

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-7307

December 13, 1932.

SUBJECT: Right to exercise trust powers of national banks formed through consolidations of national banking institutions previously authorized to exercise such powers.

Dear Sir:

As several of the Federal reserve agents have been advised, in correspondence relating to particular cases, the Federal Reserve Board has decided that where a national bank succeeds to the right to exercise trust powers by virtue of a consolidation of two or more national banks under the provisions of the Act of Congress of November 7, 1918, it is preferable to issue to the consolidated institution a certificate showing that it has the right to exercise trust powers previously granted to the consolidating banks, rather than to grant to the consolidated institution a new permit authorizing it to exercise trust powers. It is accordingly now the practice, when the Board receives advice from the Comptroller of the Currency that two or more national banks have consolidated under the provisions of the Act of November 7, 1918, and one or more of such banks has been granted trust powers previously, to send to the consolidated bank a certificate of the kind described above. A copy of the Board's letter to the consolidated bank and a copy of the

certificate inclosed therewith are also sent to the Federal reserve agent of the district. In these circumstances it is not necessary for the consolidated bank to make a formal application for the certificate, but if in any such case you find that the certificate has not been received the Board should be advised.

When the Board's Regulation F is next revised, Section III thereof will be amended so as to conform to the practice which the Board is following in cases of this kind.

Very truly yours,

Chester Morrill,
Secretary.

To all Federal reserve agents.