

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARDDecember 22, 1932.
B-367.

SUBJECT: Call Condition Reports of Member Banks.

Dear Sir:

There have been forwarded to you under separate cover copies of form 105 to be used by State bank members in submitting their condition reports as of the next call date. Kindly hold the blanks at your bank until you are advised by the Board to forward them to the State bank members, whereupon please mail three copies to each such bank with the request that they be held pending receipt of a call for condition reports.

Certain revisions have been made in form 105, as well as in the Comptroller of the Currency's form 2130, most of them made necessary by the Board's recent ruling (see page 714 of Federal Reserve Bulletin for November 1932) that certificates of deposit payable to other banks within 30 days are demand deposits within the meaning of Section 19 of the Federal Reserve Act. Changes have also been made in the two reserve items, Nos. 17 and 18 on the last edition of the form, in connection with a revision of the semi-annual report of earnings and dividends, form 107. In view of these changes, the supply of form 105 forwarded to you is accompanied by revised definitions for some of the items contained in the August, 1928 edition of form 105-a, "Instructions for preparation of condition reports."

A copy of these revised definitions should be furnished each State bank member.

At the time of the next call for condition reports the Board desires to obtain certain information with respect to (1) affiliates of member banks, and (2) real estate mortgages, mortgage bonds, and mortgage participation certificates sold either by the member banks themselves or by their affiliates. For this purpose, it is requested that, in your letter transmitting blank forms 105 to State bank members for use in submitting their next condition reports, you incorporate therein the attached request for such information. A supply of the schedules on which the data are to be reported has been mailed to you with the supply of form 105. The attention of the banks should also be called to this request at the time the call for condition reports is made. The Comptroller of the Currency is asking national banks to furnish similar information.

It will be appreciated if you will kindly arrange to have the usual preliminary classification of loans and investments of reserve city and of country banks in your district wired to the Board within three weeks, if practicable, from the date of the next call report. It is suggested that the figures be compared with corresponding data for the preceding call before they are telegraphed to the Board, in order that any obvious discrepancies may be detected and promptly reconciled.

Very truly yours,

Chester Morrill,
Secretary.

Inclosures.

TO ALL FEDERAL RESERVE AGENTS*

(TO BE INCLUDED IN FEDERAL RESERVE AGENT'S LETTER SENDING OUT FORM 105
TO STATE BANK MEMBERS FOR THEIR NEXT QUARTERLY CONDITION REPORTS)

"By direction of the Federal Reserve Board, you are requested to submit with, and as of the date of, your next condition report, form 105, the information called for by inclosed schedules 'X,' 'Y' and 'Z.' Schedule 'X,' it will be noted, relates to 'affiliates' as defined on the reverse side of the schedule. Schedule 'Y' relates to real estate mortgages, mortgage bonds, and mortgage participation certificates sold by affiliates, and schedule 'Z' relates to similar obligations, if any, sold by your bank.

"A separate schedule, both 'X' and 'Y,' should be submitted covering each affiliate. If your bank has no affiliates, as defined for the purpose of this request, schedules 'X' and 'Y' should be returned with the word 'none' clearly written or stamped thereon. Likewise, if your bank has no real estate mortgages, mortgage bonds, or mortgage participation certificates to report on schedule 'Z,' the schedule should be returned with the word 'none' clearly written or stamped thereon.

"All of the information called for by schedules 'X,' 'Y' and 'Z' should be submitted in duplicate, over the signature of an officer of the bank. Three copies of each schedule are inclosed. If your bank has more than one affiliate and, therefore, requires additional copies of schedules 'X' and 'Y,' they should be prepared on your own stationery."

(B-866)