

## FEDERAL RESERVE BOARD

WASHINGTON

X-6736

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

October 17, 1930.

SUBJECT: Surrender of Trust Powers by National Banks.

Dear Sir:

Section 11(k) of the Federal Reserve Act with reference to trust powers of national banks was amended by Act of Congress approved June 26, 1930, so as to provide that such banks might voluntarily surrender the right to act in trust capacities. The Federal Reserve Board on October 17, 1930 amended its Regulation F so as to provide a procedure for the surrender of trust powers by a national bank pursuant to the recent amendment to the statute. The only important change made in the regulation was the adoption of a new Section XIV which is set forth below. The adoption of this section made it necessary to renumber subsequent sections of the regulation accordingly; and Section I of the regulation, which sets forth the provisions of Section 11(k) of the Federal Reserve Act, was amended so as to set forth these provisions of the statute in the form as amended by the Act of June 26, 1930. The regulation in its amended form is designated Regulation F, Series of 1930. The new section numbered XIV is as follows:

"SECTION XIV. SURRENDER OF TRUST POWERS.

"(a) Procedure.-- Any national bank which has been granted the right by the Federal Reserve Board, pursuant to Section 11(k) of the Federal Reserve Act, to act in any fiduciary capacity or capacities and which desires to surrender such right, shall signify such desire through a resolution adopted by its board of directors. A properly certified copy of such resolution of its board of directors should be filed with the Federal Reserve Agent of the district in which such national bank is located and should be accompanied by (1) a letter stating the reason why, or the purpose for which, such national bank wishes to surrender its right to exercise trust powers, unless such reason or purpose shall have been amply stated in the resolution itself; and (2) the permit or permits previously granted by the Federal Reserve Board to such national bank granting it the right to act in any fiduciary capacity, except that in case any such permit shall have been lost or destroyed an affidavit by any officer of such national bank as to such loss or destruction may be filed in lieu of such lost or destroyed permit. All such documents filed with the

Federal Reserve Agent shall be promptly forwarded by him to the Federal Reserve Board with a recommendation as to the action to be taken by the Federal Reserve Board.

"(b) Examination. Upon receipt of such documents, the Federal Reserve Board will request the Comptroller of the Currency, upon the occasion of the next regular examination of such national bank, to have the examiner make a special investigation of the trust department of the bank in order to determine whether the bank has actually accepted or undertaken the exercise of any trust, whether under court, private or other appointment, pursuant to authority granted under Section 11(k) of the Federal Reserve Act; and if so, whether it appears from the records of the trust department in the case of each trust so accepted or undertaken:

"(1) That the duties of the bank as fiduciary have been completely performed or that a substitute fiduciary has been appointed in accordance with the State law;

"(2) That a final account has been filed by the bank, and that such account has been approved by the court or other proper authority where this is required by State law;

"(3) That all assets and papers belonging to the trust estate have been delivered by the bank to the person or persons entitled to receive them; and

"(4) That the bank has been discharged or otherwise properly relieved of its duties as fiduciary.

In exceptional cases, the Federal Reserve Board may make a special examination or may request the Comptroller of the Currency to make a special examination of such national bank in order to obtain the information above set forth.

"(c) Certificate of Federal Reserve Board. If upon receiving a copy of the report of such examination of such national bank the Federal Reserve Board shall be satisfied that such bank has been relieved in accordance with State law of all its duties as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee,

receiver, committee of estates of lunatics, or other fiduciary, under court, private or other appointments previously accepted by such bank under a permit granted by the Federal Reserve Board pursuant to the provisions of Section 11(k) of the Federal Reserve Act, the Board may in its discretion issue to such national bank a certificate certifying that such bank is no longer authorized to exercise the powers conferred upon it by such permit of the Federal Reserve Board. Such bank thereupon (1) shall no longer be subject to the provisions of Section 11(k) of the Federal Reserve Act or the Regulations of the Federal Reserve Board made pursuant thereto, (2) shall be entitled to have returned to it any securities which it may have deposited with the State authorities or with the Federal Reserve Agent for the protection of private or court trusts, and (3) shall not exercise thereafter any of the powers granted by Section 11(k) of the Federal Reserve Act without first applying for and obtaining a new permit from the Federal Reserve Board to exercise such powers."

By Order of the Federal Reserve Board.

Very truly yours,

E. M. McClelland,  
Assistant Secretary.

TO ALL F. R. AGENTS AND GOVERNORS OF ALL F. R. BANKS.