

# FEDERAL RESERVE BOARD

123

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

X-4516

January 29, 1926.

SUBJECT: Revision of Regulations re Directors of Branch  
Federal Reserve Banks.

Dear Sir:

The Federal Reserve Board has amended its rules and regulations with respect to the appointment of directors of branch Federal reserve banks, which became effective as of January 1, 1925 (see Board's letter X-3956, January 25, 1924), so as to read as follows:

1st. Boards of Directors of Federal Reserve Branch Banks shall consist either of seven members or of five members, as may be determined by the Federal reserve bank of the district concerned, subject to the approval of the Federal Reserve Board. Where the Boards of Directors of Federal Reserve Branch Banks consist of seven members, four shall be appointed by the Federal Reserve Banks and three by the Federal Reserve Board; where the Boards consist of five members, three shall be appointed by the Federal Reserve Banks and two by the Federal Reserve Board.

2nd. The Directors appointed by the Banks shall be chosen from the ranks of men well qualified and experienced in banking and the Directors appointed by the Federal Reserve Board shall be chosen from the ranks of men of high character and standing, who are engaged in agriculture, industry or commerce, insofar as may be possible or practicable.

3rd. All Directors shall be citizens of the District and shall reside within the territory served by the branch, but at least one of the Directors appointed by the Bank and one appointed by the Board shall reside outside of the city in which the branch is located.

4th. One of the Directors appointed by the Reserve Bank shall be the active manager of the branch bank and shall have the title Managing Director.

5th. The term of office for the Director chosen by the Reserve Bank to act as Managing Director of the Branch shall be for one year, subject to reappointment from year to year, if such action be desirable.

6th. The full term for other Directors shall be three years where Branch Boards consist of seven members and two years where Branch Boards consist of five members.

In order to make practicable an orderly rotation of Branch Directorships, the terms of Directors, other than the Managing Director, shall be so arranged that two will expire each year - one, the term of a Director appointed by the Federal Reserve Board, the other, that of a Director appointed by the Federal Reserve Bank. (While the Federal Reserve Board feels it to be desirable to have rotation in office of Branch Directors the rule is not mandatory).

7th. The Board of Directors of Federal Reserve Branch Banks shall annually elect as Chairman of the Board the member appointed by the Federal Reserve Board, whose term of office expires with the current year.

8th. In the event of a vacancy occurring in the Board of Directors of a Branch Federal Reserve Bank, appointments filling such vacancy shall be made by the body making the original appointment and such appointment shall be for the unexpired term.

9th. The Federal Reserve Board shall have the right to remove, for cause, any member of the Board of Directors of a Branch Federal Reserve Bank.

These revised rules and regulations are to become effective on and after January 1, 1927.

Very truly yours,

Walter L. Eddy,  
Secretary.

TO CHAIRMEN OF ALL F.R.BANKS.