

## INTERPRETATION OF BANKING ACT OF 1933.

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(Copies to be sent to all Federal Reserve Banks)

December 11, 1933.

Mr. George W. Norris, Governor,  
Federal Reserve Bank of Philadelphia,  
Philadelphia, Pennsylvania.

Dear Governor Norris:

Receipt is acknowledged of your letters of November 8 and November 21, 1933, regarding the withdrawal of savings deposits. You state that it is the practice of some banks in \_\_\_\_\_ to permit withdrawals from savings deposits without notice, in cases of emergency, of an amount sufficient to meet the emergency, and inquire if, after a statement of the emergency and approval by an officer of the bank, the depositor is allowed to withdraw a specified sum of his savings deposit without notice, the bank must permit the withdrawal of the same specified sum by all depositors without notice.

Under the provisions of subsection (a) of Section VI, Regulation Q, the payment by a member bank of any portion or percentage of the savings deposits of any depositor without requiring notice of intended withdrawal can only be made on condition that, upon request and without requiring such notice, it shall pay the same portion or percentage of the savings deposits of every other depositor which are subject to the same requirement. As indicated in the Board's letter of November 6, 1933, (X-7671), the word "portion", as here used, is to be interpreted as including a specified amount. The Board is of the opinion, therefore, that if a member bank pay any specified sum of a savings

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deposit of a depositor because of an emergency or for any other reason without requiring notice of intended withdrawal, such bank would be required to pay the same specified amount of the savings deposits of every other depositor which are subject to the same requirement regardless of the purpose for which the withdrawals are made. The fact that an emergency exists which justifies the withdrawal of the deposit cannot be regarded as a "requirement" to which such deposit is subject within the meaning of the regulation.

Very truly yours,

(Signed) Chester Morrill

Chester Morrill,  
Secretary.