

INTERPRETATION OF BANKING ACT OF 1933

(Copies to be sent to all Federal Reserve Banks)

December 8, 1933.

Mr. C. A. Worthington,
Deputy Governor,
Federal Reserve Bank of Kansas City,
Kansas City, Missouri.

Dear Mr. Worthington:

This is in reply to your letters of September 5 and December 1, 1933, inquiring as to the proper classification for reserve purposes of savings deposits with respect to which the requirement of notice of intended withdrawal has been waived.

It is the opinion of the Federal Reserve Board that the payment by a member bank of all or a part of a savings deposit without required notice of intended withdrawal does not affect the classification of other deposits in the bank and accordingly that it does not convert savings deposits into deposits payable on demand. Deposits which constitute savings accounts within the meaning of Regulation D, therefore, remain savings accounts notwithstanding such a waiver of notice of intended withdrawal and are subject to a corresponding reserve requirement.

Very truly yours,

(Signed) Chester Morrill

Chester Morrill,
Secretary.