

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-7146

April 29, 1932.

SUBJECT: Procedure for pledging United States
Government Securities as Collateral
for Federal Reserve Notes.

Dear Sir:

Inclosed herewith is a copy of a letter addressed to the Governor of your Bank, in regard to the pledging of United States Government securities as collateral security for Federal reserve [REDACTED] such action is authorized by the Federal Reserve Board.

In order that your bank may be able, when authorized to do so by the Federal Reserve Board, to pledge United States Government securities held in the special investment account as collateral security for Federal reserve notes, it is suggested that you give to the Federal Reserve Agent at New York a power of attorney in the form attached, authorizing him to receive and hold direct obligations of the United States for your account.

You will note from the letter to the Governor of your bank that you will receive telegraphic advice, followed by mail confirmation, of all United States Government securities deposited with or withdrawn from the Federal Reserve Agent at New York for your account. The mail confirmation of such wire advice will be signed by the

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Federal Reserve Agent at New York, or by his assistant, and will be in the form of the schedule referred to in the inclosed letter to the Governor of your Bank. It will be noted that the power of attorney which is to be given to the Federal Reserve Agent at New York by you authorizes the Federal Reserve Agent at New York to release direct obligations of the United States held for your account upon the substitution therefor of other such obligations. However, authority to make any release other than for purposes of substitution must, in each instance, be given by you to the Federal Reserve Agent at New York.

A copy of each schedule listing securities pledged with you as collateral security for outstanding Federal reserve notes, from the portfolio of your bank, should be furnished to the Federal Reserve Board and should bear a statement signed by you, or by your assistant, reading as follows:

"Receipt is acknowledged of the United States Government securities listed above, amounting to \$ _____, to be held as collateral security for outstanding Federal reserve notes of the Federal Reserve Bank of _____.

Federal Reserve Agent at
_____".

Each schedule covering the release of securities pledged with you from the portfolio of your bank should bear a statement signed by you, or by your assistant, reading as follows:

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"The United States Government securities listed above, amounting to \$_____, held as collateral security for outstanding Federal reserve notes of the Federal Reserve Bank of _____ have this day been returned to the Federal Reserve Bank of _____.

Federal Reserve Agent at

_____."

Very truly yours,

Chester Morrill,
Secretary.

Inclosures: X-7146-a and X-7147.

TO ALL F. R. AGENTS EXCEPT NEW YORK.

FEDERAL RESERVE BANK

OF _____

KNOW ALL MEN BY THESE PRESENTS That I, _____,
Federal Reserve Agent of Federal Reserve Bank of _____,
have constituted and appointed, and by these presents do constitute
and appoint J. Herbert Case, Federal Reserve Agent at Federal Reserve
Bank of New York, my true and lawful attorney in fact, to receive
from Federal Reserve Bank of _____ or from Federal
Reserve Bank of New York or other duly authorized agent of Federal
Reserve Bank of _____ and to hold for me and in my name
and subject to my order direct obligations of the United States
eligible as collateral security for Federal reserve notes under the
provisions of the Federal Reserve Act, with power to my said attorney
without further order or instructions from me to release and deliver
to Federal Reserve Bank of New York as agent of Federal Reserve Bank
of _____ any of the said obligations of the United States
so held upon receipt of other direct obligations of the United States
eligible as collateral security for Federal reserve notes under the
provisions of the Federal Reserve Act of a face amount not less than
the obligations so released and delivered.

Witness my hand and seal this _____ day of _____

A. D., 1932.

(SEAL)

Signed, sealed and delivered
in the presence of:

