That a national banking association may, with the approval of the Comptroller of the Currency, and by the vote of shareholders owning two-thirds of the stock of such association, increase its capital stock by the declaration of a stock dividend, provided that the surplus of said association, after the approval of the increase, shall be at least equal to 20 per centum of the capital stock as increased. Such increase shall not be effective until a certificate certifying to such declaration of dividend, signed by the president, vice president, or cashier of said association and duly acknowledged before a notary public, shall have been forwarded

to the Comptroller of the Currency and his certificate obtained specifying the amount of such increase of capital stock by stock dividend, and his approval thereof."

SEC. 6. That section 5150 of the Revised Statutes of the United States be amended to read as follows:

"SEC. 5150. The president of the bank shall be a member of the board and shall be the chairman thereof, but the board may designate a director in lieu of the president to be chairman of the board, who shall perform such duties as may be designated by the board."

SEC. 7. That section 5155 of the Revised Statutes of the United States be amended to read as follows:

"SEC. 5155. It shall be lawful for any bank or banking association organized under State laws and having branches to become a national banking association in conformity with existing laws, and to retain and keep in operation its branches, or such one or more of them as it may elect to retain: Provided, That no such State bank having branches in operation outside the boundaries of the State in which it is located shall upon conversion into a national banking association retain or keep in operation such branches: And provided further, That it shall be unlawful for any such national banking association to retain any branch or branches in any State which does not by law, regulation or usage with official sanction permit State banks or trust companies to have such branches; but branches established by a State bank under such law, regulation or usage and heretofore lawfully retained when conversion into a national banking association was effected may continue to be maintained by such association."

SEC. 8. That section 5190 of the Revised Statutes of the United States be amended to read as follows:

"SEC. 5190. The general business of each national banking association shall be transacted at only one office or banking house, which shall be located in the place specified in its organization certificate; but any such association may with the approval of the Federal Reserve Board establish, maintain and operate a branch or branches within the boundaries of any State which by law or regulation authorizes banks created by or existing under the laws of such State, to own, establish, maintain and operate such branches, such authority as may be granted by the Federal Reserve Board to conform in all respects to the requirements of State law as to banks created by or existing under the laws of such State; and in no event shall any bank or trust company created or existing under the laws of any State, be permitted to become a member of the Federal Reserve System, or to remain a member of the Federal Reserve System, which owns, establishes, maintains or operates any branch located beyond the boundaries of the State in which such State bank or trust company is located: Provided, however, That all branches of all national banking associations shall be subject to the general supervisory powers of the Comptroller of the Currency and shall operate under such regulations as he may prescribe. This section shall not be construed to amend or repeal Section 25 of the Federal Reserve Act as amended, authorizing the establishment by national banking associations of branches in foreign countries or dependencies, or insular possessions of the United States.

"The term 'branch' or 'branches' as used in this section shall be held to include any branch bank, branch office, branch agency, additional office, or any branch place of business located in any State or Territory of the United States or in the District of Columbia at which deposits are received or checks cashed or money loaned."

SEC. 9. That the first paragraph of section 9 of the Federal Reserve Act be amended to read as follows:

"SEC. 9. Any bank incorporated by special law of any State, or organized under the general laws of any State or of the United States, desiring to become a member of the Federal Reserve System, may make application to the Federal Reserve Board, under such rules and regulations as it may prescribe, for the right to subscribe to the stock of the Federal Reserve bank organized within the district in which the applying bank is located. Such application shall be for the same amount of stock that the applying bank would be required to subscribe to as a national bank. The Federal Reserve Board, subject to the provisions of this Act and to such conditions as it may prescribe pursuant thereto may permit the applying bank to become a stockholder of such Federal Reserve bank."

SEC. 10. That section 5200 of the Revised Statutes of the United States, as amended, be amended to read as follows:

"SEC. 5200. The total direct liabilities to any national banking association of any person, firm, company, or corporation for money borrowed, including in the liabilities of a company or firm the liabilities

of the several members thereof, shall at no time exceed 10 per centum of the amount of the capital stock of such association actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund; and the aggregate liabilities to any such association of any such person, firm, company, or corporation (including in the liabilities of a company or firm the liabilities of the several members thereof), to wit, the direct liabilities for money borrowed and the indirect liabilities as surety, drawer, endorser, or guarantor, where such surety, drawer, endorser, or guarantor obtains a loan from, or discounts paper with or sells paper under guaranty to any such association, shall at no time exceed 25 per centum of the amount of the capital stock of such association actually paid in and unimpaired, and 25 per centum of its unimpaired surplus fund. Such limitations as to such liabilities to any such association shall be subject to the following exceptions:

"(1) Liabilities arising out of the discount of the following-described paper shall be subject to no limitation based upon the amount of such capital and surplus:

"(a) Bills of exchange drawn in good faith against actually existing values.

"(b) Commercial or business paper actually owned by the person, company, corporation, or firm negotiating the same.

"(c) Drafts and bills of exchange secured by shipping documents conveying or securing title to goods shipped.

"(d) Demand obligations when secured by documents covering commodities in actual process of shipment.

"(e) Bankers' acceptances of the kinds described in section 13 of the Federal Reserve Act.

"(2) Liabilities of any person, corporation, firm or company arising out of the discount of the following described secured notes shall at no time exceed 15 per centum of the amount of such capital and surplus in addition to such 10 per centum of the amount of such capital and surplus, but this exception shall not apply to the notes of any one person, corporation, firm, or company, or the several members thereof for more than six months in any consecutive twelve months:

"(a) Notes secured by shipping documents, warehouse receipts, or other such documents conveying or securing title covering readily marketable nonperishable staples when the actual market value of the property securing the obligation is not at any time less than 115 per centum of the face amount of the notes secured by such documents and when such property is fully covered by insurance.

"(b) Notes secured by shipping documents, or other documents conveying or securing title covering livestock when the actual market value of such livestock is not at any time less than 115 per centum of the face amount of the notes secured by such documents.

"(3) Liabilities of any person, corporation, firm, or company arising out of the discount of notes secured by not less than a like face amount of bonds or notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States (except to the extent permitted by rules and regulations prescribed by the Comptroller of the Currency, with the approval of the Secretary of the Treasury), shall at no time exceed 10 per centum of the amount of such capital and surplus in addition to/10 per centum of the amount of such capital and surplus."

SEC. 11. That section 5202 of the Revised Statutes of the United States as amended be amended by adding at the end thereof a new paragraph to read as follows:

"Eighth. Liabilities incurred under the provisions of section 202 of Title II of the Federal Farm Loan Act, approved July 17, 1916, as amended by the Agricultural Credits Act of 1923."

SEC. 12. That section 5208 of the Revised Statutes of the United States as amended be amended by striking out the words "or who shall certify a check before the amount thereof shall have been regularly entered to the credit of the drawer upon the books of the bank," and in lieu thereof inserting the following: "or who shall certify a check before the amount thereof shall have been regularly deposited in the bank by the drawer thereof," so that the section as amended shall read as follows:

"SEC. 5208. It shall be unlawful for any officer, director, agent,

or employee of any Federal reserve bank, or any member bank as defined in the Act of December 23, 1913, known as the Federal Reserve Act, to certify any check drawn upon such Federal reserve bank or member bank unless the person, firm, or corporation drawing the check has on deposit with such Federal reserve bank or member bank, at the time such check is certified, an amount of money not less than the amount specified in such check. Any check so certified by a duly authorized officer, director, agent, or employee shall be a good and valid obligation against such Federal reserve bank or member bank; but the act of any officer, director, agent, or employee of any such Federal reserve bank or member bank in violation of this section shall, in the discretion of the Federal Reserve Board, subject such Federal reserve bank to the penalties imposed by Section 11, subsection (h) of the Federal Reserve Act, and shall subject such member bank, if a national bank, to the liabilities and proceedings on the part of the Comptroller of the Currency provided for in section 5234, Revised Statutes, and shall, in the discretion of the Federal Reserve Board, subject any other member bank to the penalties imposed by section 9 of said Federal Reserve Act for the violation of any of the provisions of said Act. Any officer, director, agent, or employee of any Federal reserve bank or member bank who shall wilfully violate the provisions of this section, or who shall resort to any device, or receive any fictitious obligation, directly or collaterally, in order to evade the provisions thereof, or who shall certify a check before the amount therof shall have been regularly deposited in the bank by the drawer thereof, shall be deemed guilty of a misdemeanor and shall, on conviction thereof in any district court of the United States, be fined

not more than \$5,000, or shall be imprisoned for not more than five years, or both, in the discretion of the court."

SEC. 13. That section 5211 of the Revised Statutes of the United States as amended be amended to read as follows:

"SEC. 5211. Every association shall make to the Comptroller of the Currency not less than three reports during each year, according to the form which may be prescribed by him, verified by the oath or affirmation of the president, or of the cashier, or of a vice president, or of an assistant cashier of the association designated by its board of directors to verify such reports in the absence of the president and cashier, taken before a notary public properly authorized and commissioned by the State in which such notary resides and the association is located, or any other officer having an official seal, authorized in such State to administer oaths, and attested by the signature of at least three of the directors. Each such report shall exhibit, in detail and under appropriate heads, the resources and liabilities of the association at the close of business on any past day by him specified, and shall be transmitted to the comptroller within five days after the receipt of a request or requisition therefor from him, and the statement of resources and liabilities, together with acknowledgment and attestation in the same form in which it is made to the comptroller, shall be published in a newspaper published in the place where such association is established, or if there is no newspaper in the place, then in the one published nearest thereto in the same county, at the expense of the association; and such proof of publication shall be furnished as may be required by the comptroller. The comptroller shall also have power to call for special reports from any particular association whenever in his judgment the

same are necessary in order to obtain a full and complete knowledge of its conditions."

SEC. 14. That the first paragraph of section 5240 of the Revised Statutes of the United States as amended be amended to read as follows:

The Federal Reserve Agent in each Federal Reserve District as designated by the Federal Reserve Board from time to time in accordance with the provisions of section 4 of the Federal Reserve Act as amended, shall be designated by the Comptroller of the Currency as District Deputy Comptroller of the Currency for such Federal reserve district, and in such capacity as District Deputy Comptroller of the Currency shall, under regulations and instructions issued by the Comptroller of the Currency direct and superintend the examination of national every bank in said district at least twice in each calendar year and oftener if considered necessary. Examinations of national banks under the direction of said District Deputy Comptroller of the Currency shall be made by examiners appointed, with the approval of the Secretary of the Treasury, by the Comptroller of the Currency. The District Deputy Comptroller of the Currency in directing examinations of national banks in his district, and all national bank examiners shall have power to administer oaths and to examine under oath any of the officers and agents of national banks under examination. The District Deputy Comptroller of the Currency shall make a full and detailed report of condition of any bank examined under his direction to the Comptroller of the Currency.

SEC. 15. That the eighth paragraph of section 4 of the Federal Reserve Act as amended be amended to read as follows:

Class "C" directors shall be appointed by the Federal Reserve Board. They shall have been for at least two years residents of the district for which they are appointed, one of whom shall be designated by said Board as chairman of the board of directors of the Federal reserve bank and as Federal Reserve Agent. He shall be a person of tested banking experience and in addition to his duties as chairman of the board of directors of the Federal Reserve Bank he shall be required to maintain under regulations to be established by the Federal Reserve Board, a local office of said board on the premises of the Federal Reserve Bank. He shall make regular reports to the Federal Reserve Board and shall act as its official representative for the performance of the functions conferred upon it by this act. He shall receive an annual compensation to be fixed by the Federal Reserve Board and paid monthly by the Federal Reserve Bank to which he is designated. In addition to his duties as chairman of the board of directors of the Federal Reserve Bank and as Federal Reserve Agent, he shall as District Deputy Comptroller of the Currency direct and superintend the examination of banks as provided in section 5240 of the Revised Statutes of the United States as amended, in connection with which he shall make full and detailed reports as required by the Comptroller of the Currency. One of the directors of Class "C" shall be appointed by the Federal Reserve Board as deputy chairman to exercise the powers of the chairman of the board when necessary. In case of the absence of the chairman and the deputy chairman, the third Class "C" director shall preside at meetings of the Board.

212

SEC. 16. That the fourth paragraph of section 13 of the Federal Reserve Act be amended to read as follows:

"No Federal reserve bank shall discount for any member bank notes, drafts, or bills of exchange of any one borrower in an amount greater than may be borrowed lawfully from any national banking association under the terms of section 5200 of the Revised Statutes, as amended: Provided, however, That nothing in this paragraph shall be construed to change the character or classes of paper now eligible for discount by Federal Reserve Banks."

SEC. 17. That section 13 of the Federal Reserve Act be amended by adding at the end thereof a new paragraph to read as follows:

"That in addition to the powers now vested by law in national banking associations organized under the laws of the United States, any such associations may engage in the business commonly known as safe deposit business either by leasing receptacles on its premises or by owning stock in a corporation organized under the law of any State to conduct a safe deposit business located on or adjacent to the premises of such association: Provided, however, That the amount invested in the capital stock of any such safe deposit corporation by such association shall not exceed 15 per centum of the capital stock of such association actually paid in and unimpaired and 15 per centum of its unimpaired surplus."

SEC. 18. That section 22 of the Federal Reserve Act, subsection (a), paragraph 2 thereof, be amended to read as follows:

"(a) No member bank and no officer, director, or employee thereof shall hereafter make any loan or grant any gratuity to any bank examiner. Any bank officer, director or employee violating this

213

provision shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding one year, or fined not more than \$5,000, or both, and may be fined a further sum equal to the money so loaned or gratuity given.

"Any examiner or assistant examiner who shall accept a loan or gratuity from any bank examined by him, or from an officer, director, or employee thereof, or who shall steal, or unlawfully take, or unlawfully conceal any money, note, draft, bond, or security or any other property of value in the possession of any member bank or from any safe deposit box in or adjacent to the premises of such bank, shall be deemed guilty of a misdemeanor and shall, upon conviction thereof in any district court of the United States, be imprisoned for not exceeding one year, or fined not more than \$5,000, or both, and may be fined a further sum equal to the money so loaned, gratuity given, or property stolen, and shall forever thereafter be disqualified from holding office as a national bank examiner."

SEC. 19. That section 5209 of the Revised Statutes of the United States be amended by adding at the end thereof four new paragraphs to read as follows:

(c) If two or more persons conspire to boycott, or to blacklist, or to cause a general withdrawal of deposits from, or to cause a withdrawal of patronage from, or otherwise to injure the business or good will of any national banking association, and one or more of such parties do any act to effect the object of such conspiracy, each of the parties to such conspiracy shall be fined not more than \$5,000, or imprisoned for not more than five years, or both.

(d) Whoever maliciously or with intent to deceive makes, publishes, utters, repeats, or circulates any false report concerning any national banking association, which imputes or tends to impute insolvency or unsound financial condition or financial embarrassment, or which may tend to cause or provoke or aid in causing or provoking a general withdrawal of deposits from such bank, or which may otherwise injure or tend to injure the business or good will of such bank shall be fined not more than \$5,000, or imprisoned for not more than five years, or both.

(e) Whoever shall assault any person having lawful charge, control, or custody of any money, securities, funds, or other property in the possession of any national banking association or Federal Reserve Bank with intent to rob, steal, or purloin such money, securities, funds, or other property, or any part thereof, or whoever shall rob any such person of such money, securities, funds, or property, or any part thereof, shall be imprisoned not more than twenty years; and if, in effecting or attempting to effect such robbery, he shall wound such person having custody of such money, securities, funds, or other property, or put his life in jeopardy by the use of a dangerous weapon, he shall be imprisoned for not more than twenty-five years.

(f) Whoever shall break into and enter any banking house of any national banking association or Federal Reserve Bank with intent to commit a felony therein shall be imprisoned for not more than twenty years.

In any State in which offenses are committed against the provisions of this section the courts of said State having criminal jurisdiction shall have jurisdiction of all proceedings for the trial and punishment of said offenses committed in such State concurrently with the District Court of the United States sitting within such State.

SEC. 20. That section 24 of the Federal Reserve Act be amended to read as follows:

"SEC. 24. (a) Any national banking association may make loans secured by first lien upon improved real estate, including improved farm land, situated within its Federal reserve district or within a radius of one hundred miles of the place in which such bank is located, irrespective of district lines. A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by mortgage, trust deed, or other such instrument upon real estate when the entire amount of such obligation or obligations is made or is sold to such association. The amount of such loan shall not exceed 50 per centum of the actual value of the real estate offered for security, and such loan shall not run for a longer term than five years. Any such bank may make such loans only when the aggregate amount of such loans held by it or on which it is liable as indorser or guarantor or otherwise does not exceed a sum equal to 25 per centum of the amount of the capital stock of such association actually paid in and unimpaired and 25 per centum of its unimpaired surplus fund, or to one-half of its savings deposits, at the election of the association, subject to the general limitations contained in section 5200 of the Revised Statutes of the United States. Such banks may continue

hereafter as heretofore to receive time deposits and to pay interest on the same, but the rate of interest which such banks may pay upon such time deposits or upon savings or other deposits shall not exceed the maximum rate authorized to be paid upon such deposits by State banks or trust companies organized under the laws of the State wherein such national banking association is located.

"(b) Any national banking association may engage in the business of purchasing and selling without recourse obligations evidencing indebtedness of any person, copartnership, association, or corporation in the form of bonds, notes, debentures, and the like commonly known as investment securities under such restrictions as to the character and volume of such securities as may be made by the Comptroller of the Currency, but the total amount of such investment securities of any one obligor or maker held by such association shall at no time exceed 25 per centum of the amount of the capital stock of such association actually paid in and unimpaired and 25 per centum of its unimpaired surplus fund, but this limitation as to amount shall not apply to obligations of the United States, or general obligations of any State or of any political subdivision thereof, or obligations issued under authority of the Federal Farm Loan Act. In transacting the business authorized by this subsection every national banking association shall be amenable to the law of the State in which it is located defining offenses and prescribing the penalties therefor."