

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-7408

April 12, 1933.

SUBJECT: Deposits of Federal Home Loan Bank.

Dear Sir:

There is inclosed herewith, for your information and guidance, a copy of a letter which the Federal Reserve Board has addressed to the assistant Federal reserve agent at the Federal Reserve Bank of Boston, advising that deposits made by a Federal Home Loan Bank in a member bank may properly be classified by the latter as amounts due to banks in computing its reserves and in preparing its reports of condition.

Very truly yours,

Chester Morrill,
Secretary.

Inclosure.

TO CHAIRMEN OF ALL F. R. BANKS.

April 12, 1933.

Mr. Charles F. Gettemy,
Assistant Federal Reserve Agent,
Federal Reserve Bank of Boston,
Boston, Massachusetts.

Dear Mr. Gettemy:

I regret that, due to pressure of other matters, it has not been possible for me to make an earlier reply to your letters of January 13 and March 30, 1933, inquiring whether deposits made in a member bank by the Federal Home Loan Bank of Cambridge may be classified by the member bank as amounts due to banks in computing its reserve.

A Federal Home Loan Bank is authorized by the Federal Home Loan Bank Act to receive deposits, not subject to check, from its members and nonmember borrowers, and to make loans to its members and nonmember borrowers under certain prescribed conditions. Moreover, the law provides that, when designated for that purpose by the Secretary of the Treasury, it shall be a depository of public money, and it may be employed as a financial agent of the Government. In the latter capacities, it must perform all such reasonable duties as may be required of it.

Upon consideration of this matter, it is the opinion of the Federal Reserve Board that a Federal Home Loan Bank may properly be considered a bank within the meaning of the eighth

Mr. Charles F. Gettemy

-2-

paragraph of section 19 of the Federal Reserve Act and that deposits made by such an institution in a member bank may properly be classified by the latter as amounts due to banks in computing its reserves and in preparing its reports of condition.

Very truly yours,

(Signed) Chester Morrill,
Secretary.