

X-7856

INTERPRETATION OF BANKING ACT OF 1933.

(Copies to be sent to all Federal reserve banks.)

April 9, 1934.

Mr. M. L. McClure,
Federal Reserve Agent,
Federal Reserve Bank of Kansas City,
Kansas City, Missouri.

Dear Mr. McClure:

Reference is made to your letter of January 20, 1934, in which you ask whether a permit heretofore issued pursuant to the provisions of the Clayton Act which authorizes service as "director" of a bank is valid in case the permittee is now serving as officer as well as director of such bank.

A permit authorizing an individual to serve as a director of a particular bank does not authorize his service as an officer of that bank. However, in such a case it has been the Board's practice not to require the filing of another formal application, but a request by letter that a permit be granted covering his service as officer as well as director has been regarded as sufficient. This procedure may still be followed if the permit to serve as director was based on an application filed on the revised forms issued in connection with the revision of Regulation L, which became effective on November 1, 1933. Such letters should contain the information called for by Question 12 on Federal Reserve Board Form 94, and should

be forwarded to your office so that they may be transmitted to the Board with your recommendation and with any additional information which may have been received by your office since the application was submitted to the Board bearing upon the question whether the revised permit should be granted. However, this procedure should not be followed where the request for a new permit refers to an application filed more than a year previously, and in such a case it is thought desirable to require the filing of a new application in order to assure that the information before the Board will be current.

In view of the fact that the Clayton Act has been amended by the Banking Act of 1933 and that Regulation L and the accompanying forms have been revised, it is felt that the procedure described above should likewise not be followed where the request for a new permit refers to an application submitted on the old forms, but that a new application should be made on the revised forms, since the information before the Board would otherwise not be sufficiently current nor as comprehensive as that now required.

Very truly yours,

(Signed) Chester Morrill

Chester Morrill,
Secretary.