

X-7470

C O P Y.

June 20, 1933.

McKay - Chicago

No interest accruing after June 16, 1933, may be paid by member banks on demand deposits of receivers of insolvent State banks or receivers of insolvent national banks unless payment of such interest is required by contract entered into in good faith which was in force on June 16, 1933. If there was such a contract it may not be renewed or extended and bank must exercise any rights it may have to terminate payment of such interest as soon as possible consistent with its contractual obligations. Not clear what you mean by trust deposits carried in trust department, but if you refer to deposit liabilities of bank payable on demand above principles are applicable.

Chester Morrill