

STATE DEPARTMENT

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Supervisor:

1. Name - Age - Previous professional and executive experiences
2. Integrity and ability.
3. Powers of the supervisor - Are his general statutory powers sufficient to enable him to obtain compliance with sound banking practices? State in detail particulars in which State law is defective.
4. Extent to which he exercises them.
5. Are sufficient funds available or obtainable to properly operate his department?
6. Has he authority to assess stockholders under double or other liability?
7. Give by States synopsis of statutory provisions relating to double or other liability of stockholders.
8. Has he authority to take possession of and administer insolvent banks?
9. Are charters issued subject to his findings and has he authority complete or limited to deny applications for charters?
10. What specific legal action or what action necessarily implied from general statutory authority may he take to correct illegal or otherwise unsound and unsatisfactory conditions? Does he exercise fully the foregoing powers - if not, set forth the particulars in which he fails to do so?

STATE DEPARTMENTExaminers:

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| 1. | Number of examiners. | Total salaries paid. |
| 2. | Number of assistants. | Total salaries paid. |
| 3. | Number of other employees at headquarters and other offices. | Total salaries paid. |
| 4. | How are examiners selected? | |
| 5. | Is examining force capable of conducting an examination of the larger banks in their district? | |
| 6. | When additional assistance is needed for examinations of large banks or for other purposes, how selected and from what source obtained. | |

GIVE AS TO EACH EXAMINER, ASSISTANT, OR OTHER EMPLOYEES THE

DATA INDICATED BELOW.

1. Name - Age - Headquarters.
2. Salary.
3. Previous experience.
4. Any special personal qualifications.
5. Length of service in department.
6. General ability and professional judgment.

STATE DEPARTMENTExaminations:

1. Scope - Do examinations include complete inspection of all assets and liabilities?
2. Procedure - Do examiners upon entering bank promptly and immediately place all books, records and tangible assets under seal and do they maintain custody and control until work of inspection as to particular groups of assets or accounts has been completed?
3. Frequency.
4. Are all examinations so conducted as to develop as to each class of assets and accounts examined the essential facts? (Information in response to this question involves an inquiry as to how an individual examiner conducts every step in an examination.)
5. Are trust departments and safekeeping departments of banks examined? Are controlling trust documents studied and understood sufficiently by examiners to give them a practical knowledge of the purposes of the various trusts? (See national bank form on trusts.)
6. Do examiners embody in reports a brief economic survey of each place or section?
7. Do examiners hold directors meetings in connection with each examination for the purpose of discussing matters subject to criticism and informing directors of the general condition of the bank?
8. Are their examining forces making adequate investigations of individual credits, other assets, loan policies, personnel and organization?

Examinations (Cont'd)

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9. Describe briefly character and extent of appraisal of loans and discounts and other assets. Are banks generally required to maintain adequate credit files including statements of individual borrowers? Are State examiners instructed and required to insist upon the production of statements? Do they furnish credit information to the Federal reserve agent or Federal reserve bank? Does Federal reserve agent, Federal reserve bank or Federal reserve examiner, furnish credit information to State department of member banks?
10. Describe briefly character and extent of examination of liabilities.
11. Generally, is sufficient time spent on examinations, if not, is this due to insufficient examining force or is it due to slighting of work by careless, irresponsible and inefficient examiners?
12. In general what can the authorities of this State do to improve examinations?
13. Charges for examination. The method of assessing charges. By whom assessed and collected?
14. Are examining forces allowed a flat per diem rate for living expenses with actual cost of transportation - if so, what is the per diem? Are they allowed actual living expenses with detailed accounting, or actual living expenses with the maximum per diem fixed, or is the maximum allowance for particular expenses limited?
15. Are State examiners required to make specific recommendations to the banks under examination or to the supervisor as to the action which in their opinion banks should or must take to correct unsatisfactory conditions or criticisms and are their recommendations embodied in the report?

Examinations (Cont'd)

16. Do State examiners, when making their examinations, follow up or report on conditions imposed at time of application for membership by Federal Reserve Board?
17. Do State examiners when making examinations jointly with Federal reserve examiners consult the latter freely as to credits, solvency, etc., and do they generally accept the conclusions of the Federal reserve examiners and adopt them as their own?
18. Are joint examinations by State examiners and Federal reserve examiners being made in this State?
 - a. Are the relations between the State Supervisor and the Federal Reserve Agent and between the State examiners and the Federal reserve examiners harmonious, and is there effective cooperation in all relations?
 - b. In joint examinations what work is done independently by the State examiners and what by the Federal reserve examiners, or do they perform all work jointly?
 - c. Are joint examinations in this State considered entirely satisfactory or would you recommend at least one independent examination a year of all State member banks by Federal reserve examiners with provision for more frequent examinations of banks whose dangerous or unsatisfactory condition seems to warrant unusual attention?

Examinations (Cont'd)

19. Do State examinations now made give the necessary information to enable the Federal Reserve Board to determine whether or not the member banks are operating within the requirements of the Federal Reserve Act, the Regulations of the Board, and the conditions of membership?
20. Do supervisors themselves or through competent assistants make analysis of reports independently of examiners who made examinations - if so, is this done promptly following an examination - is the analysis made the basis of corrected measures? Does Federal reserve agent receive benefit of their analysis?
21. How soon after examinations are reports forwarded to the Federal reserve bank? How soon after receipt of report from State Department does Federal reserve bank forward copy to Federal Reserve Board?
22. Does supervisor of this State make credit investigations in lieu of complete examinations covering liabilities as well as assets?
23. Do authorities in this State accept Federal reserve examinations in lieu of State examinations?
24. Has this supervisor cooperated or is he inclined to cooperate with the Federal reserve agent in adopting a report form for his examinations that meet the requirements of the Federal Reserve Board, objections, etc.? Give in detail what is being done by Federal reserve agents to obtain cooperation?