

WASHINGTON

X-4750

December 9, 1926.

Federal Reserve Board,  
Washington, D. C.

Gentlemen:

For the purpose of informing National Bank Examiners what are lawful investments for trust funds, under the State laws, to be used when they examine trust departments, and in order that we may intelligently take up violations with any national banks that may not be complying with the law in connection with Section 6 of the Regulations of the Federal Reserve Board, it is respectfully requested that we be furnished, through the Law Departments of the Federal Reserve Banks, a memorandum setting out the provisions of the laws of the various States specifying the kind of investments in which corporate fiduciaries may lawfully invest.

2nd. Section 11 (k) of the Federal Reserve Act provides in part:

"Whenever the laws of a State require corporations in a fiduciary capacity, to deposit securities with the State authorities for the protection of private or court trusts, national banks so acting shall be required to make similar deposits and securities so deposited shall be held for the protection of private or court trusts, as provided by State law."

In connection with the above, a similar statement setting forth the requirements of the various States for the deposit by national banks of securities with State authorities before they may exercise fiduciary powers, is desired.

Respectfully,

(Sgd.) E. W. STEARNS

Deputy Comptroller.